



## **SCOA Submission**

### **SENATE SELECT COMMITTEE**

#### **Inquiry into the Abbot Government's Commission of Audit**

The Settlement Council of Australia (SCOA) is grateful for the opportunity to make a submission to the Senate Select Committee to the Inquiry into the Commission of Audit. SCOA represents over 80 agencies in the settlement sector, which comprise the majority of agencies involved in funded settlement programs including SGP, Humanitarian Settlement Services (HSS) and Complex Case Support (CCS). SCOA members are involved in providing settlement support to recently arrived migrants and people of refugee background across Australia. SCOA members receive a wide range of funding from government departments at federal, state and local levels, as well as grant funding from philanthropic foundations.

SCOA's response follows the terms of the inquiry, focussed on those points that are most relevant to the settlement sector. Broadly the submission concentrates on the benefit to the community of the expertise of the settlement sector in supporting newly arrived migrants and refugees become rapidly acclimatised to Australia, get jobs and contribute to the community. The professional expertise developed over time within the settlement sector is an asset to the broader community, acting as an important bridge between newer communities and their mainstream neighbours and mainstream services.

Governments since 1997 have invested considerable resources in developing a professional settlement sector – improving the skills and capacity of the sector and improving service planning and delivery. In turn the sector has provided a base for Australia's humanitarian and broader migration program by ensuring settlement by world standards has culminated into a multicultural Australia that is harmonious, cohesive and productive in spite of international impacts. It is critically important to maintain investment in a post migration settlement program which has the expertise and wide ranging credibility to assist the Commonwealth's productive diversity agenda by strengthening Australia's civil and economic development.

a. The nature and extent of any cuts or changes to government expenditure recommended by the Commission;

The settlement sector is concerned about potential cuts to necessary services that may be proposed by the Commission. A significant portion of services to the settlement sector, which incorporates many services to multicultural communities, is operated through grant programs. The grant programs have developed significant expertise over time and are efficient and effective in providing services to communities who may otherwise find it difficult to access mainstream agencies, while providing the necessary links to these agencies.

Recent cuts, in particular the Migrant Communities Employment Fund (MCEF) and the Building Multicultural Communities Program (BMCP), will have a negative impact on communities' capacity to build infrastructure and support community engagement. SCOA is conscious of the need to support community participation and engagement, building on the investments already made to

ensure services and support continue to be effectively provided for newly arrived migrants and people of refugee background.

It is important that investment in capacity and service delivery existent in the settlement sector is not undermined by cuts to core settlement areas. The settlement sector comprises a range of specialist providers, both large and small agencies, spread across metropolitan and regional Australia. Specialist providers can support meaningful effective early intervention, which results in cost effective support at an early stage. This prevents the development of critical (and thus more expensive) problems developing over time, a particular danger in bigger mainstream systems that are not effective at providing culturally appropriate services.

b. The effect of any proposed cuts or changes on the provision of services, programs or benefits by the Government;

The settlement sector focusses particularly on supporting recently arrived migrants including those of humanitarian background. In recent years there have been shifts in the size and composition of the humanitarian program, in response to international conditions and decisions within Australia. The agencies providing settlement support to humanitarian entrants have scaled up from providing services to approximately 13,000 entrants to 20,000 entrants across Australia, and are now scaling down as the program has been reduced to previous levels. This demonstrated capacity for scalability is important to keep intact for the future given the nature of services needed in this area.

Given the fiscal pressures on the budget it is worth mentioning an area of significant spending which could be re-structured to provide substantial savings. The recent closure of on-shore facilities has saved the Government an estimated \$88.8m. Detention is an expensive way to provide for asylum seekers, both in the short term (in the direct costs of operating and maintaining detention centres), and in the long run (in indirect costs from related psycho-social impacts of detention on former detainees health and capacity to work). Provision of limited settlement support to asylum seekers, including employment assistance, would be considerably more cost efficient.

c. The effect of any proposed cuts or changes on the ability of the public service to provide advice to government

The Commission may recommend further changes to government departments, in addition to the significant changes already being implemented through the machinery of government following the governmental department re-structures implemented in September. In the area of settlement it will be particularly important that the Department of Social Services (DSS) is kept closely informed by the Department of Immigration and Border Protection (DIBP) of the size, composition and future trends within the various components of the migration program. Historically settlement services have been incorporated within the Department of Immigration, with direct lines of communication between the different functions of the Department. As the settlement support is moved to DSS it will be important to ensure that both departments (DSS and DIBP) retain strong organisational connections (and the associated staff capacity).

A draft "Settlement Framework" has been under development by the government that, if adopted and implemented would assist in inter and intra government communication and coordination on settlement issues.

- d. The effect of any proposed changes to the current split of roles and responsibilities between the Commonwealth Government and state and territory governments on the current levels of government expenditure, taxation and service delivery;

As mentioned above, the “Settlement Framework” would be an ideal tool to assist coordinating the split of roles within the settlement sector across all levels of government, federal, state and local. SCOA has seen growing interest at the local government level in supporting settlement and it is important that this is fostered and strengthened through a coordinated approach across all levels of government. Strengthen settlement dividends, settlement can be seen as an investment, with positive community and business outcomes, particularly in regional areas.

- e. The potential impact of any proposed revenue measures on the Budget and on taxpayers, including access to services like health and education;

No comment on this point.

- f. The potential impact of any proposed cuts or changes to government expenditure or service provision on employment and the economy;

Employment is a key focus area for the settlement sector, as it has such a critical impact on successful settlement, and is a priority for migrants and people of refugee background. SCOA has provided regular feedback to the Department of Employment on the need for targeted specialist support for migrants and people of refugee background. Cultural competency is important in providing employment support, which is an area of strength for settlement agencies.

The settlement sector itself is also a significant employer, particularly for bi-cultural workers, creating successful employment pathways for people who may otherwise have difficulties in gaining the important first steps in employment. Many settlement agencies have significant volunteer and mentoring programs supporting entry into meaningful employment.

- g. The consistency of the Commission’s recommendations with the Government’s commitments on spending on health, medical research, education, and defence spending;

No comment on this point.

- h. The potential impact of any proposed cuts or changes on the structural budget balance over the forward estimates and the next 10 years;

The settlement sector comprises a range of specialist providers, both large and small agencies, spread across metropolitan and regional Australia. Specialist providers can support meaningful effective early intervention, which results in cost effective support at an early stage. This prevents the development of critical (and thus more expensive) problems developing over time, a particular danger in bigger, mainstream, systems that are not effective at providing culturally appropriate services.

The government has invested considerable resources in developing the skills and capacity of the settlement sector and it will be important to retain this in the implementation of any recommendations of the Commission.

- i. The potential impact that any proposed changes to Commonwealth budgeting arrangements might have in undermining public confidence in the provision of Commonwealth government accounts;

No comment on this point.

- j. The potential effects of any proposed cuts or changes on the Government's medium to long term fiscal position, such as reducing future productivity, reducing the tax base and government revenues, or increasing future demand for government programs or support;

No comment on this point.

- k. Whether the Commission's terms of reference are appropriate, and, in particular, whether consideration ought be given to alternative means of:
- i. improving the efficiency and effectiveness of government expenditure,
  - ii. improving the state of the Commonwealth's finances and addressing medium term risks to the integrity of the budget position,
  - iii. improving the fairness and efficiency of revenue raising, including that businesses cover the full cost of their activities,
  - iv. and that individuals with greater capacity contribute more to government revenue
  - v. funding infrastructure and enhancing Australia's human, economic and natural capital, or
  - vi. improving the public service;

The Terms of Reference for the Commission of Audit are very broad, and focussed strongly on financial impact and assessment. In reviewing the recommendations from the Commission it will be important to assess additional impacts of recommendations, such as the capacity for unforeseen negative impacts on community cohesion and community engagement. A good proportion of services and support within the settlement sector have significant flow on benefits, both in terms of cost effective early intervention and in terms of additional leveraging of support to communities. As an example - in the area of volunteers alone the settlement sector has gained the support of over 6,500 registered volunteers across the country. At conservative estimates these volunteers contribute a combined total of 700,000 hours of support, a considerable positive impact. Volunteer support is leveraged through close community ties, knowledge and history, and could not be duplicated by mainstream approaches. Assessing recommendations of the Commission for impact on areas such as volunteering, and looking beyond the direct financial implications, will ensure that the unforeseen negative impacts are minimised.

It may also be worth examining the current arrangements in regard to 'caretaker' periods and change of government mechanisms. Effectively the government limits activities to the bare essentials during any caretaker period, which is then followed by some months of limited activity as government departments and programs are re-aligned. Gaining stronger bi-partisan support for administrative arrangements may limit the negative impact of these stops on regular operation.

#### Conclusion:

In reviewing the recommendations from the Commission of Audit it will be important to remember, for the settlement sector, that an efficient and targeted set of services, agencies and programs have been developed over time (and with the support and investment of successive governments). We

look forward to the Audit Committee's assessment focusing on maintaining the strengths of the settlement sector, capitalising on the sector's capacity to support recently arrived migrants and people of refugee background to become quickly established in Australia, find jobs, and contribute to Australia's economic, social and civic development.

Cedric Manen

Chairperson