

## CPD Cities and Settlement Initiative

### Council on Economic Participation for Refugees

#### Summary of First Meeting on 22 February 2018 in Melbourne

#### Background and Introduction

There is overwhelming evidence employment is one of the bedrocks for successful settlement for new migrants. CPD's February 2017 report, *Settling Better*, produced with the support of the Boston Consulting Group (BCG), found only 17% of refugees are in paid work after 18 months in Australia. We identified five principal barriers to newly arrived refugees finding jobs and a triple dividend on offer for Australia if these barriers could be reduced or overcome.

The Council on Economic Participation for Refugees (the Council) is the first pillar of CPD's new Cities and Settlement Initiative (the Initiative). The Council will focus on the challenges *Settling Better* outlined by:

- Seeking better governance and coordination connected to partnerships and delivery at the local level.
- Using evidence-based analysis to discuss and refine effective responses.
- Bringing together key government officials, and drawing on fresh insights from service providers, international experts and metropolitan and regional cities that are settling the most refugees.

The objectives of this inaugural Council meeting were threefold:

1. Establish a common understanding of the barriers to employment, through updated CPD-BCG analysis of refugee employment outcomes and of the current employment services landscape.
2. Initiate discussion about a range of more effective responses to overcome these barriers.
3. Agree on the goals, activities and cadence of meetings for the Council.

#### Session One – The Current State

We began with a 'Museum' activity to establish a common understanding of the current state of economic participation of refugees in Australia, common barriers to employment and the employment services landscape.

Key issues discussed can be encapsulated within six inter-related themes:

- Gender: women face a disproportionate number of barriers to economic participation although currently no government-led employment programs specifically focus on women's needs.
- Employment services: existing employment services struggle to generate better outcomes for the most disadvantaged jobseekers, with *jobactive* failing to respond adequately to the needs of refugees.
- Language: poor English-language proficiency is a significant barrier to employment, but employment and language programs are commonly not integrated.
- Skills recognition: problems with recognition and the cost of certification of humanitarian migrant skills contributes to skilled refugees remaining un- or under-employed.
- Local knowledge and coordination: local governments and local networks could be better leveraged to assist the settlement and employment journey of humanitarian refugees.
- Engaging employers: employers aren't sufficiently engaged with services or with policy design/delivery to understand barriers and opportunities to refugee recruitment, including work experience.

**Gender:** BCG-CPD analysis of the latest dataset from the DSS *Building a New Life in Australia* (BNLA) study revealed refugee women are 3.5 times more likely not to participate in the workforce and 4.2 times more likely to be unemployed. It was suggested gender could be a primary prism for the Council and the Initiative. Better employment services for women should be developed as a priority, given they are more likely to be lacking work experience and language skills. Currently however, no government-led programs specifically focus on women. Best practice examples of micro-financing were discussed as an effective means to support women to participate in the economy. Relatedly, a whole of family and longitudinal approach to employment services was suggested as a necessary reform, which would address children and youth, and the life trajectories of women and their families. We agreed there was great value in the Council bringing a gender lens to its work, given women face a disproportionate number of barriers and have such a significant impact on the wellbeing of their families and communities.

**Employment services:** An underpinning theme of the discussion was the fragmentation of existing services related to settlement and employment, particularly between the state and federal levels. This lack of coordination between a high number of initiatives has potentially led to a duplication of services as well as lost opportunities to improve employment and economic participation outcomes. Discussion confirmed the current *jobactive* program was failing to meet the needs of its most vulnerable clients, and did not respond to the diversity and complexity of the humanitarian migrant cohort, nor did it recognise their technical skills and abilities.

**Language:** We reflected upon the significant barrier to economic participation presented by low English-language skills. The ability to continue language training once in employment, and the need to link employment with workplace-relevant language training were identified as key issues. Some participants raised the issue of ongoing trauma for clients, and the affect this can have on their ability to acquire English speaking and comprehension skills. Women find it difficult to complete initial and ongoing language training, primarily due to caring responsibilities. Suggestions put forward included the use of bilingual teachers, and helping clients practice skills beyond the classroom, particularly after 2-3 years, which is the period in which language skills tend to plateau.

**Skills recognition:** Gaining recognition and certification of the skills held by humanitarian migrants is a key issue. Recognition and certification can also be a lengthy and costly process. This, coupled with difficulty in obtaining work experience in Australia, can result in a 'catch-22' situation for refugees. This contributes to a "*cohort of people who are skilled facing barriers*" as well as a high proportion of refugees working in jobs that are below their skill levels. It was noted that good-practice employment services that are personalised and prioritise skills recognition, are resulting in high levels of appropriate and successful employment.

**Local knowledge, coordination and connection to local markets:** We had a robust discussion about the issues faced by local governments, and of the potential to improve service provision at the local level. Of particular concern to members was the acknowledgement that local government often has "*no idea of who is coming, or how they got to be sent there,*" and often means that there were "*lots of people doing a lot of things, but very poorly coordinated.*" This presents a significant barrier to local councils constructively engaging in supporting the settlement journey of humanitarian migrants and their economic participation. Several participants noted that local government and local networks (including those of ethnic communities) could be better leveraged to assist refugees overcome barriers to employment and connect people to local initiatives and support structures. Developing local connections could also help to raise awareness and visibility of local employment opportunities.

**Engaging employers:** Some participants drew attention to the need to directly engage with employers to better understand labour needs and the barriers to, and opportunities for, the employment of refugees, including work experience. Others noted the issue of bias, and a need for positive discrimination by employers. Apart from the *Friendly Nation Initiative*, *Refugee Talent*, and some social enterprises connecting employers to refugees directly, there were limited examples where employers were a specific focus. Identifying the jobs of the future, such as in human services and infrastructure, and working closely with those employers was a necessary condition for better outcomes.

## Session Two: Potential Responses

The second session focused on the range of responses that could be developed to reduce or overcome the barriers identified. We considered the 'success requirements' for the responses, which solutions can be developed now, and which require more information. Discussion centred on three specific areas:

- Employment services and the need to reform existing models: a personalised, whole-of-career and whole-of-family approach, changing the funding model, and building provider capability.

- Enhancing the role of local government in coordinating settlement and employment services: local government can facilitate access to local employer and social networks using a place-based approach.
- Improving provision of language services: English language training has been found to work best when it is practice-based, delivered within a workplace and/or built into other activities.

### **Employment services**

A key tension in the discussion on reforming employment services, was between: (a) the potential for reforming *jobactive* to address the challenges faced by refugees and other jobseekers with more complex needs; or (b) exempting refugees from *jobactive* to meet their needs with separate bespoke services. Ideas for reforming employment services for refugees, either within the mainstream, or separate services, coalesced into three themes: personalised approach; incentives in the funding model; and provider capability.

The key benefit of a personalised approach to employment services for refugees, early in their settlement journey, was clearly articulated. Such an approach would include individual or family-focussed case management, would consider a client's stage in life and would ideally span a career. This kind of approach is especially crucial for women, who often focus first on settling in secure housing and meeting the needs of their children before engaging in learning English and in employment. This situation will change over time. In line with this approach a client would stay in contact with their employment service provider after gaining their first job placement, ensuring they sustain employment and progress to more appropriate jobs over time. An example of a personalised approach to employment services for refugees with high success rates is the Brotherhood of St Laurence's 'Given the Chance' program.

The funding model for employment services is key to the incentives and behaviours encouraged within the system. Feedback on *jobactive* is that system incentives are misaligned with finding refugees appropriate and sustainable employment. One idea is to expand the set of 'activities' or 'outcomes' that employment service providers receive payments for, beyond simple job placement. Payments could be made for education and vocational training, pre-employment programs, counselling, mentoring and opportunity creation. A move away from employment services' narrowly focusing on compliance with onerous 'activity schedules' would also be welcome, given the number of competing demands on a newly settled refugee's time. The NSW State Government and Settlement Services International's (SSI) joint Refugee Employment Support Program (RESP) was discussed as a working example of a funding model and incentive system more aligned to refugee needs, as was the Jobs Victoria Employment Network (JVEN).

The capability of providers is key to improving services. It was noted a localised approach based on an understanding of wider community needs could enhance current employment services, as demonstrated through programs such as Local Jobs for Local People in the City of Hume. Employment service providers could also improve their engagement with employers and local government, as well as improve their cultural competence, to achieve better results.

### **Local government**

Local governments were seen to have an important, albeit largely untapped, role in supporting the settlement and employment journey of refugees. Specifically, on employment, one advantage that local governments bring is understanding of local employment needs and facilitating access to local employer networks, which can be critical to finding appropriate placements for refugees and assisting smooth settlement. This was demonstrated in the town of Nhill, where local government, in partnership with AMES, assisted the settlement of Karen refugees and their recruitment into the local Luv-a-Duck company. The town and local government area has gained great social and economic rewards, as have the Karen community. Another example of local infrastructure that could be better leveraged by language and employment services was the Community Hubs program, which supports refugee women and children to build skills and networks, based in local schools.

There was support for place-based service provision, whereby local governments are commissioned to provide local employment services for a particular cohort. This would see local government being accountable for employment and economic participation outcomes for that group, under an outcome-based funding model. They can then broker the local service providers to achieve the desired outcomes. One participant noted that strategic coordination was indeed the "biggest challenge and the most important role" of local government.

Further to the brokering and strategic coordination roles, local government could play a role to shape policy and settlement planning. To do this effectively local government would require funding for strategic coordination and to learn much earlier on who is arriving in their areas.

## Language

Current language training is not effectively supporting refugees to find and sustain work. In some cases, it is pulling in the opposite direction. Ideas for improving English language provision related to reforming the funding model and the way in which training is delivered. The current programming model does not allocate training hours based on need. Program targets are for attendance rather than English proficiency outcomes. A shift to needs-based programming and outcome-based funding could be beneficial. Simple reforms suggested were to increase the number of hours available within the Adult Migrant English Program (AMEP), to expand eligibility, and ensure the budgeted amount was fully spent.

English language training has been found to work best when it is practice-based, delivered within a workplace and/or built into other activities. More flexible delivery can also be achieved via online and app-based programs that allow refugees to learn when and how they want, such as the Duolingo app for Arabic speakers arriving in Germany. It was noted that intensive training models have also been found to be most effective.

## Session Three – Establishing the Council

Participants were enthusiastic about continuing and further developing the Council, noting the unique assembly of perspectives and the great potential for driving policy and practice reform in this important area. It was agreed that the Council for the Economic Participation of Refugees would be a suitable name.

### Focus and work plan

- Council deliberations will continue to concentrate on employment and economic participation.
- A gender lens will be applied to all of the Council's work, with specific consideration of the policy and program reforms that respond to the needs of women.
- Working groups of Council members will be formed to develop in-depth understanding of issues, seek further information as necessary and work through responses in more detail, on the themes of:
  - Gender
  - Employment services
  - Employers
  - Language
  - Local connections and the role of local government.

### Working of the Council

The Council will:

- Meet twice per year, potentially in relevant local government areas with high settlement levels (such as Hume, Victoria and Fairfield, NSW).
- Not replicate existing services and initiatives, but contribute to them, with a pragmatic approach to advancing ideas.
- Be structured as a second track process, meeting under the Chatham House Rule, allowing attendees to contribute freely in a personal capacity as participants, not as government or non-government members.
- Engage with and seek direct contribution from refugees, trade unions and small business.

CPD will provide secretariat support to the Council during and between meetings, with assistance from BCG.

### Communications

- Prior to each Council meeting briefing packs will be sent to participants; after each meeting participants will be sent a summary of discussion.
- Any communication of outcomes, recommendations and policy statements will generally be made from the CPD Secretariat, rather than the Council itself.