



Submission to the Productivity Commission

Migrant Intake into Australia Draft Report November 2015

Background

Settlement Services International (SSI) is a leading not-for-profit organisation providing a range of services in the areas of humanitarian settlement, housing services, asylum seeker assistance, disability support, multicultural foster care, and employment services in NSW.

SSI is committed to achieving a society that values the diversity of its people and actively provides support to ensure meaningful social and economic participation and to assist individuals and families reach their potential.

SSI is the largest not-for-profit humanitarian settlement organisation in Australia servicing more than 7,500 clients per year on refugee and bridging visas. SSI is also the lead organisation in a consortium, the NSW Settlement Partnership, of 22 partner agencies which deliver the Settlement Services Program, funded by the Australian Government, to refugees and family stream migrants in the first five years of settlement across NSW.

Formed in 2000, SSI is also an umbrella organisation for 11 Migrant Resource Centres (MRCs) and multicultural organisations across NSW. Collectively, our member MRCs provide a diverse range of services to between 30,000-35,000 newly-arrived migrants in any given year. Like SSI, MRCs provide a range of services to refugees and migrants, particularly in the first 5-10 years of settlement.

Comments on draft findings, draft recommendations and information requests

SSI welcomes the opportunity to provide comments on the Commission's Draft Report and, in particular, the potential impacts of the draft recommendations on new arrivals across the skilled, family and humanitarian streams of the migration program and temporary migration streams.

The analysis of the pros and cons of a price-based immigration system in the report is relevant to all permanent and temporary migration streams and SSI strongly supports the draft recommendation (12.1) that the Australian Government not use price as the principal mechanism for the allocation of permanent visas.

The draft recommendation (6.1) to review the mix and extent of settlement services for immigrants (including humanitarian entrants) is supported by SSI and we recommend that the Commission consider the findings from the recently released evaluation of the Humanitarian Settlement Services by Ernst and Young in preparing the final report. The draft recommendation (6.1) also considers the adequacy of English-language training and access to employment services. In SSI's experience we find that while AMEP is well integrated and linked to settlement services there is some scope for better tailoring AMEP to meet the needs of individuals. We support the draft recommendation to review the adequacy of the current entitlement of AMEP training hours and recommend that the Commission consider the final report of the evaluation of AMEP, currently underway, as a way to address the information request (6.1) to improve the English-language learning of migrants and refugees. The interface between settlement services and employment services is more uneven. While referrals pathways are relatively simple, securing tailored responses to the skills and capacities of refugees and migrants is, in our experience, not occurring consistently. Indeed, the incentive of employment services to secure employment - "any job"- may contribute to new arrivals becoming trapped in low-income, low-skilled employment [see for example, (Hugo, 2013)]

The draft recommendation (5.1) to improve the recognition of overseas qualifications is strongly supported by SSI. However, we would also add the need for the assessment and formal recognition of skills is equally important. This assessment and recognition process is currently addressed in a piecemeal fashion which can contribute to newly arrived migrants and refugees working in industries that are well-below their skills and capacities. Overall, there is evidence that migrants have higher levels of education and skills that are not being effectively harnessed. A recent analysis by NATSEM concluded that despite migrants born in non-English speaking countries having a higher proportion of tertiary qualifications, 40 per cent of them are working in low and medium-skilled jobs. (NATSEM, 2010) In SSI's view policies to more fully tap into the human capital of these skilled and educated migrants and refugees should be at the forefront of the information request (5.2) to attract other highly skilled immigrants to live and work in Australia.

The Commission has requested information (6.2) on the adequacy of government's support for multiculturalism and efforts to address racial discrimination and ways to increase community engagement in this area. SSI strongly believes that with the increasing cultural diversity of the migrant intake and the changing nature of permanent and temporary migration, that support for multiculturalism and addressing racial discrimination are critical for all permanent and temporary migration streams. The Mapping Social Cohesion research by the Scanlon Foundation and its partners has consistently found high levels of community support for multiculturalism and high levels of understanding that integration is a two-way process of adaptation by migrants and locally born Australians. SSI recommends that the final report more strongly link this community support for multiculturalism to the success of Australia's immigration program and recommend that governments at all levels continue to actively invest in support for multiculturalism.

In relation to racial discrimination, the Scanlon Foundation has recently released an analysis of the attitudes and outlook of new settlers which gives detailed insights into the ways these new, largely highly skilled, migrants experience settlement in Australia. (Markus, 2013)

Australia has also seen an expansion in international students who share many of the aspirations and characteristics of these skilled migrants in choosing to come to Australia over other destinations.

The Scanlon Foundation research found that while new settlers consistently rate Australia highly across a range of dimensions, they also nominated racism and discrimination as one of the top three issues they 'least liked' about Australia. (Markus, 2013) Put simply, racial discrimination hurts these individuals and their families whether it happens in the school yard, the bank, the university or the street, and they are highly attuned to racial stereotypes. Worryingly, the report points to a rise in reports of racial discrimination in the 2000s compared to the 1990s. This experience of discrimination, on the basis of 'skin colour, ethnic origin or religion in the previous 12 months', was notably higher (41%) for new settlers born predominantly in non-English speaking countries, compared to people born in predominantly in English-speaking countries (22%). (Markus, 2013) The highest rates of reported experiences of racial discrimination were among Asian-born and African-born migrants and the lowest among migrants born in the UK and Ireland. (Markus, 2013) A survey of 457 visa holders also reported similar levels (18%) of racial discrimination among these temporary entrants. (Migration Council of Australia, 2013)

Recent examples of violence towards Indian nationals are a case in point that forcefully demonstrates how a localised issue (that may or may not have been racially motivated) can have far-reaching international ramifications for perceptions of Australia in a digitally connected world. Similarly, the verbal abuse of two Chinese students on a train in Sydney in 2012 which was posted on Weibo warranted a high-level Australian and NSW Government response to counter significant traditional and social media interest in the story in China and across Asia. The perception of adequate government safeguards, including legislation, to address racial discrimination is central to ensuring that Australia remains a destination of choice for permanent and temporary migrants. We urge the Commission to draft a recommendation that proposes all levels of government work consistently to address racial discrimination and effectively engage with communities to achieve this goal.

Several related draft findings (6.2, 6.3, 6.4) point to immigration as being a major cause of upward pressure on house prices in cities, urbanisation of the population and poor planning by State and Territory governments to plan adequately for their population needs. SSI contends that there are many more reasons for upward pressure on house prices that are not related to the migration intake (e.g. tax concessions), that the urbanisation of Australia is also the result of other pressures and that the negative impacts of immigration could be managed with stronger intergovernmental planning and communication mechanisms, particularly between the Australian Government and State and Territory governments.

The exploration of the interactions between the various forms of temporary immigration, interactions with the permanent immigration intake, and the draft recommendations in this area (9.1 and 9.2) are also endorsed by SSI.

While SSI supports any efforts to inform temporary migrants of their rights and to facilitate access to reporting abuses and lodging complaints, we believe that the draft recommendation (9.3) for the Fair Work Ombudsman to commission a smart phone app to be wholly inadequate to address the recent evidence of widespread labour market

exploitation among temporary migrants. These temporary migrants will, in our view, be unfamiliar with Australian workplace regulatory frameworks and SSI recommends that this recommendation be redrafted to propose a wider suite of integrated strategies (including a multilingual app) to address this issue in a more comprehensive way.

The draft recommendations (7.1 and 7.2) on improving the evidence base for the immigration program are supported in principle. We particularly welcome the proposal for vetted non-government researchers to have access to government administrative data sets but we question why only the fiscal impacts of immigration are included in these two recommendations. We believe, non-government researchers should also be investigating broader social, economic and environmental impacts to build a stronger evidence base for migration policy settings.

SSI endorses to a degree an emphasis on education, employment and English that underpins draft recommendations on simplifying skilled visa subclasses (10.2). However, in our experience an undue focus on the ‘three E’s’ can lose sight of other important factors that impact on economic, social and environmental outcomes of Australia’s skilled migration intake. A discussion in Chapter 6 of the draft report draws on Australian research that has documented the labour market discrimination towards migrants and refugees, particularly towards those who are “visibly different”. This correlates with recent evidence from the Scanlon Foundation which explored the experiences of skilled migrants, particularly those born in non-English speaking countries, who are reporting discrimination in a range of settings. (Markus, 2013) SSI believes that the criteria that govern the various visas in the skilled migration program require a wider lens and that labour market integration alone should not be the sole determinant of success for the skilled migration program. Other social, economic and environmental considerations should be considered, particularly in the granting of permanent visas and rather than more points for the ‘three E’s’ as proposed in the information request (10.1).

SSI supports the draft recommendation to retain separate processes for determining permanent and temporary migration (11.1) and wholly endorses improved monitoring of the labour market participation of temporary migrants. In SSI’s view, temporary migration has expanded rapidly with little research for the current policy settings and, in particular, the long-term economic, social and environmental impacts of temporary migration. Currently Australian temporary migration policy settings may be placing short-term economic gain ahead of longer-term economic, social and environmental benefits. For a discussion of these benefits we refer the Commission to the recent work of the Migration Council of Australia in relation to the 457 visa program. (Migration Council of Australia, 2013)

SSI welcomes the draft recommendation which proposes an examination of the visa charging system (13.1) and especially the underlying methodology used to determine these charges. SSI is concerned that this recommendation specifically excludes any examination of visa charges in the humanitarian program as this would be incongruent with humanitarian policy settings and with Australia’s international obligations. A current trial, the Community Proposal Pilot, has placed a significant visa charge on humanitarian applicants to propose family members for resettlement. SSI has a number of concerns in relation to any planned expansion of the Community Proposal Pilot which are addressed below. The Commission requested information (13.1) on the preferred model for visa charging scenarios and SSI

recommends a uniform levy across visa classes (excluding the humanitarian stream) as the model that seems to be the most equitable across the permanent family and skilled migration streams and the various temporary migration streams. The other scenarios replicate many of the negative impacts canvassed in the draft report of a price-based immigration intake system.

Other comments

The draft report refers to the Community Proposal Pilot which ran from June 2013-July 2015 and a discussion paper released in mid-2015 by the Department of Immigration and Border Protection (DIBP) which canvassed an expansion and continuation of this alternate pathway for humanitarian entrants who want to propose family members for resettlement in Australia. The Community Proposal Pilot involved significant visa charges and the DIBP discussion paper sought feedback on a range of pricing and visa charges along with mechanisms that required proposers to guarantee and provide formal assurances of support for family members to access essential services on arrival in Australia. SSI made a submission on the DIBP discussion paper in which we raised a number of concerns about the Community Proposal Pilot and the options being proposed by DIBP for its continuation and potential expansion. In SSI's submission the concerns we raised in relation to the Community Proposal Pilot mirror the concerns raised in the Commission's draft report in relation to price-based mechanisms for the potential for resettlement places to be determined by people who can pay rather than people in need which could lead to an erosion of community acceptance of Australia's humanitarian program. SSI also queried the proposal to further increase the responsibilities of proposers and the risks associated with expanding the number of categories of permanent visa holders with variable rights. The Commission's draft report also questions the value of these additional restrictions and the administrative complexity they can create for little benefit, and their potential risks.

SSI is strongly supportive of changes in policy settings which enable humanitarian entrants in Australia to be reunited with family members who are overseas and we are acutely aware of the significant distress often caused by forced separation from family members overseas. We urge the Commission to undertake a more thorough appraisal of the Community Proposal Pilot. SSI recommends, at a minimum, that an evaluation of the Community Proposal Pilot is undertaken to ensure that any continuation or expansion achieves strong settlement outcomes for entrants and that the Community Proposal Pilot is congruent with existing migration pathways and minimises negative impacts on the existing humanitarian program, including a risk of community perceptions that humanitarian visas can be bought.

SSI requests that the Commission places a stronger emphasis in the final report and final recommendations on family stream migration which is increasingly oversubscribed and which already has strong elements of price-based mechanisms. In particular, the long waiting times (stretching into decades) for the non-contributory parent visa (for which there is still a charge of \$6,000-\$10,000) places undue financial and psychological strain on family members permanently residing in Australia. Similarly the Special Humanitarian Programme in the humanitarian program is consistently oversubscribed with a quota of fewer than 5,000 places each year. SSI would welcome the Commission exploring alternate family reunion pathways across the migration program and the humanitarian programme that are congruent with the overall goals of migration policy settings.

Much of the data analysed in the Commission's draft report uses comparisons between migrants and non-migrants and between migration streams. While these comparisons are useful to a point, SSI believes that further categorisation of migrants into those born in a Mainly English-Speaking Country (MESC) and Non-Mainly English-Speaking Country (NMESC) can yield different and useful insights. MESC are largely other OECD countries like Australia. NMESC are largely low and middle-income countries which are making up an increasing proportion of permanent and temporary migration to Australia. The NATSEM report and the Scanlon Foundation research cited in this submission are both good examples of the additional insights that can be gained by categorising migrants according to their country or region of origin. SSI recommends that the Commission undertakes a similar categorisation to strengthen the analysis that informs the final report and final recommendations.

Australia is a country largely built on migration which has contributed to the social and economic fabric of the nation. We also have a strong and proud tradition of welcoming new arrivals, including humanitarian entrants, and a suite of settlement programs and services that lead the world in delivering successful integration and settlement to these new arrivals. It is important that this landmark inquiry builds on what is working well to continue the long history of Australia as, arguably, the most successful multicultural society in the world.

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