

Social Services Legislation Amendment (Consistent Waiting Periods for New Migrants) Bill 2021

Submission to Senate Community Affairs
Legislation Committee

27 July 2021

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Summary

This bill would deny social security to people in need for up to four years. It denies single parents, carers, new parents and children essential payments, leaving them with no income at all. It would target women (and their children) as the payments affected are overwhelmingly received by women providing care.

ACOSS strongly opposes the bill and urges the Committee to recommend it not be passed.

There are already four-year waiting periods for key payments like JobSeeker, Parenting Payment and Special Benefit. These waiting periods mean that people in need cannot access vital income support payments to help them cover essential costs like rent and food.

ACOSS further recommends that the Newly Arrived Resident's Waiting Period be reduced across all payments, and that there be no waiting period for Family Tax Benefit, Carer payments, Paid Parental Leave and Special Benefit.

The Bill would undo safeguards implemented in 2018

In 2018 the government extended the Newly Arrived Resident's Waiting Period to four years for JobSeeker, Youth Allowance, Parenting Payments, Austudy and Special Benefit. These changes took effect on 1 January 2019.

The government did not apply a waiting period for Family Tax Benefit Part B (which supports single parent and single-income families), and applied a one-year wait for Family Tax Benefit Part A (which is a payment paid per child). Carer and parental leave payments were also safeguarded from a four-year wait (see figure 1).

Figure 1: Newly Arrived Resident's Waiting Periods by payment type since 2018

Payment	Pre-January 2019 changes	Current	Proposed	Increase in years
JobSeeker, Parenting Payment, Special Benefit, Youth Allowance, Austudy	Two years	Four years	No change	No change
Carer Payment	Two years	Two years	Four years	Two
Carer Allowance	No waiting period	One year	Four years	Three
Family Tax Benefit Part A	No waiting period	One year	Four years	Three
Family Tax Benefit Part B	No waiting period	No waiting period	Four years	Four
Parental Leave payments	No waiting period	Two years	Four years	Two

The government initially proposed a three-year wait across all income support payments. It then later announced that waiting periods would be four years for some income support payments, but Family Tax Benefit and Carer Payment would not be extended to four years to support those in the greatest need. At the time, then Social Services Minister Paul Fletcher said, "These changes also ensure that support is there for those who need it most" and that "no waiting period will be applied for Family Tax Benefit Part B, which will mean continued support to single parent migrant families or those who have one main income earner so they can balance work and caring responsibilities."¹

¹ Minister for Social Services Paul Fletcher (2018) 'Waiting periods for newly arrived residents' <https://formerministers.dss.gov.au/18669/waiting-periods-changed-for-newly-arrived-residents/>

This bill would undo these safeguards, instead imposing the single biggest increase in waiting period times in the history of the Newly Arrived Resident's Waiting Period (zero to four years for Family Tax Benefit Part B).

These new waiting periods would apply to people who are granted a permanent visa from 1 January 2022. The government expects this to cut \$671m from the social security budget over five years.

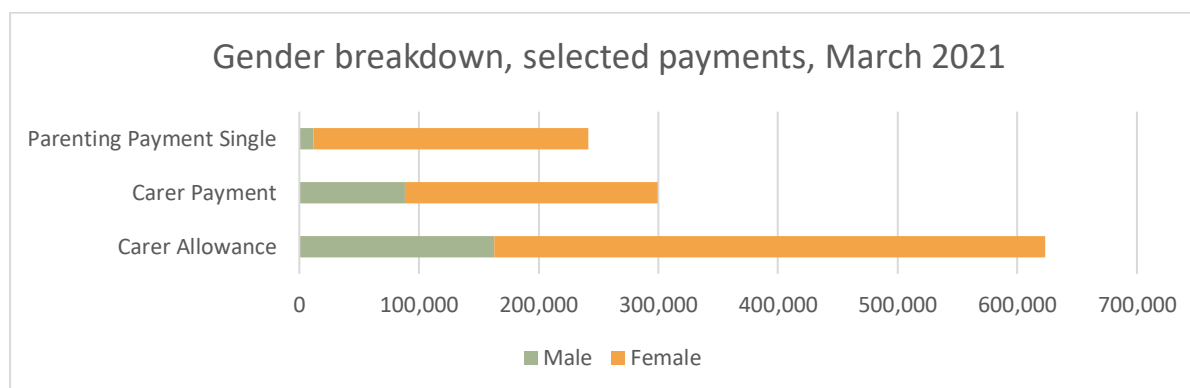
ACOSS strongly opposes this cut because it would deny people in need essential support to raise children and care for loved ones.

The Bill targets women and children

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.**

ACOSS expects that women and children would comprise the vast majority of people affected by this cut. This bill would cut payments that support people providing care, and women (and their children) currently comprise the vast majority of people receiving them. For example, as Figure 2 shows, more than 70% of people currently receiving Carer Payment and Carer Allowance are women. Ninety-five per cent of people receiving Parenting Payment Single – people who would also receive Family Tax Benefit Parts A & B – are women. The four-year wait for Paid Parental Leave would almost exclusively affect women.

Figure 2: Gender breakdown of carer and parenting payment single, March '21



Source: Department of Social Services, March '21 Demographics Data

When the Federal Government attempted to expand waiting periods to three years for all payments back in 2018, **it expected that 110,000 children would be affected by the social security cuts.**² Considering that the same

² Shane Bennett, Department of Social Services (2018) '2017-18 Additional Estimates Hearing', *Committee Hansard*, 1 March, p. 84.

payments would be cut by this legislation, ACOSS estimates that a similar number of children would live in homes that would lose income if this bill proceeds.

Humanitarian visa holders will continue to be exempt from serving the Newly Arrived Resident's Waiting Period.

We must ensure support is available people who need it

The onset of the pandemic last year showed the importance of an adequate safety net to support individuals and their communities. In March 2020, the Federal Government temporarily waived the Newly Arrived Resident's Waiting Period for 12 months, which allowed more than 56,000 additional people to receive income support. This waiver was most welcome, and helped people keep their housing and cover the cost of basics as the country went into recession.

When the waiver was removed at the end of March this year, 24,000 people serving a waiting period immediately lost access to income support, including almost 17,000 receiving JobSeeker Payment.³ Many who lost this support have had to rely on charity. Parents with one income and single parents would have likely been able to receive Family Tax Benefit Part B, and possibly Part A (if they had already served the existing one-year wait). However, had this Bill been in effect, they would have not received even Family Tax Benefit, leaving them and their children without any income at all.

If this Bill passes Parliament, much needed support will not be available to:

Parents and children: 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. These children will likely live in poverty as a result, as Family Tax Benefit is a critical payment for low-income families, including families in low-paid work.

Carers, older people and others in need of care: As Carer Payment and Allowance would also be subjected to a four-year wait, migrants who end up taking on a caring role would be denied support to do so. This would likely end up costing governments more as people end up in formal care settings like residential aged care.

New parents and their babies: Parents in casual employment or jobs that do not offer paid parental leave would be left without any paid parental leave entitlements. Latest data show that just under half of all non-public employers do not offer paid parental leave.⁴ Paid parental leave is much lower in certain sectors, such as administrative and support services (25.1%), retail trade

³ Department of Social Services (2021) Senate Estimates (Social Services), 3 June, https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ca/2021-22_Budget_estimates

⁴ Workplace Gender Equality Agency 'Parental Leave' <https://www.wgea.gov.au/parental-leave>

(21.3%) and food services (20.6%).⁵ Migrants working in these sectors face having a baby without any income at all. This is not how a wealthy country like Australia should be treating people who wish to stay permanently and raise their family.

Victims of domestic and family violence: The heavily gendered nature of these cuts threatens efforts by governments to address violence against women. We know that financial security is critical to supporting women to leave an abusive partner. Denying women carer and family payments would force many to remain with an abusive partner because they cannot afford to leave.

People live and work in Australia for years before obtaining permanent residency

Income support is generally only available to people with permanent residency. Many migrants have lived and worked here for years before obtaining permanent residency.⁶ Waiting times for the processing of permanent visas are 12 months to two years or more.⁷

This means that people often live and work in Australia for several years before they get permanent residency, from which point onwards the Newly Arrived Resident's Waiting Period starts. For some, this Bill could mean it would be almost a decade before they could access any kind of income support.

Recommendation: the Parliament must oppose this bill

ACOSS urges this Committee, and the Federal Parliament, to oppose these cuts, which only serve to deny permanent residents essential payments that help prevent deep poverty.

ACOSS also recommends that Parliament passes legislation to reduce waiting times for income support payments, including removing the waiting period for Family Tax Benefit, Carer payments, Special Benefit and Paid Parental Leave.

Contact

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⁵ Workplace Gender Equality Agency (2019) 'It's the luck of the draw for parental leave' <https://www.wgea.gov.au/newsroom/its-the-luck-of-the-draw-for-parental-leave>

⁶ 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

⁷ Department of Home Affairs, 'Visa processing times' 19 July 2021 <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-processing-times/global-visa-processing-times>



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