



**Refugee Council
of Australia**

DEPARTMENT OF SOCIAL SERVICES

REVIEW OF AUSTRALIA'S WELFARE SYSTEM

The Refugee Council of Australia (RCOA) is the national umbrella body for refugees, asylum seekers and the organisations and individuals who work with them, representing over 190 organisations and almost 900 individual members. RCOA promotes the adoption of humane, lawful and constructive policies by governments and communities in Australia and internationally towards refugees, asylum seekers and refugee and humanitarian entrants. RCOA consults regularly with its members, community leaders and people from refugee backgrounds and this submission is informed by their views.

RCOA welcomes the opportunity to provide feedback to the review of Australia's welfare system. Given the importance of financial security to the successful settlement of refugee and humanitarian entrants in Australia, we believe it is essential that any reforms of the welfare system take into account the specific issues and challenges faced by these groups. This submission focuses on issues which we believe should inform the development of the Reference Group's recommendations for reform of Australia's welfare system, to ensure that this system can adequately meet the needs of refugee and humanitarian entrants into the future.

1. Inclusion of people from refugee backgrounds

- 1.1. Financial security is a key challenge for people from refugee backgrounds living in Australia. Having been forced to flee their homelands, often with little warning, refugees typically leave behind most of what they own and arrive in Australia with few if any financial resources. They may also be unable to access assets left overseas for fear of their whereabouts becoming known to their persecutors, or because their assets have been frozen, seized or destroyed. When this lack of resources is coupled with significant barriers to securing sustainable employment (see Section 2), refugee and humanitarian entrants can face significant financial hardship during the early years of settlement in Australia.
- 1.2. For this reason, income support can play a particularly important role for refugee and humanitarian entrants as compared to other migrants. Not only does income support assist in meeting basic living costs, it also gives refugee and humanitarian entrants space to develop their skills (including language skills), facilitates access to services and support networks and assists in establishing a sense of security and stability, all of which are key factors in successful settlement.
- 1.3. RCOA is therefore concerned that the interim report produced by the Reference Group gives very little consideration to issues affecting refugee and humanitarian entrants. In fact, the report contains just one sentence acknowledging that people from refugee backgrounds may face serious challenges in securing employment, with the only further reference to refugee and humanitarian entrants being the brief profile of the WorkVentures iGetIT course targeting people from migrant and refugee backgrounds. We encourage the Reference Group, in the next stage of its review of Australia's welfare system, to give greater consideration to the specific issues and challenges affecting refugee and humanitarian entrants.

2. Barriers to employment for refugee and humanitarian entrants

- 2.1. Gaining stable adequately-remunerated and fulfilling employment is a significant contributor towards successful settlement in Australia. In addition to the benefits identified in the interim report, employment also assists new arrivals to Australia to build community connections, hone their language skills, recover from past trauma and develop a sense of belonging.
- 2.2. However, refugee and humanitarian entrants often face significant difficulties in securing employment in Australia, particularly during the early years of settlement. Barriers which can hamper access to employment by refugee and humanitarian entrants include:
 - Limited English proficiency;
 - Lack of Australian work experience and limited knowledge of Australian workplace culture and systems;
 - Limited access to transport and affordable housing close to employment;
 - Pressures of juggling employment and domestic responsibilities (a particularly significant issue for women);
 - Lack of appropriate services to support employment transitions;
 - The impacts of past trauma on health and wellbeing;
 - Downward mobility and the pressure to accept insecure employment, which can result in underutilisation of skills and hamper longer-term career advancement;
 - Lack of qualifications or difficulties with recognition of qualifications, skills and experience;
 - Discrimination and negative attitudes; and
 - Visa restrictions (discussed in further detail in Section 3).
- 2.3. In some cases, these barriers can be addressed through individual capacity-building (such as English language tuition, education about Australian workplace systems, work experience programs and mental health support). In other cases, however, these barriers are caused by broader structural and systemic issues which cannot be addressed at an individual level. Examples include: the limited availability of employment support services which cater specifically for the needs of refugee and humanitarian entrants; inadequate mechanisms for securing recognition of overseas qualifications; and negative attitudes amongst the broader community, some employers and some job service providers (such as racism and the perception that people from refugee backgrounds are unskilled).
- 2.4. Refugee and humanitarian entrants are often highly motivated to work and many have ample capacity to participate in the Australian workforce (either having arrived with the requisite skills and experience or having developed them after arrival) but are frequently prevented from doing so by these systemic barriers. Participants in RCOA's consultations with refugee communities regularly speak of their frustration and disappointment at not being able to gain access to the Australian labour market or fully apply their skills, experience and determination in the workplace.
- 2.5. As such, RCOA is concerned that the review of Australia's welfare system focuses principally on "provid[ing] incentives to work for those who are able to work" and "support[ing] social and economic participation through measures that build individual and family capability", with comparatively little attention devoted to addressing systemic issues which may create added barriers to employment. We believe that efforts to incentivise participation in employment or build individual capacity are unlikely to be successful unless they are coupled with strategies to address these systemic issues.
- 2.6. RCOA therefore encourages the Reference Group to consider a broader range of measures to support access to employment, moving beyond individual capacity-building alone to address broader systemic issues which present barriers to employment.

3. Challenges faced by asylum seekers and temporary humanitarian visa holders

- 3.1. Asylum seekers living in the community on Bridging Visas and temporary humanitarian visa holders confront the same challenges as other refugee and humanitarian entrants in relation to financial hardship and barriers to employment, as well as a range of additional obstacles unique to their circumstances.
- 3.2. RCOA has received consistent feedback indicating that the level of income support available to asylum seekers under the Asylum Seeker Assistance Scheme (ASAS), which is currently paid at 89% of the Centrelink Special Benefit rate, is insufficient to maintain a decent standard of living. Even where budgeting training is provided to asylum seekers, most still struggle to meet basic living costs on such a limited level of income support. In most cases, the combined costs of leasing a property in the private market and paying for utilities, transport, food, medication, clothing and household goods are significantly higher than the modest income support available under ASAS. RCOA has received numerous reports of asylum seekers on ASAS living in substandard accommodation or overcrowded conditions and being unable to afford basics such as furniture, bedding, cooking utensils and adequate food due to insufficient income.
- 3.3. The financial hardship faced by asylum seekers living in the community is compounded by the fact that most are not currently permitted to work in Australia and remain entirely dependent on limited income support. Even those asylum seekers who are able to work typically have very limited or no access to support services and there are currently no government-funded employment programs for asylum seekers. Some non-government organisations do provide employment support services to asylum seekers but these are limited in scope. Temporary visa status, lack of understanding about the rights of asylum seekers amongst employers and negative community attitudes towards asylum seekers (particularly those who arrived by boat) can create further barriers to employment.
- 3.4. Holders of temporary humanitarian visas (such as Temporary Protection Visas and Temporary Humanitarian Concern Visas) are permitted to work and have access to employment support services and income support at standard Centrelink rates. However, they are not eligible for the full range of services available to permanent humanitarian visa holders, including services which play an essential role in facilitating access to employment (such as free English language tuition under the Adult Migrant English Program and Federal Government higher education loan programs). The uncertainty created by their temporary status and lack of access to family reunion can also have a significant negative impact on mental health, further diminishing their capacity to work.
- 3.5. The denial of access to work rights and support services undermines self-sufficiency and fosters dependence on welfare by preventing asylum seekers and temporary humanitarian visa holders from gaining the skills and qualifications they need to participate in the labour market, fostering negative attitudes towards particular groups of refugee and humanitarian entrants and eroding mental health. While these policies have been justified on the basis that they may deter asylum seekers from travelling to Australia by boat in the future, in practice there is little evidence to support this assertion. (In fact, the introduction of Temporary Protection Visas in October 1999 and the removal of work rights for asylum seekers in November 2012 were both followed by significant *increases* in boat arrivals.)
- 3.6. In the next stage of its review, RCOA urges the Reference Group to examine the unique circumstances of asylum seekers and temporary humanitarian visa holders and consider reviewing policies which place these groups at risk of destitution and long-term reliance on income support.

4. Deficiencies of the Job Services Australia model

- 4.1. Many refugee communities and organisations providing settlement services have expressed frustration at the lack of targeted support offered by Job Services Australia (JSA) providers and

the poor outcomes experienced by refugee and humanitarian entrants. RCOA has received consistent negative feedback about how JSA services are meeting the needs of this group, with many participants in RCOA's consultations expressing the view that JSA providers were ineffective in helping refugee and humanitarian entrants find to find employment.

- 4.2. Background knowledge of a job seeker's past experience and education is vital in order to develop a realistic employment pathway plan. In the case of refugee and humanitarian entrants, competency in working cross culturally is necessary to establish the correlation between work experience overseas and its equivalency in Australia, career aspirations and skill sets. However, RCOA has received consistent feedback from across Australia that JSA providers are often inept in cross-cultural communication and that interpreters are often absent in meetings with job seekers who have limited English proficiency. Miscommunication occurs frequently and can lead to job seekers being interviewed for job positions that are not suited to them or enrolling in training courses that are not relevant or suited to their aspirations and capabilities.
- 4.3. Feedback has also been received suggesting that some JSA providers lack even a basic understanding the needs and experiences of job seekers from refugee backgrounds. Examples include people with post-traumatic stress disorder and recent experience fleeing places of violent conflict being referred for inappropriate work slaughtering animals in abattoirs; and people who have recently arrived in Australia having spent many years in refugee camps being questioned by JSA providers as to why they have been unemployed for a prolonged period of time. While a limited number of specialist JSA providers to offer services that specifically are tailored to the needs of people from migrant and refugee backgrounds, these are too few in number to meet the needs of the majority of refugee and humanitarian entrants and many major settlement areas lack a specialist JSA provider.
- 4.4. The structure of JSA funding, in particular the star rating system, also has a significant impact on the types and quality of services delivered. The importance of the star rating for maintaining funding has resulted in greater resources being devoted to job seekers with relatively few employment barriers who can secure successful outcomes more quickly, thereby securing funding for the JSA service provider. As a result of this funding arrangement, many non-JSA funded service providers in the settlement sector argue that refugee and humanitarian entrant job seekers are all too often placed in the "too hard basket" and are not given the kinds of services and support they require to achieve meaningful outcomes. The often high caseloads of JSA case managers also hampers the delivery of individually tailored services for job seekers with particular needs and multiple employment barriers as well as to adequately develop relationships with potential employers and advocate on behalf of these job seekers.
- 4.5. Concerns have also been raised that the Job Seeker Classification Instrument (JSCI) does not allow for identification of specific barriers to employment for refugees and humanitarian entrants, resulting in many people being classified in stream one or two and making them ineligible for intensive support from JSA providers. Lack of English language skills, for example, is not heavily weighted as a barrier to employment, despite extensive and compelling research linking English proficiency and employment. Additionally, the JSCI automatically classifies job seekers who have completed high school or tertiary education in stream one or two, based on assumption that the level of education obtained overseas correlates with the Australian education and training system. As a result, some job seekers with low levels of education and limited literacy due to the poor education obtained in places of asylum or in refugee camps, or who have had significantly disrupted education, can be offered only limited support from their JSA provider
- 4.6. RCOA argues that evidence and research points to a systematic failure of the JSA model and funded services to provide culturally sensitive and personally tailored services to refugee and humanitarian entrant jobseekers who are desperate to find work. We recommend that the Reference Group, as part of its review of the current job service system, consider the strategies to enhance the effectiveness of the JSA model in meeting the needs of refugee and humanitarian entrants.

5. Income support for young people

- 5.1. As a group, refugee and humanitarian entrants tend to be younger than the general Australian population. Between 2009-10 and 2013-14, of the approximately 70,000 people were granted humanitarian visas, 87% were under the age of 35 when they arrived in Australia. While a significant number of these visa holders were children under the age of 18, more than a third were people aged between 18 and 34.
- 5.2. Given their younger age profile, refugee and humanitarian entrants are likely to be disproportionately affected by measures which limit the level of income support available to people below a certain age. Such measures can have a particularly significant impact on these groups given that they are less likely to have strong social support networks on which they can rely in times of financial hardship, particularly if they have arrived in Australia fairly recently or without their families.
- 5.3. Furthermore, young refugee and humanitarian entrants of post-compulsory school age often face more significant challenges and Australian-born young people in making a successful transition from school to further education or employment. These challenges include:
 - Having experienced disrupted schooling due to forced displacement, resulting in a disparity between their actual level of education and that assumed of a person their age by Australian education systems (a high school-aged student from a refugee background, for example, may not have basic literacy skills);
 - Difficulties navigating education and training systems and making informed choices about career pathways, given the often significant differences between Australian systems and those in the young person's country of origin;
 - The pressures of juggling multiple settlement challenges and family responsibilities, particularly in cases where a young person is expected to financially support family members in Australia and overseas;
 - A disjuncture between a young person's language and literacy abilities and their educational and career aspirations, which can result in young people making decisions without fully understanding the consequences and realities; and
 - Transitioning from the more supported environment of an Intensive English Centre environment to mainstream education (a particularly significant challenge for those moving directly into the tertiary education system rather than high school).
- 5.4. Of particular concern to RCOA is the situation of unaccompanied minors (young people under the age of 18 who arrive in Australia without a parent or guardian). While these young people initially receive more intensive support than adult refugee and humanitarian entrants, they are expected to quickly transition to independence as soon as they turn 18, despite the fact that many have no family members in Australia, lack a strong support network and cannot access key settlement services (see Section 3). A significant number of these young people are likely to be ineligible for permanent residency in Australia, meaning that they will not be able to sponsor family members to join them and will have very limited access to higher education and training opportunities after they finish school. As such, this group of young people is likely to face significant difficulties in securing employment and achieving self-sufficiency.
- 5.5. In circumstances where young people face barriers to employment such as those described above, particularly if they are unable to rely on family or other social networks for support, limiting the level of income support available to them is likely to result in significant financial hardship. Until recently, for example, young asylum seekers aged between 18 and 21 who were eligible for ASAS received income support paid at 89% of the Youth Allowance rate rather than 89% of the Special Benefit – despite the fact that they often had the same living expenses as older asylum seekers. While many asylum seekers on ASAS also face financial hardship, the privation faced by these young asylum seekers was particularly acute: RCOA

received reports of young people skipping meals or going without medication because their incomes of less than \$200 per week were largely exhausted by rent and utilities alone.

- 5.6. It is RCOA's view that the level of income support available to a particular individual should be reflect their actual living costs rather than being arbitrarily determined by their age. Basic costs such as rent, utilities and food are no less expensive for younger people than they are for people in older age groups. As such, RCOA would caution against any measures which limit income support solely on the basis of a person's age without regard for their individual circumstances.

6. Income management

- 6.1. Since income management was first introduced in 2007, RCOA has received feedback from service providers, community groups and people from refugee backgrounds regarding the impact of income management on refugee and humanitarian entrants. Concern has been expressed that income management can impose unnecessary restrictions on people who do not actually require serious intervention and can in some cases undermine the capacity of individuals and families to manage their finances responsibly.
- 6.2. While income management is designed to "promote personal and family responsibility", it is questionable whether the policy actually has this impact when applied to refugee and humanitarian entrants. For people who have managed to keep their family intact and survived on limited resources for many years after fleeing persecution, income management represents a deprivation of liberty that does not duly recognise the their skills and resilience. Participants in RCOA's consultation processes have expressed concern that income management places unjustifiable restrictions on the autonomy of recently arrived refugee families who may face barriers to securing employment but are otherwise capable of managing their incomes responsibly.
- 6.3. In some cases, income management appears to militate against responsible household budgeting. For example, many refugee and humanitarian entrants prefer to shop at markets or specialty shops for their food, for access to particular produce which is preferred for either cultural or religious reasons or because the market prices are lower than the commercial supermarket price. These options may be limited for people subject to income management, as the BasicsCard often cannot be used at markets or smaller businesses. Similarly, some refugee and humanitarian entrants may prefer to make their own clothes as a less expensive alternative to purchasing ready-made clothes from commercial retailers. Under the income management system, however, fabric is considered a "luxury" item which cannot be purchased using the BasicsCard.
- 6.4. Additionally, income management can prevent refugee and humanitarian entrants from participating in communal financial management and savings practices. Community and family networks often play a critical role in supporting the settlement of new arrivals, including through pooling money and distributing the impacts of big expenses. For example, extended family members may pool funds to purchase a house that would otherwise be unaffordable, or community members may contribute funds to assist a family in meeting significant expenses (such as the costs associated with funerals, medical expenses or moving house). Such practices are undermined if community members do not have access to sufficient discretionary income.
- 6.5. Income management is also likely to hamper the ability of refugee and humanitarian entrants to send remittances overseas to relatives who may be living in perilous situations. Studies show that families of former refugee and humanitarian entrants continue to remain reliant on remittances from migrants as a significant contribution to their social and economic development. Supporting family members overseas may not be considered a priority need under the income management scheme, despite the fact that a family's survival may depend on remittances and the social and mental health impacts on family members in Australia who are unable to provide this support as part of their caring role may be significant.

- 6.6. Finally, concern has been expressed that income management does not make a positive contribution to assisting refugee and humanitarian entrants to settle successfully in Australia. Even for those who may benefit from some level of assistance to manage their finances, it is questionable whether the income management model offers a productive means of providing this assistance. Unless culturally appropriate education relating to financial literacy is available and accessible, refugees and humanitarian entrants who are subject to income management are unlikely to achieve greater financial literacy. In addition, denying refugee and humanitarian entrants the opportunity to manage their own money independently undermines one of the core aims of Australia's settlement system: to assist new arrivals to achieve self-sufficiency as soon as possible.
- 6.7. In summary, the evidence gathered by RCOA indicates that income support can be counterproductive when applied to individuals and families who may face some level of financial hardship but nonetheless have the capacity to manage their incomes in a responsible manner – so counterproductive, in fact, that it may prompt refugee and humanitarian entrants relocate to other areas, as occurred in the Northern Territory following the introduction of the first income management scheme. This suggests that the criteria currently used to assess eligibility for income management are not sufficiently nuanced to accurately assess the level of need for intervention. Generic indicators such as the length of time spent on income support or receipt of an early payment do not necessarily reflect a lack of capacity to manage finances responsibly. In the case of refugee and humanitarian entrants, for example, length of time spent on income support is more likely to be indicative of the significant barriers faced by this group when seeking employment than of a lack of “personal and family responsibility”.
- 6.8. RCOA therefore recommends that, should the income management be maintained, its eligibility criteria should be revised to allow for greater consideration of individual circumstances and ensure that people who do not require and would not benefit from significant intervention are not subject to unwarranted interference.

7. Role of civil society

- 7.1. RCOA welcomes the recognition in the interim report of the significant role played by civil society in addressing the issues and challenges faced by disadvantaged communities. Many of RCOA's member organisations are actively involved in developing innovative strategies to assist refugee and humanitarian entrants to overcome barriers to employment and achieve self-sufficiency and financial security (for further information, refer to the documents listed in the Appendix to this submission).
- 7.2. We also wish to note, however, that the ongoing success of initiatives driven by civil society often depends on sustainable funding. Through our consultation processes and research work, RCOA has heard of many instances where civil society organisations and community groups have been forced to close down effective programs due to a lack of resources. The contributions of civil society in providing unpaid work experience opportunities through internships and volunteer work (which, as noted in the interim report, can serve as a pathway to paid employment) may also require significant investment of resources in the form of insurance, infrastructure and staff to provide support and supervision. RCOA therefore recommends that adequate resources be made available to civil society to support its important role in building community capacity.
- 7.3. RCOA also wishes to highlight the important role played by refugee community organisations and networks in supporting the settlement of refugee and humanitarian entrants, including through providing financial support and facilitating access to employment. The support provided by communities can include:
- Providing information to newer arrivals about the services and supports that exist, encouraging participation;

- Pooling financial resources to assist community members who are facing financial hardship or to collectively purchase property or businesses, a strategy which can provide essential access to economic resources for people on low incomes who have limited access to bank or other types of formal loans.
- Supporting employment transitions, such as through helping newer members of communities to find work or to gain Australian work experience, offering entry into the labour market through established ethnic-run businesses and acting as conduits between employers and other community members looking for work;
- Providing a range of settlement supports to new arrivals, such as transport, short- and long-term accommodation, interpreting and translating assistance, orientation, employment links, education advice and material goods; and
- Promoting health and wellbeing through facilitating community participation, offering social support and addressing the isolation and disconnection experienced by many refugee and humanitarian entrants.

7.4. In addition to the role of civil society, RCOA encourages the Reference Group to also consider and acknowledge the often critical role played by refugee community organisations and networks in building community capacity through assisting members of their communities to settle successfully in Australia and achieve financial self-sufficiency.

8. Positive strategies to improve access to employment

8.1. Through our national consultation processes and in-depth research projects, RCOA has identified a number of strategies which have proven to be effective in supporting refugee and humanitarian entrants to overcome barriers to employment with a view to achieving financial self-sufficiency. These include:

- Providing specialist employment services specifically tailored to the needs of refugee and humanitarian entrants;
- Working with employers who value and are committed to workforce diversity;
- Coordination and collaboration among refugee and humanitarian entrants and their communities, education and training providers, employment services and employers;
- Tapping into the entrepreneurial spirit of former refugees through social enterprise and small business development;
- Building awareness within refugee background communities about career pathways in Australia;
- Providing support to young people during periods of transition (e.g. from intensive English tuition to mainstream schooling, from school to further education or employment) to ensure that they are able to successfully navigate pathways to employment;
- Developing partnerships between relevant stakeholders (such as job service providers, education and training providers, state and local government services, settlement support services and refugee community organisations) to facilitate the provision of ‘wrap around’ support; and
- Involving people from refugee backgrounds in the development and implementation of programs and strategies to address employment barriers.

8.2. The reports and papers listed in the Appendix to this submission contain further information and recommendations relating to these strategies. RCOA is also happy to provide further information to the Reference Group as needed.

APPENDIX: FURTHER READING

The following reports and papers produced by RCOA contain further information on the issues outlined in this submission, including case studies of successful programs and initiatives.

What Works: Employment strategies for refugee and humanitarian entrants (June 2010)

<http://www.refugeecouncil.org.au/r/rpt/2010-Employment.pdf>

This project, supported by the Sidney Myer Foundation, focused on sustainable employment pathways and refugee background communities. The report highlights effective responses to the barriers that refugee entrants face in making the transition to meaningful, sustainable employment in Australia.

Finding the Right Time and Place: Exploring post-compulsory education and training pathways for young people from refugee backgrounds in NSW (June 2010)

<http://www.refugeecouncil.org.au/r/rpt/2010-Education.pdf>

This report brings together evidence of good practice in the provision of education and training that meet the needs of refugee young people (16-24 years) who settle in Australia with a history of disrupted education, as well as identifying ways of addressing identified gaps.

Job Services Australia: Refugee community and service provider views (March 2012)

<http://www.refugeecouncil.org.au/r/rpt/2012-JSA.pdf>

This discussion paper provides a summary of refugee community and service provider views on the Job Services Australia model and services that have been documented through RCOA's annual community consultations.

Income management: Impacts on refugee and humanitarian entrants (May 2012)

<http://www.refugeecouncil.org.au/r/rpt/2012-NIM.pdf>

This paper provides background information about the new income management scheme that will come into effect on 1 July 2012 as well as a summary of refugee community and service provider views on income management that were documented through RCOA's annual community consultations.

The Strength Within: The role of refugee community organisations in settlement (May 2014)

http://www.refugeecouncil.org.au/r/rpt/1405_StrengthWithin.pdf

This discussion paper provides an overview of some of the roles and challenges faced by some of these organisations in supporting the settlement of newer members of refugee communities.

Bright Ideas

RCOA's monthly Bright Ideas publication highlights innovative programs, initiatives and projects developed to support refugees and asylum seekers. Several of the initiatives profiled to date have had a focus on facilitating access to employment:

- The African Australian Inclusion Program, a Jesuit Social Services program to provide employment and work experience opportunities for African Australians.
www.refugeecouncil.org.au/r/brightideas/Bright_Ideas_02_AAIP.pdf
- The Youth Employment Forum, a Multicultural Development Agency initiative to enable young people of refugee background to meet, learn from and build connections with employers.
www.refugeecouncil.org.au/r/brightideas/Bright_Ideas_05_YEF.pdf
- Spoken English Classes, an initiative of the Association of Bhutanese in Australia which assists new arrivals gain confidence speaking English and provides work experience opportunities for volunteer facilitators.
www.refugeecouncil.org.au/r/brightideas/Bright_Ideas_09_English.pdf
- Work and Welcome, an employment program that provides refugees and migrants with paid work experience funded through a workplace giving scheme.
www.refugeecouncil.org.au/r/brightideas/Bright%20Ideas_11_WorkWelcome.pdf