

THE COSTS OF CURRENT REFUGEE POLICY

30 AUGUST 2022

(Updated)

GRANDMOTHERS FOR REFUGEES



Executive Summary

The Grandmothers for Refugees has reviewed its objectives in the context of the change of Government in May 2022 and the lengthening limbo of the so-called legacy caseload and transitory persons in Australia. The four shorter term objectives seek to quickly resolve the cruelty and injustices to these groups of refugees and asylum seekers by the:

1. provision of an adequate and dignified level of economic, social, health and educational supports for all refugees and people seeking asylum, including work rights
2. prioritising of the transfer of refugees with temporary, safe haven or bridging visas on to permanent visas
3. release of people seeking asylum from onshore locked and community detention and
4. prioritising of family reunion applications by refugees granted permanent protection.

This paper examines the economic costs to Australia of the current incarcerations and restrictions on those refugees and asylum seekers on Temporary Protections Visas (TPVs), Safe Haven Enterprise Visas (SHEVs) and Bridging Visas (BVEs) and Transitory Persons. It further outlines the way these visa holders can, relatively seamlessly, be transferred to Permanent Visas with particular short-term emphasis on the granting of universal work rights for them and the provision of humanitarian support to facilitate their study and training where needed.

The granting of universal work rights to the legacy caseload and transitory persons at a time of labour shortages in Australia will, in addition to saving costs, go some way to providing ready workers. Most of these people are of working age and many have experience in some key labour shortage categories.

Taking action on the requests of this Grandmothers for Refugees paper would help align Australia's refugee policy and practices with our international obligations and traditions.

Grandmothers for Refugees is working for a reset of Australia's refugee policy consistent with our international obligations, our long tradition of welcoming asylum seekers and basic rights to protection and safe settlement support.

It is our view that former policy and current settings, as well as being deeply inhumane, come with significant cost and forgone opportunities for Australian society and its economy. We argue for immediate attention to the plight of nearly 32 400 refugees and asylum seekers comprised of: approximately 31,000 refugees in the so-called legacy caseload, 1175 who were transferred for medical care from Nauru and PNG to Australia either before, during or after the medevac legislation and 217 still offshore in those countries. This would address the emotional, physical and economic impact of the existing regime and provide untold benefits for Australian society and our economy, particularly at a time of serious workforce shortages.

The Migration Act provides the overarching legal framework for this proposal in that it provides the Minister with personal discretion to make decisions about the future of those who have sought asylum in Australia.

The proposal provides a practical approach to necessary changes and aligns substantially with the changes currently proposed by the Asylum Seeker Resource Centre (ASRC), the Refugee Council of Australia (RCOA), the Australian Refugee Action Network (ARAN) and the Kaldor Centre for International Refugee Law (Kaldor Centre). The core of the proposal is, as the Kaldor Centre writes, '--- focus --- on achieving reforms either within the current legislative and policy framework, or with minimal changes. This means that changes can occur within a relatively fast timeframe. This paper puts forward recommendations that can be achieved within current legal frameworks using existing executive powers and, initially, current visas, and with only minor amendments to the Migration Regulations 1994 (Cth) (Migration Regulations), Department of Home Affairs (DHA) policy, and Ministerial guidelines.'¹

Changes Requested for the cohort in paragraph 2:

In particular, we call for urgent, decisive action in the near term (first year) to:

1. Provide an adequate and dignified level of economic, social, health and educational supports for all refugees and people seeking asylum, including work rights
2. Prioritise transfer of refugees with temporary, safe haven or bridging visas on to permanent visas
3. Release people seeking asylum from onshore locked and community detention
4. Prioritise family reunion applications by refugees granted permanent protection

¹ POLICY BRIEF 13 Temporary Protection Visas in Australia: A reform proposal June 2022

WHO ARE WE ADVOCATING FOR?

The Legacy Caseload

In Australia today, there are:

- more than **31,000 people** who arrived by boat almost 10 years ago and who are **living in the community** in an ongoing state of uncertainty. Their rights and life circumstances depend on the type of visa they hold.
- **About two-thirds hold temporary visas which allow them to work**, but which do not let them reunite with family members still living overseas. To break it down: 5511 people are on TPV and 13,913 on SHEV. People on TPV need to renew their visa every 3 years, for a SHEV it's every 5 years.² Even though these two visa types are granted with work rights, due to the nature of them being temporary, it is hard for the visa holders to find stable work because they may not be considered consistent employees by the employment providers. Many of them also have ongoing health issues as a result of their prolonged detention.
- **The remainder live on precarious Bridging Visas, some of which have expired. Some have the right to work, some do not, and many cannot access income support.** Under current Australian law, none of these people will realistically ever have access to permanent visas. They live in a perpetual state of limbo and, as a marginalised group, many will never feel that they are settled or 'belong'.³ They are dependent on the local community for basic necessities.¹

People who have been found **not to be owed protection have remained on Bridging Visas, pending judicial review and Ministerial intervention.** They have fared worst of all, with an insecure legal status, **no income support, and insecure work, leaving many living in poverty.**

As at **31 December 2021, there were:**

- **2,352 people who had applied for a protection visa and whose Bridging Visa E had ceased, leaving them with no right to work and no access to Medicare.** A small number of asylum seekers waiting for an initial decision from the DHA may be eligible for income support via the Status Resolution Support Service (SRSS), but this is insufficient to ensure an adequate standard of living. The majority are ineligible for any government-funded income support and, if they are without work, they are completely reliant on NGOs for support. Many live in poverty and insecure housing.⁴

The March statistics from The Department of Home Affairs show that 251 people seeking asylum who arrived by boat are in detention facilities.⁵

- In summary, out of the 32,000 plus people in limbo, about 19.5 thousand are on TPV/SHEV visas and around 11,000 people have a Bridging Visa E or no visa which means they have no work rights. Without any Bridging Visa, they also have no access to Medicare or social support.

Work rights are more complicated because the government does not collect good data and it changes from visa to visa. Even if they have work rights on SHEV/TPV because they need to renew their visa every few years it is hard to find work. Therefore, on a more general note, we can say that there are thousands of refugees who are prevented from working because of the government policies that actively prevent people from rebuilding their lives.⁶

² ASRC July 2022

³ POLICY BRIEF 13 Temporary Protection Visas in Australia: A reform proposal June 2022

⁴ POLICY BRIEF 13 Temporary Protection Visas in Australia: A reform proposal June 2022

⁵ ARAN July 2022 News update

⁶ ASRC July 2022

In offshore detention, there are around 105 people in PNG and 112 in Nauru.⁷

The countries of origin of the legacy caseload include Afghanistan, Iran, Pakistan, Sri Lanka, Bangladesh, Iraq, Lebanon, Myanmar, Somalia, and Vietnam. Armed conflict, violence, and human rights violations are well-documented in these countries, and a significant number of people are stateless.

Those Asylum Seekers and Refugees Brought to Australia for Health Care

Those who arrived in Australia from offshore detention after 19 July 2013 and can never resettle in Australia under the current policy are called, by Government, ‘transitory persons. As of 31 January 2022, there are **1,175** transitory persons in Australia. Transitory persons are mostly here for medical treatment. The Australian Government considers their stay in Australia temporary.

Under the now repealed Medevac legislation 192 asylum seekers were transferred onshore for urgent medical treatment. Post Medevac 104 asylum seekers have been transferred onshore. Those who arrived prior to 31 January 2022 are included in the transitory persons above.

Of the 1175 transitory classified asylum seekers, 562 are on Bridging visa E, 541 are on Residence Determination, 69 are held in detention and there are 3 babies not detained.⁸

Children of these Asylum Seekers and Refugees

As of March 2022, 174 children were in community detention in Australia; that is at a designated address with a nightly curfew but no guards.⁹ Children comprised 1501 of the approximate 11000 legacy cases with lapsed visas or on Bridging visa E.

AUSTRALIAN GOVERNMENT COSTS OF DETAINING ASYLUM SEEKERS and REFUGEES

In 2021 the **annual cost, per person**, to the Australian government of detaining and/or processing refugees and asylum seekers was estimated as follows:

- almost **A\$3.4m** to hold someone offshore in Nauru or Papua New Guinea;
- **A\$362,000** to hold someone in detention in Australia; and
- **A\$4,429** for an asylum seeker to live in the community on a bridging visa while their claim is processed.¹⁰

In the **2021-2022 financial year, final expenditure by the Australian government on offshore processing will be A\$957 million (up from a projected cost of A\$812 million)**. While the cost of offshore processing in 2022-23 is set at a lower figure of just over **A\$482 million**, with annual costs decreasing over the forward estimates, the Kaldor Centre has **noted** that each year the Australian government's expenditure on this offshore system consistently exceeds the amount originally budgeted¹¹.

⁷ ASRC July 2022

⁸ Chart: Refugee Council of Australia: Source: Department of Home Affairs, The Administration of the Immigration and Citizenship Programs (9th ed), Addendum, Table 23

⁹ Asylum Insight – source Department of Home Affairs

¹⁰ Kaldor Centre UNSW fact sheet The Cost of Australia’s Asylum and Refugee Policies: a source guide.

¹¹ The cost of Australia's refugee and asylum policy: A source guide

The Kaldor Centre's Policy Brief no. 11, titled 'Cruel, Costly and Ineffective: the failure of offshore processing in Australia', lists the annual financial costs of establishing and maintaining offshore processing in Papua New Guinea and Nauru, and reports that **the system of offshore processing has cost 'on average at least A\$1 billion per year, and reached upwards of A\$1.49 billion in 2017-18'**. Authors Madeline Gleeson and Natasha Yacoub note that 'this figure is significantly more than it would have cost to allow asylum seekers to reside in the community in Australia while their claims were processed'.

In 2019 the Asylum Seeker Resource Centre, Save the Children and GetUp published a report titled 'At What Cost?', outlining the human and financial cost of Australia's offshore detention policies. The report found that offshore detention and processing cost around **A\$9 billion over the period 2016 to 2020**. The report built on a 2016 publication by UNICEF Australia and Save the Children, which stated that Australia's policies of onshore and offshore detention, and of turning back boats, had cost **A\$9.6 billion between 2013 and 2016**.

It should be noted that the costs of offshore processing are difficult to fully understand. Different figures have been provided in different Senate estimates hearings and have not been updated to include the latest statistics.¹²

With similar disparity in costings relating to refugees and asylum seekers in Australia, the Refugee Council of Australia (RCoA) has challenged in detail, the costings by the Parliamentary Budget Office (PBO) of abolishing TPVs and SHEVs and granting these visa holders permanent visas¹³. The RCoA letter to Ministers O'Neil and Giles presents clear evidence that abolishing TPVs and SHEVs will be a cost saving in contrast to the PBO's assessment of the ALP policy initiative.

THE ECONOMIC BENEFITS OF IMPLEMENTING THE GRANDMOTHERS FOR REFUGEES OBJECTIVES

The shorter term objectives of the Grandmothers for Refugees of:

1. the provision of an adequate and dignified level of economic, social, health and educational supports for all refugees and people seeking asylum, including work rights,
2. the prioritising of the transfer of refugees with temporary, safe haven or bridging visas on to permanent visas and
3. The release of people seeking asylum from onshore locked and community detention

are in the context of both humanitarian and economic benefits to the asylum seeker and refugee cohort detailed above and to the Australian economy through cost savings and through better meeting the workforce shortfalls in labour and skills.

The Kaldor Centre has referenced several studiesⁱⁱ showing that refugees can bring material, cultural and demographic benefits to the communities in which they settle. These studies outline that while refugees may find it difficult to get jobs initially, over time their labour participation rate increases and they can make a significant economic contribution. This contribution can be facilitated by appropriate policy responses.

Given Australia's seasonally adjusted unemployment rate of 3.4 per cent in July 2022, the granting of work rights is timely. The provision of universal work rights to the legacy caseload would alleviate the costed \$4429 per person for those 567 people in community detention at March 2022¹⁴. Further, through increased numbers of TPV, SHEV, BVE visa holders and those whose visas have lapsed, being eligible for ongoing employment, a significant number of these people would gain work. This further reduces the current costs of support for them. The eventual transfer to permanent visas of all categories of current and lapsed visa holders in this cohort will imbed the work rights granted.

¹² Refugee Council of Australia, Costs 6 August 2022

¹³ [Submission title \(refugeecouncil.org.au\)](https://refugeecouncil.org.au) CTRL and Click

¹⁴ Asylum Insight, source Department of Home Affairs March 2022

John van Kooy in his 2021 policy options paper, Supporting Economic Growth in Uncertain Times: Permanent Pathways for Temporary Protection Visa and Safe Haven Enterprise Visa Holders, reports that ‘around 90% of TPV and SHEV holders are at peak earning ages (under 45), have functional English skills, and many have years of sought-after work experience as chefs, personal carers, construction workers, carpenters, builders and plumbers.’¹⁵

He further explores the situation that while temporary visa holders are classified as [temporary residents this prevents them from maximising their contributions to Australia, such as through securing a home or business loan to invest locally. To purchase property, for example, temporary residents incur additional fees as they are classified as ‘foreign investors.’](#) They are ineligible to reunite with their families by bringing them to Australia, they send significant remittances to their families living overseas, which constitutes a financial loss to the Australian economy.¹⁶

The Supporting Economic Growth in Uncertain Times: Permanent Pathways for Temporary Protection Visa and Safe Haven Enterprise Visa Holders uses ABS data to indicate that when temporary migrants transition to permanent residency, labour force participation rates increase by 23% and unemployment rates are more than halved. The paper also details that prioritising existing onshore migrants for permanent residency will contribute to fiscal savings of more than \$300 million by reducing the cost of reprocessing visa applications and in transitioning to permanent residency by enabling migrants to upgrade their skills, sustain and grow their own businesses, employ other workers, and integrate into their local communities.¹⁷

An additional established reason for granting universal work rights to the legacy caseload and the 1175 transitory persons is that an extended period out of the labour force harms people’s skills and job prospects further down the track, not to mention the hardship that they incur having low incomes while in Australia in effective limbo.

One example of that hardship is homelessness in the legacy cohort. John van Kooy, states that the homeless rate among those on bridging visas, TPV, SHEV and applicants for permanent visas is more than double that of recently arrived immigrants and far in excess of that in the general population. His paper estimates ‘the public costs of homelessness in this group is over \$311 million per year’ (see the table below).¹⁸

Estimated pre-covid public costs of cohort of homelessness per person, annual

Expenditure category	Men	Women
Health	\$22,824	\$13,247
Justice	\$10,684	\$2,749
Welfare and taxation forgone	\$10,482	\$4,558
Children placed in care	\$8	\$2,734
Eviction	\$139	\$64
Total cost per person	\$44,137	\$23,352
Pre-covid homeless (persons)	5,121	3,650
<i>Annual public costs</i>	\$226,024,934	\$85,239,565

¹⁵ Supporting economic growth in uncertain times Permanent pathways for Temporary Protection visa and Safe Haven Enterprise visa holders Policy options paper, September 2021

¹⁶ **Supporting economic growth in uncertain times: Permanent pathways for Temporary Protection visa and Safe Haven Enterprise visa holders, Sept 2021 P4**

¹⁷ Supporting economic growth in uncertain times Permanent pathways for Temporary Protection visa and Safe Haven Enterprise visa holders Policy options paper, September 2021 P2

¹⁸ COVID-19 and humanitarian migrants on temporary visas: assessing the public costs RESEARCH BRIEFING NOTE #2, July 2020 John van Kooy1 Commissioned by the Refugee Council of Australia

Placing restrictions on work rights for this group increases the risk of exploitation of migrant workers generally, which harms migrants and Australian citizens alike.¹⁹

Medicare and the Status Resolution Support Services (SRSS) provide an existing framework to deliver an adequate and dignified level of economic, social, health and educational supports for all refugees and people seeking asylum.

However the table below showing people receiving status resolution support services from June 2019- to January 2022 reflects the diminution of the service through changes to the eligibility for engaging in it by the previous government. The need hasn't decreased but could be readily accommodated with adjusted funding. The SRSS is one key to assisting these refugees and asylum seekers to improved health and the abilities to access education and work.

	30 -Jun -2019	30 -Jun -2020	30 -Jun -2021	31 Jan -2022
People seeking asylum by boat	3907	2769	1311	995
Others	1575	1509	1018	813
total	5482	4278	2329	1808

An example of the potential for refugees to be readily engaged in the workforce is a study led by Flinders University which suggests there is untapped potential among refugee women in Australia as new figures from the Bureau of Statistics showed several businesses were struggling to find suitable staff.

June 2022 ABS figures showed that 31 per cent of employing businesses surveyed were facing difficulties finding suitable staff. Two-thirds of large businesses, and 62 per cent of medium-sized businesses struggled, while 29 per cent of small businesses said their operations affected by staff shortages.

Social scientist and associate professor at Flinders' College of Medicine and Public Health, Anna Ziersch, says refugee women could play a vital role in filling vacancies.

"There's a really strong desire to work, what we really need is a national refugee employment strategy that's looking across states and nationally at where the skill shortages are how can we support the workers with the skills that they have coming in," Ms Ziersch said.

"... barriers prevent refugee women from being able to meaningfully and sustainably contribute to the Australian labour market and the broader community and to build a new life in Australia."²⁰

A spokesperson for SRSS provider AMES, reiterated the opportunities around untapped skills available from refugee women. "..... refugees could be a real solution to workforce shortages, they come to Australia with various skills experience and talent".

Industry leaders in all States and sectors have been quoted in 2022, as recently as August, on the need for more workers in Australia. The sectors with the biggest absolute number of job vacancies are healthcare and social assistance (68,900), accommodation and food services (51,900), and professional scientific and technical services (42,900). Many of the legacy caseload work in or have experience in some of these industry areas. Available training and education for the cohort will add to meeting industry needs while simultaneously meeting the needs

¹⁹ Brendan Coates, Program Director, Economic Policy, Grattan Institute.

²⁰ Source: SBS News - By Sean Wales, Tom Canetti 24 June 2022

of asylum seekers and refugees. The Federal Government has committed to funding skills training in Australia to meet the identified skill shortages. The structures of the SRSS, the TAFE sector and universities will facilitate the stages of training for skill shortages.

With Government will, slight changes to the Migration Regulations 1994 (Cth), Department of Home Affairs (DHA) policy, and Ministerial guidelines,²¹ the short term objectives of the Grandmothers for Refugees outlined on page 1, are achievable and will begin to right the cruelty and wrongs of current Australian asylum seeker and refugee policy and practices to the benefit of all in this country. These proposed changes are consistent with our international obligations and our long tradition of welcoming asylum seekers.

Author Jenni King in conjunction with Margaret Browne, Janet Taylor and Jane Touzeau

Grandmothers for Refugees

30 August 2022

²¹ POLICY BRIEF 13 Temporary Protection Visas in Australia: A reform proposal June 2022

Definitions

Bridging Visa E subclass (050)	This visa lets you stay lawfully in Australia while you make arrangements to leave, finalise your immigration matter or wait for an immigration decision.
Bridging Visa E subclass (051)	This visa lets you stay in Australia while your Protection visa application is being processed.
Fast-track process	A process established in 2014, whereby applications for protection are assessed by the DHA, and those that are refused are automatically referred to the IAA, which conducts a 'limited merits review'. The IAA review is conducted 'on the papers' rather than through a hearing, and new information may only be presented in 'exceptional circumstances'.
Legacy Case Load	People who came by boat on or after 13 August 2012. There are also people who came before 13 August 2012, but did not have their protection visa application finalised by 18 September 2013 (when the Liberals and Nationals came into power) It excludes, broadly, people who were sent to regional processing centres in Nauru and Papua New Guinea for processing after July 2013
SHEV	Safe Haven Enterprise Visa – renewed 5 yearly
SRSS	Status Resolution Support Service – eligible for income support payments, access to case work support and counselling and subsidised medicine. However LNP Govt restricted eligibility so most awaiting protection decisions are now excluded.
TPV	Temporary Protection Visa – renewed 3 yearly
Transitory persons	Those who arrived in Australia from offshore detention after 19 July 2013 and are not permitted through visa regulation and law to resettle in Australia.
Trauma-informed	Being trauma-informed at individual or system levels involves being understanding and responsive to the personal impacts of trauma, and helping people who have been affected by trauma to feel physically and psychologically safe and to rebuild a sense of control and empowerment.
Unauthorised Maritime Arrival	A person entering Australia by sea without a valid visa, who becomes unlawful because of that entry.

Endnotes

ⁱ Recommendations 4-5 POLICY BRIEF 13 Temporary Protection Visas in Australia: A reform proposal: Of the Outstanding applications for a subsequent TPV or SHEV should be converted to an application for a Resolution of Status Visa (RoSV) via s 45AA of the Migration Act. This will require an amendment to the Migration Regulations to convert a valid TPV or SHEV application to a RoSV application. 5. For individuals who have not applied for a subsequent TPV or SHEV, amend reg 2.07AQ of the Migration Regulations to deem them to have applied for a RoSV.

- ⁱⁱ Deloitte Access Economics found that if Australia's annual humanitarian resettlement program was gradually increased over a five-year period to 44,000 people per year, this would boost the nation's economy and sustain 'on average an additional 35,000 full-time equivalent jobs' annually for the next 50 years. The study, titled [Economic and Social Impact of Increasing Australia's Humanitarian Intake](#) (August 2019) was commissioned by Oxfam Australia.
- There is as yet no evidence that refugees pose a net cost to the host community over the long-term: R. Parsons, [Assessing the economic contribution of refugees in Australia](#), Multicultural Development Association, 2013
- The Organisation for Economic Co-operation and Development (OECD) has found that migrants contribute positively to three key areas: labour markets, the public purse and economic growth. See [Is migration good for the economy?](#)