

Settlement Council of Australia

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30th January 2014

Luise McCulloch
General Manager
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Dear Ms McCulloch,

SCOA 2014-15 Pre-Budget Submission

The Settlement Council of Australia (SCOA) is pleased to provide this submission to the government on the forthcoming Federal Budget. SCOA represents over 80 agencies in the settlement sector, which comprise the majority of agencies involved in funded settlement programs including Settlement Grants Program (SGP), Humanitarian Settlement Services (HSS) 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 members receive a wide range of funding from government departments at federal, state and local levels, as well as grant funding from philanthropic foundations. SCOA's consultation with members and our research into the area have informed the preparation of this submission. SCOA's members represent a significant range of agencies, which provide world class settlement support throughout Australia.

Investment in the settlement sector

Governments since 1997 have invested considerable resources in developing a professional settlement sector – improving the skills and capacity of the sector and improving service planning and delivery. In turn the sector has provided a base for Australia's humanitarian and migration program by ensuring settlement by world standards has culminated into a multicultural Australia that is harmonious, cohesive and productive in spite of international impacts. It is critically important to resource a post migration settlement program which has the expertise and wide ranging credibility to assist the Commonwealth's productive diversity agenda by strengthening Australia's civil and economic development.

It is important in reviewing the proposed budget that the investment in capacity and service delivery existent in the settlement sector is not undermined by cuts to core settlement areas. The settlement sector comprises a range of specialist providers, both large and small agencies, spread across

metropolitan and regional Australia. Specialist providers can support meaningful effective early intervention, which results in cost effective support at an early stage. This prevents the development of critical (and thus more expensive) problems developing over time, a particular danger in bigger mainstream systems that are not effective at providing culturally appropriate services.

Much of the settlement sector operates through grants, including the SGP. SGP services have the capacity to triage to other specialised streams of services at both a federal and state services level. Through well connected services which minimise duplication streamlined assistance can be provided to newly arrived migrants and people of refugee background. The local connections of SGP link people into services through strong relationships and warm referrals. The SGP can also offer intelligence in informing policy in housing and a host of other areas, which SCOA can collate and forward through the appropriate networks nationally.

Service oriented cost cutting may be possible within some programs. For instance, elements of the CCS services may be better integrated within the HSS and SGP and within the rest of the Department of Social Services (DSS) framework of services. This could utilise referrals to specialist disability services and other services which could save considerable costs.

The SGP program is governed by clear workplans which have historically been delivered to a high standard by settlement agencies. The excellent and proven direct quantifiable and qualitative outcomes within funded workplans have had important flow on outcomes including:

- Strong support for community cohesion,
- Pathways for community governance,
- Opportunities for mentoring within a broad range of communities,
- A general focus on community empowerment which has contributed to successful, settlement and community inclusion,
- Increased volunteering opportunities and
- Fostering work experience opportunities and improving job pathways.

Additionally SGP remains a necessary pathway for many vulnerable clients from HSS to other funded programs. The referral and casework components of the SGP are an important safety net in the wider set of settlement services. The SGP provides the necessary and broader supports for the client, their family and community to further HSS's initial settlement assistance by engaging generic and specific services and community supports. It fills in gaps where there is a lack of services and community supports which are particularly relevant in some locations such as regional rural settlement areas.

Flow on benefits of grants

A good proportion of services and support within the settlement sector have significant flow on benefits, both in terms of cost effective early intervention and in terms of additional leveraging of support to communities. As an example, in the area of volunteers alone the settlement sector has gained the support of over 6,500 volunteers across the country. At conservative estimates these volunteers contribute a combined total of 700,000 hours of support per annum, a considerable

beneficial impact. Volunteer support is leveraged through close community ties, knowledge and history, and could not be duplicated by mainstream approaches. Assessing recommendations of the Commission for impact on areas such as volunteering, and looking beyond the direct financial implications, will ensure that the unforeseen negative impacts of recommendations are minimised.

As mentioned above a significant portion of services to the settlement sector, which incorporates many services to communities of migrant background, is operated through grant programs. The grant programs have developed significant expertise over time and are efficient and effective in providing services to communities who may otherwise find it difficult to access mainstream agencies. The outcomes of these services in ensuring integration, community harmony and employment contributions to the economy, particularly through work that is rural, seasonal and or less acceptable to other Australians are well documented in research and espoused by employer groups, local government and rural and other communities.

Additionally settlement agencies are well connected to their communities, engaging with a range of communities over time, building up trust and knowledge through strong historical connections, which has enabled settlement agencies to be more efficient and effective in their delivery of services. Building on relationships of trust with communities enables program benefits to be leveraged well beyond the initial programs and delivery targets, with positive ripple impacts throughout the community.

Investment in settlement support for migrants and refugees

Investment in settlement support within the budget should be viewed in terms of the contribution migrants and people of refugee background make to Australia, which is significant. Assisting people bridges gaps in understanding and getting oriented enables them to settle more successfully, gain jobs that relate to their skills and thus speeds up their integration and contributions to Australia.

Australia's settlement services are internationally acknowledged to be both successful and of high standard. It is important in reviewing budget priorities that the capacity and standard of settlement support is maintained. Recent research into the social, civic and economic contribution of first and second generation humanitarian entrants by Professor Hugo shows clearly that refugees have a significant positive impact within all aspects of Australian life.

The settlement sector employs significant numbers of bi-cultural workers, creating successful employment pathways for people who may otherwise have difficulties in gaining the important first steps in employment. Many settlement agencies have significant volunteer and mentoring programs supporting entry into meaningful employment.

Cost savings:

SCOA understands the need to be fiscally responsible and that there are pressures on the budget. Savings measures can be identified within the settlement sector which focus on reporting and

compliance requirements. They relate to the specifics within the main programs under which the settlement sector operates, such as the reporting within the SGP, which is focused on quarterly reports and an online reporting database, OSCAR. There are clear and easy reductions in red tape available through shifting to a six-monthly reporting cycle and streamlining the online reporting database (which has not been significantly improved or updated for approximately three years). There is also the potential to move to an annual qualitative reporting cycle supported by more regular quantitative reporting through an online database, particularly for agencies that are well known and have good internal governance.

Additional reductions in red tape can be found at the level of organisation reporting. With the diversity of funding bodies that SCOA members report to the move towards streamlining reporting to government initially proposed through the Australian Charities and Not-for-Profit Commission (ACNC) red tape reductions are welcomed by the settlement sector. We acknowledge the reductions are still a 'work in progress' however they mark a positive trend towards simplifying and streamlining information collection, which will result in cost savings for agencies and the Commonwealth.

Given the fiscal pressures on the budget it is worth mentioning an area of significant spending which could be re-structured to provide substantial savings. The recent closure of on-shore facilities has saved the Government an estimated \$88.8m. Detention is an expensive way to provide for asylum seekers, both in the short term (in the direct costs of operating and maintaining detention centres), and in the long run (in indirect costs from related psycho-social impacts of detention on former detainees health and capacity to work). Provision of limited settlement support to asylum seekers, including employment assistance, would be considerably more cost efficient.

The settlement sector and SCOA as the representative body is well aware of the many pressures on the Federal Budget. This submission is put forward with the perspective that settlement services are an investment, which pays strong dividends, but not necessarily in the short term. Please feel free to contact the Settlement Council of Australia's Executive Officer, Sky de Jersey, should you have any queries in relation to our submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cedric Manen', is enclosed in a thin black rectangular border.

Cedric Manen