

## **Submission by Multicultural Youth South Australia Inc (MYSA)**

### **In response to the call for submissions by the Senate Community Affairs References Committee into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia**

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Committee Secretary  
Senate Standing Committees on Community Affairs  
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#### **About MYSA**

Multicultural Youth South Australia Inc (MYSA) is the state representative advisory, advocacy and service delivery body for multicultural young people aged between 10 and 30 years, the only youth-specific multicultural agency in South Australia, and one of two leading youth-specific agencies in the country. MYSA is a multi-award winning youth service provider which is recognised locally and nationally for its leadership on youth issues.

MYSA has extensive experience in working with youth with high and complex needs from refugee and migrant backgrounds with a particular focus on those aged between 10 and 18 years and those experiencing multi-pronged disadvantage. Approximately 4000 young people access MYSA's services each year, including a significant proportion who experience barriers to employment and long-term poverty.

This submission will address the following issues stipulated by the Committee with specific reference to the experiences of young people from refugee and migrant backgrounds: (a) the impact of geography, age and other characteristics on the number of people receiving payments, long term employment and poverty and; (b) the adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training.

#### **About the young people we support**

Young people from Culturally and Linguistically Diverse (CALD) backgrounds comprise approximately 30 percent of the youth population of South Australia, and of these, many are refugees or migrants, or the children of refugees or migrants. Young refugees are an important subgroup within the broader CALD

population who have experienced certain conditions and circumstances that are known to increase the risk of vulnerability. All have been forced to leave their countries, leaving behind family, friends, and belongings and many have endured additional losses and trauma.

The process of cultural transition and resettlement brings with it additional difficulties including missing family and friends left behind; homesickness, difficulty understanding Australian culture and systems; school adjustment problems, often in a context of disrupted education; few friends, lack of peer acceptance, lack of a supportive network, and low social participation. Many have also experienced major changes in their family roles, responsibilities, and expectations with migration. Young people in the early stages of resettlement, and those from cultures significantly different to that of Australia, are often disproportionately affected.

***(a) The impact of geography, age and other characteristics on the number of people receiving payments, long term unemployment and poverty***

The Labour Force Survey, a key source of data on employment and unemployment, reports that after Tasmania, South Australia (specifically Adelaide North) has the highest rates of youth unemployment in the country (16.3%). Youth unemployment is even higher in refugee and migrant communities (Hugo et al., 2013). For example, 2011 Census data show that South Australia has the lowest workforce participation rates for refugee and migrant youth aged 18-24 years relative to the rest of Australia (Hugo et al., 2013). This is a source of legitimate concern as the South Australian refugee and migrant youth population is growing annually at a faster rate (12.5%) than the Australian average annual rate of 5.6% (Hugo et al., 2013; McDougall et al., 2013).

Persistently high refugee and migrant youth unemployment rates suggest widespread service failure across the board – including in the mainstream and multicultural service sectors. For their part, mainstream services often do not have the skills, knowledge or experience to respond to the unique employment needs of the target groups, particularly those with high and complex needs. For example, it is widely acknowledged that Jobactive services, the Government's current mainstream employment service, has a very poor track record with young refugees and migrants. While some multicultural services in South Australia receive employment-related funding, most focus exclusive attention on the needs of adults or assume adult programs can be readily applied to youth. Moreover, none work with youth experiencing multiple vulnerabilities; services focus on low to medium needs youth cohorts. However important current programs may be, research shows that youth, particularly youth at risk, experience certain conditions and circumstances that require youth-specific programs in their own right.

Turning now to the critical issues affecting employment rates and outcomes among refugee and migrant youth, what do we know about the problem? We know that there are numerous young people who could be employed and contributing to Australia's economy but who are instead facing the prospect of long-term unemployment and welfare dependency. We also know that the target groups experience a range of individual, social, cultural and systemic barriers to employment.

With respect to refugee and migrant youth, the reasons for high unemployment are broadly consistent across ethnic groups and include English language difficulties, limited formal education and/or disruptions to education in their countries of origin, poor educational outcomes, lack of Australian work experience and local references, non-recognition of former skills and work experience, and lack of knowledge of, and

access to, culturally appropriate employment services. Of these barriers, poor English language skills and lack of local work experience and references feature most prominently, leaving young people with nothing to market and nothing to put in their resumes. In regards to English language barriers, new arrivals on eligible visas are entitled to only 510 hours of free English classes through the Australian Migrant English Program (AMEP). In order to be eligible for the AMEP young people must register with an AMEP service provider within six months (or 12 months if they are under 18 years of age at the time of registration), commence AMEP classes within 12 months and complete the program within five years. For many new arrivals, these timeframes are not achievable. For example, MYSA has supported a number of young women who have either arrived in Australia with small children or who have fallen pregnant soon after arriving in Australia. They are then preoccupied with caring duties, usually unable to afford childcare and without family support systems to provide respite care. As a result they are unable to attend English classes until their children are of school age; after the five year cut off for AMEP. Similarly, MYSA has supported many young women who are in violent and controlling relationships, with their partners restricting them from leaving the house and participating in English classes. Many of these women leave these relationships well after the five year cut off for completing the AMEP program, with extremely limited English. This places them at a further disadvantage in regards to finding long term, sustainable employment.

Young people from refugee and migrant backgrounds who manage to find employment are vulnerable to multiple forms of exploitation due to their limited support networks, English language barriers and lack of awareness and knowledge of their rights. For example, many young people from refugee backgrounds take on far greater family responsibility than their Australian-born counterparts. This includes pressure to leave school early to find work in order to support their parents and siblings in Australia and as well as other family members left behind in refugee camps and conflict regions. Faced with this pressure, and given the high refugee unemployment rate, they will take whatever work they can get, making them vulnerable to wage theft, exploitation and unreasonable expectations by unscrupulous employers. Wage theft keeps them in poverty, restricts their access to basic necessities and limits their opportunities to participate in broader community life – all of which have significant implications for their long-term integration and settlement.

Those working in hospitality, retail, cleaning, agriculture, and meat processing are the most adversely affected, and within this group, new arrivals and those who are illiterate, speak no English and have few connections are particularly vulnerable. The most common forms of wage theft affecting refugee and migrant population groups are:

- **Not being paid at all**

Refugee and migrant workers may be required to complete weeks of unpaid training, may not be paid sick leave;

Refugee workers, generally those in rural areas, may receive accommodation and food rather than wages in exchange for work; and

New arrivals sponsored to Australia by a family member may be required to work for nothing in the family business for years to pay back costs associated with sponsorship.

- **Underpayment**

Being paid below the minimum wage or being paid under the wrong Award (i.e. deliberate misclassification of jobs by employers). It is not uncommon for young people to work 70-80 hours a week in one or more jobs to make up the shortfall, which of course affects their mental and physical health as well as family relationships;

Being paid cash so employers can avoid having to pay both tax and the correct amount to workers;

Being paid a flat hourly rate for work which attracts penalty rates; and

Not being paid for all of the hours worked, including over time.

Non-payment or under-payment of mandatory superannuation

Many young people lack knowledge of basic facts about superannuation, which increases their vulnerability to abuse.

Many young people will find themselves in employment through Government wage subsidy schemes, whereby employers receive a financial incentive from the Government to hire eligible participants in ongoing jobs by contributing to the initial costs of hiring a new employee. MYSA has supported young people who have been hired under this scheme, and after the compulsory six month period of employment; have their employment terminated. Many young people who are able to get into paid employment will struggle to maintain it due to cultural differences within the workplace which can be misconstrued as poor work ethic. For example, different cultural concepts of time can result in young people not arriving to work exactly on time, or slightly earlier, which is often an unspoken expectation of employers in Western cultures. Young people may also be required to take time off from work due to family responsibilities, to attend religious celebrations, or to attend to daily religious practices. For example, those who follow Sunni Islam are required to undertake five daily prayers, two of which will coincide with nine to five work hours. Conflict can result in workplaces when young people do not have the cultural capital and understanding of norms within Western workplaces, and employers do not have an understanding of different cultural practices and how to integrate them successfully into the workplace.

***(b) The adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training***

Most of the young people who MYSA support receive the Newstart Allowance from Centrelink. In order to receive this payment, they are required to meet Mutual Obligation requirements, including attending regular appointments with their Job Active providers, applying for jobs regularly and reporting their income. MYSA has seen three key issues arise with young people on this payment: (1) many are more suited to being on a disability support payment, however the barriers to receiving this payment are such that they remain on Newstart; (2) the amount they receive is not adequate considering the financial support they are required to provide to family in their home countries and; (3) newly arrived young people lack the financial literacy to budget effectively and many find themselves in significant debt.

Many of the young people MYSA support who receive Newstart payments experience a range of intellectual or cognitive issues making them unable to maintain regular paid employment. Oftentimes these young people have mild or undiagnosed intellectual disabilities, or experience cognitive challenges in the context of trauma. The process of applying for a Disability Support Pension is long and arduous; usually young people do not understand that the challenges they are experiencing are in fact due to disability and without a support service advocating for them, would never apply. For example, MYSA supported an eighteen year old boy to apply for the Disability Support Pension. He had been diagnosed with an intellectual disability when he was in school, however this diagnosis was considered outdated. This was despite the fact that a diagnosis of an intellectual disability is considered a stationary disability; it will never 'get better'. MYSA covered the new assessment cost of \$500, as the family could not afford it. When supporting him to complete the paperwork, the client stated that he did not understand why he needed to apply for this payment as "he is not disabled" because his conceptualisation of disability only included physical disabilities. At the time he was required to attend appointments with a Job Active provider, who was well aware that he would not be able to secure and maintain employment independently. Many young people will apply for medical exemptions one after the other, for months on end, as they are unable to attend appointments.

For young people who remain in communication with family overseas, there is immense pressure on them to send money back home to provide often for both parents and numerous siblings. The wage they receive through Newstart is simply insufficient for these young people to live on, placing them in severe financial hardship. They are typically pushed into cheaper housing in Adelaide's Northern suburbs, where less funding is provided for community support services, contributing to the ongoing cycle of poverty.

Young people from refugee and migrant backgrounds arrive in Australia with no knowledge of financial management or the ins and outs of processes such as insurance, loans or contracts. They are vulnerable to finding themselves trapped in long-term contracts or loan repayments they cannot afford. MYSA has supported many young people who are on Newstart payments struggling to repay large loans and afford bills they did not budget effectively for, such as car repayments. Often they find themselves in a spiral of debt as they do not seek help due to the shame associated with financial difficulties.

## **Summary and Recommendations**

MYSA strongly supports the inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia. We wish to highlight that refugee and migrant communities face significant barriers to employment, and challenges to accessing appropriate Centrelink payments and adhering to their obligations. Further, the youth population in particular have distinct needs and priorities that require a specialised response.

For income support payments to reflect the need of the community, it is imperative that the needs of refugee and migrant young people are considered, and that Jobactive providers, employment services and Centrelink staff have an understanding of their barriers to inclusion and efforts are made at a practical level to overcome them. MYSA encourages the Committee to consult directly with young people from refugee and migrant communities, and welcome any further consultation with MYSA.

The right to fair and equitable income support is one that all members of our community should be afforded, and we are eager to see changes made that reflects the needs of all Australians.

*Thank you for the opportunity to provide a submission. If you have any questions, please contact me on: 8212 0085*