



## **SENATOR THE HON MATHIAS CORMANN**

Minister for Finance and the Public Service  
Leader of the Government in the Senate

## **THE HON PAUL FLETCHER MP**

Minister for Families and Social Services

### **MEDIA RELEASE**

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#### **Waiting periods changed for newly-arrived residents**

Changes to the Australian welfare payment system that passed Parliament last night will make it more sustainable and fairer.

Passage of the *Promoting Sustainable Welfare Bill* delivers on the Liberal-National Government's commitment to build a welfare system that is fair, targeted and sustainable. It also saves taxpayers \$1.3 billion from the bottom line.

"We are getting on with the job of passing laws to improve our welfare system," said Minister for Finance and the Public Service, Senator Mathias Cormann.

"These changes meet community expectations that our welfare system should encourage greater self-reliance where that is fair and reasonable."

For new migrants granted permanent residency from 1 January 2019, the Newly Arrived Resident's Waiting Period will increase for certain payments and concession cards.

The changes will generally apply to people granted a permanent skilled or family visa on or after 1 January 2019. The new waiting periods will be:

- four years for working age payments, such as Newstart Allowance and concession cards, such as the Low-Income Health Care Card
- two years for Carer Payment, Parental Leave Pay and Dad and Partner Pay, and
- one-year for Carer Allowance and Family Tax Benefit Part A.

“The increased waiting periods reflect the nature of these payments and capacity of skilled and family migrants who come to Australia to work or to be with family, who should be self-reliant during their initial settlement period,” said Social Services Minister Paul Fletcher.

“These changes also ensure that support is there for those who need it most.”

Mr Fletcher said 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.

An increase to the higher income free area of Family Tax Benefit Part A, combined with the higher taper rate, will rebalance payments so that more people on lower incomes will see an increase in their payment.

Changes to better target family payments that will apply from 1 July, 2019 include:

- applying a 30 per cent taper to income above the Family Tax Benefit Part A higher income free area
- providing a one-off increase to the higher income free area to \$98,988 from \$94,316 until 1 July 2021, when indexation will resume
- extending the existing pause – started under the previous Labor government – on indexation for the:
  - Family Tax Benefit Part A higher income free area and Family Tax Benefit Part B primary earner income limit at \$100,000
  - Parental Leave Pay and Dad and Partner Pay income limits at \$150,000 for a further year from 1 July 2020, with indexation to resume on 1 July 2021.

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