

## SCOA Submission to the Productivity Commission Inquiry on Migrant Intake

The Settlement Council of Australia (SCOA) is pleased to provide this submission to the Productivity Commission on the inquiry into Migrant Intake into Australia. SCOA represents over 80 agencies in the settlement sector, which comprise the majority of agencies involved in funded settlement programmes including Settlement Grants Programme (SGP), Humanitarian Settlement Services (HSS), Status Resolution Support Services (SRSS) and Complex Case Support (CCS). SCOA members are involved in providing settlement support to recently arrived migrants and people of refugee background across Australia. SCOA's consultation with members and our research into the area have informed the preparation of this submission.

SCOA's submission will respond to the inquiry by addressing the following points (largely in line with the questions raised in the discussion paper released by the Commission):

- Potential impact of pricing visas
- Impact of current migration programme to Australia
- Settlement services relationship to the migration programme
- Is there a case for change?
- Suggested strategies

### **Potential impact of pricing visas**

The potential impact of a broad pricing regime is significant, both in terms of direct impact on communities and individuals, and in terms of potential hidden impacts in terms of increased vulnerability and financial pressure. The direct consequences of such a move would impact on the length of time new settlers and their families take to integrate into the Australian community, and would weaken Australia's international standing as the best settlement country. Given the financial burden of a pricing regime, the focus should be on maintaining the broader human rights purposes of the humanitarian programme.

The implementation of a pricing regime for visas will also have substantial direct impact on support services, given the likely flow on pressures a pricing regime may trigger – for example increased financial pressure on families, and increased vulnerability and family pressures.

Family reunion is a key component of the migration programme which is already considerably subscribed, and one for which pricing mechanisms already exist. The current contributory parent visa costs are exorbitant, already placing financial pressures on families. The long waiting times (stretching into decades) for the non-contributory parent visas place additional pressures on families. The lengthy wait times involved can act as a disincentive to apply for visas under this stream at all. The implementation of additional pricing frameworks for other family visas will likely have far reaching impacts for families, mostly negative.

For family members of humanitarian entrants the projected impact is likely to be particularly severe as the existing financial resources within the broader family unit, both within Australia and

internationally, are likely to be severely curtailed and the pressure to bring family members to a place of safety is understandably very high.

The recent Community Proposer Pilot now in its third year of delivery has assisted family reunion for families that have become established and in a position to pay for the costs of proposing their families as well as to commit to providing effective settlement on their arrival. This program is a useful adjunct to the humanitarian program and has the capacity to be expanded, especially as it is delivered by settlement agencies with expertise that ensure productive settlement outcomes. However the allocated number of visas to this program should not be increased at the expense of the direct humanitarian settlement program.

Within the skilled migration programme the implementation of a pricing regime is likely to have a particular impact on the capacity to access potential migrants with good skills from all countries, but in particular from developing countries. The desire to move to Australia may be there but the impact of a pricing regime will have serious impacts on the demographic and ethnic mix of the migration programme. This would also impact bringing in people with the highest quality skills and only allow for those who can pay. Australia could lose out on bringing in some of the brightest minds into its labour market. It is also worth keeping in mind the lengths people may go to get a visa and the dangers this presents in terms of potential for exploitation.

The suggestion of a pricing framework for visas under the migration programme gives the current migration programme a fairly simplistic framing – there is either altruistic humanitarian migration through the humanitarian programme or economic migration. In reality there are many reasons for people to migrate using the migration programme, and if a pricing structure is implemented it will need to be nuanced to respond to that reality.

SCOA members also expressed concern about the broader justification of implementing a pricing regime, given that the Department of Immigration is already revenue positive for Australia if border protection activities are excluded. It was felt that a pricing regime was a fundraising exercise, and one which would come to bear negatively on the community who would individually and collectively be paying the higher direct costs. Recent research highlights the strong contribution migration makes to Australia economically, it is likely a pricing regime would damage or diminish the positive benefits of migration given the burden will be on families and individuals to pay the visa charges<sup>1</sup>.

A significant risk was identified in consultations in relation to where people may source the funds for increased visa charges. There is a risk people may sell their assets to pay for skilled visas, and then on arrival be in a situation of financial vulnerability while they look for work. This is especially the case for low skilled visas used as workers in seasonal work. There is a high danger people with overseas skills will be trapped in low paying jobs or put in very vulnerable situations.

The implementation of a pricing regime is also likely to have an impact on selection processes for visas. It is unclear from the discussion paper what criteria may apply to visas (what skills, qualifications or demographic considerations may be applied).

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<sup>1</sup> Migration Council of Australia: The Economic Impact of Migration, 2015

## **Impact of current migration programme to Australia**

In examining potential changes to the migration programme it is worth considering briefly current issues within the existing migration programme in terms of demands, pressures, existing pricing mechanisms and access to services.

The current migration programme is heavily weighted to skilled migration which has substantial direct and indirect positive impacts for Australia economically. The focus on skilled migration and the long term impacts of range of temporary working visas (most temporary working visa holders become permanent residents) creates additional flow on impacts in relation to the need for support services and additional long term demographic pressure on different components of the family migration programme. The humanitarian programme also has significant flow on demand for family reunion and family visas. These demand factors on the family migration programme are cumulative. Any consideration of a pricing regime for visas needs to take into account these demand factors and their potential impact, keeping firmly in mind the overwhelming evidence supporting the positive impact of family reunion on families and the community.

Access to greater settlement support for all migrants and increased access to Centrelink support has long been advocated for by the settlement sector. The basis of this advocacy has been twofold, firstly on the basis of the benefits of early intervention and support in terms of increased labour market and community participation, and secondly in terms of the stress and vulnerability factors which are exacerbated during the initial settlement period. Providing additional supports to skilled migrants, temporary migrants and students is highly likely to improve overall community outcomes in terms of cohesion, employment and health.

The humanitarian considerations of the humanitarian programme remain regardless of the administrative architecture of the humanitarian programme. Australia has a comprehensive suite of settlement services to support refugees arriving in Australia. These support services enable refugees to heal from the trauma they have experienced, to negotiate their new environment and contribute to the community. The ongoing commitment of resources to this program will continue to ensure that after a period of time and with access to employment, the outcomes in terms of economic benefits and social capital is immense.<sup>2</sup>

## **Settlement services relationship to the migration programme**

Settlement services have a naturally close relationship to the migration programme with Australia rightly considered a world leader in provision of settlement support services to recently arrived refugees.

Settlement support to people arriving under the migration programme is more constrained with only certain categories of high risk migrants eligible for support services, and nearly all migrants subject to a two year exclusion period for access to Centrelink services.

More supports would be beneficial for migrants within the general migration programme, particularly services that foster links between migrants and the mainstream Australian community and employment.

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<sup>2</sup> DIAC Professor Graeme Hugo: A Significant Contributions, 2011 and University of Adelaide, MRCSA and Local Government Association of SA: Enabling Rural Migrant Settlement: A case study of the Limestone Coast, 2015

In examining shifts to the migration programme it is also important to keep in mind the distributional impact of the migration programme particularly its capacity to support regional resettlement and regional growth and revitalisation. Recent research from AMES highlights a positive example of economic and regional growth through a regional approach to refugee employment<sup>3</sup>.

In assessing potential shifts to policy settings to the Australian migration programme on Australia it is also important to ensure the timeframe for measuring impact is broad enough to assess both short term impacts (which can be negative or balanced) and long term impacts (which are often more positive). It is also important to include qualitative elements in the assessment such as the benefits accrued to Australia through migration through closer international ties, the positive impacts of family reunion and the diversity dividend.

The timeframe for support is also worth considering. Current migration and settlement supports are primarily oriented around a timeframe that focusses on the first five years. While this is sufficient for many migrants and refugees there is a strong case which can be made for supports which are oriented to the cyclical nature of settlement, and which are oriented to life stages also. A migrant or refugee may be happily settled but have not experienced a birth, death or other significant life event which may trigger the need for further short term support.

Within the skilled migration programme it is also important to consider the additional support needs entrants and their families may have. Successful employment does not equal successful settlement. The settlement sector, which includes many agencies with a broad multicultural focus, is experienced at providing additional support through a range of community programmes. This exposure to the needs of migrants has highlighted for SCOA members the need for and benefits of providing orientation support and strong links to local networks.

Within the proposals detailed in the discussion paper there is no reference to where additional funds raised through the proposed visa fee restructure would be directed. In the event that increased charges are implemented one recommendation would be to direct increased funds towards improvements in settlement services for migrants and temporary work visa holders. An early intervention approach to settlement support which includes the full range of migrants and temporary entrants could be reasonably expected to bring positive dividends in relation to stronger employment outcomes and improved supports for families.

### **Is there a case for change?**

SCOA members consulted felt it was unclear from the discussion paper that there was a case for changing the visa framework as outlined. There are already signals around the way the migration programme works which correlate planning, services and associated fees. The current migration programme includes a strong humanitarian component which facilitates Australia's contribution to global refugee crises.

The terms of reference were considered to be very narrow, providing little scope to engage with the breadth of reasons which motivate migration movements. A broad consideration of the global impacts and where Australia sits in international terms in relation to migration is necessary in any

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<sup>3</sup> AMES: Small Towns Big Returns, 2015

review of the migration programme, but especially so given the broad nature of the changes proposed.

Members felt that the potential negative impacts (which many felt were likely) far outweighed the possible benefits. Examining the context and interrelationship between the family, skilled and humanitarian migration visa streams and conducting detailed research was recommended.

It was also mentioned in consultations that currently Australia has experienced little competition for skilled migrants particularly in terms of matching migrants to labour market shortages. There may be future competition from other countries attracting greater migration. This would result in Australia losing out on needed labour if migration were made more difficult to access.

### **Suggested strategies**

While there may be a time for change there is a need to balance resources against outcomes in terms of social capital and economic productivity, as well as measuring these within a longitudinal approach that is realistic. Funds should be re-directed from other areas of government to resource settlement services to actively engage with the employment sector, ensuring better value for money in settlement outcomes especially for humanitarian entrants who want to work but too often compete for employment with temporary visa holders. These initiatives can include the increase in funding pro- bono migration agents to offset the high cost of migration services, employment liaison officers to ensure better engagement with Jobs Services Australia and local area coordination. The latter is an integral settlement deliverable especially in regional areas.

SCOA members also raised a question in terms of the consultation process the Productivity Commission is undertaking, particularly in terms of consulting relevant academics and experts on what drives migration. It was felt that much of the information in the discussion paper was missing a deeper evidence base. The absence of detailed research and a solid evidence base is understandable in a discussion paper designed to stimulate thinking and consultations. For the next stage of the process there is a need for a more holistic review of the programme and greater consultations. Consultations need to include a broader look at migration policies and include explicitly Australia's international obligations pertaining to the relevant international conventions (particularly the Refugee Convention). It is recommended broader discussions and consultations include outreach strategies to likely affected communities (such as recently arrived migrant and refugee communities) who may find it difficult to participate in a formal written submission process.