Submission on Reforming Australia's Settlement Grants Programs

October 2026

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

This submission draws on existing research, participatory consultations and lived experience. It includes existing literature and reports from peak bodies and government, insights from international and Australian consultations on refugee resettlement and complementary pathways and our participation in consultations led by the Settlement Council of Australia, the Social Policy Group and the Multicultural Youth Advocacy Network Australia.

We note the quick turn-around required for this submission and the Department's consultative process. Sadly, this short timeframe for providing insight and expertise has become a regular feature of the Government's approach. We encourage the Department to allow sufficient time for future consultations to support meaningful sector input and to recognise the expertise of people with lived experience for forced displacement and the use of settlement services. Sufficient time allows providers to consult staff, clients, refugee communities and sector partners, and develop in-depth feedback and recommendations. Engaging service providers from the other settlement services (e.g. Humanitarian Settlement Program, HSP, and the Adult Migrant English Program, AMEP, etc) and recognising the diversity of expertise across the sector would have further strengthened the process.

1. Background: recognising the critical role of settlement services in Australia

Australia has been a world leader in providing settlement services to refugees. Australia's contribution is important, as relatively few countries resettle refugees. This commitment is even more valuable today when it is harder than ever for refugees to find protection in a safe country. As global displacement reaches record highs and resettlement options are dramatically reduced, Australia's commitment to refugee protection must remain strong, robust and inclusive.

The effectiveness of Australia's humanitarian commitment should be considered over the long term. The 2024 Global Consultation on Resettlement and Complementary Pathways (CRCP), held in Australia, highlighted that integration should be understood as a "lifelong journey."[1] Participants distinguished between transition, orientation and longer-term integration, and emphasised the importance of listening to refugees about their priorities and what matters to them after arrival.

Ongoing research and consultations highlight the importance of settlement services that are accessible, culturally responsive, trauma-informed, and recognise refugee expertise and lived experience. People arriving through the Humanitarian Program often need support to understand Australian institutions and systems; access housing, health services, English language studies, have overseas qualifications recognised; obtain relevant industry licensing or accreditation; enter and participate in the labour market; reunite with family; and develop independence and a sense of belonging within their communities.

[1] 2024 Consultations on Resettlement and Complementary Pathways (CRCP). Working Group co-chaired by UNHCR, the Department of Home Affairs and Refugee Council of Australia. Consultations included 125 representatives from government, NGOs, UN agencies, refugee-led organisations, academia and the private sector. See final report: https://www.refugeecouncil.org.au/wp-content/uploads/2023/12/2024-WGR-Report_Final.pdf

While the objective of the Refugee and Humanitarian Program is to provide safety and a durable solution to people in need of protection, research has also demonstrated the significant contributions that refugee and humanitarian entrants make to Australia's economy, culture and society. The Scanlon Foundation's recent *2025 Refugee Experiences in Australia Study* demonstrates that humanitarian migrants develop strong belonging, safety, civic engagement and connections to Australian society, while also identifying persistent barriers to settlement, including discrimination, financial stress and language difficulties.[2]

Programs such as SETS, YTS and EPRI, alongside HSP, AMEP and complementary pathways form a vital part of Australia's humanitarian settlement ecosystem. Whether delivered through integrated or specialised models, these services build the foundation for wellbeing, participation, social harmony, independence and contribution.

2. Shared concerns about the proposed redesign

The Refugee Council shares concerns about the intent and the justification of the redesign of some of the settlement services. The Departmental discussion paper identifies duplication of services as one of the drivers of the redesign; yet no evidence is provided to demonstrate systemic overlap of settlement services. In fact, feedback we have received over the years points to major gaps in service provision rather than widespread duplication.

RCOA is also concerned that the proposed integrated model will result in the loss of many specialised as well as grassroots organisations who have been providing essential settlement services for many years. Sector consultations highlighted the value of smaller providers in offering flexible, trusted and responsive support to individuals, families and communities. This included having lived experience staff and responding to diverse client needs without overly prescriptive limits. Participants also recognised the benefits of greater integration with larger organisations, industry and service providers to improve service coordination and expand employment opportunities. Participants emphasised that integration should strengthen, not displace, smaller specialist and community-based providers whose local knowledge, relationships and flexibility are vital to positive settlement outcomes.

> "[It is] good to have an integrated program, but do not disempower existing strengths from some really good, tailored programs such as EPRI." – *Service provider participant*
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> "There is also beauty in how agencies like EPRI are able to specialise and leverage on sector industries they are connected in…What is missing is how we enhance the connection between different agencies together. How do we process more formal, measured, outcome-driven." – *Service provider participant*

The role and influence of local community-based and specialised services is reflected in recent research. A 2026 study by Abood et al., based on 26 interviews with settlement service providers across 19 organisations in Greater Western Sydney and Melbourne, found that HSP and SETS play a vital role in building social capital through social bonds, bridges and links.[3] The findings outline the importance of social integration, cultural connection, orientation, belonging, informal networks and trusted relationships in linking humanitarian entrants with their communities and mainstream institutions. These connections support wider settlement outcomes, including employment, education, housing and social integration.

[2] Scanlon Foundation Research Institute, "Refugee Experiences in Australia Study." June 2025. https://scanloninstitute.org.au/wp-content/uploads/Refugee-Experiences-in-Australia-Study_compressed-2.pdf

[3] Julianne Abood, Michael Polonsky, Kerry Woodward, Zulfan Tadjoeddin, Andre M.N. Renzaho, "Settlement service provision and social capital among humanitarian migrants in Australia: a service provider perspective," International Journal of Sociology and Social Policy, Vol 46; Issue 13–14, 2026, pp. 20-35 https://www.sciencedirect.com/org/science/article/pii/S0144333X25000831

3. Responding to all settlement domains, including health

RCOA's networks encouraged the Government to respond to all settlement domains, as outlined in the Refugee and Humanitarian Entrant Settlement and Integration Outcomes Framework. Positive economic participation, social connections and youth pathways overlap with all other settlement domains outlined in the Framework, including health and wellbeing, housing and transport, and language and digital literacy. Health and wellbeing outcomes in particular have been identified as being intrinsically linked to other settlement outcomes, and as a critical enabler to active engagement in a new society. It is important that any changes to settlement services do not lose focus on the intersecting nature of all settlement domains, as one cannot be achieved without the others.

4. Service Design: How could settlement support services achieve strong economic participation, social connection and youth outcomes?

Participants during consultations reflected that an integrated settlement program should strengthen coordination across existing services and organisations to support client needs. Integration should strengthen local capability, not dilute it. Some key points and feedback from participants in consultations included:

- **Holistic, family-centred engagement:** Organisations with deep, trusted relationships with families are able to understand the circumstances, strengths, challenges and aspirations of the family as a whole. This is across employment, schooling, education and social participation.
- **Central coordination verses local delivery:** A more centralised employment system could provide stronger coordination, employer networks and pathways into work. However, this should not come at the expense of smaller, grassroots and ethno-specific organisations that provide highly tailored support and have deep community trust.
- **Retain culturally responsive and specialised services**: Smaller and medium-sized organisations, including bicultural and bilingual providers, bring cultural knowledge, lived experience and community connections that can be difficult to replicate through a large, centralised model. Existing approaches such as EPRI demonstrate the value of tailored employment support and close collaboration with SETS providers.
- **Integrate without diluting what works**: Community connection, social participation, education and economic engagement are all important to successful settlement. An integrated model should connect these elements without losing community-based contacts and specialist strengths that have developed across existing programs.

Feedback from consultations suggests that SETS/EPRI/YTS settlement outcomes should be understood as a journey, with progress measured against a person's starting point, individual circumstances, needs and patterns of engagement. Some participants described the current model as "rigid" and involving "tick-box" exercises, with a strong focus on caseworker performance. While quantitative measures were considered important, participants noted that they do not capture the full complexity of settlement or the incremental progress clients make over time. As one participant reflected:

> "Numbers are important, but they do not tell the whole story. Confidence, independence, ability to navigate mainstream systems, stronger family, community connections and reduced reliance on intensive support are meaningful settlement outcomes."
> *– Service provider participant*

Participants generally agreed on a framework that recognises short, medium and longer-term progress, including improvements in language, digital literacy, independence, social and professional networks, ability to navigate mainstream systems, community participation and employment readiness.

The feedback also highlighted the importance of context and equity. Clients experiencing intersectional barriers, trauma, language and digital gaps, or people located in regional areas may require longer and

more intensive support. One participant noted that the intersection of ethnicity, gender and sexuality can create complex challenges within communities, with some clients unsure where to seek appropriate support. This, they argued, reinforced the important role of SETS in providing tailored support responsive to individual circumstances, alongside the role of community organisations in engaging clients who may be difficult for mainstream services to reach.

Participant feedback reflects the importance of measuring outcomes across different periods. The emphasis on long-term measurement is highlighted in the Building a New Life in Australia (BNLA) report. As a longitudinal study, BNLA followed almost 2,400 humanitarian migrants at six points over 10 years, allowing settlement outcomes to be considered across a much longer period than individual program or grant cycles.[4] The study measured specific settlement indicators including workforce participation, English proficiency, health, housing, education, early engagement and self-agency. Over the 10-year period, workforce participation increased from 22% in 2013, to 54% in 2023, while 54% reported proficient spoken English by year ten and 76% felt part of the Australian community most of the time or always.[5] At the same time, the report identified persistent financial hardship and a higher prevalence of PTSD among refugees compared with the Australian population as significant settlement challenges.[6]

RCOA's 2026 Shaping the Future of Employment Services submission highlights that progress should not be reduced to outcomes alone. Progress should not be reduced to program exit, referral or other short-term activity measures.[7] Using employment as an example, there are many measures of success including pre-employment, screening and post-employment support, such as job readiness training, support with skills and qualification recognition, CV assistance, coaching, enrolment in bridging courses, English language classes and post-employment follow-up and support. Broader settlement services happen through case management, information and advice, advocacy, referrals, coaching and mentoring, vocational pathways, training, employment preparation, as well as activities that build social connections and community participation.

Insights from our previous Workforce Australia reform submission also highlight the expertise and refugee specialisation of community organisations. Participants emphasised person-centred, strengths-based and trauma-informed service delivery, along with the importance of client choice and meaningful lived-experience leadership in service design, delivery and evaluation. Refugee advocates also stressed the need to understand individual strengths and aspirations, provide ongoing support to navigate systems, and invest in cultural competency. These principles offer important guidance for the settlement grants program, supporting effective, client-led services that build on existing expertise and promote agency, independence and positive settlement outcomes.

5. Targeting and Access: How can services ensure support is accessible, equitable and directed to those with the greatest settlement needs?

Consultation feedback emphasised that settlement services should be flexible and responsive to individual circumstances. One of the main priorities identified was service navigation and social connection, with education and community participation also identified as areas of support. Participants highlighted challenges in regional areas, where limited public transport and distance from services can make it difficult to access specialist and other essential appointments. Outreach and accessible service delivery were therefore seen as particularly important for older migrants and others facing mobility or transport barriers. Place-based knowledge, community presence and the ability to respond in a timely manner with a personal approach were viewed as essential for positive outcomes.

Participants also noted the need to "build flexibility into the funding" and improve provider capacity to respond to changing needs. An integrated, whole-of-community approach was seen as important, alongside tailored responses for groups with specific needs, including women experiencing risk and young

[4] Australian Institute of Family Studies, "Study reveals positive settlement experiences, but also challenges for many refugees", 28 November 2024. https://aifs.gov.au/media/study-reveals-positive-settlement-experiences-also-challenges-many-refugees
[5] Ibid.
[6] Ibid.
[7] Refugee Council of Australia Submission, "Shaping the Future of Employment Services," August 2026, https://www.refugeecouncil.org.au/wp-content/uploads/2026/08/2026_07_Employment-Services-Reform-Submission.pdf

people. Overall, participants considered SETS to be well positioned to provide flexible, integrated and client-driven support.

6. Service Delivery and Outcomes: What service delivery approaches would best support long-term settlement outcomes and value for money?

Consultation feedback highlighted the need for stronger coordination and culturally responsive systems so clients can access the right support. Participants noted that the service system can be complex and overwhelming for new arrivals, particularly refugees who may engage with numerous organisations at once. SETS providers can play an important navigation and connecting role, particularly where trust has already been established, by helping clients understand which organisations provide what services, their eligibility requirements and areas of specialisation.

Participants suggested that stronger collaboration between SETS, EPRI, YTS and Workforce Australia could be supported through a central coordination or connecting function, with responsibility for facilitating partnerships, referrals and clearer pathways between services. At the same time, participants emphasised the value of maintaining the diversity and specialisation of providers, including grassroots organisations and EPRI providers with strong industry connections. As one participant reflected, the key gap is not necessarily the range of services available, but "how we enhance the connection between different agencies" through more formal, coordinated and outcome-driven approaches.

RCOA's 2026 Shaping the Future of Employment Services submission also highlights the need for flexible, person-centred and culturally responsive employment support for people from refugee backgrounds, including specialist services and stronger collaboration between employment and settlement providers. It also emphasised that settlement providers can be well placed to support employment because they understand the interaction between employment, English, family circumstances, health, qualifications, social networks and settlement more broadly.

SETS and specialist settlement providers are well placed to work alongside Workforce Australia, Inclusive Employment Australia and employers to connect settlement support with sustainable employment and career pathways. Reform should support shared planning, warm referrals, collaboration and specialist expertise, with funding and performance measures that recognise meaningful progress across the full range of settlement outcomes—not simply program exit, referrals or employment placement. This would better align with the Entrant Settlement and Integration Outcomes Framework.

Building on the proven models of service delivery in existing settlement grants programs

Any changes to Australia's settlement services should build upon the strengths in existing programs. In the 2023 review of the SETS program, it identified that effective practices are established and grounded in strong connection to place and community-based delivery approaches and models.

One of the key strengths identified in service delivery includes the recruitment and retention of "highly skilled staff, including those that are bicultural, bilingual, and have lived experience, to provide culturally responsive care, bring a wealth of knowledge to the issues facing their communities and drive accessibility and engagement".[8] Through developing a network of bilingual support workers, SETS is seen to be a critical early intervention model that can support and coordinate complex client needs before it escalates to crisis point.

Such models can create safe environments where community members can build capacity in service navigation, help-seeking and health literacy. With better collaboration and coordination with health and mental health services and organisations, there is significant opportunity to leverage SETS existing engagement with communities to improve health and wellbeing outcomes, that will positively impact other settlement outcomes.

[8] Evaluation of the Settlement Engagement and Transition Support (SETS) Grants Program report (2023), Deloitte Access Economics, https://immi.homeaffairs.gov.au/settlement-services-subsite/files/evaluation-sets-grants-program-report.pdf, p.30.

The absence of these proven models of care could place additional demand on the Commonwealth Government and drive longer-term economic and social costs. In the context of health literacy and access to health services, sustaining this critical SETS role, with improved coordination and partnership with health promotion and awareness organisations will support communities to not make unnecessary presentations to hospital emergency department and other more costly models of care. Changes to Australia's current settlement programs must build on these effective approaches in order to address positive settlement outcomes for health and wellbeing, economic participation and social connection.

7. Addressing the development of key performance indicators and reporting requirements

Principles in the Commonwealth Grants Rules and Principles (CGRP) include proportionality. Applying a one-size-fits-all template regardless of scale, burdens small organisations with disproportionate reporting, and conversely, fails to apply adequate oversight to high-risk, high-value grants.

The Refugee Council is concerned about the tension between developing key performance indicators and organisations' ability to efficiently report via the current data exchange system (DEX). Feedback by settlement providers indicates that the use of DEX for measuring outcomes is not useful. In relation to the development of key performance indicators, it is essential that the Government consider what kind of measures would genuinely identify what people are benefiting from in these services. It is also vital for the Department of Home Affairs to work with settlement providers to develop the measures for reporting and to ensure that there are efficient systems in place to support that reporting, including infrastructure and capacity building to support through a client management system.

Recommendations

1. *Recognise and sustain refugee settlement services as essential to long-term integration and prosperity. These services help refugees build independence, access opportunities and participate fully in Australian society.*
2. *Ensure the proposed service delivery model strengthens integration without compromising specialist and grassroots community-based services. Sector consultations highlighted the value of smaller providers in offering flexible, trusted and responsive support to individuals, families and communities.*
3. *Ensure service design preserves specialist expertise and community strengths. Meaningfully engage settlement providers and people with lived experience, and ensure their recommendations inform decisions and implementation.*
4. *Ensure service design and outcome measures recognise settlement as a long-term journey towards independence, inclusion and participation. Clients experiencing intersectional barriers, trauma, language and digital gaps, or people located in regional areas may require longer and more intensive support. Consultation feedback and longitudinal research highlight the importance of assessing progress over time. The Department should consider how future frameworks can reflect both staged progress and the longer-term nature of settlement.*
5. *Consider how stronger coordination across settlement, youth, employment, and family and domestic violence (FDV) services can improve navigation, referrals and access to culturally responsive support. Consultation feedback highlights the value of collaboration between SETS, EPRI, YTS and mainstream services.*
6. *Maintain and advance best practice in settlement service delivery. Build on proven approaches through person-centred, strengths-based and culturally responsive support, tailored case management and meaningful lived-experience leadership to strengthen individual outcomes and long-term independence.*
7. *Reduce administrative burden and strengthen reporting capacity. Ensure reporting requirements are proportionate to provider size and grant value. Work with settlement providers to develop meaningful, client-centred measures and provide government-funded training, systems and infrastructure to build provider capacity and support efficient reporting.*