



PARLIAMENTARY LIBRARY

INFORMATION ANALYSIS ADVICE

QUICK GUIDE

RESEARCH PAPER SERIES, 2016–17

29 AUGUST 2016

New Zealanders in Australia: a quick guide

Harriet Spinks and Michael Klappdor
Social Policy Section

This quick guide has since been [updated](#) on 13 February 2020.

Under various arrangements since the 1920s, there has been a free flow of people between Australia and New Zealand. Historically, migration flows across the Tasman have been large in both directions, but since the 1960s more New Zealanders than Australians have chosen to cross the Tasman to live. In [2013–14](#), the number of New Zealand permanent settlers who came to Australia was 27,274. As at [December 2015](#), there were an estimated 634,560 New Zealand citizens present in Australia (although many of these would have been short-term visitors, and not resident in Australia).

Under the [Trans-Tasman Travel Arrangement](#) introduced in 1973, Australian and New Zealand citizens are able to enter each other's country to visit, live and work indefinitely, without the need to apply for prior authority. New Zealand is the only country in the world that has such an arrangement with Australia. There are no caps on the numbers of New Zealanders who may enter under the arrangement, and the only limitations on entry relate to health and character requirements.

This quick guide outlines the visa requirements and conditions for New Zealanders living in Australia, and provides an overview of the services to which they are entitled as well as restrictions on entitlement to services. It also briefly compares this with the services to which Australians living in New Zealand are entitled. Finally, it summarises some of the arguments that have been made for expanding New Zealanders' access to services, and outlines a new pathway to citizenship for New Zealanders which has been recently announced.

The Special Category Visa

Since 1 September 1994, all non-citizens in Australia have been required to hold a valid visa. As a result, the [Special Category Visa](#) (SCV) was introduced specifically for New Zealand citizens. This visa is issued on arrival and there is no need to apply prior to entering Australia. To obtain an SCV, a New Zealand citizen must present a valid New Zealand passport and an incoming passenger card to immigration officials upon arrival in Australia.

The SCV is classed as a temporary visa, and temporary visa holders do not have the same rights and benefits as Australian citizens or permanent residents. To access such rights, temporary migrants, including those from New Zealand, must obtain permanent visas. In contrast, on entering New Zealand, all Australian citizens and permanent residents [are automatically granted residence visas](#), and may apply for permanent residence after having held a residence visa continuously for two years.

Prior to 2001, New Zealand citizens in Australia on SCVs could access social security and obtain Australian citizenship without first becoming permanent residents. In February 2001, Australia entered into a [new bilateral social security arrangement](#) with New Zealand and amended citizenship laws for New Zealand citizens. Under these changes, all New Zealand citizens who arrived in Australia after 26 February 2001 and who want to access certain social security payments, obtain citizenship or sponsor family members for permanent residence may only do so after applying for, and being granted, permanent residence through the migration program.

[Transitional arrangements](#) were put in place for New Zealanders in Australia at the time of the amendments. This means that New Zealanders who were already in Australia as SCV holders on 26 February 2001 may continue to apply for citizenship, sponsor family members for permanent residence and access social security payments without being granted permanent visas.

What are New Zealanders in Australia entitled to?

Social security

Eligibility for Australia's social security system is based primarily on residency and financial means. It is a basic qualification or claim requirement for almost all pensions, allowances and benefits that persons must be Australian residents. To be considered an Australian resident for social security purposes, a person must reside in Australia and be: an Australian citizen; or the holder of a permanent visa; or an SCV holder who is considered a 'protected' SCV holder.

[Protected SCV holders](#) are those SCV holders who:

- were in Australia on 26 February 2001
- were in Australia as an SCV holder for a period of, or periods totalling, 12 months during the two years immediately before 26 February 2001
- commenced or recommenced residing in Australia within three months from 26 February 2001 or
- were residing in Australia on 26 February 2001 but were temporarily absent.

New Zealand citizens who have arrived in Australia since 26 February 2001 on SCVs are considered 'non-protected SCV holders' and have restricted eligibility to social security benefits (see below).

For some social security payments there are additional residency-related requirements. For income support payments, such as pensions and allowances, a waiting period applies restricting access until persons have been permanent residents in Australia for a certain number of years. Family assistance payments generally have no waiting period and are available to eligible permanent visa holders and SCV holders (protected and non-protected) immediately upon arrival in Australia.

Entitlements for protected Special Category Visa holders and permanent visa holders

New Zealand citizens who are protected SCV holders or holders of permanent visas have the same social security entitlements as other permanent residents. This means that they have the same eligibility as Australian citizens, provided they have served any applicable waiting period.

The one exception to this is the [Job Commitment Bonus \(JCB\)](#), which commenced on 1 July 2015 and is a lump sum payment paid to long-term Newstart Allowance and Youth Allowance (Other) recipients who find gainful work for periods of 12 months and 24 months. All New Zealand citizens, both protected and non-protected SCV holders, [are excluded](#) from the definition of 'Australian resident' for the purpose of assessing qualification for the JCB.

Entitlements for non-protected Special Category Visa holders

New Zealand citizens who are non-protected SCV holders (those who arrived after 26 February 2001) who intend to live in Australia permanently are only eligible for certain payments under certain conditions.

Family assistance payments

Non-protected SCV holders are eligible for all family assistance payments under the same conditions as Australian citizens. These payments include: [Family Tax Benefit](#) (FTB) including FTB Part A, FTB Part B, the [Newborn Supplement and Newborn Upfront Payment](#) as well as the [Energy Supplement](#); [Child Care Benefit](#) and [Child Care Rebate](#); [Double Orphan Pension](#); and [Parental Leave Pay](#) (including [Dad and Partner Pay](#)).

If they are renting privately and receiving FTB, they may be eligible for [Rent Assistance](#).

Allowance payments

Non-protected SCV holders are generally ineligible for allowance payments. However, those who arrived in Australia on New Zealand passports and have lived in Australia continuously for at least ten years since 26 February 2001 can access a [once-only payment](#) of [Newstart Allowance](#), [Sickness Allowance](#) or [Youth Allowance](#) for a maximum continuous period of six months. The six-month period does not start until any relevant waiting and/or preclusion/exclusion periods have been served. Transfer between payments is not permitted under this

residence exemption. For example, a person in receipt of Newstart Allowance by virtue of this exemption would not be able to transfer to Sickness Allowance.

Where non-protected SCV holders move on to permanent entry visas (for example, a spouse visa), they are considered under the same conditions as citizens of other countries, which in general means they are subject to the two-year newly arrived migrant waiting period for allowance payments.

Pensions and Carer Payment

Under Australia's [international social security agreement](#) with New Zealand, [New Zealand citizens living in Australia](#) can apply for the Australian [Age Pension](#) (if over the age of 65), [Disability Support Pension](#) (DSP) (if they are severely disabled) and [Carer Payment](#) (if they are caring for a partner on DSP), irrespective of whether they are protected or non-protected SCV holders. The residency requirements for the Age Pension require a total period of time lived in Australia and/or periods of Working Age Residence (Working Age Residency refers to residency between the ages of 20 and 65) in New Zealand of more than ten years. For DSP, the person must have had at least ten years of residence in Australia or New Zealand, become severely disabled while living in Australia or New Zealand and resided in Australia for at least one year. For Carer Payment, an individual must have lived in Australia and/or New Zealand for more than two years.

[Reciprocal arrangements](#) apply in relation to certain New Zealand payments (discussed below).

Disaster payments

Non-protected SCV holders are not generally eligible to receive the Australian Government Disaster Recovery Payment or the Disaster Recovery Allowance. However, it has been the practice for ex-gratia payments to be made to New Zealanders for [major disasters](#).

Health Care Cards and the Commonwealth Seniors Health Card

Non-protected SCV holders are entitled to a low-income [Health Care Card \(HCC\)](#) if they have served a newly arrived resident's waiting period of two years and meet the income test. The HCC provides access to discounted medicines under the Pharmaceutical Benefits Scheme (PBS) and access to concessions provided by state and territory governments and some private businesses. Non-protected SCV holders who are receiving the maximum rate of FTB Part A are automatically entitled to a HCC and do not need to serve a waiting period.

Non-protected SCV holders who are over age pension age, not in receipt of pension payments and who have served the newly arrived resident's waiting period of two years, may qualify for a [Commonwealth Seniors Health Card](#) (CSHC). The CSHC provides access to discounted medicines under the Pharmaceutical Benefits Scheme (PBS), transport and other concessions as well as the Energy Supplement payment worth \$366.60 a year for singles and \$275.60 a year for each member of a couple (paid in quarterly instalments). An income test applies to the CSHC.

Health care

The Australian health system comprises both publically funded and privately funded health care. The public system includes [Medicare](#), public hospitals and the [PBS](#), while the private system includes private hospital treatment and treatments not covered by Medicare, which can be covered through private health insurance. For more information, see the Parliamentary Library publication [Health in Australia: A Quick Guide](#).

Generally speaking, in order to be entitled to Medicare a person must be an Australian citizen or permanent resident. However, New Zealanders who are residing in Australia are also [eligible for Medicare](#) and can be issued with a Medicare card upon presentation of documentation proving residence. Since New Zealand citizens who are lawfully residing in Australia are entitled to Medicare, they must also pay the [Medicare levy](#) and the [Medicare levy surcharge](#) (if their income is above the base income threshold and they do not have an appropriate level of private patient hospital cover).

Under Australia's [Reciprocal Health Care Agreement](#) with New Zealand, New Zealand residents visiting Australia are also entitled to services as public patients in a public hospital for medically necessary treatment and prescription medicines which are subsidised under the PBS. They are also [eligible](#) for the Private Health Insurance Rebate if they purchase eligible health cover during their stay and meet the income test.

National Disability Insurance Scheme

The [National Disability Insurance Scheme](#) (NDIS) provides individualised support for eligible people with permanent and significant disability, their families and carers, as well as associated referral services and

activities. The NDIS commenced on 1 July 2013 beginning with a trial phase known as the NDIS Launch. It is expected that by 2019, the NDIS will be fully implemented in all Australian states and territories.

The NDIS has similar [residence requirements](#) as those applying to Australia's social security system. To access the NDIS, a person must be an Australian citizen, hold a permanent visa or be a protected SCV holder. This means that New Zealand citizens who arrived in Australia after 26 February 2001 may not access the NDIS.

The NDIS is partially funded through an [increase in the Medicare levy](#) from 1.5% to 2.0% of taxable income. As noted above, New Zealanders residing in Australia are required to pay the Medicare levy. This has led to the [complaint](#) that while New Zealanders residing in Australia as non-protected SCV holders are responsible for partially funding the NDIS through the Medicare Levy, they are not entitled to access its services.

Education

School education

In Australia, school education is funded by both federal and state and territory governments, but enrolment matters fall under the jurisdiction of state and territory governments. Government schooling is free for Australian citizens and permanent residents. New Zealand citizens are regarded as local students and therefore entitled to free public schooling in all states and territories (for example, see information on enrolment in government schools in the [Australian Capital Territory](#) and [South Australia](#)). New Zealand citizens are also [eligible](#) for Australian Government per student recurrent funding which is paid to both government and non-government schools.

Tertiary education

All New Zealand citizens are [considered domestic students](#) for the purpose of taking up Commonwealth-supported places in universities. New Zealand citizens are also considered domestic students for the purposes of higher degrees by research and therefore eligible for [Australian Postgraduate Award](#) scholarships. In the vocational education and training (VET) sector, New Zealand citizens have access to government-subsidised places in some states and territories.

Higher Education Loan Program (HELP)

Australian Government provides financial assistance to tertiary education students (university and VET) through the [Higher Education Loan Program \(HELP\)](#) and student income support. Until recently, New Zealand citizens could not access HELP loans, as these were restricted to Australian citizens and permanent humanitarian visa holders. However, from 1 January 2016, New Zealanders are now eligible [providing](#) they:

- hold a SVC
- first entered Australia as a dependent minor aged under 18 years of age
- have been ordinarily resident in Australia for the previous ten years (that is, physically present in Australia for at least eight out of the past ten years) and for 18 months of the last two years at the time of application and
- meet other HELP eligibility criteria.

An interesting consequence of the new eligibility criteria is that New Zealand citizens may only access HELP loans [if they hold a SCV](#). If they hold any other type of visa (for example a permanent skilled or family visa), they are no longer eligible for HELP. This means that New Zealanders who take up permanent residency as a means of pursuing Australian citizenship become temporarily ineligible for HELP, but become eligible again once they become an Australian citizen.

Student income support

Protected SCV holders are able to access student income support payments, such as Youth Allowance (YA) and Austudy, under the same conditions as Australian citizens and permanent residents. Non-protected SCV holders who have resided in Australia for at least ten years since 26 February 2001 can qualify for a one-off YA payment for up to six months if they meet other YA qualification requirements.

What are Australians in New Zealand entitled to?

Social security

Australians in New Zealand face fewer restrictions in relation to social security payments than do New Zealanders residing in Australia. Generally, Australians residing (['ordinarily resident'](#)) in New Zealand have the

same social security entitlements as New Zealand citizens, provided waiting periods (generally around two years) have expired.

The following are the [main New Zealand social security benefits](#) and the particular eligibility criteria relevant to Australian citizens:

- [Jobseeker Support](#) (for sickness or unemployment): Australian citizens or former residents (including New Zealanders returning after living in Australia) may be eligible for Jobseeker Support, if they have been continuously resident in New Zealand for at least two years.
- [Sole Parent Support](#) (for singles aged 19 years or over with a dependent child in their care under the age of 14): Australian citizens or former residents may be eligible if they have been continuously resident in New Zealand for at least two years and if they fulfil other eligibility criteria.
- [Supported Living Payment](#) (for people with disability or their carers): Australian citizens or former residents (including New Zealanders returning after living in Australia) may be eligible for a Supported Living Payment, if they have been continuously resident in New Zealand for at least two years and if they fulfil other eligibility criteria.
- [New Zealand Superannuation](#) (the equivalent of Australia's Age Pension): Australian citizens or former residents (including New Zealanders returning after living in Australia) may be eligible for the New Zealand Superannuation if they meet eligibility criteria. Generally, eligibility is based upon residency in New Zealand for not less than ten years since the age of 20, including five years or more since the age of 50. Under the social security agreement between Australia and New Zealand, periods of residence in Australia may be recognised for the purposes of eligibility for New Zealand Superannuation. It is not income or assets tested, but receipt of an Australian pension may affect payment rates.
- [Emergency Benefit](#) may be provided to Australian citizens residing in New Zealand, if those citizens have no other means of supporting themselves and are ineligible for another benefit.
- The [Family Tax Credit](#) is payable to eligible recipients of the above payments and the same residency criteria apply. It is paid for each dependent child with the rate based on family income, the number of dependent children and the age of these children.

Reciprocal arrangements under the Australia-New Zealand [social security agreement](#) also apply to other New Zealand payments, including Veterans Pension.

Health care

Access to [health care](#) for Australians in New Zealand is generally equivalent to New Zealanders' entitlements in Australia. Under the [Reciprocal Health Care Agreement](#) (RHCA), Australian citizens and permanent residents temporarily in New Zealand may access necessary public hospital treatment, pharmaceuticals and maternity services on the same terms as New Zealand citizens. Publicly funded health care beyond that provided for under the RHCA is available to Australians who are resident in New Zealand for two years or more, or who can demonstrate an intention to reside in New Zealand for two years or more.

Higher education

Australian citizens in New Zealand are [classified](#) as domestic students and do not require student visas. Until recently, Australian citizens became eligible to apply for tertiary student allowances and student loans after a residency period of two years. The two-year waiting period, referred to as a 'stand down', was introduced in 2011. In its 2013 Budget, the New Zealand Government [announced an increase](#) in the stand down period from two to three years. The changes [took effect](#) on 1 January 2014.

Does Australia gain greater benefit from the arrangement than New Zealand?

For many years, New Zealand [advocacy groups](#) have argued that the restrictions placed on post-2001 arrivals by the Australian Government are unfair. These groups have campaigned for better treatment for New Zealanders in Australia, arguing that Australians in New Zealand are entitled to a wider range of benefits than New Zealanders in Australia. They also [argue](#) that the restrictions on access to social security are unjust, as New Zealanders living and working in Australia pay income tax, but are unable to access many of the benefits paid for through the tax system.

In 2012, the Australian and New Zealand productivity commissions conducted joint research to mark the 30th anniversary of the Closer Economic Agreement with New Zealand. It included an examination of the economic

impact of trans-Tasman permanent migration. The report of this research, [Strengthening Trans-Tasman Economic Relations](#) (2012) showed that New Zealand loses a significant number of skilled migrants to Australia. Further, there is an incentive for New Zealand nationals to return home after working in Australia and for retired Australians to go to New Zealand to live, which places an additional burden on New Zealand's retirement income system.

The commissions also acknowledged that there were:

... issues about access to public services and assistance for New Zealand citizens who have been in Australia for many years, many of whom have paid taxes for years. These mainly centre on long term resident non-Protected SCV holders and include: limited pathways to Australian permanent residence and citizenship; no access to student loans for their children; and restricted access to some social security payments and other supports.

The commissions noted that addressing these issues:

... would require policy changes by the Australian Government, including:

- developing a pathway for New Zealand citizens living long term in Australia to achieve permanent residency and/or citizenship
- improving access for New Zealand citizens to tertiary education and vocational training through the provision of student loans, subject to a waiting period and appropriate debt recovery provisions
- (together with the New Zealand Government), reviewing, and making more explicit, the principles governing access to social security and further developing bilateral engagement on migration policies, within the context of CER [Closer Economic Relations], the single economic market and the Trans-Tasman Travel Arrangement.

Some progress has been made on these issues since the report's publication. New Zealanders in Australia are now able to access HELP student loans and the Australian Government has recently announced a pathway to citizenship for some New Zealanders in Australia.

Recent developments

Revised social security agreement

In the 2016–17 Budget, the Australian Government [stated](#) that it was negotiating with the New Zealand Government to amend elements of the current international social security agreement. The amendments are intended to reflect changes in the domestic legislation of both countries since the commencement of the agreement in 2002.

A pathway to citizenship

On 19 February 2016, Prime Minister Malcolm Turnbull [announced](#) that Australia would provide a pathway to permanent residency, and eventually citizenship, for certain New Zealanders living in Australia, as of 1 July 2017. This has been welcomed by the [New Zealand Prime Minister John Key](#) and by many New Zealanders in Australia.

The [pathway](#) will be implemented via the Skilled Independent category of the General Skilled Migration stream within the Migration program. It will not be available to all New Zealanders residing in Australia, but only those who:

- have been resident in Australia for the five years immediately prior to visa application
- can demonstrate, through income tax returns (Notice of Assessment) for the period of residence, taxable income at or above the Temporary Skilled Migration Income Threshold (TSMIT). This is the salary threshold (currently set at \$53,900) applied to applicants for a subclass 457 worker to ensure the position they will fill is skilled and
- satisfy mandatory health, character and security checks.

It will be available to New Zealanders who arrived in Australia after 26 February 2001, but on or before the date of the announcement, 19 February 2016. Thus, it is not a permanent arrangement for all New Zealanders who may come to Australia in the future, but rather appears to be a measure offering an outcome to those who are

already in Australia and campaigning for improved rights. The Department of Immigration and Border Protection (DIBP) [estimates](#) that between 60,000 and 70,000 New Zealanders in Australia will meet the eligibility criteria.

While the pathway has been welcomed by many New Zealanders, it has been criticised by some commentators as being unnecessarily restrictive and discriminatory. Criticism largely [focuses](#) on the imposition of an income threshold, which will operate to exclude New Zealanders working in low income jobs from accessing the pathway to permanent residency. Others who are likely to be excluded are those who work part-time, women who have recently taken time out of the workforce to raise children, and retirees who, while they may have sufficient funds to support themselves, will not be able to show a taxable income above the threshold for the last five financial years. According to [DIBP](#), there will be limited exemptions to the income test for 'vulnerable' people, as determined by the Minister for Immigration and the Minister for Social Services; however, no detail is available at this stage on which categories of people might meet the vulnerability test.

© Commonwealth of Australia



Creative Commons

With the exception of the Commonwealth Coat of Arms, and to the extent that copyright subsists in a third party, this publication, its logo and front page design are licensed under a [Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia](#) licence.