



Settlement
Council
of Australia

Submission: Australia's 2021-22 Migration Program

Settlement Council of Australia

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The Settlement Council of Australia acknowledges the traditional custodians of the land on which we operate, the Ngunnawal people. We also acknowledge the traditional custodians of the various lands on which migrants and refugees settle across Australia, and on which our sector operates.

We pay our respects to Elders past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to our lands and waters.

About the Settlement Council of Australia

The Settlement Council of Australia is the peak body representing the vast majority of settlement agencies across Australia providing direct services and support to people migrant and refugee backgrounds.

Our members include organisations large and small, who are committed to the successful settlement of migrants and refugees across the country. Their services range from greeting new arrivals at the airport, through to assisting them to secure housing, learn English, make social connections, access services and find their first job. Australia's settlement services are recognised as being among the best in the world.

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Introduction

Migration has been widely heralded as key to Australia's social and economic success. The foundation of this success has been the effective settlement of the migrants who have come through the migration program. The capacity and willingness of migrants to work hard to build a new life in Australia ensures the migration program achieves the social and economic outcomes intended.

This submission outlines how the migration program and settlement policy can be structured to optimise the economic and social contributions of migrants, including specific recommendations around supporting regional migration.

Migration: A key pillar of our success

The contribution of migration to Australia must not be undervalued. Migration contributes to the social and economic vibrancy of Australia in numerous ways and the success of Australia's multicultural population can be seen across the country.

In economic terms, a major report by Treasury and the Department of Home Affairs demonstrated that, taken together, the Migration Program and the Humanitarian Programs are projected to contribute a net fiscal benefit of \$9.7 billion over 50 years.¹ A positive fiscal benefit means that the benefits to the economy of newcomer taxable incomes exceeds their usage of government services such as health, education and aged care.²

Further, the findings of the 2017 Joint Standing Committee on Migration quote statistics that show an overwhelming majority of migrants are employed following their arrival in Australia.³ This is echoed in the a report by CGU which demonstrates the massive contributions migrants make to small business in Australia. To this end, we note the following findings of CGU's Report:⁴

- Annual revenue for migrant-owned businesses is 53% higher than non-migrant;
- 13% of migrant owned businesses surveyed reported earning more than \$3 million per year, compared to 8% of non-migrant businesses;
- One third of businesses plan on hiring new people to grow their businesses during the next five to ten years compared to one in four;
- 47%, plan on generating higher revenue (compared to 38%) and 24% (compared to 17%) intend on expanding to new markets; and
- 25% (compared with 19%) are providing training to young people.

Importantly, during COVID-19, Australia has been reliant on migrants for many essential industries. Research by the OECD has shown that across the OECD migrant workers are on

¹ The Treasury and Department of Home Affairs (2018), *Shaping a nation: Population growth and immigration over time*. Canberra. Available at: <https://cdn.tspace.gov.au/uploads/sites/107/2018/04/Shaping-a-Nation-1.pdf>

² Ibid.

³ Joint Standing Committee on Migration (2017), *No one teaches you to become an Australian: Report of the inquiry into migrant settlement outcomes*, p. 77. Available at: https://parliinfo.aph.gov.au/parliInfo/download/committees/reportjnt/024098/toc_pdf/NooneteachesyoutobecomeanAustralian.pdf;fileType=application%2Fpdf

⁴ CGU (2018), *Migrant Small Business Report*.

the frontline of the COVID-19 crisis: in the health sector, they account for 24% of medical doctors and 16% of nurses.⁵ This has been mirrored in Australia.⁶

Of course, economic contributions are only a part of the story of migrant contributions to Australia. Migrants and refugees continue to engage with and make significant contributions to the broader community. For example, they have a high level of engagement in volunteering. Volunteering is seen to be a way to give back to a community and make a positive contribution, while building social connections and gaining Australian workplace experience. Community engagement across a range of sectors has also been shown to increase over time.

The benefits of migration and settlement are further evidenced by research that shows inclusion and diversity in the workplace leads to greater innovation and productivity, improved employer performance, reduced employee turnover, and greater wellbeing outcomes. Further, cultural diversity benefits educational outcomes by promoting greater acceptance of difference, encouraging new ideas and critical thinking skills, promoting dialogue, anti-racism and community harmony.

The appreciation of Australian society for these benefits is reflected in the 2020 Mapping Social Cohesion report. The report found strong support for multiculturalism, with 84% of respondents agreeing that “multiculturalism has been good for Australia.” Support for multiculturalism rose by 4% from last year, a clear indication that Australia is largely welcoming and supportive of the diverse mixture of cultures it currently enjoys. The report also notes high levels of support for continued immigration.⁷

Notwithstanding these promising findings, better planning could greatly assist in achieving greater benefits across the board.

Maximising the benefits of migration

There is potential to recalibrate policy and program settings to further maximise the benefits of the migration program. Based on extensive consultation with members and stakeholders, and drawing on decades of experience working with migrants and refugees, SCoA puts forward three key areas of reform. Taken together, these reforms would amplify the benefits of Australia’s migration program by improving the conditions for good settlement.

1. Expand pathways to permanent residency

Recommendation 1: Expand pathways to permanent residency for temporary entrants, especially those already onshore in Australia, and give priority to permanent residents once international borders re-open.

⁵ OECD (2020), *International Migration Outlook 2020*. Paris: OECD Publishing.

⁶ See for example: ABS, *Australian Census and Migrants* (2016); and Val Colic-Peisker and Farida Tilbury (2006), ‘Employment Niches for Recent Refugees: Segmented Labour Market in Twenty-first Century Australia,’ *Journal of Refugee Studies*, vol 19, no 2, pp 203–229.

⁷ Andrew Markus (2020), *Mapping Social Cohesion: The Scanlon Foundation Surveys*. Available at: <https://scanloninstitute.org.au/sites/default/files/2021-02/SC2020%20Report%20Final.pdf>

While we note that there is a global trend towards migrants electing to take up temporary migration options, we are concerned that an over-reliance on temporary migration will significantly impact settlement prospects as temporary migrants by their very nature do not have the same opportunities to enjoy settlement in Australia and cannot access the same services as permanent migrants. Furthermore, the Productivity Commission has cautioned that the impacts of an over reliance on temporary migration are poorly understood and therefore care must be taken in pursuing this as a major objective of the Migration Program.

SCoA sees vital importance in expanding pathways to permanent residency. The successful settlement of migrants yields great benefits to Australia. If individuals have the certainty that they will be in Australia permanently, they are more likely put down roots, learn English, develop their careers, invest in building social networks, and adjust to life in Australia. The uncertainty around permanency can be an impediment to taking steps towards being settled.

The pause in overseas migration to Australia is an opportune time to expand pathways to permanent residency, especially for those already onshore in Australia. Permanent settlement is a mutually beneficial option for both Australia, and existing temporary migrants seeking permanency.

As at 31 March 2020, there were 2.17 million temporary visa holders in Australia.⁸ The most common types of temporary visa categories were New Zealand citizens (around 672,000 people), international students (568,000), bridging visa holders (281,000), skilled workers (139,000) and working holiday makers (119,000).⁹

CEDA has estimated that, excluding New Zealand citizens, there were 46,000 people who arrived on a temporary visa between 2007 and 2008 and remained on one at the end of 2016.¹⁰ This paints a picture of people who are temporarily resident long-term which can undermine the trust of temporary residents, and potentially the wider Australian community, in the fairness of the Migration Program and create prolonged uncertainty for temporary residents. CEDA has argued that Australia should not unintentionally create a class of perpetual temporary residents for whom permanent migration and the associated safety nets are always out of reach."¹¹

The record-high levels of bridging visas indicates there are larger than ever numbers of temporary migrants seeking to settle permanently in Australia, but for whom there are limited opportunities to do so. The doubling of the planning level for partner visas announced in the 2020 Budget is welcomed. Planning levels for the 21/22 Migration Program for other visa categories could be adjusted to meet this objective.

In addition, current or prospective migrants offshore who hold (or have substantially progressed) a permanent visa, including refugees, should have priority in terms of access to Australia when the international border reopens as they have already met the criteria and character requirements to migrate to Australia.

⁸ Australian Parliamentary Library (2020), *Temporary migration figures: the quarter before COVID-19 hit*. Available at: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/June/COVID_and_temporary_migration

⁹ Ibid.

¹⁰ CEDA (2019), *Effects of temporary migration: Shaping Australia's society and economy*. Committee for Economic Development of Australia, Melbourne. Available at <https://www.ceda.com.au/Research-and-policy/All-CEDA-research/Research-catalogue/Effects-of-temporary-migration>

¹¹ Ibid.

2. Extend settlement support

Recommendation 2: Broaden the eligibility for the Settlement Engagement and Transition Support (SETS) program and ensure adequate resourcing to meet current and future demand for the program.

The work of settlement services promotes social cohesion, prevents entrenched marginalisation, and maximises the economic contributions of migrants and refugees.¹² Settlement services play a central role in assisting migrants and refugees to adjust to life in Australia, including by assisting them to obtain employment, access services and supports, pursue further education, and build social networks. Australia's approach to the provision of settlement services has been identified by the Productivity Commission as providing a solid foundation for establishing life in Australia.¹³

SCoA considers that too much of the debate concerning Australia's Migration Program focuses on visa classes and eligibility, to the detriment of broader, more long-term considerations of a migrant and their family's settlement journey following arrival in Australia. Settlement outcomes are crucial to achieving all that the Migration Program has to offer, and by adequately factoring in the elements that contribute to successful settlement, and ensuring that any barriers or hurdles are eliminated, we can ensure that our Migration Program can reach its full potential.

Currently, the most broadly accessed source of settlement support is the Settlement Engagement and Transition Support (SETS) program. SETS provides settlement support to a range of eligible permanent residents who have arrived in Australia in the last five years, and some temporary residents and their dependents.¹⁴ Under SETS, settlement agencies provide settlement-related information, advice, advocacy, and assistance.

Access to SETS is however limited by visa type and the length of time since arrival in Australia. The five-year limitation on accessing SETS and the exclusion of many visa categories renders the program inaccessible to many who require settlement support. On a daily basis, individuals seek support from services, only to find they are ineligible, slowing down their settlement journey, along with the social and economic benefits of settlement.

As has been submitted to previous consultation processes on Australia's Migration Program,¹⁵ SCoA advocates for an expansion in the eligibility for SETS through, for example, an approach to eligibility that is based on need, rather than visa status.

Recent studies, including the Productivity Commission's 2016 report "Australia's Migrant Intake", have confirmed the view that, in addition to migrants on humanitarian visas, other

¹² Productivity Commission (2006), "Economic Impacts of Migration and Population Growth."; Australian Chamber of Commerce and Industry (2018), "Migration works for all of us: Delivering benefits to all Australians." Available at: https://www.australianchamber.com.au/wp-content/uploads/2018/12/FINAL-Australian-Chamber_Policy_Migration_WEB.pdf

¹³ Productivity Commission (2016), *Migrant Intake into Australia*, p. 178.

¹⁴ For more information on SETS – Client Services eligibility, visit: <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program/sets-client-services>

¹⁵ Settlement Council of Australia (2018), 'SCoA Submission to 2018-19 Migration Program.' Available online at: <http://scoa.org.au/wp-content/uploads/2018/02/SCOA-submission-on-Migration-Program-2-Feb.pdf>

cohorts of migrants may also need assistance to settle. Indeed, the Productivity Commission went on to recommend, at Recommendation 8.1 that:

The Australian Government should review the mix, extent and coordination of settlement services (including English-language training and employment services) for all permanent immigrants with the aim of improving their labour market and social engagement outcomes.

SCoA considers that supporting the successful settlement of migrants should extend to ensuring that communities are adequately funded to receive and settle new arrivals. To this end we note the findings of the recent Joint Standing Committee on Migration Inquiry into Migrant Settlement Outcomes, which found that “not all LGAs are adequately resourced to provide the necessary support services to help migrants and their families integrate within the community.”

The limits of funding have been amplified in the context of COVID-19. Demand for settlement services has been higher than ever, and the risks of burnout and the struggles to keep up with the high level of demand have been conveyed consistently by our members over the course of 2020. This is expected to continue in 2021-22 due to the ongoing impact of the pandemic. At the same time, resourcing for the sector has gone down, particularly due to the lack of funding made available through the Humanitarian Settlement Program (which has flow on effects for overall organisational viability and efficiency), and the removal of the *Social and Community Sector (SACS) Supplementation Funding*.

A survey of settlement services conducted by SCoA showed that over 130 full-time equivalent (FTE) staff were lost in 2020 in the 73 organisations who participated in the survey. The same survey showed that organisations projected a loss of over 150 FTE employees in 2021 due to the loss of the Social and Community Sector (SACS) Supplementation Funding. This represents a total of 280 FTE at a time when an economic crisis has created unprecedented demand for settlement support.

In practical terms, this means the settlement sector is currently limited in its capacity to support the migration program to achieve its intended social and economic outcomes. SCoA strongly advocates for greater investments in settlement support, and further submits that these investments would be dwarfed by the gains to Australia through reducing expenditure on income support, long-term use of social services, and increasing the tax base.

3. Provide greater support for regional migration

Recommendation 3: Invest further funding in place-based local regional settlement support to ensure a coordinated and holistic approach to regional settlement, which supports migrants remaining in regional areas in the long-term.

The Australian Government’s population policy includes an intent to promote settlement and population growth in regional centres through the Migration Program and the Humanitarian Program.¹⁶ Achieving this intent will require a sustained and focused policy effort. For migrants to be attracted to and retained in regional areas, a holistic approach is required.

¹⁶ Australian Government (2019), *Planning for Australia’s Future Population*.

The evidence suggests that addressing settlement needs at the local level, and in a manner that is tailored to individual regional locations, is an essential factor for successful regional settlement. Essential factors for success include:

- place based assessments of industries and workforces
- assessments of the extent to which newcomers will bring skills that are not available locally
- targeted community capacity building work to increase the cultural responsiveness of local employers and services
- adequate availability of infrastructure (such as housing, schools, and transport) and local services

The experience of settlement services across Australia is that employment alone will not attract and retain newcomers in regional centres. Most recently, settlement providers have noted that the cost of rent in many regional areas has increased exponentially in light of COVID-19 and increased numbers of people moving into regional areas. Providers have reported that in some places costs have doubled or tripled. It is imperative that housing availability and affordability issues are addressed for a policy of promoting regional migration to be practical.

Further, without social support and other infrastructure, there is a high risk that migrants will seek employment in major cities. In the early stages of establishing a strong migrant community in a regional location, the presence of strong and well-resourced settlement services is essential as these services build the capacity of both local host communities, and assist new migrant communities to establish.

The current approach of funding settlement services primarily on the basis of the numbers of migrants within a particular area is counter-productive to ensuring adequate resources are available in regional areas to build the capability of regional areas to welcome migrants. The funding allocated to regional settlement services should be reviewed, recognising that there is a greater level of work required in setting up the factors for success for regional settlement compared to undertaking settlement in cities.

Conclusion

While COVID-19 has seen migration come to an almost complete halt in Australia, migration will continue to be an essential pillar of Australia's economic and social success. COVID-19 has only entrenched the need to harness the economic benefits of migration. The reliance of many essential industries on migrant labour has also amplified the benefits of migration to our broader social success and stability.

In pursuing migration as a strategy for enhancing Australia's social and economic landscape, it is essential that migration is supported by an effective and optimised settlement policy which includes prioritising pathways to permanency, and ensuring settlement support is available to those who could benefit from assistance so that they can contribute to Australia to their fullest potential.