

13 April 2018

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

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



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Dear Committee Members,

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

The Brotherhood of St Laurence is an independent, non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. The Brotherhood has maintained a focus on supporting people from migrant and refugee backgrounds—particularly those facing disadvantage – for over sixty years. Our Multicultural Communities Team (formerly the Ecumenical Migration Centre) delivers a broad range of tailored supports to culturally and linguistically diverse communities. Across the organisation, newly arrived people make up a large proportion of participants in our early childhood, youth, training, employment, aged care and disability services.

We are concerned about the potential impacts of the Encouraging Self-Sufficiency for Newly Arrived Migrants Bill. The Bill seeks to extend the current two-year waiting period for new permanent residents to access unemployment benefits to three years, and introduces a three-year waiting period for Family Tax Benefit, Parenting Payment, Carer Allowance, Widow Allowance and Bereavement Allowance.

Migration is a critical driver of Australia's productivity. However, this Bill (if passed) would impede the social and economic participation of new (non-humanitarian) migrants, resulting in both short and long term costs for those directly impacted, and for our nation more broadly. It would serve to increase vulnerability and disadvantage among migrants, particularly families on low incomes, those who find themselves out of work, households with a family member needing full-time care, and victims of family violence. Children of affected households would be heavily impacted through an increased risk of living in poverty and missing out on formal early learning – which could have adverse lifelong consequences. Australia's capacity to welcome new migrants and their families, who are critical to building our nation, will be reduced.

Proposed changes will unreasonably widen the distinction between the benefits enjoyed by citizens and those available to permanent residents. We agree with the Federation of Ethnic Communities Council's assessment that this will create an underclass of migrants.

Our concerns about the Bill are set out in further detail below. You are most welcome to contact me on [REDACTED] or Ms Hutch Hussein, Senior Manager, Refugees, Immigration and Multiculturalism on [REDACTED] for further information.

Yours sincerely,

PROFESSOR SHELLEY MALLET
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Migrants unable to secure sustained work will face an extended period without employment assistance and income support

It is our experience that migrants are overwhelmingly highly aspirational and motivated to find and sustain work as part of building their future in Australia. Recent migrants having a higher workforce participation rate than Australian born residents: 70% compared to 66%.¹ Entrepreneurialism is also higher among migrants: one third of small businesses are migrant-owned – they employ 1.41 million people²

Despite the many success stories, recent migrants face particular barriers to workforce participation - understanding our job market, navigating foreign recruitment practices, lacking local experience that Australian employers value, limited recognition of pre-existing skills and qualifications, a lack of local networks to help connect with opportunities, and elements of racism.³

To secure work, migrants often find themselves in lower skilled jobs – even more so for skilled women.⁴ Mainstay entry-level jobs - such as factory work - taken up by past waves of migrants are harder to come by. In Australia's changing labour market,⁵ new migrants are at higher risk of finding themselves in short-term, precarious work, cycling in and out of unemployment and underemployment without basic economic security. They are also more vulnerable to exploitative conditions.⁶ Our modern economy preferences local qualifications, local experience and networks. Securing and holding a job with a liveable wage has become more complex.

Newly arrived non-humanitarian migrants are largely on their own in terms of finding work. There is nothing in the Bill to assist them to secure and sustain work. Rather, it will further defer the point at which an estimated 30,000 people are able to attract federal employment support (beyond the lightest touch assistance as a voluntary jobseeker), which is linked to eligibility for income support.

There is a strong interrelationship between social security and economic participation. Basic income support is critical to helping people gain a secure foothold in the workforce, take risks, and be entrepreneurial. It is false economy to further defer access to unemployment benefits and employment assistance to new migrants.

Delaying eligibility for Family Tax Benefit could operate as a disincentive for workforce participation, particularly for secondary income earners, because it will substantially increase out of pocket costs related to child care.

Child and family poverty will increase

Children will be adversely impacted. Of the total \$1.3 billion savings the Bill forecasts, the largest component (\$898 million) is family related benefits. It is expected that around 50,000 families will lose income, with 110,000 children impacted by the loss of Family Tax Benefits.

Introduction of a three-year wait period for new permanent residents to become eligible for Parenting Payments, Family Tax Benefit and Paid Parental Leave will leave low income families in hardship. Single parents and their children – who have the highest incidence of poverty in Australia – will bear the brunt of these proposed changes, and could face destitution if they cannot access Parenting Payment. The

¹ ABS 2017 <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6250.0>

² CGU 2018, https://www.cgu.com.au/migrantsmallbusiness/assets/CGU_Migrant_Small_Business_Report.pdf

³ Bankwest Curtin Economic Centre “Minimising skills wastage” <http://bcec.edu.au/assets/BCEC-Minimising-Skills-Wastage-Maximising-Health-of-Skilled-Migrants-Report.pdf>

⁴ AMES 2016, *Migrant women a hidden economic asset*

⁵ R Wilkins & M Wooden 2014, ‘Two decades of change: the Australian labour market, 1993–2013’, *The Australian Economic Review*, vol. 47, no. 4, pp. 417–31.

⁶ B Farbenblum & L Berg 2017, ‘Migrant workers’ access to remedy for exploitation in Australia: the role of the national Fair Work Ombudsman’, *Australian Journal of Human Rights*

proposed wait period for Family Tax Benefit will discourage participation in Early Childhood Education and Care, which plays a pivotal role in child development and wellbeing.

Intergenerational impacts of the Bill ought also to be considered – children in poverty are more likely to have developmental delays, poorer educational attainment, and poorer employment and life outcomes. These children are our future.

Women's vulnerability to violence and exploitation will be exacerbated

Migrant women are at risk of exploitation – including slavery and forced marriage⁷ ⁸ - because of their limited networks and access to support. The proposed changes will expose migrant women to greater risk of exploitation and violence by limiting their access to financial assistance.

Recent migrants will be at greater risk of homelessness

Further reducing the safety net available for new migrants will increase their vulnerability to homelessness. Recent census data reveals that 46% of people who are homeless were born overseas despite only making up 28% of the Australian population.⁹ A contributing factor to this phenomenon is the differential treatment in the private rental market which favours applicants of Anglo-backgrounds.¹⁰ And new migrants usually do not qualify for social housing, which in any event has long waiting lists.

Eligibility is deferred even longer for migrants who first entered Australia on temporary visas

The Bill proposes a three year wait for social benefits from the date at which permanent residency is obtained. This is unreasonably long time for people on the pathway to citizenship to exist without the protections and benefits enjoyed by others in our community.

For the many migrants who live here for an extended period before becoming permanent residents, the wait for basic social protections would be longer still. The Bill's Explanatory Memorandum states that 'three years is considered a reasonable period to expect migrants to support themselves and their families when they first settle in Australia'. However, this underlying premise does not match contemporary migration pathways in Australia, which have significantly changed since the 1990s when opportunities for entry on long-stay temporary visas were expanded. The Productivity Commission's 2016 inquiry 'Migrant Intake into Australia' documents the emergence of a two-step migration process, from temporary visa holders to permanent residents. In 2013–14, around half of all permanent visas were issued to people already in Australia on temporary visas.

The Bill is unnecessary

We question the need for the Bill given the strong economic and social contribution migrants are making to our nation. It is at odds with the Department of Home Affairs' own recognition that 'overall, migrants contribute more in taxes than they consume in benefits and government goods and services'.¹¹

⁷ Human Rights Commission 2017, *Violence against women in Australia*, <https://www.humanrights.gov.au/submissions/violence-against-women-australia-2017>

⁸ J Burn, F Simmons, J Hollonds, K Power, P Stewart & N Watson 2011, *From women's labour force to women's forced labour, migration & marriage*, <https://www.sosj.org.au/wp-content/uploads/cknw/files/Labour%20Rights%20in%20Australia.pdf>

⁹ ABS 2018, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2049.0Main+Features12016?OpenDocument>

¹⁰ Western Sydney University 2017, *Ethnic discrimination in the private rental housing market*, https://www.westernsydney.edu.au/challengingracism/challenging_racism_project/our_research/ethnic_discrimination_in_the_private_rental_housing_market

¹¹ Department of Home Affairs 2018?, *Fact sheet: More than 65 years of post-war migration*, <https://www.homeaffairs.gov.au/about/corporate/information/fact-sheets/04fifty>