

# COVID-19 and humanitarian migrants on temporary visas: assessing the public costs

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## Key points

- The 'coronavirus recession' has led to increased unemployment, underemployment and financial stress for many Australians
- Economic crises can lead to damaging effects on workers' financial security, mental and physical health, well-being and social relationships
- Because many refugees and asylum seekers are employed in low-income and insecure jobs, they are particularly vulnerable to the effects of a recession
- This paper estimates that nearly 19,000 refugees and asylum seekers on temporary visas will lose their jobs because of the current economic downturn
- Unemployment rates among bridging, safe haven enterprise and temporary protection visa holders are projected to rise from approximately 19.3% to 41.8%
- For those that remain employed, weekly wages could fall by an average of \$90 per week, with 92% of workers earning less than the minimum wage
- Refugees and asylum seekers who become unemployed, leave the labour force or live below the poverty line are at high risk of poor health and homelessness
- Increased hospital admissions for mental health conditions, heart attack or stroke, injury and drug overdose, self-harm and other socioeconomic factors could cost State and Territory governments an additional \$23.4 million per year
- The homelessness rate among refugees and asylum seekers on temporary visas is projected to rise to around 12%, which will cost governments an additional \$181 million per year in health, justice, social and other services
- As an example of the local impacts of coronavirus on this cohort, the Cumberland LGA could see an additional 2,587 refugees and asylum seekers on temporary visas lose their jobs—767 of which are likely to become homeless
- With a refugee and asylum seeker population experiencing high levels of unemployment, rental affordability stress and socioeconomic disadvantage, the City of Cumberland is at high risk of COVID-19 infection and transmission

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<sup>1</sup> Please see the final page of this report for author biography.

## 1 Introduction

Temporary migrants—including people seeking asylum and refugees on temporary visas—are particularly vulnerable to unemployment and poverty during Australia's 'coronavirus recession,' due largely to their overrepresentation in precarious work and lack of access to social security assistance.<sup>2</sup> A previous briefing paper projected how job and income losses for refugees and asylum seekers would lead to a decline in household spending, the inability of some households to pay rental costs, and foregone federal taxation revenue.<sup>3</sup>

This paper examines how unemployment and income loss for temporary humanitarian visa holders<sup>4</sup> impacts on their health and well-being, and projects some of the subsequent fiscal implications for State and Territory Governments. Specifically, the paper demonstrates how preventing refugees and asylum seekers from accessing financial help such as the 'JobSeeker' payment is likely to create increased demand for public health and homelessness services. A case study of Cumberland, a local government area (LGA) in Western Sydney with a high concentration of refugees and asylum seekers, also highlights population needs and impacts at a local level.

### Impacts of COVID-19

This paper adopts the basic impact scenario model developed in the previous briefing to illustrate the impacts of the coronavirus pandemic (see Appendix 1). The model is informed by recent analyses of how COVID-19 is affecting the wider population in terms of employment, household consumption, and public health costs.<sup>5</sup>

While the previous paper focused on the federal budget and economic implications of not extending income support to temporary migrants, this paper demonstrates how, as a result of the coronavirus recession, most refugees and people seeking asylum on temporary visas will experience declining health and well-being, and be at high risk of homelessness. These individual effects will result in increased expenditure for State and Territory Governments.

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<sup>2</sup> M.A. Kenny (2020), [Temporary visa holders left behind in Australia](#), UWA Public Policy Institute, The University of Western Australia, 14/05/20; C. Farhart (2020), [Scott Morrison urged to extend coronavirus assistance to one million 'vulnerable' temporary visa holders](#), *SBS News*, 4/05/20.

<sup>3</sup> See Research Briefing Note (#1): *The impacts of COVID-19 on people seeking asylum and refugees on temporary visas*, submitted to Refugee Council of Australia, 9/05/20, available at <https://www.refugeecouncil.org.au/covid-19-impact-briefing-1/>

<sup>4</sup> People seeking asylum holding bridging visas (BVA subclass 010, BVC subclass 030, and BVE subclass 050/051), and refugees holding Temporary Protection visas (TPV subclass 785) or Safe Haven Enterprise visas (SHEV subclass 790).

<sup>5</sup> B. Coates et al. (2020), [Shutdown: Estimating the COVID-19 employment shock](#). Working Paper NO. 2020-03, April 2020, Grattan Institute; R. Cassells et al. (2020), [Potential Job Losses in the COVID-19 Pandemic](#). Research Brief COVID-19 #2, Bankwest Curtin Economics Centre; Anglicare Australia (2020), [Rental Affordability Snapshot: National Report](#), April 2020; ACOSS (2020), [Who misses out on access to Australia's safety net under Covid19?](#) Briefing, 21 April 2020, Australian Council of Social Services; NRAAG (2020), [COVID-19 National Refugee Community Consultation: Outcomes Report](#), National Refugee-led Advisory and Advocacy Group, April 2020.

## 2 Evidence review: Unemployment, health and homelessness

A job is more than a source of income: it can provide people with a social role, a framework for relating to others, and a sense of purpose and identity. Losing a job is typically an involuntary and disruptive event with potentially damaging effects on people's financial security, personal health, well-being and social relationships.

### Mental health effects

Decreased standard of living, decreased security of income and stigma are major drivers of the negative association between unemployment and mental health.<sup>6</sup> Acute stress starts with the anticipation of unemployment; the first signs of ill health appear when people feel their jobs are threatened.<sup>7</sup> Stress is then heightened by disruptions over time to social status, routines, demonstration of competence and skill, and established patterns of social and economic relations.<sup>8</sup>

The experience of unemployment can lower self-esteem, self-acceptance, self-confidence, morale, life satisfaction and sense of purpose.<sup>9</sup> In addition, unemployment can increase social isolation and damage the 'buffering effect' that a social network normally provides, while also contributing to risky health behaviours such as increased smoking, alcohol and drug misuse.<sup>10</sup>

A range of international studies have highlighted the scale of these effects. A 2015 study from the US showed that the probability of a decline in self-reported mental health after job loss increases by 41%, and reports of depression or anxiety rose by 23%.<sup>11</sup> A 2012 Danish study of job losses showed a 63% increase in hospitalisation for mental health disorders in the first year of unemployment, a 62% increase in suicide attempts, and a 28% increase in hospitalisation due to alcohol-related diseases.<sup>12</sup> A major review summarising over 200 individual studies from around the world estimated nearly a twofold increase in depression for people who became unemployed,<sup>13</sup> while a review of research from 26 EU countries over a 37-year period calculated that a 1% increase in unemployment was associated with a 0.79% increase in the suicide rate.<sup>14</sup>

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<sup>6</sup> IWH (2009), [Unemployment and mental health](#), Issue Briefing, Institute for Work & Health, August 2009.

<sup>7</sup> R. Wilkinson & M. Marmot (eds.) (2003), [Social determinants of health: The solid facts](#), 2<sup>nd</sup> edn., World Health Organization.

<sup>8</sup> J. Brand (2015), [The Far-Reaching Impact of Job Loss and Unemployment](#), *Annual Review of Sociology*, 41(3), pp. 359-75

<sup>9</sup> *Ibid.*

<sup>10</sup> J. Benach, C. Muntaner & V. Santana (2007), [Employment Conditions and Health Inequalities: Final Report to the WHO Commission on Social Determinants of Health \(CSDH\)](#), World Health Organization.

<sup>11</sup> J. Schaller & A.H. Stevens (2015), 'Short-run effects of job loss on health conditions, health insurance, and health care utilization', *Journal of Health Economics*, 43, pp. 190-203 [Paywall].

<sup>12</sup> M. Browning & E. Heinesen (2012), 'Effect of job loss due to plant closure on mortality and hospitalization', *Journal of Health Economics*, 31, pp. 599-616 [Paywall]

<sup>13</sup> K. Paul & K. Moser (2009), 'Unemployment impairs mental health: Meta-analyses', *Journal of Vocational Behavior*, 74, pp. 264-282 [Paywall].

<sup>14</sup> D. Stuckler et al. (2009), 'The Public Health Effect of Economic Crises and Alternative Policy Responses in Europe: An Empirical Analysis', *The Lancet*, 374(9686), pp. 315-323 [Paywall].

## Physical health effects

Job loss has also been linked to negative impacts on physical health and increased use of medical and disability services. Effects include increased risk of cardiovascular diseases (heart attack and stroke), malnutrition, as well as hospitalisation due to traffic accidents and alcohol-related disease.<sup>15</sup> Workers who become unemployed also record higher levels of somatisation: the conversion of depressive symptoms and anxiety into physical body complaints.<sup>16</sup> People who work in manual labour tend to suffer worse health impacts, as do those without a strong social network.<sup>17</sup> Evidence from the US has showed that, over time, lowered income levels are associated with shorter life expectancy.<sup>18</sup>

## Homelessness

Household financial pressures during an economic downturn can increase the risk of housing instability or homelessness.<sup>19</sup> Low income renters are particularly vulnerable to being pushed into homelessness by sudden changes to their income combined with declining housing affordability (high median rents have a strong impact on rates of homelessness<sup>20</sup>). A low-income tenant is likely juggling the need to pay for housing and other essential expenditures, and therefore at a higher risk of incurring rent arrears that could ultimately lead to tenancy termination.<sup>21</sup>

Mental health and homelessness are also co-correlated. People recently experiencing homelessness exhibit high levels of distress,<sup>22</sup> but some of the behaviours associated with mental ill-health—such as anti-social behaviour and difficulties managing finances—can also make sustaining a tenancy difficult and lead to eviction.<sup>23</sup> While homelessness caused by unemployment may be a relatively brief episode for most, this can become long-term or ‘chronic’ homelessness where individuals experience a combination of physical and mental health issues, addictions or literacy problems.<sup>24</sup>

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<sup>15</sup> B. Herbig, N. Dragano & P. Angerer (2013), '[Health in the long-term unemployed](#)', *Deutsches Ärzteblatt*, 11(23–4), pp. 413–9; Benach, Muntaner & Santana (2007); Brand (2015); Browning & Heinesen (2012).

<sup>16</sup> Brand (2015).

<sup>17</sup> F. Norström et al. (2014), '[How does unemployment affect self-assessed health? A systematic review focusing on subgroup effects](#)', *BMC Public Health*, 14(1310), pp. 1–13.

<sup>18</sup> R. Chetty et al. (2016), 'The Association Between Income and Life Expectancy in the United States, 2001-2014', *Journal of the American Medical Association (JAMA)*, 315(16), pp. 1750–1766 [Paywall].

<sup>19</sup> A. Steen, D. Mackenzie & D. McCormack (2012), '[Homelessness and Unemployment: Understanding the Connection and Breaking the Cycle](#)', Swinburne Institute for Social Research, Swinburne University.

<sup>20</sup> M. Hanratty (2017), 'Do Local Economic Conditions Affect Homelessness? Impact of Area Housing Market Factors, Unemployment, and Poverty on Community Homeless Rates', *Housing Policy Debate*, 27(4), pp. 640–655 [Paywall].

<sup>21</sup> H. Pawson et al. (2018), '[Australian Homelessness Monitor 2018](#)', Launch Housing.

<sup>22</sup> R. Scutella & G. Johnson (2018), 'Psychological distress and homeless duration', *Journal of Housing Studies*, 33(3), pp. 433–454 [Paywall].

<sup>23</sup> AHURI (2019), '[Understanding the links between mental health, housing and homelessness](#)', AHURI Brief, Australian Housing and Urban Research Institute, 8/07/19.

<sup>24</sup> K. Zaretsky et al. (2013), '[The cost of homelessness and the net benefit of homelessness programs: a national study](#)', AHURI Final Report No. 205, Australian Housing and Urban Research Institute, April 2013.

## Public health impacts of the 'coronavirus recession'

Economic crises have been found to further strengthen the link between unemployment and poor health.<sup>25</sup> For example, a UK study examining the effects of the 2008 Global Financial Crisis found that each 10% increase in the number of unemployed men was associated with a 1.4% increase in male suicides.<sup>26</sup>

Australia is only just beginning to see the effects of the coronavirus recession; households have constrained spending capacity and there are more severe economic contractions predicted for the near future.<sup>27</sup> The ABS labour force statistics have already pointed to significant economic disruption as a result of COVID-19; between March and May 2020:

- unemployment increased from 5.2% to 7.1%,
- more than half a million people became newly underemployed (wanting, and are available for, more hours of work),
- more than 760,000 people worked zero hours for economic reasons, and
- more than 623,000 people left the labour force altogether.<sup>28</sup>

Australian experts have raised concerns of a looming public health crisis as a result of the coronavirus pandemic, due to a combination of significantly higher rates of anxiety and depression, fears of ill health, rising household debt, unemployment, increased social isolation and loneliness.<sup>29</sup> A recent ANU survey of Australians showed that people experiencing psychological distress consistent with having 'probable serious mental illness' increased from 8.4 to 10.6 per cent in April 2020.<sup>30</sup> Modelling by the Australian Medical Association has also suggested that there may be a 25% increase in suicides as a result of COVID-19, with the impacts being greatest among those hardest hit by job losses.<sup>31</sup>

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<sup>25</sup> Herbig et al. (2013).

<sup>26</sup> B. Barr et al. (2012), '[Suicides associated with the 2008-10 economic recession in England: time trend analysis](#)', *British Medical Journal (BMJ)* (345), pp. 1-7.

<sup>27</sup> P. Martin (2020), '[The economy in 7 graphs. How a tightening of wallets pushed Australia into recession](#)', *The Conversation*, 3/06/20.

<sup>28</sup> NSC (2020), '[A snapshot in time: The Australian labour market and COVID-19](#)', Australian Government: National Skills Commission, 1/07/20.

ABS (2020a), '[Labour Force Commentary April 2020](#)', cat 6202.0 - Labour Force, Australia, Australian Bureau of Statistics, 14/05/20.

<sup>29</sup> J. Kulkarni (2020), '[Predicting the pandemic's psychological toll: why suicide modelling is so difficult](#)', *The Conversation*, 29/05/20.

<sup>30</sup> N. Biddle et al. (2020), '[Hardship, distress, and resilience: The initial impacts of COVID-19 in Australia](#)', ANU Centre for Social Research and Methods, May 2020.

<sup>31</sup> AMA (2020), '[COVID-19 impact likely to lead to increased rates of suicide and mental illness](#)', Media Release, Australian Medical Association, 7/05/20.

### 3 Estimating unemployment and income losses

This briefing develops projections based on statistical data and cost estimates from a variety of sources. While modelling the population health impacts of economic disruptions is typically very complex, this briefing provides indicative estimates for the purposes of policy discussion and to prompt further investigation where possible.

The overall study cohort of temporary humanitarian migrants comprises a total of 115,947 people, as shown in Table 1 below.

**Table 1. Total population of refugees and asylum seekers on temporary visas, 31-Mar 2020**

Visa class	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Bridging visa E	4,764	5,860	867	528	548	21	101	53	12,742
PPV applicants*	35,780	35,592	5,129	5,894	2,406	135	646	304	85,888
TPV & SHEV	5,977	5,965	2,179	960	1,774	54	347	61	17,317
<i>Total</i>	<b>46,521</b>	<b>47,417</b>	<b>8,175</b>	<b>7,382</b>	<b>4,728</b>	<b>210</b>	<b>1,094</b>	<b>418</b>	<b>115,947</b>
<i>Proportion (%)</i>	<b>41.7%</b>	<b>41.4%</b>	<b>6.0%</b>	<b>6.9%</b>	<b>2.8%</b>	<b>0.2%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>100.0</b>

\* (Permanent Protection visa). State/Territory breakdown of PPV applicants is estimated according to the given proportions.

Source: Department of Home Affairs visa statistics, 2020.

Of this group, approximately 61,662 people are estimated to have been employed before the coronavirus recession. This is based on the overall March 2020 labour force participation rate of 65.9%, and an assumed employment rate of 80.7% (derived from data on BVA, BVC and BVE holders in the Australian Census and Temporary Entrants Integrated Dataset (ACTEID)<sup>32</sup>).

Based on these estimates, **at least 18,807 refugees and asylum seekers on temporary visas are projected to lose their jobs in the coronavirus recession. This represents an increase in the unemployment rate for this cohort from 19.3% to 41.8%. Median weekly incomes for those who remain employed are projected to fall by an average of \$90 per week.** With the current full-time minimum wage at \$741 per week,<sup>33</sup> around 92% of those who remain employed after COVID-19 will be earning less than the minimum wage.

Table 2 below summarises these calculations. The analysis is based on: (1) proportions of bridging visa holders employed by industry;<sup>34</sup> (2) projected coronavirus-related unemployment effects by industry;<sup>35</sup> (3) approximate median hourly earnings of people

<sup>32</sup> ABS (2019), [Australian Census and Temporary Entrants Integrated Dataset, 2016](#), cat 3419.0.55.001, Australian Bureau of Statistics (data obtained from TableBuilder). SHEVs and TPVs are not reflected in Census data. In the previous briefing paper, we estimated a 62% employment rate for this population based on data from the Building a New Life in Australia (BNLA) survey. We consider the ACTEID rate to be more accurate.

<sup>33</sup> FWO (2020), [Minimum wages](#), Australian Government: Fair Work Ombudsman.

<sup>34</sup> ABS (2019), [Australian Census and Temporary Entrants Integrated Dataset, 2016](#), cat 3419.0, data obtained from TableBuilder.

<sup>35</sup> B. Coates et al. (2020).

without vocational qualifications by industry;<sup>36</sup> and (4) ABS estimates of income losses for employed people from 14 March to 30 May 2020.<sup>37</sup>

**Table 2. Estimates of coronavirus-related job and income losses for temporary humanitarian migrants**

Industry of employment	Employed pre-COVID	Employed post-COVID	Diff (+/-)	Median weekly FT wage (gross) pre-COVID	Median weekly FT wage (gross) post-COVID	Diff (+/-)
Accommodation and Food Services	11,394	4,501	-6,893	\$ 673	\$ 630	-\$ 43
Administrative and Support Services	5,307	4,394	-913	\$ 872	\$ 691	-\$ 181
Agriculture, Forestry and Fishing	2,137	1,865	-271	\$ 808	\$ 715	-\$ 92
Arts and Recreation Services	755	340	-415	\$ 873	\$ 847	-\$ 26
Construction	8,217	6,615	-1,602	\$ 888	\$ 819	-\$ 69
Education and Training	2,238	1,435	-803	\$ 871	\$ 753	-\$ 118
Electricity, Gas, Water and Waste Services	309	267	-42	\$ 1,025	\$ 981	-\$ 44
Financial and Insurance Services	671	586	-85	\$ 1,131	\$ 843	-\$ 287
Health Care and Social Assistance	5,783	4,296	-1,486	\$ 858	\$ 776	-\$ 81
Information Media and Telecommunications	600	500	-100	\$ 908	\$ 799	-\$ 109
Manufacturing	5,846	4,624	-1,222	\$ 849	\$ 781	-\$ 69
Mining	268	233	-35	\$ 1,408	\$ 1,215	-\$ 193
Other Services	2,955	1,741	-1,215	\$ 727	\$ 666	-\$ 61
Professional, Scientific and Technical Services	2,729	2,434	-295	\$ 987	\$ 907	-\$ 80
Public Administration and Safety	853	726	-126	\$ 1,138	\$ 1,066	-\$ 72
Rental, Hiring and Real Estate Services	640	448	-191	\$ 851	\$ 857	\$ 6
Retail Trade	5,612	3,744	-1,869	\$ 775	\$ 749	-\$ 26
Transport, Postal and Warehousing	3,560	2,724	-837	\$ 977	\$ 841	-\$ 137
Wholesale Trade	1,759	1,353	-406	\$ 908	\$ 872	-\$ 36
<i>Total jobs</i>	61,632	42,825	-18,807	-	-	-
<i>Average</i>	-	-	-	\$ 922	\$ 832	-\$ 90

<sup>36</sup> ABS (2019), [Characteristics of Employment, Australia, August 2019](#) cat 6333.0, Table 6.2, 9/12/19.

<sup>37</sup> ABS (2020b), [Weekly Payroll Jobs and Wages in Australia, Week ending 30 May 2020](#) cat 6160.0.55.001, 16/06/20. Figures are derived from payroll data submitted to the Australian Tax Office (ATO).

## 4 Estimating increased public health costs

**Unemployment and income losses among temporary humanitarian migrants will lead to increased demand on the public health system that is projected to cost State and Territory Governments an additional \$23.4 million per year.** As NSW and Victoria host over 80% of all refugees and asylum seekers on temporary visas, these states will shoulder over \$19 million of the additional cost burden.

To estimate the increase in costs on the public health system, the analysis in this paper:

1. Derived the ordinary hospitalisation rate. A proxy indicator from ABS health service usage data was used: the proportion of people born overseas who visited at least one relevant medical facility in a 12-month period (22.6%).<sup>38</sup>
2. Calculated the expected number of hospitalisations for the study cohort of temporary humanitarian migrants by applying the ordinary hospitalisation rate (n=26,204).
3. Identified ordinary rates of hospital emergency department (ED) presentations from available data by the following admission categories: mental health, heart attack or stroke, injury and drug overdose, traffic accidents and self-harm, socioeconomic and other related factors.<sup>39</sup>
4. Applied multipliers to ED presentation rates based on factors identified in the evidence review. For example, the increase in hospitalisations for mental health disorders in the Danish study was cited as 63%; therefore, a multiplier of 1.63 was applied to the ordinary rate for this category to reflect projected post-COVID hospitalisations due to mental health issues.
5. Estimated the baseline costs of post-COVID increased hospitalisations based on average diagnosis costs in available public hospital data.<sup>40</sup>
6. Increased the 'unit cost' based on evidence that culturally and linguistically diverse (CALD) patients have up to 3.8% higher hospital costs.<sup>41</sup>

Table 3 below summarises these findings, with estimates of increased ED presentations (hospitalisations) and related costs post-COVID. Table 4 estimates the distribution of these costs by State and Territory based on their relative share of the migrant cohort.

<sup>38</sup> Including hospitals, outpatient clinics, emergency/casualty wards, or day clinics. ABS (2017), [Health Service Usage and Health Related Actions, Australia, 2014–15](#), cat 4364.0.55.002, Table 3, Australian Bureau of Statistics.

<sup>39</sup> AIHW (2020), [Emergency department care 2018–19: Australian hospital statistics](#), Supplementary data tables, Table 4.5: Emergency department presentations(a) by principal diagnosis in ICD-10-AM(b) chapters, states and territories, 2018–19.

<sup>40</sup> AIHW (2019), [Admitted patient care 2017–18](#), Data tables: Chapter 7: Costs and funding, Table 7.4: Selected cost statistics(a), by Major Diagnostic Category version 8.0 and Medical/ Surgical/Other partition, public hospitals, 2017–18.

<sup>41</sup> PwC (2015), [Culturally and Linguistically Diverse Patient Costing Study Report](#), Report for the Independent Hospital Pricing Authority, PricewaterhouseCoopers, 16/03/15.

**Table 3. Projection of increased hospitalisations and per head cost, by category of principal diagnosis**

	Mental health conditions	Heart attack or stroke	Injury and drug overdose	Self-harm	Socioeconomic factors	Total
Proportion of all hospitalisations	3.6%	4.1%	24.6%	0.2%	3.1%	35.6%
Pre-COVID hospitalisations *	943	1,074	6,446	52	812	9,329
Adjustment rate/multiplier	1.63	1.82	1.28	1.62	1.31	-
Post-COVID hospitalisations *	1,538	1,955	8,251	85	1,064	12,893
Difference (+/-) *	594	881	1,805	32	252	3,565
Avg cost of CALD ED presentations (2017-18)	\$ 9,057	\$ 7,285	\$ 5,917	\$ 5,917	\$ 2,795	-
Expected total cost pre-COVID	\$ 8,543,449	\$ 7,826,409	\$ 38,139,524	\$ 310,077	\$ 2,270,719	\$ 57,090,179
Projected total cost post-COVID	\$ 13,925,822	\$ 14,244,064	\$ 48,818,591	\$ 502,325	\$ 2,974,642	\$ 80,465,445
<i>Difference (+/-)</i>	\$ 4,834,149	\$ 5,763,982	\$ 9,591,346	\$ 172,667	\$ 632,224	\$ 23,375,266

\* Estimates are rounded to whole numbers

**Table 4. State-level breakdown of increased hospitalisation costs**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Share of migrant cohort	41.7%	41.4%	6.0%	6.9%	2.8%	0.2%	0.8%	0.4%
Pre-COVID hospitalisations	3,886	3,866	557	640	261	15	70	33
Post-COVID hospitalisations	5,371	5,343	770	885	361	20	97	46
Difference (+/-)	1,485	1,477	213	245	100	6	27	13
Pre-COVID cost (\$)	\$ 23,783,463	\$ 23,658,317	\$ 3,409,325	\$ 3,918,091	\$ 1,599,605	\$ 90,040	\$ 429,202	\$ 202,092
Post-COVID cost (\$)	\$ 33,521,473	\$ 33,345,087	\$ 4,805,255	\$ 5,522,333	\$ 2,254,555	\$ 126,906	\$ 604,936	\$ 284,837
<i>Difference (+/-)</i>	\$ 9,738,011	\$ 9,686,770	\$ 1,395,930	\$ 1,604,241	\$ 654,950	\$ 36,866	\$ 175,734	\$ 82,745

## 5 Estimating increased costs of homelessness

Pre-COVID homelessness among people on bridging visas, SHEV/TPVs and permanent protection visa applicants is estimated to be 8,771 people (5,121 men and 3,650 women), or a homelessness rate of 7.6%. This is more than double the homelessness rate for all recently arrived migrants (3.5%), and far exceeds the rate for the general population (0.9%) and the Australian-born population (0.7%).<sup>42</sup>

This baseline homelessness rate is based on the ABS methodology for estimating homelessness,<sup>43</sup> and draws on counts of the following Census categories for BVA, BVC and BVE holders on Census night:

- Persons living in improvised dwellings, tents or sleeping out
- Persons living in short term supported accommodation for the homeless
- Persons staying temporarily with other households
- Persons living in boarding houses
- Persons living temporarily in other lodgings
- Persons living in severely crowded dwellings

The estimated pre-COVID public costs of homelessness for this group is over \$311 million per year (see Table 5 below). Costs are estimated using the Australian Housing and Urban Research Institute (AHURI)'s methodology.<sup>44</sup>

**Table 5. Estimated pre-COVID public costs of cohort homelessness per person, annual**

Expenditure category	Men	Women
Health	\$ 22,824	\$ 13,247
Justice	\$ 10,684	\$ 2,749
Welfare and taxation foregone	\$ 10,482	\$ 4,558
Children placed in care	\$ 8	\$ 2,734
Eviction	\$ 139	\$ 64
Total cost per person	\$ 44,137	\$ 23,352
Pre-COVID homeless (persons)	5,121	3,650
<i>Annual public costs</i>	<b>\$ 226,024,934</b>	<b>\$ 85,239,565</b>

<sup>42</sup> ABS (2018), [Census of Population and Housing: Estimating homelessness, 2016](#), cat 2049.0, data obtained from TableBuilder.

<sup>43</sup> ABS (2012), [Information Paper – A Statistical Definition of Homelessness](#), cat 4922.0, 4/09/12.

<sup>44</sup> K. Zaretsky et al. (2013), [The cost of homelessness and the net benefit of homelessness programs: a national study](#), Findings from the Baseline Client Survey, AHURI Final Report No. 205, April 2013.

**As a result of the coronavirus recession, the homelessness rate among refugees and asylum seekers on temporary visas is projected to increase from 7.6% to 12.0%—a total of nearly 14,000 people. This will cost governments an additional \$181 million per year, or an annual increase of 58%.** Victoria and NSW will share over \$150 million of this projected increase.

These projections take into account the impact of coronavirus-related job and income losses on the already precarious housing situation of refugees and people seeking asylum, who are typically low-income renters in short-term accommodation arrangements.<sup>45</sup>

To arrive at these figures, we estimated that 27.1% of people in our study cohort projected to lose their jobs after coronavirus are likely to become homeless; this proportion is based on specialist homelessness services (SHS) data on clients who seek homelessness assistance (including emergency accommodation) due to financial difficulties, housing affordability stress, or unemployment.<sup>46</sup> These calculations are shown in Table 6 below, with the distribution of these costs by State and Territory in Table 7.

**Table 6. Estimated post-COVID public costs of cohort homelessness per person, annual**

	Men	Women	Totals
Pre-COVID homeless	5,121	3,650	8,771
Newly homeless & needing assistance	2,976	2,121	5,097
Total post-COVID homeless	8,097	5,771	13,868
Total cost per person	\$ 44,137	\$ 23,352	-
<i>Annual public costs</i>	\$ 357,374,942	\$ 134,774,885	\$492,149,826

<sup>45</sup> AHRC (2019), [Lives on hold: Refugees and asylum seekers in the 'Legacy Caseload'](#), Australian Human Rights Commission.

<sup>46</sup> AIHW (2019), [Specialist Homelessness Services Collection data cubes 2011-12 to 2018-19](#), Australian Institute of Health and Welfare, 18/12/19.

**Table 7. State-level breakdown of increased homelessness costs**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Share of migrant cohort	41.7%	41.4%	6.0%	6.9%	2.8%	0.2%	0.8%	0.4%
Pre-COVID homeless	3,654	3,635	524	602	246	14	66	31
Post-COVID homeless	5,777	5,747	828	952	389	22	104	49
Difference (+/-)	2,123	2,112	304	350	143	8	38	18
Pre-COVID cost (\$)	\$ 129,671,124	\$ 128,988,808	\$ 18,588,168	\$ 21,362,040	\$ 8,721,294	\$ 490,911	\$ 2,340,075	\$ 1,101,836
Post-COVID cost (\$)	\$ 205,026,983	\$ 203,948,153	\$ 29,390,321	\$ 33,776,176	\$ 13,789,505	\$ 776,194	\$ 3,699,964	\$ 1,742,146
<i>Difference (+/-)</i>	\$ 75,355,859	\$ 74,959,344	\$ 10,802,153	\$ 12,414,136	\$ 5,068,211	\$ 285,283	\$ 1,359,889	\$ 640,310

## 6 Cumberland LGA case study

Cumberland City Council is a large local government area (LGA) in the western suburbs of Sydney with an estimated resident population (ERP) of 241,521 people in December 2019.<sup>47</sup> According to the most recent available data, Cumberland is home to more than one third of all people seeking asylum on BVEs living in NSW, as well as nearly half of all TPV and SHEV holders and over one-third of all PPV applicants in the state (see Table 8 below). The total number of bridging, safe haven enterprise and temporary protection visa holders represents approximately 7% of the total population of Cumberland LGA.

**Table 8. Estimated population of refugees and people seeking asylum on temporary visas, Cumberland LGA**

Visa class	Cumberland LGA	% of NSW	% of Aus.
Bridging visa E	1,703	35.7%	13.4%
PPV applicants	12,734	35.6%	14.8%
TPV & SHEV	3,013	50.4%	17.4%
Total	17,450	-	-

Applying the unemployment and homelessness effects derived earlier in this study, **it is projected that Cumberland will see an additional 2,587 refugees and asylum seekers on temporary visas lose their jobs, and an additional 767 people become homeless.** The total number of unemployed persons in this cohort will rise to 4,806, while the total number of homeless will rise to 2,087 people.

### Socioeconomic disadvantage and localised COVID-19 outbreaks

While the spread of COVID-19 in Australia has declined from earlier peaks, the latest outbreaks are following a pattern also seen in Europe of localised clusters in neighbourhoods facing high socioeconomic disadvantage—often inhabited by ethnic minorities or migrants who work in low-paid jobs.<sup>48</sup>

The National COVID-19 Health and Research Advisory Committee (NCHRAC), established to advise the Commonwealth Chief Medical Officer, has outlined similar risks. In their May report, the NCHRAC advised that people from migrant backgrounds—especially those on temporary visas—are at increased risk of COVID-19 infection and transmission due to higher chronic disease burden, barriers to health care access and disproportionate employment in occupations requiring person to person interaction.<sup>49</sup> Low levels of English language proficiency and trust in public health institutions also mean that some migrant communities are not receiving critical messages about disease prevention, detection and control.

<sup>47</sup> ABS (2020), *ERP by LGA (ASGS 2019), 2001 to 2019*, Australian Bureau of Statistics, data obtained from ABS.Stat.

<sup>48</sup> F. Giugliano (2020), ['From Leicester to Lisbon, Coronavirus Outbreaks Follow a Pattern'](#), *Bloomberg Opinion*, 1/07/20.

<sup>49</sup> NCHRAC (2020), [Risks of resurgence of COVID-19 in Australia](#), National COVID-19 Health and Research Advisory Committee, 21/05/20.

Without investment in community outreach, engagement and public health communication, these factors present a threat to the health and wellbeing of communities such as Cumberland.

For example, almost three quarters (74%) of bridging, safe haven enterprise and temporary protection visa holders in Cumberland live in postcodes that have the highest levels of socioeconomic disadvantage relative to the state of NSW.<sup>50</sup> As of 30 May 2020, these postcodes were also in regions with unemployment rates of between 8.4% and 15.9% (the state unemployment rate was 6.4%).<sup>51</sup>

More strikingly, private rental accommodation is almost completely unaffordable for refugees and asylum seekers on temporary visas in Cumberland. Based on Census data for BVA, BVC and BVE holders, median household weekly incomes are estimated at approximately \$650 per week. However, current median rental prices in Cumberland postcodes range between \$400-650 per week—meaning that **the median household of bridging, safe haven enterprise and temporary protection visa holders is likely to be spending between 60–100% of their weekly income on rental costs.**

Demand for local financial support from charitable organisations and multicultural associations that support refugees and asylum seekers is also likely to increase during the coronavirus recession. Essential services such as aged care, childcare, family violence, mental health and homelessness services are under strain to meet demand while sustain their operational viability in light of current funding models and COVID-19 restrictions.<sup>52</sup>

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<sup>50</sup> Based on SEIFA Index of Relative Socioeconomic Disadvantage (IRSD) calculated by Statistical Area 4 (SA4) using 2016 Census data. The IRSD incorporates indicators such as low income, unemployment, mixed families, disability, lack of transport and overcrowding. See ABS (2018), [IRSD](#), cat 2033.0.55.001, 27/03/18.

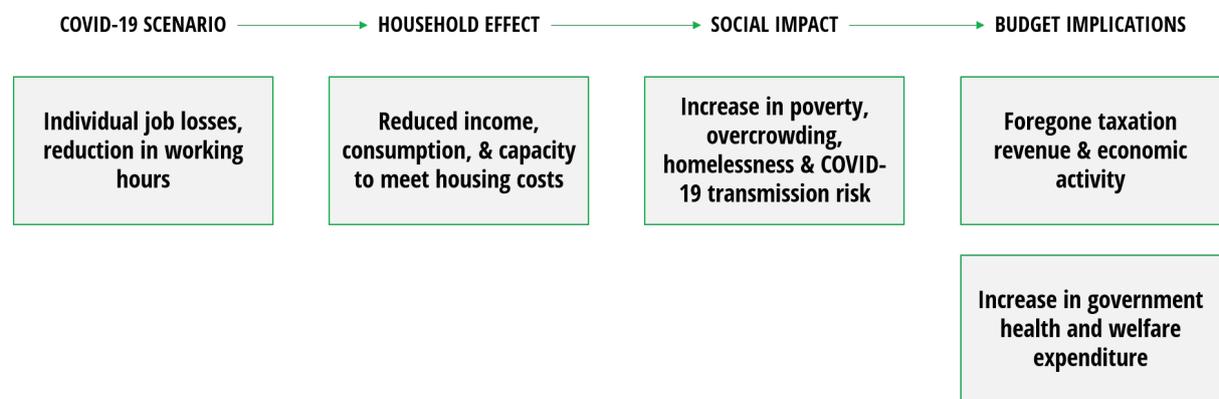
<sup>51</sup> DESE (2020), [Labour market maps and analytics dashboard](#), Australian Government: Department of Education, Skills and Employment, 29/06/20.

<sup>52</sup> ACOSS (2020), [ACOSS COVID-19 Response and Recovery—Community Sector Issues](#), Briefing, Australian Council of Social Service, 23/04/20.

# Appendices

## Appendix 1

Figure 1. COVID-19 impact scenario model for temporary humanitarian migrants



## About the Author

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