Submission to Discussion Paper: Reforming Australia's Settlement Grants Programs

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1 Introduction

1.1 The Migrant Workers Centre (MWC) welcomes the opportunity to make a submission to the Discussion Paper prepared by the Department of Home Affairs, 'Reforming Australia's Settlement Grants Programs' (hereafter 'the Discussion Paper').

1.2 The MWC is a community legal service that empowers migrant workers in Victoria to understand and enforce their workplace rights. Our activities include free employment law services, education programs to raise awareness of workplace rights, and an advocacy program to amplify and support migrant workers' voices through research and policy development. Since we were established in 2018, we have been working closely with government, unions, and civil society organisations to advance the rights of migrant workers in Australia.

1.3 Employment is an important component of successful settlement, supporting financial security, independence, and social connection. The Discussion Paper identifies entry into employment and financial stability as key transitions in the settlement journey. The MWC welcomes the Discussion Paper's focus on long-term outcomes, and its recognition of economic participation and economic security as core objectives of a more integrated settlement system. Our submission builds on this by emphasising that the quality of employment is critical to sustained economic participation. This outcome depends on whether work is fair, safe, and secure, and whether workers can understand and enforce their rights. To support this, the reformed Settlement Grants Program should embed workplace rights education and pathways to specialist employment legal support as funded, explicit component of service delivery.

2 Economic participation means decent work

2.1 Entry into work does not in itself guarantee meaningful economic participation. Across the settlement journey, meaningful economic participation requires access to work that provides fair pay, safety and security, as well as opportunities to progress into employment that is commensurate with a person's skills, qualifications, and experience. This is consistent with the International Labour Organisation's concept of 'decent work', which encompasses productive work undertaken in conditions of freedom, equity, security, and human dignity, and recognises its importance to social integration.[1]

2.2 Evidence shows that new arrivals across both the migration and humanitarian programs face a high risk of exploitative work. The largest national survey of migrant workers in Australia found that 65% of employees were paid less than their legal entitlements, while more than 36% of all

[1] International Labour Organisation, *ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-Up*, 86th sess (18 June 1998, as amended 10 June 2022).

participants were paid below the National Minimum Wage. Humanitarian entrants can also face exploitation and precarious work. Research has documented underpayment, insecure work arrangements, unauthorised deductions, workplace injury, sham contracting, and discrimination.[2] Language barriers, visa precarity, and distrust of formal institutions can further limit migrants' ability to understand and enforce their workplace rights. A focus on employment entry without consideration of job quality risks treating exploitative or insecure work as a positive settlement outcome - and this overlooks its potential to undermine the outcomes that the Discussion Paper seeks to achieve.

2.3 Job quality also matters both for its immediate impact on workers' wellbeing, and for their longer-term labour market integration.[3] Even where work is not exploitative, new arrivals are frequently concentrated in low-paid, insecure employment that does not reflect their qualifications and experience. Research identifies non-recognition of overseas qualifications, discrimination, limited English proficiency, and other barriers as contributors to skills mismatch and underemployment.[4] Low-paid or casual employment *can* provide a valuable entry point to the labour market. The concern is when migrants are consistently channeled into this work with no pathway to employment that matches their education and skills.

2.4 Whether early employment acts as a steppingstone or entrenches disadvantage depends on a range of factors, including employment security, opportunities to build skills and experience, and the conditions of the surrounding labour market.[5] Migrant and humanitarian entrants face well-documented barriers to each of these.[6] The relevant policy question is therefore not only whether new arrivals enter work, but whether that work leads to sustained, decent and appropriately skilled employment.

3 Prevention and early intervention

3.1 Employment is both a marker of and a means to integration, but it can only serve this function where it is non-exploitative and provides a pathway to decent work. While entry into employment is an important, evidence-based settlement goal, without adequate support it can also channel migrants and humanitarian entrants into insecure, underpaid or unsafe work. Early employment should be accompanied by safeguards that protect new arrivals from the risks outlined above, and community-based workplace rights education is one of the most effective of these (see **Case Study 1**).

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[2] Anna Ziersch, Moira Walsh, Clemence Due and Alex Reilly, 'Temporary Refugee and Migration Visas in Australia: An Occupational Health and Safety Hazard' (2021) 51(4) *International Journal of Health Services* 531; Catherine Hemingway, *Not Just Work: Ending the Exploitation of Refugee and Migrant Workers* (Report, WEstjustice, 2016) 75–7; Laurie Berg, Sara Dehm and Anthea Vogl, 'Refugees and Asylum Seekers as Workers: Radical Temporariness and Labour Exploitation in Australia' (2022) 45(1) *University of New South Wales Law Journal* 35.

[3] OECD and European Commission, Indicators of Immigrant Integration 2023: Settling In (OECD Publishing, 2023) ch 3.

[4] Andrew Barker and Sebastian Tofts-Len, *Making Better Use of Migrants' Skills* (Report, Committee for Economic Development of Australia, 2024); Salma Ahmed and Sheenagh McShane, *Income Support Payments and Employment Dynamics: The Experience of Humanitarian Migrants in Australia* (Policy Brief, Australian Institute of Family Studies, March 2026).

[5] Hielke Buddelmeyer and Mark Wooden, 'Transitions Out of Casual Employment: The Australian Experience' (2011) 50(1) *Industrial Relations* 109; Alison L Booth, Marco Francesconi and Jeff Frank, 'Temporary Jobs: Stepping Stones or Dead Ends?' (2002) 112(480) *Economic Journal* F189.

[6] Settlement Services International, *Billion Dollar Benefit: The economic impact of unlocking the skills potential of migrants* (Report, 2023).

3.2 Workplace rights education is an important form of prevention. Rights literacy can help new arrivals understand workplace standards, identify exploitation, exercise their rights and seek assistance when those rights are breached. Delivered early, and through trusted community-based channels, it can help prevent workplace harm rather than relying on legal or other services to respond after exploitation has occurred. This is particularly important for workers who may face language barriers, limited knowledge of Australian workplace law, visa-related vulnerability or distrust of formal institutions.

3.3 The reformed Settlement Grants Program should therefore treat workplace rights education as part of the infrastructure that supports sustainable economic participation, not an optional add-on. This should include clear pathways from settlement services to specialist employment legal assistance where workers experience exploitation or require advice about their workplace rights. Early intervention is particularly important because workers who are experiencing exploitation may be among those least likely to self-refer as needing support or to approach mainstream services. Settlement services should therefore be equipped to identify workplace vulnerability and connect workers with appropriate assistance before problems escalate.

Case Study 1. The MWC Model

The MWC has developed and delivered a workplace rights education model that demonstrates how a community-based approach can work in practice.

Between July 2021 and April 2024, the MWC delivered 328 Know Your Rights sessions to 7,474 participants, alongside Work Rights Clinics, community outreach and a Bicultural Work Rights Ambassadors Program.

An independent Social Return on Investment (SROI) evaluation by Social Ventures Australia found that the MWC's work generated an estimated $11.9 million in social and economic benefits from $3.9 million in investment, equivalent to an SROI ratio of $3.10 for every $1 invested. The evaluation also found that 7,633 community members increased their understanding of workplace rights and available support through the MWC's community education activities.[7]

3.4 The MWC model provides a practical example of how workplace rights education could be embedded within a reformed settlement system. It is delivered through trusted community networks, in over 44 languages, and connected to specialist legal support where more complex assistance is required. The reformed program should build on such proven community-based approaches. The MWC is open to further consultation should the Department wish to explore how this model could inform the design and delivery of the reformed settlement program.

4 Recommendations

Recommendation 1. The reformed Settlement Grants Program should define and measure successful economic participation by the quality and sustainability of employment, including fair pay, safety, security, opportunities for progression, and freedom from exploitation.

[7] Social Ventures Australia, Migrant Workers Centre Social Return on Investment Evaluation Report (Report, September 2024).

Recommendation 2. Workplace rights education should be established as a funded and explicit component of settlement services, delivered through accessible, culturally responsive and community-based approaches.

Recommendation 3. The reformed program should establish clear referral pathways between settlement and employment services and specialist employment legal services, so that migrants and humanitarian entrants can access timely assistance when they experience workplace exploitation or require advice about their workplace rights.