

Inquiry into Multiculturalism in Australia

**Submission from the Department of Education, Employment and Workplace
Relations to the Joint Standing Committee on Migration**

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Executive Summary

In bringing together the core elements of the Australian Government's productivity and participation agenda, the Department of Education, Employment and Workplace Relations (DEEWR) has a key role in the provision of education, skill development and employment opportunities for Australians.

In relation to migration and international commitments on labour mobility, DEEWR informs the Australian Government on labour market, skill and workplace relations issues associated with the policy settings and criteria for temporary and permanent migration arrangements. DEEWR's interests also include the short and long term impact of these arrangements on the Australian economy labour market and demography.

DEEWR is also responsible for administering education and employment services to eligible Australian citizens, Australian permanent residents and, subject to eligibility criteria, temporary visa holders.

This Submission provides an overview of Australia's temporary and permanent migration arrangements and the services and programs that DEEWR provides to support migrant settlement. As these services and programs do not have common definitions of "migrant" reference must be made to the definitions which apply to each service or program.

PART A: INTRODUCTION

1 Introduction – DEEWR Role

The Department of Education, Employment and Workplace Relations (DEEWR) is the Australian Government agency providing national leadership in education and workplace training, transition to work and conditions and values in the workplace.

DEEWR is accountable to the Australian Government, Parliament and to the public in achieving the following objectives:

- to educate and build socially-inclusive communities where all Australians have the opportunity to reach their full potential and to actively participate in a rewarding economic and social life;
- to build and promote individual development through equitable and accessible education from early childhood services to skills training and higher education;
- to increase workforce participation and promote fair and productive work practices;
- to develop national economic potential and capability that builds future economic prosperity and international competitiveness through skills development and employment growth;
- to actively engage with clients and stakeholders to ensure services, advice and resources respond to the needs of these groups; and
- to look for efficiencies and innovative, targeted and effective solutions in developing national economic potential.

In bringing together the core elements of the Government’s productivity and participation agenda, DEEWR has a key role in the provision of education, skills development and employment opportunities for Australians. In relation to migration and international commitments on labour mobility, DEEWR informs the Government on labour market, skill assessment, training and workplace relations issues associated with the policy settings and criteria for temporary and permanent migration arrangements.

DEEWR’s interests also include policy advice and policy-focussed research on the short- and long-term impact of these arrangements on the Australian economy, labour market and demography.

DEEWR also works with the Department of Immigration and Citizenship (DIAC) to ensure refugees are settled in regions where they are more likely to fare well in the labour market while accessing Humanitarian Settlement Services.

PART B: Migration

2 Migration Policy and Programs – Overview and Current Criteria

2.1 Australia's Migration Program

The Migration Program is set by the Australian Government on a financial year basis following consultation with government, industry bodies and community organisations. Australia is one of a small number of countries with a migration framework based on transparent criteria. In general terms, the Migration Program includes a Skill Stream and a Family Stream (which recognises family migration to Australia's social aims), and a Humanitarian Program (which recognises Australia's ongoing commitment to a structured intake of humanitarian and refugee entrants).

The Skill Stream is currently the largest component of Australia's Migration Program. It contributes to the supply of skilled labour available to Australian industry through the permanent entry of migrants with skills (qualifications and experience) and levels of English language proficiency appropriate to employment in skilled (managerial, professional and trade) occupations in the Australian labour market.

The Skill Stream includes migrants in the following categories:

- Employer-Sponsored Migration which allows approved employers to nominate/sponsor appropriately skilled personnel from overseas to work in Australia in skilled occupations through a number of visa options on a permanent basis;
- State-Sponsored Migration which is designed to contribute to economic growth by contributing to the supply of labour in key occupations identified by state and territory governments as important to economic growth and service delivery within the jurisdictions;
- General Skilled Migration (GSM) which encompasses a number of permanent points-tested categories;
- Business Skills Entry designed to encourage successful business people to settle in Australia and develop new business opportunities; and
- Distinguished Talent visas issued to applicants with special or unique talents of benefit to Australia such as sportspeople, artists, and musicians.

Table 1 below provides a comparison of visa grant under the Skill Stream over the previous three reporting years. The table shows while employer-sponsorship (in which primary applicants are job-matched as a condition of visa grant) and state-sponsorship have experienced growth, the points-tested skilled independent and skilled Australian sponsored (where applicants are sponsored by an eligible relative in Australia) have fallen for this period. This re-targeting of the program is expected to lead to more optimal labour market outcomes.

Table 1 – Visa Grants by Skill Stream Category, 2007-08 to 2009-10¹

Category	2007-08	2008-09	2009-10	Percentage Change (%) 2008-09 to 2009-10
Employer Sponsored	23 760	38 030	40 990	7.8
Skilled Independent	55 890	44 590	37 320	-16.3
State/Territory Sponsored(a)	7 530	14 060	18 890	34.4
Skilled Australian Sponsored	14 580	10 500	3 690	-64.9
Distinguished Talent	210	200	200	0.0
Business Skills	6 570	7 400	6 790	-8.2
1 November(b)	2	-	1	-
Total	108 542	114 777	107 868	-6.0

Note: Numbers have been rounded and totals may not be the exact sum of the components.

(a) Includes State/Territory Nominated Independent and Skilled Independent Regional

(b) Applicants for 1 November 1993 visas closed on 1 August 1994

To improve integrity and ensure permanent migration arrangements are better targeted at addressing Australia's long-term skill needs, the Government has implemented reforms to the Skill Stream of the Migration Program. These reforms include:

- re-focusing of skilled migration on employer-sponsorship where primary applicants are job-matched;
- development of State Migration Plans linked to industries with greater economic growth potential and/or government service delivery (such as health and community services);
- new Skilled Occupations List for the GSM categories with a focus on high-value skills rather than occupations in demand;
- introduction of a new Points Test for GSM applicants from 1 July 2011; and

¹ Department of Immigration and Citizenship, Annual Report, 2009-10

- Job Ready Program for GSM applicants with an Australian trade qualification providing the opportunity to gain employment in their nominated occupation in Australia and demonstrate their “job readiness” before applying for permanent residence.

2.2 Australia’s Humanitarian Program

The Australian Government also manages a Humanitarian Program which reflects its commitment to refugees and others in need of humanitarian assistance both in Australia and overseas. A total of 13 770 places were allocated in 2009–10. In 2009–10, 13 770 visas were granted comprising 9 236 (67.1 per cent) under the offshore component and 4 534 (32.9 per cent) under the onshore component of the Humanitarian Program².

2.3 Occupational Profile of Permanent Migrants

Statistics from DIAC³ show professionals represented the largest proportion of settler arrivals in 2009-10 (21.3 per cent), followed by associate professionals (5.5 per cent), and managers and administrators (5.2 per cent). 2.2 per cent were unemployed and 41.1 per cent were not in the labour force. Table 2 below provides a breakdown by occupation⁴ of settler arrivals by intended state of residence.

Table 2 – Settler Arrivals: Occupation by State of Intended Residence, for the Financial Year 2009-10

<i>Occupation</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>	<i>Australia (a)</i>
Managers and Administrators	1 985	2 459	1 143	598	899	41	46	95	7 266
Professionals	9 699	7 977	4 770	2 369	4 249	211	266	445	29 986
Associate Professionals	2 207	2 035	1 427	715	1 119	68	55	87	7 713
Tradespersons and Related Workers	1 206	1 229	1 318	449	1 323	46	55	66	5 692
Advanced Clerical and Service Workers	330	237	250	74	205	10	11	18	1 135
Intermediate Clerical, Sales and Service Workers	1 727	1 441	1 498	537	856	39	48	83	6 229
Intermediate Production and Transport Workers	335	259	440	64	267	6	12	12	1 395
Elementary Clerical, Sales and Service Workers	333	269	218	68	138	7	12	14	1 059
Labourers and Related Workers	234	253	304	59	154	14	8	12	1 038
Inadequately Described	2 054	1 613	1 103	701	930	66	52	87	6 606
Not in Employment	1 150	807	564	214	306	52	32	33	3 159
Not in Labour Force	17 433	15 273	10 449	4 837	9 351	590	526	788	59 248
Not Stated	3 574	2 873	1 462	692	1 179	100	73	129	10 084
Total	42 267	36 725	24 946	11 377	20 976	1 250	1 196	1 869	140 610

(a) Includes Territory of Christmas Island, Territory of Cocos (Keeling) Islands and Jervis Bay

2.4 Skill Profile of Permanent Migrants

The Continuous Survey of Australia’s Migrants (CSAM) is conducted by DIAC to better understand how migrants, particularly skilled migrants, fare in the labour market. The CSAM also seeks to examine migrant housing issues, access to services and people’s reasons for coming to Australia.

The first wave of the survey was run in late 2009, and completed responses were received from recently arrived Skill Stream and Family Stream primary applicants who either came to Australia on an offshore visa or were granted an onshore visa in the last six months. Table 3 below provides findings on the English proficiency and educational profile of those surveyed⁵.

² Department of Immigration and Citizenship, Annual Report, 2009-10

³ www.immi.gov.au/media/statistics/statistical-info/oad/settlers/setdat.htm

⁴ Occupations are classified according to Australian Standard Classification of Occupations Major Groups

⁵ Department of Immigration and Citizenship, “How new migrants fare: Analysis of the Continuous Survey of Australia’s Migrants”, p.3

Table 3 – CSAM: Characteristics of Primary Applicants Surveyed

	<i>Family (%) (a)</i>	<i>Skill (%)</i>	<i>Overall (%)</i>
English Proficiency			
English best or only language	27	38	33
Very well	16	30	24
Well	30	25	27
Not well	21	5	12
Not at all	6	1	3
Highest Education Qualification			
Doctorate	1	3	2
Masters Degree	8	24	17
Bachelor Degree	28	39	34
Other Post Graduate qualification	2	3	2
Diploma level	14	12	13
Certificate level	9	9	9
No Post School qualification	38	10	23

(a) Family Stream applicants are not subject to pre-migration assessment of their skills (qualification and relevant work experience) or required to meet minimum skill levels and as such English proficiency and higher education qualification for the purposes of the CSAM are self-assessed and may not reflect Australian standards

2.5 Temporary Entry

The permanent Migration Program is complemented by a range of temporary migration arrangements, some of which include a work right. These include the following programs:

- Temporary Business (Subclass 457) Visa – allows approved employers to sponsor overseas workers to vacancies in skilled occupations that cannot be filled domestically;
- Working Holiday Visas – promotes cultural exchange and closer relations between arrangement countries by allowing youth to visit Australia while supplementing their living expenses through incidental and short-term employment;
- Special Category Visa – allows New Zealand citizens who are holders of a valid New Zealand passport to live and work in Australia indefinitely;
- International Student Visas – allow applicants to study in Australia while supplementing their living expenses through incidental employment (limited to 20 hours per week during term periods);
- Occupational Trainee and Professional Development Visas – provides visa holders to undertake an approved workplace-based training and professional development program in Australia;
- Specialist Entry – provides for participation in specific professional, cultural, social or research activities;
- Special Program Visa – for people who have been invited to participate in an approved special program such as a community benefit, cultural enrichment or youth exchange program and for people who will be participating in the Pacific Seasonal Worker Pilot Scheme; and
- Tourist Visas – which allow people to visit Australia for non-work-related purposes (and does not include a work right)

2.5.1 Recent Developments in the Temporary Business (Subclass 457) Arrangement

To improve integrity, and as part of the Government's commitment to skills development and participation, recent reforms to the Subclass 457 arrangement have sought to better integrate it with domestic employment and training strategies in a more holistic approach to meeting the demand for skills. These reforms include:

- skills assessment of trade applicants through Trades Recognition Australia to ensure overseas workers possess recognised skills to the Australian standard;
- new sponsorship obligations – including market salary rates – for approved sponsors, increased English proficiency standards, and sanctions legislation to safeguard against the exploitation of overseas workers;
- training benchmarks to clarify the existing requirement that sponsoring employers are committed to training Australians;
- restricting the sponsorship of less-skilled workers under the Subclass 457 arrangement to employers who negotiate a Labour Agreement with the Commonwealth; and
- a Government Response to the National Resources Sector Employment Taskforce which referred to the introduction of Enterprise Migration Agreements linked to enterprise-level workforce planning and development for selected resource-sector projects where domestic employment and training options have been exhausted.

2.5.2 Pacific Seasonal Worker Pilot Scheme (the Pilot)

The Pacific Seasonal Worker Pilot Scheme (the Pilot) is designed to test whether seasonal labour can help our Pacific neighbours achieve their development objectives. The Pilot makes up to 2 500 visas available to workers from Tonga, Vanuatu, Kiribati and Papua New Guinea over three years. At 15 April 2011, 446 visas had been granted under the Pilot.

A key feature of the Pilot is that it is driven by labour market demand. The number of visas granted will depend on demand for Pacific seasonal workers from Australian horticultural growers.

Despite the relatively small number of workers coming to Australia, some positive signs have emerged from the Pilot. The earnings of workers have been significantly above initial forecasts, enabling them to make a useful contribution to their home communities. Some horticultural enterprises and Pacific seasonal workers are participating in third consecutive season under the Pilot's arrangements. Returning Pacific seasonal workers are establishing a strong reputation for reliable and quality labour.

In December 2010 the Government announced further changes to the Pilot designed to improve its flexibility and support demand for workers:

- approved employers are now able to recruit workers for a four, five or six month period whereas previously they were only able to recruit workers for a six month period;
- employers' contribution to the cost of workers' return airfares has been adjusted so that the contribution is now similar irrespective of the workers' country of origin; and
- approved employers are now able to recoup up to \$100 from workers for domestic transfer costs.

The Government will make a decision on the future of the Pilot, which is due to finish at the end of June 2012, based on the experience of the Pilot and the findings of an independent evaluation.

PART C: Education

3 Education Programs and Services

Schools in Australia are operated by state and territory governments or non-government education authorities. The Government provides funding to government and non-government schools as part of a funding partnership involving state and territory governments and parent communities. Under current funding arrangements, government schools are primarily resourced by state and territory governments with the Government providing supplementary funding. The Government is the primary source of public funding to non-government schools.

3.1 Australian Government Funding for Government Schools

Australian Government funding for government schools is now provided through a new Intergovernmental Agreement (IGA) on Federal Financial Relations agreed in the Council of Australian Governments (COAG) forum. The IGA was accompanied by a rationalisation of the number of payments to the States for Specific Purpose Payments and the creation of associated national agreements. The National Education Agreement (NEA), which came into effect on 1 January 2009, contains agreed objectives, outcomes, outputs and performance indicators, and clarifies the roles and responsibilities that will guide the Commonwealth and the States in the delivery of school education services. The NEA provides the States with increased flexibility in determining how education services should best be delivered and provides an improved focus on the accountability and transparency of all schools for students' outcomes.

All states and territories and the Commonwealth, as parties to the NEA, have agreed to the following reform directions as priority areas for effort in the near term:

- attract, train, place, develop and retain quality teachers and support schools working with their community;
- implement a national curriculum;
- transparent and strengthened accountability to improve student and school performance, including through national reporting on individual schools and the improved collection of, and access to, nationally consistent data and information required to support the agreed outcomes;
- raise parental and community expectations of educational outcomes;
- support teaching and learning in schools through appropriate infrastructure;
- review funding and regulation across government and non-government school sectors;
- providing support to students with additional need; and
- “closing the gap” in educational outcomes between Indigenous and non-Indigenous students.

Effective from 2009, Australian Government funding for targeted programs in government schools, including the Literacy, Numeracy and Special Learning Needs Program (LNSLN) Program and the English as a Second Language – New Arrivals (ESL-NA) Program, was consolidated within the NEA. The new funding arrangements not only allow state and territory governments to allocate Commonwealth funding to areas which they believe will produce the best outcomes for students but also reduces Government input controls on service delivery (such as eligibility criteria for ESL-NA funding) by the states and territories.

The NEA's statement of objectives and outcomes includes performance indicators and performance benchmarks. All Australian governments (State, Territory and Commonwealth) have agreed to a performance reporting framework that includes the collection and publication of student and school data to meet public accountability requirements and to provide the evidence base for future national education policy reforms. This reflects the governments' commitment to raising the educational attainment of all Australian students and reducing the effect on their performance of sources of disadvantage, such as socioeconomic background, Indigenous status, language background, refugee or humanitarian status, and geographic location. In order to meet the mutually agreed outcomes within the NEA, supporting performance benchmarks will be monitored, assessed and reported publicly on an annual basis by the independent COAG Reform Council.

The NEA also includes a commitment to report on the number of students who are provided with additional support, including students from non-English speaking backgrounds (including newly arrived migrants and refugees), disaggregated by sector.

3.2 Australian Government Funding for Non-government Schools

The Schools Assistance Act 2008 provides the legislative framework for Commonwealth funding for non-government schools for 2009-2012 and prescribes the general conditions on which financial assistance is paid, including transparency and accountability requirements consistent with those for government schools under the NEA.

Commonwealth funding for non-government schools provides for recurrent and capital funding as well as targeted programs. Targeted programs include the Language, Literacy and Numeracy Program (LLNP) which seeks to improve clients' language and/or literacy and numeracy skills enabling more effective training and workforce participation – New Arrivals (ESL-NA) Program, which assists newly arrived students of language background other than English – Numeracy and Special Learning Needs Program (LNSLN) which assists the most disadvantaged students and the English as a Second Language.

3.2.1 English as a Second Language – New Arrivals (ESL-NA) Program

The ESL-NA Program provides Government funding to non-government education authorities to assist with the cost of delivering intensive English language tuition to eligible newly arrived migrant primary and secondary school students. The Program aims to improve the educational opportunities and outcomes of students who have recently arrived in Australia, whose first language is not English and whose proficiency in the English language is determined, at the local level, to require intensive assistance to enable them to participate fully in mainstream classroom activities⁶.

DIAC sets Australia's immigration policies which determine entry to and conditions of, residence in Australia, including the issuing of visas. Students who do not meet the ESL-NA Program eligibility criteria or do not hold visas from the recommended visa subclass categories do not attract ESL-NA Program funding but may be included in programs/classes organised for eligible students. Eligible students are expected to receive a minimum amount of intensive English language tuition, that is:

- a minimum of 6 months for new arrivals; or
- a minimum of 12 months for humanitarian new arrivals.

Intensive English language tuition may be provided in intensive language centres/units or in schools. Where tuition is provided in schools, it is expected that students be provided with a minimum of ten hours of ESL assistance per week. The amount and duration of assistance to be provided for individual students is a matter for education authorities to determine. The Government provides per capita funding to education authorities in respect of each eligible student, using rates of funding which are updated annually in line with educational costs. The 2011 per capita rates are:

- \$6 415 per eligible new arrival; and
- \$12 831 per eligible humanitarian new arrival.

The funding provided is a once-only payment for each eligible student and is paid to the education authority responsible for the provision of the student's initial course of intensive English instruction. Education authorities lodge claims for funding with DEEWR twice a year. They are also required to provide DEEWR with details of the number of eligible students, including Australian citizens and other residents by visa subclasses (permanent and temporary). In order to meet educational accountability requirements, education authorities also provide DEEWR with information on the assessment tools used to assess English language proficiency including:

- the level of proficiency to access the intensive language training program; and
- the level of proficiency to exit the intensive language training program.

While access is provided, it is noted that those arriving on temporary visas may be required to pay full school fees (even at government schools) and that each individual school has different conditions regarding this.

3.2.2 Literacy, Numeracy and Special Learning Needs (LNSLN) Program

The LNSLN Program assists non-government education authorities to improve the learning outcomes of educationally disadvantaged students, particularly in literacy and numeracy, by contributing funding for additional teaching and learning assistance. LNSLN funding is, however, only one source of funding available to non-government schools to meet the needs of educationally disadvantaged students.

The program is targeted at the most educationally disadvantaged school students, including special school students, from Preparatory year (or equivalent) to Year 12 who may face barriers to effective participation at school and who:

- are not achieving or are at risk of not achieving a national minimal standard of literacy and/or numeracy or other appropriate standard of achievement; and/or
- require additional assistance to reach an appropriate standard of achievement.

Educational disadvantage may be associated with a range of factors such as learning difficulty, a language background other than English, Aboriginal or Torres Strait Islander background, low socio-economic background or geographical isolation.

⁶ Legislation also provides for 510 hours of English language tuition to migrants that are considered under the function level of English.

3.2.3 Smarter Schools National Partnership

Migrant students with lower socio-economic status will directly benefit from the Smarter Schools National Partnership Agreements on Literacy and Numeracy, Improving Teacher Quality and Low Socio-economic Status (SES) Communities. These National Partnerships target disadvantaged students.

The State and Territory Implementation Plans developed to support the implementation of the National Partnerships include activities which will lead to improved long term student engagement. They provide access to multiple services to assist students and include schools having greater involvement with parents and community organisations in order to improve educational outcomes for all students.

3.3 National Assessment Program – Literacy and Numeracy (NAPLAN)

The National Assessment Program – Literacy and Numeracy (NAPLAN) results are reported nationally through Summary and National Reports, released in September and December respectively. The first report contains summary results of the tests while the final report contains information derived from more complex analyses, including data on student performance disaggregated by the agreed student background characteristics.

Reporting of student and school performance includes the reporting of the relevant data disaggregated by nationally agreed student background characteristics. NAPLAN and other National Assessment Program (NAP) assessment data are reported by the following characteristics: sex, Indigenous status, socio-economic background, language background and geographic location. Definitions of, and technical specifications for the collection of data on, these characteristics for the purpose of reporting on student achievement and school performance are those agreed by the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) and published in the MCEECDYA Data Standards Manual – Student Background Characteristics for the relevant school year.

Currently for NAPLAN, students from a language background other than English (LBOTE) are identified using a very broad measure that groups those LBOTE students who are relatively disadvantaged with those who are not. As a result, data show that LBOTE students perform as well as or better than non-LBOTE students. In 2010 LBOTE students achieved higher scores than non-LBOTE students at all year levels and all domains except for years 3, 5 and 9 reading and year 7 grammar and punctuation. The Australian Curriculum, Assessment and Reporting Authority (ACARA) is working with jurisdictions to develop an LBOTE measure for NAPLAN data collection to enable reporting more useful information to support LBOTE students who are educationally disadvantaged. Students with a LBOTE, who arrived from overseas less than a year before the test, may be exempted from testing.

3.3.1 Australian Curriculum, Assessment and Reporting Authority (ACARA)

A new independent statutory authority, the Australian Curriculum, Assessment and Reporting Authority (ACARA) was established in 2008 to develop and administer a national school curriculum and national assessments, and to collect, analyse and publish student assessment data and other data relating to schools and comparative school performance.

COAG has agreed ACARA will be provided with the information necessary to enable it to publish relevant, nationally comparable information on all schools to support accountability, school evaluation, collaborative policy development and resource allocation. ACARA's *My School* website provides the public with information on individual schools covering the three key areas endorsed by COAG – a school's context (e.g. the type and number of students), capacity (including financial resources) and outcomes (including NAPLAN performance and senior secondary outcomes). *My School* also allows comparison of statistically similar schools (i.e. schools which educate students from similar backgrounds) through the Index of Community Socio-Educational Advantage, which allows the level of educational advantage or disadvantage for every school based on the same scale.

ACARA is working with education authorities to develop additional indicators including the number of students with disabilities, the satisfaction of parents, students and teachers and the number/proportion of teachers by level of expertise. Work is also underway to develop a facility for schools to provide a commentary on their NAPLAN and senior secondary results, and to obtain more nationally consistent data, especially indicators of senior secondary outcomes and information relating to Year 12 attainment, tertiary entrance scores and student destinations.

3.4 Language, Literacy and Numeracy Program (LLNP) and Workplace English Language and Literacy (WELL) Program

DEEWR has two employment-related language programs for adults of working age (15-64 years): the Language, Literacy and Numeracy Program (LLNP) and the Workplace English Language and Literacy (WELL) Program.

LLNP provides eligible job seekers with up to 800 hours of free language, literacy and numeracy (LLN) training. The program is designed to assist job seekers whose skills are below the level considered necessary to secure sustainable employment or pursue further education and training.

The Program provides initial, basic and advanced accredited English language training, as well as basic and advanced literacy and numeracy training. In addition there is flexibility to assist disadvantaged clients (e.g. Indigenous people, young males, isolated female clients, mature aged and/or humanitarian refugees) or more advanced clients who can participate in vocational training.

There are currently 37 organisations contracted to provide LLNP training and assessment services across Australia in over 380 locations. Eligible job seekers are referred to this program primarily by Centrelink or Job Services Australia providers. Clients need to have a capacity to benefit and satisfy eligibility criteria relating to benefit and visa status.

WELL provides funding to organisations to assist workers to improve their LLN skills. This funding is available on a competitive grants basis to organisations for English language and literacy training linked to job-related workplace training and is designed to help workers meet their current and future employment and training needs.

3.6 Australian Apprenticeships

The Australian Apprenticeships Incentives Program provides financial incentives to eligible employers who employ Australian Apprentices, as well as other initiatives that provide financial support to Australian Apprentices to ease the financial difficulties Australian Apprentices experience in the early years of their Australian Apprenticeship, particularly in trades experiencing a skills shortage.

Under the program tutorial, interpreter and mentoring services are also available where the Australian Apprentice is experiencing difficulty with the off-the-job training component of their Australian Apprenticeship, payable to the Registered Training Organisation in respect of an eligible Australian Apprentice to provide specific assistance related to off-the-job training.

Eligibility for payments under the Australian Apprenticeships Incentives Program is limited to Australian citizens, foreign nationals with permanent residency status or New Zealand passport holders who have been resident in Australia for at least six months.

PART D: Employment

4 Labour Market Outcomes

4.1 Labour Market Outcomes for People from Culturally and Linguistically Diverse Backgrounds

The unemployment rates for people who migrate to Australia vary appreciably. Data consistently show recently-arrived migrants have a higher unemployment rate than those who have lived in Australia for some years. Several factors influence the unemployment rates of migrants and job seekers from culturally and linguistically diverse backgrounds (CALD⁷), including the period since arrival in Australia, skill level, age, English language proficiency, and recent and relevant work experience.

The Australian Labour Market Update⁸ (published quarterly by DEEWR) provides unemployment rates (original data – 12 month average) for people now resident in Australia who were born in selected overseas countries. In February 2011, people born in the Netherlands and Italy had low unemployment rates (2.6 per cent and 3.4 per cent respectively), whereas unemployment rates for people born in Lebanon and Vietnam are relatively high (7.1 per cent and 6.9 per cent respectively).

Table 4 below shows unemployment and participation rates (original data) for those born overseas in comparison with the Australian-born population.

Table 4 – Unemployment and Participation Rates (%) by Country of Birth – February 2011⁹

Country of Birth	Number of Persons ('000)	Number of Unemployed ('000)	Unemployment Rate (%)	Participation Rate (%)
Australia	1 2719.9	503.0	5.7	68.8
New Zealand	465.7	23.5	6.4	79.3
Rest of Oceania and Antarctica	135.2	9.8	10.1	71.8
Oceania and Antarctica	601.0	33.3	7.1	77.6
United Kingdom and Ireland	1 215.5	32.4	4.2	62.8
Germany(a)	129.5	2.7	4.4	46.7
Netherlands(a)	76.1	1.6	4.3	50.1
Rest of North-West Europe	97.2	2.4	4.1	59.3
North-West Europe	1 518.2	39.1	4.3	60.5
Italy(a)	188.7	3.0	4.9	33.2
Greece(a)	130.1	1.9	5.2	28.3
Former Yugoslav Republic	180.0	6.7	8.1	45.8
Rest of Southern and Eastern Europe	245.4	4.8	3.8	51.3
Southern and Eastern Europe	744.2	16.4	5.3	41.4
Lebanon(a)	83.0	1.7	4.4	46.5
Rest of North Africa and the Middle East	204.6	7.1	7.2	48.4
North Africa and the Middle East	287.6	8.8	6.4	47.8
Vietnam	189.2	6.1	5.5	58.9
Malaysia(a)	101.2	2.4	4.0	58.8
Philippines(a)	164.2	8.8	6.9	78.0
Rest of South East Asia	207.6	5.3	4.1	62.9
South East Asia	662.1	22.6	5.3	64.9
China (excluding SARs and Taiwan)	306.9	8.8	4.8	60.2
Rest of North East Asia	210.6	6.3	4.5	66.2
North East Asia	517.5	15.0	4.6	62.6
India	300.4	12.1	5.1	78.9
Rest of Southern and Central Asia	202.5	10.0	7.0	70.2
Southern and Central Asia	502.9	22.1	5.8	75.4
Americas	227.0	9.2	5.8	70.3
Sub-Saharan Africa	257.0	10.9	5.7	75.1

(a) Estimates are subject to high sampling variability

⁷ For the purpose of this Submission, unless otherwise stated, CALD refers to people born in other than main English speaking countries (of Australia, New Zealand, Canada, Ireland, South Africa, United States and United Kingdom). Other reports, surveys and publications may use alternative definitions noting the ABS sets the following *Standard Set of Cultural and Language Indicators* as minimum core variables to measure cultural and language diversity: country of birth; main language other than English spoken at home; proficiency in spoken English; and Indigenous status

⁸ see www.workplace.gov.au/workplace/Individual/Migrant/AustralianLabourMarketUpdate.htm

⁹ DEEWR labour market data

4.1.1 Labour Market Outcomes for Skilled Migrants

Table 5 below provides selected findings of the CSAM on labour market outcomes for primary applicants arriving in Australia under the Skill Stream of the permanent Migration Program¹⁰. Key points to note include:

- the unemployment rate for “Other Onshore Skilled” migrants surveyed (mostly consisting of employer-sponsored skilled migrants) was 1 per cent, with 90 per cent of those surveyed in a skilled occupation;
- one in eight offshore state/territory sponsored and family sponsored GSM migrants were unemployed six months after arrival, though those who did find work were mostly (four in five) in a skilled occupation; and
- skilled graduates experienced high rates of employment, but the utilisation of their skills was low, with just over half in a skilled occupation.

Table 5 – CSAM: Labour Market Outcomes for Primary Applicants under the Skill Stream¹¹

<i>Migrant Category</i>	<i>Participation Rate (%)</i>	<i>Unemployment Rate (%)</i>	<i>Full-time Employed (% of Employed)</i>	<i>Employed in a Skilled Job (% of Employed)</i>	<i>Median Full-time Earnings (\$000 pa)</i>
GSM Offshore Permanent	97	8	85	89	69.8
GSM Onshore Permanent	99	6	76	60	44.0
Other Offshore Skilled	76	10	90	88	65.0
Other Onshore Skilled	97	1	94	93	75.0
Skilled Graduate	96	6	76	56	40.0

4.1.2 Labour Market Outcomes for Humanitarian Entrants

While DEEWR captures and monitors information on the unemployment rate and those that are unemployed, DEEWR does not capture long-term records of employment.

The primary tool DEEWR uses to measure employment outcomes – the Post-Program Monitoring (PPM) survey – measures the three month post-assistance employment rate of persons who have participated in Commonwealth-funded employment assistance. As not all humanitarian entrants need to access Commonwealth-funded employment assistance or income support payments, it is not possible to accurately measure their employment rate.

The latest available Australian Bureau of Statistics (ABS) data on the labour force status of humanitarian entrants was released in 2004. This showed humanitarian entrants had a participation rate of 58.3 per cent. The estimated unemployment rate was 11.6 per cent and has a relative standard error of 25 to 50 per cent.

ABS data from its Census Data Enhancement project where an experimental data file was created by linking de-identified information from the DIAC Settlement Database to a 5 per cent de-identified sample of records from the 2006 Census. The data presented are experimental estimates and are affected by sampling and non-sampling error. This data shows, in 2006:

- 16.6 per cent of humanitarian entrants were working full-time;
- 57 per cent of humanitarian entrants were not in the labour force; and
- 37 per cent of humanitarian entrants who had arrived five years before the 2006 Census were employed, compared to 21 per cent of recent arrivals who had only been in Australia since 2005.

4.2 Migrant Eligibility for Income Support

The Australian income support system differs from those of most other developed countries, in that it is funded from general revenue, rather than from direct contributions by individuals and employers. Instead of reflecting the level and duration of contributions into a social insurance fund, Australian income support is based on residence and need.

In general, a person must be an "Australian resident", as defined in the *Social Security Act 1991*, to qualify for Australian social security payments. An Australian resident is a person who resides in Australia and has permission to remain permanently – either because they are: an Australian citizen; the holder of a permanent visa; or a protected Special Category visa holder. In deciding whether a person is residing in Australia, factors such as the person's domestic, financial and family ties to Australia are taken into account, as well as the frequency and duration of any absences from Australia and the reasons for such absences.

In addition to the requirement to be an Australian resident at the time of claiming, some social security payments (generally, "pension" type payments which are intended as long-term support) require that a person has been an Australian resident for a certain period of time. For example, to qualify for Age Pension generally a person must have ten years residence in Australia. This residence requirement is called a "qualifying residence requirement" for social security purposes. These ten years can be

¹⁰ Department of Immigration and Citizenship, "How new migrants fare: Analysis of the Continuous Survey of Australia's Migrants", p.6

¹¹ Department of Immigration and Citizenship, "How new migrants fare: Analysis of the Continuous Survey of Australia's Migrants", p.6

made up of periods of residence at any time in a person's life, as long as at least one period is more than five continuous years. Other payments with prior residence requirements include Disability Support Pension (ten years), Parenting Payment (two years) and Widow Allowance (two years). The purpose of the long residence requirements for Age and Disability Support Pensions is to ensure these payments for the long-term contingencies of life are only granted to people with a genuine, long-term connection with Australia. This is necessary to protect Australian Government funds, which come from general revenue.

Some payments (generally, the "allowance" type payments which are intended as shorter-term income support) do not have prior residence requirements, but instead have a "newly arrived resident's waiting period". Technically, this means that a person may meet all the qualification criteria for the payment, but it may not be "payable" to them because of the waiting period. In practice, from the claimant's point of view, the effect of the prior two year residence requirements and of the newly arrived resident's waiting period requirement is effectively the same.

4.2.1 Newly Arrived Residents Waiting Period (NARWP)

A Newly Arrived Residents Waiting Period (NARWP) applies to people who have not been Australian residents and in Australia for a period of, or periods totalling, 104 weeks (ie two years). Periods spent in Australia, as an Australian permanent resident, at any time in a person's life can be counted towards the waiting period.

Payments with a newly arrived resident's waiting period include Newstart Allowance, Youth Allowance, Austudy Payment, Sickness Allowance, Carer Payment and Special Benefit. The waiting period also applies to the Health Care Card, the Commonwealth Seniors Health Care Card and Mobility Allowance¹².

There is no waiting period for family payments. These payments are available to all Australian residents (and holders of special category visas and prescribed temporary visas, as described above), with children in their care who meet relevant income tests.

4.3 Job Services Australia (JSA)

Job Services Australia (JSA) was introduced on 1 July 2009 and provides support for all job seekers through streamlined services that provide increased flexibility and access to support and services that are relevant to their individual circumstances. JSA focuses on the needs of the most disadvantaged job seekers and aims to achieve greater social inclusion. Australian Government employment services are available to all job seekers entitled to work in Australia. The level of assistance available to job seekers depends on their individual circumstances including consideration of their income support status.

Humanitarian entrants may register for JSA through Centrelink as Fully Eligible Participants upon arrival in Australia. They have an initial 13-week exemption from activity test requirements. During this period they are not required to engage in employment services, but they can volunteer.

Consistent with Australian Government policy, job seekers who enter Australia as part of the skilled migration or family reunion programs are usually subject to the two year NARWP before being fully eligible for Job Services Australia. Until that time they are eligible for Stream 1 (Limited) services. The JSA provider assists Stream 1 (Limited) job seekers prepare a resume and provides advice on employment opportunities in the local labour market and job search methods. In addition, the JSA provider provides advice about skills shortage areas, and information about skills development and training opportunities. The Stream 1 (Limited) job seeker will have ongoing access to JobSearch facilities through their JSA provider and will be able to update their resume online via the Australian JobSearch website.

Eligible job seekers are referred to one of four streams of JSA. The job seekers who are the most ready for employment are referred to Stream 1, those with moderate or significant barriers are referred to Streams 2 and 3 and those with the most severe barriers are referred to Stream 4.

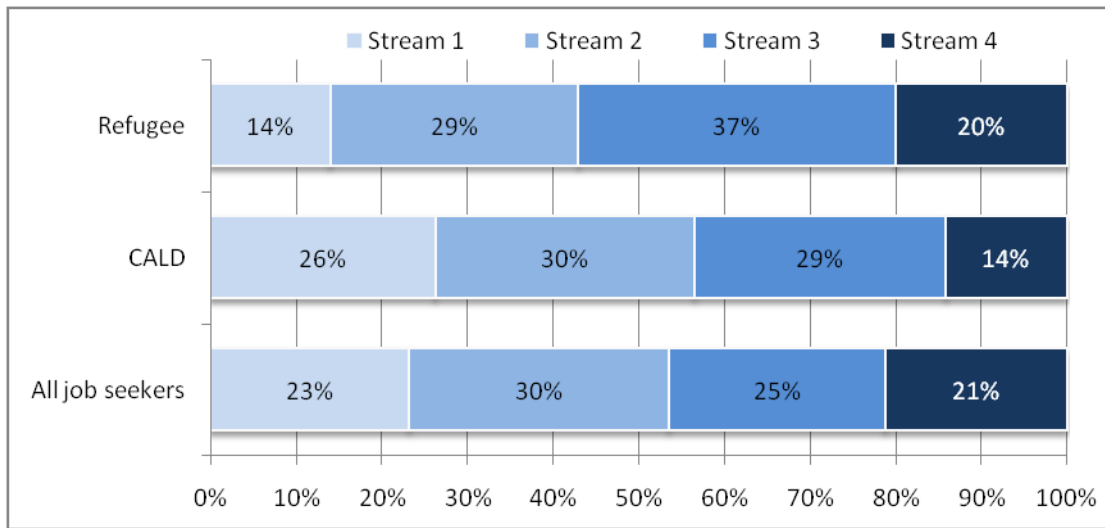
A job seeker's eligibility for Stream services is first assessed through the Job Seeker Classification Instrument (JSCI) by Centrelink. Where the JSCI shows that a job seeker has multiple and significant barriers they are referred for a comprehensive Job Capacity Assessment (JCA). All job seekers who state that they have arrived in Australia as a refugee within the last five years are referred for a JCA. This independent assessment examines the job seeker's circumstances in detail and, where appropriate to their needs, results in referral to Job Services Australia Stream 4.

There are more than 2 100 JSA sites across Australia. While all JSA providers are able to assist all job seekers, there are many JSA sites that specialise in delivering services for defined groups of job seekers, such as those from a CALD background. CALD job seekers comprised 17 per cent of the JSA active caseload at 31 December 2010. Refugees comprise around 4 per cent of the total active caseload.

Both CALD and refugee job seekers are more likely to receive more intensive servicing with higher levels of funding. This is a result of the CALD and refugee cohorts' level of disadvantage compared to the general job seeker population.

¹² Centrelink provides a quarterly publication for people from CALD and Non-English speaking backgrounds.

Figure 1 – JSA Active Caseload – December 2010



For outcomes recorded to the end of December 2010, employment outcome rates achieved for CALD job seekers are slightly below that achieved by job seekers overall. A slightly higher proportion of CALD job seekers are achieving a positive outcome¹³ than that achieved by job seekers overall.

Table 6 – JSA Stream PPM Survey Outcomes – December 2010

	<i>Employed Full-Time (%)</i>	<i>Employed Part-Time (%)</i>	<i>Employed Total (%)</i>	<i>Unemployed (%)</i>	<i>Not in the Labour Force (%)</i>	<i>Education and Training (%)</i>	<i>Positive Outcome (%)</i>	<i>Population</i>
CALD job seekers	18.1	25.0	43.1	37.4	19.5	24.5	61.8	238 412
All job seekers	20.2	29.6	49.7	34.8	15.5	18.1	61.0	1 406 022

4.3.1 New Enterprise Incentive Scheme (NEIS)

The New Enterprise Incentive Scheme (NEIS) is delivered by a network of NEIS providers, under Job Services Australia, from more than 400 sites across Australia.

NEIS provides accredited small business training, business advice and mentoring for eligible job seekers, as well as ongoing income support for up to 52 weeks. To be eligible for NEIS, a job seeker must be in Stream Services, receiving an eligible income support payment and have a business idea that meets the business eligibility criteria.

Disadvantaged job seekers, such as migrants who are Stream 3 or Stream 4 job seekers, may be able to access additional mentoring support and assistance during their participation in NEIS.

4.4 Supporting Multiculturalism in Australia

On 17 February 2011, the Hon Chris Bowen MP as Minister for Immigration and Citizenship with Senator Kate Lundy as Parliamentary Secretary for Immigration and Citizenship, issued a media release announcing a new multicultural policy for Australia titled “The People of Australia” which builds on a whole of Government approach to maintaining a socially cohesive and harmonious society.¹⁴

“The People of Australia” policy¹⁵ includes the following principles:

- the Australian Government celebrates and values the benefits of cultural diversity for all Australians, within the broader aims of national unity, community harmony and maintenance of our democratic values;
- the Australian Government is committed to a just, inclusive and socially cohesive society where everyone can participate in the opportunities that Australia offers and where government services are responsive to the needs of Australians from culturally and linguistically diverse backgrounds;

¹³ A positive outcome is recorded where a job seeker has achieved an employment or education and training outcome. Positive outcomes are less than the sum of employment and education and training outcomes because some job seekers achieve both an employment and education and training outcome. The positive outcome rate is the employed job seekers as a proportion of all job seekers.

¹⁴ Media release available at www.katelundy.com.au/2011/02/17/media-release-new-strategy-in-support-of-multiculturalism-in-australia/ March 7, 2011

¹⁵ The People of Australia policy statement is available at www.immi.gov.au/media/publications/multicultural/pdf_doc/people-of-australia-multicultural-policy-booklet.pdf

- the Australian Government welcomes the economic, trade and investment benefits which arise from our successful multicultural nation; and
- the Australian Government will act to promote understanding and acceptance while responding to expressions of intolerance and discrimination with strength, and where necessary, with the force of the law.

The Government has also announced the establishment of the Australian Multicultural Council, an independent body to replace the Australian Multicultural Advisory Council that can advise and consult on policies and emerging issues to inform a national multicultural Australian strategy.

DEEWR and DIAC are working closely together, as part of an Inter-Departmental Working Group established in 2010, to undertake research and develop ways to improve the education and employment outcomes for migrants and humanitarian refugees. Work of this Group includes considering what barriers prevent migrants, particularly vulnerable migrants, from fully participating in employment and education; where the service system can more effectively support participation; and what initiatives are most effective in supporting migrants to participate.