



02 November 2018

Mrs Michele Lawrence
Panel Chair
Farm Household Allowance Review
Department of Agriculture and Water Resources
GPO Box 858
Canberra ACT 2601

Dear Panel Chair

FARM HOUSEHOLD ALLOWANCE REVIEW 2018

Oz Kiwi thanks the Department of Agriculture and Water Resources for the opportunity to make a submission to the review of the Farm Household Allowance (FHA). This submission will focus on the particular issues that impact on New Zealanders accessing the FHA, particularly question 6 [current eligibility settings].

A cohort of New Zealanders, farming in Australia, are not considered Australian residents for Centrelink purposes, and therefore are ineligible for the FHA. They pay the same taxes and levies as their Australian citizen counterparts; and are contributing to Australia's productivity, GDP and exports. They are also investing capital in Australia and employing Australians.

Exemptions have previously been made for New Zealanders, who would otherwise be ineligible for government financial assistance following natural disasters. For example, the New Zealand ex-gratia Disaster Recovery Allowance (DRA) and New Zealand ex-gratia Disaster Recovery Payment (DRP). This sets a precedence to grant them access to the FHA.

New Zealanders have automatic work rights in Australia and are encouraged to migrate to Australia. However, employers are less likely to sponsor them for a permanent visa and one cohort have few pathways to citizenship. New Zealand non-protected Special Category Visa-holders are generally ineligible for Centrelink payments or government assistance. The following section explains the SCV and how it impacts on New Zealanders eligibility for the FHA.

New Zealanders residency status

Since 1 September 1994 New Zealanders arriving in Australia without a visa are granted a *Special Category Visa*¹ (SCV). The SCV is only available to New Zealand citizens, however, depending on whether the holder meets the **26 February 2001 transitional arrangements**² they are either defined as a **protected** or **non-protected** SCV-holder.

New Zealanders who meet the post-26 February 2001 transitional arrangements are referred to as **protected Special Category Visa-holders**. They are generally treated in the same manner as a permanent visa-holder while in Australia and are eligible for social security payments. After residing in Australia for four years they can apply for *Australian citizenship*³, provided they meet the standard health, security and character tests.

¹ [Special Category Visa \(TY444\)](#)

² [26 February 2001 transitional arrangements](#)

³ [New Zealanders eligibility for Australian citizenship](#)



Generally, New Zealanders arriving post-26 February 2001 are **non-protected Special Category Visa-holders**. They are not Australian residents for social security purposes, and not eligible to apply for Australian citizenship, unless they apply for and are granted a permanent visa.

Due to the same visa (the SCV) being issued to New Zealand holidaymakers, short-term business travellers, and those who permanently settle, it is difficult to accurately gauge the number of non-protected SCV-holders resident in Australia. There are approximately 540,000 New Zealanders resident long-term in Australia. In 2012 the Department of Home Affairs (DHA) estimated that 200,000 New Zealanders had arrived since 26 February 2001. At the time the Australian population was 21m, therefore the 540,000 New Zealanders would equate to approximately 2.5 per cent of the total Australian population.

New Zealand farmers in Australia

Oz Kiwi does not have accurate numbers of how many New Zealand farmers are working in Australia. According to the National Farmers' Federation, in 2017 there were approximately 85,681⁴ farm businesses in Australia. As an estimate, if New Zealanders constitute 2.5 per cent of farmers they would number approximately 2,142 individuals, of those approximately 800⁵ would be non-protected SCV-holders. This could be a conservative estimate given agriculture is a large component of the New Zealand economy. New Zealand farmers are likely to be over-represented in the working population. For example, a *Dairy Assistance Roundtable*⁶ in 2017 at Congupna in northern Victoria estimated that New Zealand dairy farmers account for around 10 per cent of dairy farmers in the Goulburn Valley region of Victoria.

Regardless of the total numbers, creating a dispensation for this cohort to access the FHA would not cost the Federal Budget significantly more during the lifespan of the scheme.

Pathways to citizenship

New Zealand farmers are encouraged to migrate to Australia via agricultural field days and recruitment drives in New Zealand. Few non-protected SCV-holder New Zealanders farming in Australia will have a pathway to citizenship as they are often self-employed or contractors. Furthermore, employers are less likely to sponsor New Zealanders for a permanent visa as they already have the right to live and work in Australia indefinitely.

New Zealanders farming in Australia would tend to be ineligible for the new *Skilled Independent 189 (New Zealand) Stream visa*⁷ that commenced on 1 July 2017. The visa requires the primary applicant to meet the Temporary Skilled Migration Income Threshold (TSMIT). The TSMIT requires a personal taxable income of at least \$53,990 for four consecutive financial years. Self-employed farmers cannot use business income to meet the income requirement.

To be eligible for the new visa, the primary applicant must:

- be a non-protected Special Category Visa-holder
- have started residing in Australia on or before 19 February 2016
- have resided in Australia for the last five years immediately prior to applying
- have earned a personal taxable income of \$53,990 in each of the last four financial years or qualify for an *income exemption*⁸
- meet the standard health, character and security checks.

If a New Zealand farmer were to be granted a permanent visa, they are then required to reside in Australia for 104 weeks⁹ before being eligible to access Centrelink payments. On top of that, the

⁴ [Food, Fibre & Forestry Facts \(2017 Edition\)](#)

⁵ 200,000 non-protected SCV-holders represent 37 percent of the 540,000 New Zealand long-term residents of Australia, therefore 792 represents 37% of the estimated 2,142 New Zealand farmers in Australia.

⁶ [Dairy Assistance Roundtable meetings](#)

⁷ [Skilled Independent 189 \(New Zealand\) Stream Visa](#)

⁸ Skilled Independent 189 (New Zealand) Stream visa [income exemption](#)

⁹ Centrelink payments, [New Arrived Residents Waiting Period](#) (NARWP)

Department of Home Affairs visa processing time is considerable. The NZ 189 Visa currently takes 6 to 14 months to be granted, and permanent residency is not back-dated to the date of application.

Eligibility for the Farm Household Allowance

The Farm Household Allowance (FHA) eligibility criteria specifically states that only Australian residents can receive support from the FHA scheme; New Zealanders must be a protected SCV-holder to be considered an Australian resident. New Zealand non-protected SCV-holders cannot access *Centrelink payments*¹⁰, making them ineligible for the FHA.

New Zealand farmers are struggling

New Zealanders residing in Australia, and owning farms here, pay the same taxes and levies as Australian farmers yet many are not eligible for the FHA. Due to their unique residency status many of this cohort are also not eligible for working age social security benefits, apart from a one-off access for up to six months of Youth Allowance, Sickness Allowance or Newstart after 10 years residency. Additionally, New Zealanders also tend to have limited pathways to citizenship if they arrived in Australia after 26 February 2001.

Media reports on the FHA in early 2017 highlighted the perilous situation of New Zealander farmers who were deemed ineligible for the financial support as they did not meet the residency requirements. In the wake of that media coverage, a number of individuals contacted Oz Kiwi to say they were suffering having been denied the FHA.

New Zealand non-protected SCV-holders are often ineligible for support from government agencies and charities that receive government funding. These services usually require recipients to be Australian citizens, permanent visa-holders, or protected SCV-holders.

New Zealanders accessing disaster assistance

New Zealand protected SCV-holders are eligible for disaster assistance payments, just as Australian citizens would be. However, in the wake of the 2011 Queensland floods non-protected SCV-holders were denied the Disaster Recovery Allowance (DRA) and the Disaster Recovery Payment (DRP). The New Zealand Government successfully lobbied for non-protected SCV-holders who have been adversely affected by a major disaster to be eligible for government support.

This led to the introduction of two special payments, the:

- *New Zealand ex-gratia Disaster Recovery Payment*¹¹, a one-off, non-means tested payment of \$1,000 for eligible adults and \$400 for eligible children who have been adversely affected by a major disaster; and
- *New Zealand ex-gratia Disaster Recovery Allowance*¹² that provides short-term income support to eligible non-protected SCV-holders who have experienced a loss of income as a direct result of a major disaster.

The granting of these two ex-gratia payments to non-protected SCV-holders has since become standard practice in the wake of subsequent natural disasters. Oz Kiwi recommends that a similar ex-gratia mechanism be introduced to allow non-protected SCV-holders to be eligible for the FHA.

New Zealand farmers in Australia deserve the FHA

Several thousand New Zealanders, farming in Australia, are likely to be ineligible for the FHA because they are not considered Australian residents for Centrelink purposes. They deserve to receive the FHA because they are:

- paying the same taxes and levies as their Australian counterparts;
- contributing to Australia's productivity, GDP and exports;
- investing capital in Australia; and

¹⁰ [New Zealanders claiming Centrelink payments](#)

¹¹ [New Zealand Ex-Gratia Disaster Recovery Payment Factsheet \(PDF\)](#)

¹² [New Zealand Ex-Gratia Disaster Recovery Allowance Factsheet \(PDF\)](#)

- employing Australians.

New Zealanders, who would otherwise be ineligible for government financial assistance following natural disasters, can now access the New Zealand ex-gratia Disaster Recovery Allowance (DRA) and New Zealand ex-gratia Disaster Recovery Payment (DRP). Given the precedence set by these two payments it follows that they should also be granted access to the FHA.

Yours sincerely



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