

11 April 2018

Committee Secretary
Senate Standing Committees on Community Affairs
Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: community.affairs.sen@aph.gov.au

Social Services Legislation Amendment (Encouraging Self-sufficiency for Newly Arrived Migrants) Bill 2018

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to government and the broader community. FECCA strives to ensure that the needs and aspirations of Australians from cultural and linguistically diverse backgrounds are given proper recognition in public policy.

FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion, and are formulated with the common good of all Australians in mind.

FECCA welcomes the opportunity to make a submission to the Community Affairs Legislation Committee regarding the Social Services Legislation Amendment (Encouraging Self-sufficiency for Newly Arrived Migrants) Bill 2018. We would welcome the opportunity to provide further comment and encourage you to contact the Director of Policy, Dr Alia Imtoul at alia@fecca.org.au or the Chief Executive Officer, Dr Emma Campbell at emma@fecca.org.au or on 02 6282 5755.

Recommendations

FECCA recommends that the Social Services Legislation Amendment (Encouraging Self-sufficiency for Newly Arrived Migrants) Bill 2018 be rejected as it is currently worded.

Overview

FECCA believes that plans to increase existing newly arrived resident's waiting periods (NARWP) from 2 years to 3 years for various social security payments and concession cards and introduce a 3-year NARWP for carer allowance, bereavement allowance, widow allowance, parenting payment, parental leave payments, family tax benefit (FTB) and dad and partner pay will impact vulnerable migrants including:

- Single parents and their children;
- Women experiencing domestic violence and their children;

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- Children in households where the main income earner unexpectedly loses employment.

FECCA believes the proposed Bill would impose considerable hardship, and create an underclass of migrants who find themselves facing dire financial circumstances as they try to settle into Australia. FECCA is also concerned that the proposed Bill penalises skilled migrants who have been invited to permanently live in Australia. FECCA strongly believes that permanent migrants and their children should enjoy the same benefits as all residents, and that their transition to life in Australia should not be made more difficult, particularly when they have been acknowledged as possessing skills that are critical to our future prosperity.

It is estimated that by 2050, migrants will be contributing 1.6 trillion dollars to Australia's Gross Domestic Product, 15.7 per cent to work force participation and on average, ten per cent more to the economy than existing residents.¹ Migrants are vital to the future success of Australia, and FECCA believes the government is obliged to provide assistance to people in the early stages of their migration journey.

Employment

While migrants represent some of the most educated, driven and entrepreneurial members of our society,² there are a number of challenges for those on permanent visas in entering the Australian labour market as they build their lives in Australia. These challenges are reflected in unemployment rates, with 7.4 per cent of recent migrants and temporary residents unemployed compared with 5.4 per cent for people born in Australia. The higher unemployment rate for this cohort is contrasted with the labour force participation rate (which includes those in work and actively looking for work), which is 70 per cent for recent migrants and temporary residents versus 66 per cent for those born in Australia.³ Put simply, migrants are eager to contribute to Australian society but face multiple barriers to employment, particularly in the early stages of their arrival.

Around one third (31 per cent) of recent migrants who have been employed in Australia reported experiencing some difficulty finding their first job. The most common difficulties were:

- 65 per cent reported a lack of Australian work experience or references;
- 31 per cent reported a lack of local contacts or networks;
- 25 per cent experienced language difficulties.⁴

Through qualitative research FECCA has identified that CALD youth face a number of additional challenges, which include:

- English language proficiency, including employer discrimination with regards to accent;
- Experiences of discrimination, prejudice or racism;
- Lack of Australian qualifications, or limited recognition of overseas qualifications;
- Limited familiarity with the Australian workforce, employment systems and culture;
- Lack of confidence and/or fear of non-acceptance;
- Lack of tailored employment services;
- Pre-migration experience, including experiences of torture and trauma.

A report by VicHealth, the CSIRO's Data61 group and the Multicultural Youth Advocacy Network (MYAN) documented similar findings, noting that migrant and refugee students are less likely to find full-time employment after graduation (45 per cent) compared with Australian-

¹ Migration Council of Australia, *The Economic Impact of Migration*, http://migrationcouncil.org.au/wp-content/uploads/2016/06/2015_EIOM.pdf.

² CGU, *Migrant Small Business Report* (2018), https://www.cgu.com.au/migrantsmallbusiness/assets/CGU_Migrant_Small_Business_Report.pdf.

³ See <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6250.0>.

⁴ Ibid.

born students (69 per cent) due to racial discrimination, lack of understanding of the local job market and overseas skills and qualifications not being recognised.⁵

Through consultation FECCA has found that finding employment is particularly challenging for female migrants and temporary residents, who are more likely to be earning below, at, or just above the minimum wage. Women from CALD backgrounds are overrepresented in insecure employment fields, which include industries such as manufacturing, accommodation, food services, cleaning and labouring. They are more likely to be employed on a casual basis and to be at a disadvantage negotiating terms of employment. The social welfare provided to families in the early stages of migration can be critical, particularly for women and youth struggling with the challenges of employment in a foreign land.

Once migrants have been supported through the early stages of their journey and provided with pathways to citizenship, not only do they go on to become self-sufficient but they also contribute significantly to Australian society. In November 2016, the ABS reported that migrants who had obtained Australian citizenship since arrival had a higher labour force participation rate (80 per cent) than permanent residents and temporary residents (70 per cent) and those born in Australia (66 per cent).⁶ FECCA strongly believes that providing support for people in the early stages of their journey is critical to ensuring that they are able to fully establish their lives in Australia.

Women and Families

As part of recently released research, the Migration Policy Institute found that spouses and children make up 85 per cent of permanent residency visas to Australia, highlighting the vulnerability of families to the proposed changes.⁷ FECCA understands that skilled migrants who are the main visa holder and breadwinner, who unexpectedly find themselves out of a job are among those most likely to engage with Centrelink early on in their migration journey. The other cohort is women experiencing domestic violence and leaving their partner, therefore requiring financial support. For the latter group, FECCA believes that they will suffer particularly from the extension of the waiting period for parenting payment and FTB.

More broadly, the introduction of a waiting period of 156 weeks for parental leave payments and dad and partner pay is going adversely impact migrant families entering Australia on skilled visas. As the statistics above indicate, it is already more difficult for women on permanent visas to enter the workforce and an increase in waiting period for social services will make it more difficult for those who cannot afford childcare. For parents employed in fulltime work, current benefits provided much needed financial support to settle into Australia. FECCA is concerned that children will be among those most adversely impacted by the proposed Bill.

⁵ See <https://www.vichealth.vic.gov.au/media-and-resources/media-releases/new-report-identifies-trends-impacting-young-refugees-and-migrants-wellbeing>.

⁶ See <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6250.0>.

⁷ See <https://www.migrationpolicy.org/research/crosscountry-comparison-family-migration>.

Family Tax Benefit
Female, 42
Migrant from South East Asia

My husband, daughter and I migrated to Australia last December. We receive a rebate for afterschool care, school holiday programs and YWCA under the Family Tax Benefit. My husband and I both work full-time, so the FTB rebate has been so important for our transition to Australia.

We moved here to be able to give our daughter the best chance to succeed in life. I can now afford to enroll her in activities outside of school like tennis and music lessons, which are helping with her education but also to settle in Australia and make new friends. Budgeting is really tight, so without the FTB rebate we just couldn't afford to offer her these opportunities.

Having access to the FTB has been so important for in our transition. Without it, we would feel like we just don't have the support here to provide for our daughter or even to do activities as a family without financial stress.