



Pre-Budget Submissions
The Treasury
Langton Cres
PARKES ACT 2600
prebudgetsubs@treasury.gov.au

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RE: Settlement Council of Australia Pre-Budget Submission for 2020-21

The Settlement Council of Australia (SCoA) is grateful for the opportunity to make this pre-budget submission.

SCoA is the peak body representing the majority of settlement services across Australia providing direct services to people of refugee and migrant backgrounds. Our members include organisations, large and small, who are committed to the successful settlement of refugees and migrants across the country.

In this submission SCoA outlines two pressing issues for the sector – loss of a specialised workforce, and increased refugee unemployment. The submission proposes a solution that will simultaneously address both issues, thereby leveraging the sector in Australia's economic recovery from COVID-19.

The issues

Refugees are among those most impacted by job losses due to COVID-19, together with women, youth and mature age workers.¹ Refugees are disproportionately engaged in low-skilled and insecure employment, and have therefore been more heavily impacted by the economic downturn. This is evidenced by data showing that as of June 2020, there were **52,458 refugees enrolled in JobActive, up from 33,084 in December 2019.**²

At the same time, the capacity of the settlement sector to support migrants and refugees who have lost employment is compromised by a significant loss of funding to the sector. One of the main sources of funding is the Humanitarian Settlement Program, which operates on a fee for service model.

The reduction in revenue from the Humanitarian Settlement Program (HSP) has been significant due to the almost complete cessation of humanitarian arrivals from 20 March

¹ Australian Government Labour Market Information Portal (2020), available online at: <https://lmip.gov.au/default.aspx?LMIP/Downloads/EmploymentRegion>.

² Ibid.



2020. Some agencies have incurred hundreds of thousands of dollars in losses. The losses are expected to reach into the millions, and cause substantial job losses across the sector, as shown by two reports produced by SCoA in response to COVID-19.³

The combined effect of reduced capacity within the sector and increased employment needs will compromise the sector's ability to support refugees to apply for alternative forms of employment and invest in skills building. This will occur at a time when these activities are more needed than ever due to the impact of COVID-19 on employment.

Importantly, the ability of the sector to provide this support in the future when the job market is more favourable will continue to be compromised despite the humanitarian program resuming normal operations. This is due to the loss of a highly specialised workforce, which will take time to rebuild, and will be both difficult and costly to re-establish.

The settlement sector workforce (of which the HSP workforce is a significant proportion) has a proven ability to deliver positive employment outcomes for refugees. Many of our members deliver refugee-specific employment programs that utilise settlement workers. Many of these have been evaluated and demonstrate positive outcomes. Examples of such programs include several initiatives funded through the 'Try, Test and Learn' fund, programs funded through state and territory governments, and programs that foster business skills. We would be happy to provide details and evaluations of specialised employment programs upon request.

Proposed action – innovative employment grants

We propose that most funding allocated for the Humanitarian Settlement Program in 20-21 be re-allocated toward a closed grant round inviting settlement sector organisations to apply for innovative programs to improve employment outcomes for refugees and other vulnerable migrants. The grant round should include a particular focus on women, youth and older refugees recognising the intersectional disadvantage these groups experience. This will address both the loss of a specialised workforce, as well as the pressing need to address refugee employment.

The use of the funds in this way will assist with Australia's economic recovery. At a very conservative estimate, the Australian Government will save **\$1 million per year for every 35 people employed.**⁴

³ Settlement Council of Australia (2020), 'The Impact of Coronavirus on Settlement Services,' available online at: <http://scoa.org.au/wp-content/uploads/2020/03/SCOA-COVID-19-Consultations-Report-PDF.pdf>; and Settlement Council of Australia (2020), 'The Impact of Coronavirus on Workforce Retention and Business Continuity for Settlement Services,' available online at: <http://scoa.org.au/wp-content/uploads/2020/05/The-Impact-of-Coronavirus-on-Workforce-Retention-and-Business-Continuity.pdf>.

⁴ The current JobSeeker rates are \$1,115.70 per single person with no children. Savings are calculated based on the amount saved on JobSeeker payments, based on the single person with no children rate. This would be higher if the family unit is larger, or if the savings accounted for the costs of administering JobSeeker,



While many sectors will not have jobs available in the coming period, there are other sectors where it is feasible to increase the employment rate for refugees. This includes aged care, health care, mining, manufacturing, food processing, agriculture and cleaning. Our consultations with members show that they do continue to have success obtaining employment for refugees and migrants in certain industries such as these, particularly in regional areas. The particular opportunities available differ from region to region, highlighting the important role of local settlement agencies in creating linkages between local industries and employers, and local refugee and migrant communities. Greater support for this work would ensure more refugees can benefit from these opportunities.

Pursuing this proposal would be a golden opportunity to bring to life some of the key recommendations of the recent report *Investing in Refugees, Investing in Australia: The findings of a Review into Integration, Employment and Settlement Outcomes for Refugees and Other Humanitarian Entrants in Australia* (the Shergold Report).

The Shergold Report emphasised the need for settlement providers to deliver refugee-centred labour market support, and the need to increase the use of the settlement sector for employment services. It strongly recommended trialling innovative approaches in this space, and expanding on some of the successful specialised employment initiatives outlined above, recognising the inadequacy of relying on JobActive alone.⁵ The COVID-19 pandemic has only magnified the need to implement the Shergold Report's recommendations relating to employment.

Support for secondary migration to regional locations

As discussed above, many of the opportunities available for employment will be in regional Australia. In order for secondary migration to be effective, a portion of the funding should be dedicated to ensuring secondary migration is sustainable and supported. This includes:

- Funding for coordination and systems to ensure COVID-19 safe and compliant travel to regional locations. Managing the travel of new employees is likely to include a need for education, as well as potentially, additional checks.
- Additional funding for community capacity building to strengthen critical information networks and maximise social inclusion and participation.

These needs can be met through the grants themselves, allowing for the needs to be met and addressed according to the particular context of the locations where applicants

healthcare card benefits, and other costs associated with assisting those on JobSeeker, as well as income tax paid by individuals who become employed.

⁵ Peter Shergold, Kerrin Benson and Margaret Piper (2019), "Investing in Refugees, Investing in Australia: The findings of a Review into Integration, Employment and Settlement Outcomes for Refugees and Other Humanitarian Entrants in Australia." Available online at: <https://www.homeaffairs.gov.au/reports-and-publications/reviews-and-inquiries/inquiries/review-integration-employment-settlement-outcomes-refugees-humanitarian-entrants>



anticipate finding employment for clients. Alternatively, consideration could be given to bolstering the community capacity building component of the Settlement Engagement and Transition Support (SETS) program in regional areas, or funding a regional Fostering Integration grants round.

We also encourage work across different government portfolios and levels of government to ensure stimulus related infrastructure investment is focused in those regional areas where secondary migration is encouraged and expected to occur over the coming period, in order to support those relocating to remain in regional areas in the long term.

Conclusion

COVID-19 will inevitably result in regression in refugee employment in the short-term, however through this proposal the sector can become better positioned to support long-term and sustainable employment outcomes for refugees, without investing new funding into settlement. While COVID-19 has dealt a devastating blow to employment outcomes, it presents an opportunity to focus on ensuring refugees and vulnerable migrants are better positioned for the current and future job market. This will in turn contribute to a stronger economic recovery, and yield economic benefits for Australia as a whole.

We hope you will consider this proposal favourably, and we welcome further discussion around the details of how this can be practically implemented.

For further information on this submission, please contact:

Sandra Elhelw Wright
Chief Executive Officer
Phone: 02 6282 8515
Email: ceo@scoa.org.au