

Victorian Multicultural Commission

Submission to the Senate Standing Committees on Community Affairs on the Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

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Submission to the inquiry into consistent waiting periods for newly arrived migrants

The Victorian Multicultural Commission (VMC) welcomes the opportunity to make a submission to the Senate Standing Committee on Community Affairs on the *Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021*.

The VMC is an independent statutory body that strengthens cultural diversity in Victoria through consultation, advocacy, celebration and promotion. It is one of the main conduits between Victoria's multicultural communities and government.

Current Waiting Periods & The Federal Government's Proposal

The current waiting periods for new residents under the Newly Arrived Resident's Waiting Period (NARWP) are:

- No wait: Family Tax Benefit Part B
- One-year wait: Family Tax Benefit Part A, Carer Allowance
- Two-year wait: Carer Payment, Paid Parental Leave, Dad and Partner Pay
- Four-year wait: JobSeeker Payment, Youth Allowance, Special Benefit and Parenting Payment.

The Federal Government proposes to apply a four-year waiting period to all of the above for people who are granted a permanent visa from 1 January 2022.

Australia's Multicultural Diversity and the Benefits Derived

Australia is one of the most culturally diverse and successful multicultural societies in the world. A diversity, which as a consequence of our migration program, has been increasing. The proportion of Australia's population were either born overseas or having at least one parent who was born overseas increased from 40.4% in 2006 to 45.4% in 2016 (ABS Census). Victoria's corresponding demographics increased from 43.6% to 49.1% and Greater Melbourne increased from 51.2% to 57.1%.

Migration has been integral to the economic, social and cultural development of Australia, making us a richer society and more competitive on a global market. There are considerable social, cultural and economic benefits arising from our migration program including offsetting our ageing population, productivity gains, providing skills and qualifications for which the nation has not had to pay for, establishing businesses and providing trade, educational, artistic and tourism links with their respective countries of origin as documented in various reports including:

- the *2021 Intergenerational Report*¹

¹ The *2021 Intergenerational Report*¹ https://treasury.gov.au/sites/default/files/2021-06/p2021_182464.pdf

- CEDA's 2021 Migration Report²
- Migration Council of Australia's *The Economic Impact of Migration*.³

Importantly, our success in developing a relatively successful multicultural and socially cohesive society has been the product of a combination of factors including collaborative leadership at the political and community levels, and a range of targeted policies, programs and legislation, designed to facilitate inclusion, equality of opportunity and access and a sense of belonging.

It is on this basis and the following observations and concerns that **the VMC opposes the proposal to extend the NARWP to four years across all payments:**

1. any further diminishment of eligibility may undermine inclusion, sense of belonging and successful settlement outcomes
2. while consistency across all payments may simplify communication efforts, that should not be a primary consideration in determining policies and entitlements. The fact is many federal and state government programs have varying eligibility criteria. Alternatively, for consistency, the longer NAWRPs could be reduced to a shorter waiting period
3. migration will be critical to Australia's post pandemic recovery
4. in a globally competitive environment for skilled migrants, extending eligibility may undermine Australia as a destination. For example, Canada, where there is no waiting period to receive any social benefits once you are a permanent resident, may become more attractive
5. The NAWRP is inconsistent with Australia's international obligations as set out through the *Universal Declaration of Human Rights*, Article 9 of the *International Covenant on Economic, Social and Cultural Rights*, Article 5 of the *International Convention on the Elimination of All Forms of Racial Discrimination*
6. investment in well targeted settlement programs, skills recognition and employment pathways commensurate with the qualifications and experience that migrants bring is more likely to deliver sustained economic benefits not only for the individuals and families but also on the budget bottom line
7. As ACOSS's briefing note⁴ on this matter references, "*the Department of Social Services expects 45,000 families and 13,200 individuals who are granted a permanent visa on or after 1 January 2022 to lose social security that they would otherwise be eligible for. ACOSS expects that the vast majority of people will be affected will be women and children as the payments affected are provided to people providing care. The people affected would also likely be in low-paid employment.*" NAWRP causes financial hardship including placing migrant women and children at a greater risk of poverty
8. When the *Social Services and Other Legislation Amendment (Encouraging Self-sufficiency for Newly Arrived Migrants) Bill 2018* was proposed the then-Minister for Families and Social Services stated in Parliament:

The government has circulated amendments to retain the existing waiting period for the carer payment and reduce the length of the new waiting period for carer allowance, family tax benefit, parental leave pay, and dad and partner pay. These changes respond to concerns raised during the Senate committee inquiry process into the bill and reflect that these payments support particular needs and costs for eligible individuals and families. The new arrangements provide a more proportionate increase for payments which will have a waiting period introduced for the first time.

² CEDA's 2021 Migration Report² <https://www.ceda.com.au/Admin/getmedia/150315bf-cceb-4536-862d-1a3054197cd7/CEDA-Migration-report-26-March-2021-final.pdf>

³ Migration Council of Australia's *The Economic Impact of Migration*³ <https://migrationcouncil.org.au/wp-content/uploads/2021/04/The-Economic-Impact-of-Migration.pdf>

⁴ *Why parliament must oppose the Newly Arrived Resident budget cut*, ACOSS, May 2021. <https://www.acoss.org.au/wp-content/uploads/2021/05/Briefing-note-four-year-wait-for-migrants.pdf>

Importantly, under the government amendments, family tax benefit part B will not be subject to a waiting period. This means that single-parent migrant families, or those who have one main income earner, will continue to be supported to balance work and caring responsibilities, particularly when their children are younger.⁵

The proposed Bill goes against the above acknowledgement for the need for a varied response to assure those most in need and/or whose circumstances have changed beyond their control retain support. The proposed changes would effectively target carers of children, the elderly and people with disabilities.

9. the projected savings of \$671m over five years may well be offset by demands on support services from those most in need and vulnerable, potentially magnified further through family and wellbeing breakdowns
10. demands on other support services are potentially cost shifting to state and local governments as well as NGO's and community organisations
11. the previously mentioned report by CEDA recommends that NARWP for unemployment benefits should be reduced from four years to six months in order to give skilled migrants a better chance of finding the right job. *"Research suggests increases to the waiting period since the late 1990s have exacerbated skills mismatch, while delivering only modest annual savings to the federal budget".*
12. the VMC acknowledges that the Federal Government, as per Minister Tudge's second reading speech⁶, has stated that it will maintain all existing exemptions from the waiting period, which are *"designed to provide safeguards for certain groups of migrants, including potentially vulnerable individuals and families, and people who have had a substantial change of circumstances."* Notwithstanding the importance of the previous matters raised and the VMC's opposition, should the proposed changes come into effect, the genuine and compassionate application of these exemptions will be critically important to safeguarding the wellbeing of the vulnerable and those whose circumstances have changed. Further, the guidelines for exemptions should be reviewed and be simplified to ensure that unintended barriers are removed, particularly as they may impact on those who have experienced or are at risk of family violence, homelessness and other hardships. Such a review be undertaken in partnership with the community and incorporate additional safeguards to protect the most vulnerable.

In conclusion, the VMC is opposed to the proposed amendments and recommends that the Bill not be passed.

If you would like to discuss any aspect of this submission, please do not hesitate to reach out either to myself at _____ or Hakan Akyol at _____

Yours sincerely

Vivienne Nguyen AM
Chairperson

⁵ Commonwealth, *Parliamentary Debates*, House of Representatives, 28 November 2018 at 11806 (Paul Fletcher, Minister for Families and Social Services).

⁶ https://parlinfo.aph.gov.au/parlInfo/genpdf/chamber/hansardr/eb97f924-9ac6-4ef0-a3d7-0b15830be9b1/0043/hansard_frag.pdf;fileType=application%2Fpdf