



Refugee Council of Australia

PRODUCTIVITY COMMISSION

SUBMISSION TO THE MIGRANT INTAKE INTO AUSTRALIA INQUIRY

The Refugee Council of Australia (RCOA) is the national umbrella body for refugees, asylum seekers and the organisations and individuals who work with them, representing 200 organisations and 1,000 individual members. RCOA promotes the adoption of humane, lawful and constructive policies by governments and communities in Australia and internationally towards refugees, asylum seekers and humanitarian entrants. RCOA consults regularly with its members, community leaders and people from refugee backgrounds and this submission is informed by their views.

RCOA welcomes the opportunity to provide feedback to the Productivity Commission's inquiry into the Migrant Intake into Australia. Research shows that people from refugee backgrounds have made significant economic, social, cultural and civic contributions to Australian society. Despite this, Australia's Refugee and Humanitarian Program continues to be widely viewed as a program which carries a net cost rather than one which significantly benefits Australia. This submission summarises research on the contributions of people from refugee backgrounds to Australia and the benefits of our Refugee and Humanitarian Program. It also highlights a number of current policies which are hampering the successful settlement of refugee and humanitarian entrants and their capacity to contribute to their new country.

1. The contributions of refugees and humanitarian entrants to Australia

- 1.1. The 822,924 refugees and humanitarian entrants settled by Australia since Federation¹ have had a profound impact on the nation's social, cultural and economic life. National and international research² shows that people from refugee backgrounds make substantial contributions to their new countries – expanding consumer markets for local goods, opening new markets, bringing in new skills, creating employment and filling empty employment niches. There are short-term costs during the initial period of settlement as people adjust to their new surroundings but once successful integration has occurred, refugee and humanitarian entrants are able to quickly make permanent cultural, social and economic contributions and infuse vitality, humanitarian values and multiculturalism into the communities into which they are resettled.
- 1.2. Graeme Hugo's extensive study on the Economic, Social and Civic Contributions of First and Second Generation Humanitarian Entrants³ noted that former refugees are very entrepreneurial, being more likely to set up their own businesses than other migrant groups. They can also play an important role in facilitating the development of trade and other links with their countries of origin. In addition, the study also found that former refugees value the education of their children very highly (with the proportion of refugee young people attending an educational institution being higher than other migrants and even than people born in Australia) and make substantial social contributions through volunteering, promoting community development and engaging in neighbourhood activities and events.

¹ Figure as at June 2014. Calculated by RCOA using Immigration Department figures. See <http://www.refugeecouncil.org.au/wp-content/uploads/2014/09/Refugee-stats-snapshot-1505.pdf>

² See RCOA's literature review on the economic, civic and social contributions of refugees and humanitarian entrants, available at <http://www.refugeecouncil.org.au/r/rpt/2010-Contributions.pdf>

³ Available at <https://www.immi.gov.au/media/publications/research/pdf/economic-social-civic-contributions-about-the-research2011.pdf>

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- 1.3. The positive impacts of humanitarian migration refugees have been especially felt in regional and rural Australia. In recent times, many rural areas have experienced large-scale departures in population resulting in skills losses, lack of local entrepreneurship, business closures and the loss of social capital and services. Successful regional and rural refugee resettlement programs have helped to plug some population gaps, supply much-needed labour and stimulate economic growth and services delivery. More generally, the young age profile of humanitarian entrants makes a very positive contribution to a labour market in which new retirees now exceed new labour force entrants. For example, a recent report by AMES and Deloitte Access Economics⁴ found that the resettlement of 160 Karen refugees from Burma in the small town of Nhill in regional Victoria had contributed \$41.49 million to the local economy.
- 1.4. While existing information about the educational and labour force outcomes of the children of refugee and humanitarian entrants is limited, available sources point to above average rates of success in education and employment, consistent with the successes achieved by children of non-humanitarian migrants from similar non-English speaking countries. For example, an analysis of information on the children of migrants from Poland and Hungary (two major source countries for post-war refugees) shows that they are significantly more likely than third generation Australians to continue their education, to achieve a university degree or diploma, to work in a professional or managerial position and to have purchased or be purchasing their own home. Similarly, information on second generation Australians of Vietnamese background under 20 years of age show much higher than average rates of involvement in education, consistent with the commitment to education demonstrated by the first generation from Vietnam. This contributes to higher social mobility for people of Vietnamese background (both first and second generation) who live in lower income suburbs.
- 1.5. Research has also found that children of migrants with lower English proficiency are much more likely to remain in education longer, complete a university degree and work in a managerial or professional role than children of parents with higher English proficiency. One researcher suggests second generation children have a cognitive advantage in literacy skills owing to their proficiency in languages additional to English, while others describe levels of motivation among migrant parents as part of an “ethnic success ethic” or “ethnic advantage”.
- 1.6. Research conducted overseas confirms that, after overcoming initial barriers, refugee and humanitarian entrants subsequently achieve a rapid convergence in earnings with other migrants and the native population, thus a longer-term perspective is required to appreciate the benefits of humanitarian migration. International studies also conclude that because refugees lack the option to return to their homelands, they are more likely than other migrants to invest in country-specific human capital (such as education, training and citizenship).
- 1.7. On a broader level, the settlement of refugee and humanitarian entrants in Australia has played a crucial role in international efforts to provide protection to persons whose life, liberty, safety and other fundamental rights are at risk. It has also enabled Australia to tangibly demonstrate its international solidarity with countries hosting large numbers of refugees (the majority of which are developing nations), bolstering our international reputation as a country which respects and upholds human rights and international law.

2. Size of the Refugee and Humanitarian Program

- 2.1. The number of people forcibly displaced due to persecution or conflict is now at the highest level since the end of the Second World War. There are currently more than 17 million refugees worldwide, yet global resettlement places have remained static at around 80,000 annually. As a result, fewer than 1% of the world’s refugees are resettled each year and there is an enormous gap between resettlement needs and available places.
- 2.2. Despite the escalation in forced displacement and protection needs in recent years, Australia’s Refugee and Humanitarian Program has been reduced in size from 20,000 to 13,750 places

⁴ Available at <https://www.ames.net.au/files/file/Research/19933%20AMES%20Nhill%20Report%20LR.pdf>

annually. While the Australian Government has outlined plans to gradually increase the size of the program over the coming years, the program is to remain at its currently level until 2017-18 and will ultimately increase to just 18,750 places, still 1,250 places shy of its former size.

- 2.3. RCOA welcomes the Government's commitment to increasing the size of the Refugee and Humanitarian Program. However, we believe that Australia can and should do much more to respond to the growing challenges of forced displacement. Given that Australia has significantly benefited from humanitarian migration (as outlined in Section 1), we believe that increasing the size of Australia's Refugee and Humanitarian Program would represent both an important contribution to addressing global protection challenges and a long-term gain for Australia.

Recommendation 1

RCOA recommends that Australian Government increase the Refugee and Humanitarian Program to at least 20,000 places annually and consider further increasing the program to between 25,000 and 30,000 places in light of escalating global protection needs.

3. Impacts of family separation

- 3.1. Family separation continues to be identified in RCOA's community consultations as one of the greatest challenges facing refugee and humanitarian entrants in Australia. The limited availability of timely and affordable family reunion options for people from refugee backgrounds has a significant negative impact on their settlement outcomes, in turn hampering their capacity to contribute to Australia.
- 3.2. Participants in RCOA's community consultations have consistently highlighted the devastating psychological, economic and social impacts of family separation. A common refrain from people from refugee backgrounds who have participated in RCOA's consultations is that the physical security offered by Australia is offset by the ongoing mental anguish of family separation. In the words of one consultation participant: "While your family is back in a not safe place and almost you are losing them, what is the point of you being safe? You will be physically safe [but] you will not be mentally safe." The mental health consequences of family separation can be severe, with consultation participants citing instances of self-harm and suicidal ideation triggered by family separation.
- 3.3. Family separation also has a significant negative impact on the settlement outcomes more broadly, with consultation participants expressing the view that successful settlement is not possible without family reunion. The capacity of refugee and humanitarian entrants to recover from pre-arrival trauma, move on with their lives and fully engage with the settlement process (such as through learning English and securing sustainable employment) was seen to be significantly hampered by family separation. As noted by one former refugee: "We love this country but we can't get on with our lives in this situation."
- 3.4. Some participants have noted that the pressure to financially support family members living overseas could compel some people to forego study in favour of paid work, in turn limiting their future employment prospects. The need to support family members overseas has also been highlighted as one of the significant financial costs of family separation, in that money which would otherwise be injected into the Australian economy is instead sent overseas. In terms of longer-term financial impacts, participants highlighted the added mental health costs associated with family separation, with one service provider asserting that "you either pay mental health costs or you reunite a family". Others pointed to the lost opportunity whereby people who would otherwise be able to settle successfully and contribute to Australia are held back due to the impacts of family separation. In the words of another service provider, "it's not just the cost, it's the value that we're missing".
- 3.5. One former refugee from Afghanistan who had arrived in Australia as a single parent with three children provided a practical example to RCOA of a lost opportunity stemming from family separation. He wished to apply to bring his mother to Australia to assist him in caring for his children but had received advice from a migration agent that "99% of the time, the Department of

Immigration rejects these applications". He lamented that his caring responsibilities and lack of family support in Australia were hampering his capacity to participate in the paid workforce:

When I lived in Pakistan, I had a small business...It was a good business but, because we were in a bad situation and our life was not safe, we had to move to Australia. If I was not busy with my children, I could start my business again. When I had my business in Pakistan, many people worked with me, sometimes 25 people. If I could start my business here, I could give jobs to other people. At the moment I can't see any hope.

3.6. Barriers to family reunion identified through RCOA's community consultations include:

- Limited availability of places under the Special Humanitarian Program (a visa subclass within the Refugee and Humanitarian Program which allows individuals and organisations in Australia to sponsor people in humanitarian need for resettlement);
- The costs associated with family reunion (such as medical tests and airfares), particularly for those seeking to sponsor relatives under the family stream of the Migration Program who must also pay visa application charges;
- Documentation and other evidentiary requirements which are very difficult, if not impossible, for many refugee and humanitarian entrants to meet (such as obtaining police clearances from countries where a person has been subject to persecution or had no formal legal status);
- Limited visa options for relatives who are not part of the sponsor's immediate family (such as adult children, siblings, aunts, uncles, cousins and grandparents);
- Prolonged waiting periods even if relatives are at immediate risk;
- Limited access to settlement and other support services after arrival;
- Restrictions on access to family reunion opportunities for asylum seekers who arrived by boat; and
- Limited availability of affordable migration advice for people lodging family reunion applications.

3.7. To address some of these barriers, RCOA recommends the establishment of a Humanitarian Family Reunion Program. The purpose of this program would be to provide a dedicated family reunion pathway for refugee and humanitarian entrants, under which both humanitarian need and family unity would be considered key priorities. A specific structure and eligibility criteria for this program could be developed in consultation with people from refugee backgrounds, refugee community organisations, peak bodies and relevant service providers.

3.8. In addition, the introduction of concessions for refugee and humanitarian entrants sponsoring relatives under the family stream could play a significant role in facilitating access to family migration options, in turn reducing some of the pressure on the Refugee and Humanitarian Program. These concessions could include: means-tested fee reductions or waivers; exemption from certain documentation requirements; options for prioritisation if family members are at immediate risk; access to relevant settlement services after arrival; and exemption from Centrelink's Newly Arrived Resident's Waiting Period. Consideration could also be given to introducing new visa subclasses to provide migration pathways for relatives in humanitarian need who are outside the sponsor's immediate family.

3.9. In addition, many refugee and humanitarian entrants arriving in Australia have considerable skills, expertise and qualifications which, in different circumstances, may have allowed them to qualify for some form of skilled migration. In our community consultations in previous years, some participants have suggested that the Australian Government explore options for granting skilled migration visas to refugee and humanitarian entrants who have relevant skills and qualifications, so as to maximise the number of places available under the Refugee and Humanitarian Program. Given the current scale of global protection needs, RCOA believes that this suggestion warrants further investigation.

3.10. In any circumstances where people in humanitarian need are granted non-humanitarian visas, it is critical that safeguards are in place to prevent forced return and ensure that these individuals receive adequate support to recover from their pre-arrival experiences and settle successfully in Australia. If handled in a protection-sensitive manner, however, the development of better links between the Refugee and Humanitarian Program and the general Migration Program could achieve significant protection dividends.

Recommendation 2

RCOA recommends that the Australian Government overhaul the family reunion options for refugee and humanitarian entrants to Australia by developing a Humanitarian Family Reunion Program that is separate from the Refugee and Humanitarian Program and the family stream of the Migration Program. RCOA recommends that this Humanitarian Family Reunion Program be developed in consultation with former refugee community members and organisations, peak bodies and relevant service providers.

Recommendation 3

In the absence of a separate Humanitarian Family Reunion Program, RCOA recommends that the Australian Government enhance refugee and humanitarian entrants' access to family reunion by:

- waiving application fees or at least introducing application fee concessions for refugee and humanitarian entrants sponsoring family members under the family stream of the Migration Program;*
- expanding the availability of no-interest loans to assist proposers in meeting the costs of airfares and/or application fees;*
- introducing greater flexibility in documentation and evidence requirements under both the Refugee and Humanitarian Program and the family stream of the Migration Program;*
- reviewing eligibility requirements under the family stream of the Migration Program which effectively exclude applicants from refugee backgrounds; and*
- considering applications lodged by people who are not formally registered as refugees with UNHCR or host governments but otherwise meet the eligibility criteria.*

Recommendation 4

RCOA recommends that:

- a) current restrictions on access to family reunion opportunities for Protection Visa holders who arrived by boat (including changes to processing priorities) be immediately removed.*
- b) if the above recommendation is not implemented, people whose applications have been affected by the introduction of retrospective changes to processing priorities be given the opportunity to withdraw their applications and receive a full refund of application fees.*

Recommendation 5

RCOA recommends that the Australian Government restore funding for professional migration advice services under the Settlement Grants program to support refugee and humanitarian entrants in lodging family reunion applications.

Recommendation 6

RCOA recommends that the Australian Government conduct a review of Australia's Migration Program to identify opportunities for enabling refugees to enter Australia through the skilled migration and family migration streams.

4. Community Proposal Pilot

4.1. The Community Proposal Pilot (CPP) provides 500 visa places within Australia's existing Refugee and Humanitarian Program for community members and organisations to propose people for resettlement in Australia. A series of visa application charges apply to the CPP: \$2,680 for an initial application and, if successful, \$16,444 for the main applicant and \$2,680 for each subsequent family member. The proposing organisations chosen to assist in the management of the pilot charge a fee of \$6,710. Total charges for a family of five, for instance, would total \$36,554. Those lodging the application are also responsible for the costs of medical checks,

airfares, accommodation and initial household costs, as well as for providing on-arrival settlement assistance.⁵

- 4.2. For many years, RCOA has been advocating for greater community involvement in resettlement and the expansion of Australia's Refugee and Humanitarian Program in response to unmet resettlement needs internationally. However, we believe the current model of the CPP is an inadequate way to address these issues. In consultations over the last few years, community members and service providers have expressed a range of concerns about the CPP and its accessibility to people from refugee backgrounds.
- 4.3. The most commonly raised concern relates to the visa application charges. Many participants were of the view that these fees were excessive, to the point that the CPP was simply not an option for their communities or clients. Considerable concern has been expressed that the program would benefit communities which are well-organised, have good connections and have significant financial resources and fundraising capacity, while new and emerging communities would be likely to miss out.
- 4.4. Many also commented that the high costs of the program create inequality as newer communities will not have the capacity to propose their family, while more settled and well-off community members are able to bypass the significant waiting times associated with other visa applications. Newer communities also have less capacity to support new arrivals through the CPP and thus were less likely to be accepted as proposers. Community members also believed that the program was directed towards people from the Middle East who had more capacity to afford the fees, whereas people from African communities have been discouraged from applying.
- 4.5. The placement of the CPP within the existing Humanitarian Program was also raised as a significant concern. Many felt that by placing the CPP within the existing quota of 13,750, places have been taken from those most in need and given to those who are willing and able to pay the high fees. Many commented that because of the high cost to communities and low cost to the Government, the CPP should be in addition to the Humanitarian Program.
- 4.6. While there was widespread criticism of the CPP, many said that the program was still in demand, as people are desperate to find any way to help their family and other community members escape danger. Indeed, RCOA heard that a number of community members were taking out excessive loans to be able to propose their family through the CPP. There was concern among community members and service providers that these loans were well above the family's means, creating further social and financial problems for the family.
- 4.7. The majority of negative feedback focused on the specific model of community proposal, not the concept of a community proposal scheme per se. Some participants highlighted potential benefits of the CPP in providing opportunities for communities to play a greater role in resettlement and offer an alternative avenue to resettlement for communities who could afford the visa fees. RCOA has long advocated for a greater community involvement in resettlement and the expansion of Australia's Refugee and Humanitarian Program and believes that alternative models exist which could address these concerns.⁶

Recommendation 7

RCOA recommends that the Australian Government revise the Community Proposal Pilot and any ongoing program which follows it through:

- *Reducing the upfront cost of the CPP and replacing the associated 'safety net' costs with an 'assurance of support' model;*
- *Providing access to no-interest loan schemes for community organisations seeking to sponsor people for resettlement under the CPP;*

⁵ For more information about the Community Proposal Pilot, see <http://www.immi.gov.au/visas/humanitarian/offshore/community-proposal-pilot.htm>

⁶ See RCOA's response to the Australian Government discussion paper on the proposed pilot of a private/community refugee sponsorship program, available at <http://www.refugeecouncil.org.au/r/sub/1207-Sponsorship.pdf>

- *Delinking the Pilot and any future program from the existing Refugee and Humanitarian Program; and*
- *Developing clear criteria and guidelines to govern the selection and prioritisation of cases and standards of settlement support for those resettled under the CPP.*

5. Employment services, education and training and English language tuition

- 5.1. While there is much evidence that refugee and humanitarian entrants do achieve positive education and employment outcomes over a period of time, it is equally important to acknowledge the short-term barriers to economic progress faced by these groups and develop appropriate policy and program responses to address these barriers. In order to support refugees and humanitarian entrants to successfully contribute to Australia, targeted education and employment services and English language tuition are vital. While there may be an initial cost to the Government in providing such programs, this is counterbalanced by the contributions made by refugee and humanitarian entrants over the long term.
- 5.2. RCOA's community consultations suggest that a number of improvements could be made to employment, education and English language tuition services for refugee and humanitarian entrants. For example, RCOA has received consistent negative feedback⁷ about how Job Services Australia (JSA) services are responding to the needs of people from refugee backgrounds, with many participants in RCOA's consultations expressing the view that JSA providers are ineffective in helping refugee and humanitarian entrants to find employment. Issues identified with the JSA model include:
- The JSA funding model, which creates incentives for JSA providers to devote more resources to job seekers who have relatively few employment barriers and can secure successful outcomes relatively quickly, rather than to job seekers who face multiple barriers and require more intensive support;
 - The criteria used to assess a job seeker's level of need for employment support, which fail to adequately capture specific barriers to employment for refugees and humanitarian entrants and thus result in many people being denied the more intensive support they need; and
 - The limited skills and experience of some JSA providers in cross-cultural communication and working with people from refugee backgrounds, which hampers their capacity to provide tailored and effective support to this group.
- 5.3. Research conducted by RCOA⁸ and feedback gathered through our community consultations suggest that the provision of specialised employment support services can play a significant role in assisting refugee and humanitarian entrants to secure employment. We are therefore concerned that specialist employment services are to be reduced under the new jobactive employment services, which will replace the JSA model on 1 July 2015.
- 5.4. In addition, recognition of skills and overseas qualifications is still a major issue for people from refugee backgrounds. Many refugee and humanitarian entrants arrive in Australia with significant skills and professional qualifications. However, many are unable to have their qualifications accredited with the relevant industry body and are thus forced to complete their studies again (which they may not be able to afford to do) or gain employment in an area unrelated to their field of expertise or well below their skill level.
- 5.5. With regards to education and training, RCOA is concerned that Temporary Protection Visa (TPV) and Safe Haven Enterprise Visa (SHEV) holders are not eligible for Commonwealth Supported Places, concession rates and education loans to participate in tertiary education. Without Government support, TPV and SHEV holders wishing to undertake further education will have to pay tuition fees at international student rates, which are likely to be unaffordable for the vast

⁷ See also RCOA's 2012 discussion paper summarising refugee community and service provider views on Job Services Australia, available at <http://www.refugeecouncil.org.au/r/rpt/2012-JSA.pdf>

⁸ See RCOA's research report on employment strategies for refugee and humanitarian entrants, available at <http://www.refugeecouncil.org.au/r/rpt/2010-Employment.pdf>

majority of people in this situation. Without the opportunity to gain new qualifications or upgrade existing ones, TPV and SHEV are likely to find their employment options limited. This is a particularly significant issue for school leavers and other young people who are at the beginning of their working lives and may have not had the chance to obtain tertiary qualifications before their arrival in Australia.

- 5.6. In terms of English language tuition, RCOA has heard consistent feedback from community members and service providers indicating that the 510 hours of free English language tuition available under the Adult Migrant English Program (AMEP) is not enough time for some people to develop an adequate level of English. Participants in RCOA's community consultations continue to call for greater flexibility within the program to respond to the varying needs and skills of refugee humanitarian entrants, both in terms of teaching and learning styles and in terms of the eligibility period for AMEP tuition.

Recommendation 8

RCOA recommends that the Australian Government implement the recommendations put forward in RCOA's response to the Employment Services 2015–2020 Purchasing Arrangements Exposure Draft.⁹

Recommendation 9

RCOA recommends that the Australian Government reconsider its decision to reduce specialist employment services under the new jobactive employment services.

Recommendation 10

RCOA recommends that the Australian Government conduct a review of Australia's systems for recognition of overseas qualifications, to investigate how these systems could be made more accessible and efficient.

Recommendation 11

RCOA recommends that holders of Temporary Protection Visas and Save Haven Enterprise Visas be granted access to Commonwealth Supported Places, concession rates and higher education loans in order to undertake further study.

Recommendation 12

RCOA recommends that the Australian Government implement the recommendations put forward in our submission to the 2014 evaluation of the Adult Migrant English Program.¹⁰

6. Remittances

- 6.1. According to World Bank estimates, outward remittances by migrants and refugees from Australia totalled just under \$16 billion in 2014.¹¹ As noted in Graeme Hugo's research, refugee and humanitarian entrants seem to remit more money to their countries of origin than other migrant groups and these remittances play a vital role in the economic development of their countries of origin. This significant benefit to the economy has unfortunately been undervalued in Australian trade and international development policy.
- 6.2. Remittances from countries such as Australia to family members and communities overseas play a significant role in supporting displaced and other vulnerable people worldwide. Many displaced people living in camps and in urban areas across the world (particularly those living in African countries) face serious destitution, lacking basic necessities such as sufficient food, clean water, adequate health care, safe shelter and education. These communities often rely heavily on financial support from family members and communities living overseas.

⁹ Available at http://www.refugeecouncil.org.au/r/sub/1409_EmploymentServices.pdf

¹⁰ Available at <http://www.refugeecouncil.org.au/wp-content/uploads/2015/04/1412-AMEP.pdf>

¹¹ See

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:22759429~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>

- 6.3. For example, a recent report by Oxfam¹² noted that \$1.3 billion is sent each year by Somalis living abroad to family members still living in Somalia. This money is spent on essentials such as food, clothing, shelter, education and medicine. According to the report, remittances account for between 25 and 45 per cent of Somalia's economy, exceeding the funds received by Somalia through humanitarian aid, development aid and foreign direct investment combined.
- 6.4. With limited family reunion options for refugee communities in Australia, remittances are one of the only ways communities in Australia can continue to support their families overseas. Many people from refugee backgrounds have reported to RCOA during our annual consultations that the money they send to their families provides a vital lifeline but still barely covers the essentials. Concern has been expressed that, without a reliable and affordable way for them to send money to family members overseas, people will be pushed further into poverty and destitution. Disturbingly, we are hearing of increasing accounts of young women engaging in survival sex to support their families.
- 6.5. RCOA has significant concerns regarding recent changes to the Anti-Money Laundering and Counter-Terrorism Financing Rules which are having unintended negative consequences for people from refugee backgrounds in Australia who send remittances to their families overseas. RCOA understands that Australian banks have ceased their money transfer services to countries such as Somalia, Sudan and Ethiopia, in an effort to comply with strict financing regulations domestically and internationally. We believe that a sweeping cessation of remittances to certain countries is too drastic a response to these regulatory changes. Instead, RCOA recommends that financial institutions be given scope to implement these regulations in a more flexible and targeted manner, assessing the risks of terrorism financing on a case-by-case basis rather than imposing blanket bans on remittances to an entire country.
- 6.6. RCOA supports efforts to combat terrorism financing, especially as many refugees coming to Australia are fleeing terrorism and related conflicts. However, we are concerned that new regulations are having a negative impact on people from refugee backgrounds who provide financial support to family members living overseas. A blanket suspension of remittances to certain countries does not, in our view, adequately balance the risk of terrorism financing against the risks posed to displaced people due to the cessation of remittances. RCOA recommends that the risks be assessed on a case-by-case basis and that alternative means of proving the legitimacy of remittances be considered.

Recommendation 13

RCOA recommends that the Australian Government consider alternative measures to reduce the risk of terrorism funding rather than blanket suspension of remittances to certain countries.

7. The costs of Australia's asylum seeker policies

- 7.1. For many years, RCOA has expressed serious concern about the high costs of immigration detention and deterrence-based policies towards asylum seekers. For example, according to an October 2014 Senate Estimates hearing, the costs of running the offshore processing centres in Nauru and Manus Island amount to over \$1 billion annually.¹³ At that time, there were 2,151 people detained in offshore facilities,¹⁴ at a cost of around \$465,000 per person. The 2014 Commission of Audit reported that the cost of detaining someone in an offshore processing facility is over \$400,000 per person annually.¹⁵ This cost is more than 10 times greater than allowing someone to live in the community while their claims are being processed. Allowing people to work while their claims are processed provides even greater savings.
- 7.2. In addition, many participants in RCOA's community consultations have expressed the view that the financial costs of the current immigration detention regime had clearly become

¹² Available at https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bn-hanging-by-thread-somalia-remittances-190215-en.pdf

¹³ Senate Legal and Constitutional Affairs Legislation Committee Estimates hearing, 20 October 2014.

¹⁴ According to the Department of Immigration and Border Protection's Immigration Detention Statistics for 31 October 2014,

<http://www.immi.gov.au/About/Documents/detention/immigration-detention-statistics-oct2014.pdf>

¹⁵ See <http://www.ncoa.gov.au/report/appendix-vol-2/10-14-illegal-maritime-arrival-costs.html>

unsustainable. They have noted that detention facilities are expensive to operate, particularly when people are detained for prolonged periods and/or in remote areas. The more intensive settlement support often required by people who have been detained for prolonged periods also increases the costs associated with immigration detention.

- 7.3. In remote areas (such as Christmas Island), the availability of local goods and services are often inadequate to meet the needs of people detained. As such, the regular transportation of goods over long distances and the lengthy travel required to access services further adds to detention costs. As one service provider has noted, “Christmas Island is an economic disaster for the Australian taxpayers...The island has limited resources, so all food, water, staff, medical supplies, et cetera has to be shipped or flown to the island.”
- 7.4. Furthermore, the prolonged detention of people who have skills or are otherwise able to contribute positively to the Australian community also results in significant loss of social and economic capital for Australia. Participants in RCOA’s consultations have expressed concern about the wasted human potential that results from keeping people locked up in detention centres or denying them the chance to study or access the services they need to gain meaningful employment. It was noted that many asylum seekers are highly skilled and can contribute significantly to the Australian economy and society yet are prevented from doing so by Australia’s policies.
- 7.5. In the 2014-15 financial year, the Australian Government spent \$2.91 billion on detention and compliance-related programs for asylum seekers who arrived in Australia by boat.¹⁶ With approximately 33,000 asylum seekers currently in Australia awaiting processing of their claims, this represents a cost of around \$88,000 per person. In contrast, the total expenditure of the United Nations High Commissioner for Refugees in 2014 was AUD\$3.72 billion,¹⁷ with which it did its best to respond to the needs of around 46.3 million refugees, internally displaced people and stateless people under its mandate.¹⁸ This equates to around AUD\$80 per person. Clearly, there is a strong argument to be made that the money spent on Australia’s asylum seeker policies could be put to far better use.
- 7.6. In RCOA’s view, the maintenance of policies which carry such significant short- and long-term financial costs (not to mention human costs) can hardly be described as a fiscally responsible or economically efficient approach to managing the arrival of asylum seekers to Australia. We believe that the costs of Australia’s current asylum seeker policies render them fundamentally unsustainable and encourage the Productivity Commission to consider ways in which these policies could be reformed to reduce their financial and human costs.

Recommendation 14

RCOA recommends that the Australian Government develop legislation to introduce a time limit on immigration detention, establish a system of judicial review of detention and prevent the detention of children in closed facilities.

Recommendation 15

RCOA recommends that the Australian Government abolish offshore processing and return all refugees and asylum seekers sent to Nauru or Papua New Guinea to Australia.

Recommendation 16

RCOA recommends that the Australian Government commission a comprehensive cost-benefit analysis of Australia’s current asylum seeker policies.

¹⁶ See RCOA’s analysis of the 2015-16 Federal Budget, available at <http://www.refugeecouncil.org.au/wp-content/uploads/2014/08/2015-16-Budget.pdf>

¹⁷ UNHCR’s total actual expenditure in 2014 was USD\$3,355,409,303 (see <http://www.unhcr.org/5575a78d0.html>). Converted into AUD using the OECD official exchange rate for 2014 of US\$1.1094 (see Table 36 of OECD Economic Outlook, June 2015,

<http://www.oecd.org/eco/outlook/Interest%20Rates%20and%20Exchange%20Rates.xls>), this is equal to AUD\$3,722,491,081

¹⁸ As at end June 2014, UNHCR’s total population of concern stood at 46,307,783. See <http://www.unhcr.org/54aa91d89.html>