

# SETTLING BETTER

REPORT

*Reforming refugee employment and  
settlement services*



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FOR POLICY  
DEVELOPMENT

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## A NOTE ON TERMINOLOGY AND SCOPE

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This report focuses on the settlement of displaced people under the offshore component of Australia’s humanitarian migration program. Not all of these people would meet the technical definition of a refugee in the *1951 Convention on the Status of Refugees*. (The Australian Government describes those resettled under the program as ‘refugees and others in refugee-like situations’.) For convenience, however, the terms ‘refugee’ and ‘humanitarian migrant’ are used interchangeably throughout the document.

Given its focus, the report does not deal with the specific challenges faced by onshore asylum seekers and refugees, particularly the so-called ‘legacy caseload’ of more than 25,000 people who arrived by boat between mid-2008 and mid-2013, who are only eligible for temporary protection.

We believe, however, that implementing the report’s recommendations would benefit all refugees, regardless of their mode of arrival.

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## ACKNOWLEDGEMENTS

The genesis of this report was an August 2016 roundtable co-hosted by the Centre for Policy Development and the Centre for Public Impact, a BCG Foundation. The roundtable featured insights from experts and policy makers from Australia, Canada, the United States and Germany on settlement services and labour market integration for refugees. We are grateful to all those who participated, many of whom have since provided feedback on this report.

The lead author of *Settling Better* is Henry Sherrell, assisted by Robert Sturrock, Travers McLeod and Terry Moran AC at CPD, and Dan Adams, Bailey Hand, Chiara Lawry, Mark Watters and Larry Kamener at BCG. Henry is a CPD Research Associate, and a Research Officer at the Development Policy Centre at the Australian National University (ANU). His research focuses on migration and labour mobility, with previous work experience with the then Department Immigration and Citizenship, the Migration Council of Australia, and as an adviser in federal politics. He holds a Master of Public Policy and a Bachelor of Arts from ANU. Peter Mares was the editor for the report, which also benefited from research by CPD's research interns Angie Sassano, Thomas Lovelock and Eleanor Doran.

We are grateful to many people for reviewing the report and providing feedback. They include Peter Hughes PSM, CPD fellow and former Deputy Secretary of the then Department of Immigration and Citizenship in Australia, Jo Szwarc and Paris Aristotle AM from Foundation House, Asher Hirsch from the Refugee Council, Sonja Hood from Community Hubs, Jenni Blencowe and Belinda McLellan from AMES, Simon Gordon and Nick Tebbey from the Settlement Council of Australia, and several anonymous reviewers.

## ABOUT CPD

The Centre for Policy Development (CPD) is an independent, values-driven and evidence-based policy institute. Our motivation is an Australia that embraces the long term now. CPD's policy development is geared towards an Australia that is equitable, aspirational and truly prosperous – and enlivened by the challenge of shaping a better future. CPD's core model is three-fold: we create viable ideas from rigorous, cross-disciplinary research at home and abroad. We connect experts and stakeholders to develop these ideas into practical policy proposals. We then work to convince government, business and civil society of the merits of implementing these proposals. CPD has offices in Sydney and Melbourne and a network of experts across Australia. We are a not for profit: donations to our Research Fund are tax deductible. Sign up at [www.cpd.org.au](http://www.cpd.org.au).

## ABOUT THE EFFECTIVE GOVERNMENT PROGRAM

This report is part of CPD's Effective Government program. The principal focus of this program is to examine the role of government and public policy in the 21st century. We are interested in several issues that flow from this, including the role of effective human services in addressing social and economic disadvantage. The ongoing work in Effective Government is possible because of contributions from CPD's program and organisational donors, including the Community and Public Sector Union (CPSU), the Susan McKinnon Foundation, Brian and Diana Snape, the Garry White Foundation and nearly fifty individual Ideas Sustainers. You can read more about the Effective Government Program here: [www.cpd.org.au/category/programs/effective-government/](http://www.cpd.org.au/category/programs/effective-government/)



# EXECUTIVE SUMMARY

Since the end of World War II, successive governments have helped more than 800,000 refugees and displaced people of different nationalities and faiths to build new lives in Australia. Our humanitarian migration program – one of the world’s largest – enjoys the backing of all major political parties and broad community support. As Prime Minister Malcolm Turnbull confidently told the UN General Assembly in September 2016, ‘Australia is one of the most successful multicultural societies in the world’.

Australia’s achievement rests in large part on the effectiveness of its post-arrival settlement program. ‘No country has integrated newcomers as well as we have,’ says former immigration department head John Menadue AO. Australia provides refugees with services to help them overcome past trauma and integrate into the community. It offers hundreds of hours of free English classes and provides immediate access to government benefits and public healthcare. The active engagement of a myriad of community organisations helps refugees to build social connections and find their way in a new society. Over time, these resettled refugees and their children make an enormous contribution to the community and the economy.

If there is a weak link in Australia’s settlement record, it is getting refugees into jobs soon after they arrive.

There is overwhelming evidence that employment provides the bedrock for successful settlement. The best way to help humanitarian migrants to build flourishing lives is to help them find work. Yet the current expansion of Australia’s humanitarian program comes at a time of profound changes in the economy that mean many of the jobs taken up by refugees in the past are becoming scarcer.

Two out of five recently arrived humanitarian migrants work as labourers, but the need for labourers in the economy is falling. Refugees may also find jobs as machinery operators or drivers, but demand for workers in these roles is stagnant.

On the best available evidence, 17 per cent of humanitarian migrants are in paid work after being in Australia for 18 months. While employment rates improve with time, to get more refugees into jobs more quickly would be a triple-win: it would benefit vulnerable people, boost the budget and improve social cohesion.

This report identifies five principal barriers to newly arrived refugees finding jobs: limited English, a lack of work experience, poor health, a lack of opportunities for women and having only been in Australia for a short amount time. If we want better employment outcomes then it makes sense to focus on removing these barriers or reducing their impact. There is much that we can learn in this regard from best practice from overseas.



**A THREE-PRONGED APPROACH:** This report recommends a three-pronged approach to helping refugees settle in Australia by targeting jobs and employment services:

- 1. INVEST IN EFFECTIVE AUSTRALIAN PROGRAMS TO OVERCOME EMPLOYMENT BARRIERS, THROUGH:**
  - a) Providing specialised and intensive case management for humanitarian migrants that integrates initial settlement services, English language programs and employment; and
  - b) Renewed investment in existing programs built on a more accurate evidence base.
- 2. LEVERAGING OVERSEAS BEST PRACTICE, BY:**
  - a) Enhancing private and community sponsorship within the humanitarian program;
  - b) Introducing trial programs for faster recognition of humanitarian migrants' existing skills; and
  - c) Developing microfinance options that could be of particular benefit to women and their families.
- 3. ESTABLISHING A CENTRE OF GRAVITY FOR SETTLEMENT SERVICES, BY:**
  - a) Centralising post-arrival humanitarian and settlement policy within the Department of Social Services; and
  - b) Formalising government priorities in an updated National Settlement Framework.

There is plenty of evidence that settling humanitarian migrants better will have substantial payoffs. Statistics show that refugees are more entrepreneurial than other migrants and that over time they can catch up with others in the job market. But there is potential to accelerate their entry into work to the benefit of all.

If the labour market outcomes for just one year's intake of humanitarian migrants improved by 25 per cent, then over the subsequent decade those new arrivals would be \$465 million better off and the Australian Government would bank \$175 million in budget savings.

To achieve this outcome year on year would compound the benefits, producing additional income for humanitarian migrants of close to \$2.5 billion and a gain of almost \$1 billion for the Australian Government over the subsequent decade.

The rewards from this growing dividend are far more than financial. Expanding employment opportunities for refugees is central to successful integration. Better job outcomes will strengthen social cohesion and help reduce alienation and extremism – not just amongst refugees, but also amongst those established members of the Australian community who might fear or resent the presence of newcomers.

If Australia is to remain a leader in refugee resettlement then we must adapt in the face of change. Political leadership and investment must nurture the public legitimacy that forms the bedrock of the humanitarian program. This report charts the path forward. It explains how our proposed three-pronged approach can improve settlement services, build social cohesion and prosperity, and sustain confidence in Australia's humanitarian program as one of the world's best.

# FOREWORD

One of the reasons I became Chair of the Centre for Policy Development is because it was becoming a different type of think tank.

CPD's role in establishing a dialogue among regional countries and international organisations about how to deal with forced migration and asylum seekers is an example of think tanks stepping into areas where government seems unwilling or unable to go. Its groundbreaking analysis of outsourced job services in *Grand Alibis* showed how government was flying blind on Australia's most disadvantaged jobseekers, often looking only as far as the contract gate.

*Settling Better: Reforming refugee employment and settlement services* combines these two initiatives. Drawing on generous research assistance from the Boston Consulting Group and its Centre for Public Impact (CPI), this report extends CPD's migration policy work into the domestic realm and examines how refugees fare in the labour market once resettled. It builds on a cross-continental roundtable hosted by CPI and CPD in Melbourne last August with experts from Australia, Germany, Canada and the United States.

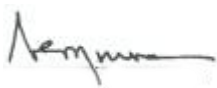
The refugees Australia resettles have proven to be among the most entrepreneurial and talented members of our society. Australia's relatively poor performance in getting recent humanitarian migrants into jobs is further evidence that the mainstream employment services are failing the very people who most need help. The fact that only 17 per cent of refugees are in paid work after 18 months in Australia is worrying, but the outcomes for other highly disadvantaged job seekers are not much better: less than 25 per cent remain in work after receiving employment service support.

*Settling Better* reveals that the social and economic prize on offer for Australia if we do better is enormous. But we won't improve at all unless we concede business as usual has failed.

This problem won't be fixed by outsourcing responsibility, but rather by consolidating it. One single government department should *own* social cohesion and integration for refugees. And it should start by fixing employment services for refugees rather than relying on the underfunded, underperforming *jobactive* system. Funding must be connected with integrated service delivery at a local level, and government should work in tandem with non-government organisations to achieve impact on the ground.

Targeted employment assistance for humanitarian migrants isn't a panacea for recent arrivals, let alone other jobless Australians. But it is the right place to start. The experience gained getting more refugees into work will generate innovative policy approaches that can improve services across the board.

The stakes are high. Unless results improve, Australia will cease to be an exemplar of settlement services for refugees. Over time, the social compact that supports a large immigration program will likely fray. That's a cost that a diverse, open and prosperous Australia cannot afford.



**Terry Moran AC**

Chairperson, Centre for Policy Development

# WHY IT'S SO IMPORTANT TO GET HUMANITARIAN MIGRANTS INTO JOBS



Humanitarian migrants make up only a small proportion of the migrants who settle in Australia. Even after the annual intake rises to 18,750 people from 2018-19 onwards, offshore refugees will account for only about 9 per cent of permanent migrants each year. Yet refugee resettlement holds a significant and valued place in the Australian consciousness. We are proud of Australia's success in welcoming hundreds of thousands of displaced people after World War II and conscious of their valuable contribution to nation building. Refugee resettlement aligns with widely held values, such as aspiration and egalitarianism, and is regarded as a symbol of Australia's commitment to good global citizenship.

Speaking in New York last September, Prime Minister Malcolm Turnbull praised Australia's refugee resettlement program.

*“Refugee resettlement holds a significant and valued place in the Australian consciousness”*

A compassionate humanitarian policy, he stressed, ‘doesn’t focus merely on the numbers that we take in but offers substantial resettlement programs’. Australia, he said, has ‘long experience of, and commitment to, settlement services to ensure our immigrants, especially refugees, become successfully integrated into our society’.<sup>1</sup> A bipartisan commitment to well-designed, publicly-funded settlement programs underpins Australia's success in integrating migrants and refugees from around the world.

<sup>1</sup> Malcolm Turnbull, ‘Speech to the United Nations General Assembly’, 20 September 2016, <http://www.malcolmtturnbull.com.au/media/speech-to-the-united-nations-general-assembly>



But past achievements are no guarantee of future performance and there is one area where Australia can and must do better – getting humanitarian migrants into jobs.

This report is about the effectiveness of settlement services with respect to employment. Based on the best available evidence, after 18 months in Australia, only 17 per cent of humanitarian migrants are in paid work.<sup>2</sup> Employment outcomes improve over time, and humanitarian migrants are more entrepreneurial than other migrants, yet many refugees still fail to get a foothold in the labour market. Many others accept positions below their skill level, reducing productivity, incomes and job satisfaction.

The transformation of the economy is throwing up even greater challenges for humanitarian migrants. Jobs increasingly require more skills, higher qualifications and better English than in the past. This makes it harder than ever for humanitarian migrants, especially when they may have experienced trauma, lack qualifications and local work experience and are coming to terms with a new language in an unfamiliar environment.

Achieving better employment outcomes for refugees is not something that can be left entirely to the private sector or to community groups. While many businesses and charities have initiated positive programs to engage humanitarian migrants, high levels of unemployment, low participation rates and low average incomes persist. This represents a market failure that requires strong government intervention. Without renewed public support in response to a more challenging environment, the settlement journey for humanitarian migrants will become much harder. This will diminish refugees' chances of building dignified lives and risks eroding public confidence in migration overall.

Recognising the skills that humanitarian migrants bring with them, and building their human capital soon after arrival, will have substantial pay offs. There will be broad economic and fiscal gains, as well as improvements in social cohesion and community safety.

Helping resettled refugees to find jobs and start businesses is the single greatest challenge for resettlement policy in Australia over the next decade. Wrap-around settlement services, such as immediate on-arrival assistance and psychological counselling, are working well. But employment is the bedrock of successful settlement and social cohesion.<sup>3</sup> This report focuses on the labour market and identifies five barriers to better employment outcomes:

- Low English proficiency and literacy,
- A lack of work experience,
- A lack of opportunities for women,
- Poor health, and
- Being recently arrived in Australia

This report expands on these barriers to humanitarian employment and showcases the prize on offer if they are overcome. It begins with a brief outline of Australia's humanitarian program, and concludes with detailed policy proposals and recommendations.

<sup>2</sup> Australian Government, Department of Social Services, 'The Building a New Life in Australia dataset', Wave 1 and 2, <https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/building-a-new-life-in-australia-bnla-the-longitudinal-study-of-humanitarian-migrants>

Other data in this report draws on two ABS publications: The Australian Census Migrant Income Database and the Personal Income of Migrants, Australia

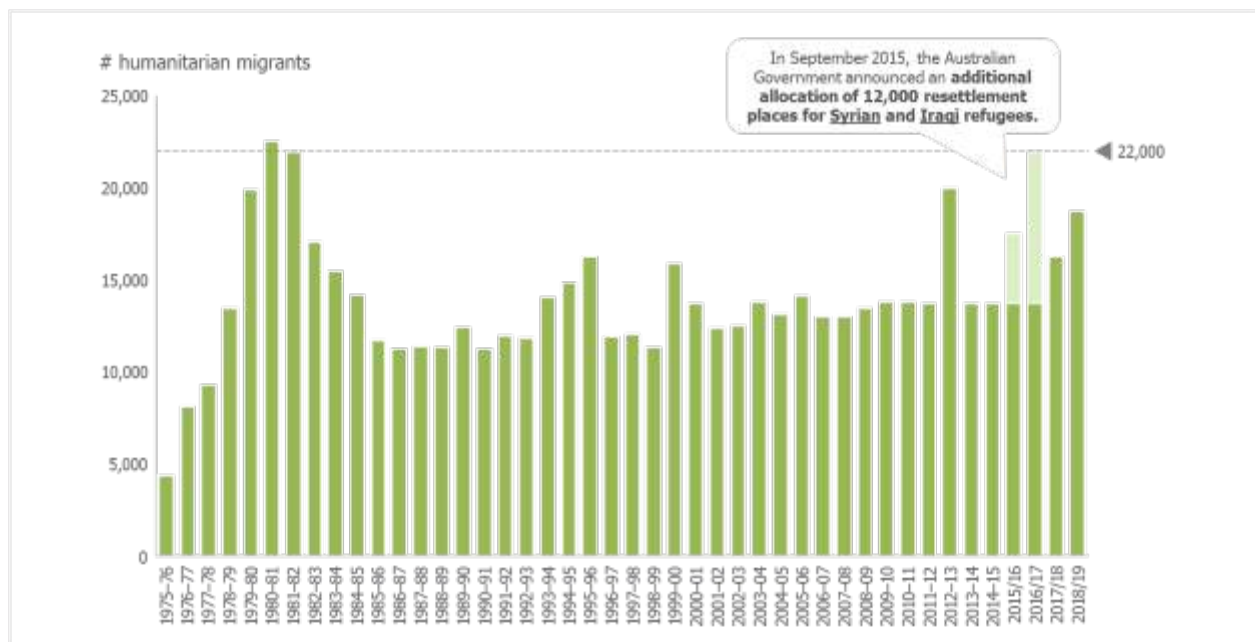
<sup>3</sup> OECD, 'Making Integration Work: Refugees and others in need of protection', January 2016, p.18, <http://www.oecd.org/migration/making-integration-work-humanitarian-migrants-9789264251296-en.htm>

# AUSTRALIA'S HUMANITARIAN PROGRAM

## Australia is taking more refugees

For almost two decades from the mid-1980s the number of humanitarian migrants coming to Australia each year was relatively flat (Figure 1). That has now changed.

**Figure 1: Australia's humanitarian program since 1980-81<sup>4</sup>**



A one-off intake of 12,000 Syrian and Iraqi refugees lifted numbers sharply from 2015 and the annual program is set to continue at a higher level. The Australian Government has undertaken to resettle 18,750 humanitarian migrants annually from 2018-19, while the Opposition has a policy to increase the intake to 25,000 by 2024-2025.

## The shifting environment for resettlement

In recent years we have witnessed a series of existential shocks to migration norms across Europe and the United States. A popular backlash against immigration – both formal and informal – is now shaping politics and policies in several countries. Concerns about

*“It is time to take stock of how humanitarian migrants are faring in Australia and assess what changes are needed to maintain public confidence in a robust and compassionate humanitarian program”*

<sup>4</sup> 12,000 additional humanitarian places were made available in response to the Syrian and Iraqi humanitarian crisis. 3790 humanitarian visa grants were made in 2015-16, and therefore it is assumed that the remaining 8210 will arrive in 2016-17

Source [http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/3165114/upload\\_binary/3165114.pdf;fileType=application/pdf](http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/3165114/upload_binary/3165114.pdf;fileType=application/pdf);  
<https://www.border.gov.au/Trav/Refu/response-syrian-humanitarian-crisis#outcomes>; <https://www.border.gov.au/ReportsandPublications/Documents/discussion-papers/discussion-paper-humanitarian-programme-2016-17.pdf>;  
[http://www.aph.gov.au/About/Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1516/Quick\\_Guides/HumanitarianProg](http://www.aph.gov.au/About/Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Quick_Guides/HumanitarianProg)

migrants taking jobs (or not working and relying on welfare), failing to integrate and changing the local culture have led to social tension and outright conflict. In this context, the successful settlement of humanitarian migrants in Australia takes on greater importance now than at any point in recent history. This small group of people play an oversized role in the national discussion, not just about migration policy, but also about the future shape of Australian society. So it is time to take stock of how humanitarian migrants are faring in Australia and assess what changes are needed to maintain public confidence in a robust and compassionate humanitarian program.

The starting point is to identify how today differs from the past and then adjust to new realities. Australia's successful settlement record is based on the engagement of government institutions, existing migrant communities and a highly regarded community sector.

But we must be wary of resting on past achievements rather than looking to the future. Such complacency hurts humanitarian migrants. Settlement policies must remain relevant and adaptable. This does not mean discarding established programs and starting from scratch, but building on existing knowledge and experience to continuously identify critical factors that have an impact on settlement and adjust to ongoing challenges. It also means looking beyond Australia's borders – there is much to learn from what other countries are doing to assist humanitarian migrants.

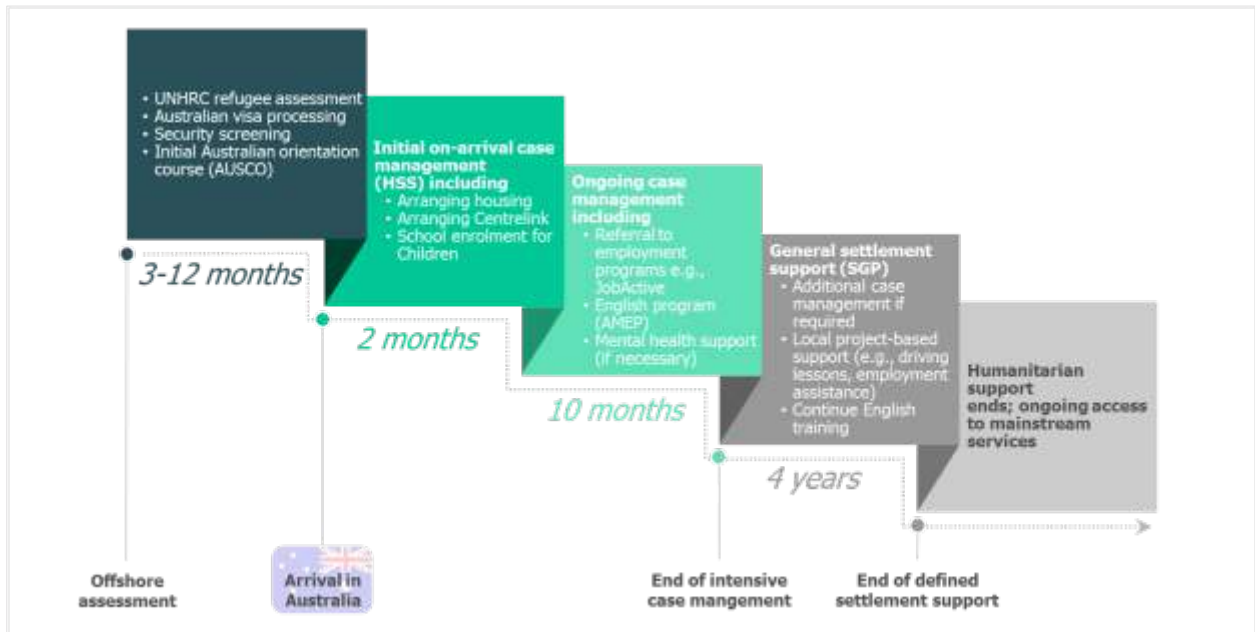
## Employment and the resettlement journey

Employment offers humanitarian migrants much more than a job. After living in a refugee camp, or on the margins of another society, the transition to settled life in Australia can be extremely challenging, especially if there is legacy of persecution and terror. Employment eases this transition. It helps refugees stabilise their housing, establish local connections, gain skills, improve their English and build social capital. While it may not be possible for every humanitarian migrant to take up a job soon after arrival, government should prioritise higher employment rates overall.

*“It helps refugees stabilise their housing, establish local connections, gain skills, improve their English and build social capital”*

When designing employment support, policy makers should take the settlement journey into account. Resettlement through the humanitarian program is unlike any other migrant experience. It is generally an arduous and protracted trek through official processes, checks and interviews involving multiple gatekeepers. As Figure 2 shows, the physical relocation to Australia marks neither the beginning, nor the end point.

**Figure 2: Humanitarian migrants receive intensive case management for 12 months plus 4 years of reduced settlement support**



Any discussion about employment support must therefore recognise myriad considerations and demands. Humanitarian migrants are eligible to work from day one and many make finding a job their first order of business. Yet these people are starting from scratch, and have numerous other matters to attend to. In their first weeks and months in Australia they will need to find somewhere to live, enrol children in school, open a bank account, get a tax file number and register with government services like Centrelink. It takes time to figure out the everyday stuff that most of us take for granted – like using public transport and getting the power connected.

Yet such activities cannot be ignored because they put in place foundations for successful labour market outcomes in the future. Luckily, Australia is particularly adept at on arrival case management and recognised globally for the effectiveness of initial social integration.



# BARRIERS TO LABOUR MARKET INTEGRATION



This report rests on the understanding that employment is the bedrock of settlement and social cohesion, and that getting more refugees into work more quickly is the most pressing challenge for resettlement policy.

Currently, only 17 per cent of humanitarian migrants are employed after 18 months in Australia. Even a marginal increase to this employment rate would generate immediate and tangible outcomes for individual humanitarian migrants, their families and the communities they live in.

Yet humanitarian migrants arriving today confront a different reality to earlier refugees. Employment growth is tepid and the jobs available require higher-level skills than in the past, while housing is less affordable. In addition, the political and cultural environment has changed: partly as a response to violent extremism, and partly as a result of concerns about unemployment, the public focus on humanitarian migration is more acute and more critical than in the past.

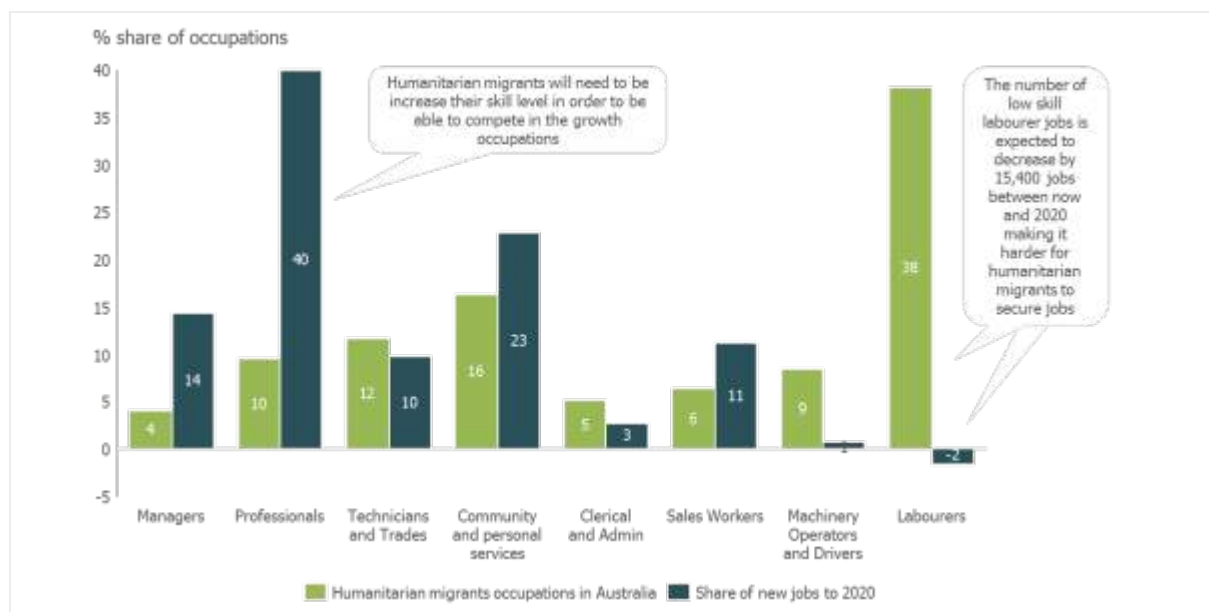
Humanitarian migrants are largely over-represented in occupations where growth is negative or flat, such as labourers, drivers and machinery operators (Figure 3).

Labourer is the most common occupation for refugees. After 18 months in Australia, around 38 per cent of employed humanitarian migrants work as labourers, compared to less than 10 per cent of people in the

labour market as a whole.<sup>5</sup> Yet demand for labourers is expected to decline over the next five years. In fact, it is the only major occupation group for which there are likely to be fewer positions in 2020 than there were in 2016.<sup>6</sup> This will substantially narrow the best-established pathway into work for recently arrived refugees.

Conversely, humanitarian migrants are under-represented in occupations that are expected to grow strongly, such as professionals and managers. Only 17 per cent of humanitarian migrants arrive in Australia with post school qualifications, yet it is anticipated that such qualifications will be required for 72 per cent of the new jobs created to 2020.

**Figure 3: It will become increasingly difficult for humanitarian migrants to secure work as the demand for low skill labour falls<sup>7</sup>**



Past research shows that a number of factors shape employment outcomes and that time is critical.<sup>8</sup> A survey of the literature by the Refugee Council of Australia identifies barriers to employment including English language, cultural understanding and the lack of targeted services.<sup>9</sup> A study by AMES Australia on existing employment coursework in the Adult Migrant English Program notes that post-study support for sustainable employment outcomes is often lacking.<sup>10</sup>

<sup>5</sup> Australian Bureau of Statistics, Labour Force (detailed), Table 7, Employed persons by Occupation major group of main job (ANZSCO)

<sup>6</sup> Australian Government, Department of Employment, 'Australian Jobs 2016', [https://docs.employment.gov.au/system/files/doc/other/australianjobs2016\\_0.pdf](https://docs.employment.gov.au/system/files/doc/other/australianjobs2016_0.pdf)

<sup>7</sup> Source: Australian Government, Department of Employment, 'Australian Jobs 2016; Personal Income of Migrants, Australia, 2011-12, ATO Data

<sup>8</sup> Graeme Hugo, for the Department of Social Services, 'The Economic, Social and Civic Contribution of first and second generation humanitarian migrants, 2011,

[https://www.dss.gov.au/sites/default/files/documents/01\\_2014/economic-social-civic-contributions-booklet2011.pdf](https://www.dss.gov.au/sites/default/files/documents/01_2014/economic-social-civic-contributions-booklet2011.pdf)

<sup>9</sup> Refugee Council of Australia, 'What Works: Employment Strategies for refugee and humanitarian entrants' 2010, <http://www.refugeecouncil.org.au/r/rpt/2010-Employment.pdf>

<sup>10</sup> AMES Australia, 'In Transition: employment outcomes of migrants in English language programs at AMES Australia', December 2016, p. 5,






[https://www.ames.net.au/files/file/Research/Transitions\\_SLPET%20Short%20Report\\_%20Final\\_Dec%202016.pdf](https://www.ames.net.au/files/file/Research/Transitions_SLPET%20Short%20Report_%20Final_Dec%202016.pdf)

This report uses the best available survey evidence to inform policy options. The Building a New Life in Australia survey (BNLA) is a longitudinal research survey of refugees who arrived in 2013. It aims to ‘trace the settlement journey of humanitarian migrants from their arrival in Australia through to their eligibility for citizenship, in order to better understand the factors that influence a person’s settlement journey’.

This report uses logistical regression and other complementary statistical techniques to systematically analyse the BNLA data and identify the most important barriers to employment and labour market participation for humanitarian migrants. We are confident the following analysis is built on a rigorous evidence base. While the BNLA survey has been mentioned fleetingly in the media, this is the first publicly available investigation of the data.

The BNLA statistics are unique but they do not hold all the answers. Currently, there are only two waves of data available, so the longer-term picture is not yet available to us. Other sources have been used to complement the BNLA data, including from the Australian Bureau of Statistics and other expert research. Nevertheless, the limitations arising from relatively short time horizons should be kept in mind.

**Figure 4: Barriers to humanitarian migrant employment**

<p>ENGLISH</p> 	<ul style="list-style-type: none"> <li>Humanitarian migrants with good English are 70 per cent more likely to have a job than those with poor English after 18 months in Australia</li> <li>85 per cent of humanitarian migrants who speak English very well participate in the labour market compared to just 15 per cent who cannot speak English</li> </ul>
<p>WORK EXPERIENCE</p> 	<ul style="list-style-type: none"> <li>Humanitarian migrants with prior work experience are 70 per cent more likely to have a job than those with no work experience after 18 months in Australia</li> <li>A lack of work experience is the number one barrier cited by humanitarian migrants looking for work</li> </ul>
<p>GENDER</p> 	<ul style="list-style-type: none"> <li>Women are four times more likely to not have a job after 18 months in Australia compared to men</li> <li>Only 20 per cent of female humanitarian migrants are participating in the labour market compared to 60 per cent of males</li> </ul>
<p>HEALTH</p> 	<ul style="list-style-type: none"> <li>Healthy humanitarian migrants are twice as likely to be employed compared to those with long-term health conditions or disability</li> <li>28 per cent of humanitarian migrants with a long-term health condition or disability participate in the labour market, compared to 57 per cent of those without health concerns</li> </ul>
<p>TIME HORIZONS</p> 	<ul style="list-style-type: none"> <li>One year after arrival, 70 per cent of humanitarian migrants who work are in low-skilled occupations. Yet after a decade in Australia, this falls to 30 per cent, with more humanitarian migrants in high-skilled occupations than low-skilled occupations</li> <li>The median humanitarian income after one year is \$11,000. After five years, this increases by nearly 300 per cent to \$31,000 (cf: average weekly earnings in Australia in May 2016 for all employees was \$1,160.20, equating to \$60,000 per year)</li> </ul>

*“Our research identifies five primary barriers that help to explain why so many humanitarian migrants fare poorly in the Australian labour market. These are limited English and literacy, a lack of work experience, a lack of opportunities for women, poor health and the short amount of time spent in Australia”*

Our research identifies five primary barriers that help to explain why so many humanitarian migrants fare poorly in the Australian labour market. These are limited English and literacy, a lack of work experience, a lack of

opportunities for women, poor health and the short amount of time spent in Australia.<sup>13</sup> We argue that targeted reforms to improve employment outcomes should focus on removing these barriers or reducing their impact.

The barriers identified are stubborn and difficult to overcome even with intensive support. In relation to health, for example, a third of respondents to the Building a New Life in Australia (BNLA) survey had experienced three or more traumatic events before being resettled. In the analysis of the BNLA data, the Australian Institute of Family Studies found that ‘35% of males and 45% of females were at ‘moderate’ or ‘high’ risk of psychological distress during the four weeks prior to the survey, compared to 7% of males and 11% of females in the general Australian population’.<sup>14</sup>

This is why new approaches must be able to demonstrate how they will improve the status quo in employment outcomes. There is no point setting an ambitious target and simply tinkering here and there. The danger is that unachievable policy goals or numerical targets will undermine support networks and harm the public perception of humanitarian migrants, feeding a reactive political environment.

At its core, refugee resettlement is about assisting people in difficult and often desperate circumstances from all around the world to rebuild dignified lives in Australia. Their ethnic or religious background, whether they can speak English or not, the skills they may or have do not play any role in whether they are selected for resettlement. The humanitarian program was not set up to cherry-pick what is best for Australia. This is a critical policy norm for humanitarian policy that governments and policy makers must respect.

By identifying major barriers to employment, this report shows how government can better assist humanitarian migrants after they arrive in Australia, irrespective of their individual history and circumstances.

## The prize for improving humanitarian employment

There is compelling evidence that actively supporting humanitarian migrants is not just the right thing to do, but also an economic imperative. The International Monetary Fund found that each Euro spent supporting refugees in Europe would bring a return of more than 1.8 Euros within five years.<sup>15</sup> The authors conclude: ‘Rapid labor market integration is also key to reducing the net fiscal cost associated with the current inflow of asylum seekers.’

<sup>13</sup> Other predictors and variables, such as education, geography, the migration pathway and country of birth, were also included in the BNLA data. These were excluded during our analysis on account of relevance, incompatibility with current policy settings, or strong correlation with the primary barriers uncovered. Geography was excluded due to sample effects, but is dealt with later in this report (see pp. 34-35) as the vast majority (over 90 per cent) of humanitarian migrants to Australia settle in metropolitan areas and are often concentrated in a small number of local government areas.

<sup>14</sup> The Australian Institute of Family Studies, January 2016, <https://aifs.gov.au/publications/settlement-experiences-recently-arrived-humanitarian-migrants>

<sup>15</sup> IMF Staff Discussion Note, ‘The Refugee Surge in Europe: Economic Challenges’, January 2016, SDN/16/02, <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1602.pdf>



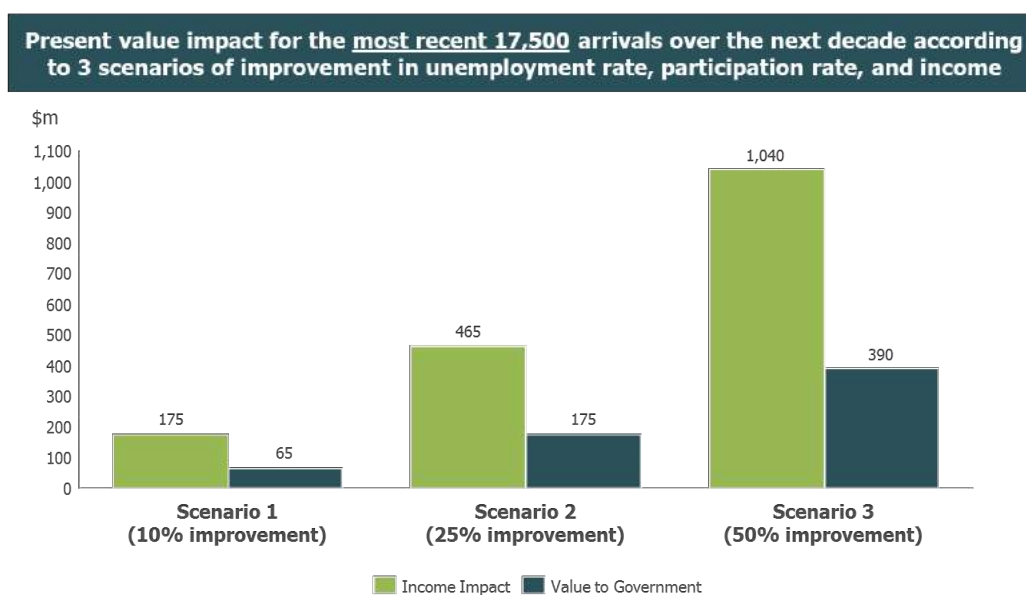
While the BNLA data allows identification of employment barriers, it is beyond the scope of this report to exactly model the impact of specific policy choices on labour market outcomes for humanitarian migrants. There is also a lack of rigorous evidence on these questions. This means that new policy measures must be carefully piloted, evaluated and adjusted to ensure success.

What this report can calculate is the value of the benefits to migrants and the Australian Government if migrants' employment outcomes improve. By comparing the income gains and fiscal savings achieved through different rates of improvement, this report indicates possible rates of return on new investment by government.

No one should expect humanitarian migrants to have average labour market outcomes within a year or two. (It is worth noting that the long-term employment rates for most disadvantaged job seekers in the broader community hover between 20 and 30 per cent, which is not dramatically different to the 17 per cent employment rate achieved by humanitarian migrants after 18 months in Australia.<sup>16</sup>) But the dividend from even marginal improvements in employment would be substantial and would generate a growing dividend into the future.

By modelling three scenarios we demonstrate the potential income and fiscal benefits of labour market improvement for one year's cohort of humanitarian migrants over a decade. We have modelled improvements of 10, 25 and 50 per cent in the income, employment and participation rates of 17,500 future humanitarian migrants when compared to the current average labour market outcomes for humanitarian migrants. (In other words, we are modelling percentage reductions in the gap between outcomes for humanitarian migrants and average labour market outcomes for the community as a whole):

**Figure 5: Improving employment outcomes by 25% for recent 17,500 arrivals unlocks ~\$465M income and ~\$175M government value over the next decade<sup>17</sup>**



<sup>16</sup> The Centre for Policy Development, 'Grand Alibis', Chart 6; p.29 'Employment outcomes by steam 2010-2015'

<sup>17</sup> Note: Assumes humanitarian arrivals of 2016 = 17,500, 2017 = 21,960; 2018 = 16,250, 2019 = 18,750 according to official estimates; 2020+ figures assumes average of 2006-2019 arrivals (~15,500).

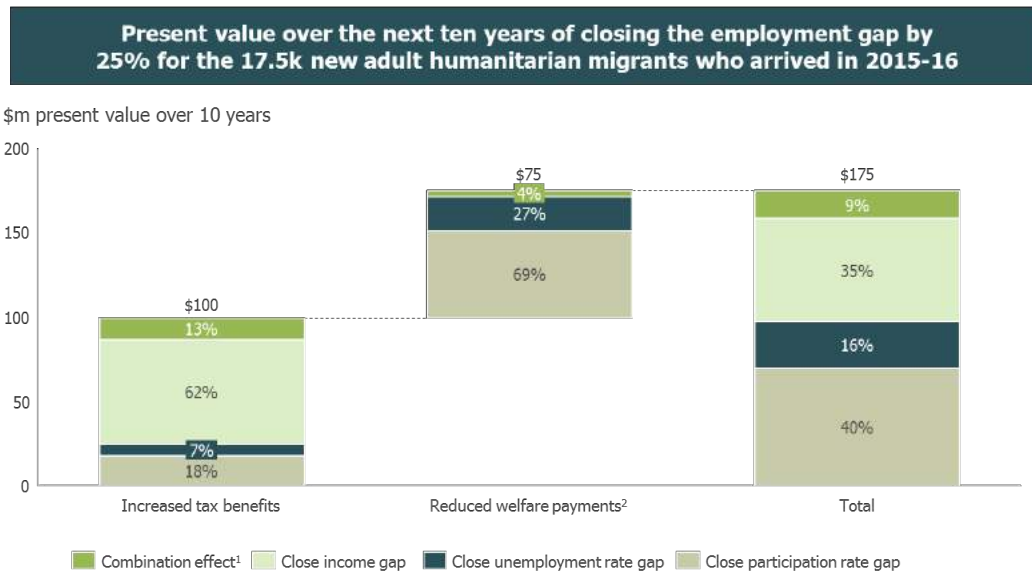
Figure 5 shows that a 10 per cent improvement for future humanitarian migrants in the labour market is worth \$175m to humanitarian migrants in income and \$65m to the Australian Government in reduced welfare expenditures and increased tax revenue over ten years. A 25 per cent improvement brings \$465m in income gains and adds \$175m to the budget, while a 50 per cent improvement is worth more than \$1 billion in income and \$390m to the government.

Critically, these are the values associated with one group of 17,500 humanitarian migrants over a 10-year period. If labour market outcomes improve over successive cohorts of humanitarian migrants in subsequent years, gains in income and improvements to the government’s fiscal position will be multiplied.<sup>18</sup>

*“A 10 per cent improvement for future humanitarian migrants in the labour market is worth \$175m to humanitarian migrants in income and \$65m to the Australian Government in reduced welfare expenditures and increased tax revenue over ten years. A 25 per cent improvement brings \$465m in income gains and adds \$175m to the budget, while a 50 per cent improvement is worth more than \$1 billion in income and \$390m to the government”*

It is important to recognise the composition of these gains. Figure 6 breaks down the \$175m government benefit into component parts of increased tax revenue and reduced welfare expenditure by the unemployment rate, the participation rate and increasing incomes:

**Figure 6: Value to government of a 25% employment improvement for the most recent 17,500 new arrivals is ~\$175M over the next 10 years<sup>19</sup>**



This shows that a 25 per cent narrowing of the gap between the labour market participation of humanitarian migrants and average labour market participation rates generates 44 per cent of the total

<sup>18</sup> As key data sources have been provided for the 18-month, 5-year and 10-year periods, the analysis incorporates ‘step-changes’ at these periods to adjust for the gains.  
<sup>19</sup> Note: Discount rate of 8% applied to cash flows to reflect the Government’s cost of capital and risk premium associated with closing the employment outcome gaps. 1. Combined impact is greater than the sum of the parts due to the additional cross product benefit of both occurring at once 2. Welfare payments based on \$30 per day for those that are not currently employed based on Productivity Commission Migrant Intake report 3. Estimated based on costs for 12,000 Syrian refugees from MYEFO 2015/16. Sources; Mid-Year Economic and Fiscal Outlook, 2015-16, December 2015; ABS, 2011. Understanding Migrant Outcomes – Enhancing the Value of Census Data, Australia, 2011; Personal Income of Migrants, Australia, 2011-12, ATO Data, 6302.0 Average Weekly Earnings, Australia, <http://www.tradingeconomics.com/australia/wages>, [http://parlinfo.aph.gov.au/parlinfo/download/library/prspub/3165114/upload\\_binary/3165114.pdf;fileType=application/pdf](http://parlinfo.aph.gov.au/parlinfo/download/library/prspub/3165114/upload_binary/3165114.pdf;fileType=application/pdf), <https://www.ato.gov.au/rates/individual-income-tax-rates/>, <http://www.pc.gov.au/inquiries/completed/migrant-intake/report/migrant-intake-report.pdf>.

gains to government. The equivalent improvements in reducing the gaps in income and employment provide, respectively, 39 and 17 per cent of the gains. This helps to identify potential support pathways. While we often think first about the unemployment rate when considering the health of the labour market, this analysis shows a focus on unemployment alone would bring less than a fifth of the total possible gain.

While three scenarios have been modelled, this report focuses on the potential return to government of the middle scenario – that is, if policy reform and new investment achieved a 25 per cent improvement in labour market outcomes over a decade.

First, we established the fiscal cost of the status quo in terms of direct employment support to a potential new group of humanitarian migrants. Using the Syrian and Iraqi caseload as the baseline in existing service delivery, the 2015-16 MYEFO outlines how direct employment service support was costed at approximately \$7m over the forward estimates for our assumed group of 17,500 humanitarian migrants. Adjusting this to a ten-year figure (\$17.5m) and assuming a 70 per cent working age proportion over the decade, this implies the cost of current employment support is approximately \$1,400 per humanitarian migrant over a decade.

The return to government over a decade from improving labour market outcomes by 25 per cent for our assumed group of 17,500 humanitarian migrants is \$175m. Using this figure, and the same assumptions as above, the ‘fiscal break-even’ point for government is \$14,350 per humanitarian migrant over the decade. This figure is a pure fiscal calculation and ignores all social benefits, such as the improvements to humanitarian resettlement and social cohesion.

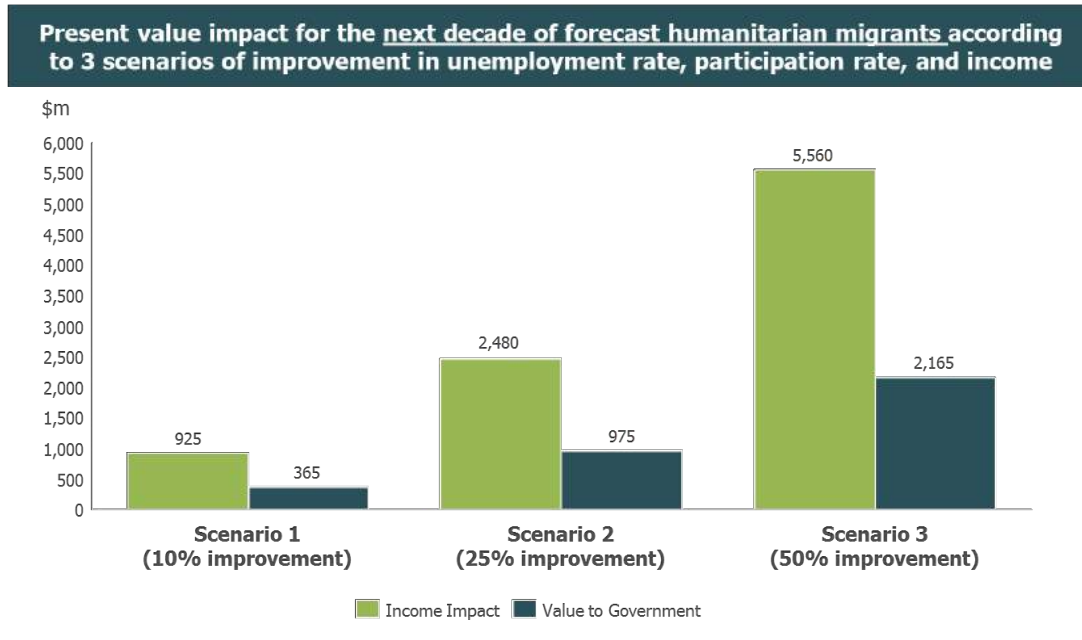
*“If redesigned support services could improve labour market outcomes by 25 per cent, then government could increase expenditure ten-fold while maintaining the same fiscal position, and reap a significant social cohesion dividend along the way”*

This shows the potential return on investment if government were to increase fiscal expenditure on effective new types of employment support for humanitarian migrants. If redesigned support services could improve labour market outcomes for one cohort by 25 per cent, then government

could increase expenditure on that cohort ten-fold while maintaining the same fiscal position, and reap a significant social cohesion dividend along the way. Perhaps most importantly, those humanitarian migrants would be \$465m better off over the decade, enabling them to build more secure and stable lives.

These figures are based on one annual intake of 17,500 humanitarian migrants over a decade. If the same outcomes were achieved for each cohort of refugees in successive years, then the aggregate return to government over a decade increases markedly, as illustrated in Figure 7.

**Figure 7: Up to \$2B value to government possible over the next decade if employment outcomes improve by 50%. A 25% improvement would unlock around \$975M in government value<sup>20</sup>**



A potential increase of almost \$1 billion in government revenue for a 25 per cent improvement in humanitarian labour market outcomes over a decade shows that there are serious gains to be made. These gains will not arise automatically, however. Appropriate policy prescriptions must be tested, refined and applied in an Australian labour market in which it is becoming harder for humanitarian migrants to succeed.

<sup>20</sup> Note: Assumes humanitarian arrivals of 2016 = 17,500, 2017 = 21,960, 2018 = 16,250, 2019 = 18,750 according to official estimates; 2020+ figures assumes average of 2006-2019 arrivals (~15,500). Evaluates impact (income and value to government) over the next 10 years, meaning the impact of a humanitarian migrant arriving in 2025 is only counted for 1 year.



# OVERCOMING THE BARRIERS TO LABOUR MARKET INTEGRATION



There is general agreement internationally on what is considered ‘best-practice’ for labour market integration for humanitarian migrants. Common integration strategies across Europe and North America involve the provision of early assistance, skills assessment and recognition, labour market support programs, measures to boost social capital, coordination across jurisdictions and public-private partnerships.

Building on this evidence base, the section below details four themes for new policy to improve humanitarian employment outcomes: bespoke employment support and brokerage services; private humanitarian sponsorship; additional investment in existing programs; and potential new support programs. Where possible, these policy proposals should complement existing services.

The policy proposals outlined below are also informed by successes overseas. The services Australia provides to new humanitarian migrants are globally recognised as among the best in the world. Yet this must not blind government to what we can learn from countries and how support mechanisms used elsewhere might complement what already occurs in Australia.

Of course not every support program that is successful overseas will prove practical in the Australian context, but pilot programs and rigorous evaluation can help overcome issues that may arise in implementing ideas borrowed from other jurisdictions.

Above it was explained that the impetus for this report came from a policy roundtable held in August 2016, convened by the Centre for Policy Development and the Boston Consulting Group's Centre for Policy Impact. The roundtable heard expert perspectives from leading resettlement countries including Canada, the United States and Germany, and showcased opportunities to enhance support for humanitarian migrants in the labour market. This report's policy recommendations reflect the conclusion of this process based on careful consideration of what is appropriate for Australian conditions.

The proposals for new types of employment support below are based on a review of the best available evidence. However, given the lack of formal impact analysis on Australian employment services for humanitarian migrants, policy development should lean heavily on the use of pilot programs and additional evaluation. This would facilitate the development of a strong evidence base around a range of different support mechanisms.

## Bespoke employment support and brokerage

Given the unique high barriers to successful employment outcomes that have been identified for humanitarian migrants, the current approach of providing mainstream support appears inadequate. One frequently suggested alternative is intensive, bespoke support for humanitarian migrants in the labour market.

A 2015 report from the Centre for Policy Development, *Grand Alibis: How declining public sector capability affects services for the disadvantaged*, shows that while mainstream programs like *jobactive* have created cost savings for government and assisted well-placed job seekers to find work, they have failed to deliver for the most disadvantaged Australians. In particular, 'blurred responsibility for service outcomes has led to the emergence of grand alibis where no one organisation is held accountable for service problems or entrenched failures'.<sup>24</sup> This is a particularly acute concern for disadvantaged jobseekers. A 2012 Access and Equity Report delivered to the Gillard Government noted that 'Job Services Australia was most frequently mentioned as not meeting access and equity requirements'.<sup>25</sup>

<sup>24</sup> 'Grand Alibis', p. 6, <https://cpd.org.au/wp-content/uploads/2015/12/Grand-Alibis-Final.pdf>

<sup>25</sup> Australian Government, Department of Social Services, 'Access and Equity for a Multicultural Australia', 2012, [https://www.dss.gov.au/sites/default/files/documents/02\\_2014/access\\_and\\_equity\\_for\\_a\\_multicultural\\_australia.pdf](https://www.dss.gov.au/sites/default/files/documents/02_2014/access_and_equity_for_a_multicultural_australia.pdf)

The Australian Government has identified ‘Three Es’ – English, Employment and Education – as key policy priorities for humanitarian settlement policy. While improving English proficiency has been a longstanding goal of successive governments, the increased emphasis on employment and education differs from past approaches that prioritised social and cultural integration. Striking the right balance between deepening economic priorities and maintaining a commitment to social cohesion and on-arrival integration services will deliver the highest dividend.

The new emphasis on employment and education is in welcome accord with the evidence that labour market participation is central to successful settlement. Following through on these new priorities will require continuous adjustment to employment policy and service delivery. A \$10.9 million increase budget increase to provide additional support for humanitarian migrants over three years from 2016-17 and the planned redesign of humanitarian settlement services both hint in this direction. In order to improve outcomes on a sustained basis, however, it will be necessary to better identify barriers to employment, invest in proven support programs and improve the governance of programs.

Jeff Borland, one of Australia’s leading labour market experts, writes:

*‘Current Commonwealth Government employment programs focus on jobseekers with low and medium levels of disadvantage and give much less attention to jobseekers with high levels of disadvantage. Most significantly, the jobactive system – presently the Commonwealth Government’s largest program with a budget of \$1.5 billion in 2015-16 – provides little financial incentive for service providers to assist jobseekers with high levels of disadvantage; and the large caseload and hence limited time available for caseworkers to spend with individual clients is a structural impediment to getting them job ready.’<sup>30</sup>*

This is due to ‘frontline staff using a narrower band of support measures, less time with individual jobseekers, less to do with employers, and only rarely made contact with other support services’.<sup>31</sup>

Employment support is the only humanitarian settlement service that has been ‘mainstreamed’. While on-arrival integration and other social programs are bespoke for humanitarian migrants, employment support is delivered through *jobactive*, with stories of thousands of humanitarian migrants getting lost in the system. Many have difficulty accessing services and basic assistance, as there is no capacity for intensive support. BNLA data showed, for example, that 56 per cent of humanitarian migrants said language barriers prevented them from accessing government services while another 44 per cent said long waiting times deterred them. The Refugee Council of Australia found that many service providers ‘expressed frustration about a lack of targeted support offered by many *jobactive* providers and the poor outcomes experienced by many refugee and humanitarian entrants’.<sup>32</sup> Of particular concern are reports of humanitarian migrants being forced to choose between attending *jobactive* interviews and their classes in the Adult Migrant English Program (AMEP).

This differs from other jurisdictions. In a review of labour market integration of resettled refugees for the UNHCR, Eleanor Ott notes ‘individual employment plans-of-action’ as one of the top ten promising

<sup>30</sup> Jeff Borland, Mark Considine, Guyonne Kalb, and David Ribar, ‘What are best-practice programs for jobseekers facing high barriers to employment?’, Melbourne Institute Policy Brief Series, No. 4/16, June 2016, [https://melbourneinstitute.com/downloads/policy\\_briefs\\_series/pb2016n04.pdf](https://melbourneinstitute.com/downloads/policy_briefs_series/pb2016n04.pdf)

<sup>31</sup> Mark, Considine, Jenny Lewis, Siobhan O’Sullivan and Els Sol, ‘Getting Welfare to Work Street-Level Governance in Australia, the UK and the Netherlands’, 2015, in Borland et al 2016, p5).

<sup>32</sup> Refugee Council of Australia, ‘Jobactive: Refugee Community and Service Provider Concerns’, April 2016, <http://www.refugeecouncil.org.au/publications/jobactive-refugee-community-service-provider-concerns-april-2016/>

practices in international experience. Ott highlights a New Zealand experience where individual support and job brokers were able to better target specific areas of employment.<sup>33</sup>

The Australian results speak for themselves, as the complexities of engaging recently arrived humanitarian migrants in the labour market seem far too great for mainstream service providers to handle. There is little likelihood of improving employment outcomes without changing the way case management for refugee jobseekers is provided.

This report recommends a broad pilot program of intensive employment support to test the potential labour market outcomes. A substantial proportion of one cohort of humanitarian migrants – for example, half of all eligible working age participants – could be provided with intensive support, and the outcomes compared to those refugees who remained with mainstream services. This will provide evidence on the effectiveness of intensive support.

What should this new service look like? Critical elements of successful labour market programs include being local, partnerships between organisations offering different types of assistance and job placements.<sup>34</sup> The Brotherhood of St Laurence's 'Given the Chance' program is a functional example of how this can occur and presents a viable model for replication.<sup>35</sup> The program has a positive cost-benefit evaluation and includes a holistic approach to employment: important components are assessment and referrals, tailored employment preparation, job placement and post-placement support. This type of intensive service will help overcome or reduce the five primary barriers outlined above, especially limited language ability and a lack of work experience.

There are many ways to deliver more intensive employment support. Existing *jobactive* providers could be given additional resources and responsibilities, for example. Given the size of the humanitarian caseload, however, and the specialisation required, this is not likely to be a practical alternative. Instead, existing government-funded settlement service providers may be better placed to deliver these new responsibilities and lift performance in refugee employment. Many of these service providers have formal and informal experience with the employment of humanitarian migrants as specialised employment support was more prevalent in previous iterations of *jobactive*. Employment support could be incorporated into the existing service delivery network. Government is well placed to consider the practicalities, particularly with regard to integration of new support mechanisms, such as IT systems, training and contractual requirements.

It is worth noting that state governments are already approaching the issue in a more direct, hands-on manner. Former NSW Premier Mike Baird engaged Dr Peter Shergold to oversee the resettlement of his state's share of the one-off intake of 12,000 Syrian and Iraqi refugees. Dr. Shergold's approach has centred on employment, with a focus on engaging employers to provide jobs and on matching humanitarian migrants to relevant opportunities.<sup>36</sup>

The Victorian Government has recently introduced 'Jobs Victoria Employment Network', a program to address the gap in providing assistance to disadvantaged jobseekers, including refugees and asylum

<sup>33</sup> Eleanor Ott, The Labour Market Integration of Resettled Refugees, United Nations High Commissioner for Refugees, PDES/2013/16, November 2013.

<sup>34</sup> Borland et al, 2016.

<sup>35</sup> Kemran Mestan, 'Given the Chance: An evaluation of an employment and education pathways program for refugees', the Brotherhood of St Laurence, March 2008; Presentation from Brotherhood of St Laurence December 2016 on a recent evaluation of Given the Chance

<sup>36</sup> NSW Government, 'Refugee Settlement', <https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/refugee-settlement/>

seekers.<sup>37</sup> The service providers under this network are specialists at working with disadvantaged groups and leverage their business links in target industries to place people into jobs.

**Table 1: How more intensive employment support for humanitarian migrants would differ from existing mainstream services:**

Existing jobactive support (General Stream B)	Potential additional support activities for intensive humanitarian support
Assistance with job applications	Building cultural and social understanding of Australian labour market norms
Assistance with resume and cover letters	Specialised non-English and interpretive support where appropriate
Review of individual circumstances	Capacity building, such as mock job interviews and additional 'hands-on' support
Referral to identified employment opportunities	Build and extend linkages with other humanitarian support services
Review of self-directed job search activities	Detailed feedback and learning on failed employment outcomes

Introducing this type of intensive job support to humanitarian migrants at the national level would involve substantial costs. As outlined in the previous section, however, these costs will be offset by the dividends on offer for successfully improving labour market outcomes.

While a precise cost-benefit analysis would require much more detailed evaluation of the impact of intensive labour market support for humanitarian migrants, there is a strong evidence base suggesting that this is an investment with a positive future dividend.

As the Social Services Minister, the Hon. Christian Porter, made clear in outlining his approach to the portfolio, upfront investment has the capacity to deliver longer-term benefits for both individuals and

*“It is difficult to think of a group more suited to an upfront investment in support for a long-term reduction in welfare dependency than recently arrived refugees”*

governments. The first of his three goals in outlining a new approach to welfare support was to ‘identify those at high risk of long term welfare dependency and

help them find employment’.<sup>38</sup> Based on the analysis of labour market barriers, it is difficult to think of a group more suited to an upfront investment in support for a long-term reduction in welfare dependency than recently arrived refugees.

<sup>37</sup> Victorian Government, Economic Development, Jobs, Transport and Resources Department, ‘Jobs Victoria Employment Network’, <http://economicdevelopment.vic.gov.au/jobs-victoria/about-jobs-victoria/jobs-victoria-employment-network-iven>

<sup>38</sup> Christian Porter, ‘Australian Priority Investment Approach to Welfare’, 20 September 2016, National Press Club, <http://christianporter.dss.gov.au/speeches/australian-priority-investment-approach-to-welfare>



## Private humanitarian sponsorship



There is strong potential for private humanitarian sponsorship to address several of the predictive barriers identified in this report and enable better employment outcomes for humanitarian migrants.

Constant contact with private sponsors will provide a non-classroom based opportunity to improve English and a faster entry point into employment. The networks of private sponsors will mitigate part of the difficulty associated with a lack of work experience. To the extent that sponsors reflect a broad cross-section of society, private sponsorship is also more likely to foster the participation of women in the formal labour market.

Private sponsorship is the process of a non-government organisation or individual identifying potential humanitarian migrants and sponsoring their entry, or agreeing to sponsor humanitarian migrants already identified by the government or international agencies. Private-sponsored migrants are required to undergo the same background, health and security checks as government-sponsored humanitarian migrants. Often a sponsor assumes other responsibilities, such as income support, employment and service delivery. In Canada in particular there is a consensus among policy-makers that private sponsorship generates social capital, which is difficult to achieve under the standard humanitarian pathway. The responsibilities and obligations for private sponsors ensure employment is prioritised and utilise a greater diversity of networks than government-funded service providers can achieve.

A system of private sponsorship can achieve multiple goals. It can increase the number of humanitarian migrants Australia accepts while generating better social capital and employment outcomes for those migrants. Private sponsorship also represents one of the most promising avenues for increasing Australia's humanitarian commitment through promoting more active citizenship. Private sponsorship can be a dynamic part of building connections between the community and new arrivals, a process of

'active citizenship and nation-building'.<sup>39</sup> Apart from some administrative costs incurred within the public service (such as visa processing and contract management), expanding a well-designed private sponsorship scheme will have minimal fiscal impact.

The Canadian program of sponsorship grew out of efforts to assist Vietnamese refugees. Since then, private organisations, working with individuals and others have sponsored more than 200,000 refugees (over and above the Canadian government's standard program of humanitarian resettlement). A government evaluation shows 'sponsors have been successful in meeting the immediate needs of refugees and are providing support to refugees over the course of the sponsorship, and even sometimes beyond the one-year period'.<sup>40</sup> The report notes that privately-sponsored refugees can become self-sufficient more quickly than government-sponsored refugees, primarily because of increased social capital and network support. This is supported by other research showing gains to privately-sponsored humanitarian migrants in terms of income and employment status, particularly after the initial years of settlement.<sup>41</sup>

The Australian Government already recognises the potential of private sponsorship; the Community Proposal Pilot was established in 2013 to test how private sponsorship would function. As an indication of the strength of community demand for private sponsorship, more than 13,000 applications were received for the 500 places allocated to the pilot program annually over three years. The Foreign Minister recently announced that the pilot would become a formal Community Support Program.<sup>42</sup>

However Australia's approach differs markedly from the Canadian model.

Rather than genuine private sponsorship, the Australian pilot amounted to defraying costs via the community selection of humanitarian migrants. In Canada private sponsors must provide humanitarian migrants with both support services and income. Australian sponsors, by contrast, must only provide services, and are not responsible for income support or welfare payments. Instead the Australian Government levies a large up-front visa charge, which is intended to cover a combination of administration costs, limited service provision and welfare support. This large up-front may deter community groups from participating in the program and limit involvement to those who use private sponsorship as a de-facto path to family reunion. This is a major obstacle to the long-term success of private sponsorship in Australia.

Another important difference between Canada and Australia is the make up of sponsors. In Australia, former refugees have been among the most active of those working with sponsoring organisations. If this trend persists, it may reduce the effectiveness of private sponsorship to enhance English language skills, build social capital and tap into networks beyond the humanitarian migrant's immediate ethnic or national group. It could also add to the geographic pressures on new settlement. Recent reports show 6,000 new Syrian humanitarian migrants have settled in one local government area in Sydney in 2015.<sup>43</sup> This places acute pressure on local services, government and institutions and could prove a

<sup>39</sup> Susan Kneebone, Asher Hirsch, Audrey Macklin, 'Private Resettlement models offer a way for Australia to lift its refugee intake', ABC Online, 19 September 2016, <http://www.abc.net.au/news/2016-09-19/private-resettlement-a-way-for-australia-to-lift-refugee-intake/7857988>

<sup>40</sup> Canadian Government, Citizenship and Immigration Canada, 'Summative Evaluation of the Private Sponsorship of Refugees Program', Final Report, April 2007 <http://www.cic.gc.ca/english/resources/evaluation/psrp/psrp-summary.asp>

<sup>41</sup> See Soonjin Yu, Estelle Ouellet, and Angelyn Warmington, 'Refugee Integration in Canada: A Survey of Empirical Evidence and Existing Services', Refuge, Volume 24, No. 2, 2005 <ftp://ftp.iza.org/pub/SSRN/pdf/dp1088.pdf>; Don DeVoretz, Sergiy Pivneko, Morotn Beiser, 'The Economic Experience of Refugees in Canada', IZA Discussion Paper 1088, March 2014

<sup>42</sup> Julie Bishop, Peter Dutton, 'Leaders' Summit on Refugees', Press Release, 21 September 2016, [http://foreignminister.gov.au/releases/Pages/2016/jb\\_mr\\_160921.aspx](http://foreignminister.gov.au/releases/Pages/2016/jb_mr_160921.aspx)

<sup>43</sup> Fergus Hunter, 'Half of Australia's 12,000 Syrian and Iraqi refugees to be settled in just one Sydney Council', Sydney Morning Herald, January 16, 2017, <http://www.smh.com.au/federal-politics/political-news/half-of-australias-12000-syrian-and-iraqi-refugees-to-be-settled-by-just-one-sydney-council-20170116-gts7i0.html>

challenge to social cohesion if established residents feel that members of one ethnic, national or religious group are dominating their suburb. Broad-based community participation in private sponsorship can help alleviate this type of geographic clustering. As Australia formalises its private sponsorship program, the government must ensure that the program is accessible to the broader community.<sup>44</sup>

Finally, it is as yet unclear whether the initial 1000 placements in the Community Support Program will come from within the existing humanitarian program quota or be additional to it. If private sponsorship were to take places away from the existing program, this would set a poor precedent for humanitarian policy. Firstly, there is little incentive for private citizens and organisations to sponsor humanitarian migrants if they see this as taking responsibility for something the government would and should have done anyway. Private sponsorship at its best provides places in addition, not instead of, government-sponsored places. The potential for a perverse incentive to be created, allowing government to defray costs by substituting government-sponsored for private-sponsored placements, is a real one. The Canadian system of private sponsorship sits alongside the government-sponsored program and the two methods complement each other in a strong overall humanitarian policy.

We note that there is a tension here: if private sponsored humanitarian migrants are more likely to succeed in the labour market, then why should this program only augment the government's existing humanitarian program? Our response would be that a robust government-sponsored humanitarian program is required to support refugee resettlement services at an appropriate scale and to identify possible new groups of humanitarian migrants, who would otherwise be unlikely to receive private sponsorship. In the 2000s, resettlement under Australia's humanitarian program helped address the protracted displacement of the Karen people. Since there was no substantial Karen diaspora in Australia at the time, it is unlikely this could have occurred in a system dominated by private sponsorship. A similar point could be made about the recent resettlement of Rohingya humanitarian migrants.

It is important to temper expectations about the success of a private sponsorship program in Australia. Unrealistic expectations and the difficulties associated with various support programs may impede the resettlement journey of privately-sponsored humanitarian migrants. When sponsored relationships break down, the government remains responsible.

To enhance the successful settlement of humanitarian migrants, regardless of private or government sponsorship, the government should actively foster links to industry and business following the example set by the *Friendly Nation Initiative*.<sup>45</sup> This successful partnership 'seeks to build effective networks between industry and settlement service providers, better linking the needs of business with the skills of refugees'. By providing industry mentorship, helping to retrain and reskill refugees and offering employment opportunities, businesses can inject the social capital required to achieve sustainable labour market outcomes. This is the real benefit of the Canadian private sponsorship program.

## English

There are opportunities to expand existing services with a strong evidence base, such as the Adult Migrant English Program (AMEP). The AMEP is a long-standing program to support migrants to learn English. Humanitarian migrants make up about one in four participants, with family and skilled migrants

<sup>44</sup> Kneebone et al

<sup>45</sup> See [www.fni.org.au](http://www.fni.org.au)

being the majority of clients. Participants learn in a classroom environment and are entitled to a number of hours, depending on their eligibility.

The Australian Government is to be commended for extending the number of hours available under the AMEP for humanitarian migrants in a recent policy change, as well as for removing the funding cap on the Special Preparatory Program. These policy changes have the potential to significantly benefit humanitarian migrants. Building on this, further integration of employment support into the Adult Migrant English Program (AMEP), and improving the effectiveness of training with AMEP could have a material impact on employment outcomes.

The major difficulty with practical employment training opportunities as part of English language training is that the level of English required for work placements often exceeds the proficiency of humanitarian clients. Many humanitarian migrants are not proficient enough in English to undertake employment-specific courses and placements, such as the AMEPs existing employment placement course. Others leave AMEP before completing their English language-training to take on additional work responsibilities.

In 2007, Sweden introduced 'step-in' jobs that provide employer subsidies contingent on participation in language courses. These payments ensured new migrants did not stop attending courses when they started a job and compensated employers who were able to provide a flexible training environment and promote continued language proficiency. 'Step-in' was successful, with nearly half of participants reporting regular employment in a follow up survey.

Several wage subsidy programs have been introduced in Australia recently to encourage labour market participation by the elderly and by youth. For example, employers are offered payments if elderly workers remain in a job after a set period of time. There is a lack of publicly available information on the performance of these recent subsidy programs. However if the government supports wage subsidies in these contexts, this suggests it is also an option to encourage greater employer participation in job placements for humanitarian migrants who are continuing to learn English as part of the AMEP.

The AMEP is also subject to a number of eligibility rules and criteria. For example, new migrants must register within six months of arriving in Australia and begin classes within 12 months. These types of criteria undermine the purpose of the AMEP, which is to build English proficiency in new migrants. Moving to a 'needs-based' system for humanitarian migrants in terms of eligibility would ensure that no one falls through the cracks and humanitarian migrants are able to enter English proficiency at the appropriate point on their resettlement journey. This may be after months or even years given the challenges associated with the early stages of resettlement.

There are other entry points that could facilitate humanitarian migrants learning English. One recently established example is the Community Hubs Program. Hubs sit within schools and create an accessible environment for social participation for women with young children. Feedback and evaluation of the program shows the desire to improve English language skills is a factor driving women's participation. This may be because it offers a more informal way to learn English in place of a classroom setting that requires enrolment and consistent attendance. Exploring options for increasing the number of soft-entry points to social environments that promote English learning will assist humanitarian migrants in gaining greater proficiency.

## Microfinance

Microfinance – providing entrepreneurs with access to small amounts of credit at reasonable rates – is not a new idea in humanitarian settlement policy. The United States has a well-established microfinance program under the Office for Refugee Resettlement. The ‘Microenterprise Development’ program provides individuals with training and access to up to \$15,000 in credit from a loan pool of \$4m per annum. The program has supported approximately 10,800 small businesses since 1982, achieving loan repayment rates of 98 per cent and a business survival rate of 88 per cent.<sup>46</sup>

A major design feature of the United States’ microfinance program is its reliance on localism and devolution. Support for projects and loans are decided by organisations in the areas where support will be delivered. Local organisations work directly to the Office of Refugee Resettlement on their application for funding support. Funds do not flow through multiple stages or organisations. This helps match up the funding source with communities where a framework for successful loan delivery is already in place.

There are several difficulties with microfinance. The first is how non-bank lenders can successfully assess loans and the viability of the small businesses created. It is difficult for formal banks to assess this viability. Another is examining whether access to credit is the key impediment to a business initiative, or if other factors, such as licencing and registration difficulties, are impeding the start-up.

Despite this, it is likely that there is an unmet demand for business loans among humanitarian migrants in Australia. Humanitarian migrants are the most entrepreneurial people in Australia, with 10 per cent of their income coming from business earnings. While many of these humanitarian migrants may be ‘necessity entrepreneurs’ rather than ‘opportunity entrepreneurs’, fostering these small businesses in a carefully designed manner could lead to improved economic outcomes.

Budding microfinance programs within the community sector and those supported by financial organisations in Australia may provide a model for government policy. *Thrive* is a soon to be launched non-profit organisation backed by Westpac and a number of other donors and supported by Settlement Services International (SSI) in NSW and AMES in Victoria. The organisation will provide loans of up to \$7,500 at 10 per cent interest, with the intention for humanitarian migrants to repay the loan over three years.

SSI has also established the *Ignite* program, to support humanitarian small business start-ups. *Ignite* had over 120 clients in its first two years and demand outstripped its ability to support humanitarian migrants.

Microfinance may be a particularly good way to boost the participation rate of women. While further investigation and evaluation is warranted, home-based businesses and opportunities to foster business experience among female humanitarian migrants would appear well suited to microfinance support.

To avoid the issue of government ‘picking winners’ with regard to access to credit, government assistance for already established programs could provide additional capacity to overcome any supply shortages instead of engineering new government programs. This would be akin to the United States

<sup>46</sup> U.S Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement, ‘Microenterprise Development’, <https://www.acf.hhs.gov/orr/programs/microenterprise-development>



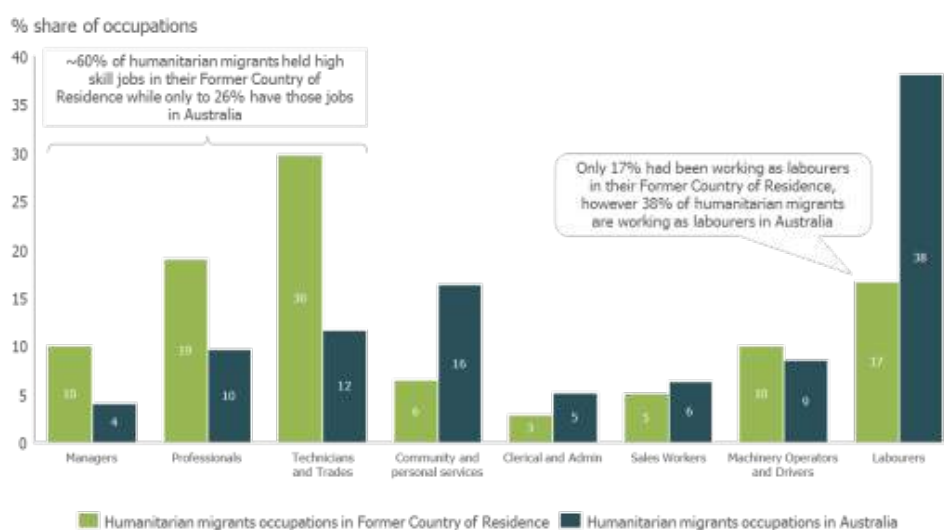
microfinance program, where grants are provided to organisations that are responsible for supporting entrepreneurs and the provision of small loans.

## Recognition of skills and qualifications



Recognising overseas skills and qualifications has been a long-standing goal for Australian policy makers, but the range in quality and methods for establishing skill and qualification levels across the world make this a difficult process. The goal is to provide a signal to employers that new migrants can hit the ground running because they have the training, experience and qualifications for a particular occupation. As Figure 8 shows, a high percentage of humanitarian migrants currently accept work below the skill level of the positions they held in their former country of residence (FCR):

**Figure 8: A high percentage of humanitarian migrants accept work below their skill level**<sup>47</sup>



<sup>47</sup> Note: BNLA data based on primary and secondary applicants aged 18-65 where data is available for all variables included in the regression analysis for consistency. Data is unweighted.

Source: Building a New Life in Australia, Longitudinal Study of humanitarian migrants, Wave 1 and 2 interviews responses, 2016; Personal Income of Migrants, Australia, 2011-12, ATO Data

Before coming to Australia, 60 per cent of employed humanitarian migrants held high-skilled jobs. However, of humanitarian migrants employed in Australia, only 26 per cent are in high skilled positions. This demonstrates the frustration many humanitarian migrants feel when they are unable to work in skilled occupations.

Employers often 'downgrade' recent migrants, and previous work experience is less valued than it would be in a migrant's former country of residence. While this phenomenon is not restricted to humanitarian migrants, key factors such as English proficiency and the variance of qualifications often make it harder for humanitarian migrants to overcome high barriers to recognition.

Humanitarian migrants in Germany whose existing skills and qualifications were recognised were 23 per cent more likely to work and 28 per cent more likely to earn higher wages than refugees whose skills were not recognised. In Norway, a full 50 per cent of humanitarian migrants who obtained skills recognition found a related job or entered further education in that field.

Germany's system of recognising skills and education is considered best practice. It is a system that has evolved over a long period of time and achieved industry buy-in on a national scale, with numerous local adaptations evolving in response to the large flows of humanitarian migrants over the past two years.

In a current example of humanitarian innovation to deal with the inflow of Syrian and other humanitarian migrants since 2014, German authorities are trialing new processes to give employers more certainty about refugees' experience and occupational readiness. One of the most promising examples is being scaled up in early 2017. Instead of replacing traditional systems of recognition, which work well under normal circumstances, online tests and video-based certification are being used to provide a signal to employers. While these new processes are not formal certification, targeted occupational modules – such as mechanics – are being tested to assess the level of job readiness and act as a skills assessment to identify where more training may be required. The key goal is to make capacities and expectations clear to employers and humanitarian migrants alike through standard tests and training modules relevant to occupations in the German labour market.

Unlike many other parts of the skills recognition system in German, these processes are light-touch and designed to provide a uniform signal to employers across the country, instead of a federated certificate. The use of video and online platforms can deliver scale, which is a major barrier for many skills recognition processes.

Australia does not have the existing ecosystem to capture these benefits in the short-term. Improved skills recognition, however, is one of the more promising methods to reduce the opportunity cost of humanitarian migrants working below their skill level. Importantly, as lower-skilled work becomes less available so, the importance of recognising skills increases, as do the potential labour market gains.

We recommend funding for a pilot program working alongside selected industries to assess new scalable approaches to skills recognition. This would promote better engagement with the private sector. Learning from Germany, the use of videos, computers and visual elements to better examine initial skills can help employers to more easily identify suitable employees. A tangible outcome should be an entry-level product providing a partial signal for employers about an individual humanitarian migrant's capacity to undertake certain occupations.

## The role for government and stronger governance

The role of government is crucial to getting more refugees into jobs. The private sector cannot be expected to equip and employ humanitarian migrants on its own: overcoming cultural differences, understanding labour market norms, training, learning English, and building social capacity in individual humanitarian migrants are intensive processes devoid of short-term profit motives. Humanitarian migrants are highly motivated and want to succeed but often arrive in Australia with few assets. While the private sector has an important role to play, the primary actors in successful humanitarian policy are government and government-funded service providers. Recognising this is critical because standard assumptions about employment support are not applicable to most humanitarian migrants.

Compounding these barriers is the fragmentation of government responsibility for resettlement, and growing amnesia within government on settlement and job services. The Centre for Policy Development has highlighted the lack of governance and accountability with large service delivery programs such as *jobactive* in the past. Laura Tingle has noted the opportunity cost of getting on the hamster wheel without first looking back at what has worked before.<sup>49</sup> Peter Hughes, a former Deputy Secretary at the Department of Immigration, has noted the critical role of coherent policy and effective governance in delivering humanitarian support.<sup>50</sup>

To overcome a ‘governance gap’, clearly delineating bureaucratic operations and responsibilities for humanitarian policy into pre- and post-arrival categories would help overcome policy implementation difficulties and, over the long-term, provide a more robust governance framework to help get more refugees actively participating in the labour market. Gaps in governance and accountability undermine the capacity of all other stakeholders to improve outcomes.

For the Australian Government, there is little alignment between stated economic priorities for the humanitarian program – Employment, English and Education – and the current administrative arrangements for humanitarian support. Figure 9 below shows that responsibility for humanitarian migrants is spread thinly across Cabinet Ministers and their Departments:

<sup>49</sup> Laura Tingle, ‘Political Amnesia’, Quarterly Essay, 2015 <https://www.quarterlyessay.com.au/essay/2015/11/political-amnesia/extract>

<sup>50</sup> Peter Hughes, New Migration Integration Challenges, pending publication, ANU 2017

**Figure 9: Current administrative arrangements for humanitarian support**

Government support	Responsible Department	Responsible Minister	Activities
Humanitarian arrival	Department of Immigration and Border Protection	Minister for Immigration and Border Protection	Overseas selection; security screening; facilitation of travel to Australia
On arrival and ongoing social support	Department of Social Services	Minister for Social Services Assistant Minister for Social Services and Multicultural Affairs	0-5 year social support; only dedicated humanitarian assistance; housing; referrals; community orientation etc.
Language; education	Department of Education and Training	Minister for Education and Training Assistant Minister for Vocational Education and Skills	Adult Migrant English Program; humanitarian migrants 75-80% enrolment; ~25% of total clients
Employment	Department of Employment	Minister for Employment	JobActive program; no specialisation for humanitarian migrants; "mainstream approach"

The effects are highly detrimental. There is no centre of gravity for post-arrival humanitarian policy. New policy proposals must sift through multiple checkpoints and veto processes. Administrative coordination is difficult and unruly. By splicing up each section of humanitarian policy into small parcels, each component part is lost in the broader departmental setting where the primary goal does not align with humanitarian policy. The failure of *jobactive* to provide appropriate support for humanitarian migrants is the most egregious example of this. This 'governance gap' not only undermines the ability to administer current programs effectively, but also to evaluate policy outcomes and plan for the future.

*"The complexity of settlement services necessitates a centre of gravity within a government department that has an explicit mandate to build public confidence, maintain social cohesion and improve humanitarian employment outcomes"*

New administrative arrangements should be introduced to oversee humanitarian employment initiatives as well as a broader social cohesion agenda. The clear dividing line is how humanitarian

migrants are selected and processed before they come to Australia and what occurs after they arrive. To improve policy development, implementation and oversight, a single department should be responsible for each of these two phases of resettlement. (As outlined below, we recommend that the Department of Immigration and Border Protection be responsible for the former, and the Department of Social Services for the latter.) The complexity of settlement services necessitates a centre of gravity within a government department that has an explicit mandate to build public confidence, maintain social cohesion and improve humanitarian employment outcomes. There must be a clear line of responsibility so that government can safeguard public confidence in the migration program and the humanitarian program, twin public policy traditions in Australia that have shaped who we are as a country and as a society.

The role of government is not restricted to the federal jurisdiction. State and local governments play a critical role in terms of general service delivery and support for humanitarian migrants. These jurisdictions are often on the front line given the geographic clustering which occurs with humanitarian migration. As Table 2 shows, many recent arrivals are concentrated in a small number of local government areas. This places a premium on integrated, joined up service delivery at the community level. These

processes are not seamless. A Federal Office of Humanitarian Settlement would be better placed to ensure a proactive, properly funded approach to local engagement. It should focus on policy, program design, commissioning, identification of best practice and accountability. The Federal Office would not directly deliver services but can improve coordination of service delivery between state, local government and not-for-profit providers.

**Table 2: Top 20 Local Government Areas (nationally) by number of humanitarian entrants, 2010-2015.**<sup>51</sup>

<b>Local Government Areas</b>	<b>Number of humanitarian entrants (2010-2015)</b>	<b>General population unemployment rate (%) -2011</b>	<b>General population participation rate (%) - 2011</b>	<b>General population unemployment rate (%) - 2015</b>
<b>Fairfield</b>	5,816	9.7	50.8	8.4
<b>Greater Dandenong</b>	3,899	8.9	53.5	12.3
<b>Brisbane*</b>	3,862	5.3	66.7	5.2
<b>Hume</b>	3,694	6.8	58.8	8.7
<b>Liverpool</b>	2,899	7	58.2	5.0
<b>Logan</b>	2,567	7.2	58.2	8.0
<b>Casey</b>	2,182	5.9	65.6	7.8
<b>Salisbury</b>	2,123	7.3	59.4	9.3
<b>Blacktown</b>	2,050	7.2	62.8	7.0
<b>Auburn</b>	1,922	8.6	53.4	7.5
<b>Brimbank</b>	1,809	8.3	56.3	9.9
<b>Parramatta</b>	1,647	7	58.9	6.1
<b>Wyndham</b>	1,513	6.3	66.9	7.0
<b>Port Adelaide Enfield</b>	1,441	6.8	56.3	9.2
<b>Stirling</b>	1,426	4.5	63.5	6.7
<b>Maroondah</b>	1,314	4.3	65.6	5.3
<b>Canterbury</b>	1,169	8.2	54.1	7.8
<b>Wollongong</b>	1,140	7	56.8	6.6
<b>Holroyd</b>	1,093	7.2	58.1	6.8
<b>Whittlesea</b>	1,039	5.6	61.8	7.6

<sup>51</sup> [https://www.dss.gov.au/sites/default/files/documents/05\\_2015/local\\_government\\_area\\_by\\_migration\\_stream\\_-\\_april\\_2010\\_to\\_march\\_2015.pdf](https://www.dss.gov.au/sites/default/files/documents/05_2015/local_government_area_by_migration_stream_-_april_2010_to_march_2015.pdf)



# A NEW APPROACH TO HUMANITARIAN EMPLOYMENT



The agenda outlined in the previous sections is practical, evidence-based, targeted and fiscally prudent. If achieved, humanitarian migrants will be more likely to improve their employment outcomes in the labour market.

## What should a new approach look like?

Establishing the primary role for government in delivering support does not mean business as normal. Effective governance rests on three fundamentals: legitimacy, policy and action.<sup>52</sup>

### Legitimacy

Australians have kept faith in the humanitarian program for decades; it enjoys strong public and political support. Notwithstanding debates over the *mode* of arrival, survey outcomes consistently show high public acceptance of humanitarian migration. Political commitment to the program has increased over the past four years from both major political parties, most notably through an increased number of places. Security screening for humanitarian migrants is an important part of fostering public legitimacy. The Australian Government has deliberately prioritised security policy for migrants as an integral and non-negotiable part of humanitarian policy to sustain confidence in the system. The recommendations that follow are designed to promote humanitarian employment and ensure a sustainable foundation for the long-term public legitimacy of Australia's humanitarian migration program. In particular, the income and fiscal gains from improving labour market outcomes will help underpin perceptions of humanitarian migrants in the broader community, to overcome negative stereotypes based on hearsay and better reflect resettled refugees' aspirations and goals.

<sup>52</sup> This framework is taken from a Boston Consulting Group-Centre for Public Impact report titled 'Public Impact Fundamentals', released in 2016.

### *Policy*

Policy fundamentals are more contested. Objectives for different humanitarian and settlement programs are not consistent across the bureaucracy. The Australian Government's new approach to emphasise economic priorities has not been embedded within government support programs. There is little accountability within policy as no single individual or organisation has oversight. The presence of multiple and dispersed actors makes achieving strategic goals more difficult. Apart from high-level descriptive information, there is a paucity of evidence to support questions of policy effectiveness for humanitarian migrants in the labour market. Support programs do not have embedded evaluation mechanisms. Feasibility and implementation are also contested. This includes questions about the appropriate time period to provide support as well as the level of specialisation required to deliver services. Too often, decisions are made solely with the four-year forward estimates in mind, rather than the longer planning horizon commonly seen in other large resettlement countries like the United States and Canada.

Australian policy makers lack an effective system of management because the dispersal of decision-making across the bureaucracy dilutes accountability. Services and support are poorly measured, inhibiting feedback loops to improve policy when environments change.

Centralising post-arrival humanitarian resettlement and integration policy, including employment and language support, within an 'Office for Humanitarian Settlement' or similar organisation, would provide the necessary leadership to implement a new approach and improve current administrative arrangements. This Office should sit within the Department of Social Services (DSS). DSS is well placed to build on the successful integration of humanitarian administrative functions it received after the 2013 election. The Department of Immigration and Border Protection (DIBP) would retain all pre-arrival processes and screening for humanitarian migrants. However DIBP is not well placed to deliver post-arrival settlement support. The Secretary of the Department outlined the its new approach in a recent speech:

'Yes settlement will be an ongoing element, but the mission of mass migration that was set for us in 1945 is long accomplished and should be declared so. More than settlement, we should look to become Australia's gateway to the world, and the world's gateway to Australia. On occasions, at times of heightened threat such as caused by terrorism or pandemics, we will need to act as the gatekeepers and as necessary man the ramparts and protect our borders.'<sup>53</sup>

This shift means post-arrival humanitarian policy, which is a mixture of domestic social and economic policy, no longer aligns with the state primary goal of the immigration department, which is managing Australia's borders. DIBP is responsible for the movement of people under Australia's migration program, particularly their entry and exit, but not for their settlement.

In addition, this Office should oversee administrative responsibilities for the AMEP, meaning the program should be moved to DSS. Further, the additional support programs recommended below would also sit within DSS, including bespoke employment support. This will enable oversight, strategy, policy development and improved coordination across and within humanitarian policy, helping to improve

<sup>53</sup> Michael Pezzullo, 'Reflections on Australia Day: Settlement of the nation and beyond', 26 January 2015, <http://newsroom.border.gov.au/releases/e188cf0f-9c3c-4802-b1bd-f32b0e11ea85/download/txt?!=eng-AU>; Australian Government, Parliamentary Library, Harriet Spinks, 'The Department of Immigration: from building the nation to managing the border', June 2016, [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/FlagPost/2015/June/Department\\_of\\_Immigration](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2015/June/Department_of_Immigration)

employment outcomes by reducing the number of levels between the bureaucracy and individual humanitarian migrants who need support.

A first task for the Office of Humanitarian Settlement should be to align Australian Government priorities – Employment, English and Education – within a new National Settlement Framework. This Framework should articulate policy goals and lay the foundation for the pending arrival of larger humanitarian programs from 2018-19.

## POLICY RECOMMENDATIONS

- Centralise post-arrival humanitarian and settlement policy within the Department of Social Services while maintaining pre-arrival selection and visa processing functions with the Department of Immigration and Border Protection.
- Formalise government priorities in an updated National Settlement Framework for humanitarian migration.

### Action

Public legitimacy and policy need strong action to ensure the right systems are in place, the right outcomes are being measured and to ensure alignment with key objectives.

The support currently delivered to improve humanitarian employment outcomes is inadequate. This report has identified the barriers and showcased the limitations of existing systems. Therefore the government should move, through a newly instituted Office of Humanitarian Support, to introduce specialised and intensive employment support for humanitarian migrants.

In addition, a number of models adapted from overseas could have a major impact on improving labour market outcomes. Private and community sponsorship of humanitarian migrants, if done properly, could improve social capital and networks, leading to better employment outcomes. Adding in flexibility for existing programs like the AMEP to enable refugees to study English and undertake employment placements is another important measure, as are new support pilots for microfinance and an enhanced system for recognising overseas skills and qualifications.

These new initiatives must be grounded in an evaluation process that can fully investigate the impact and outcome of the intervention. It may be appropriate to utilise the capacity of the Department of Prime Minister and Cabinet's Behavioural Economics Team, which was set up to test policy design, build understanding of what works and what is needed for adaption. Randomised trials of new policy processes or other types of formal evaluation can help ensure policies can be scaled effectively.

## ACTION RECOMMENDATIONS

- Introduce specialised and intensive employment case management for humanitarian migrants that integrates initial settlement services, English language programs and employment.
- Renew investment in existing programs with a strong evidence base, such as the AMEP.
- Enhance private and community sponsorship within the humanitarian program.
- Introduce trial programs for faster recognition of humanitarian migrants' existing skills.
- Develop public and private microfinance opportunities that could be of particular benefit to women and their families

These recommendations for policy and action will provide a robust foundation to improve labour market outcomes and enhance and maintain the public legitimacy of Australia's humanitarian resettlement program.

As the labour market changes, and becomes in many ways more difficult for humanitarian migrants, governments must recognise the long-term value of investing in refugees' employment opportunities.

Humanitarian migrants represent a small number of all migrants coming to Australia. This report has outlined how new program initiatives and changes to governance can improve humanitarian employment policy and produce better labour market outcomes. Improving employment and participation will improve the lives of humanitarian migrants in Australia, provide fiscal savings and underpin social cohesion. This triple win should not be ignored. Political and social upheaval elsewhere demonstrates the sustained success Australia has had in recent decades. Hard work and investment is required to maintain this in the future.