21 January 2019

Humanitarian Outcomes Panel Members
Department of Prime Minister and Cabinet
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Brotherhood of St Laurence
Working for an Australia free of poverty

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Dear Panel Members

Review into Integration, Employment and Settlement Outcomes

Thank you for the opportunity to provide a written submission in support of the oral testimony provided at the consultation on 7 January. Please find attached or linked to this letter:

- case studies/program overviews of relevant Brotherhood refuge-focused initiatives (Employment program *Given the Chance*; Youth Transitions Support Pilot; Refugee Child Outreach)
- research we conducted in partnership with La Trobe University – Humanitarian migrants, work and economic security in the urban fringe – that provides insight into how local communities can support humanitarian arrivals settle well
- the Brotherhood's 2017 submission to the Joint Standing Committee Inquiry into Migrant Settlement Outcomes. We continue to endorse the recommendations contained therein and believe they remain highly relevant to the current review.

Since the 2017 Inquiry, the new Humanitarian Support Program (HSP) has been implemented and the former Settlement Grants Program reviewed and replaced by the Settlement Engagement and Transition Support (SETS) program. The Youth Transitions Support Pilot (YTSP) was extended and new initiatives introduced, including the Career Pathways for Humanitarian Arrivals and the Employer Led Refugee Employment Fund (through the Try Test and Learn Program).

The Terms of Reference for this Inquiry rightly position employment as critical to integration and settlement outcomes. It is our experience that obtaining paid work is a key aspiration of new humanitarian arrivals, who want to rebuild their lives with purpose and hope and meaningfully contribute to Australia as their new home.

There is strong rationale to refine and upscale what is already working well. We trust that the attached cases provide some practical inspiration in that regard.

More important, however, is the need to drive systemic changes to the way settlement services are commissioned. Without these, existing and future investments will not reach their potential, and some of Australia's newest residents will not reach theirs. Key factors to consider in future commissioning is ensuring services are:

- **Client-centred and driven focus:** Settlement policy typically uses existing systems and service types as the point of reference, rather than client experience. Prescriptive funding under the new HSP

contracts restrict case management funding to defined, rationed and time sensitive 'instances of service', regardless of a person's circumstances. In practice, these funded service instances are not reflecting need. Instead, a client-driven approach that starts with the aspirations of humanitarian entrants, reflects a life-course approach, provides flexible funding, builds systems literacy and reduces the impact of post-settlement trauma is needed. This requires a more flexible approach to funding as well as closer alignment of settlement and mainstream services to assist people through their diverse and non-linear settlement journeys.

- **Strengthening community linkages:** Integration and economic participation cannot be achieved by humanitarian entrants alone, even with direct and individualised settlement support. Developing and deepening individual, community and institutional networks by building bonding and bridging social capital in and between newly arrived communities and local and mainstream opportunities directly impacts integration outcomes (as reflected in our attached research). While the structure of the SETS and YTSP includes some recognition of this, elsewhere there is little investment in developing networks and community linkages. Concerted focus on this, particularly in the first eighteen months of settlement, is needed.

- **Driving collaboration:** Contractual arrangements attached to the public funding of early stage settlement services tend to discourage agencies from investing in the development of sustainable networks that can build pathways to integration and employment. There is opportunity to develop a commissioning approach that drives collaboration, supports innovation and shared learnings, leverages the expertise of different agencies, harnesses local resources and rewards activation of community assets. The Youth Transition Support Pilot represents an important step in this direction. The Brotherhood-delivered program in the City of Hume (Vic.) takes a place-based approach underpinned by joint action between the community sector (specialist and mainstream agencies), local government and employers to open up opportunities for young refugees. Furthermore, a national Community of Practice of YTSP providers is providing a platform for sharing learnings and driving improvements.

The Brotherhood stands ready to assist further with this Inquiry. We would welcome a visit by the Panel to see our refugee-focused programs in action. Please feel welcome to contact Nicole Rees, Public Policy on 0407 337 940 or nrees@bsl.org.au; or Melinda Moore, Head of Work, Economic Security, and Social Inclusion, Melinda.Moore@bsl.org.au or (03) 9288 9947 for any follow-up.

Kind regards

Prof. Shelley Mallett
Director Research & Policy Centre
Professorial Fellow in Social Policy, School of Social and Political Sciences, University of Melbourne

Attachments to this submission to the Review into Integration, Employment and Settlement Outcomes

Case studies of

- Employment program *Given the Chance* (3 pp.)
- Youth Transitions Support Pilot (4 pp.)
- Refugee Child Outreach (3 pp.)

Cost- benefit analysis of Given the Chance for Asylum Seekers by KPMG (25 pp.)

Other key documents are hyperlinked

REVIEW INTO INTEGRATION, EMPLOYMENT AND SETTLEMENT OUTCOMES FOR REFUGEES AND HUMANITARIAN ENTRANTS

Case Study: Give the Chance for Refugees
Provided by: Brotherhood of St Laurence

This case study primarily relates to (*tick any that apply*):

❒ Integration

✓ Employment – Given the Chance (GTC)

❒ Settlement

1. Description of case study

The Brotherhood delivers a range of employment support explicitly designed to address the particular challenges faced by refuges and people seeking asylum in securing and sustaining employment. The table below summarises the core components of our approach

For jobseekers	For employers
• Targeted recruitment of refugee jobseekers for particular industry opportunities and career pathways. • Pre-screening of language, literacy and numeracy, followed by referral to English as an additional language (EAL) support as needed. • Access to volunteer language tutoring • Access to voluntary work and community engagement activities to build employment experience and language skills with local groups and agencies • Wrap-around support to address health, immigration, settlement and other issues through our community partner organisations • Support for recognition of existing qualifications and experience • Industry-tailored vocational training pathways including, tickets and licences as required. • Training to build jobseeking know-how and understanding of Australian workplace culture and expectations • Post-placement support including performance coaching, industrial orientation, understanding accountability in the workplace and balancing work with family obligations.	• Establishing value propositions with business for a diverse workforce that meets business need • Working with employers on language requirements for job roles to better match and prepare participants • Co-designing models and pathways that are both accessible to refugees and skill building as required by the industry • Training for employers which breaks down barriers and builds skills of workplace supervisors to work effectively with new refugee, asylum seekers and CALD employees • Assistance for employer to identify the most appropriate supervisory and support strategies to both ensure a smooth transition and embed the recruit into the work team. • Post-placement support from a field officer to troubleshoot issues and work with the new employee and the employer to build communication, address any early issues and address potential risks or barriers to sustainable employment

The Brotherhood's flagship Given the Chance program has enjoyed strong results. In the last decade, Given the Chance at ANZ, a Brotherhood/ANZ partnership, has been providing customised pre-employment training and supported work placements in the ANZ bank network. Over 200 refugees and asylum seekers have been placed into jobs that would not have been accessible to them through mainstream recruitment methods. The retention figures have been impressive, with over 80% of participants retaining work six months later. Given the Chance has enabled ANZ to recruit skilled, loyal employees, increase workforce diversity and strengthen community connections in its branch network and call centres.

2. What are the key elements that demonstrate success?

- **Strengths based:** Refugees and asylum seekers represent untapped talent in Australia's labour pool
- **Strong business case for inclusive employment:** Employers build skilled, diverse and loyal workforces. This encourages them to develop or extend their diversity employment programs
- **Preparation of jobseekers**:
- **Support for employers:** Is intentionally different from the conveyor-belt reverse marketing and the multiple employment contacts that dominate the current system and that employers have told us they find difficult to navigate. We work with employer partners to understand their needs; prepare candidates for particular roles, train workplaces in understanding the refugee experience and put the right support and supervisory structures in place, and offer meaningful post placement support. This results in sustained employment outcomes and lower transaction costs for both jobseekers and employers.
- **Harnessing of community opportunities:** Wrap-around supports, volunteers and mentoring are provided through our local networks and partners. This leverages community altruism and local resources.

3. What structures, programs, policy or leadership supported this success?

- Philanthropic and corporate support
- Victorian Government funding through the Jobs Victoria Employment Network (JVEN) which has resourced specialist multicultural service providers (including the Brotherhood) to target jobseekers from refugee and asylum seeker backgrounds
- Partnerships with a wide diversity of employers that enable us to broker jobs suitable to participant needs.
- Use of the BSLs Group Training Organisation to underpin supported work placements
- Use of existing revenue streams (e.g. federal and Victorian government employer subsidies); services including apprenticeship, training and social supports; training subsidies – aided by Victorian Government's extension of training subsidies to refugees granted temporary protection and people seeking asylum and its establishment of free TAFE courses in areas of high labour demand
- Leveraging opportunities under social procurement requirements (Victorian Government's Major Projects Guarantee and its Social Procurement Framework) and corporate social responsibility targets
- Employer champions who introduce their supply chain and partners to the program

4. How would you frame a strategic response to the key areas being considered by the review?

While Centrelink and jobactive services provide basic support to eligible newly arrived jobseekers, this regularly falls short of addressing the particular employment barriers they face. The *Settling Better Report* shines a light on the disappointing performance of mainstream employment services in assisting humanitarian entrants, with only 17% in paid work 18 months after arriving in Australia, and women four times more likely not to have a job than men.

We echo the recommendation of the *Settling Better Report*, which called for employment interventions tailored for the specific needs of humanitarian entrants. This investment is needed as a matter of urgency.

A number of promising state and not-for-profit programs are enhancing migrants' local work experience, skills and labour market 'know-how'. These could be extended with public investment.

The next iteration of employment services could make provision for specialist and tailored employment services to newly arrived jobseekers.

Federal social procurement requirements that explicitly include refugee targets, coupled with a requirement for government contractors to use labour market intermediaries skilled in working with refugees, would open up more opportunities.

Likewise, careful design of employer subsidies could provide significant opportunity to scale up supported employment approaches tailored to the needs of large employers or sectors – with a focus on industries with current and projected skill shortages.

5. Is there any research that you have undertaken that the panel should consider?

A related Brotherhood program, Given the Chance for Asylum Seekers, used a similar approach. A recent KPMG cost benefit analysis (attached) found it delivers a return of $3.08 for every dollar invested. The report Giving asylum seekers a chance: insights from a pilot employment program also relates to that program.

Vignette: Given the Chance

Islah*, from west Africa, was resettled in Melbourne in 2013. She was widowed with 3 young children. She had no formal education, and was not literate in her first language. She had been employed as a housekeeper overseas.

In Australia Islah had short bursts of low-skilled casual jobs, including seasonal packing work in regional Queensland, between long periods of unemployment.

She self-referred to Given the Chance Dandenong in 2018, seeking assistance to gain full-time house-cleaning work. She was supported to attain a Certificate 3 in housekeeping, and to apply for opportunities brokered by BSL with employers we have relationships with. She secured a cleaning role at a major shopping centre she can access by public transport. Recent post-placement contact with the employer and Islah's job satisfaction indicate that she will retain this position.

**The participant's name has been changed to protect the identity of the individual.*

REVIEW INTO INTEGRATION, EMPLOYMENT AND SETTLEMENT OUTCOMES FOR REFUGEES AND HUMANITARIAN ENTRANTS

Case Study: Youth Transition Support Program
Provided by: Brotherhood of St Laurence

This case study primarily relates to (*tick any that apply*):

❒ Integration

✓ Employment – YTSP

❒ Settlement

1. Description of case study

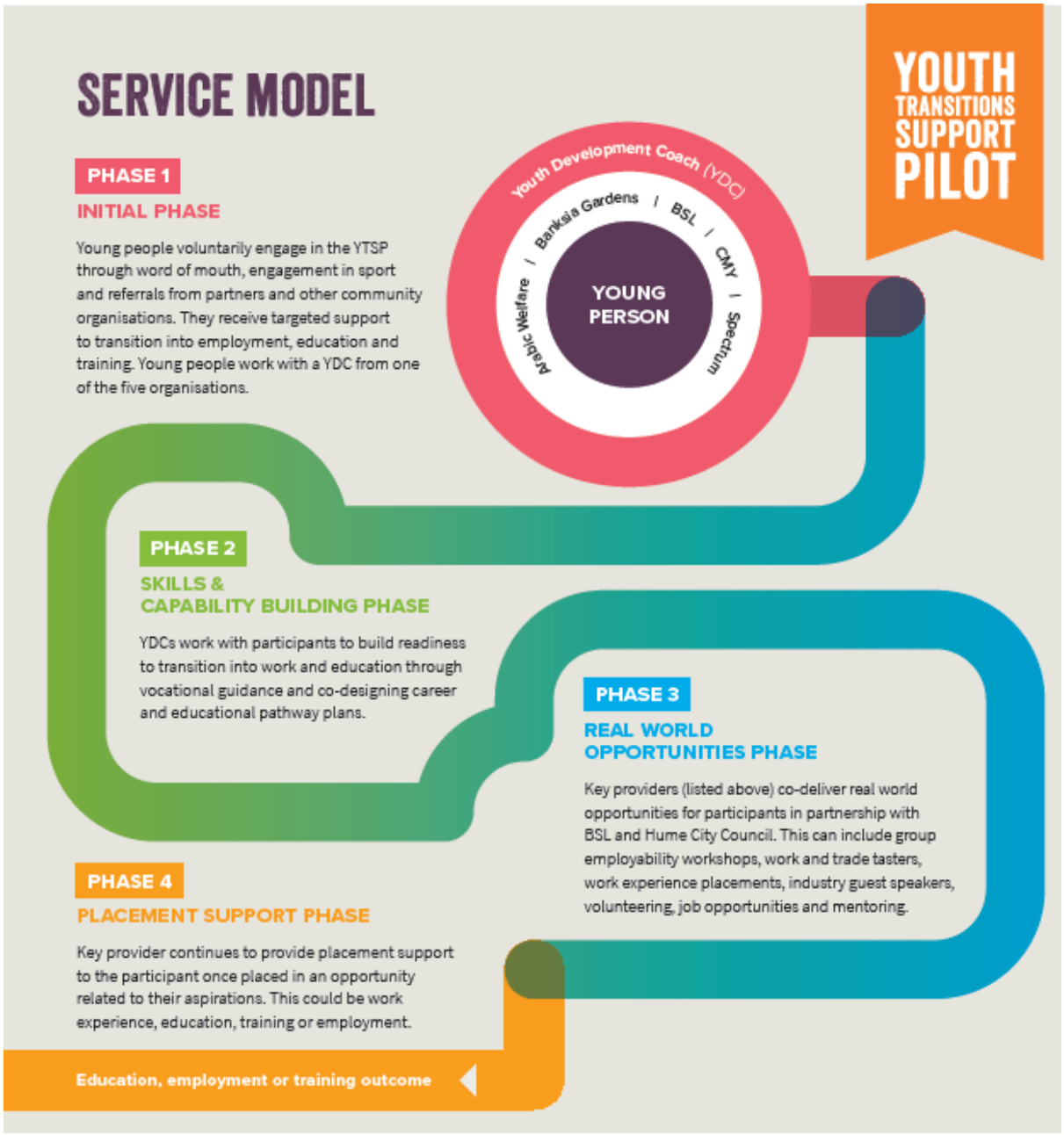
The Youth Transition Support Pilot (YTSP), funded by DSS until the end of 2019, assists the transition of young people of refugee and vulnerable migrant backgrounds aged 15–25 years. Running in six locations across Australia (Vic., NSW and Qld), the pilot is delivered by local community organisations.

Agencies work with young humanitarian entrants and vulnerable migrants to improve their workplace readiness, provide access to vocational opportunities and create strong social connections through education, sport and community participation.

The Brotherhood delivers the YTSP in the City of Hume (Vic). It also collaborates with other YTSP providers through a Community of Practice. To date, the Brotherhood's YTSP has provided one-on-one coaching assistance to 597 young people. For this group, key outcomes have included:

- 42% education outcomes
- 28% employment outcomes
- 14% accredited training outcomes
- 9% volunteering outcomes

The following diagram outlines the service model. A detailed Practice Guide is available on request.



2. What are the key elements that demonstrate success?

- **Advantaged Thinking:** This is a shift in the way we think about and respond to young people experiencing disadvantage and exclusion away from deficit, disadvantaged or problem-saturated thinking and acting, towards identifying, developing and, most importantly, investing in the skills, capabilities and assets of these young people. This builds confidence, resilience and self-reliance.

- **Co-design:** Participants co-create individual plans through a structured approach, mapped out in four clear phases. The young people's plans are based on their aspirations and strengths, and they receive coaching assistance from skilled practitioners. This builds motivation and agency.

- **Place-based collaboration:** The model has fostered collaborations with other services and organisations that add value to HSP services and build on—as opposed to duplicating—current assets. To deliver the YTSP in Hume, the Brotherhood developed a partnership model that builds on existing good work, infrastructure and experience to strengthen local capacity and align efforts and resources. Relationships and partnerships between providers, employers and industry harness community efforts.

- **Strengthening local capability:** YTSP funds have been used to employ Youth Development Coaches who are housed with local organisations already trusted by young people and their families. An Employer Engagement Officer has been placed within the Hume City Council's Economic Development Unit, to source work experience and employment opportunities for YTSP participants. This helps to create systemic and sustainable change.

- **Volunteers and mentors**: These play an essential role in supporting the YTSP team. They help to deliver workshops; assist participants to acquire and practise new skills, and address foundational skills gaps; provide access to resources, opportunities and networks to help participants achieve their goals and recognise their capacity to make positive changes in their lives.

3. What structures, programs, policy or leadership supported this success?

Partnered delivery with Arabic Welfare Inc. (ethno-specific community organisation); Banksia Gardens Community Services (neighbourhood house); Centre for Multicultural Youth (specialist youth service) and Spectrum (settlement services provider) is helping to build the expertise of settlement and local services to provide a specialised response to the employment and training aspirations of young people of refugee and migrant backgrounds.

The Brotherhood's YTSP team is located on the Kangan TAFE campus in Broadmeadows, enabling supported and streamlined access for YTSP participants into mainstream education. This also supports Kangan to strengthen its cultural responsiveness.

Delivery of the YTSP is closely interlinked with the delivery of the Brotherhood's (federally funded) Transition to Work program. The two programs collaborate to develop and deliver experiential learning to participants, leverage resources and provide a wider offering of activities. A local Youth Advisory Group has been established comprising participants from both programs to enable young people to have voice in the delivery of the local programs and strengthen the ties between the employment and settlement sectors.

As part of the local governance of the YTSP, the Brotherhood has established a Community Investment Committee in Hume, which brings together local knowledge (from employers, government, education and training providers, and service clubs) about what is happening for young people in the local labour market, addresses factors influencing local youth unemployment, informs development of training pathways, and promotes a positive view about the potential of young jobseekers.

4. How would you frame a strategic response to the key areas being considered by the review?

Poor employment outcomes for humanitarian entrants are well documented (see (Settling Better Report). They do not fare well in the jobactive system, nor are settlement agencies equipped to provide intensive employment support. The majority of humanitarian entrants are young – supporting their transition to a new country and to independence will reap significant benefits for our nation.

Learnings from the YTSP present the opportunity to further evaluate, and work with the Community of Practice to refine and improve the evidence base for a tailored approach to support better settlement outcomes for young humanitarian arrivals.

There is potential to roll the approach out in further locations with high concentrations of humanitarian arrivals.

Consideration should be given to extending YTSP to young people aged up to 30 (or even 35 years) in line with the popular understanding of the stretched youth transition and that 18% of humanitarian entrants are aged 25-34 years. There are significant long term benefits to providing tailored assistance for them to navigate Australia's education, training, employment systems.

Alignment of the YTSP with the TtW program (although it currently has an upper age limit of 21 years) in areas with high concentrations of humanitarian entrants would maximize effective and efficient use of resources and ensure young humanitarian entrants are accessing mainstream opportunities and can receive the intensive support TtW provides.

5. Is there any research that you have undertaken that the panel should consider?

The initial evaluation of the YTSP prepared for the Multicultural Youth Advocacy Network found the program is showing early success, including through:

- increased client confidence, self-esteem and motivation, increased work readiness and access to work experience opportunities
- generating medium-term outcomes, such as increased employability of young people and increased completions in vocational qualifications and education attainment
- creating strong social connections through education and sports engagement.

Vignette: Youth Transition Support Pilot

Asmaa* arrived in Australia with her sister from Somalia in 2015 when she was nineteen. She had completed a Certificate of Clinical Nursing, had worked for two years as a hospital nurse in Somalia and has reasonable English.

Following an extended period out of work, Asmaa joined YTSP in August 2017. With a Youth Development Coach she co-designed an employment plan. This included:

- participation in work tasters
- enrolment and subsequent completion of Certificate III in Individual Support (Community Care) including 120 hours of work placement at an Aged Care facility
- volunteer work in aged care to build her local experience
- links with local community groups to strengthen her social connections.

Asmaa was supported to build skills, including resume writing and preparing for interviews. She secured a position as a Support Worker in aged care. She continues to work in this job while undertaking further courses that provide academic credits towards nursing qualifications.

**The participant's name has been changed to protect the identity of the individual.*

REVIEW INTO INTEGRATION, EMPLOYMENT AND SETTLEMENT OUTCOMES FOR REFUGEES AND HUMANITARIAN ENTRANTS

Case Study: Refugee Child Outreach
Provided by: Brotherhood of St Laurence

This case study primarily relates to (*tick any that apply*):

❒ Integration

❒ Employment

✓Settlement – Refugee Child Outreach Program

1. Description of case study

The Brotherhood's Refugee Child Outreach has supported for the last decade families with young children (0–8 years) who have recently arrived in Australia as refugees and the program is now being extended to children in families seeking asylum. Reduced funding has restricted staffing to 0.6 EFT, and delivery to the City of Hume (Vic).

RCO has proved effective at:

- engaging families with early years services such as playgroups, childcare, kindergarten and maternal and child health
- strengthening parents' capacity to support their child's learning and development (through play sessions in the home, and parenting advice)
- helping identify and address developmental delays (through linkages to speech pathologists, occupational therapists and other specialists)
- reducing social isolation (through peer support, community volunteers and links to local children's activities)
- supporting mainstream early years services to improve their cultural responsiveness and engage with culturally diverse communities
- increasing the participation of parents in language, training and employment once they become confident to access childcare.

2. What are the key elements that demonstrate success?

- A preventive approach in the early years delivers high returns on investment through improved child wellbeing and development.
- Strengths-based practice values and builds family capability.
- Investment in building capacity of parents as First Teachers improves the home learning environment.
- Effective outreach hat rapidly engages families, including through home visits, supports engagement.
- Flexible program duration and intensity matches resources with need.
- A focus on building connections with available local opportunities leverages community assets.
- A focus on strengthening cultural competence of mainstream services builds community inclusion.

3. What structures, programs, policy or leadership supported this success?

RCO was previously funded through the former Settlement Grants Program. It is now completely reliant on philanthropic funding.

Strong referral relationships with settlement service providers and universal services (e.g. child and maternal health)

Supporting access to universal early years services (health & early learning); specialist services and local opportunities has connected families into sustainable support.

Use of community volunteers who are longer established migrants builds social capital and increases program reach.

Engagement with the family provides a platform for referral of older siblings and parents to related opportunities, such as English language training or the Brotherhood's employment programs for refugees.

4. How would you frame a strategic response to the key areas being considered by the review?

Developing a national approach to the wellbeing and development of young children from refugee families would help address the higher rates of childhood vulnerability among this cohort. This would in turn support better outcomes for children across their life course and in different domains (education, work, health, relationships, civil and social participation, etc.). It would also deliver benefits to parents (enabling increased social and economic participation); families and communities.

As an immediate step, five demonstration projects could be established in locations with high concentrations of refugee families. A literature review and learnings from existing programs (such as BSL's RCO) could inform the design. Establishing a Community of Practice would enable learnings to be shared between sites. An evaluation would contribute to the evidence base for future investments.

Alternatively, funding could be provided to support evaluation of existing initiatives, to strengthen the existing evidence base. This could include action research to support the rigor of existing initiatives.

Future investment in settlement services ought to identify child wellbeing outcomes as a priority.

5. Is there any research that you have undertaken that the panel should consider?

RCO has not yet been evaluated. A recent Program Quality Survey of participants provided the following results:

- 50% of respondents said RCO helped them 'very much' to understand early years services in Australia. The average rating was 4 (on a scale of 1 to 5).
- 50% of respondents said the program had helped 'very much' to increase their confidence in approaching and talking to early years services and workers. The average rating was 4.
- Most participants said the program had helped them 'a lot' or 'very much' to connect with local children and family services
- Most participants said the program had assisted them with English language skills
- 90% of respondents reported that the outreach component was 'important' or 'very important'
- 100% of respondents reported they believed their RCO worker had done their best to help them.

RCO Vignette:

After many years in refugee camps, Syla* was resettled in Australia in 2017 with 8 children in her care, all under 12 years of age. Within two weeks of her arrival, the HSP provider referred her to BSL's Refugee Child Outreach Program (RCO).

The RCO practitioner worked with Syla to develop an Action Plan based on her needs and interests and supported:

- enrolment of the youngest children at kindergarten
- engagement with maternal and child health services
- access to community health services including dental care
- visits to the local library bilingual story time
- access to specialist trauma counselling
- access to interpreters to enable Syla to engage with her children's education.

The RCO practitioner also assisted Syla to obtain the required documentation to prove legal guardianship for her relative's children, so she could access services for them.

Additionally, an RCO volunteer supported Syla and the children with settlement skills such as using banking services, accessing local affordable food, using mykis and public transport, and geographical orientation to assist confidence to travel independently.

Once Syla felt that her youngest children were safe in child care, she was supported to commence English language classes. Upon exiting RCO, Syla reported that the program had helped her to develop strong relationships with the local community and family services.

**The participant's name has been changed to protect the identity of the individual.*

KPMG

Given the Chance Asylum Seekers

COST BENEFIT ANALYSIS

Brotherhood of St Laurence

June 2018

Contents

Inherent Limitations

This report has been prepared for the Brotherhood of St Laurence (BSL) as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement which is not subject to Australian Auditing Standards or Australian Standards on Review or Assurance Engagements, and consequently no opinions or conclusions intended to convey assurance have been expressed.

In preparing this report, we have had access to information provided by BSL and publically available information. KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report. The findings and recommendations in this report are given in good faith but, in the preparation of this report, we have relied upon and assumed, without independent verification, the accuracy, reliability and completeness of the information made available to us in the course of the work, and have not sought to establish the reliability of the information by reference to other evidence.

Any findings or recommendations contained within this report are based on our reasonable professional judgement based on the information that is available from the sources indicated. Should the project elements, external factors and assumptions change then the findings and recommendations contained in this report may no longer be appropriate. Accordingly, we do not confirm, underwrite or guarantee that the outcomes referred to in this report will be achieved.

In addition, in preparing this report, it has been necessary to make estimates as to potential costs, savings and other items. Those estimates have necessarily been based on hypothetical assumptions as to future events and circumstances. There will inevitably be differences between forecast or projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material. KPMG does not warrant or guarantee any of the estimates, forecasts or projections contained within this report.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by BSL or stakeholders consulted as part of the process.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

Third Party Reliance

This report is solely for the purpose set out in the Scope Section and for BSL's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of BSL in accordance with the terms of KPMG's contract for this engagement. Other than our responsibility to BSL neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Executive Summary

The purpose of this report is to provide an evidence based analysis of the value for money offered by the *Given the Chance for Asylum Seekers* (GtCAS) program, which is currently delivered by the Brotherhood of St Laurence (BSL) at three sites across metropolitan Melbourne.

This analysis utilises data provided by BSL on recorded employment outcomes for program participants, and compared this data to the outcomes reported in publicly available data for a similar cohort who did not access the program.[1]

Context

Securing "stable, adequately remunerated and fulfilling employment[2]" is widely recognised as a significant contributor to the successful integration of people seeking asylum and refugees into communities across Australia. Positive employment outcomes provide economic benefits for Government and people seeking asylum, and social benefits for the Victorian community.

GtCAS provides assessment and pre-employment support and training for people seeking asylum, working directly with prospective employers to identify current and future employment opportunities, and preparing and matching jobseekers appropriately. The GtCAS intervention has been specifically designed to address acknowledged barriers to the employment of people seeking asylum[3], with this tailored approach contributing to its perceived comparative success in achieving sustainable and quality employment outcomes for its participants.

GtCAS was set up and delivered through private funds, which limited scope for its enhancement and expansion. Recently, the Victorian and NSW State Governments improved access to employment support for people seeking asylum through the Jobs Victoria program and the Refugee Employment Support Program (RESP) respectively.[4] However, access to tailored employment support services for people seeking asylum remains limited.

Purpose and scope of analysis

BSL engaged KPMG to undertake an independent assessment of the GtCAS program's economic and social impacts through application of a cost benefit analysis (CBA) framework.

The purpose of the CBA is to demonstrate to current and potential funders the overall value for money offered by GtCAS. The analysis was primarily focused on the financial and economic costs and benefits associated with the current services provided, namely the costs incurred by BSL to deliver the program, and the resulting benefits for participants (i.e. additional personal income) and Government (i.e. reduced welfare expenditure and increased taxation revenue).

The CBA was undertaken in accordance with the relevant Government guidelines, namely the Department of Finance and Administration's Handbook of Cost Benefit Analysis.[5]

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[1] Primarily the data reported in Building a New Life in Australia (BNLA), an ongoing longitudinal study examining outcomes for humanitarian migrants. BNLA was commissioned and funded by the Department of Social Services, and was undertaken by the Australian Institute of Family Studies in conjunction with Colmar Brunton Social Research.
[2] What works, Refugee Council of Australia (RCOA), pg. 14
[3] In the context of this analysis, the terms 'asylum seekers' or 'people seeking asylum' refers to individuals who have sought protection as a refugee, but whose claim for refugee status has not yet been assessed. Humanitarian migrants comprise both people seeking asylum and those individuals who have been successful in being granted refugee status.
[4] Following advocacy by the Brotherhood of St Laurence, people seeking asylum with work rights were included as an eligible cohort group for the Jobs Victoria program. In NSW, the State Government allocated 1,000 places to people seeking asylum living in Western Sydney as part of RESP. These programs are funded until 2019-20.
[5] Accessed from: https://www.finance.gov.au/sites/default/files/Handbook_of_CB_analysis.pdf

Model results

The analysis included the costs and benefits associated with program participants with an 'intake date' during the period from 2013/14 to 2016/17 (i.e. 446 people seeking asylum). Costs and benefits beyond this period are included in the analysis, but only to the extent they relate to this cohort (i.e. costs of supporting participants after 'intake', benefits flowing from changes in outcomes in the years after intake for that cohort). As such, the potential impacts of current and future policy changes (e.g. changes to eligibility for income support) are not reflected in the analysis.

The table below identifies the costs and benefits that have been monetised for inclusion in the quantitative cost benefit analysis and their estimated value in NPV terms.

Impact	Net quantitative impact (NPV)
BSL delivery costs	($2.43 million)
Participant benefits – increased income	$3.71 million
Government benefits – taxation revenue and avoided welfare	$3.80 million
Net impact – NPV, 10 years	$5.07 million
Benefit Cost Ratio (BCR)	3.08

Source: KPMG analysis 2018

The total monetised benefits derived from the GtCAS are estimated to be **more than $7 million (NPV)** over the model period. This represents an overall return of around **three dollars for every dollar invested** in the program, with the majority of this benefit derived by Government (approximately $1.56 for every dollar invested). These estimates should be considered indicative of the magnitude of benefits derived from the GtCAS, rather than a definitive estimate.

A sensitivity analysis was also undertaken, which examined the impact of varying key assumptions, such as the discount rate, the assumed GtCAS success rate, and the number of hours worked per week by people seeking asylum who obtain employment. Under all scenarios, the quantitative benefits derived from GtCAS remain substantially greater than the delivery costs incurred by BSL.

Conclusions

The analysis presented in this report demonstrates that the benefits resulting from the current implementation of GtCAS significantly outweigh the investment made by BSL (and its funders) in delivering the service. This benefit is shared between Government (increased taxation revenue and reduced welfare payments) and GtCAS participants (increased personal income).

Importantly, the results of the quantitative analysis are likely to materially understate the true benefits to participants and Government. This is due to several factors:

- Key benefits relating to improved outcomes for people seeking asylum across other policy areas, such as health, justice and housing, were unable to be quantified. These benefits are likely to be substantial and result in material additional savings for State and Federal Governments.
- The assumed baseline scenario assumes that people seeking asylum would achieve comparable levels of paid employment (including hours and income) through traditional pathways, but that this would occur over a longer timeframe. Anecdotally, BSL stakeholders believe GtCAS will result in a higher quality of employment for people seeking asylum and any convergence in outcomes would occur over a longer timeframe.

- For the impacts modelled, a relatively conservative approach has been taken in developing the necessary assumptions (e.g. minimum wage has been assumed for the purposes of estimating income).

Finally, given that this analysis is limited to the costs and benefits associated with the current implementation of the GtCAS program, it is likely that broader access to the service (beyond the 446 individuals included in this analysis) would result in a proportional increase in the assessed level of benefits.

1 Introduction

This section outlines the purpose of this report and supporting analysis, relevant background and context, the scope of KPMG's services in assisting the Brotherhood of St Laurence (BSL), and the approach adopted in undertaking the required analytical work.

1.1 Document purpose

The purpose of this report is to provide an evidence based analysis of the value for money offered by the *Given the Chance Asylum Seekers* (GtCAS) program, which is currently delivered by BSL at three sites across metropolitan Melbourne. The program was established in 2013 and is funded by a small number of philanthropic investors, with funding committed until June 2018.

GtCAS provides additional assessment and pre-employment support and training for participants, as well as working directly with prospective employers to identify current and future employment opportunities. Jobseekers are matched and prepared for identified vacancies, and support is also available to supervisors and participants during their initial employment period. It is these additional service and assistance offerings that distinguish the program, and contribute to its perceived success compared to traditional support arrangements.

Given its success and the need for continued and more sustainable funding arrangements beyond June 2018, this report is intended to provide an independent assessment of the economic and societal benefits derived from the program. The results of this analysis will be used to communicate the program's benefits to secure wider uptake and support for interventions of this type at both a State and Federal Government level.

1.2 Background

Australia has a long history of accepting people seeking asylum and refugees, welcoming over 190,000 migrants[6] each year. For these individuals, securing "stable, adequately remunerated and fulfilling employment[7]" is widely recognised as a significant contributor to their successful integration into communities across Australia.

For example, the Organisation for Economic Co-operation and Development (OECD) have identified a number of positive outcomes for integrating humanitarian migrants into the workforce. These include:

- Contributing to the flexibility of the labour market, as migrants have the potential to fill important niches
- Making contributions back into the economy, lessening the dependence on welfare and in turn enhancing community and social cohesion[8]
- Building greater community support for a multicultural and diverse Australia.

Aside from assisting people seeking asylum with economic security, the other benefits typically attributed to successfully securing employment include greater participation within the wider community, improved self-esteem and also the protection and enhancement of an individual's mental health[9].

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[6] Not working, Refugee Council of Australia, pg. 5
[7] What works, Refugee Council of Australia, pg. 14
[8] No one teaches you to become an Australian, pg. 3
[9] Ibid, pg. 78

Similarly, a report produced by the Centre for Policy Development evidences the economic benefit of securing employment for humanitarian migrants, statistically illustrating that refugees are more entrepreneurial than other migrants[10], and over time have shown that they can "make up ground" on others in the job market.

These acknowledged and proven economic and social benefits of a successful transition to employment for humanitarian migrants (and people seeking asylum) forms the basis of the current GtCAS program and the investment made by key donors in its delivery.

1.3 Scope and approach

BSL engaged KPMG to undertake an independent assessment of the GtCAS program's economic and social impacts through application of a cost benefit analysis (CBA) framework. This work requires bringing together financial and operational data held by BSL, and broader evidence of the outcomes for people seeking asylum in the labour market and other policy areas, to isolate and quantify the additional impacts attributable to the program. These impacts are then compared to the full costs of program delivery to inform an overall assessment of value for money.

Cost benefit analysis

A CBA is an economic appraisal tool that enables measurement of economic, environmental and social costs and benefits associated with the service, and weighs these costs and benefits against each other. The analysis provides insight into whether the service is, on an overall basis, beneficial to stakeholders who are impacted by the service.

The CBA was undertaken in accordance with the relevant government guidelines, namely the Department of Finance and Administration's Handbook of Cost Benefit Analysis.[11]

The development of the cost-benefit analysis of the GtCAS program involved the following steps:

- Identifying the community interest (or referent group) for the Project;
- Identifying the relevant economic, social and environmental costs and benefits;
- Quantification of the identified costs and benefits, where possible;
- Qualitative assessment of costs and benefits that are unable to be monetised;
- Comparing and contrasting all costs and benefits over the evaluation period; and
- Generating economic appraisal performance measures, namely the Net Present Value of net benefits (NPV) and a Benefit Cost Ratio (BCR).

Further details of the approach are outlined in Section 3.

1.4 Structure of this report

The remainder of the document is structured as follows:

- **Section 2** provides an overview of the program as it currently operates and the results it has generated to date, as reported within prior research and evaluation work undertaken by BSL.
- **Section 3** outlines the approach adopted for the cost benefit analysis undertaken by KPMG, and summarises the results of the modelling work.

The cost benefit analysis is supported by the following appendices:

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[10] CPD – boston con group pg, 6

[11] Accessed from: https://www.finance.gov.au/sites/default/files/Handbook_of_CB_analysis.pdf

- **Appendix A**: a glossary of key terms used throughout this report; and
- **Appendix B:** a description of the detailed assumptions used to complete the modelling.

2 Program overview

This section outlines the objectives of the program and its history from establishment through to the current delivery (and funding arrangements), and presents key data demonstrating the success of the program to date in achieving positive employment outcomes for people seeking asylum.

2.1 GTCAS overview

In the context of this analysis, the terms 'asylum seekers' or 'people seeking asylum' refers to individuals who have sought protection as a refugee, but whose claim for refugee status has not yet been assessed. Humanitarian migrants comprise both people seeking asylum and those individuals who have been successful in being granted refugee status.

In an effort to assist people seeking asylum in achieving successful employment outcomes, BSL launched GtCAS as a pilot program in 2013. The program was designed to help 'fast track' people seeking asylum into stable employment, as a response to the growing unemployment rate of people seeking asylum in Australia.

GtCAS seeks to achieve this overarching outcome by preparing both people seeking asylum and potential employers, matching participants to vacancies and continuing to support program participants throughout the recruitment process and initial employment on the job[12]. Eligibility for program participation was confirmed if people seeking asylum:

- Hold a bridging visa with work permissions; and
- Have a minimum case worker-assessed level of English.

Upon evaluating the initial stages of this pilot program, it was found that participants felt the support received through GtCAS added legitimacy to their job applications. The association with BSL assisted in building trust with prospective employers, who could be sure of pre-screening and endorsement by a credible and independent organisation.

2.1.1 Policy context

GtCAS operates in a policy landscape that is constantly changing and uncertain, with three levels of Government that engage people seeking asylum across different policy areas (e.g. employment, settlement, restrictions and conditions and access to other services and supports). In particular, the rules and conditions imposed on people seeking asylum by the Federal Government have changed frequently at both a systemic and an individual level.

2.1.2 Limitations of traditional pathways

GtCAS aims to provide a more tailored and understanding alternative to traditional employment pathways available to people seeking asylum within Australia. People seeking asylum are typically eligible for employment services support (Stream A Voluntary) through the federally funded employment services program *jobactive*, which has been subject to criticism from refugee advocates for not adequately assisting jobseekers and for adopting a compliance driven approach[13]. Specifically, this relates to the difficulties experienced by newly arrived migrants and people seeking asylum, and the lack of tailored employment support available to assist these individuals with job readiness.

[12] Report: Giving asylum seekers a chance, pg. 7
[13] Not working, Refugee Council of Australia, pg. 10

People seeking asylum in Australia face significant barriers to securing stable employment, with a number of factors constraining their access to the labour market and increasing their reliance on Government welfare support. These barriers to employment include:

- Visa constraints/bridging visa limitations with insecure migration status which impacts on their ability to gain longer-term jobs;
- Difficulty navigating access to English language programs and other employment readiness courses;
- A lack of specialised providers to cater for people seeking asylum and their need for broader settlement support services;
- Difficulty in having past qualifications recognised (e.g. limited resources to undertake recognition processes or re-training where they have pre-existing qualifications);
- Additional costs incurred by employers seeking to employ people seeking asylum, such as reduced access to subsidies, risks around permanency, etc;
- Difficulty in being able to evidence past skills and these being undervalued or not recognised by employers;
- Lack of local work experience and ability to establish credibility with employers who require recent Australian work experience even for entry level work;
- Unfamiliarity with Australian recruitment practices;
- Knowledge of workplace laws, rights and entitlements; and
- Discrimination in the labour market and negative perceptions of people seeking asylum.

The impact of these barriers can be seen in the figures provided in Table 1 below. These figures show that, despite the majority of migrants who arrived in Australia between 2000 and 2011 being successful in obtaining employment, the percentage of humanitarian migrants (i.e. a broader group than people seeking asylum) that remain unemployed is significantly higher than for other categories.

Table 1: Arrivals between 1 January 2000 - 9 August 2011[14]

Migrant category	Employed		Unemployed		TOTAL
	Number	Percentage	Number	Percentage	Number
Skilled	451,915	93.9	29,269	6.1	481,184
Family	215, 041	89.6	24,850	10.4	239,891
Humanitarian	34,868	78.5	9,555	21.5	44,423
TOTAL	**701,824**	**91.7**	**63,674**	**8.3**	**765,498**

2.1.3 Key elements of the GTCAS program design

There are significant benefits to addressing the identified barriers and achieving improved employment outcomes for people seeking asylum and refugees. These include the direct economic contribution associated with employment, and broader benefits such as improvements to the health and wellbeing of individuals, and their integration into the wider community.

[14] No one teaches you to become an Australian, pg. 79

With a focus on these economic and community benefits, the key objectives of GtCAS include:

- **Long term, stable employment for program participants**, ideally matching participants to their preferred industry if possible, based on previous work experience or study completed overseas.
- **Supporting access to jobs by assisting employers** throughout the recruitment process, helping to identify new roles and opportunities and ensuring that the participants available through GtCAS are reliable and motivated potential candidates. Training is also available to support the cohort managing any new staff members, who may require post-placement support and adequate time to adapt to the Australian workforce.
- **Assessment and pre-screening** of all previous skills of program participants, with an emphasis on the importance of learning the English language and being placed into a working environment that is also supportive of this key outcome. Learning English is occasionally sacrificed at the expense of being placed into occupations at the lowest skill levels, which can impact future job prospects; with ABS data indicating that humanitarian migrants are twice as likely to secure employment if they can speak English well[15].
- **Increasing jobseeker capacity** by providing intensive support and advice to understand and navigate recruitment systems, specific industry requirements (including support and funding to obtain relevant licenses or accreditation), prepare tailored applications and build their individual jobsearch, networking and brokerage skills.
- **Assisting with the economic security** of program participants, by supporting them in the early months of their first job, and helping them find additional jobs as part of their initiation into an often precarious labour market. At the end of March 2018, the program had facilitated 505 individuals into 796 jobs as part of an overall strategy to underpin longer term, successful labour market engagement and navigation. Over half these participants previously relied on welfare income support payments prior to joining the program[16].
- **Enhancing employer knowledge and skills** so that they better understand the circumstances and skills of people seeking asylum, related employment laws and the value of inclusive workplaces.

Combined, these elements of the GtCAS program design and response are considered to be central to the improvement in employment outcomes for program participants.

2.2 GTCAS performance

As of 30 June 2016, 1,034 individual participants were registered in GtCAS client database.[17] The results of an independent evaluation of the program at this time found that for the fiscal year 2015/16:

- **56 per cent of all *GtCAS* participants were** employed after their intake process through the program was completed;
- Over the first three years of the program, **68 per cent of all participants who were placed in employment were still employed six months later**;
- 85 per cent of participants still employed at 26 weeks stated they were 'somewhat or very satisfied' that they could meet their daily expenses[18];

[15] Refugee Council of Australia, 'Not Working', pg. 8
[16] BSL Policy Paper: Facilitating successful integration and economic participation of people seeking asylum, pg. 5
[17] Report: Giving asylum seekers a chance, pg. 5
[18] BSL Policy Paper: Facilitating successful integration and economic participation of people seeking asylum, pg. 5

- Overall, up until the end of the 2015/16 fiscal year, **331 participants found a job through the program.**

More than half of the employment opportunities offered through the program were labourer and sales worker jobs.[19] The benefits that accrue from survival jobs include building job seeking knowledge, connections with employers, workplace language skills and importantly, Australian workplace experiences and networks that can be utilised in gaining the next job.

The type of job accessed remains a focus of GtCAS, which is seeking to actively promote the further development of English language skills and future employment prospects.

2.3 Program delivery / funding arrangements

GtCAS is currently delivered by BSL from three metropolitan Melbourne sites. As described above, program staff broker employment opportunities for people seeking asylum using a demand-led, supply sensitive approach that is responsive to employer needs. They actively work with jobseekers and employers to identify opportunities, support recruitment processes, develop pre-employment training and provide post placement support. Paid program staff and participants are also supported by volunteers, who assist with program administration and client mentoring.

The program is currently substantively financially supported by a single, private philanthropist, with funding scheduled to lapse in June 2018. This represents a risk for the program continuing to operate in its current form, and prevents consideration of opportunities for program growth in the future.

2.4 Conclusion

This section has outlined the objectives of GtCAS and key elements of the program design, which are intended to provide more tailored support for people seeking asylum to obtain meaningful and stable employment, compared to traditional pathways. There remains a significant opportunity in this area, with employment outcomes for humanitarian migrants (including people seeking asylum) considerably worse than for other categories, and early GtCAS program data supporting the anecdotal view of positive outcomes being achieved to date.

Despite these successes, given the current reliance on private funds to deliver GtCAS, there has been limited scope for BSL to plan for program enhancements and expansion into the future. The diversification of funding to other sources will provide greater certainty and enable BSL to build upon the achievements of GtCAS to date.

[19] BSL Policy Paper: Facilitating successful integration and economic participation of people seeking asylum, pg. 5

3 Economic Analysis

This section outlines the agreed scope of the economic analysis, the approach adopted, the results of the analysis, and the overall outcomes delivered for people seeking asylum, Government and other stakeholders.

3.1 Purpose

The purpose of the economic analysis is to demonstrate to current and potential funders the overall value for money offered by GtCAS. The analysis is primarily focused on the financial and economic costs and benefits associated with the current services provided, namely the costs incurred by BSL to deliver the program, and the resulting benefits for participants (i.e. additional personal income) and Government (i.e. reduced welfare expenditure and increased taxation revenue).

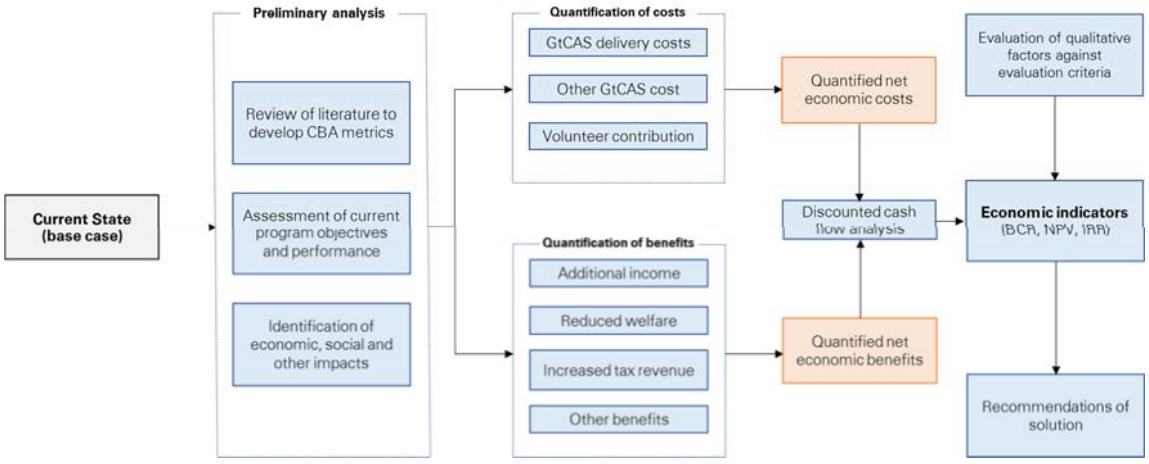
While a broader range of socio-economic impacts are considered (e.g. improved health, housing, justice system and community outcomes), these costs and benefits are evaluated qualitatively. This approach reflects the limited available evidence, the challenges in attributing causality, and the inherent difficulty in reliably measuring and quantifying these impacts in monetary terms.

For all impacts modelled quantitatively, the assumptions made are clearly stated and are deliberately conservative to avoid overstating benefits attributable to the program. Where costs and benefits cannot be quantified, a qualitative commentary towards the assessment is provided.

3.2 Approach to the analysis

An overview of the CBA approach adopted for GtCAS is illustrated in Figure 1[20] below.

Figure 1 – Approach to CBA



Source: KPMG 2017

[20] Figure definitions: Benefits to Cost Ratio (BCR) – ratio of benefits relative to the costs, a BCR > 1 indicates the benefits of a program outweigh the costs; Economic Net Present Value (ENPV) - the difference between the present value of cash inflows outflows related to the program, an ENVP > 0 indicates a net benefit; Economic Internal Rate of Return (EIRR) – indicates the rate of return from the program.

This high-level approach can be summarised as follows:

- **Establish the 'base case'** – all costs and benefits are evaluated in terms of their incremental impact compared to what would have occurred in the absence of the intervention (i.e. the 'base case');
- **Quantitative analysis** – where possible, identified cost and benefits are quantified in monetary terms. This relied on internal stakeholder consultation, program data held by BSL, reported outcomes and published research;
- **Qualitative analysis** – in addition to the impacts quantified, a range of other longer-term socio-economic benefits are likely to be attributable to the program; and
- **Overall value for money assessment** – an overall Net Present Value (NPV) and other economic indicators for the project was calculated based on the monetised costs and benefits, and an appropriate discount rate. Other benefits were assessed qualitatively and considered alongside the quantitative analysis to inform an overall value for money assessment.

The costs and benefits identified through this analysis are focused on the current delivery of the program, with the implications for an expansion of the program considered qualitatively.

3.3 Establish the base case scenario

The base case is defined as the scenario where the employment services provided to people seeking asylum through GtCAS do not exist. Under this scenario, people seeking asylum will utilise mainstream pathways to obtain employment, primarily jobactive, which are perceived to result in less favourable outcomes.

There is a range of data available that provides evidence of the current outcomes for people seeking asylum within the labour market and other policy areas. Some of the key findings drawn from Building a New Life in Australia (BNLA), a recent longitudinal study examining outcomes for humanitarian migrants (commissioned by the Department of Social Services (DSS) and encompassing a broader group than people seeking asylum), are outlined in the table below. BNLA data is being collected annually in waves, with data from Wave 1 (visa granted in previous three to six months), Wave 2 and Wave 3 reported at the time of this study.

Table 2: Baseline outcomes for humanitarian migrants

Impact area	Building a New Life in Australia: Outcomes
Employment	• For the most recent wave of data collection, just 23 per cent of humanitarian migrants (of working age) were in paid employment. • This represents an increase from previous years, with just 6 per cent recorded as being in paid employment during Wave 1.
Health	• Responses indicated high-risk, serious mental health problems, particularly for women, with women also being more likely to experience symptoms of PTSD.
Housing	• Short-term housing arrangements are prevalent for humanitarian migrants decreases, with 37.5 per cent reported for the first Wave of data collection (decreasing to 11.2 per cent in Wave 3).
Welfare support	• The clear majority of respondents (69 per cent) were receiving payments equivalent to 89 per cent of NewStart Allowance. • Despite the percentages decreasing over time (from 88 per cent to 67 per cent), the main source of income remains welfare payments for humanitarian migrants from Wave 1 to 3.

Impact area	Building a New Life in Australia: Outcomes
	• Humanitarian migrants generally face high levels of financial hardship compared to other Australians – reporting that they were least likely to be confident about looking for a job and 13.9 per cent of BNLA respondents citing they could not pay their mortgage or rent on time due to financial limitations.

As shown above, current evidence suggests employment outcomes for humanitarian migrants (including people seeking asylum) are poor, with just 23 per cent of the BLNA cohort (working age) recorded as being in paid employment in the most recent wave of data collection. Combined with poor outcomes in other policy areas, which are potentially linked to poor levels of employment, this suggests that substantial economic and social impacts are available from improved access to stable, adequately paid and fulfilling employment.

3.4 Quantitative analysis

This section summarises the outcomes of the quantitative analysis of costs and benefits attributable to the delivery of GtCAS by BSL. This includes the costs incurred by BSL in delivering the service and the monetary value of the benefits derived by participants, Government and other stakeholders.

The analysis is focused on the costs and benefits associated with program participants with an 'intake date' during the period from 2013/14 to 2016/17. Costs and benefits beyond this period are included in the analysis, but only to the extent they relate to this cohort (i.e. costs of supporting participants after 'intake', benefits flowing from changes in outcomes in the years following the intervention).

3.4.1 Cost analysis

The costs included in the quantitative analysis represent the full program delivery costs incurred by BSL over the period of analysis, including the costs associated with staff allocated to the program and an allowance for non-staff related costs and corporate overheads.

Table 3 below summarises the staff allocated to the program including a description of the roles/ responsibilities of each position, and the current level of resourcing assigned to each function.

Table 3: GtCAS program delivery resources

Position	Description	FTE
Program Manager	Management of the GtCAS program across all metropolitan sites.	1.0
Employment Adviser(s)	Individuals responsible for working with people seeking asylum and supporting them to obtain employment.	2.0
Employer Engagement	Individuals responsible for working with employers to generate demand for employment of people seeking asylum.	1.0
Administration Officer	Resources allocated to the administrative aspects of the GtCAS program.	0.8
Total resourcing		**4.8**

Source: BSL resource information

The cost associated with this level of ongoing resourcing has been quantified based on current salary cost information and an allowance for oncosts and overheads.[21] Costs are presented in Table 4 below in 2017/18 dollars.

Table 4: Estimated GtCAS program delivery costs

Cost element	Estimated cost (2017/18 dollars)
Salary costs ($ per annum)	$317,000
Allowance for oncosts and overheads ($ per annum)	$237,750
Total delivery costs ($ per annum)	**$554,750**

Source: KPMG analysis 2018

While the in-scope cohort for the analysis was assumed to include all GtCAS participants with an 'intake date' during the period 2013/14 to 2016/17, program delivery costs from 2017/18 are also included in the modelling. This reflects the need for support beyond the year of intake, with significant elapsed time before the first date of employment, and ongoing activities during the first 26 weeks of employment.

In delivering the program, BSL benefits from the contribution made by volunteers in program administration and client mentoring (resume preparation, interview skills, application support, etc). Currently, the volunteer contribution is approximately as follows:

- 3-4 volunteers contributing a total of around 21-28 hours per week; and
- 1-2 students contributing a total of around 21-41 hours per week.

The above represents a point in time estimate provided by BSL program staff, with the level of volunteer contribution generally considered to have grown as the program has matured over time.

3.4.2 Benefit analysis

The key monetary benefits derived from GtCAS flow from improved employment outcomes for participants compared to mainstream pathways, specifically a reduction in the time taken for people seeking asylum to obtain sustainable paid employment of at least 26 weeks' duration.

A. Estimated GtCAS impact on employment outcomes

Firstly, the analysis sought to identify the incremental impact of the GtCAS program in improving the employment outcomes for people seeking asylum, compared to the baseline scenario (i.e. utilisation of traditional services such as jobactive). This involved a comparison of GtCAS program data provided by BSL with the reported employment outcomes for humanitarian migrants (based on the BNLA figures).

Table 5 below summarises the estimated impact of GtCAS in supporting people seeking asylum to obtain sustainable paid employment over a 10 year period.

[21] Victorian Guide to Regulation (DTF) advises a 75 per cent allowance be made for all on costs and overheads. This figure is applied in Table 5 above.

Table 5: GtCAS employment outcomes

Employment outcome	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
GtCAS cohort	84	150	118	94	0	0	0	0	0
GtCAS participants – successful outcome	5	56	137	201	247	247	247	247	247
Baseline – successful outcome	5	22	50	107	172	217	247	247	247
Net impact	**0**	**34**	**87**	**94**	**75**	**30**	**0**	**0**	**0**

Source: KPMG analysis 2018

The above analysis of employment outcomes is based on the following assumptions:

- It includes all GtCAS participants with an intake date during the period from 2013/14 to 2016/17, but reflects their assumed employment outcomes over the full model period.
- For GtCAS participants, a successful outcome was defined as obtaining paid employment and remaining employed for a period of at least 26 weeks. This does not mean participants remain with the same employer or are continuously employed during this period. Rather, success is defined as those individuals who do not experience an extended break (i.e. four weeks) in employment during this period, and are in paid employment 26 weeks after their first date of paid employment.
- While approximately 55 per cent of GtCAS participants were identified as being successful in obtaining sustainable paid employment, it was assumed that this would occur in the financial year after the intake date. This reflects a broad range in the elapsed time between intake and initial paid employment, with an average duration of 169 days across all GtCAS participants (who ultimately represent a successful outcome). Depending on the intake date and elapsed time to employment for each individual, this means most successful outcomes occur in the year following intake. While some 'successful' outcomes occur in the same year or more than one financial year after intake, for the purposes of simplicity and this analysis, it was assumed that 55 per cent of GtCAS participants would achieve a successful outcome in the financial year after intake.
- For the baseline scenario, outcomes relating to the success of people seeking asylum in obtaining sustainable paid employment were assumed to be in line with the reported findings of the BNLA longitudinal study. Specifically, six per cent employment in the first year, 16 per cent in year two and 23 per cent in year three. While data does not yet exist beyond this timeframe, it was assumed (for simplicity and conservatism) that employment outcomes would reach equivalent levels to GtCAS for year four and beyond.

The impact of the above assumptions is that GtCAS participants obtain sustainable paid employment more quickly than they would have via traditional pathways, but over time an equivalent level of success is achieved[22]. For the in scope GtCAS cohort, the employment differential is greatest in 2016/17, where an additional 94 people seeking asylum are assumed to be in paid employment.

[22] Given that research typically indicates people who are unemployed for a period of more than 12 months are much more likely to remain as long-term unemployed, this suggests the assumption made that the employment outcomes of the GtCAS and baseline cohort will converge over time is conservative.

B. Estimated monetary benefit per additional successful employment outcome

The analysis then sought to identify the monetary benefits attributable to each additional asylum seeker who obtains paid employment due to participation in the GtCAS program, and the value of these benefits (per individual participant).

Table 6 below summarises the key benefits derived from improved employment outcomes for people seeking asylum, the estimated value and key assumptions.

Table 6: Summary of monetary benefits attributable to GtCAS

Benefit	Details
Additional income for GtCAS participants	Where there is evidence that GtCAS results in improved employment outcomes compared to traditional pathways, this will translate to more people seeking asylum being in paid employment. For the purposes of this analysis, the monetary benefit is assumed to equate to the difference between a participant's **net income** and payments equivalent to 89 per cent of NewStart allowance (for each additional person successful in obtaining paid employment). This equates to additional participant income of **$14,101 per annum** for each additional individual successful in obtaining paid employment.
Additional taxation revenue for Government	This benefit is limited to the revenue benefits generated by increased income tax (PAYG) payable by GtCAS participants due to their changed employment status and increased earnings. Other categories of taxation revenue are not included in the analysis. This has been quantified based on the assumed increase in gross earnings for GtCAS participants successful in obtaining employment, and the applicable Australian Taxation Office (ATO) marginal tax rates for the assumed level of income. This equates to additional taxation revenue of **$1,963 per annum** for each additional individual successful in obtaining paid employment.
Avoided welfare support expenditure for Government	This benefit relates to the estimated reduction in income support payments equivalent to 89 per cent of NewStart payments made to GtCAS program participants, due to their improved employment outcomes relative to traditional employment support pathways. Based on a fortnightly payment of $479.53, this equates to a reduction in income support payments of **$12,468 per annum** for each additional individual successful in obtaining paid employment.

Source: KPMG analysis 2018

Based on the above, there is estimated to be a total monetary benefit of **$28,532 per annum** for each additional individual successful in obtaining paid employment. This benefit is shared between the individual ($14,101 per annum) and Government ($14,431 per annum).

C. Total monetary benefit of improved employment outcomes

Table 7 below summarises the total monetary benefit associated with improved employment outcomes due to participation in the GtCAS program. This is calculated based on the estimated impact of the program compared to traditional pathways and the estimated monetary benefit per additional successful employment outcome.

Table 7: Estimated monetary benefit of improved employment outcomes

Employment outcome	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Additional employment	0	34	87	94	75	30	0	0	0
Monetised benefit ($M)									
Additional income	$0.00	$0.48	$1.23	$1.33	$1.06	$0.42	$0.00	$0.00	$0.00
Additional tax revenue	$0.00	$0.42	$1.08	$1.17	$0.94	$0.37	$0.00	$0.00	$0.00
Reduced welfare	$0.00	$0.07	$0.17	$0.18	$0.15	$0.06	$0.00	$0.00	$0.00
Net impact	**$0.00**	**$0.97**	**$2.48**	**$2.68**	**$2.14**	**$0.86**	**$0.00**	**$0.00**	**$0.00**

Source: KPMG analysis 2018

In total, there is estimated to be a total monetary benefit of around **$9.13 million (2017/18 dollars)** of the period of analysis, which represents the aggregate of the additional income, taxation and welfare savings benefits identified for each additional asylum seeker gaining employment. This equates to a benefit of more than **$7 million in NPV terms** over the model period.

3.5 Qualitative analysis

Consultation with internal stakeholders and a broad review of various literature identified a range of non-monetary benefits associated with the successful delivery of the program. These are described below. These benefits are unable to be quantified or validated without available data.

Table 8: Summary of qualitative impacts

Impact	Description
Community Resilience	Allowing people seeking asylum to give back to their host country through employment is thought to help build stronger community support for a multicultural Australia.
Better Integration	Formalising access to the labour market for people seeking asylum is thought to prevent possible exploitation and participation in the informal or 'grey' economy.
Community Harmony	Greater community and business engagement in the economic aspects of resettlement is considered to contribute to cohesive and prosperous societies.
Connectedness	Participation in the economy is believed to facilitate wider community participation and engagement, reducing the risks of isolation, alienation and marginalisation.
Addressing skill shortages	Many people seeking asylum have useful skills and qualifications that might address skill shortages that are currently being met through skilled migration programs.

Source: KPMG analysis 2018

3.6 Value for money assessment

The table below identifies the costs and benefits that have been monetised for inclusion in the quantitative CBA and their estimated value in NPV terms. The estimates provided should be considered indicative of the magnitude of benefits derived from the GtCAS, rather than a definitive estimate.

Table 9: Overall value for money assessment

Impact	Net quantitative impact (NPV)
BSL delivery costs	($2.43 million)
Participant benefits – increased income	$3.71 million
Government benefits – taxation revenue and avoided welfare	$3.80 million
Net impact – NPV, 10 years	$5.07 million
Benefit Cost Ratio (BCR)	3.08

Source: KPMG analysis 2018

As shown above, the total monetised benefits derived from the GtCAS is estimated to be **more than $7 million (NPV)** over the 10 year model period. This represents an overall return of around **three dollars for every dollar invested** in the program, with the majority of this benefit derived by Government (approximately $1.56 for every dollar invested).

3.7 Sensitivity analysis

This section examines the sensitivity of the above analysis to variations in key assumptions. This reflects the assumptions applied to complete the analysis and the need to assess whether changes to these assumptions will materially impact the conclusions of the analysis.

The table below describes the alternative scenarios considered as part of the sensitivity analysis, including the specific assumptions made within the main analysis, and the alternative assumptions modelled.

Table 10: Sensitivity analysis – scenarios tested

Variable	Core analysis	Sensitivity analysis
Discount rate	7%	4% and 10%
GtCAS success rate	55% of participants achieve sustainable paid employment	40% of total costs / 70% of participants achieve sustainable paid employment
Hours worked per week	30 hours per week	25 hours per week / 35 hours per week

Source: KPMG Analysis

The outcomes of the above sensitivity analysis are summarised below, with the impact of each on the assessed level of quantitative costs and benefits provided.

Table 11: Sensitivity analysis – results

Outcomes of sensitivity analysis		Net Present Value (2017/18 dollars)		
		Total Costs	Total Benefits	Net Benefit / (Cost)
Main analysis (refer Section 3.4.6)		$2.43m	$7.51m	$5.07m
Scenario analysis				
Discount rate	4% discount rate	$2.57m	$8.14m	$5.58m
	10% discount rate	$2.31m	$6.94m	$4.63m
GtCAS success rate	40% success rate	$2.43m	$4.33m	$1.89m
	70% success rate	$2.43m	$10.59m	$8.15m
Hours worked per week	25 hours per week	$2.43m	$6.26m	$3.82m
	35 hours per week	$2.43m	$8.76m	$6.32m

Source: KPMG Analysis

As shown above, under all scenarios the quantitative benefits associated with GtCAS remain substantially greater than the delivery costs incurred by BSL.

3.8 Overall value for money assessment

The analysis presented in this section demonstrates that the benefits resulting from the current implementation of the GtCAS significantly outweigh the investment made by BSL in delivering the service. This is evidenced by the results of the quantitative analysis, which show a net direct benefit of around **$5 million**, with this benefit shared between Government (increased taxation revenue and reduced welfare payments) and GtCAS participants (increased personal income).

Importantly, the results of the quantitative analysis are likely to materially understate the true benefits to participants and Government. This is due to several factors:

- Key benefits relating to improved outcomes for people seeking asylum across other policy areas, such as health, justice and housing, were unable to be quantified. These benefits are likely to be substantial and result in material additional savings for State and Federal Governments.
- The assumed baseline scenario assumes that people seeking asylum would achieve comparable levels of paid employment (including hours and income) through traditional pathways, but that this would occur over a longer timeframe. Anecdotally, BSL stakeholders believe GtCAS will result in a higher quality of employment for people seeking asylum and any convergence in outcomes would occur over a longer timeframe.
- For the impacts modelled, a relatively conservative approach has been taken in developing the necessary assumptions (e.g. minimum wage has been assumed for the purposes of estimating income.

Finally, given that this analysis is limited to the costs and benefits associated with the current implementation of the GtCAS program, it is likely that the broader take up of the service would result in a proportional increase in the assessed level of benefits.

Appendix A – Glossary of terms

Term	Definition
People seeking asylum	A person who has sought protection as a refugee, but whose claim for refugee status has not yet been assessed or granted.
BNLA	Building a New Life in Australia is a long-term research project examining how humanitarian migrants settle into a new life in Australia. The study is ongoing, with annual data collection commencing with participants' early months in Australia. The study has been commissioned by the Department of Social Services.
CBA	Cost Benefit Analysis (CBA) is a method for organising information to aid decision making. CBA as two main features: • Costs and benefits are expressed in monetary terms and hence are directly comparable; and • Costs and benefits are valued in terms of the claims they make on and gains they provide to the community as a whole.
Externality	An externality may be defined as any production or consumption process which 'spills over' such as that other parties receive a benefit for which they do not have to pay or incur a cost for which they are not automatically compensated. Externalities can be either positive (benefits) or negative (costs).
Humanitarian migrants	Humanitarian migrants refer to those issued with a permanent visa under the Humanitarian Program. This includes both those who were issued with visas outside Australia (offshore) and those issued in Australian (onshore) and represents individuals where their refugee status has been confirmed.
IRR	Internal Rate of Return (IRR) is the discount rate at which the present value of benefits equals the present value of costs. This is the rate of return of benefits to costs.
NPV	Net Present Value (NPV) is the difference between the present value of total benefits and the present value of total costs.
PV	Present Value (PV) is the discounted value of the cost or benefit.
Refugees	Within this report, the term refugee refers to 'recognised refugees'. This refers to individuals who have sought protection as a refugee, and whose claim has been assessed and granted.

Appendix B – Detailed assumptions

Area	Assumptions / source
General	• Model includes all participants with an intake date between 1 July 2013 and 30 June 2017 (total of 446 participants) • Employment outcomes for participants are modelled over a ten year timeframe (2013/14 to 2022/23) • All costs and benefits were modelled in real dollars (2017/18 base year) • A real discount rate of 7% was applied to calculate the PV of costs and benefits over the model period
Baseline employment outcomes	• Baseline outcomes were assumed to correspond to the employment outcomes reported in BNLA, namely 6% employed in Wave 1 (assumed to be same year as intake), 16% in Wave 2 (assumed to be year following intake) and 23% in Wave 3 (assumed to be two years following intake) • For Year 3 and beyond, it was assumed that employment outcomes for the baseline scenario would be equivalent to the GtCAS cohort
GtCAS employment outcomes	• Based on an analysis of GtCAS data, 55% of participants were assumed to be successful in obtaining sustainable employment. • This was assumed to occur within 12 months following intake, with employment outcomes at the point of intake assumed to be equivalent to the baseline scenario (i.e. 6% employment). • The proportion of people seeking asylum successful in obtaining employment was assumed to remain stable at 55% over the model timeframe
Number of hours worked	• Based on an analysis of GtCAS data, it was assumed that people seeking asylum who were successful in obtaining employment worked an average of 30 hours per week. • In the absence of other information, this was assumed to be equivalent to the baseline scenario
Salary rate	• For the purposes of conservatism, all people seeking asylum who were successful in obtaining employment were assumed to earn the minimum wage ($18.29 per hour), with the same assumption applying for both the GtCAS and baseline cohorts.
Income tax paid	• Income tax payable was calculated based on PAYG tax brackets, with $0.19 payable per dollar earned over $18,200 per annum.
Unemployment income	• Income for those who remain unemployed was assumed to be equivalent to 89% of the NewStart allowance of $479.53 per fortnight. • While there have been recent changes to eligibility arrangements, this amount represented the typical payment made to people seeking asylum who were unemployed during the period of analysis.
Delivery costs	• GtCAS delivery costs were based on resource and salary information provided by BSL, with a 75% uplift applied to reflect oncosts and overheads

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