

## AUSTRALIAN TREASURY PRE BUDGET-SUBMISSION 2023-2024

Improving the quality of life for migrant and refugee communities we serve

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## About SydWest

SydWest Multicultural Services is pleased to make this pre-budget submission outlining its views when it comes to how the Australian Government can support the communities, we serve to live a better life.

For the past 36 years, SydWest Multicultural Services has been assisting and empowering thousands of newly arrived refugees, humanitarian entrants and people from non-English speaking backgrounds to become valued members of society.

Based in Greater Western Sydney, we are a premier organisation assisting people of all ages and cultures through our diverse programs. We specialise in settlement services, in-home care and disability services as well as other support services in the areas of domestic violence, employment, youth programs and Homelessness.

Our geographic footprint of Greater Western Sydney includes the Local Government areas of Blacktown, Cumberland, The Hills Shire, Hawkesbury, and Blue Mountains with some of our services covering the South-West of Sydney.

In 2022, we provided direct service to 2421 clients. Our expansive Home Care and Settlement services make up almost 70% of our client base with areas of youth, housing, women, and disability services growing year upon year.

As a leading community organisation, we offer direct services to strengthen Culturally and Linguistically Diverse (CALD) communities and help those in crisis with their immediate and complex needs. It is our vision to grow and increase our service capabilities but also identify service gaps that are risks to the independence of CALD communities.



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## Acknowledgement of Country

We acknowledge the traditional custodians of the lands on which we work, and we pay our respects to the Elders, past, present, and future, for they hold the memories, cultural and dreams of the Aboriginal and Torres Strait Islander peoples.

We recognise and respect their cultural heritage, beliefs, and continual relationship with the land, and we recognise the importance of young people, who are the future leaders.

## Summary statement

SydWest Multicultural Services (SydWest) is pleased to make this submission ahead of the 2023-2024 Commonwealth budget.

Australia's rich ethnic diversity and proud history of multiculturalism is a central part of who we are as a nation. Migration has delivered enormous social and economic benefits in terms of small business development, industry development and international engagement; and has strengthened the identity, history, and character of the nation.

We acknowledge the need to repair Australia's budget — which is forecast to record a \$44bn deficit this financial year<sup>1</sup>. We appreciate this is likely to require responsible budget repair which may require restrained spending during the period of high inflation and returning almost all of the improvements in tax receipts to the budget, improving the quality of spending, responsible savings and unwinding wasteful spending and changes to the tax system, all of which are to support a resilient economy.

However, for migrants and refugees, a successful settlement outcome is determined by their ability to be independent<sup>2</sup>. This independence provides a sense of belonging and inclusion and empowers people. These communities are even more vulnerable during an economic downturn than they would be otherwise. They continue to face multiple barriers which are preventing our (CALD) communities from becoming fully independent.

Despite the need for fiscal restraint in this budget cycle, we emphasise the need for the Australian Government to undertake crucial spending to aid and support these vulnerable communities as we continue to deal with and recover from the worst of the COVID pandemic, and thereby support resilient communities.

Our submission is structured into three areas:

1. **National Policy** - as it relates to the cost-of-living pressures being experienced by those migrant and refugee communities we serve, and the necessary budget measures needed to give them financial relief.
2. **Identifying government service gaps** – proposing budget measures that address specific problems (CALD) communities experience in areas of employment, mental health, and women.
3. **Addressing cost pressures faced by our sector** – specifically in the Settlement Engagement and Transition Support (SETS) and the Commonwealth's Home Care Programs.

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<sup>1</sup> Commonwealth of Australia, *Budget October 2022-23, Building a better future*, page 7.

<sup>2</sup> Settlement Council of Australia - Election Platform, April 2022

## Recommendations

Our recommendations are listed below. We provide an explanation and rationale for each of our recommendations through this submission.

### National Policy

1. Urge the Australian Government to prioritise budget measures that can boost the pension and Job Seeker rates to address cost of living pressures.
2. Extend the list of visa sub-classes that attract Special Benefit, with extended coverage including:
  - Bridging Visas, all sub-classes
  - Student Visa
  - Temporary Resident (Skilled Employment) Visa
  - Temporary Graduate Visa.
3. Adjust the threshold that applies to the Commonwealth's rental assistance program to be more in line with rents now paid, and for eligibility to include temporary skilled residents for a specified period.

### Identifying government service gaps

4. Commit to a review into the Department of Education's Qualifications Recognition Program that:
  - a) Prioritise and streamline suitability assessments for certain industries
  - b) Incorporates into the assessment process, work placements to showcase the job seekers applied learning and in doing so create local work experience opportunities.
5. Allocate in the 2023-24 budget, specific Primary Health Networks (PHNs) to fund at an estimated cost of \$2.1 million over a minimum 3-year period, the establishing and implementing of Australia's first culturally responsive mental health peer support workforce led by (CALD) people.
6. Establish at an estimated cost of \$2.2 million per annum, a state-wide multicultural domestic violence orientation program (aligned to Settlement Engagement and Transition Support (SETS) and with a focus on Greater Western Sydney) for partner visa holders to help equip them with knowledge of their rights and responsibilities in Australia.

### Addressing cost pressures faced by our sector

7. Commit to fully funding the outcomes of the Work Value Case for aged care workers before the Fair Work Commission.
8. Increase indexation Home Care subsidy payments to match the minimum wage increases in 2021-22 and 2022-23.
9. Provide adequate indexation for the Settlement Engagement and Transition Support (SETS) Program of 3.5% to cover the rising cost of service provision.

## National Policy

### Cost of living

Australia is rapidly entering a new economic era of high inflation, high and rising interest rates, intense cost of living pressures, and heavily constrained government budgets. Cost of living pressures, associated with economy-wide inflation, and within certain critical sectors such as energy, transport, and food, are likely to continue rising. Inflationary pressures, combined with weak productivity growth and expectations of weak economic growth are concerning.

It is our experience, that migrants and refugees, including those coming through the skilled visa streams are not coping with the increasing cost of living such as significant out-of-pocket healthcare, energy, or communications costs, or are struggling to meet the skyrocketing costs of private rental<sup>3</sup>. As an example, increases in the costs of non-discretionary items such as food, housing and transport made up almost 68% (67.8%) of the increases in costs to national households<sup>4</sup>.

We welcome the Government's recently established Economic Inclusion advisory committee<sup>5</sup> and urge the Government to prioritise budget measures that can boost the pension and Jobseeker rates and make concession for those skilled migrants who are currently ineligible for those payments, many of whom are substantially under employed. Culturally and linguistically diverse (CALD) peoples make up almost half of Australia's population (AIHW) however CALD specific budget measures to better support them were proportionally lower in the 2022/2023 budget.

Successive governments have eroded access to permanent residency and citizenship, which has left many long-stay temporary visa holders living and working in Australia, contributing to our communities and economy, without sufficient financial support to absorb impacts associated with economic downturns<sup>6</sup>. This budget represents an opportunity to address this by extending the list of visa sub-classes that attract special benefit, with extended coverage including:

- Bridging Visas, all sub-classes
- Student Visa
- Temporary Resident (Skilled Employment) Visa
- Temporary Graduate Visa.

This measure can then pave the way for examining our migration system so that it fosters clearer pathways to permanency. The influence of the pandemic and our immigration policies in recent years has disheartened many temporary visa holders who have been forced to leave Australia because of visa expiry or losing hope of remaining in Australia.

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<sup>3</sup> UNSW Social Policy Research Centre- Helping People in need during a cost-of-living crisis: Findings from the Australian Community Sector Survey December 2022

<sup>4</sup> Australian Institute of Public Affairs - Australia's Rising Cost of Living Challenge – November 2022

<sup>5</sup> Australia Government - Members appointed to Economic Inclusion Advisory Committee – December 2022

<sup>6</sup> Newstars Migration and Education – immigration campaign 2021. [do we have a reference?]

## Housing and the rental crisis

Several barriers are faced by humanitarian migrants in securing housing, especially when competing in the private rental and home ownership markets. In a buoyant housing market yet to slow - with interest rates at record lows and the supply of housing not keeping pace with population, this issue is now exacerbated to unprecedented levels<sup>7</sup>. The housing crisis is deepening, and migrant and refugee communities face a disproportionately higher burden given various factors such as:

- Financial hardship – 81% of those who access our homelessness service mention low income as the primary factor for their housing stress.
- Unaffordable private rental market - Many clients cannot afford to rent privately due to continuous increases in the private rental market compared to their low social security income, and abilities to enter the workforce. As a result, these clients are more vulnerable to private rental market conditions.

Australia is experiencing a period of very low rental vacancy rates and rising rent levels, which has led to what is widely recognised as a rental crisis. We support the position of others, such as the Australian Housing and Urban Research Institute (AHURI) who are recommending cost-effective reforms of Commonwealth Rent Assistance (CRA) that could improve housing outcomes for low-income renters. Currently over one-third of low-income CRA recipients are still in housing affordability stress after CRA is deducted from their rents<sup>8</sup>.

Targeting the eligibility rules to those who fully need it could cut the numbers of CRA recipients who are in housing stress by 44 per cent. We recommend:

1. Adjusting the thresholds to the Consumer Price Index (CPI) that applies to the Commonwealth's rental assistance program to be more in line with rents now paid, and
2. Eligibility to include temporary skilled residents for a specified period.

SydWest Multicultural Services through its Settlement and Homelessness Programs<sup>9</sup> has supported and helped over 900 CALD clients who were identified as primary homeless with high needs since 2018. Many of our CALD clients cannot afford to rent privately due to continuous increases in the private rental market, the transient nature of temporary accommodation support and their abilities to enter the workforce, particularly at the outset of their resettlement journey.

We estimate some two-thirds of our clients spend more than 30 per cent of their income on rent. We also have examples of households having less than \$250 available each week after paying rent. Some have experienced a high level of exploitation in the private rental market due to their unemployment/income status, backgrounds, and English language barrier. We believe there is a sound case for considering this cohort receiving Commonwealth Rental Assistance, particularly those who are contributing to the economy via temporary skilled visas streams.

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<sup>7</sup> Patterson. L - Tenants Union NSW, Tenants Advice and Advocacy Program, 2022

<sup>8</sup> The Conversation - The rent crisis is set to spread: here's the case for doubling rent assistance (theconversation.com)

<sup>9</sup> SydWest MS Specialist Homelessness Services and Settlement Engagement and Transition Support (SETS) Program, CDC data 2018-2022

## Identifying government service gaps

### Women and Domestic Violence

Women and children from migrant and refugee backgrounds are not well represented in the Government's *National Plan to End Violence against Women and Children 2022-2032*<sup>10</sup>. A key concern is the lack of understanding of the complex and intersectional issues that face this group of women and children, as they appear to be referenced as one homogenous group or category. Placing both migrant and refugee women in the same category is concerning, because both groups face very different issues. There is also no specific mention of asylum seekers, international students or other temporary visa holders who are part of our community and should be considered further.

There appears to be little understanding of the extent of the diversity, the layering of issues and the nuances that must be considered when responding to their needs. For example, there appears to be little acknowledgement of the cumulative effects of war or war like conditions that often compound experiences of violence. In addition, it is sometimes assumed that issues such as forced marriage, female genital mutilation, and dowry abuse are blanket issues that impact all CALD communities. We strongly advocate for nuanced service delivery from multicultural family violence specialists is essential.

We advocate that the Commonwealth, at an estimated cost of \$2.2 million per annum, establish a state-wide multicultural domestic violence orientation program, aligned to Settlement Engagement and Transition Support (SETS); with Greater Western Sydney a focus for partner visa holders to help equip new settlers with knowledge of their rights and responsibilities in Australia. The need for Commonwealth support is that Humanitarian entrants have access to DV information offered through to the post-arrival orientation. However, women who arrive on Temporary Partner visas to the orientation program, depend on their partner and the AMEP to be equipped with knowledge of rights and responsibilities when it comes to DVF. It's this gap we would seek to address through or in alignment with the SETS program.

We believe the levels of funding made available should be proportionate to the CALD population, because mainstream services do not suit women and children from migrant or refugee backgrounds who require specialist skills and understanding of their particular and diverse issues, and their cultural and language backgrounds.

### Employment

In partnership with the Australian Catholic University, we undertook an evaluation of our employment programs we offer to recently arrived migrants within our primary jurisdiction – Blacktown and Mt Druitt. A key finding of this report was the need to work in partnership to develop a plan on how best to assist high skilled/high credentialed clients achieve employability in their previous or related profession.

As such, a key challenge is how we better support high skilled and high credentialed clients gain employment in their chosen profession from their homeland. It is estimated that 50% of all clients participating in our

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<sup>10</sup> Commonwealth Department of Social Services – *National Plan to End Violence against Women and Children 2022-2032*, Adopted October 2022



employment programs are categorised as highly skilled<sup>11</sup>.

A 2021 report commissioned by the Committee for Economic Development of Australia (CEDA) found that 23% of permanent skilled migrants in Australia are working in a job beneath their skill level<sup>12</sup>. It also found more than 32 per cent of state-sponsored migrants were working at a lower skills level than their nominated field. In contrast, employer-sponsored migrants experienced the best outcomes – only 13 per cent were working at a lower skills level than their nominated field. This experience is mirrored by our client base.

One of the biggest problems that arise is associated with establishing former credentials and experience from client's home countries. Often barriers are simply beyond the capacity of migrants and refugees without sustained financial and personal support, for example access to technical English support that is directly related to professional occupations.

We want to propose a better system to verify and credit previous qualifications and experience, to ensure skilled migrants could be placed in more appropriate jobs for their level of expertise. A common issue for skilled migrants is they lack insufficient local work experience when competing in the market for a job.

We argue one way to address this could be during the recognition of qualification stage of the process, incorporating workplace and learning opportunities to judge their suitability, in parallel with assessing qualifications thus enabling local experience to be obtained; a current barrier to them securing employment that matches their skills.

Community organisations like SydWest can be funded to facilitate this level of support for willing employers within a framework that integrates with qualification recognition organisations that enables work placement to occur more rapidly and is used as a basis to validate a person's capabilities, not just qualifications and accreditation requirements alone. Not only would such initiatives support an individual's employment and workforce participation, but also for the community and the benefits to the broader economy. We would welcome the opportunity to participate in discussions with appropriate government agencies at the Commonwealth level to share our experiences and proposal.

## Mental Health Support

The need for more investment in CALD specific mental health initiatives is critical. There is a hidden high-level of need in the CALD communities, which have been identified as a priority population for suicide prevention by the Australian Institute of Health and Welfare, and according to Suicide Prevention Australia there is a shadow epidemic of multicultural suicidal distress.

We propose a service model that extends the outreach of the mental health system, underpinned by SydWest's infrastructure and stability having served multicultural communities for over 36 years. The service model will be designed, governed and employed by CALD people to partner with LHDs/PHNs to improve access and availability of high quality and culturally responsive mental health care in CALD communities in Greater Western Sydney.

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<sup>11</sup> SydWest MS Settlement Engagement and Transition Support (SETS) Program, CDC data 2022

<sup>12</sup> <https://www.ceda.com.au/NewsAndResources/MediaReleases/Population/Skilled-migrant-job-mismatch>, 2021

As such, we ask the Commonwealth government to allocate in the 23/24 budget, specific Primary Health Network (PHN) partnership funding with SydWest leading to establish and implement Australia's first culturally responsive peer support workforce led by CALD people. The estimated cost of our model is up to \$2.2m over three years.

The proposed service model would apply to Greater Western Sydney where SydWest MS operates alongside the Local Health District (LHD) areas of Southwestern Sydney, Western Sydney and Nepean Blue Mountains, one of the most culturally diverse regions in NSW and Australia.

A retrospective case review by Suicide Prevention Australia in Victoria (between 2009-13), and in Queensland (between 2013-15) showed that 21% of deaths by suicide were CALD. Current research shows that CALD communities have lower rates of mental health service utilisation (26 per 100,000 compared with 48 per 100,000 of the general population)<sup>13</sup>.

A SydWest MS Specialist CALD Peer Support Workforce embedded within the multicultural community will reach people earlier in suicidal distress and prevent the onset of suicidal behaviour through the provision of sustained low intensity supports. This would sit in parallel to the traditional service model. The traditional model relates fundamentally to GP, Psychiatry, Psychology services. Currently 73.5% of psychologists in metropolitan areas have a waiting list<sup>14</sup>.

Non-traditional mental healthcare services and tools aim to significantly reduce wait times by increasing access to services that meet the needs of people and who may not need Psychology or Psychiatry or may benefit from other forms of assistance.

This joined up approach to mental health service delivery between a Multicultural Service and LHD/PHN by a workforce entirely staffed by multicultural lived experience, represents an innovative opportunity to engage and care for CALD people experiencing distress before it turns into a crisis. This is a key element in moving Australia 'towards zero suicide'<sup>15</sup>.

The provision of the Specialist CALD Peer Support Service will be an effective response to addressing the low level of mental health service utilization and high level of mental health needs in CALD communities, and is aligned with key policy priorities recommended within:

- The Draft National Mental Health Workforce Strategy (2021)
- The National Mental Health Commission's Lived Experience Guidelines (2021)
- Greater Western Sydney's PHN/LHN Mental Health and Suicide Prevention Plans
- NSW's Living Well in Focus 2020-2024
- The NSW Strategic Framework and Workforce Plan for Mental Health (2018-22)

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<sup>13</sup> <https://nmhccf.org.au/our-work/advocacy-briefs/culturally-and-linguistically-diverse-cald-mental-health>, 2021

<sup>14</sup> <https://www.abc.net.au/news/2021-09-18/australia-mental-health-wait-times-covid-pandemic/100457162>

<sup>15</sup> Mental Health Commission of New South Wales - Shifting the Landscape for Suicide Prevention in NSW – 2022-2027

## Not for profit operating cost pressures and indexation

### Home Care Services

In its budget reply for the 2022/2023 Commonwealth budget, the then Labor opposition committed to fully funding the outcomes of the Work Value Case for aged care workers before the Fair Work Commission. The interim decision to increase wage rates of "direct care" aged care workers by 15% will have a substantial impact on the industry. Direct care workers include registered nurses, enrolled nurses, assistants in nursing, personal care workers and health care workers, in both residential and in-home aged care. As such, we expect the Government to honour its promise when it was in opposition.

A report from UTS Ageing Research Collaborative found the financial performance of home care services declined by 25.5 per cent compared to the previous year (2021), dropping to an average operating result of \$3.85 per client per day<sup>16</sup>.

The rising administrative and compliance costs (i.e., overheads) required to implement the various initiatives within the aged care sector reform agenda following the previous Government's response to the Royal Commission will put significant strain on home care services, particularly stagnation in services that clients are putting on hold.

Given the necessary fixed cost outlays in providing home care services, such as equipment, vehicles and administrative overheads, the growing levels of unspent funds representing unrealised income combined are impacting the long-term financial viability of our service.

In addition, the costs of care management and advisory have grown significantly as greater emphasis on person centred care applies. We support the pursuit of this type of care and pride ourselves that we do deliver quality services in this way. However, the UTS research reflects increases in outlays relating to providing advice to clients and compliance activities and the need for providers to continue administration support, even when clients' use of services has stagnated.

These additional costs we are absorbing but suggest a budget measure of increasing indexation payments to match the minimum wage increase would assist.

The Government's low rates of indexation of payments of subsidies and supplements, which have not kept pace with inflation or wage rate increases across the sector needs to be addressed for this budget. The 1.7% increase was significantly low and only adds to the gap from previous years and is further compounded by Award changes due to take effect in home care from 1 July and the ongoing costs of COVID-19. The inadequacy of aged care indexation is further illustrated by the fact that NDIS subsidies have been increased by nine per cent with a further supplement to provide funding for COVID-19 costs<sup>17</sup>.

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<sup>16</sup> UTS Ageing Research Collaborative, Australia's Aged Care Sector Full Year Report 2021-22

<sup>17</sup> Inside Ageing Business News - Aged care subsidy indexation figure announced as 1.7 per cent, June 2022

## Settlement Services

SydWest is a member of the NSW Settlement Partnership (NSP) and support the recommendations listed in a separate pre-budget submission as outlined by the partnership group.

Notwithstanding, over the past 20 years, successive governments have eroded access to permanent residency and citizenship, which has left many long-stay temporary visa holders living and working in Australia, contributing to our communities and economy, without equal rights or stability. This has also culminated with the SETS program, specifically designed to support new settlers become independent is being critically underfunded. As reported by the NSW NSP in its pre-budget submission in 2022-2023, funding of the SETS program has reduced by 17% over the life of the SETS contract<sup>18</sup>.

Given migration will become a key pillar of our economic recovery from COVID-19, funding for the SETs program is crucial in maintaining services levels that recognise increase to operational expenses experienced by all service providers.

It is our view, to negate some of these operational expenses, and as minimum requirement, the most immediate budget measure the government could facilitate in this budget is to address inflationary impacts on the program. The inflation rate is almost at 7% and is one of the biggest challenges faced with our economy. Increased indexation for the SETS program (a minimum of a 3.5% increase) to somewhat reflect CPI, will give some relief to services provider administering the SETs program to aid them in maintaining service delivery and retain professional staff in an increasingly competitive marketplace.

Notwithstanding, the current review of the SETs program should be recognising the critical underfunding of the program as substantiated by the NSP and build appropriate measures into its future budget forecasts to ensure sustainable funding and resourcing for the SETS program over the long term. Of particular significance is the need to increase funding for SETS Community Capacity Building (CCB) to enable providers to strengthen the connection with and build the capacity of diaspora groups in their areas of service delivery.

## Conclusion

SydWest Multicultural Services helps thousands of people each year to become empowered and engaged through our many programs and services, support groups and playgroups, and our flexible and our cultural home care and disability services.

Our bilingual staff, carers and volunteers live and breathe multiculturalism every day, demonstrating how different people from different backgrounds can respect each other's differences and cultures, while working for the common aim of helping others – all the time sharing a passion for Australia.

SydWest has also become a key player in the welfare sector community, establishing and encouraging strong relationships among the many service providers and organisations across Western Sydney.

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<sup>18</sup> NSF Pre-Budget submission, January 2022

We acknowledge the need to repair Australia’s budget — which is forecast to record a \$44bn deficit this financial year. And we appreciate this is likely to require both expenditure restraint and reviewing the quality of expenditures to stimulate the economy and avoid ongoing concerns of a local recession.

It is our view, that despite the need for fiscal restraint in this budget cycle, we emphasize the need for the government to undertaken crucial spending to aid and support these vulnerable communities as we continue to deal with and recover from the worst of the COVID pandemic. This crucial spending, we propose are related to:

1. Cost-of-living pressures being experienced by those migrant and refugee communities we serve, and the necessary budget measures needed to give them financial relief.
2. Proposed budget measures that will address specific problems CALD communities experience in areas of employment, mental health, and women.
3. Addressing cost pressures faced by our sector – specifically in the Settlement Engagement and Transition Support (SETS) and the Commonwealth’s Home Care Programs.

We look forward to your response to our pre-budget submission for the 2023-2024.