



CREATE. CONNECT. CONVINCED

<http://www.cpd.org.au>

CPD Cities and Settlement Initiative Council on Economic Participation for Refugees

Summary of Second Meeting on 12-13 September 2018 in Fairfield, NSW

Background and Introduction

The Cities and Settlement Initiative (CSI) was instigated in late 2017 by the Centre of Policy Development (CPD), with the support of the Myer Foundation, Vincent Fairfax Family Foundation and the Boston Consulting Group (BCG), building on the publication of *Settling Better* in February 2017. *Settling Better* found economic participation to be the weak link of refugee settlement in Australia, with refugees significantly underrepresented in paid work. CSI was established to address this situation and identify ways in which to boost the economic participation of refugees in Australia.

The Council on Economic Participation for Refugees (the Council) is one of the central pillars of CSI and convened for the first time in Melbourne in February 2018. This Council brings together senior representatives of relevant federal and state governments, along with leaders from local government, settlement service providers and other advisors. At the Council's first meeting, a mandate was developed for its work and it was agreed that working groups would be formed to progress this mandate in thematic areas which now include: employment services; employers; English language; local connections (place-based approaches); entrepreneurship and gender.

Since the first Council meeting, CPD has worked closely with a small team of volunteers at BCG, the working group members and other advisors to undertake research and to develop and promote policy proposals with respect to these thematic issues. A second meeting of the Council was held in Fairfield (NSW) in September 2018.

The majority of participants of the first Council meeting returned to the second meeting, along with some key newcomers including Australian employers and additional local government representatives. Participants were given the opportunity to hear directly from local programs operating in Fairfield as well as female refugees in the area.

The following is an overview of the substantive sessions of the second Council meeting.

Entrepreneurship Working Group special session – 12 September

In the special session, a subset of the Council participants discussed the initial findings of research into refugee entrepreneurship, conducted under the auspices of the Entrepreneurship Working Group.

The research draws on a range of Australian and international initiatives which encourage and support refugees to pursue entrepreneurial activities. The discussion centred around the challenges and opportunities in pursuing or scaling up these initiatives in Australia.

Entrepreneurship was defined broadly to include self-employment and/or the establishment of a business that employs others. It was agreed that entrepreneurship should be considered by policy makers and civil society as a highly pertinent and equally legitimate form of economic participation to employment. In addition, employment and entrepreneurship should not be viewed as mutually exclusive endeavours.

In Australia, rates of entrepreneurship among refugees remains low within the first six years of arrival and then shoots up. A key goal of this stream of work is to bring that timeline forward, with the resulting benefits for the individual as well as the broader community and the Australian economy.

The research suggests that while Australia is generally a good place to start and conduct businesses there is very little targeted federal or state support for refugee entrepreneurs. Some promising programs have been developed by the NGO sector but tend to be small, local and limited in duration due to funding constraints.

Would-be refugee entrepreneurs face significant obstacles including lack of financial capital (compounded by lack of credit ratings); lack of human capital (e.g. language, local business knowledge, recognised qualifications); lack of social capital; and discrimination.

The preliminary research has identified seven steps to 'SUCCESS' in refugee entrepreneurship. These are:

1. **Strategic approach:** Within a strategic approach, government policies and programs that promote economic independence (e.g. *jobactive*) would offer entrepreneurship as a valid alternative to employment and would recognise the value of activities that prepare refugees for self-employment or establishing a business.
2. **Upskilling:** Involves providing support to prospective entrepreneurs to the additional knowledge, skills, experience and licenses they need to transition to self-employment and small business ownership. Some of the options include:
 - a. Providing refugee entrepreneurs with access to language training (including English for business) and guidance in relation to starting a business
 - b. Providing refugee entrepreneurs with relevant part-time employment opportunities
3. **Connections:** Fostering the people to people connections that will help whether it be with other refugee entrepreneurs, industry experts, potential customers or volunteer business coaches/mentors. Examples of potential approaches include:
 - a. Creating networks (including on-line networks) for aspiring refugee entrepreneurs to meet and support one-another.
 - b. To the extent that community sponsorship of refugees may become more prevalent in Australia, harness the social and professional networks of sponsors to assist refugees to establish businesses.
 - c. Assisting refugee entrepreneurs in making connections between small business owners and potential customers.
 - d. Helping aspiring female entrepreneurs to build professional and business networks
4. **Capital:** Encouraging refugee entrepreneurship requires identifying ways in which refugees might access low-cost capital whether through loans, loan guarantees, crowd-funding or other mechanisms.
5. **Enabling environment:** Creating an enabling environment involves reducing the legal and regulatory barriers that impede refugee entrepreneurship. This might include providing support to enable refugee entrepreneurs have their qualifications recognised in Australia.
6. **Specific support:** Intensive, one-on-one support, targeted to different stages of business development and particular cohorts of refugees, is most effective. Options to consider include:
 - a. Ensuring that refugees with entrepreneurial talents or aspirations are identified and supported early in their settlement as part of a deep and genuine assessment of the whole person on arrival in Australia.
 - b. Initiatives that support refugee entrepreneurship need to recognise that that mainstream approaches to starting a business (for example, starting with a professional business plan) are not seen as the only valid pathway towards viable entrepreneurship.
7. **Spotlight successes:** Successful refugee entrepreneurs can be celebrated as role models to inspire others and create a more positive narrative about refugees in Australia. One option would be the creation of a 'Refugee Entrepreneur of the Year' award.

A number of these opportunities were flagged for potential action/investigation in the short term including:

- Obtaining funding to assist refugees in having their qualifications recognised or certified in Australia through conversion courses and other existing mechanisms.
- Creating a 'Refugee Entrepreneur of the Year' award in Australia.

Professor Peter Shergold speech at Council dinner - 12 September

Professor Peter Shergold AC spoke in his capacity as the NSW Coordinator-General for Refugee Resettlement, primarily in relation to the Refugee Employment Support Program (RESP), a NSW Government initiative being delivered by Settlement Services International (SSI). He also made observations as Chancellor of Western Sydney University in relation to the University's decision to continue to respond to demand for enrolments despite shortfalls in government funding. This approach has been instrumental in the university's ability to enrol around 600 students who have come to Australia on a special humanitarian visa or as asylum seekers.

Professor Shergold observed that in general Australian settlement services are among the best in the world but that there is room for improvement, particularly when it comes to providing refugees with access to jobs or opportunities to set up their own businesses. He highlighted the need for employment services to be tailored to the needs of refugees as the current federal system is not working for them. This deficit was behind the decision by the NSW Government to set up a state based refugee employment program (RESP) 15 months ago. RESP has assisted 3,700 people in that period and has helped 800 of them to find employment. Professor Shergold highlighted five particular features of the RESP program:

1. **Outcomes/performance based:** The program is outcomes/performance based against identified metrics with an evaluation process built in from day one. However, the program does not simply measure a 'job' as the key outcome. It recognises the need to identify a pathway for refugee jobseekers for which employment is often, but not always the goal. In this regard, the program helps people get basic skills before sending jobseekers out to interviews. This is done through a variety of supports such as assistance preparing resumes, interview skills training, mentoring, English language support and IT training. RESP is also involved in a pilot to help refugees to have their overseas qualifications recognised faster.
2. **Cross sectoral collaboration:** Rather than relying on collaboration being 'hero-driven' by one or more passionate individuals, RESP takes an institutionalised approach to collaboration. The program features a joint partnership working group comprising key public sector departments and community organisations, working as a genuine partnership and facilitating experience-based policy development. Professor Shergold highlighted the experience of front-line organisations as crucial. He noted they had also sought corporate support and that RESP now has a significant number of companies who support the RESP publicly but also provide jobs and work experience.
3. **Client co-direction:** RESP seeks to ensure that clients are a big part of the process and take on responsibility themselves for their journey and outcomes.
4. **Real-world focus:** RESP recognises that overseas skills recognition is just one part of overseas skills utilisation. Programs also need to consider cultural differences when bringing refugees into Australian workplaces.
5. **Opportunities to experiment:** There have been opportunities to experiment with the design of RESP. By evaluating from the start, RESP can adapt along the way, recognising the importance of trying new approaches, some of which will not be successful. Experimental approaches include the introduction of a food truck to help some refugees get work experience as well as the creation of a work experience centre in Sydney and the use of a game-based approach to help familiarise refugees with the public transport system.

A vote of thanks to Professor Shergold was given by Terry Moran AC followed by a moderated discussion among attendees at the dinner.

Council Meeting – 13 September 2018

Session 1: Place-based approaches to refugee settlement

This session focussed on developing a more detailed vision of what 'place-based approaches' to refugee economic participation might look like in Australia. Critical success factors drawn from the analysis of successful place-based approaches, included: local decision-making and accountability; responsiveness to local needs; resources and funding control; local leadership and partnerships; coordination; and capability. The conversation was enriched by data on the general picture of refugee economic participation and the picture in particular local government areas.

There is a spectrum of roles that local governments can play in strengthening a place-based approach to settlement. These roles are not mutually exclusive. Four roles along the spectrum include: direct delivery; local broker; local agent; and co-ordination.

The discussion that followed opening remarks and presentations, was greatly enriched by the active participation of a number of local government representatives. Observations included:

- The necessity and challenge of ensuring that local experience and know-how is respected at a federal level.
- The importance of vertical and horizontal integration and knowledge flow: good communication is required between layers of government but it is also critical that there is good 'horizontal' communication between local government areas, to ensure that good practice is shared rather than local areas constantly 'reinventing the wheel'.
- Short-term funding inhibits the long-term viability and scalability of local approaches and can lead to a confusing plethora of local initiatives. There is a need to build on successful programs that are already in place, rather than an ongoing cycle of pilots and small scale/short term projects.
- The necessity of finding and supporting local 'heroes' to drive the development of place-based approaches
- The question of whether approaches driven by local government can be accepted by other levels of government in Australia as a reliable pathway to service delivery. Some participants expressed frustration that local government is not always afforded the necessary degree of respect by state and federal government while others pointed to promising local government approaches that benefit from relationships of trust and confidence with federal and state counterparts and other stakeholders such as employers and the education sector
- The need for local areas to have sufficient discretion to allow local approaches to be fluid and responsive to the local environment, and stakeholder needs, as they evolve. As an example, it was noted that local governments may be better placed than state government to understand the labour needs of employers in their areas.
- The need to develop place-based approaches that look at the whole person with a long-term perspective as well as the needs and views of the broader community.
- The need to understand geographic mobility within the Australian community and recognise the needs of those entering or leaving local areas.
- It is difficult but necessary to balance the need to co-design programming relevant to the local level, with the Government imperative to ensure universal access to universal services.
- The knowledge that can be gained by looking to other policy areas in Australia in which place-based approaches have been developed or proposed (e.g. the school-to-work transition program).
- The central role that English language proficiency plays in securing good outcomes at a local level, as well as access to childcare for the purposes of learning English. Both of these needs can be addressed through local programs.
- The need for strong governance structures that engage key stakeholders from different levels of government, the private sector, educational institutions and others in the community.

Session 2: Update from entrepreneurship, language and employers working groups and presentation by three Australian employers

Interim study on entrepreneurship

A brief overview of the interim study on entrepreneurship was provided (see summary of special session above). Council participants made observations of the need to ensure that programs supporting entrepreneurship are appropriate for women and also expressed support for the idea of a Refugee Entrepreneur of the Year Award (perhaps alongside a Refugee Employer of the Year Award).

Overview of plans of the language working group and role of employers working group

The proposed work plans of these working groups aim to develop data, options and policy recommendations with respect to:

- Improving the outcomes of the Adult Migrant English Program (AMEP) and other key English language programs; and
- Identifying policy levers and other interventions that might ensure greater employer engagement with refugee job seekers, and a boost in the employment rate of refugees during their initial years in Australia.

Employer contributions

Employer participants reflected on the experience of their businesses in recruiting refugees. These reflections, and the ensuing conversation among participants, highlighted a number of points including:

- The importance of senior leadership and support to the success of a refugee employment program.
- The growing recognition of the importance of cultural diversity within workplaces, with employers wanting their workforce to reflect the communities in which they operate.
- The relevance of social procurement targets to employers in certain industries (including self-imposed targets that then become business goals)
- The need to manage the expectations of the team into which a refugee is placed and to provide training to both the refugee and the team on understanding and adjusting to new cultures.
- Online recruitment platforms may be a barrier for some refugee job seekers.
- Successfully recruiting and retaining refugees is very resource-intensive and demands additional preparation and support to prepare both the refugee and the team into which they are placed.
- Both not-for-profit and for-profit service providers can help private sector employers in identifying and recruiting refugee job seekers.
- It is important to understand the needs of both the job seeker and their family unit in order to secure and sustain a successful placement.
- The potential role of media in highlighting refugee employee success stories and improving the public narrative around refugees.
- How support for the program can spread quickly within an organisation if it can be done successfully in a few cases.
- The opportunity to learn from corporate approaches to indigenous job seekers by taking an individual-focussed/one-person-at-a-time approach to recruitment.
- The opportunity to bring English language education into the workplace.

Session 3: Future of employment services

The need for change

The discussion of Australia's employment services (currently '*jobactive*') was underscored by a general consensus that insofar as this system applies to refugees, it is significantly flawed and requires a thorough overhaul. There is a need for transformational changes to be made that will provide more one-on-one assistance to disadvantaged or challenged job seekers, which can be offset by more automated self-service approaches for those job-seekers who require less support in finding employment. The current review being undertaken by the Employment Services Expert Advisory Panel is welcome and timely. The Settlement Services Advisory Council also provides an important avenue through which to pursue reform in this area. Other key observations included:

- The need for deeper assessment of the needs, skills, aspirations and challenges of refugee job-seekers, rather than multiple superficial assessments. This could be achieved by linking up the assessments conducted by different departments and coupled with a true case-management approach that supports the job-seeker along the entire journey of entering the workforce.

- The need to revisit the 'compliance' aspect of employment service policy and ensure that the goal of ensuring compliance rules does not overshadow the more important goal of helping disadvantaged job seekers find sustainable employment.
- In order for the system to be effective, it is important to understand and be responsive to how it is experienced by the most vulnerable users, including those with language barriers.
- The need for a system that engages more Australian employers, with only a small percentage of Australian employers currently using *jobactive*.
- The importance of finding ways to compensate for the deficit in local know-how and social capital of recently-arrived refugees when compared with non-migrant job-seekers.
- The need for individualised approaches that take a 'whole of person' approach to meeting the challenges faced by refugee job seekers.
- The need for employment services to factor in the current transition to a gig economy and the validity of entrepreneurship as a form of economic participation.

Place-based approaches to employment services

The participants explored how the concept of place-based approaches to employment services might be enlivened in practice in Australia. It was suggested that locally-driven approaches are more likely to cater to the needs of the individual and respond to local conditions.

The need to consider place-based approaches to economic participation is particularly salient in light of the current federal government's interest in the regional settlement of migrants (including refugees) and the regional employment trials that the Department of Jobs and Small Business is overseeing from 2018-2020.

A number of responses sought to outline the key principles and considerations that should be considered in a place-based approach to employment services including:

- The need for the system to be co-designed by local and national stakeholders.
- The need for engagement with the broader community to identify sources of support, and also engage local leadership to create a welcoming environment.
- The need to help refugees build social capital within a community to support their economic and social integration.
- The opportunity to draw on synergies with programs/services designed for different purposes.
- The need to secure engagement from local employers and for the program to be responsive to the needs of employers.
- Case management plans should also capture all of the available resources in the local area resulting in an individualised place-based approach.
- The importance of family-reunion in creating a sense of engagement and belonging for people settled in regional areas.

The discussion also considered reasonable expectations of service providers at a local level in exchange for federal/state funding. In other words, on what basis should state and federal be willing to 'let go' to allow local conditions to dictate the providers and services that should in place? Related to this, aside from placing a refugee in a job, what other activities could be rewarded that assist refugee jobseekers in their journey towards economic participation and how should these be priced?

Activity-based funding (ABF) was discussed as one option to secure better outcomes. Participants observed that ABF must be based on a sound assessment of the needs of the user. Over and above ABF, it is important to leverage (and pool) many different funding streams towards achieving a common target.

The example of UK public-service agreements was discussed, whereby the activities of different government departments and other bodies were coordinated through targets set in an agreement. Not all participants agreed that this approach would be suitable. Critical observations were made about how the UK public-service agreements operated in practice – emphasising inputs rather than outcomes and spawning thousands of KPIs that hinder innovation.

There was consensus that local employers need to be at the heart of the design and delivery of place-based approaches to employment services. Otherwise policy makers are just guessing at what employers need.

Session 4: Applying a gender lens to refugee economic participation

A brief presentation was given on the Community Hubs program which operates out of primary schools around the country enabling refugees and other migrants, particularly mothers with young children, to connect, share and learn. Participants were then separated into three groups to hear directly from programs working directly with female refugees in the Fairfield area, as well as women from refugee backgrounds who are, or have been, involved with those programs.

Programs featured in these group sessions included:

- Community Hubs (including representatives from the Prairievale Community Hub)
- CORE Community Services
- RESP (SSI)
- Stepping Stones to Small Business (Brotherhood of St Laurence)

Observations made during these group sessions and the plenary session that followed included:

- The important role played by local programs that can easily reach women and which focus on the needs of the individual rather than their visa status (e.g. Community Hubs).
- The importance of designing programs specifically for the women or programs that take into account the needs of each individual. Underlying this approach is the understanding that not all women will have the same needs – these may vary depending on their age, culture, family responsibilities, personal relationships and individual aspirations.
- The importance of identifying and building on the existing capacities and strengths of women.
- The importance of providing culturally safe spaces for women to engage in activities that can lead to economic participation, which may mean creating female-only spaces in some circumstances.
- Recognising that refugee settlement is typically a family (rather than individual) experience and programs should consider the needs of the family unit as a whole.
- Some of the most significant barriers faced by female refugees include the lack of English language proficiency as well as family/caring responsibilities.
- Lack of access to childcare is a major barrier in relation to learning English and pursuing opportunities for economic participation.
- Recognising that some female refugees may not have experienced formal learning or paid work prior to arriving in Australia.
- Recognising that social participation and economic participation are mutually reinforcing.
- Women may need support to learn to navigate public transport and other logistical challenges before they can seek employment or start businesses.
- Volunteering or work experience can provide a valuable opportunity for women to experience work and gain workplace specific language skills.
- The importance of getting the jobactive compliance system to recognise the value of certain pre-employment activities.

Wrap up and next steps

Council participants were reminded how important it is that policy be informed by experience. These meetings are valuable opportunities to learn from different experiences, perspectives and interests including those of employers, local programs, refugee women and entrepreneurs. This creates the opportunity for the Council Secretariat and participants to channel those ideas into initiatives that can improve the status quo.

The purpose of the Council meetings isn't necessarily to solve the problem, but to bring together different perspectives, to create and refine ideas. The working groups can then develop relevant proposals and opportunities. Although CSI has only been in place for nine months, it has already generated important 'blue sky' discussions and several concrete opportunities that could make a real difference in the months ahead.

Moving forward, the Council Secretariat and working groups will focus their work in three key areas:

1. Reforming service and funding models: This includes:
 - o Developing a place-based approach to boosting economic participation of refugees, with the central involvement of local government in high settlement areas. We will present the model developed to the Settlement Services Advisory Council (SSAC) and encourage further support

- and funding (including through the Regional Employment Trials) for further development and trial.
- Generating proposals for the improvement of language services to refugees, including reforms to the Adult Migrant English Program, and greater integration between work and language training.
2. Identifying and investing in promising practices: This includes:
 - Identifying means by which the role of employers can be enhanced and expanded to benefit the economic participation of refugees beginning with foundational research to better understand the current attitude and practices of employers with respect to refugee recruitment.
 - Building refugee entrepreneurship in Australia through identifying and promoting policy and practice improvements that can be made immediately, and transformational change to incentives and supports for refugee entrepreneurship over the medium and long term.
 - Ensuring gender and the needs of refugee women are integrated into every work stream of the Cities and Settlement Initiative.
 3. Developing proposals for the establishment of a centre of gravity for settlement services within the Australian Public Service

CPD is grateful to BCG, Fairfield City Council and all Council participants for their engagement. All feedback on the Fairfield meeting and the CSI initiative will be gratefully received. In the first instance, please contact Lisa Button, Senior Project Manager, on lisa.button@cpd.org.au.