

## Dissenting Report from Centre Alliance

1.1 The Government has not advanced a compelling reason for extending the Newly Arrived Resident's Waiting Period by one year, aside from the \$1.28 billion in revenue it projects it will save over the forward years, mainly through including family tax benefit in the NARWP.

1.2 Given Australia wants to encourage migrants to work and have children, it is illogical to now include benefits such as FTB and paid parental leave in the NARWP, given they are designed to assist parents with the cost of raising young families and to balance work with the care of their children.

1.3 The Chair's report includes a flawed statement (p15 at 2.45) correlating the significant increase in welfare expenditure as a whole over the past 20 years with the fact that the NARWP has not increased in that time. In fact, as has been noted already in the Chair's report, non-humanitarian permanent migrants already have high work participation rates and lower reliance on social services compared to the general population, even after the NARWP ends.<sup>1</sup>

1.4 The initial NARWP introduced in 1993 was six months; it soon became two years and, for purely budgetary reasons, this Bill seeks to extend it to three years. As the inquiry highlighted, these decisions have a real and material impact on people's lives and the NARWP shouldn't be treated as an easy source of revenue or spending cuts. The Australian Council for Social Service submitted that it would be 'near impossible' for people to plan beyond two years after moving to a new country.<sup>2</sup> Migration Council Australia and Settlement Services International argued that the revenue grab proposed by this Bill could represent the start of a slippery slope.

At what point in time do we say that the time limit is sufficient? Our concern is that, if we now increase it to three years, in time it will go to five years and so forth. One of our concerns about doing that is that it characterises a longer and longer period before we define migrants as effectively integrated, settled and part of our community.<sup>3</sup>

On the proposed changes to the eligibility for the family tax benefit, we think this would be the first time Australia discriminated in taxing permanent residents... Discrimination in taxation sets a dangerous precedent which could be extended or applied to other sections of Australian society. If this bill is passed into law, it would be the first time that some Australian residents will be taxed at a higher rate than other Australians simply because of how long they have been residents. Once Australia takes this step, there is no guarantee that other Australians won't be targeted in the future. For example, a future government could decide to

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1 Department of Social Services, *Submission 5*, pp. 3-4.

2 Australian Council of Social Service (ACOSS), *Submission 14*, p. 1.

3 Ms Carla Wilshire, Chief Executive Officer, Migration Council Australia, *Committee Hansard*, 17 April 2018, p. 15.

deny family tax benefit to people under a certain age. A future government may also decide to extend the waiting period for newly arrived migrants from three years to five, or even 10, or exclude recent migrants from government provided health or education.<sup>4</sup>

1.5 This concern was borne out in the 2018-19 Budget delivered on 8 May 2018, which – without even having this Bill come before the Senate for debate – puts forward another year's expansion of the NARWP in order to save a further \$202 million.<sup>5</sup> The Budget papers say this is 'to repair the Budget'. Even if the Government does not expect the measure to pass, and is just using the forecast \$202 million 'saving' to boost the Budget's stated position, it is illustrative. Instead of taking this decision on evidence-backed policy grounds, the Government is treating new migrants as an easy source of revenue and savings with no consideration of the impact such a move might have on individuals and their families.

1.6 Some submitters raised the point that migrants are effectively already blocked from accessing benefits for longer than two years, when the time taken until permanent residency is granted is taken into account.

It's our experience that a sponsored partner waits up to two years after arrival to be eligible for permanent residency. It then often takes another year before their permanent visa is granted. Under the proposed changes, these applicants will face a minimum six-year waiting period until they become eligible for income support, and remain dependent on their sponsor. We believe this is an unreasonably long time for people on the pathway to citizenship to exist without the protections and benefits enjoyed by others in our community.<sup>6</sup>

1.7 This bill also undermines the Federal Government's stated intention to tackle domestic violence among migrant families. The Government has separately proposed the Migration Amendment (Family Violence and Other Measures) Bill 2016, seeking to protect family members from potentially violent sponsors, but at the same time seeks to create an environment that potentially makes domestic abuse victims reliant on sponsors for longer.

1.8 For many migrants, their only 'safety net' within the waiting period is the Special Benefit payment, which is paid at the Newstart or Youth Allowance rate. According to evidence provided to the inquiry by the Department of Social Services, 915 newly arrived migrants claimed Special Benefit in 2016-17, and 1,112 claims were rejected.<sup>7</sup> The payment is for people who cannot claim any other benefit, and successful claimants can then also access a limited range of other benefits. This Bill

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4 Ms Esta Paschalidis-Chilas, Manager of Government and Member Relations, Settlement Services International, *Committee Hansard*, 17 April 2018, pp. 37-38.

5 Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2018-19*, p. 172.

6 Professor Shelley Mallett, General Manager, Research and Policy Centre, Brotherhood of St Laurence, *Committee Hansard*, 17 April 2018, p. 1.

7 Mr Shane Bennett, Group Manager Payments Policy, Department of Social Services, *Committee Hansard*, 17 April 2018, pp. 50, 53.

clarifies that migrants have to prove a substantial change in circumstance since applying for a permanent visa (or since their first day in Australia after applying), on top of the usual criteria of financial hardship due to circumstances beyond their control.

1.9 A number of submissions and witnesses raised concerns about the very high bar that must be achieved by migrants in order to be eligible to receive this payment, and they gave evidence that a number of destitute migrants still fall through the cracks, either because they don't qualify for, or know about, the Special Benefit payment.<sup>8</sup>

The 'substantial change in circumstances beyond a person's control' test does not capture the experience of many newly arrived migrants, including skilled migrants who had a legitimate expectation of work but became unemployed, or those who were not fully aware of the cost of living in Australia and exhaust their savings whilst in precarious employment.<sup>9</sup>

1.10 Given the Special Benefit payment is designed to help people in severe financial hardship who cannot access any other benefit, it seems unnecessary to apply a NARWP to it. This sentiment was also expressed by the National Social Security Rights Network in its submission.

1.11 The inquiry heard concerns that extending waiting periods for particular benefits could expose migrants from non-English speaking backgrounds to exploitation in order to make ends meet.

Migrant women, we know from statistics, are at risk of exploitation, including slavery and forced marriage, because of their limited networks and access to support. We believe that the proposed changes will expose migrant women to greater risk of exploitation and violence by limiting their access to financial assistance.<sup>10</sup>

If income support is not available for a longer period, we are very concerned that migrants and their families and their children will either fall into poverty or fall prey to exploitation. Exploitation of migrant workers is well documented where they will accept any substandard work conditions in order to survive. Extending the waiting period will only exacerbate this vulnerability. Any costs saved from extending the waiting period may well end up being costs spent in dealing with the fallout from the destitution.<sup>11</sup>

I can quote cases of asparagus pickers and other groups in my time in that area. I know from firsthand experience the exploitation that occurs. Some

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8 See for instance ACOSS, *Submission 14*, p. 3 and Migration Council of Australia, *Submission 10*, p. 5.

9 National Social Security Rights Network, *Submission 15*, p. 7.

10 Ms Hutch Hussein, Senior Manager, Refugees, Immigration and Multiculturalism, Brotherhood of St Laurence, *Committee Hansard*, 17 April 2018, p. 6.

11 Ms Leanne Ho, Executive Officer, National Social Security Rights Network, *Committee Hansard*, 17 April 2018, p. 27.

of them feel they are obliged to work in exploitative situations because of the potential for them to lose benefits or not be eligible for benefits.<sup>12</sup>

1.12 In addition, some witnesses also referred to the inadequacy of settlement services to help non-humanitarian migrants settle more easily and successfully in their new home. Migration Council Australia said the current system of settlement support was dated and had not kept up with changes to the migration program.<sup>13</sup> This was emphasised by the National Social Security Rights Network which said migrants can face difficulty securing jobs they are qualified for, and that "it's actually coordination between the immigration system and employment policies that is most likely to increase employment outcomes and reduce the need for income support."<sup>14</sup>

1.13 As the main committee report notes, the Multicultural Youth Advocacy Network Australia raised an interesting point that orphaned children who arrive on 115 and 117 visas must serve a NARWP despite coming from often difficult or traumatised backgrounds, and this could serve to disenfranchise them and impose further hardships on the remaining family who sponsor them. In 2016-17, fewer than 300 youths arrived in Australia on these visas.<sup>15</sup>

1.14 I also note the points made regarding the retrospective effect of the Bill.<sup>16</sup> Centre Alliance does not support retrospective changes to any laws. People should always be able to act with certainty, and this Bill would seek to apply a longer NARWP to visas granted after July 2018 (or 1 January 2019) - capturing applications which are already in the system and awaiting processing.<sup>17</sup> If passed, it should only apply to visa applications made from a future date.

### **Recommendation 1**

**1.15 That the Social Services Legislation Amendment (Encouraging Self-sufficiency for Newly Arrived Migrants) Bill 2018 be rejected in its current form.**

### **Recommendation 2**

**1.16 That the NARWP for the Special Benefit payment be removed for all visa classes.**

### **Recommendation 3**

**1.17 That the Federal Government consider exempting 115 and 117 visas from the NARWP scheme, in line with the treatment of humanitarian visas.**

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12 Mr Eddie Micallef, Immediate past chair, Ethnic Communities' Council of Victoria, *Committee Hansard*, 17 April 2018, p. 31.

13 Ms Wilshire, *Committee Hansard*, 17 April 2018, p. 19.

14 Ms Ho, *Committee Hansard*, 17 April 2018, p. 23.

15 MYAN, *Submission 15*, p. 6.

16 Mr Ali Mojtehed, Principal Solicitor, Immigration Advice and Rights Centre, *Committee Hansard*, 17 April 2018, p. 11.

17 Department of Social Services, *Submission 5*, p. 6.

**Recommendation 4**

**1.18 That the Minister for Citizenship and Multicultural Affairs and Minister for Social Services consider the sufficiency of services to assist and support migrants in their first two years – particularly those not sponsored by employers - to settle successfully, understand their rights and, where appropriate, move into employment appropriate to their skills.**

**Senator Stirling Griff**

