

# Why parliament must oppose the Newly Arrived Resident budget cut

May 2021

## What is this cut and why does it matter?

The government announced it would apply a four-year wait to family and carer social security payments, as well as Paid Parental Leave for people who are granted a permanent visa from 1 January 2022.

### **The following waiting periods currently apply to new residents under the Newly Arrived Resident's Waiting Period:**

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

### **The government wants to apply a four-year wait to Family Tax Benefit Parts A & B, Carer Allowance, Carer Payment, Paid Parental Leave and Dad and Partner Pay.**

This will cut \$671m from the social security budget over five years.

**ACOSS strongly opposes this cut because it will deny people in need essential support to raise children and care for loved ones.**

## How many people will be affected?

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 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.

Humanitarian visa holders are exempt from serving the Newly Arrived Resident's Waiting Period.

## Shouldn't migrants support themselves?

As Economic Justice Australia has highlighted, many migrants spend years working in Australia before they can access permanent residency.<sup>1</sup> The denial of Family Tax Benefit for four years from when a permanent visa is granted will hurt children born in Australia who have migrant parents. FTB Part A is paid per child, and FTB Part B is paid to single-income families (many of whom are single parents). These children will likely be living in poverty as a result, as FTB is a critical payment for low-income families, including families in low-paid work.

As Carer Payment and Allowance would also be subjected to a four-year wait if the legislation passes parliament, migrants who end up taking on a caring role will be denied support to do so. This will likely end up costing governments more as people end up in formal care settings like residential aged care.

## What parliament must do

ACOSS is urging the Federal Parliament to oppose these cuts, which only serve to deny migrants, especially women and their children essential payments that help prevent poverty. It will also undermine efforts elsewhere in the budget to improve the safety and economic security of migrant women (such as the \$29.3m over three years to support refugee women and other migrant women's safety and social economic inclusion).<sup>2</sup>

---

<sup>1</sup> Economic Justice Australia (2021) 'Briefing: Budget 2021 Social Security Measures' [https://www.ejaustralia.org.au/wp/wp-content/uploads/EJA-Budget-Briefing\\_2021-2022-V3.pdf](https://www.ejaustralia.org.au/wp/wp-content/uploads/EJA-Budget-Briefing_2021-2022-V3.pdf)

<sup>2</sup> Treasury (2021) 'Budget Paper No. 2' [https://budget.gov.au/2021-22/content/bp2/download/bp2\\_2021-22.pdf](https://budget.gov.au/2021-22/content/bp2/download/bp2_2021-22.pdf) p.83