



Refugee Council
of Australia

2020-21 FEDERAL BUDGET: WHAT IT MEANS FOR REFUGEES AND PEOPLE SEEKING HUMANITARIAN PROTECTION

KEY POINTS:

- The Federal Government will cut the Refugee and Humanitarian Program back to 13,750 places per year, saving \$911.3 million over the next four years.
- The Department of Home Affairs has allocated \$1.19 billion to spending on Australia's offshore processing regime in 2020-21, following a \$436 million (83%) blowout in expenditure in 2019-20.
- Spending on financial support to people seeking asylum has been reduced to just \$19.6 million in 2020-21, a reduction of \$120.2 million in the yearly spend in just three years.

REDUCTION TO REFUGEE AND HUMANITARIAN PROGRAM

The Government has set a ceiling on the Refugee and Humanitarian Program of 13,750 places per year. Over four years, this measure will result in an overall reduction in expenditure of \$958.3 million and revenue reduction of \$47.0 million. After cutting the program from 20,000 places to 13,750 when elected in 2013, a year later the Abbott Government agreed to a staged but delayed increase to win Senate support to reintroduce temporary protection of refugees who arrived by boat. The program increased to 16,250 places in 2017-18 and reached 18,750 places in 2018-19 but this annual total was achieved just once before the COVID-19 pandemic caused a shortfall of more than 5000 places in 2019-20.

The Government says greater flexibility in the Refugee and Humanitarian Program will allow it to fill the program with more onshore permanent protection applicants, given the COVID-19 travel restrictions. This may reduce the backlog of permanent protection visa grants in Australia, but will result in further reductions for refugees resettled from overseas.

Despite the inevitable funding impact on settlement services resulting from this cut in the program, Ministers Peter Dutton and Alan Tudge say in their joint Budget media release: "The Government will continue to invest to improve settlement and employment outcomes for humanitarian entrants, including through previously announced reforms to the Adult Migrant English Program (AMEP), and developing a reform program for settlement services and the Community Sponsorship Program."

CUTS TO ASSISTANCE FOR PEOPLE SEEKING ASYLUM

The Government will again reduce funding for people seeking asylum who are assisted financially under the Status Resolution Support Service (SRSS) program. The payments, administered by Services Australia (Centrelink), have been reduced from \$139.8 million in 2017-18, to \$93.4 million in 2018-19 and \$39.5 million in 2019-20. The \$52.6 million allocated for this measure in the 2019-20 Budget was underspent by 25%. These savings have been achieved by refusing support services to the majority of people seeking asylum regardless of need. The Government plans to cut its spending in half again, to just \$19.6 million in 2020-21.

BUDGET BLOWOUTS IN OFFSHORE PROCESSING

The Government has allocated \$1.19 billion to its offshore processing arrangements in 2020-21. This is an increase of 23% on the actual expenditure in 2019-20. However, the Government plans to drastically reduce this budget allocation to just \$307.5 million in 2021-22, \$302.2 million in 2022-23 and \$296.1 million in 2023-24.

A comparison with previous Budget papers shows the extent to which offshore processing costs have blown out each year for the past four years. In the 2016-17 Budget, the Government allocated \$880.5 million for offshore processing but its Budget papers a year later showed that the actual expenditure was \$202.4 million (23%) higher at \$1.083 billion. In 2017-18, the budget blowout in

offshore processing was 108%, with \$713.6 million budgeted but \$1.482 billion spent. In 2018-19, the Department of Home Affairs' \$759.9 million budget for offshore processing was overspent by \$397.7 million (52%). In 2019-20, the blowout was 83% - a budget of \$525.6 million but spending of \$961.7 million. In the four years to June 2029, the Department of Home Affairs spent \$4.684 billion on offshore processing, with actual expenditure exceeding budget by \$1.804 billion over that period.

EXTENSION OF REGIONAL COOPERATION ARRANGEMENTS IN INDONESIA

The Government will provide \$41.4 million in 2020-21 to continue funding for the Regional Cooperation Arrangement (RCA) in Indonesia. This arrangement includes funding to the International Organization for Migration (IOM) to prevent the arrival of asylum seekers by boat to Australia and support refugees in Indonesia. Described by the Government as "an essential deterrence and disruption factor in support of Operation Sovereign Borders", this spending is part of a larger allocation of \$104.9 million on regional cooperation, which includes supporting the Bali Process and enhancing the immigration intelligence and border management capabilities of governments in the region.

CHRISTMAS ISLAND DETENTION CENTRE

The Government will provide \$55.6 million in 2020-21 to reactivate the immigration detention facility at North West Point on Christmas Island. The Government anticipates that up to 250 people will be detained at the centre.

FUNDS FOR ADMINISTRATIVE AND JUDICIAL REVIEW

The Government will provide \$7.6 million in 2020-21 to the Immigration Assessment Authority (IAA) to enable its continued role to review decisions made by the Minister, or delegate, to refuse to grant a protection visa to a person seeking asylum who arrived in Australia by sea on or after 13 August 2012 but before 1 January 2014.

The Government will also provide \$35.7 million over four years from 2020-21 in additional resources and judges for the Federal Circuit Court (FCC) to assist with the timely resolution of migration and family law matters.

EXTENSION OF FUNDING FOR YOUTH HUBS

The Government will provide \$12.7 million over two years from 2020-21 to the Department of Home Affairs to improve integration outcomes for humanitarian entrants through the extension of the existing Youth Transition Support and Youth Hub Programs.

SOCIAL COHESION INITIATIVES

The Government will allocate \$62.8 million over five years to social cohesion initiatives, including:

- \$37.3 million over four years to promote Australian values, identity and social cohesion, and counter malign information online;
- \$17.7 million over four years to enhance engagement with multicultural communities
- \$7.9 million over four years to establish a research program to inform initiatives to strengthen social cohesion.
- Reforms to the Adult Migrant English Program to improve English language outcomes for migrants.

MIGRATION PROGRAM

The Government will maintain the 2020-21 Migration Program planning level at 160,000 places. Family Stream places will increase from 47,732 to 77,300 places on a one-off basis for the 2020-21 Migration Program year. Onshore visa applicants and Partner visa applicants where the relevant sponsor resides in a designated regional area will also be prioritised for the 2020-21 Migration Program. However, the Government has introduced an English language requirement for Partner visa applicants and permanent resident sponsors.

ACTION PLAN TO COMBAT MODERN SLAVERY

Ministers Dutton and Tudge announced \$10.6 million over five years to implement the Government's next five-year National Action Plan to Combat Modern Slavery 2020-25. This funding will help equip businesses to manage supply chain risks, provide multi-year grant funding opportunities for

organisations to deliver projects to combat modern slavery in Australia, and assist international partners to address modern slavery and human trafficking.

TOP UP FOR COMMUNITY SERVICES

From 1 July 2021, the Department of Social Services will allocate more than \$44 million a year to top up the base funding for grant programs impacted by the cessation of the Social and Community Services Pay Equity Special Account. More than 500,000 people (about 84% of them women) work in these services, which include youth, disability, family, financial counselling and emergency relief organisations.

SPENDING IN 2020-21 BUDGET – DEPARTMENT OF HOME AFFAIRS

1. BORDER ENFORCEMENT	2019-20 (estd actual)	2020-21	2021-22	2022-23	2023-24
1.1 Border Enforcement	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses	1,135,812	1,064,125	972,877	985,233	976,777
Total	1,135,812	1,064,125	972,877	985,233	976,777
1.2 Border Management					
External expenses	0	8	8	8	8
Departmental expenses	413,469	408,154	347,278	348,073	338,616
Total	413,469	408,162	347,286	348,081	338,624
1.3 Onshore Compliance and Detention					
External expenses	700,376	710,034	651,780	629,008	637,184
Departmental expenses	382,595	357,589	336,221	339,847	326,137
Total	1,082,971	1,067,623	988,001	968,855	963,321
1.4 IMA Offshore Management					
External expenses	875,383	1,123,496	266,193	259,627	253,510
Departmental expenses	86,297	62,949	41,337	42,621	42,597
Total	961,680	1,186,445	307,530	302,248	296,107
1.5 Regional Cooperation					
External expenses	70,205	69,729	28,553	28,981	29,532
Departmental expenses	34,182	35,123	34,030	33,750	33,806
Total	104,387	104,852	62,583	62,731	63,338
2. CITIZENSHIP, MIGRATION, VISAS, HUMANITARIAN ASSISTANCE	2019-20 (estd actual)	2020-21	2021-22	2022-23	2023-24
2.1 Multicultural Affairs and Citizenship	\$'000	\$'000	\$'000	\$'000	\$'000
External expenses	2,309	25,391	1,876	425	431
Departmental expenses	114,474	114,897	110,134	91,174	93,052
Total	116,783	140,288	112,010	91,599	93,483
2.2 Migration					
Departmental expenses	295,689	304,739	293,834	271,314	257,181
Total	295,689	304,739	293,834	271,314	257,181
2.3 Visas					
External expenses	421	-	-	-	-
Departmental expenses	418,447	410,338	367,947	351,071	338,302
Total	418,868	410,338	367,947	351,071	338,302
2.4 Refugee, Humanitarian, Settlement and Migrant Services					
External expenses	440,313	486,889	471,250	438,914	438,525
Departmental expenses	182,144	185,881	164,420	164,697	165,951
Total	622,457	672,770	635,670	603,611	604,476