



19 March 2019

Ms Elizabeth Gralton
Social Compass
By email: elizabeth@socialcompass.com

Dear Elizabeth,

**Centre for Policy Development Submission:
Evaluation of the Adult and Migrant English Program (AMEP) New Business Model (NBM)**

The Centre for Policy Development (CPD) would like to thank Social Compass and the Department of Education and Training (the Department) for the opportunity to provide this written submission.

CPD has a longstanding interest in the language services available to humanitarian migrants in Australia, with our 2017 report *Settling Better* identifying English language proficiency as one of the five principal barriers to newly arrived refugees finding employment in Australia. Our *Cities and Settlement Initiative* seeks to develop practical policy reform proposals that would boost the economic participation of refugees, including through improvements to core services (such as employment, settlement and English language education) and better coordination of these services in local communities. We are aided by a small team of volunteers from the Boston Consulting Group in this work.

As an independent think tank, CPD does not work with the mechanics of the NBM on a daily basis. The comments we make in this submission are high level observations about reforms that could be made to AMEP to improve engagement and outcomes for humanitarian migrants in Australia. They are based on our research and consultations with settlement service providers, public servants and thought leaders in this field. Accordingly, this submission is directed towards answering the question you have posed as to what changes could be made to strengthen the AMEP NBN as well as suggesting broader reforms to advance the objective of the AMEP – to assist migrants to improve English language proficiency.

CPD has recently made submissions to a number of federal enquiries whose terms of reference impact on policy settings affecting humanitarian migrants in Australia. These include:

- The review of the Employment Services Expert Advisory Panel chaired by Sandra McPhee
- The Independent Review of the Australian Public Service chaired by David Thodey
- The Department of Prime Minister and Cabinet's *review into integration, employment and settlement outcomes for refugees and humanitarian entrants* chaired by Peter Shergold

We don't wish to repeat those submissions but have extracted our key findings and recommendations that relate to AMEP in this submission.

Our principal concern about the current design of the AMEP is that it is unnecessarily siloed in terms of governance, design and delivery, with the result that it is not successfully reaching many humanitarian migrants (particularly those with caring or work responsibilities) and does not work in a coordinated fashion with other key services such as employment and

settlement services. This lack of coordination at the levels of policy and service delivery lead to humanitarian migrants receiving inconsistent messages about what their settlement priorities should be, with services pulling migrants in competing directions. This can result in compromised outcomes in the cornerstone areas of settlement – language and economic participation. Our recommendations are aimed at addressing these silos and their resulting policy tensions and are grouped around three main ideas:

1. Increasing access to AMEP, including for those with work or caring responsibilities
2. Support for greater coordination of key services and place-based approaches to service delivery (including AMEP)
3. Reimagining governance, funding and coordination at a federal level

We recognise that some of these recommendations may fall beyond the scope of the current evaluation, but nevertheless provide them in order to ensure that those which do fall within your purview are understood in the context of the wider range of desired reforms. Our recommendations should also be understood in the context of our organisation's focus on the experience of humanitarian migrants with respect to the AMEP.

Background

Our *Settling Better* report highlighted the role of sustainable economic participation as the bedrock for successful settlement of humanitarian migrants in Australia, and highlighted how poor English language among some humanitarian migrants presents as a key barrier to economic participation. Humanitarian migrants with low English proficiency are half as likely to participate in the workforce and 1.3 times more likely to be unemployed than those who assess their English skills more highly.¹

Some humanitarian migrants arrive in Australia with good levels of English language proficiency, but many do not. According to Department data, 71% of humanitarian entrants who commenced AMEP in 2017-18 were assessed as below Level 1 across the eight indicators under the Australian Core Skills Framework.² According to 2016 Census data, 32% of humanitarian migrants had limited English skills, and their participation rate (27%) was half that of those with English proficiency (59%).³

There is a big economic prize on offer if we increase the economic participation rates of humanitarian migrants in Australia. Reducing the gaps in participation, unemployment, and income by 25% relative to the average Australian jobseeker for just one annual humanitarian intake is worth \$484 million in income to those refugees and their families and a \$180 million boost to the Federal budget over 10 years, not to mention the significant social and community benefits.⁴

¹ Based on self-assessed English ability as recorded in the 2016 Census.

² Data provided to CPD by the Federal Department of Education and Training in September 2018

³ Based on employment status on census night 2016. Refugee data is from ACMID: Australian Census and Migrants Integrated Dataset, covering the ~182k humanitarian migrants aged 15+ on census night. Population data is based on the 2016 Australian Census.

⁴ This comprises additional tax revenue of \$124 million plus \$56 million saving in welfare costs for a single intake.

1. Increase access to AMEP, including for those with caring or work responsibilities

Recommendations

- A. Replace current eligibility criteria for AMEP with ‘needs based’ criteria so that people can access AMEP services at any point on their settlement journey without having to apply for exemptions.
- B. Greater use of soft entry points for humanitarian migrants to learn English, especially entry points that are fully integrated in community locations.⁵
- C. Put in place English language services and learning resources that are accessible in practice to people who are working and/or who have family responsibilities. This might include providing:
 - Funding for on-site language classes at workplaces or industrial hubs (including employer-led programs)⁶
 - Free access to effective digital learning platforms such as Duolingo
 - Further funding and support for informal language practice and mentoring opportunities, through channels such as Community Hubs Australia or via innovative apps like Chatloop
 - Providing on-site childcare, relocating AMEP classes to venue at or near childcare centres, or initiatives to engage community volunteers in childcare

Rationale

Access to the AMEP is subject to a number of eligibility rules and criteria. For example, new migrants must register within six months of arriving in Australia and begin classes within 12 months. While extensions and exemptions may be obtained from the Department in some situations, these options will not always be known to humanitarian migrants and the process of applying for exemptions may operate as a barrier. In practice, these types of criteria undermine the purpose of the AMEP, which is to build English proficiency in new migrants. Moving to a ‘needs-based’ system would ensure that no one falls through the cracks and humanitarian migrants are able to enter English education at the appropriate point on their settlement journey. This may be after months or even years given the challenges associated with the early stages of resettlement, particularly for those with caring responsibilities or who prioritise finding work right away. The BNLA dataset shows that more than 50% of participants who discontinued AMEP in waves 1 and 3 cited either ‘work’ or ‘family’ as the reason for leaving.⁷

Another opportunity that presents is increasing the use of alternative entry points that could facilitate humanitarian migrants learning English, for instance through the Community Hubs Program. Hubs sit within primary schools around Australia and create an accessible environment for social participation for women with young children. Feedback and evaluation of the program shows the desire to improve English language skills is a factor driving women’s participation. This may be because it offers a more informal way to learn English in place of a classroom setting that requires enrolment and consistent attendance. Exploring options for increasing the number of soft-entry points to social environments that promote English learning will assist humanitarian migrants in gaining greater proficiency. It will be best if these soft entry points coincide with other settlement related activities, as explored further below. We are pleased to hear recent reports that the Department is currently exploring opportunities to deliver AMEP through Community Hubs.

In our conversations with AMEP providers, we have heard expressions of frustration that AMEP providers cannot get some eligible people to attend classes as those individuals are too focussed on finding a job and commencing work.

⁵ For example, Community Hubs which operate out of many primary schools around Australia

⁶ A workplace language and literacy program was a key part of the successful Barangaroo Skills Exchange (see <https://wsbc.org.au/Resources/Documents/FINAL%20Barangaroo%20Case%20Study%20v2.pdf>). Overseas examples include Denmark’s *ICU program* and Sweden’s *Step-in jobs* program.

⁷ See Department of Social Services, *Building a New Life in Australia (BNLA): The Longitudinal Study of Humanitarian Migrants, Findings from the first three waves* (2017) p 32.

People in this category may end up finding work in low-skilled jobs, with little opportunity to improve their English through or outside of work. On the other side of the equation, some *jobactive* providers have reported a reluctance among some humanitarian migrants (particularly ambitious young people without family responsibilities) to take work low skilled work that does not require English proficiency. These migrants would prefer to focus their time on developing their English in order to maximise their future career prospects, rather than being placed in what they see as a ‘dead end job’ that will lock them into social and economic disadvantage into the future.

Women are currently most affected by the clash between family responsibilities and the desire to improve their English. While AMEP providers are able to offer childcare services to clients, current arrangements often fail to help carers in a practical way - childcare services are often provided at a separate location to that at which AMEP classes take place, and public transport options in outer-suburban areas are often limited. Furthermore, AMEP childcare support may only provide funding for the time required for a client attend AMEP, whereas parents will often have to pay for a full day of childcare to access childcare services provided by mainstream providers.

2. Support for greater coordination of key services and place-based approaches to service delivery

Recommendations:

- A. Facilitate discussions between AMEP and other key service providers in pivotal places to identify pain points in the interface between services and in the client experience of these.
- B. Implement reforms to AMEP to allow and encourage greater flexibility in the ways in which AMEP is delivered in local areas to address the types of pain points identified above, including additional funding for employment-based language education initiatives.
- C. In appointing AMEP service providers, favour locally-connected organisations who provide other relevant services in pivotal communities.

Rationale

The challenges experienced by migrants with respect to learning English while working and/or while managing significant caring responsibilities are not only a function of individual time management. These challenges are also impacted by the objectives, incentives and deterrents that are created by key services with whom humanitarian migrants must interact including AMEP, employment services and settlement services. We understand that for humanitarian migrants, the competing pressures imposed by their obligations with respect to other key services may impede not only the initial uptake of AMEP services, but also the duration of the client’s ongoing engagement with AMEP.

The goal of ensuring greater policy coherence and coordination of service delivery ultimately requires changes to the machinery of government at a federal level, discussed in greater detail in part 3 below. However, in advance of such changes, work can be done within existing service systems to ensure they are more adaptable and flexible and can better coordinate with other key services in Australian communities. This is very much in line with the recommendations made by the Employment Services Expert Panel on the need for flexibility in the federal *jobactive* program to take into account local circumstances.⁸

The example given in part 1 above in relation to the way in which AMEP and *jobactive* may compete for the time of the humanitarian migrant are but one example of the pain points experienced by both humanitarian migrants and service providers in local areas. We understand that this concern underpins recent reforms that mean that humanitarian migrants are no longer required to undertake job search activities through *jobactive* in their first six months in Australia. However, this reform still relies on an ‘either/or’ approach in which humanitarian migrants must either prioritise language training or work, rather than combining those two objectives in a more coherent and ongoing way.

Illustrating this point, the recent Commonwealth Senate Inquiry report into *jobactive* which recommended that ‘the government examine ways to improve provider awareness of approved activities including Adult Migrant English Program

⁸ *Employment Services 2020 Report* (December 2018), p 34

language courses for mutual obligations'.⁹

In short, the full range of pain points experienced by both clients and service providers needs to be identified and service providers then empowered to design and deliver services in a coordinated way that makes sense in the local context and which enables work and language training to both be ongoing and mutually reinforcing activities.

We have found in our research that locally connected, place-based approaches to service delivery, with active and autonomous local brokers, are achieving better results than centrally designed and controlled systems. This requires activity based funding for recognised pathways to employment, not a tender-based model driven by price rather than results. Collaboration between providers must be incentivised so that a bundle of services (including AMEP and other language training, employment readiness, skills recognition, work experience and counselling) can be provided.

Momentum is growing in Australia and around the world for greater investment in place-based approaches, where governments and other stakeholders come together to address key policy problems in pivotal places.¹⁰ Networks at the local level are often the best means of bringing services together around a shared goal. For the past several months, CPD has been working with Wyndham City Council (WCC) and other local government areas to develop a new place-based approach to economic and social inclusion of humanitarian migrants, with a keen eye on the role of AMEP and other language services in this space. This approach, built around the idea of collective impact, can greatly enhance settlement outcomes and deliver better outcomes in respect of English language proficiency. It requires federal and state governments to fund and empower local backbone (or anchor) institutions to lead the coordination of services and building of networks. The local stakeholder institutions entrusted with this 'backbone' role should be long-standing, respected and neutral organisations in local areas. Depending on the context, this role could be played by local government or an appropriate government agency; via health services, schools, TAFEs or universities; or established settlement services providers or community organisations. Key features of the place-based model we favour include:

- Visibility by local stakeholders over those settling in the area
- Comprehensive 'whole person/whole family' assessment and case management for new arrivals, with case managers possessing in depth knowledge of available local services and opportunities (including language education services)
- Locally coordinated approaches to employer/industry engagement (including employment-based language education)
- Local support for migrants with entrepreneurial aspirations
- Vocational training opportunities tailored to local employment opportunities.

The place-based model we are developing is based on a set of principles and case studies that have emerged from our *Cities and Settlement Initiative* and the work of the Settlement Services Advisory Council. There are numerous examples of successful place-based approaches around the world, including:¹¹

- In the City of Gothenburg, Sweden, where a strong tradition of self-governing local authorities with independent control over funding has seen the development of a work-experience program for refugees arriving in the area, combined with Swedish language education classes; and

⁹ See recommendation 20, the Senate Education and Employment References Committee, *Jobactive: failing those it is intended to serve* (February 2019) (hereafter 'Senate Report')

¹⁰ Examples include the Productivity Commission's *Shifting the Dial Report* (August 2017, pp. 192-208), the *Employment Services 2020 Report* (October 2018, pp. 15, 33-37, 53), and the Hamilton Project at the Brookings Institution. See Shambaugh and Nunn (eds.), *Place-Based Policies for Shared Economic Growth* (2018), particularly David Neumark, p. 94; Austin, Glaeser and Summers, *Saving the Heartland: Place-Based Policies in 21st Century America* (2018).

¹¹ For more cases studies, see pp. 79-85 of the Annexures to the Briefing Materials for the September 2018 meeting of the Council for Economic Participation of Refugees, available at: <https://cpd.org.au/2018/12/second-meeting-councileconomic-participation-refugees-september-2018/>.

- In the County of Los Angeles, in the United States, where the Refugee Services division is funded and empowered as the single state agency responsible for the implementation of services to refugees. It coordinates a comprehensive offering of local initiatives, contracted to local service providers, designed to improve refugees' employability and economic self-sufficiency.

The Appendix to this submission contains further information on place-based approaches, including case studies from Australian and international approaches.

Finally, aside from pursuing structural changes to AMEP and/or the federal machinery of government impacting refugee services, we encourage the Department to select AMEP service providers in a way that favours those who: (i) have a strong and established presence in local communities; (ii) have a good track record for delivering desired outcomes; and (iii) provide other key services to humanitarian migrants in the area. Such an approach will provide more fertile ground for informal collaboration and coordination between services than awarding contracts to providers who deliver only one service to a particular cohort.

3. Reimagine governance, coordination, funding and place-based delivery of key services (including AMEP)

Recommendations:

- A. Consolidate governance arrangements federally and create a centre of gravity for integration, employment and settlement outcomes by adopting the following options:
- Bring employment and language services together (e.g. *jobactive*, AMEP and SEE) in time for the rollout of the new national systems in 2020, located in the Department of Jobs and Small Business;
 - Move this new combined service to the Department of Social Services;
 - Create an independent Humanitarian Settlement Agency with a CEO and Board, attached to the Department of Social Services, responsible for overall governance and funding of integration, employment and settlement outcomes for refugees and humanitarian entrants.
- B. Adopt new federal frameworks for empowering and funding place-based approaches to delivery of key services, including AMEP (see Part 1 above for further details)

Rationale

Our report, *Setting Better*, proposed a centre of gravity in Canberra for refugee employment and settlement services, and to invest in promising practices. The above recommendations do just that.

Within the Australian Government there are at least four federal departments and six ministers with responsibility for services vital to refugee settlement, but often with different policy objectives or frameworks. This stymies progress and is a recipe for confusion. There is a consensus among those working in settlement services that such fragmentation is a barrier to greater social and economic integration of refugees and humanitarian entrants. The recent Senate Report into *jobactive* recognised the impact of this fragmentation, noting that humanitarian entrants and other migrants 'should not be missing English language classes so that they can attend appointments with their employment services provider'.¹² This was echoed by the evidence given by the Settlement Council of Australia which called for more flexibility in *jobactive* mutual obligation requirements in order to take into account the competing objective of improving English proficiency and other settlement objectives.¹³

Our preference would be an independent agency attached to the Department of Social Services to lead an integrated strategy for better humanitarian settlement outcomes, backed by consolidated employment and language services (including AMEP). A new agency can only have impact on the ground if it is prepared to let go and devolve funding and

¹² Para 7.70, Senate Report

¹³ See para 7.65, Senate Report and also 5.55

responsibility for agreed outcomes to local areas. This commitment to new funding and service models, underpinned by localism, was at the heart of our submission to the 2018 Expert Advisory Panel on the future of employment services.¹⁴

We trust you find these recommendations of assistance in conducting your evaluation and would welcome the opportunity to discuss our ideas with you in further detail, should that be of assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Button', with a horizontal line underneath.

Lisa Button
Senior Project Manager

¹⁴ See <https://cpd.org.au/wp-content/uploads/2017/07/451-SUB-AC-Centre-for-Policy-Development.pdf>; *Employment Services 2020 Report* (December 2018), pp. 7, 15, 33-37, 53.