

ECR-2025-3866

Immigration - Family Reunions - Abolish the newly arrived residents waiting period								
Party:	Australian Greens							
Summary of proposal:								
The proposal would abolish the newly arrived residents waiting period (NARWP).								
The proposal would start on 1 July 2026.								
Additional information (based on further advice provided)								
The proposal would apply to all permanent resident visa subclasses.								

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$2.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The financial implications are sensitive to the assumed eligible population, which in turn is sensitive to the assumptions around the prospective new migrants holding relevant visas and their interaction with the social security system.

Table 1: Immigration - Family Reunions - Abolish the newly arrived residents waiting period – Financial implications (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-996.9	-895.5	-926.8	-2,819.2
Underlying cash balance	-	-996.9	-895.5	-926.8	-2,819.2

<sup>(</sup>a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

#### Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The eligible population would access social security payments at the same rate as the overall population of Australia.
  - The eligible permanent resident visa holders at Age Pension age (67 years or above) would access the Commonwealth Seniors Health Card at the same rate as the Australian pension age population.

<sup>(</sup>b) PDI impacts are not included in the totals.

Indicates nil.

- The eligible cohort for the payments would be around 87% of the forecasted visa finalisation numbers. This is based on the average visa grant rate of the permanent Migration Program.
- The proposal would apply to permanent residents who arrive in Australia from 1 July 2026. This would include a portion of permanent residents whose permanent visas are granted in 2025-26.
  - All existing recipients would serve the minimum waiting period to receive the payments required under the current NARWP policy.
- The proposal would impact on personal income tax revenue, but the impact would not be significant. As such, it has not been included in this costing, consistent with the approach taken for the 2021-22 Budget measure *Apply a Consistent Four-Year Newly Arrived Resident's Waiting Period Across Payments*.
- Over the medium term, the number of eligible permanent resident visa holders would be equal to the average of the last 2 years of the forward estimates period.

## Methodology

Administered expenses were calculated by multiplying the expected number of additional recipients for each applicable payment by the average payment rate for that payment.

The number of additional recipients for each applicable payment in each year was calculated by multiplying the size of the relevant migrant cohort by the proportion of the current Australian population in receipt of that payment.

- The number of new permanent visa holders was based on the number of permanent visa holder finalisations provided by the Department of Home Affairs.
- The number of temporary partner visas was provided by the Department of Home Affairs.

Over the forward estimates period, the average payment rate and the proportion of the population who receive each payment were provided by the Department of Social Services. The estimates were projected over the medium-term using an existing PBO model. The model factors in indexation arrangements, historical usage rates and economic parameters such as the unemployment rate to project recipient numbers and payment rates.

Departmental expenses were estimated by multiplying additional eligible recipients in each year by the cost per recipient provided by Services Australia.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

#### Data sources

Services Australia provided the departmental expenses for administering additional payments as at the 2025-26 Budget.

The Department of Home Affairs provide the forward estimates for visa finalisations as at the 2025-26 Budget, provided on 28 May 2025.

The Department of Social Services provided the forward estimates for welfare recipients and payment rates as at the 2025-26 Budget.

<sup>&</sup>lt;sup>1</sup> https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

The Treasury and Department of Finance provided economic parameters and population projections as at the 2025-26 Budget.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

Department of Home Affairs, Migration program statistics, accessed 12 May 2025.

Services Australia, <u>Exemptions from the newly arrived resident's waiting period - Special</u> Benefit, accessed 12 May 2025.

Services Australia, Newly arrived resident's waiting period - Carer Allowance, accessed 12 May 2025.

# Attachment A – Immigration - Family Reunions - Abolish the newly arrived residents waiting period – Financial implications

Table A1: Immigration - Family Reunions - Abolish the newly arrived residents waiting period - Fiscal and underlying cash balances (\$m)(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
1 year payments	-	-145.0	-116.0	-117.0	-117.0	-118.0	-119.0	-120.0	-121.0	-122.0	-123.0	-378.0	-1,218.0
2 year payments	-	-172.0	-146.0	-152.0	-160.0	-168.0	-175.0	-181.0	-187.0	-193.0	-199.0	-470.0	-1,733.0
4 year payments	-	-652.0	-608.0	-632.0	-654.0	-676.0	-695.0	-711.0	-730.0	-749.0	-768.0	-1,892.0	-6,875.0
Total – administered	-	-969.0	-870.0	-901.0	-931.0	-962.0	-989.0	-1,012.0	-1,038.0	-1,064.0	-1,090.0	-2,740.0	-9,826.0
Departmental													
Services Australia	-	-27.9	-25.5	-25.8	-26.7	-27.6	-28.3	-29.0	-29.7	-30.4	-31.2	-79.2	-282.1
Total – departmental	-	-27.9	-25.5	-25.8	-26.7	-27.6	-28.3	-29.0	-29.7	-30.4	-31.2	-79.2	-282.1
Total – expenses	-	-996.9	-895.5	-926.8	-957.7	-989.6	-1,017.3	-1,041.0	-1,067.7	-1,094.4	-1,121.2	-2,819.2	-10,108.1
Total (excluding PDI)	-	-996.9	-895.5	-926.8	-957.7	-989.6	-1,017.3	-1,041.0	-1,067.7	-1,094.4	-1,121.2	-2,819.2	-10,108.1

<sup>(</sup>a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>-</sup> Indicates nil.

Table A2: Immigration - Family Reunions - Abolish the newly arrived residents waiting period – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-22.0	-65.0	-108.0	-155.0	-205.0	-259.0	-317.0	-379.0	-446.0	-517.0	-195.0	-2,473.0
Underlying cash balance	-	-17.0	-54.0	-97.0	-143.0	-193.0	-246.0	-303.0	-364.0	-429.0	-499.0	-168.0	-2,345.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.<sup>2</sup>
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

<sup>&</sup>lt;sup>2</sup> Online budget glossary – Parliamentary Budget Office (pbo.gov.au)