Refugee Council of Australia

AUSTRALIAN GOVERNMENT – THE TREASURY

2024-25 PRE-BUDGET SUBMISSION

As the national peak body for people from refugee and asylum seeking backgrounds and the organisations and individuals who work with and support them, the Refugee Council of Australia (RCOA) welcomes the opportunity to make a pre-budget submission. While there are many issues that affect people from humanitarian backgrounds, our pre-budget submission focuses on three priority areas for the Australian Government:

1. Increasing the Humanitarian Program
2. Establishing a financial safety net for people seeking refugee protection
3. Increasing assistance to other countries supporting displaced people and to UNHCR

The Refugee Council has included brief background information, the key issues, and recommendations for the Australian Government.

1 Increasing the Humanitarian Program

1.1 The Government's commitments and scaling up options

In its election platform, the Australian Labor Party put forward an aspiration to increase the Humanitarian Intake to 37,000 places: 27,000 places per year in the Refugee and Humanitarian Program, with 10,000 **additional places** set aside for complementary pathways.[1] It is the view of the Refugee Council and many of our members, that the Albanese Government is well positioned to be able to realise its aspirations in a timely and considered manner. With a significant stock of visa applications pending and capacity and willingness within the settlement sector and broader community to scale up resettlement, there is potential to meet and exceed the aspirations to expand Australia's commitment to refugee resettlement.

The Government changed the language in relation to delivering the Humanitarian Program for 2023-24 from a "planning ceiling" to a "planning target." In recent years, the number of visa places allocated within the Humanitarian Program has been described as a 'ceiling' rather than a target, with no requirement to meet this ceiling. The term "ceiling" first appeared in the Budget papers in 2018. Despite assurances at the time that the number of Refugee and Humanitarian visas allocated in the Budget would be filled each year, 13,825 places were left unfilled between 2019-20 and 2021-22.

Table 1 suggests a proposed scaling up of Australia's Humanitarian Program, as well as expanding complementary pathways by unlocking access to family visas under the Migration Program, by making community sponsorship additional to the Program, and by expanding the Skilled Refugee Labour Agreement Pilot (SRLAP)[2] with a view to this becoming an ongoing program. The introduction of a new refugee education pilot should be appropriately costed within the budget to allow for sufficient testing of a new pathway in collaboration with university and other stakeholders. All complementary pathways should be seen as additional places to those planned under the Humanitarian Program, with objectives to expand durable solutions for refugees and displaced people beyond traditional resettlement pathways and with collaboration and meaningful inputs from community, private sector, and education stakeholders.

[1] ALP National Platform 2023. https://www.alp.org.au/media/3569/2023-alp-national-platform.pdf
[2] See https://immi.homeaffairs.gov.au/what-we-do/skilled-migration-program/recent-changes/skilled-refugee-labour-agreement-pilot-program

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The Refugee Council of Australia
is the national umbrella body
for refugees, people seeking asylum
and the organisations and individuals
who support them ● Founded 1981

Table 1: Proposed scaling up of Australia's Humanitarian Program

	2024-25	2025-26	2026-27	2027-28
Resettlement pathways				
Refugee and SHP	18,875	22,875	25,875	28,875
Special intake from Afghanistan	4,125	4,125	4,125	4,125
Total - Humanitarian Program	*23,000*	*27,000*	*30,000*	*33,000*
Additional and complementary pathways				
Community sponsorship[3]	3,000	4,000	5,000	7,000
Skilled refugee labour pathway	1,000	3,000	5,000	7,000
Family reunion (through Migration Program)	Uncapped	Uncapped	Uncapped	Uncapped
Education pilot	20	50	100	200

Recommendation 1 Progressively expand the Humanitarian Program

The Australian Government should progressively expand Australia's response to global resettlement needs by increasing the size of the Humanitarian Program, including shifting the language from a planning ceiling to quota to facilitate stronger planning and accountability, and increasing access to complementary pathways through additional Community Sponsorship places, through the Skilled and Family streams of the Migration Program, and by introducing a new refugee education pathway pilot.

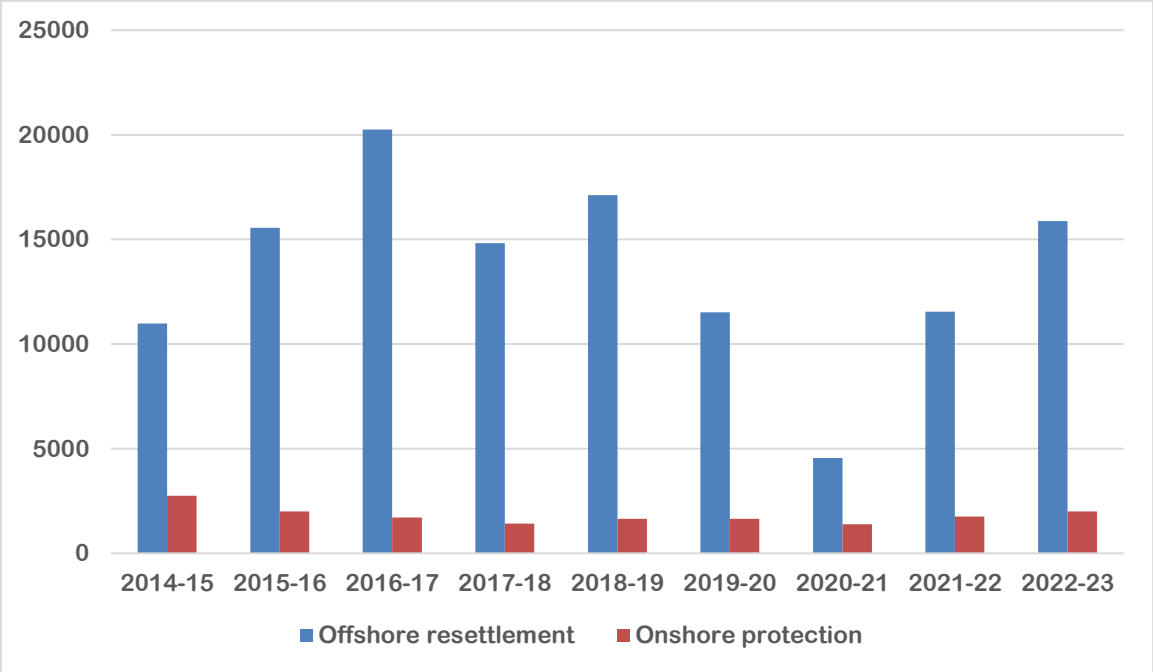
1.2 The problem with the numerical link between the onshore and offshore components

The Humanitarian Program has two components: onshore (for those who are found to be refugees in Australia after arriving on a valid visa) and offshore (those resettled from overseas). The Government sets the number of places in the program each year. Australia is the **only resettlement country in the world** to numerically link onshore refugee grants and offshore resettlement places in one program.

When a person who arrived in Australia on a valid visa (for example a student or tourist visa), makes a refugee claim, and the Department of Home Affairs grants them a Permanent Protection Visa (PPV), they are counted in the Humanitarian Program numbers for the year. In practice, this means the number of PPVs granted per year is unrelated to the number of meritorious applications received. Rather, a **cap on PPV grants is set in relation to Departmental targets for offshore Humanitarian visas** (*Figure 1*). Despite the overwhelming and growing global need for resettlement places, the size of Australia's Humanitarian Program has remained relatively stable for decades, with an average of 14,000 refugee and humanitarian visas granted per annum since 1977-78. In recent years, the number of visa places allocated within the Humanitarian Program has been described as a 'ceiling' rather than a target, with no requirement to meet this ceiling.

[3] Community Sponsorship includes the Community Refugee Integration and Settlement Pilot (CRISP) and Community Support Programs

Figure 1: Offshore and onshore Humanitarian Program visas granted by financial year



The onshore and offshore components should be separate processes. The processes are incompatible with each other, the link has been a key part of the visa processing backlog, and the link has a profoundly negative effect on people facing forced displacement.

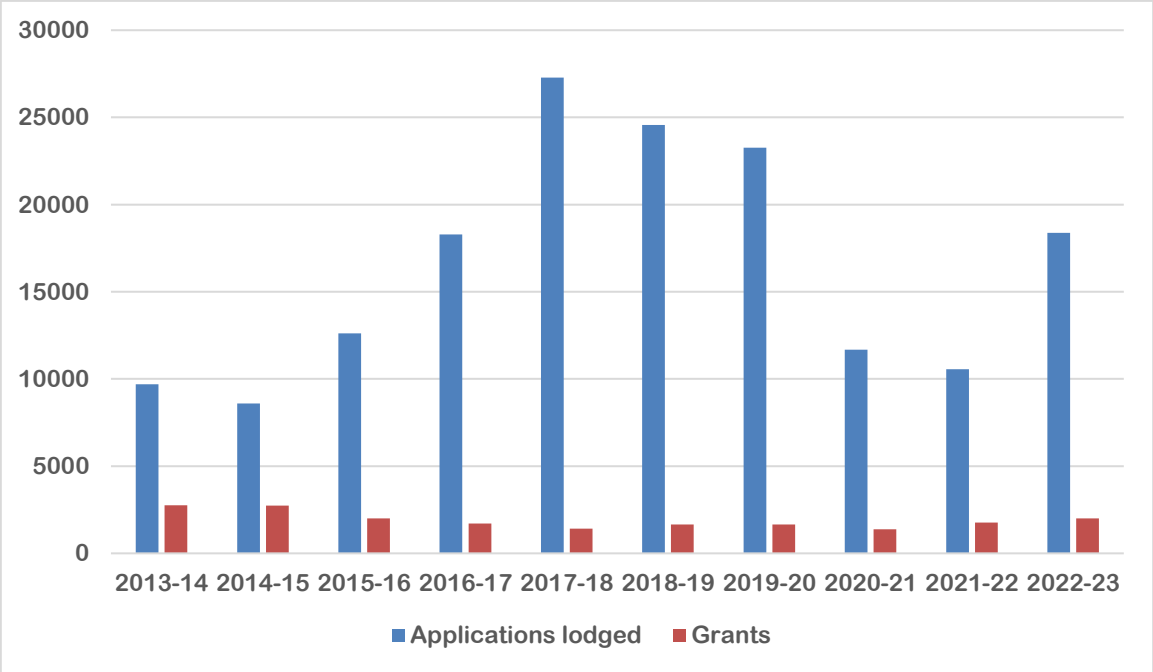
1.3 The cap on onshore Protection Visa grants

While the Australian Government can plan the number of places it chooses to make available to people applying for resettlement from overseas (the offshore Humanitarian Program), setting a cap on the number of onshore PPVs granted per financial year was **determined to be invalid by the High Court** and in breach of Australia's international obligations.[4] Indeed, the number of people needing protection in Australia does not conform to a set quota, and rather, should be demand driven to reflect the actual number of people found to be refugees each year.

Even if this is no longer an official policy, the practice of capping Permanent Protection Visa grants continues. This is evidenced by the fact that the number of PPV grants has declined despite a significant increase in applications (*Figure 2*). In 2019-20 and 2020-21, despite a significant shortfall in offshore humanitarian visa grants due to COVID-19, the cap on onshore PPVs was still maintained (*Figure 1*).

[4] *Plaintiff S297-2013 v Minister for Immigration and Border Protection* [2014] HCA 24; *Plaintiff M150 of 2013 v Minister for Immigration and Border Protection* [2014] HCA 25. See Human Rights Law Centre, Human Rights Case Summaries.

Figure 2: Lodgement and grant of onshore Permanent Protection Visas by financial year[5]



Delinking the components of the Program will mean that an additional 1,400 to 2,000 places will be available for the overseas component of the Humanitarian Program within the current settings and will also ensure that people that Australia finds in need of refugee protection can be granted their permanent visas as soon as they have a positive decision.

Recommendation 2 Separate the onshore and offshore components of the Program

The Australian Government should numerically de-link the onshore component of the Humanitarian Program from the offshore component, in line with practice in all other resettlement countries in the world.

Recommendation 3 Removal of cap or ceiling on the number of onshore visas

The Australian Government should remove any cap or ceiling – officially or informally – on the number of onshore refugee visas granted and move to an uncapped, demand-driven Program like in the family stream of the Migration Program.

2 Establishing a financial safety net for people seeking protection

2.1 Ineligibility for basic support

People seeking refugee protection face major hurdles in accessing government-funded support programs. For example, **most are ineligible for the Status Resolution Support Services (SRSS) Program**, the Federal Program to support people seeking asylum during their protection application process. As a result, they rely on community groups for charity or work in exploitative conditions. The temporary status of this group creates added challenges, such as difficulty accessing women's refuges or homelessness services.

[5] See data at https://www.homeaffairs.gov.au/research-and-statistics/statistics/visa-statistics/live/humanitarian-program

2.2 Quick snapshot of the current situation

- **Financial assistance delivered through the SRSS Program has been cut by 95%** (from $300 million in 2015-16 to $15 million in 2022-23) and the number of people assisted has dropped from more than 13,000 in 2017 to 1,600 in 2023. Expenditure on SRSS financial assistance in 2022-23 ($15 million) was underspent by $22 million.
- **The SRSS program benefits few people but has a high administrative burden**. The SRSS Program eligibility has become so restrictive and narrow that it is benefiting very few but costing a lot in administrative burden to applicants, clients, services, and Departmental staff. The Program lacks transparency and accountability, with a lack of clarity on eligibility criteria, how decisions are made, and why expert clinical evidence is disregarded or not considered in decision-making.
- **The cuts undermine efforts to resolve people's immigration status**. The Howard Coalition Government first introduced its Community Care Pilot (which subsequently became a full program) in 2005 because the destitution among people seeking asylum left many people so locked in a battle for survival day to day that they could not engage effectively in resolving their immigration status. Today, with much of the safety net removed, we are seeing the same issue again - few people transitioning smoothly after a visa grant or voluntarily departing when their visa decisions are rejected and finalised. The SRSS Program is ***not achieving its intended goal*** to help people resolve their immigration status.
- **Charities cannot meet the need for emergency assistance**. The demand for help far outstrips what charities and community groups have been able to provide. Homelessness services are reporting an increase in the number of asylum seekers sleeping on the streets.
- **State governments are winding back support**. After providing some short-term assistance for fill the gap created by the Federal government's cuts, state governments are now progressively withdrawing. Assistance for plane arrivals has ended in Queensland. The NSW Government ended its assistance in June 2023, on the clear expectation that the Federal Government will reverse past cuts.
- **Lengthy delays in visa processing have made the situation much worse**. This lack of access to assistance is coupled with shocking waiting times for decisions for people who apply for protection onshore, with people waiting more than 8 years without access to a safety net for a final resolution of their asylum application.

2.3 What the Government has committed to on this issue

The ALP's National Platform outlines that people seeking asylum will have "means-tested access to funded migration assistance, and to appropriate social services, including income, crisis housing, healthcare, mental health, community, education and English as a Second Language support during the assessment of the claim for protection."

2.4 Government spending trends

It is worth noting that the vast majority of government revenue that relates to refugees is spent on preventing people from seeking asylum in Australia. The Government spent over $1.67 billion dollars on Border Enforcement and Border Management in the last year alone, double the $735 million allocated for 'Refugee, Humanitarian, and Migrant Settlement Services.'[6] Similarly, the costs for 'Onshore detention and compliance' in the 2023-24 budget reached $1.365 billion, while offshore processing was allocated $1.5 billion over the forward estimates to 2026-27. This is despite only a small number of people held on Nauru and the Government's commitment to resettle all people to third countries. From July 2012 to June 2024, the Australian Government has spent $12 billion on the policy of offshore processing. This is clear evidence that the greatest costs in the Federal Budget associated with refugees relate to deterrence policies that prevent people from seeking asylum in Australia.[7] **See Appendix A** for a detailed breakdown.

[6] See Department of Home Affairs Portfolio Budget Statements 2023-2024. https://www.homeaffairs.gov.au/reports-and-pubs/Budgets/2023-24-home-affairs-portfolio-pbs-home-affairs.pdf

[7] See Appendix A for the deterrence costings totalling over $11.65 billion since offshore processing restarted in 2012.

Conversely, the funding for people seeking protection once they are in Australia has waned drastically. The "asylum seeker support payments" administered by Services Australia to people seeking asylum supported by the SRSS Program have declined dramatically over the past few years (Table 3). The purpose of the SRSS Program is to support people to resolve their immigration status, and the financial payments help people with no other form of income. The payments are capped at 89% of the JobSeeker rate (approximately $45/day).

Approximately $300 million dollars was spent in 2015-16, and cuts to the Program have seen it shrink to just $15 million last year. This represents a 95% cut to this vital program.

Table 3: Asylum seeker support payments administered by Services Australia

	Budget announced before year begins ($mil)	Estimated actual cost reported as year ends ($mil)	Difference between spending and budget ($mil)	Change in spending on previous year	
2015-16	**	300.0		$mil	%
2016-17	170.0	191.1	21.1	-108.9	-36%
2017-18	245.8	139.8	-106.0	-51.3	-27%
2018-19	122.9	93.4	-29.5	-46.4	-33%
2019-20	52.6	39.5	-13.1	-53.9	-58%
2020-21	19.6	35.2	15.6	-4.3	-11%
2021-22	33.4	16.6	-16.8	-18.6	-53%
2022-23	36.9	15.0	-21.9	-1.6	-10%
2023-24	37.0				

The total decline in spending between 2015-16 and 2022-23 was $285 million (95%).

2.5 Solutions for a financial safety net for people seeking asylum

The growing destitution and high risk of homelessness for people seeking protection in Australia requires an urgent solution. There are two options the Government can pursue:

A. Expand the eligibility criteria for the SRSS Program, or
B. Grant access to mainstream social services via Special Benefit.

The SRSS Program has become so narrow and restricted that it fails to meet its intended purpose. A reformed SRSS Program would include:

- Ensuring people have a valid bridging visa with associated work and study rights and linked to Medicare while they await decisions on their protection application, including by automating the bridging renewal process;
- Extending SRSS eligibility criteria to focus on the needs and vulnerabilities of individuals and families so that it prevents destitution. This is a shift from eligibility that focuses on job readiness;
- Ensuring eligibility criteria and processes are clear and transparent for individuals applying, unfunded agencies supporting them, and contracted SRSS providers, and
- Expanding the use of emergency approvals as a stop gap for when people are in emergency situations and need support in order to make a full SRSS application.

If the Government were to pursue the second option to grant access to mainstream social supports via Special Benefit, then there would need to be additional support to help people navigate the complex social security system. A practical approach would be **to improve access to the current SRSS Program while developing in parallel the processes for people to access mainstream support via Special Benefit**. For people seeking asylum unable to support themselves, access to Special Benefit payment will help them to remain engaged in the protection application process.

Recommendation 4 End offshore processing

The Australian Government should end offshore processing and the exorbitant spending (See Appendix A) by closing all offshore detention, processing and transit facilities.

Recommendation 5 Expand eligibility criteria of the SRSS Program and develop a mainstream option in parallel

The Minister for Immigration should give direction to the Department of Home Affairs to expand the eligibility criteria for the Status Resolution Support Service (SRSS) Program to support people to resolve their immigration status. This includes:

- *Ensuring people have a valid bridging visa with associated work and study rights and linked to Medicare while they await decisions on their protection application, including by automating the bridging renewal process;*
- *Extending SRSS eligibility criteria to focus on the needs and vulnerabilities of individuals and families so that it prevents destitution. This is a shift from eligibility that focuses on job readiness;*
- *Ensuring eligibility criteria and processes are clear and transparent for individuals applying, unfunded agencies supporting them, and contracted SRSS providers, and*
- *Expanding the use of emergency approvals as a stop gap for when people are in emergency situations and need support in order to make a full SRSS application.*

In parallel, the Government should put in place the support structure to give people access to Special Benefit, with specialist support services available to help people navigate the Centrelink process.

3 Increasing assistance to other countries supporting displaced people and to UNHCR

Low-income and middle-income countries are disproportionately supporting displaced people, with 76% of refugees residing in in these countries and remaining close to situations of conflict.[8] In the Asia-Pacific region, Pakistan, Iran, Bangladesh, Thailand and Malaysia host large numbers of refugees.

Australia's baseline Overseas Development Assistance funding has increased slightly from $3.991 billion spent in 2022-23 to $4.075 billion allocated in 2023-24. Within this, $479.4 million is allocated to "humanitarian, emergencies and refugees", a $9 million increase on the current year.[9] UNHCR funding has been reduced by $14 million, with that same amount allocated for the UN Central Emergency Response Fund. Despite the small overall increase in the aid budget, Australia's overseas development assistance in 2023-24 will be 0.19% of gross national income, a historic low.

To actively respond to the global refugee crisis, Australia needs to invest more in the Asia-Pacific region and other countries with significant refugee displacement. We should therefore restore the funding cut in recent years to our overseas aid program and increase it to a level commensurate to our capacity as the richest country in the region.

Recommendation 6 Increase foreign aid to support other countries supporting displaced people and UNHCR

The Australian Government should:

a) in light of the crucial role of aid in assisting forcibly displaced people, restore Australia's overseas aid program to its former level and develop a plan to increase overseas aid, and

b) provide additional funding to UNHCR, given the increasing number of displaced people worldwide and UNHCR's critical role in coordinating humanitarian responses to displacement.

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[8] UNHCR, *Global Trends 2022, https://www.unhcr.org/global-trends-report-2022*

[9] See Australian ODA, Development Budget Summary 2023-2024. https://www.dfat.gov.au/sites/default/files/oda-development-budget-summary-2023-24.pdf

4 Summary of recommendations

The summary of recommendations is below, and the Refugee Council of Australia would be happy to meet to provide further information or ideas on these issues.

Recommendation 1 Progressively expand the Humanitarian Program

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- *Expanding the use of emergency approvals as a stop gap for when people are in emergency situations and need support in order to make a full SRSS application.*

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Appendix A: Offshore Management Budget Allocations 2012-2024

Since Australia's offshore detention centres were reopened by the Gillard Government in 2012-13, successive governments have spent **$12.1 billion** on offshore detention and processing arrangements and **$11.6 billion** since the current version of offshore processing began in 2013-14. Below is a year-by-year breakdown of the actual spending on this disastrous policy.

OFFSHORE MANAGEMENT BUDGET ALLOCATIONS			
	Budget announced before year begins($mil)	**Estimated actual cost reported as year ends ($mil)**	**Difference ($mil)**
2012-13	--	2,106.4	2,106.4
2013-14	2,867.4	721.0	-2,146.4
2014-15	826.7	912.6	85.9
2015-16	810.8	1,078.1	267.3
2016-17	880.5	1,082.9	202.4
2017-18	713.6	1,482.0	768.3
2018-19	759.9	1,157.5	397.7
2019-20	525.6	961.7	436.0
2020-21	1,186.4	818.8	-367.7
2021-22	811.8	700.7	-111.1
2022-23	632.5	611.1	-21.4
Total: July 2012 to June 2023	**10,015.3**	**11,632.7**	**1,617.4**
2023-24 budget allocation		**485.7**	
TOTAL – July 2012 to June 2024		**12,118.5**	
TOTAL – July 2013 to June 2024		**10,012.06**	