



Refugee Council of Australia

PRODUCTIVITY COMMISSION ISSUES PAPER ON HUMAN SERVICES: IDENTIFYING SERVICE SECTORS BEST SUITED TO REFORM

SUBMISSION TO THE PRODUCTIVITY COMMISSION – IDENTIFYING SERVICE SECTORS BEST SUITED FOR REFORM

The Refugee Council of Australia (RCOA) is the national umbrella body for refugees, asylum seekers and the organisations and individuals who work with them, representing over 200 organisations and around 1,000 individual members. RCOA promotes the adoption of humane, lawful and constructive policies by governments and communities in Australia and internationally towards refugees, asylum seekers and humanitarian entrants. RCOA consults regularly with its members, community leaders and people from refugee backgrounds and this submission is informed by their views.

RCOA welcomes the opportunity to give feedback on to the Productivity Commission's inquiry into human services. Each year, RCOA conducts annual national community consultations on issues associated with Australia's Refugee and Humanitarian Program.¹ Effective settlement service provision is a key concern for refugee communities, service providers and other community members. Throughout our previous consultations, settlement service providers have expressed significant concern regarding the increased competition and privatisation among the sector. In addition, RCOA believes that introducing user choice in the early stages of settlement (i.e. within the first five years) is ineffective as community members are still navigating the Australian community and are yet to fully understand the human services sector in order to make an informed choice.

As such, RCOA recommends that settlement services, such as those providing Humanitarian Settlement Services (HSS), Settlement Grants, Complex Case Support (CCS) and many other on arrival programs are not considered within the scope of this review.

1. Overview of Australia's settlement services

- 1.1. Australia's settlement services framework is renowned internationally as an example of best practice in supporting the successful settlement of refugee and humanitarian entrants. Australia's Refugee and Humanitarian Program has two main components. Under the first component, the offshore program, people are resettled in Australia from overseas (usually after either being referred to Australia by the United Nations High Commissioner for Refugees, or being sponsored by a person or an organisation in Australia). Under the second component, the onshore program, people apply for refugee status after arriving in Australia and are found to be in need of Australia's protection.
- 1.2. The Australian Government funds the Humanitarian Settlement Services (HSS) program to provide on-arrival settlement support and orientation to most people in the offshore program, and also to some people in the onshore program who arrived with a valid visa. The HSS program is provided to people to assist them in the first 6 months of arrival. In addition, the Complex Case

¹ RCOA's annual submissions on the Refugee and Humanitarian Program can be viewed at <http://www.refugeecouncil.org.au/publications/intake-submission/>

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Support (CCS) program is also available to humanitarian entrants who experience additional barriers to settling and require additional casework support.

- 1.3. Upon exiting the HSS program (usually six to 12 months after arrival), humanitarian entrants have access to a range of services under the Settlement Grants Program (SGP), which is designed to provide assistance with longer-term settlement needs. SGP services vary between locations but most focus on casework, referrals, provision of settlement-related information, advocacy services and community development activities.
- 1.4. The initial months of settlement in Australia are some of the most challenging periods in a refugee's settlement journey. Refugee and humanitarian entrants typically arrive in Australia with limited or no financial resources (with some new arrivals bringing literally nothing more than the clothes on their backs), limited or no English language skills or knowledge of Australian culture, laws and systems. On arrival, they are confronted with myriad and often competing settlement challenges: finding appropriate accommodation, learning English, completing education, obtaining or upgrading qualifications, seeking employment, supporting family members still living in refugee situations overseas, learning about life in Australia and recovering from experiences of torture and trauma.
- 1.5. In this context, effective on-arrival support plays a critical role in assisting new arrivals to find a foothold in Australia and begin their settlement journey in a positive way. HSS providers are the first point of contact in Australia for many new arrivals in Australia and the support they offer can have a significant influence on future settlement outcomes.

2. Concerns regarding increased competition in the settlement services sector

- 2.1. Many services have expressed concerns to RCOA regarding the increased competition among settlement services as a result of government tendering processes. There was a significant concern among those consulted that the move towards coemptive tendering would benefit larger national or state-wide services over more local and community-run services, resulting in a loss of local expertise and undermining the valuable specialised support that many smaller services provide. Participants were especially concerned that such arrangements would disadvantage the smaller, more specialised services, including community organisations set up by new and emerging refugee communities.
- 2.2. RCOA's members have commented that competitive tendering, through which service providers are forced to compete against each other, can undermine the quality of services by forcing service providers to cut costs and skilled staff in order to win contracts. Such competitive approaches also discourage partnerships and information-sharing; both of which are crucial to effective service provision. Participants argued that the quality of service provision, assessed on the basis of the skills, experience and expertise of service providers, should be the primary consideration when awarding contracts. As one service provider in Tasmania commented "the competitive funding environment doesn't always provide the best outcomes for clients." Many also commented that while quality, tailored services may have a higher initial cost, they are also more effective and, therefore, more efficient over the long-term. Many feared that the skills and experience developed over a number of years would be lost due to less experienced services winning contracts by simply cutting costs. There was also a concern among participants that for-profit service providers may win vital contracts traditionally held by not for profit NGOs. Such a move was seen as a significant change to the settlement sector that had the potential to undermine the valuable work and expertise that settlement services have provided for decades.
- 2.3. Quality of service provision, assessed on the basis of skill, experience and expertise should be the primary consideration in awarding contracts to service providers. A move to a more competitive industry could discourage providers from developing a deeper understanding of community needs and cultural barriers negatively affecting service provision and ultimately effective settlement and social cohesion. These tailored services, though more expensive initially have been proven to be more efficient over the long-term. Competitive tendering risks undermining quality service provision.

- 2.4. The importance of involving refugee community organisations in the delivery of settlement services has been highlighted by RCOA. As noted in RCOA's report, *The Strength Within: The role of refugee community organisations in settlement*,² refugee community organisations play a vital role in the settlement of new arrivals. However, as these organisations are often small, local and run by community members, there is a concern that they may not be able to compete against larger service providers in funding rounds such as the DSS grants process. This was highlighted by service providers in NSW:

[Competitive tendering] disadvantages small and emerging communities in particular, as they often do not have the resources, expertise and experience to be able to prepare competitive applications in appropriate English in such a short timeframe, and often rely largely on volunteers within the community to prepare proposals. Small and emerging communities may find it difficult to obtain funding in a large government department such as DSS, which may have reservations about funding small, relatively new organisations, particularly in the face of competition from large, experienced agencies.

- 2.5. Service providers and community groups called for additional funding and support for refugee community organisations to continue providing vital support to their communities. Participants also said that new and emerging communities need additional support to help them in applying for relevant Settlement Grants.

3. User-choice and settlement services

- 3.1. RCOA believes that implementing a user-choice system in initial settlement services is not appropriate, as new arrivals do not have sufficient knowledge of relevant services and institutions to effectively make an informed choice. These barriers to choice are exacerbated by a range of factors, including language barriers, differences between services in countries of origin, transit and Australia and the complexities of navigating a new country.
- 3.2. Implementing an initial user choice system within settlement services has the potential to lead to users picking cheaper but less supportive services (including the possibility of for-profit services). Refugees with limited English language skills may not be aware of significant differences between service providers and be much more open to exploitation in the industry and not receive the services they most need.
- 3.3. A user choice model may also see people drawn to services which are not culturally competent, such as some mainstream services. RCOA members have argued that mainstream services often fail to provide adequate support to people from refugee backgrounds and do not provide appropriate training in cross-cultural communication and the needs of refugee and humanitarian entrants. Service providers cited instances where they had referred refugee and humanitarian entrants to mainstream services but found that they returned to their settlement service provider because the mainstream service was not able to offer appropriate support. A major concern is that it has often been reported that mainstream services refuse to use interpreting and translating services. There is a risk that due to their lack of knowledge of other services, people may stay with a less than adequate service because they are not aware of other options.
- 3.4. Ultimately, the role of settlement services is to inform newly arrived communities of the services available to them and help them navigate Australia's human services sector. Expecting refugee communities to navigate this system themselves before they have even settled will ultimately fail, leading to decreased settlement outcomes and a higher cost in the long term as people fail to successfully integrate.

4. Recommendation

² Refugee Council of Australia 2014, *The Strength Within: The role of refugee community organisations in settlement*, available at http://www.refugeecouncil.org.au/r/rpt/1405_StrengthWithin.pdf

- 4.1. RCOA believes that settlement services, defined as those providing HSS, CCS, Settlement Grants and other supports to newly arrived communities, should not be included in the scope of the Productivity Commission's inquiry into human services. There is a significant concern that increasing competition among settlement services will decrease expertise and quality and ultimately affect positive settlement outcomes. In addition, implementing a user-choice system to settlement services is not appropriate, as newly arrived communities do not have sufficient knowledge and understanding of relevant services and institutions to effectively make an informed choice.