

CPD Cities and Settlement Initiative

Council on Economic Participation for Refugees

Summary of Third Meeting in Canberra, ACT on 11-12 April 2019

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 contribution of a team of volunteers from the Boston Consulting Group (BCG). The initiative was built to respond to the findings of CPD's February 2017 report *Settling Better*, which found economic participation to be the weak link of refugee settlement in Australia. The Council on Economic Participation for Refugees (the Council) is one of the central pillars of CSI and was convened for the first time in Melbourne in February 2018 and for the second time in Fairfield in September 2018. The Council brings together senior representatives of relevant federal and state governments, along with leaders from local government, settlement service providers, Australian employers and other advisers.

This third meeting of the Council was held in the context of a number of significant recent federal reviews of services affecting humanitarian migrants in Australia including:

- An independent expert review of the *jobactive* employment services system led by Sandra McPhee AM and a Senate enquiry on the same topic.
- The review led by Peter Shergold AC into the integration, employment and settlement of refugees in Australia (not yet publicly released).
- The evaluation of the new business model of the Adult Migrant English Program (report pending).

The Council meeting also coincided with the announcement of the date of the next federal election, adding to the sense that this is indeed an opportune time for deep reflection on Australian policies and services which seek to boost the economic participation of humanitarian migrants.

Overview of Meeting

Day 1	Day 2
<ul style="list-style-type: none"> • Parallel thematic workshops on: <ul style="list-style-type: none"> ○ Engaging employers ○ Place-based approaches • The launch of research, <i>Seven Steps to SUCCESS: Enabling Refugee Entrepreneurs to Flourish</i> 	<ul style="list-style-type: none"> • An update on federal policy reviews and initiatives • Plenary discussions on: <ul style="list-style-type: none"> ○ A 'centre of gravity' in federal settlement policy ○ 'Community Deals' to boost refugee economic participation

Day 1

Employer research

CPD and the University of Sydney shared preliminary findings of our collaborative research into the perspectives of Australian employers on refugee employment, which was undertaken in early 2019 with support from BCG and several 'intermediary' organisations who linked us to employer networks. This research, comprising a survey and in-depth interviews, reveals a number of key initial findings, including:

- Negative perceptions of refugee employment among employers who lack experience in recruiting refugees.
- The current ineffectiveness of available government incentives which might motivate employers to seek out refugee jobseekers, namely wage subsidies available through *jobactive*.
- The important role that corporate social responsibility frameworks and leadership from key individuals play with respect to corporate practices.
- The importance of specialist intermediaries in helping to successfully prepare and match employers and refugee jobseekers.

Participants discussed the key findings and explored different policy options for encouraging greater employer engagement with refugee jobseekers including place-based and sector-based approaches, employer grants, the possibility of more targeted or 'smarter' wage subsidies, the use of social procurement frameworks, improving employer know-how, changing public narratives around refugee employment and tackling negative stereotypes.

Enabling refugee entrepreneurs to flourish

At the launch, CPD and the Open Political Economy Network (OPEN) shared the findings of the new report *Seven Steps to SUCCESS*, which found that refugees are Australia's most entrepreneurial migrants, but that there is currently little targeted support to assist them. There are significant gains to be achieved in better supporting refugee entrepreneurs. Launching 1,000 new refugee-run businesses each year could yield \$98 million in annual economic and fiscal gains. Within ten years, the boost to the economy could be nearly \$1 billion a year, accompanied by a range of significant social benefits.

Delivering substantial change across Australia will require a strategic approach that would include addressing common challenges such as capital and connections, creating a more enabling environment, and providing more specific supports and up-skilling opportunities.

The report provides a suite of policy recommendations across seven main themes (or 'steps to success') including:

- Support for entrepreneurship as an important and valid pathway to economic participation (in addition to traditional approaches that focus on employment) and ensuring that the entrepreneurial capacities and ambitions of refugees are identified and fostered.
- Ensuring access to capital through bespoke financing and loan guarantee programs.
- Providing tailored training and support that take account of the capacities and challenges specific to refugees.
- Celebrating the success of refugee entrepreneurs through awards and communicating these successes more widely.

A federal centre of gravity for humanitarian settlement policy

This discussion was based on a shared recognition that there is no single point of accountability for settlement outcomes and responsibility for refugee employment and settlement services is currently fragmented between too many federal departments. This results in a lack of policy coherence and poor coordination in service delivery. Also, there is a lack of alignment and collaboration between the three levels of government, and engagement with business, civil society and communities is disjointed.

A federal 'centre of gravity' (COG) would help to address this by:

- Providing a single, concentrated point of accountability for policy development and resource allocation.
- Driving engagement and collaboration with community, civil society, business, state and local governments.
- Aligning policy objectives across relevant services, ensuring integrated service design and delivery at the community level.

There was consensus among participants regarding the importance of establishing such a federal COG and significant appetite for progressing it in practice. Participants also highlighted the importance of ensuring that the elements of the COG have considerable authority within government, requiring a high level of ministerial buy-in as well as political and budgetary backing.

The group agreed that the core functions of the COG would include setting shared outcomes, aligning policy implementation and driving integrated service delivery. The policy areas and programs to be included would be, at a minimum, settlement, language and employment services.

Three elements of the COG were discussed as well as ideas for implementation:

1. A **national coordinator-general or envoy for humanitarian settlement** to align structures, systems and culture around agreed human and family-centred outcomes.
2. A **commission or advisory board** including representation from concerned federal agencies - including Social Services, Jobs and Small Business, Home Affairs/Immigration, Office for Women, Education - as well as state and local government, service providers, refugee community members, the private sector and civil society.
3. Within a single agency, or smaller set of agencies, a **consolidated bureaucracy** responsible for humanitarian settlement, employment and language policy and programming.

A place-based approach to boosting economic and social participation of humanitarian migrants, including 'community deals'

The workshop on place-based approaches on Day 1 captured insights into challenges and emerging approaches to addressing social and economic participation through the lens of 'place', with contributions from a range of Council participants including representatives of CPD's new 'Local Areas Strategic Partnership Group'.¹ Key insights from that discussion were as follows:

- Recognition that every community is different, requiring tailored approaches.
- The need to allow scope for flexibility of service delivery in local areas.

¹ Representatives from Fairfield (NSW), Stirling (WA), Wyndham (Vic), Hume (Vic), Whittlesea (Vic) and Toowoomba (Qld) were in attendance, with Armidale (NSW) also remaining engaged with CPD's work.

- Funding must have flexibility and longevity in order to be effectively deployed.
- Successful approaches require the establishment of trust with refugee communities based on understandings of their aspirations.
- The need for services to take a holistic view of the person and their family.
- The vital role of strong local backbone organisations in harnessing and fostering local capacity.

The discussion on Day 2 focussed on how to achieve the implementation of long-term 'Community Deals' to harness federal, state and local efforts to boost economic participation of refugees (in place of the current 'confetti' of disconnected services experienced in relevant communities). This reflected the view, as expressed by one key participant, that 'no cohort would be better served by place-based approaches than refugees' given the level of concentration of humanitarian migrants in a small number of communities in Australia.

A number of suggestions and strategies were discussed to overcome potential implementation hurdles for Community Deals, including:

- The need to ensure that refugee communities, businesses and other local stakeholders are engaged in a genuine and mutually beneficial local co-design process.
- The importance of showing what local approaches can do through the provision of flexible additional funding and giving permission for local initiatives to operate under different rules with respect to service provision.
- The need for clear objectives and good data to underpin local approaches.
- The importance of developing a shared local mission/purpose in order to counteract the tendency towards 'turf wars' between providers and rethinking tendering as the principle method for appointing providers.
- The need to start with high level ministerial agreement on what outcomes community deals should be used to support (while recognising the role of local stakeholders in fine tuning these depending on local factors).

Participants saw opportunities to trial place-based approaches in the context of the impending reform of *jobactive* (particularly with respect to the model for 'enhanced services' and 'specialist licensed providers) as well as potentially following the review of AMEP. CPD undertook to elevate the idea of 'Community Deals' with relevant ministers and departments in the lead up to and after the federal election.

The conversation concluded with many participants identifying ways in which they intended to support place-based approaches and other measures to boost refugee economic participation in their own work and spheres of influence.