

## **Submission to Treasury on the Employment White Paper**

**November 2022**

### **Summary of recommendations**

1. The Australian and state/territory governments should commit to longer-term contracts, funding that meets the real costs of service provision, and fair and consistent indexation in the social sector – all toward supporting secure jobs, a stable work environment, better conditions, and career opportunities.
2. Implement initiatives similar to the Australian Government’s Home Care Workforce Support Program in other parts of the care and support industry. These initiatives should include a focus on building capability of employers to recruit, train and retain staff from CALD backgrounds.
3. Governments should fund industry led initiatives in partnership with employment service providers to support long-term unemployed people and underemployed to reskill in emerging industries.
4. The Australian Government should develop a more tailored and targeted employment policy response for migrant and refugee women which sees them as new entrants to the workforce.
5. In developing the service model for the new working women’s centres, the Australian Government should ensure that the centres are culturally and linguistically responsive to the needs of refugee and CALD women.
6. The Australian and state/territory governments should implement targeted strategies to address financial and non-financial barriers to participation in early childhood education and care for CALD families.
7. The waiting period for new permanent residents to access unemployment support should be waived or permanently reduced. This will give migrants a better chance to find the right job that is commensurate with their skills and qualifications.
8. The Federal and state/territory governments should provide targeted support for people of CALD backgrounds that address the unique barriers they face and support them across their employment journey spanning job-readiness, preemployment training and paid work experience, effective job-matching, and post-employment support.
9. The Government increase the focus on voluntary engagement and reduce the use of compulsion in the design and delivery of employment support programs.
10. Digital literacy screening should be included as part of the initial job seeker assessment in employment programs.
11. The Australian and state/territory Governments should implement digital literacy programs tailored to multicultural communities to support the increased use of online services.
12. Regional settlement of refugees and humanitarian entrants should involve multi-year forward planning to ensure that service capacities and constraints are managed. The Australian Government should lead collaborative planning with all tiers of government, settlement providers and other local stakeholders to manage gaps in services and infrastructure proactively.
13. The Australian Government should invest in tailored and targeted employment support to newcomers in regional areas by scaling up programs that successfully facilitate access to the

labour market. These programs should have a holistic approach which includes community engagement and support for migrants and refugees to build social connections.

14. The time limits for enrolling, commencing and completing Adult Migrant Education Program English tuition should be removed for all eligible visa holders including new arrivals (time limits still apply to migrants and refugees who arrived in Australia after October 2020).
15. Further reforms to the Adult Migrant English Program should include provision for on-site language learning in the workplace to enable targeted training that occurs during work hours.
16. The Australian Government should commission an independent evaluation of the Adult Migrant English Program and the SEE program to refine the design of these programs aligned to the Jobs and Skills Summit agenda.
17. There should be clear, fair and timely pathways to permanent residency for temporary residents to maximise the dividend of migration to Australia.
18. The Australian Government should abolish Temporary Protection Visas (TPVs) and Safe Haven Enterprise Visas (SHEVs) and transition eligible humanitarian entrants on to permanent visas.
19. The Australian Government should strengthen protections for temporary visa holders against exploitation, mistreatment and harassment in the workplace, including:
  - increasing visa portability for people on employer sponsored visas to reduce the risk of exploitation;
  - ensuring there are robust protections for workers who report an employer's misconduct.
20. The Australian and state/territory governments should work with industry and accreditation authorities to streamline processes for assessment and recognition of overseas qualifications and skills. This should include making it easier for newly arrived migrants and refugees to navigate the steps required to have their skills and qualifications (academic and trade qualifications) and prior learning recognised.
21. The Australian Government should establish an external body that provides oversight and ensures that recognition requirements for foreign credentials are fair and reasonable, similar to the Office of the Fairness Commissioner in Canada.

## Background

Settlement Services International (SSI) welcomes the opportunity to make this submission to the Treasury on the Employment White Paper and contribute to the development of the Government's Roadmap for Australia to build a better-trained and more productive workforce.

SSI was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic backgrounds served as the foundation for a gradual expansion into other human services and geographical areas.

In 2018, SSI merged with Queensland-based Access Community Services, and in 2019 opened in Victoria providing an expanded footprint across the eastern coast of Australia. Today, the SSI Group supports 52,500 clients across more than 37 programs and community-based services.

In the area of employment services, SSI delivers several programs funded by the Australian Government, including ParentsNext, Disability Employment Services, the Local Jobs Program, and the HomeCare Workforce Support Program. The SSI Group also delivers complementary programs funded by state government including the Refugee Employment Support Program in NSW and is a partner in Jobs Victoria.

The SSI Group also delivers a range of complementary social enterprise initiatives. *Work+Stay* facilitates secondary migration for employment to address regional workforce shortages and helps people from a range of backgrounds to build better futures in regional areas. *Ignite Small Business Start-Ups* works to facilitate the establishment of enterprises by migrants and refugees and includes *IgniteAbility* which works in a similar way to support entrepreneurship among people with disability.

In settlement, SSI is the major provider in NSW of the Humanitarian Settlement Program, funded by the Department of Home Affairs, to newly arrived refugees and other humanitarian entrants. SSI is also the lead organisation in a consortium, the NSW Settlement Partnership, of 21 partner agencies which deliver the Settlement Engagement and Transition Support program, also funded by the Department of Home Affairs, to refugees and family stream migrants across NSW.

## **TOR 2.1 Building a sustainable care economy in the context of an ageing population and other drivers of demand for care services**

### **Improve pay and job security and create career pathways**

As the Jobs and Skills Summit Issues Paper identifies, the care and social sector is highly feminised. Around 9 in 10 aged care workers are women and a high number of workers come from migrant backgrounds<sup>1</sup>. Recent analysis conducted by the National Centre for Social and Economic Modelling (NATSEM) for SSI found that over a fifth of refugees work in the health care and social assistance industry (and the proportion is likely higher for women refugees)<sup>2</sup>. This is often out of necessity rather than choice due to limited employment options (see TOR 5.2 and 5.4).

Issues relating to recruitment and retention of staff are endemic in the care and social sector and have become more acute during the COVID-19 pandemic. The impact of low wages, high workloads, poor job security and lack of career paths can erode job satisfaction and lead to high staff turnover. Wages are often close to or at the minimum wage, despite jobs in the sector requiring post-school qualifications<sup>3</sup>. In large part, these challenges reflect chronic under-investment by the Commonwealth, state and territory governments.

For the community services sector, these issues are compounded by government funding contracts which are short-term and do not cover the full cost of service delivery (such as administrative and management costs).<sup>4</sup> In a recent survey of the NSW social services sector, 53% of respondents cited low pay and/or insecure work as career impediments and one in two indicated they are either planning to leave or are not sure if they will still be in the sector in five years time.<sup>5</sup>

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<sup>1</sup> The Treasury. (2022). *Jobs + Skills Summit Issues Paper*, [https://treasury.gov.au/sites/default/files/2022-08/2022-302672-ip\\_0.pdf](https://treasury.gov.au/sites/default/files/2022-08/2022-302672-ip_0.pdf)

<sup>2</sup> Batainah, H.S., Hawkins, J. & Miranti., R. (2022). *Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia*. NATSEM/Settlement Services International.

<sup>3</sup> NCOSS & Impact Economics. (2022). *A Long Way to the Top: career opportunities and obstacles for women in the social services sector in NSW*, Sydney.

<sup>4</sup> Social Ventures Australia and the Centre for Social Impact. (2022). *Paying what it takes: paying indirect costs to create long-term impact*. <https://www.socialventures.com.au/assets/Paying-what-it-takes.pdf>

<sup>5</sup> NCOSS & Impact Economics. (2022). Op cit.

Recommendation 1: The Australian and state/territory governments should commit to longer-term contracts, funding that meets the real costs of service provision, and fair and consistent indexation in the social sector – all toward supporting secure jobs, a stable work environment, better conditions and career opportunities.

### **Building a culturally diverse workforce in the care and support sector**

The care and social services sector can be a pathway to employment for some refugees and people from CALD backgrounds where this aligns with their career goals and aspirations. Equally, the development of a culturally diverse workforce is critical to strengthen provision of ethnospecific care service options and to ensure that mainstream services are responsive to the needs of people from CALD backgrounds.

SSI Group is currently the provider of the new Home Care Workforce Support Program in NSW and the ACT which is funded by the Department of Health and Aged Care. Through this program, SSI is working with the aged care industry, including home care and training providers, to build the capacity of the workforce to recruit, train and retain staff from culturally diverse backgrounds. As part of this program, SSI has developed a Home Care Job Passport which could be adapted to meet the needs of the Aged Care Sector broadly. The Passport maps out the minimum requirements to commence employment within the sector, for example: police clearances, first aid, CPR etc and certifies that candidates have baseline requirements to commence employment while waiting on overseas skills recognition or qualification completion.

There is an opportunity to diversify initiatives like the Home Care Workforce Support program to other parts of the care and support industry such as the NDIS and Early Childhood Education and Care (ECEC).

Recommendation 2: Implement initiatives similar to the Australian Government’s Home Care Workforce Support Program in other parts of the care and support industry. These initiatives should include a focus on building capability of employers to recruit, train and retain staff from CALD backgrounds.

## **TOR 2.5 The adaptability of our workforce to meet the needs of emerging industries and areas of traditional economic strength**

Currently, there is a lack of government investment in preparing long-term unemployed and underemployed people to work in emerging industries.

SSI is now working with industries of growth using a ‘Learn while you Earn’ paid placement approach. The *Step IT Up* initiative helps unemployed people build sustainable careers by training and skilling up people in various areas of emerging technology. Successful graduates of the training program are placed with companies to build up their experiences in the corporate world, and potentially be offered a full-time position at the end of the internship. The inception program in 2021 focused on a cohort of disadvantaged students including unemployed women and Indigenous communities. Of the 15 participants who enrolled, 13 graduated as software developers, and two took up other opportunities.

Reflecting on their experience in *Step It Up*, one graduate commented:

*“When I got through the initial assessment for the program, I had to make a life-impacting decision of transitioning my career to a completely new one. Even though I was a little sceptical initially, I joined the program to challenge myself. I can now say my decision changed my life for good. Now,*

*I am a software developer at one of Australia's largest digital banks. I really value the leadership skills that I gained while learning Java."*

Recommendation 3: Governments should fund industry led initiatives in partnership with employment service providers to support long-term unemployed and underemployed people to reskill in emerging industries.

### **TOR 3: Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce**

#### **Unlocking the economic potential of migrant and refugee women**

Research indicates that “female migrants are more likely to experience combinations of discrimination, marginalisation in the labour market, and lack of power to refuse adverse working conditions”<sup>6</sup>. Migrant women are often in jobs historically relegated to ‘women’s work’ such as cleaning, childcare or in other lower-skill jobs not matching their skill level and experiences pre-migration<sup>7</sup>.

Recent research conducted by NATSEM for SSI indicates that refugee women and migrant women from low- and middle-income countries (i.e. non-OECD countries) are lagging behind other women in the Australian labour market, despite their relatively high level of skills, qualifications and motivation to work. Analysis of Census data of labour market indicators shows that the proportion of overseas-born women in employment is lower, and unemployment generally higher, than for Australian-born women and the participation rate (i.e., the proportion of working-age people in the labour force) is lower for women born overseas<sup>8</sup>.

Similarly, there is critical untapped potential in the labour market with refugee women and women from low- and middle-income countries who are working part time more likely to want to work full time compared to all other women. For refugee women the results are very striking, with almost all part-time workers (95%) wanting to work full time<sup>9</sup>.

The NATSEM research found that women born in low- and middle-income countries have much higher levels of graduate and post-graduate degrees compared to Australian-born women. Yet migrant and refugee women are more likely to be employed in low skill and low-paid jobs that are not commensurate with their skills and qualifications. This is especially the case for refugee women and migrants from low and middle-income countries<sup>10</sup>.

These findings highlight the need for a more targeted policy response to unlock the economic potential of migrant and refugee women, which sees them as new entrants to the workforce. This should include, for example: subsidised entry into vocational and tertiary courses to bridge skills and qualifications gaps; careers advice; and opportunities for paid internships and structured mentorship pathways.

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<sup>6</sup> Liu, X, Bowe, S, Milner, A, Li, L, Too, L, and LaMontagne, A 2019 ‘Job insecurity: A comparative analysis between migrant and native workers in Australia’, *International Journal of Environmental Research and Public Health*, vol 16, no 21.

<sup>7</sup> Batainah, H.S., Hawkins, J. & Miranti., R. (2022). Op cit.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

Recommendation 4: The Australian Government should develop a more tailored and targeted employment policy response for migrant and refugee women which sees them as new entrants to the workforce.

### **Addressing sexual harassment and discrimination in the workplace**

Sexual harassment and discrimination in the workplace are major barriers to women's workforce participation and career advancement.

SSI welcomes the Government's commitment to establish working women's centres in each state and territory in response to Respect@Work. The centres will provide free advice and assistance to women on workplace issues including sexual harassment, discrimination and wage theft.

Migrant and refugee women are more likely to be in precarious employment (i.e. non-permanent, casualised or contract labour). Factors such as limited English proficiency, non-permanent visa status, and race-based bias and discrimination can contribute to the likelihood of experiencing work-based harassment and discrimination.<sup>11</sup> Consequently, it is essential that the working women's centres are culturally and linguistically responsive to the needs of refugee and CALD women.

Broader issues relating to exploitation of migrants and refugees in the workplace are addressed under TOR 5.4.

Recommendation 5: In developing the service model for the new working women's centres, the Australian Government should ensure that the centres are culturally and linguistically responsive to the needs of refugee and CALD women.

### **Improving access to early childhood education and care**

Women's disproportionate responsibility for caring for children, combined with the lack of affordable and accessible ECEC, is a significant barrier to women being employed or working more. Indeed, ABS data shows that caring for children remains the largest barrier to female participation in the labour force.<sup>12</sup>

As the Lifting Our Game Report (which was commissioned by all state and territory governments) concludes, investing in integrating education and care creates the opportunity to drive both improved workforce participation of women and promote children's development<sup>13</sup>. This issue is addressed in more detail under TOR 5.1., focusing on improving participation by CALD families in ECEC.

## **TOR 5.1 Reducing barriers and disincentives to work, including the role of childcare, social security settings and employment services**

### **Early Childhood Education and Care**

As outlined under TOR 3, the challenges of caring for children and female participation in the labour force are long-standing and still evident in recent released ABS data<sup>14</sup>. The suite of ECEC reforms announced by the new Federal government and complementary measures in other jurisdictions (Victoria and NSW) are designed to improve access to affordable, quality ECEC. It

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<sup>11</sup> ANROWS. (2022). <https://www.anrows.org.au/project/migrant-and-refugee-womens-attitudes-experiences-and-responses-to-sexual-harassment-in-the-workplace/>

<sup>12</sup> ABS. (2022). *Childcare still largest barrier to female participation*. Media release.

<https://www.abs.gov.au/media-centre/media-releases/childcare-still-largest-barrier-female-participation>

<sup>13</sup> Pascoe, S. & Brennan, D. (2017). *Lifting our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Intervention*

<sup>14</sup> ABS.(2022) Op cit.

will take time for these measures to be fully implemented and shift existing disincentives to take up work or work more hours.

Recent research has highlighted that access to ECEC is unevenly distributed across Australia, especially in regional and remote areas<sup>15</sup>. Access to ECEC is also unevenly distributed across different cohorts. An analysis of Australian Early Development Census data, commissioned by SSI, found that children from CALD backgrounds have lower rates of attendance at all forms of ECEC. SSI supports approaches that provide 'soft entry' points for CALD families such as supported playgroups or the National Community Hubs program attached to primary schools<sup>16</sup> as research shows that integrated models that combine a range of child and family support have the greatest impact and are best positioned to engage disadvantaged families.

**Recommendation 6:** The Australian and state/territory governments should implement targeted strategies to address financial and non-financial barriers to participation in early childhood education and care for CALD families.

### **Social security settings**

The fundamental purpose of Australia's social security system and targeted safety nets are to provide support to residents and citizens during times when they are not able to adequately support themselves. These benefits are funded through taxation paid by all residents, temporary and permanent, who are earning a liveable income.

The concept of a waiting period for income support payments was established in the early 1990s and has been progressively expanded by successive governments<sup>17</sup>. Significant changes to the length of the waiting period (from one or two years to four years in most cases), and to the scope of family assistance and social security payments to which the waiting period applied, came into effect for skilled and family stream migrants from January 2019 (refugees and humanitarian entrants are exempt from these measures).

The waiting period for social security has unintended impacts on newcomers beyond the income support system. As outlined under TOR 5.4, research by the Committee for the Economic Development of Australia (CEDA) on ways to improve skilled migration found almost one in four permanent skilled migrants are working beneath their skill level. The analysis found that increases to the waiting period for newly arrived migrants have exacerbated skills mismatch, while delivering only modest annual savings to the federal budget. An unintended consequence of the policy of successive governments in creating and expanding waiting periods to access the social safety net is that permanent skilled migrants are channelled to take jobs outside of, and below, their skill set to survive as they attempt to establish a career in Australia<sup>18</sup>.

**Recommendation 7:** The waiting period for new permanent residents to access unemployment support should be waived or permanently reduced. This will give migrants a better chance to find the right job that is commensurate with their skills and qualifications.

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<sup>15</sup> Hurley, P. *More than 1 million Australians have no access to childcare in their area*, The Conversation, 22 March 2022.

<sup>16</sup> SSI delivers the Community Hub program in NSW and Queensland.

<sup>17</sup> Boucher, A. & Carney, T. 2013. Social Security for Migrant Workers and Their Families in Australia. In R. Blanpain, P. Arellano Oritz, M. Olivier & G. Vonk (Eds.), *Social Security And Migrant Workers: Selected Studies Of Cross-Border Social Security Mechanisms* (pp. 187-214): Kluwer.

<sup>18</sup> CEDA. *A Good Match: Optimising Australia's permanent skilled migration*. 2021

## Employment Services

There has been a long-standing concern about the effectiveness of Federally-funded employment services for different cohorts of job seekers. As outlined under TOR 5.2, there is evidence that job seekers from CALD backgrounds are overrepresented in long-term unemployment trends. In 2013, the Joint Standing Committee on Migration recommended an investigation of the effectiveness of Job Services Australia's provision of services to people from CALD backgrounds to improve access to and outcomes from these services<sup>19</sup>.

The *jobactive* program did not offer different cohorts of job seekers access to specialised employment service providers. Subsequently, the design principles which underpinned the development of the New Employment Services Model (NESM) (now called Workforce Australia) explicitly moved from generalist providers focussed on all cohorts of job seekers to "providers focus[ing] on job seekers who need it most with capacity to specialise in assisting a particular cohort based on local job seeker needs"<sup>20</sup>. This recognised that culturally responsive services delivered by providers experienced in delivering programs to Indigenous communities, people from CALD backgrounds, refugees and ex-offenders are a key pillar to providing improved outcomes for these cohorts; consequently the NESM Request for Proposal (RFP) included specialist licenses for these cohorts of job seekers across Australia linked to areas of high indicative demand.

However, the allocation of CALD and Refugee specialist licenses across South Australia, Victoria, NSW and Queensland following the NESM RFP process seems to have resulted in inconsistencies in areas of high-demand for these cohorts of job seekers. This runs counter to the policy intent to deliver personalised and specialised support to job seekers. For example, in the employment region of Sydney South West, no CALD or Refugee specialist licenses were allocated in one of the most culturally and linguistically diverse areas of Australia and a hub of newcomer settlement.

Another design principle that informed the development of Workforce Australia was to ensure as far as possible, personal responsibility, choice and independence among job seekers accessing employment services<sup>21</sup> where "job seekers will have input into job pathways and activities, be empowered through digital servicing, and be supported to make informed choices between employment services providers"<sup>22</sup>.

This arose from research recommendations that employment services needed to shift from a "tick-a-box" unemployment payment compliance and quick placement in the first available job to patient investment in people disadvantaged in the labour market, and from competition around short-term outcome targets towards enduring local partnerships with employers, public and community colleges, and community services"<sup>23</sup>.

However, as the Jobs and Skills Summit Issues Paper recognises, employment services still sometimes focus on the most readily available job rather than on long-term, secure employment opportunities<sup>24</sup>. This may also exacerbate the skills mismatch often experienced by skilled migrants (see TORs 5.2 and 5.4).

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<sup>19</sup> Joint Standing Committee on Migration. (2013) *Inquiry into Migration and Multiculturalism in Australia*.

<sup>20</sup> Department of Small Business and Employment. Employment Services. (2020). *I Want to Work*. 2018. p.29

<sup>21</sup> Ibid.

<sup>22</sup> Ibid. p15.

<sup>23</sup> Davidson, P. *Faces of Unemployment 2021*. ACROSS/Ecstra Foundation. p 7.

<sup>24</sup> The Treasury. (2022). Op cit. p6.



SSI has first-hand experience in delivering employment support to cohorts of disadvantaged job seekers in flexible and specialised ways including through the Refugee Employment Support Program (RESP). RESP is funded by the NSW Government and supports refugees and people seeking asylum into sustainable employment as an integrated part of the settlement journey.

The program works with local employers, training bodies and other NGOs to connect eligible refugees and people seeking asylum with training, support and jobs. RESP is flexible and responsive to the needs of participants at all stages of the employment journey, whether they are seeking entry into the workforce for the first time or pursuing skilled career options. The program employs multicultural employment specialists who can provide tailored support based on the participant's skills, experience and goals.

Our experience with RESP shows that we achieve good outcomes with voluntary participation without the need for compulsion. In five years, SSI has supported 8,000 refugees and 2,000 asylum seekers into sustainable employment in the two geographic regions of the RESP in Western Sydney and the Illawarra. RESP data indicates that from 2017 to 2022, 32 per cent of participants have been placed in employment within the first six months of arrival in Australia, compared to the national figure of 17 per cent of refugees<sup>25</sup> in paid employment after 18 months in Australia<sup>26</sup>.

## **RESP case study**

### Background

*Saira (name changed to protect privacy) crossed the globe alone, travelling from her home in Sierra Leone to Australia, to escape her traditional marriage and build the foundations of a new life for herself, and, one day, for her children.*

*Arriving in a foreign country with few contacts and no family is an extremely daunting task. In the first year of settlement, Saira found it difficult to find a job partly due to lack of local work experience. Saira's goal was to work in the disability sector and she completed a Certificate IV in Disability shortly after moving to Australia. However, she faced barriers to gaining employment in this field.*

*Saira contacted SSI and had an initial meeting with the RESP caseworker. She said that her immediate goal was to gain employment so that she can save to purchase a car, which she would use as transport when working as a disability support worker.*

### Outcome

*Saira was supported by the RESP to map out a career plan that would provide her with the steps she needed to take to become job ready, find employment and start saving. She met regularly with RESP staff and received guidance on different topics such as Australian work rights and work culture, practising interview skills, and applying for jobs through online job websites.*

*As a result of the support Saira received from the RESP, she went on to complete studies in Process Manufacturing and found employment in a pick packing role. Saira is extremely grateful to have found*

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<sup>25</sup> *Building a New Life in Australia (BNLA): The Longitudinal Study of Humanitarian Migrants.*

<sup>26</sup> <https://www.ssi.org.au/news/media-releases/2928-nsw-government-extends-employment-support-program-for-refugees>

employment and is continuing to work towards her dream of working in the disability sector with the support of the RESP team.

Recommendation 8: The Federal and state/territory governments should provide targeted support for people of CALD backgrounds that address the unique barriers they face and support them across their employment journey spanning job-readiness, preemployment training and paid work experience, effective job-matching and post-employment support.

Recommendation 9: The Government increase the focus on voluntary engagement and reduce the use of compulsion in the design and delivery of employment support programs.

### Digital and online modes of delivery

In principle, SSI endorses the shift to digital and online modes of service delivery, including in employment services under NESM to provide greater flexibility to job seekers. However, there is a risk that the move to digital and online job seeker services in programs such as Workforce Australia could exacerbate issues for cohorts who may already be facing digital barriers and exclusion. There is emerging evidence that access barriers that were prevalent in face-to-face service delivery for people from CALD backgrounds and refugees are persisting in the transition to online and digital service models. The three phases of SSI's *Foundations for Belonging* research with newly arrived refugees conducted annually in 2019, 2020 and 2021 provide timely insights into the use of technology to access essential services prior to and during the pandemic.<sup>27</sup> The research found, that despite refugees having smart devices, there was a consistent pattern of difficulties in using technology; this was identified as one of the most common barriers, alongside language difficulties, to accessing government and essential services<sup>28</sup>. In addition, the research found gaps in digital skills particularly among women and older people pointing to the need for more investment in digital literacy programs tailored to multicultural communities at scale to support the increased use of online services.

Recommendation 10: Digital literacy screening should be included as part of the initial job seeker assessment in employment programs.

Recommendation 11: The Australian and state/territory Governments should implement digital literacy programs tailored to multicultural communities to support the increased use of online services.

## **TOR 5.2 Improving labour market outcomes for those who face challenges in employment, including First Nations people, those who live in rural and remote areas, younger and older Australians, people with disability, and those who may experience discrimination**

### **People from CALD backgrounds**

Alongside the groups identified in the TOR it is also essential to recognise and address the barriers experienced by refugees and people from CALD backgrounds. Job seekers from CALD backgrounds face unique challenges across the employment journey including having insufficient Australian work experience, limited support with resumes and interview skills, limited English language proficiency, lack of understanding of their rights and responsibilities and experience of racism and discrimination<sup>29</sup>.

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<sup>27</sup> Culos, I., McMahon, T., Khorana, S., Robertson, S., Baganz, E., Magee, L., Agha, Y. (2022). *Foundations for Belonging 2022 Insights on Newly Arrived Refugees: Family separation and reunion during the pandemic*. SSI/Institute for Culture and Society, Western Sydney University.

<sup>28</sup> Ibid.

<sup>29</sup> Senate Education and Employment References Committee. (2018). *JobActive: Failing those it is intended to serve*. Commonwealth of Australia.

Consequently, and similar to the pattern in several OECD countries, newcomers in Australia have a lower employment to population ratio than their Australian-born peers<sup>30</sup> though this overall picture masks important differences between different cohorts of newcomers. There is evidence that prior to the pandemic job seekers from CALD backgrounds are over-represented in long-term unemployment trends – in 2017 they made up 21 per cent of that cohort<sup>31</sup>.

Another important consideration is the quality of employment attained by newcomers. People migrate to Australia under different streams – skilled, family and humanitarian. Unsurprisingly, those in the skilled stream have higher levels of English-language proficiency and qualifications, and accordingly stronger labour market outcomes. Yet, even skilled migrants struggle to find employment that is commensurate with their skills. Recent research conducted by the CEDA found that nearly one in four permanent skilled migrants are working in a job beneath their skill level<sup>32</sup>.

While labour market outcomes among newcomers generally improve with longer residency as they gain experience and adapt to life and work in Australia the loss of opportunity to work at a level commensurate with pre-existing skills and qualifications can persist resulting in an avoidable, long-term loss of human capital.

Consequently, a series of targeted measures is needed to provide tailored support to job seekers from CALD backgrounds across the employment journey. These targeted measures should be independently evaluated.

### **People living in rural and remote issues**

Analysis by the Grattan Institute shows that when migrants and refugees settle in regional areas (for example, to meet regional visa requirements) they are more likely to move to major cities over time than people born in Australia. More than one quarter of recent arrivals who were living in regional and remote areas in 2011 had moved to major cities in 2016, compared to about 10 per cent for people born in Australia<sup>33</sup>. This highlights the need for a greater focus on retention and supporting lasting connections for newcomers in regional areas that benefit them and the communities where they settle.

Regional migration policy at all levels is constrained by a poor understanding of local settlement capacity and capability. Rural and regional areas often lack the specialised health, education and housing services and infrastructure needed by migrants and refugees. For example, state and territory governments provide incentives for doctors to relocate to regional areas but these areas lack the required housing infrastructure for them to move. Newcomers to regional areas may also need additional support to integrate into the local labour market<sup>34</sup>.

Place-based assessments that include industry and workforce data analysis, and industry stakeholder consultations can identify local skills shortages and longer-term workforce issues<sup>35</sup>. A thorough place-based assessment can identify the extent to which newcomers will bring skills that are not available

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<sup>30</sup> Productivity Commission. *Migrant Intake into Australia*. September 2016

<sup>31</sup> Davidson, P. & Deferos, P. *Faces of Unemployment*. ACOSS and Jobs Australia. 2020.

<sup>32</sup> CEDA. *A Good Match: Optimising Australia's permanent skilled migration*. 2021

<sup>33</sup> Mackey, W, Coates, B. & Sherrell, H. (2022). *Migrants in the Australian Workforce*, Grattan Institute, <https://grattan.edu.au/report/migrants-in-the-australian-workforce/>

<sup>34</sup> Musoni, E. (2019a). *Understanding regional settlement in Australia: Key learnings from past experiences*. Canberra: RAI.

<sup>35</sup> Kooy, J. v., Wickes, R., & Ali, A. (2019). *Welcoming Regions*. Monash University/Welcoming Cities.

locally and help businesses that have opportunities to grow but have a limited local workforce to draw upon. In addition, removing red-tape for the recognition of overseas skills and qualifications (see TOR 5.4), providing coaching and mentoring programs, and ensuring opportunities for career advancement will increase attraction and retention of newcomers in regional areas.

For many migrants, the decision to stay on and live in a regional community ultimately depends on whether the community is a welcoming community that is ready to embrace the new migrants. Coordinated, place-based community engagement initiatives provide a platform to recognise the shared aspirations of the local host community and newcomers while also creating a welcoming and socially inclusive environment<sup>36</sup>. Creation of social networks within and between communities is vital for social cohesion and can facilitate access to the labour market. For example, SSI's *Work+Stay* initiative, which facilitates secondary migration for employment to address regional workforce shortages, uses a holistic approach that includes "settling in support" to help newcomers feel welcome and build connections in their new communities.

**Recommendation 12:** Regional settlement of refugees and humanitarian entrants should involve multi-year forward planning to ensure that service capacities and constraints are managed. The Australian Government should lead collaborative planning with all tiers of government, settlement providers and other local stakeholders to manage gaps in services and infrastructure proactively.

**Recommendation 13:** The Australian Government should invest in tailored and targeted employment support to newcomers in regional areas by scaling up programs that successfully facilitate access to the labour market. These programs should have a holistic approach which includes community engagement and support for migrants and refugees to build social connections.

## **TOR 5.3 Skills, education and training, upskilling and reskilling, including in transitioning sectors and regions**

### **Supporting newcomers to build English language proficiency**

English language proficiency is strongly linked to access to education and training, upskilling and reskilling and positive engagement in the labour market. The evidence indicates that while English proficiency is important other factors including social connections, mental health and wellbeing and experiences of discrimination all influence labour market outcomes.

English language proficiency varies among newcomers as some migration streams (e.g. primary applicants in the skilled stream and students) have high English language requirements as part of the visa requirements. Gender also appears to predict English proficiency. Recent research commissioned by SSI, and carried out by NATSEM, found that women who have come to Australia for humanitarian or family reasons are more likely to have poorer English language proficiency than other women<sup>37</sup>.

The Adult Migrant English Program (AMEP), funded by the Department of Home Affairs, provides English language tuition to new permanent residents, humanitarian entrants and some eligible temporary migrants. The former Coalition Government implemented a series of reforms, which progressively took effect up until early 2021, designed to improve the reach and flexibility of the AMEP.

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<sup>36</sup> Watt, S., McMahon, T., & Soulos, T. (2019). *Monitoring community attitudes toward refugee settlement in Armidale*, NSW. UNE/SSI.

<sup>37</sup> Batainah, H, Hawkins, J, & Miranti, R. (2022). Op cit.

The reforms included removing time limits for enrolling, commencing and completing English tuition for eligible visa holders who were in Australia on or before October 2020. However, time limits still apply to migrants and refugees who arrived in Australia after this time.

SSI welcomes the steps taken to date and would welcome additional individualised and flexible approaches to English language learning, which are responsive to the needs and aspirations of migrants and refugees. For example, some newcomers may plan to delay English language learning until after they have secured employment, while for others, language learning might be an early goal.

Critically, eligibility and mutual obligation requirements for income support should be harmonised to better support participation in AMEP learning. At the same time, AMEP providers should be encouraged to use approaches such as tailoring English learning to local labour needs and on-site language training at the place of work. A more targeted focus in the AMEP is needed to engage women in the family migration stream and humanitarian program including more flexible options for women to access the program that allow for caring responsibilities and address barriers to participation.

SSI believes it would be timely for the AMEP to be independently evaluated to determine the extent to which recent reforms have improved participation and English language outcomes, including in particular, outcomes for refugee and migrant women. The last evaluation of the AMEP was conducted in 2015 and an evaluation at this time could be useful to inform further refinement of the program aligned to the Jobs and Skills Summit agenda.

A related program, the Skills for Education and Employment (SEE) program, funded by the Department of Employment and Workforce Relations, provides training to help participants build their reading, writing, maths and basic computer skills. SEE caters to various groups including Aboriginal and Torres Strait Islanders, young people, people with disabilities, mature-aged people, and job seekers from CALD backgrounds.

A Scanlon Institute examination of the AMEP cited the Department of Education as reporting that a “fair proportion” of AMEP students go on to study in the SEE program<sup>38</sup>. However, an evaluation of the SEE program in 2015 found a “proficiency gap” between the two programs needed to be addressed to ensure a clear pathway from the AMEP to vocational education and training<sup>39</sup>. In SSI’s view, an updated evaluation of the SEE carried out concurrently with an evaluation of the AMEP would be appropriate. It is also important to acknowledge that while the AMEP and SEE deliver formal English language learning that other Federal Government settlement programs, such as the Settlement Engagement and Transition Support (SETS) program and National Community Hubs, provide migrants and refugees with opportunities to practice English skills.

**Recommendation 14:** The time limits for enrolling, commencing and completing Adult Migrant Education Program English tuition should be removed for all eligible visa holders including new arrivals (time limits still apply to migrants and refugees who arrived in Australia after October 2020).

**Recommendation 15:** Further reforms to the Adult Migrant English Program should include provision for on-site language learning in the workplace to enable targeted training that occurs during work hours.

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<sup>38</sup> Scanlon Institute. (2019). *Australia’s English Problem: How to renew our once celebrated Adult Migrant English Program*.

<sup>39</sup> Ibid.

Recommendation 16: The Australian Government should commission an independent evaluation of the Adult Migrant English Program and the SEE program to refine the design of these programs aligned to the Jobs and Skills Summit agenda.

## TOR 5.4 Migration as a complement to the domestic workforce

Most discussion of migration as a response to labour and skills shortages has focussed on policies to increase the number of migrants coming into the country. This is a lost opportunity as many migrants who are already here are unemployed, underemployed or working in positions well below their skill and qualification level.

### Pathways to permanent residency for temporary residents

Currently, temporary migration policy settings appear to be ad-hoc and focussed on short-term needs. Australia relies on the contribution of temporary migrants but risks jeopardising the long-term benefits of the migration program if temporary migration policy is developed in an ad-hoc way in response to short-term needs and interests. The Australian Government establishes the policy settings and criteria for temporary entrants but employers and business groups, the education sector, the agriculture sector, trade unions and professional bodies are heavily involved in influencing these criteria. This can result in short-term interests taking precedence over the national, long-term interest.

The COVID-19 pandemic has highlighted the extent to which migrants contribute to the Australian economy but are likely to be in insecure work, be concentrated in sectors affected by the pandemic and its economic consequences (e.g. hospitality and tourism) and/or work in sectors with high COVID-19 exposure (e.g. meat processing, health and social care)<sup>40</sup>.

For Australia to remain a preferred destination for temporary migrants, especially as we emerge from the COVID-19 pandemic, there needs to be clear and transparent pathways to permanent residency and a reduction in prolonged uncertainty for millions of temporary residents. The lack of a clear pathway or timeframe to permanent residency can inhibit temporary residents from developing a sense of belonging to Australia as they feel permanently 'temporary'<sup>41</sup>.

The current approach to temporary protection of asylum seekers places refugees in a prolonged state of uncertainty and financial hardship and impedes settlement. There are approximately 50,000 people seeking asylum who arrived in Australia by water between 2009 and 2013. These people, often referred to as the 'Legacy Caseload', were permitted to remain in Australia and live in the Australian community, but have limited access to essential services, virtually no opportunity for permanent residency and faced severe hardships during the pandemic. While some have been allowed to work, often their visa conditions impose strict limitations on the kinds of work they can do, or its duration. The new Government pledged in the 2022 election campaign to abolish temporary protection visas and transition those on these visas to permanent protection visas.

Temporary migrants who have been granted permanent residency are not eligible for settlement support, such as access to subsidised learning in the AMEP, or settlement programs that enable them to build links with the broader community. However, about half of all people gaining permanent

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<sup>40</sup> OECD. (2020). *International Migration Outlook 2020*. Paris: OECD Publishing.

<sup>41</sup> Mares, P. (2016). *How temporary migration is changing Australia - and the world*.

<https://theconversation.com/how-temporary-migration-is-changing-australia-andthe-world-63035>

residency each year are already in Australia on a temporary visa<sup>42</sup>. Consequently, we are not preparing many of our new permanent residents to integrate and gain employment matched to their skills and aspirations.

**Recommendation 17:** There should be clear, fair and timely pathways to permanent residency for temporary residents to maximise the dividend of migration to Australia.

**Recommendation 18:** The Australian Government should abolish Temporary Protection Visas (TPVs) and Safe Haven Enterprise Visas (SHEVs) and transition eligible humanitarian entrants on to permanent visas.

### **Exploitation and mistreatment of migrants in the workplace**

There is ongoing evidence of temporary residents being exploited in the labour market based on the complaints lodged with the Fair Work Ombudsman and numerous government or parliamentary inquiries. The types of exploitation that migrant workers face range from manipulative contractual practices that result in workers being underpaid — “wage theft” — through to serious modern slavery offences. The COVID-19 pandemic has exacerbated economic insecurity across Australia and with it the risk of increasing exploitation.<sup>43</sup>

A survey conducted by the Migrant Workers Centre found that migrant workers on a temporary employer-sponsored visa undergo the highest level of stress due to their insecure migration status<sup>44</sup>. These workers can progress towards permanent residency when their employer decides to sponsor them for the transition. Conversely, when the employer terminates their employment, migrant workers lose their visa and livelihood in Australia. Allowing increased flexibility and visa portability for people on employer sponsored visas to move between employers would reduce the risk of exploitation.

As temporary workers may face dire consequences for reporting an employer's misconduct – such as being removed from their position, which could lead to deportation – and should be provided with robust protections that safeguard against this form of retribution.

In 2019, a whole-of-government Migrant Worker Taskforce made 22 [recommendations](#) to strengthen protections for temporary migrants<sup>45</sup>. Following this inquiry, the former Australian Government endorsed all recommendations. However, no reforms have been implemented and momentum for reform waned during the pandemic as focus shifted to pressing public health issues<sup>46</sup>. Since then,

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<sup>42</sup> The Treasury and Department of Home Affairs. (2018). *Shaping a nation: Population growth and immigration over time*. Australian Government. Canberra.

<sup>43</sup> Chaudhuri, U. & Boucher, A. (2021). *The future of enforcement for migrant workers in Australia: Lessons from overseas*, Sydney Policy Lab, University of Sydney. <https://www.sydney.edu.au/sydney-policy-lab/news-and-analysis/news-commentary/the-future-of-enforcement-for-migrant-workers-in-australia.html>

<sup>44</sup> Migrant Workers Centre. (2021). *Lives in Limbo: The Experiences of Migrant Workers Navigating Australia's Unsettling Migration System*.

<sup>45</sup> Australian Government. (2019). *Report of the Migrant Workers' Taskforce*. Australian Government. [https://www.ag.gov.au/sites/default/files/2020-03/mwt\\_final\\_report.pdf](https://www.ag.gov.au/sites/default/files/2020-03/mwt_final_report.pdf)

<sup>46</sup> Chaudhuri, U. & Boucher, A. (2021). *Op cit*.

reports from numerous parliamentary inquiries have echoed the recommendations of the Migrant Workers Taskforce<sup>47</sup>.

Recommendation 19: The Australian Government should strengthen protections for temporary visa holders against exploitation, mistreatment and harassment in the workplace, including:

- increasing visa portability for people on employer sponsored visas to reduce the risk of exploitation;
- ensuring there are robust protections for workers who report an employer's misconduct.

### Recognition of overseas skills and qualification

As outlined under TOR 5.2, analysis by CEDA shows that nearly a quarter of permanent skilled migrants in Australia were working in a job beneath their skill level 18 months after arrival in the period from 2013 to 2018. CEDA estimates at least \$1.25 billion of wages foregone for permanent skilled migrants who have experienced skills mismatch in this period. There are also broader economic costs, including lost productivity and innovation, as companies are unable to access the critical skills they need in rapidly emerging and high-growth occupations<sup>48</sup>.

In part, this is due to challenges relating to recognition of overseas skills and qualifications. In 2006, the Productivity Commission regarded Australia's skills assessment and recognition scheme as complex, time-consuming and bureaucratic<sup>49</sup> and little has changed since that time. There is little consistency, transparency or accountability across the various industry and jurisdictional bodies who implement skills and qualification recognition. Further, initiatives that have been piloted are discontinued and rarely, if ever, evaluated which exacerbates the sense of a piecemeal approach.

In Australia, there is often limited information and communication with migrants and refugees on how the different processes work or what criteria is used to assess qualifications. Germany has established an on-line portal which provides one-stop shop for all information on skills recognition. The site provides a step-by-step guide to the qualification recognition procedure in 11 languages<sup>50</sup>.

Many industry bodies demand extremely high fees for recognition, despite the financial stress that applicants are already likely to be experiencing after their migration journey. Within the health profession for example, these costs can run into thousands, or even tens of thousands of dollars<sup>51</sup>.

In Australia, there is no external body that provides oversight of skills and qualifications recognition. This means that if an applicant is refused recognition and wishes to appeal, they must appeal to the same body which refused them in the first place<sup>52</sup>.

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<sup>47</sup> Including, for example, the Senate Select Committee on Temporary Migration (2021), the Senate Committee on Unlawful Renumeration of Employees' Wages (2021) and the Senate Committee on Job Security (2022).

<sup>48</sup> CEDA. (2021). Op cit.

<sup>49</sup> 2006, Economic Impacts of Migration and Population Growth, Research report, Canberra.

<sup>50</sup> Settlement Council of Australia. (2019). *Recognising overseas skills and qualifications, maximizing human capital in newly arrived migrants*. Available at: [http://scoa.org.au/wp-content/uploads/2019/05/Recognising-Overseas-Skills-and-Qualifications\\_Maximising-Human-Capital-in-Newly-Arrived-Australians-1.pdf](http://scoa.org.au/wp-content/uploads/2019/05/Recognising-Overseas-Skills-and-Qualifications_Maximising-Human-Capital-in-Newly-Arrived-Australians-1.pdf)

<sup>51</sup> Ibid.

<sup>52</sup> Ibid.



Recommendation 20: The Australian and state/territory governments should work with industry and accreditation authorities to streamline processes for assessment and recognition of overseas qualifications and skills. This should include making it easier for newly arrived migrants and refugees to navigate the steps required to have their skills and qualifications (academic and trade qualifications) and prior learning recognised.

Recommendation 21: The Australian Government should establish an external body that provides oversight and ensures that recognition requirements for foreign credentials are fair and reasonable, similar to the Office of the Fairness Commissioner in Canada.

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