



### **Welfare Reform Submission –SCOA submission:**

The Settlement Council of Australia (SCOA) appreciates the opportunity to make a submission on the “Interim Report of the Reference Group on Welfare Reform”. SCOA represents over 80 agencies in the settlement sector, which comprise the vast majority of agencies involved in funded settlement programs. SCOA members are involved in providing settlement support to recently arrived migrants and people of refugee background across Australia. Within the settlement services SCOA members work directly with a wide range of people from diverse backgrounds and the mainstream Australian community. SCOA members receive a wide range of funding from government departments at federal, state and local levels, as well as grant funding from philanthropic foundations. The professional expertise and repository of knowledge developed over time within the settlement sector is a critical nationally and internationally acknowledged asset to the broader Australian community, acting as an important bridge for newer communities to link with and positively engage with their mainstream neighbours and mainstream services. This knowledge and long term experience as well as our current consultations with members informs our response to the Welfare Reform interim report.

The submission will address many but not all of the questions raised in the interim report. Two key themes relating to welfare reform have emerged in SCOA consultations and discussions on the issue – addressing structural inequality and ensuring migrants and people of refugee background can access government services. It is important that any reform of Australia’s welfare framework keep these two important aspects in view. Inequality has been shown to have damaging effects on society as a whole, and conversely the effects of equality improve whole of community health and outcomes in a host of ways.<sup>1</sup>

Existing work being undertaken by Government on the National Settlement Framework and the Senior Officials Settlement Outcomes Group to strengthen settlement planning across all levels of government will help monitor any prospective changes to the welfare structure from the perspective of migrants and people of refugee background, with a focus on mitigating any unforeseen impacts and vulnerabilities.

The submission also includes a case study of a single male accessing income support, generated as an example from the clients of SCOA members. The case study highlights the positive impact timely income support can have, and also unpacks the difficulties and multiple layers of disadvantage which can be experienced by migrants and people from refugee background.

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<sup>1</sup> *The Spirit Level*, Richard Wilkinson & Kate Pickett 2010

### *Simpler Architecture:*

SCOA supports simplification of the income support system in principle. Any changes in architecture should be informed by direct client consultation with focus on reducing inequality.

In reviewing the architecture of income support systems it will be important to keep successful strategies in place, such as the special payment for humanitarian entrants when they first arrive in Australia as refugees. Access to special benefit has proven to be an effective intervention at a time when families are experiencing a particularly high level of change.

Review of income support payment structure and architecture will need to be alert to the needs of migrants and people from refugee background, especially in promoting access and equity. FECCA's recent report on Multicultural Access and Equity<sup>2</sup> highlights the capacity for leadership in this area from Government, and the key place equitable access to services can play in promoting social cohesion and settlement.

### *Fair rate structure*

In examining the rate structure for income support payments it is essential that payment rates are set above the poverty line, and be sufficient to maintain health, including mental health. Rate structure and levels is an area where a focus on addressing structural inequality is important. Rate structure also needs to take into account the impact of family structure on payment levels. For single refugees the current income support levels can make accessing independent secure accommodation functionally impossible. The pressure on single refugees to share accommodation can have significant impacts on safety, security and re-traumatisation. For young people within a family unit assessing income support rates is a balance between individual rights, promoting independence and acknowledging family bonds.

Variation in rates and barriers to work may be needed, in terms of variations in housing and transport stressors in different locations, especially for regional Australia.

The rate structure for income support will also need to address additional issues for refugees, particularly in terms of the potentially long term impact of trauma on learning, language and capacity to work. Refugees can also experience higher than average levels of poverty and housing stress in their initial settlement years in particular.

Strengthening skills recognition pathways is an effective way to promote employment, facilitating capacity to work.

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<sup>2</sup> Federation of Ethnic Communities Councils of Australia: Multicultural Access and Equity, Perspectives from culturally and linguistically diverse communities on Australian Government service delivery. June 2014

### *Common approach to adjusting payments*

A common approach to adjusting payments is vital to ensure that income support does not contribute to structural inequality for specific groups within the community. A common rate adjustment mechanism needed across all programs, closely connected to cost of living indices.

### *Support for families with children and young people*

Income support structures for families from migrant including refugee background need to acknowledge the differences in family structure and composition, and the impact refugee and settlement journeys have on family structure. Refugee children and youth experience growing up in Australia differently from their mainstream peers, as highlighted in recent research from Centre for Multicultural Youth<sup>3</sup>. CALD children are more likely to still be at school, and more likely to live in two family households than their Australian counterparts. Specialist services which provide accessible and appropriate support are important for this group.

The recent Productivity Commission report on Childcare and Early Learning<sup>4</sup> highlights the role support for children can play in supporting work and social inclusion.

“Formal and informal Early Childhood Education and Care (ECEC) services play a vital role in the development of Australian children and their preparation for school, and in enabling parents to work. Many parents use a mix of care types and/or choose to care for their children at home.”

“Government assistance should focus on three priority areas:

....

Children with additional needs should have access to a ‘top-up’ subsidy to meet the additional reasonable costs of service. Services should have access to assistance to build capacity to provide ECEC for: individual additional needs children, for children in highly disadvantaged communities and to facilitate the integration of ECEC with schools and other services.”

If there are bonus or incentive schemes within the architecture of income support it is important that they are positively aligned to learning and education outcomes for children and families.

### *Effective Rent Assistance*

Accommodation pressures are a significant factor in the settlement process for migrants and people from refugee backgrounds. SCOA acknowledges that housing stress is a national

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<sup>3</sup> Centre for Multicultural Youth: The CALD Youth Census Report, 2014.

<sup>4</sup> Productivity Commission 2014, Childcare and Early Childhood Learning, Draft Report, Canberra.

issue affecting all Australians. SCOA completed a discussion paper on the issue, which is attached. It contains a fuller discussion of the issues and recommendations, many of which are relevant in any discussion on income support and rent assistance. Key points and recommendations include:

- Levels and locations of housing stock
- Accessing affordable secure housing
- Discrimination experienced by people in navigating the housing market

Rental assistance has been essential to help alleviate housing pressure and homelessness. NRAS provided a positive link between the public and private rental markets, which is needed to help people graduate into private rental.

#### *Rewards for work and targeting assistance to need*

Employment is important, but it is not the only factor, nor the only solution, in addressing structural inequality. Targeting assistance to those in need must address barriers to employment, such as experienced by migrants, especially those of refugee background in terms of skills recognition, access to services, language barriers and lack of familiarity with Australian job markets. SCOA has prepared a policy discussion paper on employment, which contains broader analysis and recommendations on this issue, which is attached. Key points and recommendations include:

- Navigating employment pathways
- Complications and difficulties in gaining recognition of prior skills and qualifications
- Gaining Australian work experience

#### *Mutual obligation*

Mutual obligation is important but does need to be viewed with a wider lens for migrants including those of refugee background. Strong links to English language skills acquisition will contribute to greater social inclusion in the long run. Supporting either full time learning or full time work or part-time learning and part time work and having flexibility around arrangements will contribute to ensuring mutual obligation requirements do not disadvantage migrants and people from refugee background.

A broad view of participation is needed, with acknowledgement of volunteer roles within communities, and a broader understanding of family and family commitments, which is particularly important for carers is important. Barriers to work for CALD people need to be acknowledged within the system, with support programs to mitigate barriers with an early intervention focus.

The exposure draft for employment services includes a greater focus on work for the dole, it will be important as this program is expanded through the network of “Work for the Dole Coordinators” that partnering with the community, settlement agencies and employers is sufficiently resourced to strengthen pathways to employment.

#### *Income management and support services*

SCOA does not support the extension of income management, as income management works against individual empowerment and is difficult to deliver in a culturally sensitive manner.

#### *Early intervention*

Early intervention should have a greater focus on asset strengthening, and providing specialist training for support systems for refugee and asylum seeker children. The impact of the refugee journey and associated torture and trauma experienced by family members can have significant long term impact on children.

SCOA recommends setting up a national registration system for people working with vulnerable children, which will provide consistency of care and capacity building support for programs and agencies working with vulnerable children.

#### *Education and training*

Access to education and training is a key pathway used within the settlement process by many migrants including those of refugee background, and their children, to build their new lives in Australia. In providing education and training programs key considerations will be their accessibility, and promoting individual choice and agency.

Courses focussing on English language and skills recognition are popular with migrants and people from refugee background. There is a positive opportunity to ensure programs are aligned with job skills and training gaps in the shift of management of AMEP to the Department of Industry. Realising the benefits of employment is of central concern to all involved in supporting settlement.

SCOA's discussion paper on employment contains recommendations and information relevant to this area also.

#### *Improving individual and family functioning*

Specialist services which support migrants and people from refugee background are important to ensure the specific issues and stresses which can be experienced by families through the settlement journey are addressed. There is an important link in early settlement for refugees between AMEP services, and the positive impact learning English can have on long term settlement. It is important that the link between English language and settlement support be maintained and strengthened.

SCOA's discussion paper on employment contains recommendations and information relevant to this area also.

### *Evaluating outcomes*

In evaluating outcomes of government programmes it is important that outcomes are aligned with the needs of specific groups within the community, such as migrants including those of refugee background. Ensuring evaluations and outcomes includes the refinement necessary to assess outcomes for special needs groups is a key factor for consideration.

It is also important to assess program level interventions and trials, as opposed to whole series of small project level evaluations.

### *Improving pathways to employment*

Pathways to employment are key for migrants and people from refugee background. Refugee youth also need support in navigating the process from school to long term stable employment. The Centre for Multicultural Youth recently released a report which highlighted effective strategies for refugee youth in gaining employment<sup>5</sup>.

Mentoring programs such as the Accor Hotels “Job Ready Program” which has successfully connected migrants and refugees with training and employment in the hospitality industry are ideal and need to be expanded across more industries and locations.

### *Supporting employers*

Assessment of support levels for job seekers is the first step in assisting people find long term secure employment. The current assessment process through the Job Seeker Classification Instrument (JCSI) has not proven to be effective for refugees, with mis-streamed clients leading to a range of problems as time progresses. Initial specialist support is needed to facilitate more effective early intervention for refugees within their settlement journey.

This is an area where effective engagement across all levels of government, from federal to local, will generate stronger outcomes. The role of local government in supporting business make links to job seekers and support settlement can be strengthened through the implementation of the National Settlement Framework.

### *Role of local business*

A focus on improving pathways and links for social enterprise as a way to address structural inequality and promote access and equity connects closely to the role local business can play. Linking regional development to supported settlement can have significant benefits for local communities, as evidenced by the experience in Nhill Victoria and the company “Love-A-Duck” who have a large proportion of refugees working in the factory and related areas.

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<sup>5</sup> Facilitating the Transition to Employment for Refugee Young People Report, Centre for Multicultural Youth, 2014

### *Community resilience*

Building on community strengths and assets is key to strengthening community resilience. A common assumption is that elements of the community are a drain but this is not always the case. There are a wide variety of ways that migrants including those of refugee background can and do participate in the Australian community, demonstrating the development of strong social capital. Research by Graeme Hugo on the economic, social and civil contribution of humanitarian entrants<sup>6</sup> points to the depth and variety of contributions refugees are making in Australian communities.

Supporting participatory frameworks and using the lived experience of refugees to inform government policy will strengthen outcomes for refugees and lessen dependence on income support and social welfare.

### **Yusuf's story**

Yusuf is a 23 year old single man who was forced to flee Afghanistan where he worked as an interpreter assisting the Australian army. He left his young wife and elderly mother in Afghanistan. Yusuf was settled in the Brisbane area. He would like to work as an interpreter in Australia but is unemployed.

“When I arrived I tried to apply for interpreter jobs and was told I need an Australian qualification. But I can't afford to pay to get my interpreter qualification. After I pay my rent there is very little money left from my Newstart allowance to pay for food. It will take me a long time to save enough to pay to get my qualifications recognised.”

Yusef lives in a three bedroom flat with five other single men from Afghanistan. He shares a bedroom with another man he didn't know before he arrived. “The place is crowded but we make do because it is the only way we can afford our rent, and I'm not eligible to get rent assistance. If I moved into a more affordable area I would be far away from any potential jobs. I can't afford to pay extra for public transport.”

Yusuf is happy to be living in Australia where he feels safe. But sometimes it is difficult because in Afghanistan he had a job and was respected. He struggles every day to find work. “By the end of the week I struggle to pay for the bus to look for work and sometimes I have to choose between that and paying for food.”

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<sup>6</sup> A Significant Contribution: The Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants, Hugo, 2011

Yusuf often feels isolated and misses his family back home. He recently started visiting a migrant resource centre to meet people. At the centre he learned about their work experience programs. "I want to get involved in their Work & Welcome program. It will give me short-term work experience which I hope will help me find a job and then I don't have to rely on Newstart."

(this case study drawn from the experiences of a range of settlement agency clients)

Attachments:

SCOA Discussion Paper: Addressing Barriers to Employment, July 2012 (attached to email)

SCOA Discussion Paper: Addressing Barriers to Adequate Housing, July 2012 (attached to email)