

# **Economic Inclusion Advisory Committee**

**Submission – November 2025**

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# Acknowledgement of Country

SSI acknowledges the Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work. We pay respect to Elders past and present and recognise their continuous connection to Country.

## Background

SSI welcomes the opportunity to provide this submission to the Australian Government's Economic Inclusion Advisory Committee (the Committee).

SSI is a national non-for-profit organisation that delivers a range of human services that connect individuals, families, and children from diverse backgrounds with opportunities – including settlement support, disability inclusion programs, community engagement initiatives and training and employment pathways. At the heart of everything we do is a drive for equality, empathy, and celebration of every individual.

SSI was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic backgrounds served as the foundation for a gradual expansion into other social services and geographical areas.

In 2018, SSI merged with the Queensland-based Access Community Services, and in 2019 opened in Victoria, providing an extensive footprint across the eastern coast of Australia. In 2023-24, SSI supported more than 60,000 people across almost 60 programs and community-based services nationally. We are also a leading provider of evidence-based insights into the social sector and are known as an organisation that can address intersectional issues and reach communities considered by many to be 'hard to reach'.

With respect to economic inclusion, for more than 25 years, we've built strong relationships and trusted networks within communities. In the past SSI has delivered several Australian Government-funded employment supports including Disability Employment Services. From 1 November 2025, SSI will deliver specialist disability employment services to refugees through the newly established Inclusive Employment Australia program across New South Wales, Queensland and Victoria funded by the Australian Government. We have also delivered and currently deliver specialist economic inclusion initiatives funded at the state and territory levels in Victoria, New South Wales and Queensland. Our specialist programs are delivered by a culturally and linguistically diverse workforce using trauma-informed and cultural responsive approaches. These approaches address the barriers to economic inclusion faced by migrant and refugee communities and the intersectional needs of women, people with disability, young people and other marginalised cohorts in newcomer communities.

SSI also works to address systemic barriers to greater economic inclusion. As part of this, SSI convenes Activate Australia's Skills – a national alliance campaign calling for a faster, fairer and more affordable system for recognising overseas skills and qualifications so that newcomers can work at their full potential and fill skill shortages. Activate Australia's Skills is a growing coalition of more than 120 organisations – spanning businesses, industry peaks, unions and community organisations – advocating for urgent skills recognition reform.

SSI draws on this work and other initiatives in this submission to provide insights into ways to improve economic participation and inclusion in Australia. While SSI works with the full spectrum of individuals and communities, we have deep and wide expertise in working with migrants and refugees and their communities.

# Summary of SSI Recommendations

Migrants and refugees make substantial contributions to the Australian economy, contributing to economic growth, enhancing workforce diversity as well as filling critical roles to address skills shortages and enhance the nation's productivity. These headline trends mask important disparities between different cohorts of newcomers and the multiple intersecting barriers that hamper their economic inclusion. For example, almost half (44% or 620,000) are underemployed, unemployed or working below their skill level.<sup>1</sup>

The economic inclusion of migrants and refugees in Australia could be improved through a range of measures including:

- (1) specialisation in employment services reform along with investment in the multicultural community sector to address the challenges newcomers face in economic participation;
- (2) structural reforms to make overseas skills and qualifications recognition faster, fairer and more affordable for refugees and migrants already in Australia; and
- (3) reform of social security for new permanent residents, specifically the Newly Arrived Migrants Waiting Period.

Together, these reforms would address structural barriers to the fair and full economic participation of refugees and migrants while also improving Australia's economic performance and productivity. According to research commissioned by SSI and conducted by Deloitte Access Economics, Australia's economy would grow by \$9 billion each year if refugees and migrants worked at their skill level at the same rate as Australian-born workers.<sup>2</sup>

To that end, the Committee is urged to make the following recommendations focusing on the areas of specialisation in employment services, investment in the multicultural community sector, skills recognition reform, and social security reform:

## **Recommendation 1:**

***The Australian Government should prioritise specialisation in employment services reform to address the uneven outcomes and barriers that newcomers face to economic participation. This builds on the recommendations of the recent inquiry into Workforce Australia and is consistent with the recommendations of the Australian Government's Multicultural Framework Review.***

## **Recommendation 2:**

***The Australian Government should reinvigorate investment in multicultural and ethno-specific services and initiatives in response to the increasing cultural, ethnic and linguistic diversity of newcomers. Governments need to ensure the financial viability of these specialised organisations – small, medium and large – as they are an essential element of the social infrastructure to build a more inclusive multicultural Australia. This builds on the roadmap of the Not-for-Profit Sector Blueprint and is consistent with the findings of the Australian Government's Multicultural Framework Review.***

**Recommendation 3:**

***The Australian Government should reform Australia's system for recognising overseas skills and qualifications to make it more fair, efficient and affordable so more migrants can work at their full potential. This should include:***

- a) Establishing one national governance system for all overseas skills and qualifications recognition, including a commissioner or ombudsman with regulatory power to provide independent oversight and transparency.***
- b) Creating a more joined-up system that links skills recognition for migration purposes with licensing and accreditation for employment purposes.***
- c) Providing financial support for individuals to remove cost barriers and an online portal with the information people need to get their skills and qualifications recognised.***
- d) Setting up career gateways, or migrant employment pathway hubs, with skills recognition navigators to get qualified people working in their professions again.***

**Recommendation 4:**

***The Australian Government should examine the economic and social impacts of the waiting period for new permanent residents to access income support with a view to waiving it or reducing it to six months. If there is any waiting period, it should commence from arrival in Australia rather than once permanent residency is attained. This would be consistent with the direction of reforms canvassed by the Australian Government's independent Review into the Migration System.***

## The economic contribution of migrants and refugees is strong but uneven and hampered by barriers to economic participation

Migrants and refugees make substantial contributions to the Australian economy, contributing to economic growth, enhancing workforce diversity as well as filling critical roles to address skills shortages and enhance the nation's productivity. Compared to the Australian-born population, newcomers are more likely to be engaged in the labour force, to be in full-time work and to hold higher qualifications. However, these headline trends mask important disparities between different cohorts of newcomers and the multiple intersecting barriers that hamper their economic inclusion.

At a macro level the migration stream is directly linked to economic inclusion with labour force participation highest for migrants in the skilled stream, followed by family stream migrants and refugees. However, research conducted by the National Centre for Social and Economic Modelling (NATSEM) found that overseas-born women face higher unemployment and lower labour participation rates than their male counterparts across all three permanent migration streams.<sup>3</sup>

Labour force participation rates vary by region of birth. For example, the analysis of the economic participation of migrant and refugee women conducted by NATSEM found a persistent marked difference between the economic trajectories of women from OECD countries, women from low- and middle-income countries and refugee women compared to Australian-born women.<sup>4</sup>

Unemployment also varies by regions of birth. In the 12 months to February 2025, people born in the North West Europe had the lowest unemployment rate (2.9%), while the unemployment rate for people born in North Africa and the Middle East (6.8%) was relatively high.<sup>5</sup> Crucially, periods of unemployment, without the right policy settings and employment supports, can translate into long-term unemployment. Job seekers from culturally and linguistically diverse backgrounds are over-represented in long-term unemployment trends – in June 2023, they made up 43 per cent of people who had not been employed in the previous two years.<sup>6</sup>

While refugees have the poorest economic outcomes compared to other categories of newcomers this appraisal risks overlooking the human capital among refugees who have sought protection and settled under Australia's humanitarian program. Data from a large longitudinal study of refugees, *Building a New Life in Australia*, showed that by the tenth year of settlement, 39 per cent of women and nearly two-thirds (63%) of men had made the transition to paid work or were actively looking for paid work and refugee men's labour force participation had almost reached parity with that of the Australian-born male population.<sup>7</sup>

Length of residence among migrants and refugees is strongly associated with lower rates of unemployment, with the highest rates of unemployment among newcomers in the first 5 years of residence, irrespective of country of origin.<sup>8</sup> Similarly, English language proficiency is also strongly associated with better employment outcomes. Where migrants and refugees are able to successfully navigate a range of on-arrival challenges they can achieve strong economic participation outcomes.<sup>9</sup>

While increased length of residence and improved English language proficiency are important, even when newcomers gain employment, they are unable to get work commensurate with their qualifications and skills, due to barriers in the recognition of overseas skills and qualifications. Other important barriers to economic inclusion among newcomers include limited social networks, inadequate pathways to gain Australian work experience and racism and discrimination.<sup>10</sup>

Australia is now more diverse – ethnically, linguistically, culturally – than ever before. In Australia and elsewhere there are debates on how best to deliver human services in the context of this increasing diversity of newcomers in ways that bolster belonging and integration. A recent Australian multiyear study tested the effects of multicultural and ethno-specific services on integration and belonging among newcomers.<sup>11</sup> It found that newcomers' access and engagement with multicultural and ethno-specific services was linked to: higher levels of social capital and

participation in community life including volunteering; and that community-led initiatives promoted belonging and integration. Based on these findings, the study called for equality to be not only a policy principle but be enacted through:

*“... social services programs that respond to the cultural, linguistic and religious specificities of ... migrants, their communities and the wider society at large”.*<sup>12</sup>

### Specialised approaches in employment services can deliver stronger economic inclusion and address intersecting barriers for newcomers

There have been long-standing concerns about the effectiveness of Federally-funded employment services for different cohorts of job seekers, including those from culturally and linguistically diverse (CALD) backgrounds. Successive parliamentary inquiries have echoed these concerns including the recent comprehensive review of Workforce Australia in 2023 which recommended a service model that is more responsive to the different pathways to employment and specialist services for job seekers including those from CALD backgrounds and refugee backgrounds.<sup>13</sup> Specialist providers bring skills and capabilities that are responsive to the particular needs of disadvantaged groups; can contribute strongly to co-design through existing links to, and knowledge of, community needs and preferences; and have strong reach with local diverse communities and other local human services.

SSI brings first-hand experience in co-designing and delivering specialised employment support through the Refugee Employment Support Program (RESP). The RESP, funded by the NSW Government from 2017 to 2024, supported refugees and people seeking asylum to obtain sustainable and skilled employment. The program worked with local employers, training bodies and other non-government organisations (NGOs) to connect eligible refugees and people seeking asylum with training, support and employment. The program employed multicultural employment specialists to provide tailored support based on participants’ skills, experience and goals. The support spanned job-readiness, pre-employment training and paid work experience, effective job-matching and post-employment support. This specialised approach responded to the range of barriers to employment by providing pathways to English language learning and other training, opportunities to gain Australian work experience, and navigation support to getting skills and qualifications recognised.

The independent evaluation of RESP found that overall, the program provided an innovative and successful response to the difficult challenges that refugees and people seeking asylum face in finding employment and overcoming economic exclusion; a critical and necessary step towards successful settlement in Australia. RESP achieved strong employment outcomes, with more than a quarter of all those who participated in RESP commencing employment during the program.<sup>14</sup> More than half of RESP participants who completed a survey for the evaluation were employed, the majority in permanent roles. In addition, the evaluation found that RESP offered a better experience for refugees and people seeking asylum than mainstream employment services, including Workforce Australia, and exceeded the overall program targets.<sup>15</sup>

The recent decision by the Australian Government to fund SSI as a provider of the new Inclusive Employment Australia program to refugees with disability is an example of the importance of specialised approaches to address the intersecting needs and strengths of newcomers.

## Refugee Employment Support Program

### Case Study: Noor

Noor, 28, arrived in Australia from Afghanistan in August 2023 with a humanitarian permanent visa. She holds a bachelor's and master's degree in journalism and mass communication, completed in India.

She registered with the RESP program in October 2023. RESP supported her with qualifications recognition, work-readiness workshops, and guidance on job applications and workplace culture. Her degrees were successfully recognised — her master's is equivalent to an Australian master's, and her bachelor's to an AQF diploma.

Noor started part-time work at Woolworths as a night filler in November 2023. She is grateful for RESP's support, especially with navigating to have her qualifications recognised, and feels confident that these credentials will help her start a professional career in Australia.

### Case Study: Farid

Farid arrived in Australia in November 2021 and registered with the RESP program in January 2022. He had worked as a GP in Afghanistan but fled due to conflict. In Australia, he was open to new job opportunities while working toward recognition of his overseas medical qualifications.

RESP supported him with workshops on Australian work culture and rights, helped him start the process of recognising his qualifications, and assisted with obtaining a full Australian driver's licence. He was referred to job opportunities, including IKEA, and eventually began working as an Uber driver in July 2023 to support his family financially.

At the cessation of RESP in June 2024, Farid was preparing for the next stage of his qualifications recognition.

## Specialised approaches to strengthen economic inclusion among newcomers rely on a strong multicultural community sector

Multiculturalism, which has maintained widespread community support, has been part of the fabric of Australia for more than 50 years, when the first steps to dismantle the White Australia policy were taken and specialised migrant and refugee services were established alongside mainstream services. While Australia uses a mix of approaches to deliver services the recent Multicultural Framework Review commissioned by the Australian Government noted that investment in specialised multicultural and ethno-specific services has waned in recent decades.<sup>16</sup> Further, the Review called for a reset of multiculturalism, noting that:

*“the blithe assertion that Australia is the ‘most successful multicultural society in the world’ is no longer sufficient”.*<sup>17</sup>

The Review put forward a set of recommendations to ensure that multiculturalism fits Australia's current context, embraces Australians' multifaceted identities and responds to discrimination and disadvantage influenced by the intersections of age, gender, class, religious affiliation, language, ethnicity, sexual orientation or disability, which “impact ...[people's] ... daily lives and, importantly, how they engage with the social services and support they seek.”<sup>18</sup>

For the past number of years Australia's community sector has worked with the Australian Government to develop and finalise in 2024 the Not-for-Profit Sector Development Blueprint. The Blueprint, which outlines a 10-year vision for the community sector, was developed by an expert reference group with support from the Department of Social Services. It identified a need for greater investment to improve the diversity of representation particularly in relation to First Nations communities, people with disabilities and multicultural communities under a Pillar to advance a people-led and purpose-driven NFP sector.<sup>19</sup>

This included recommendations for investment in multicultural community sector organisations and multicultural community leaders to allow them to assist in effective co-design and intermediate between communities to enable policy and practice innovation. Supporting the development of a culturally safe and fit-for purpose evidence base that represents and strengthens diverse communities to inform policy and services is crucial to a resilient and socially cohesive Australia and is consistent with the recommendations of the Multicultural Framework Review. It is vital that the full suite of actions outlined in the Blueprint are considered by the Australian Government and that it provides a transparent response for a staged implementation.

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### **Australia’s costly, unfair and confusing system for recognising overseas skills and qualifications blocks qualified professionals from meaningful economic participation**

Around 253,000 permanent migrants in Australia have skills and qualifications in regulated or licensed professions but are currently working below their skill level. A key driver of this mismatch is Australia’s costly and confusing system for recognising overseas-acquired skills and qualifications. The process is time-consuming, expensive, inconsistent and opaque, with little to no oversight of the many bodies and associations that conduct overseas skills recognition. Many barriers are unrelated to the individual’s actual skills or experience and include:

- **Duplicative, disjointed requirements:** skills recognition for the purposes of obtaining a skilled visa is disconnected from recognition for employment and licensing purposes once a migrant arrives in Australia. This causes confusion, delays and duplication.
- **Excessive fees and slow processes:** costs and recognition timeframes vary between occupations but can be prohibitive. For skilled trades, the skills recognition process can cost more than \$9,000 and take up to 18 months.<sup>20</sup> For overseas-trained general practitioners, the process can take 35 to 130 weeks to be able to practise in Australia and cost up to \$51,000.<sup>21</sup> In dentistry, the cost for registration costs roughly \$8,000.<sup>22</sup> There is currently no national subsidy loans scheme to help cover these costs.
- **Lack of clear, consistent information:** the current system for recognising overseas skills and qualifications for both migration and employment spans over 650 occupations and

more than 70 assessing and licensing authorities. There is no central source of information or guidance on how to navigate this complex system.

- **Lack of transparency and accountability:** with no national oversight, each assessing authority or licensing body operates within its own framework, setting different prices, documentation requirements and processing timelines. There is no avenue to independently appeal recognition decisions.

These barriers have a twofold impact: migrants are prevented from fully applying their expertise and Australia misses opportunities to lift workforce productivity and fill skill shortages. Enabling underutilised migrants to work in their regulated professions would deliver an average productivity boost of \$42,580 per worker each year.<sup>23</sup> This would have positive flow-on effects throughout the economy – at the household, industry and national levels.

If underutilised migrants worked in their fields, then it would substantially reduce shortages in critical services and industries and enable migrants to do the jobs they have trained for. Australia would benefit from adding 20,000 teachers, 50,000 engineers, 16,000 nurses, 5,000 psychologists and 1,300 electricians, for example.<sup>24</sup> Harnessing the skills of this untapped workforce would reduce class sizes, shorten waiting lists and improve services, with additional nursing staff alone enabling care for 22,800 additional hospital patients.<sup>25</sup>

Making overseas skills and qualifications recognition faster, fairer and more affordable would enable more people to fully use their skills, broaden economic participation, and reduce migrant unemployment, underemployment and underutilisation. Based on an analysis of reforms that have worked effectively in comparable countries overseas such as Germany and Canada, it is recommended the Australian Government implement four practical solutions to address unnecessary barriers to skills recognition while maintaining existing high standards. These are outlined below, and are endorsed by more than 120 organisations as part of SSI's Activate Australia's Skills campaign.

### Establish national governance and oversight to improve fairness and accountability

There is currently no single body responsible for ensuring the overseas skills and qualifications recognition system works as it is intended. No single entity is responsible for ensuring quality, consistency and positive outcomes for Australia's labour market and industries.

To address this, it is recommended the Australian Government establish national governance to oversee skills and qualifications recognition and ensure due process, accountability, fairness and consistency. This would include appointing an independent commissioner or ombudsman with statutory powers and resources to:

- Receive complaints and review recognition decisions (an independent appeals power).
- Collect, review and report data on recognition processes, costs, outcomes and systemic risks (including recognition rates, timeliness and fees).
- Hold relevant authorities accountable for delivering on government-mandated recognition timelines.
- Ensure fairness in the overall conduct and operations of assessing bodies.

A similar model has worked effectively at the provincial level in Canada. For example, the Office of the Fairness Commissioner in Manitoba works with occupational regulators to ensure registration processes are transparent, objective, impartial and fair. As a result, professional registration rates almost doubled, climbing from 25 per cent in 2012 to 45 per cent in 2020.<sup>26</sup>

### Case study: Anam

When Anam migrated from Pakistan to Australia, with a Doctor of Pharmacy she earned in Peshawar, she was excited to utilise her skills and build a life for herself and her family. However, for over a decade, her passion for pharmacy, and the skills she brought with her sat idle, delayed by systemic barriers in Australia’s overseas skills recognition system.

Despite holding a pharmacy degree and years of experience, Anam was unable to practice in Australia for almost 11 years. Like many professional migrant women, she was ineligible for study allowances, childcare subsidies, and other supports available to citizens, making it nearly impossible to meet re-registration requirements or gain local experience. She worked in several jobs she was overqualified for: cleaning and administration to make ends meet.

In July of 2024, Anam eventually succeeded in requalifying and now works as a pharmacist in regional Australia. However, she emphasises that the process of obtaining documents from Pakistan and navigating complex recognition pathways caused immense stress and financial strain. No one told her where to go, and when she knew where to go, there was always another step to take. Her experience highlights the urgent need for a fairer, faster, and more affordable overseas skills recognition system, ensuring that skilled migrants, particularly women, can work to their potential.

There are currently 2,560 overseas-trained pharmacist in Australia working below their skill level.<sup>27</sup>

### Case study: Abisha

Abisha moved to Australia from India in 2022 with a clear dream — to continue her career as a registered psychologist and contribute to improving mental health outcomes in her new community. Back home in India, she had completed both a Bachelor of Arts in Psychology and a Master’s in Psychology.

However, upon arriving in Australia, Abisha was confronted by a complex, confusing, and costly accreditation system. The process to become a registered psychologist through the Australian Health Practitioner Regulation Agency (AHPRA) required multiple stages of assessment, extensive documentation, and thousands of dollars in fees. This proved daunting, especially as a recent migrant with limited financial support and no clear guidance on navigating the process.

Determined to build a stable life and maintain her connection to her profession, Abisha decided to take a more immediate and affordable path. She began working in various unrelated roles, including administrative and support jobs, before transitioning to become a therapist and counsellor. While this work was meaningful, it was not the career she wanted. She explained that she chose this route because it was “quicker” and allowed her to “save money for [her] future AHPRA registration.”

Now, three years later, Abisha is revisiting her original goal. With a stronger financial foundation and greater familiarity with Australia’s systems, she has started the formal process of applying for registration through AHPRA. One of the biggest challenges she currently faces is obtaining and verifying the necessary academic documents from India, which has proven both time-consuming and expensive. The costs of assessment, registration, and additional bridging requirements remain a major barrier, but Abisha is determined to persevere.

“I’ve come too far to give up now,” she said. “Becoming a registered psychologist in Australia isn’t just about my career — it’s about fulfilling the purpose I set out for when I left home.”

There are 5,040 migrant psychologists who are working below their skill level in Australia who could help reduce wait times for Australians seeking mental health support if they were able to work in the professions they trained for.<sup>28</sup>

## Better link recognition for migration and employment

Many migrants mistakenly assume that the assessment they complete to obtain a skilled visa also satisfies the requirements to work in their profession once they arrive in Australia, as they are rarely told otherwise until seeking employment in a regulated profession. In reality, skills recognition for migration purposes is completely separate to skills recognition for employment purposes.

A better approach would be to treat the journey from visa to employment as a single, streamlined process with greater coordination between migration assessments, licensing authorities and employers. By aligning these processes, Australia could ensure that skilled migrants transition into their professions quickly and efficiently. While requirements for migration may differ from those for employment, these differences must be communicated clearly and upfront so that recognition pathways are clear for migrants from the outset.

### Reduce cost and information barriers

High fees and the lack of clear information are two significant barriers migrants face when needing to get their overseas skills and qualifications recognised.

Previously, the Australian Government provided an Assessment Subsidy for Overseas Trained Professionals (ASDOT), which played a critical role in supporting financially disadvantaged people with skills recognition fees. This scheme was abolished in 2015 and there is currently no national subsidy or loan scheme to help offset costs. It is recommended the government reintroduce financial assistance to ensure disadvantaged individuals are not excluded from working in their profession due to financial barriers.

Secondly, there is no single, authoritative source of information to help migrants determine whether their profession is regulated in Australia and, if so, which body they must register with or seek recognition from. This lack of clarity causes confusion, delays and, in some cases, leaves migrants vulnerable to exploitation. The limited information available is fragmented and only published in English.

It is recommended that the Australian Government establish a national, multilingual online portal – a one-stop shop – providing clear step-by-step guidance on recognition processes, appeals mechanisms and employment services that can assist. The success of Germany’s multi-lingual Recognition in Germany portal shows what is possible: within four years of its launch, applications for foreign skills recognition more than doubled by providing clear, centralised information.<sup>29</sup>

### Set up employment hubs or career gateways with recognition navigators

There is currently no national service dedicated to helping overseas-trained workers navigate the system for skills and qualifications recognition or to connect skilled migrants with jobs that match their expertise. Existing employment services are designed to address unemployment, not underemployment or underutilisation (working below a person’s skill level), and they lack a focus on overseas skills recognition in regulated professions. This is a critical gap.

It is recommended that the Australian Government establish specialist, place-based employment hubs – or “career gateways” – in areas with high migrant populations to support workers move into jobs aligned with their skills and qualifications. These hubs would include skills recognition “navigators” to provide personalised guidance through the recognition process alongside wrap-around employment services located in one place. Eligibility would extend beyond the unemployed, ensuring overseas-trained professionals working below their skill level or outside their field can also access support.

A similar model has worked effectively in Germany where advice service centres operate across all 16 states.<sup>30</sup> These centres provide overseas-trained workers with personalised support including counselling on qualifications recognition, guidance on bridging courses, and access to mentoring and coaching.

### **Recommendation 3:**

**The Australian Government should reform Australia’s system for recognising overseas skills and qualifications to make it more fair, efficient and affordable so more migrants can work at their full potential. This should include:**

- e) Establishing one national governance system for all overseas skills and qualifications recognition, including a commissioner or ombudsman with regulatory power to provide independent oversight and transparency.**
- f) Creating a more joined-up system that links skills recognition for migration purposes with licensing and accreditation for employment purposes.**
- g) Providing financial support for individuals to remove cost barriers and an online portal with the information people need to get their skills and qualifications recognised.**
- h) Setting up career gateways, or migrant employment pathway hubs, with skills recognition navigators to get qualified people working in their professions again.**

## **Newcomers make significant contributions to Australia yet new permanent residents are excluded from the social safety net**

Providing basic rights and opportunities to support economic inclusion matters not only because of the impacts on the wellbeing of newcomers but also because the way that governments treat migrants and refugees underpins social cohesion. Inclusive policies provide the foundation for positive attitudes and interactions between newcomers and the broader community and nurture an overall sense of belonging, well-being and trust. Conversely, restrictive policies reinforce fear and division within the community.<sup>31</sup>

A fundamental purpose of Australia’s social security system is to provide a safety net to support residents and citizens during times when they cannot adequately support themselves and their families. People who have recently become permanent residents have obligations to obey Australian laws and pay taxes. They should also have an equal right to income support and essential services in times of need.

Despite this, successive Australian Governments have restricted access by permanent residents to the social safety net. Since 1993, where it was first introduced, the Newly Arrived Resident Waiting Period (NARWP) has progressively grown from an original period of 6 months to a four- year period since 2019. The NARWP impacts a range of working age payments and concession cards including Jobseeker, Youth Allowance and Parenting Payments (refugees and humanitarian entrants are exempt from these measures and there are some other exceptions).<sup>32</sup>

These waiting periods were waived as part of the Australian Government’s response to COVID-19 from March 2020 until April 2021. This waiver was critical to helping people meet basic costs of living as the country went into recession. When the waiver was removed at the end of March 2022, 24,000 people serving a waiting period immediately lost access to income support, including almost 17,000 receiving JobSeeker Payment.<sup>33</sup>

Unlike 1993, when the NARWP was first introduced, today about half of all new permanent residents each year have been temporary residents in Australia for many years and have already made a significant economic and social contribution to Australia.<sup>34</sup> Yet, they are denied basic income support when in need.<sup>35</sup> Like all residents, new permanent residents are vulnerable if unforeseen events or personal circumstances affect their ability to earn a liveable income.

In addition to financial hardship and poverty, the NARWP has unintended impacts. Research by the Committee for the Economic Development of Australia (CEDA) on ways to improve skilled migration found almost one in four permanent skilled migrants are working beneath their skill level.<sup>36</sup> The analysis found that the four-year waiting period for new permanent residents has exacerbated this skills mismatch, while delivering only modest annual savings to the federal budget. CEDA found that permanent skilled migrants are driven to take jobs outside of and below their skill set to earn a living wage as quickly as possible. In SSI's experience, the waiting period is also driving people to work before they gain a sufficient level of English proficiency, which in turn, may intensify the problem of skills mismatch. Similarly, young new permanent residents are significantly disadvantaged in undertaking study or training due to the NARWP rendering them ineligible for Youth Allowance or Austudy for four years.<sup>37</sup>

The independent Review into the Migration System (the Parkinson Review) canvassed the NARWP, concluding that, "while the NARWP creates significant savings for the budget, there is little data or analysis of the impacts of the NARWP on migrant outcomes, so there is no way of knowing whether its economic and fiscal impacts are positive or negative".<sup>38</sup> The Review recommended a thorough examination of the NARWP to develop a clearer understanding of the economic and social impacts of this policy on migrant outcomes.

#### **Recommendation 4:**

**The Australian Government should examine the economic and social impacts of the waiting period for new permanent residents to access income support with a view to waiving it or reducing it to six months. If there is any waiting period, it should commence from arrival in Australia rather than once permanent residency is attained. This would be consistent with the direction of reforms canvassed by the Australian Government's independent Review into the Migration System.**

## **Conclusion**

The Committee has the opportunity to recommend to the Australian Government and Australian Parliament, the above reforms to address structural barriers to the fair and full economic participation of refugees and migrants. Doing so will broaden economic inclusion and meaningful employment for Australia's refugees and migrants, deepen a greater sense of belonging and improve Australia's economic performance and productivity.

**Authorised by:** Violet Roumeliotis AM, CEO

**Contact:** Tri Nguyen, Social Policy Lead, [tringuyen@ssi.org.au](mailto:tringuyen@ssi.org.au)

**Date:** 7 November 2025

## References

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