



**Newly arrived migrant waiting period – rationalise to 5 years**

Party: The Coalition

**Summary of proposal:**

The proposal would change the newly arrived resident's waiting period (NARWP) for all currently applicable visa subclasses to 5 years.

The proposal would start on 1 July 2025.

**Additional information (based on further advice provided):**

- The proposal includes a reduction in the planning levels for the permanent Migration Program from 185,000 places to 140,000 places for 2025-26 and 2026-27, 150,000 places in 2027-28 and 160,000 places from 2028-29 (as costed in *Permanent migration program – reduction (ECR-2025-2038)*).
- The proposal would extend the waiting period for the following payments to 5 years:
  - JobSeeker payment
  - Youth Allowance for job seekers
  - Youth Allowance for students and apprentices
  - Austudy
  - Parenting Payment
  - Farm Household Allowance
  - Special Benefit
  - Mobility Allowance
  - Pensioner Education Supplement
  - Carer Payment
  - Carer Allowance
  - Family Tax Benefit Part A
  - Family Tax Benefit Part B
  - Parental Leave Pay
  - Dad and Partner Pay
  - Commonwealth Seniors Health Card
  - Low Income Health Care Card

## Costing overview

The proposal would be expected to increase the fiscal balance by around \$2.6 billion and the underlying cash balance by around \$2.3 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered and departmental expenses.

The difference between the fiscal and underlying cash balances reflects the time lags between when social security benefits are accrued and paid.

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 of this proposal are uncertain and sensitive to the assumed eligible population, which in turn is sensitive to the assumptions around the population of eligible visa holders and their interaction with the social security system.

**Table 1: Newly arrived migrant waiting period – rationalise to 5 years – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	49.4	315.9	813.4	1,404.9	<b>2,583.6</b>
Underlying cash balance	39.4	275.8	712.7	1,294.1	<b>2,322.0</b>

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

(b) PDI impacts are not included in the totals.

## Key assumptions

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

- The proposal would apply only to visas granted on or after the policy start date.
- The proposal would affect personal income tax revenue, but the impact would not be significant.
  - This is consistent with the approach taken for the 2021-22 Budget measure *Apply a Consistent Four-Year Newly Arrived Resident's Waiting Period Across Payments*.<sup>1</sup>
- In the absence of the proposal, the number of visas granted each year under the permanent migration program would remain constant at the 2024–25 level throughout the medium term.
- There would be an increase in departmental expenses in the early years due to policy implementation, consistent with similar Budget measures.
- The eligible population would access social security payments at the same rate as the overall population of Australia.
- The impact of the proposal on the number of the Farm Household Allowance recipients under the proposal would be negligible and as such is not included in this costing.

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<sup>1</sup> 2021-22 Budget, [Budget Paper No. 2](#)

## Methodology

The administered expenses were calculated by multiplying the expected change in the eligible population for each applicable payment by that payment's average rate.

- The change in the relevant eligible population was calculated by adjusting the aggregate eligible population based on the relative size of the relevant migrant cohort.
- Estimates over the forward estimates period were based on data provided by the Department of Social Services and the Department of Home Affairs, while the medium-term implications were projected by the PBO, factoring in indexation arrangements, historical access to payments, and economic parameter updates.
- The financial implications were scaled to reflect a reduction in the planning levels for the permanent Migration Program, as costed in *Permanent migration program – reduction (ECR-2025-2038)*).

The expenditure split between agencies was based on the 2021–22 Budget measure *Apply a Consistent Four-Year Newly Arrived Resident's Waiting Period Across Payments*.<sup>2</sup>

Financial implications were rounded consistent with the PBO's rounding rules.<sup>3</sup>

## Data sources

The Department of Home Affairs provided the estimates for visa finalisations as of 28 April 2025.

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

Department of Home Affairs (2024) [Migration Program planning levels](#), Department of Home Affairs website, accessed 23 May 2025.

Services Australia provided estimates of the departmental expenses associated with administering payment programs as at the 2025-26 Budget. Commonwealth of Australia, 2023. *2023-24 Mid-Year Economic and Fiscal Outlook*, Canberra: Commonwealth of Australia.

Commonwealth of Australia, 2024. *2024-25 Budget*, Canberra: Commonwealth of Australia.

Commonwealth of Australia (2021) *2021-22 Budget, Budget Paper No. 2*, [Apply a Consistent Four-Year Newly Arrived Resident's Waiting Period Across Payments](#), page 179, Commonwealth of Australia.

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

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<sup>2</sup> 2021-22 Budget, [Budget Paper No. 2](#)

<sup>3</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Newly arrived migrant waiting period – rationalise to 5 years – Financial implications

**Table A1: Newly arrived migrant waiting period – rationalise to 5 years – Fiscal balance (\$m)<sup>(a)</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
<b>Expenses</b>													
<b>Administered</b>													
<i>Department of Social Services</i>	60.0	320.0	780.0	1,340.0	1,930.0	2,170.0	2,100.0	2,000.0	1,820.0	1,900.0	1,940.0	2,500.0	16,360.0
<i>Department of Health and Aged Care</i>	..	5.0	27.5	51.2	73.5	82.8	80.1	76.4	69.3	72.4	74.1	83.7	612.3
<b>Total – administered</b>	<b>60.0</b>	<b>325.0</b>	<b>807.5</b>	<b>1,391.2</b>	<b>2,003.5</b>	<b>2,252.8</b>	<b>2,180.1</b>	<b>2,076.4</b>	<b>1,889.3</b>	<b>1,972.4</b>	<b>2,014.1</b>	<b>2,583.7</b>	<b>16,972.3</b>
<b>Departmental</b>													
<i>Departmental cost</i>	-10.6	-9.1	5.9	13.7	19.7	22.2	21.4	20.5	18.6	19.4	17.2	-0.1	138.9
<b>Total – departmental</b>	<b>-10.6</b>	<b>-9.1</b>	<b>5.9</b>	<b>13.7</b>	<b>19.7</b>	<b>22.2</b>	<b>21.4</b>	<b>20.5</b>	<b>18.6</b>	<b>19.4</b>	<b>17.2</b>	<b>-0.1</b>	<b>138.9</b>
<b>Total – expenses</b>	<b>49.4</b>	<b>315.9</b>	<b>813.4</b>	<b>1,404.9</b>	<b>2,023.2</b>	<b>2,275.0</b>	<b>2,201.5</b>	<b>2,096.9</b>	<b>1,907.9</b>	<b>1,991.8</b>	<b>2,031.3</b>	<b>2,583.6</b>	<b>17,111.2</b>
<b>Total (excluding PDI)</b>	<b>49.4</b>	<b>315.9</b>	<b>813.4</b>	<b>1,404.9</b>	<b>2,023.2</b>	<b>2,275.0</b>	<b>2,201.5</b>	<b>2,096.9</b>	<b>1,907.9</b>	<b>1,991.8</b>	<b>2,031.3</b>	<b>2,583.6</b>	<b>17,111.2</b>

(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.

.. Not zero but rounded to zero.

**Table A2: Newly arrived migrant waiting period – rationalise to 5 years – Underlying cash balance (\$m)<sup>(a)</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
<b>Payments</b>													
<b>Administered</b>													
<i>Department of Social Services</i>	50.0	280.0	680.0	1,230.0	1,770.0	1,990.0	1,930.0	1,840.0	1,670.0	1,740.0	1,780.0	2,240.0	14,960.0
<i>Department of Health and Aged Care</i>	..	4.9	26.8	50.4	72.4	81.5	78.8	75.2	68.3	71.2	72.9	82.1	602.4
<b>Total – administered</b>	<b>50.0</b>	<b>284.9</b>	<b>706.8</b>	<b>1,280.4</b>	<b>1,842.4</b>	<b>2,071.5</b>	<b>2,008.8</b>	<b>1,915.2</b>	<b>1,738.3</b>	<b>1,811.2</b>	<b>1,852.9</b>	<b>2,322.1</b>	<b>15,562.4</b>
<b>Departmental</b>													
<i>Departmental cost</i>	-10.6	-9.1	5.9	13.7	19.7	22.2	21.4	20.5	18.6	19.4	17.2	-0.1	138.9
<b>Total – departmental</b>	<b>-10.6</b>	<b>-9.1</b>	<b>5.9</b>	<b>13.7</b>	<b>19.7</b>	<b>22.2</b>	<b>21.4</b>	<b>20.5</b>	<b>18.6</b>	<b>19.4</b>	<b>17.2</b>	<b>-0.1</b>	<b>138.9</b>
<b>Total – payments</b>	<b>39.4</b>	<b>275.8</b>	<b>712.7</b>	<b>1,294.1</b>	<b>1,862.1</b>	<b>2,093.7</b>	<b>2,030.2</b>	<b>1,935.7</b>	<b>1,756.9</b>	<b>1,830.6</b>	<b>1,870.1</b>	<b>2,322.0</b>	<b>15,701.3</b>
<b>Total (excluding PDI)</b>	<b>39.4</b>	<b>275.8</b>	<b>712.7</b>	<b>1,294.1</b>	<b>1,862.1</b>	<b>2,093.7</b>	<b>2,030.2</b>	<b>1,935.7</b>	<b>1,756.9</b>	<b>1,830.6</b>	<b>1,870.1</b>	<b>2,322.0</b>	<b>15,701.3</b>

(a) 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.

.. Not zero but rounded to zero.

**Table A3: Newly arrived migrant waiting period – rationalise to 5 years – 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
<b><i>Fiscal balance</i></b>	1.0	8.0	30.0	76.0	149.0	244.0	347.0	452.0	556.0	662.0	777.0	115.0	3,302.0
<b><i>Underlying cash balance</i></b>	1.0	6.0	24.0	64.0	131.0	220.0	321.0	426.0	530.0	636.0	749.0	95.0	3,108.0

- (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>4</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.

<sup>4</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)