

## QUESTION TAKEN ON NOTICE

### BUDGET ESTIMATES HEARING : 23 May 2017

#### IMMIGRATION AND BORDER PROTECTION PORTFOLIO

#### **(BE17/124) - Community sponsor program - Costs relative to usual program - Programme 2.4: Refugee and Humanitarian Assistance**

Senator Pratt, Louise (L&CA 82 and 83) asked:

Senator PRATT: Does that include access to income support?

Mr Wilden: They get access to Medicare, AMEP, employment services and social security, as do other humanitarian entrants, but I said at the beginning I would like to give you on notice exactly what the breakdown of those particular social security benefits is.

Senator PRATT: Mr Groves, are you saying they are excluded from social security access for the first year in your costings?

Mr Groves: I will have to take that on notice.

Mr Wilden: I believe it is the working age payments that they may be ineligible for.

Senator PRATT: For the first year?

Mr Wilden: They are eligible for some social security benefits but not the full tranche for the first year.

Mr Groves: That is consistent with my advice as well. It is the access to the government funded working age payments for the first 12 months.

Senator PRATT: So it is a \$6 million saving over the forward estimates through that cohort of 1,000 people not being eligible for income support over that 12 months.

Mr Wilden: And the humanitarian settlement services.

Senator PRATT: Have you included in that saving the additional revenue?

Mr Groves: No. The additional revenue is over and above that. The additional revenue associated with the visa application charges is basically \$6 million a year over each of the four years of the forward estimates.

Senator PRATT: So it is \$12 million—

Mr Groves: No, it is \$24 million. There are implementation costs associated with the measure around implementing it and running it which have to be offset on all of that.

Senator PRATT: What are the costs for this cohort of people relative to 1,000 people who would come through the usual program?

Mr Groves: I do not have the detail; I only have the macro numbers around the measure. We would have to take that on notice. The detailed assumptions were per person.

*Answer:*

Under the Community Support Programme (CSP), proposers will be responsible for the cost of any government funded working age payments for the first twelve months through the imposition of an Assurance of Support (AoS), whereby the CSP proposer repays the Commonwealth any working age welfare payments accessed by entrants.

The AoS will not limit access to social welfare by CSP entrants but rather transfer the working age payments costs to the assurer by imposing an obligation to repay the Commonwealth.

Costings for proposals to change the intake under the standard Humanitarian Programme are completed in a way that quantifies the cost/benefit to the Budget from the proposed change. For example, a proposal to increase the Programme from 13,750 places to 16,250 places would be costed at a whole-of-government level to determine the impact on the Budget of the additional 2,500 places.

For an additional intake of 1,000 places in the Humanitarian Programme for 2017-18, the estimated expenses over the forward estimates would be \$25.5 million.

The policy intent of the CSP is such that an entrant will not impose any travel, social welfare or settlement expenses on the Commonwealth in the first 12 months of residency. On this basis, the estimated expenses for 1,000 entrants in 2017-18 under the CSP are \$14.8 million over the forward estimates.

Programme settings under the CSP seek to reduce uptake of social welfare by prioritising work ready entrants to improve future employment outcomes. In addition, proposers will be incentivised to quickly facilitate entrants into employment and financial independence. These settings may result in further savings to the Budget, however they have not been specifically modelled.

Proposers under the CSP pay a Visa Application Charge (VAC) of \$2,680 upon application, plus an additional \$16,444 for primary applicants and \$2,680 for each dependent applicant upon visa grant. In the example for 1,000 entrants in 2017-18, this will generate approximately \$6 million in revenue over the forward estimates.