



Settlement  
Council  
of Australia

## Building the financial capability of newly arrived migrants and refugees

An evidence-based review of ASIC's Money Management Kit and exploration of financial life for new arrivals to Australia

*June 2022*



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### **About the Settlement Council of Australia**

The Settlement Council of Australia is the peak body representing the vast majority of settlement agencies across Australia providing direct services and support to people of migrant and refugee backgrounds.

Our members include organisations large and small, who are committed to the successful settlement of migrants and refugees across the country. Their services range from greeting new arrivals at the airport, through to assisting them to secure housing, learn English, make social connections, access services and find their first job. Australia's settlement services are recognised as being among the best in the world.

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## TABLE OF CONTENTS

<b>Glossary</b>	5
<b>Executive summary</b>	6
<b>1. Introduction and research approach</b>	8
Research Approach	8
Limitations of research	11
Definitions	11
<b>2. Financial lives of newly arrived migrants and refugees</b>	12
Cultural factors	12
Gender considerations	14
Remittances	15
Trust and familiarity	16
<b>3. Settlement service providers and financial education for newly arrived communities</b>	18
Financial education	18
Limited funding and education delivery	19
Limited financial education material and delivery mode	20
Lack of specialised staff	20
<b>4. Review of the Money Management Kit</b>	21
Moneysmart and The Money Management Kit	21
Curriculum structure	22
Relevance and usefulness	22
Delivery mode	23
Gaps in content	24
<b>5. Case studies</b>	26
Case study 1: MoneyGirl	27
Case study 2: Commonwealth Bank addressing financial abuse and financial scams	28
Case study 3: ss 47E(d) and 47G(1)(b) partnership with ss 47E(d) and 47G(1)(b)	29
<b>6. Recommendations</b>	30
<b>Bibliography</b>	32
<b>Appendix 1: Background information on migration and settlement</b>	34
<b>Appendix 2: Focus groups with newly arrived migrants and refugees - questions</b>	38
<b>Appendix 3: Focus group with settlement workers - questions</b>	40
<b>Appendix 4: Survey questions</b>	41
<b>Appendix 5: Survey results</b>	43

## TABLES

<b>Table 1:</b> Overview of focus groups . . . . .	9
<b>Table 2:</b> Key characteristics of survey participants . . . . .	10
<b>Table 3:</b> Basic access to financial institutions and employment . . . . .	43
<b>Table 4:</b> Help with financial transactions . . . . .	43

## FIGURES

<b>Figure 1:</b> Permanent migration path and visas granted in 2019-20 . . . . .	35
<b>Figure 2:</b> Indicators of confidence in various financial tools . . . . .	44
<b>Figure 3:</b> Rate of personal use of financial products and services . . . . .	45
<b>Figure 4:</b> Household credit access . . . . .	45

## GLOSSARY

<b>AMEP</b>	Adult Migrant English Program
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ATO</b>	Australian Taxation Office
<b>CALD</b>	Culturally and Linguistically Diverse
<b>CBA</b>	Commonwealth Bank of Australia
<b>HSP</b>	Humanitarian Settlement Program
<b>NESB</b>	Non-English Speaking Background
<b>SCoA</b>	Settlement Council of Australia
<b>SETS</b>	Settlement Engagement and Transition Support
<b>TFN</b>	Tax File Number



## EXECUTIVE SUMMARY

Settlement services assist humanitarian entrants by providing a range of services that support people to live an independent life in Australia. This includes financial literacy education and other support to manage finances independently. Building financial capability is a critical part of successful settlement, affecting a range of other settlement areas such as employment, education, housing, and other aspects of life. Hence, understanding how to best build the financial capability of new migrants and refugees is of critical importance.

In May 2021, the Australian Securities and Investments Commission (ASIC) commissioned the Settlement Council of Australia (SCoA) to undertake research to build understanding of the extent of need in migrant communities for financial information and tools to inform financial decision-making. As part of the research, SCoA reviewed ASIC's Money Management Kit. The Kit is a resource for financial education for new arrivals to Australia. It was developed primarily for settlement workers to use in supporting newly arrived migrants and refugees, in addition to being available on ASIC's consumer website, Moneysmart.

The findings in this report are informed by qualitative and quantitative data gathered from newly arrived migrants, refugees and settlement workers and supplemented by a literature review. Collaboration with settlement services in the SCoA network enabled 151 newly arrived migrants and refugees from a range of backgrounds to participate in the research.

The research has found that the financial lives of newly arrived migrants and refugees are shaped by a number of factors. Consultations with focus group participants and settlement workers found that these factors were cultural factors, gender considerations, financial obligations abroad, and the level of familiarity with the Australian financial system. Each of these must be carefully considered and accounted for in supporting newly arrived migrants and refugees to build their financial capability.

The research has further revealed that levels of support for managing the financial aspects of settlement in Australia are limited. Service providers attributed this partly to the lack of connection and communication between settlement service providers and a wider range of social institutions, such as schools, banks, insurance providers and government. In addition, the research highlighted that limited funding, insufficient financial education material and delivery, and limited availability of appropriately trained staff are primary challenges facing settlement service providers.

Research participants evaluated the Kit's curriculum structure, relevance, delivery mode and content. It was found that settlement providers lacked the time and resources to fully engage with the Kit in its current delivery format. As a result, only some of the Kit's factsheets and video and audio components are being used during new arrivals' orientation sessions. The Kit was found to be lengthy and its 3 levels of financial literacy were challenging for settlement workers to apply to their work.

Newly arrived migrants and refugees found the Kit's topics and factsheet contents relevant and useful. Consistent face-to-face educational sessions were found to be the preferred method for delivering the Kit. Participant feedback on content gaps in the Kit revolved around 3 main themes: identifying and understanding financial scams, information on how to access and deal with utilities providers, and taxation-specific information.

Broader recommendations resulting from this research to inform the development of future work in this space are as follows:

### **1. A targeted and dynamic national financial education program for migrants and refugees**

The delivery mode and types of content that make for effective financial education differs depending on cultural factors, gender, the nature of existing financial obligations, the level of familiarity and trust in financial institutions, and a range of other factors. This means static financial education information is likely to be of limited utility. Instead, we recommend a national program that provides funding for projects that address specific areas of demonstrated need, in partnership with relevant experts, such as financial counsellors and financial institutions. This allows for the content to change as client needs change and allows for greater responsiveness to the myriad factors that affect people's financial lives as outlined in this report. Similar models have recently been used in the delivery of COVID-19 information to great success.

### **2. Improved data and evaluation mechanisms**

There is a need for an evaluation and data collection mechanism that gathers data from participants on contemporary issues and the impact of financial education programs. This could be coupled with Recommendation 1, ensuring that these programs not only result in the provision of information to new arrivals, but also gather data from them to monitor the ongoing effectiveness of interventions, and areas that need greater attention. Further, data collection and evaluation frameworks used in the settlement sector should be reviewed to ensure that useful data on financial capability is gathered. Collecting and tracking data over time about financial capability ensures interventions are appropriately targeted.

### **3. Greater accessibility of mainstream resources for financial education**

The research showed that ASIC's Moneysmart website was a useful resource and was being used by settlement workers to share information with clients. However, as not all Moneysmart resources are available in languages other than English, individuals with low levels of English language proficiency often rely on others to access this information. It is recommended that those organisations developing financial education tools and programs conduct a review of the cultural and language accessibility of their financial education resources, to identify how accessibility for these resources can be improved for newly arrived migrants and refugees. Improving the accessibility of mainstream resources would reduce newly arrived migrants and refugees' reliance on settlement services and free scarce resources in the settlement sector.

### **4. Improved partnerships between financial counsellors and the settlement sector and increased accessibility to financial counselling for migrants and refugees**

Most settlement workers supporting clients with financial issues do not have specialised financial knowledge. This can make addressing complex financial issues challenging. Access to financial counsellors can be limited, with settlement workers describing these services as having long waiting times and sometimes being inadequately tailored to the circumstances of migrants and refugees. Increasing the availability of financial counsellors, their cultural accessibility, and the level of partnerships between financial counsellors and settlement services would enhance access to these services for migrants and refugees. Where population demographics justify it, specialist financial counsellors working specifically with migrants and refugees could be embedded in settlement services.

### **5. Education opportunities embedded in financial institutions**

Newly arrived migrants and refugees regularly engage with financial institutions. These are efficient and accessible locations for financial education to take place. Further, learning about financial institutions and products at the time at which the individual needs to use these is likely to result in longer lasting learnings. There is an opportunity to embed financial education within financial institutions such as banks, insurance providers and others. Increased partnerships between the settlement sector and financial institutions can help facilitate this and increase awareness among financial institutions of the positive role they can have in settlement.

# 1. INTRODUCTION AND RESEARCH APPROACH

Through this project ASIC aims to increase understanding of the kinds of financial information, tools, and guidance needed by newly arrived migrants and refugees to help them make informed financial decisions.

The research sought to understand aspects of the financial lives of newly arrived migrants and refugees, how building financial capability is currently supported (including through a review of the Money Management Kit), and how newly arrived migrants and refugees can be better supported to build their financial capability.

This report provides insights into the financial lives of newly arrived migrants and refugees, current mechanisms for providing financial education, and how these can be improved.

The research benefited from leveraging SCoA's settlement network, which is able to reach individuals at the grassroots level and glean their insights, ensuring the recommendations are grounded in both lived and practice experience.

This report is structured as follows:

- ◆ **Section 1** introduces the report and describes the research purpose, research framework, questions and methodology employed for the report.
- ◆ **Section 2** provides a review of the financial lives of newly arrived migrants and refugees including an overview of cultural and gender-sensitive factors, remittances and issues of trust.
- ◆ **Section 3** offers an overview of financial education in Australia and the perspectives of settlement service providers on delivering financial education to newly arrived migrants and refugee communities.
- ◆ **Section 4** reviews ASIC's Money Management Kit and looks at its curriculum structure, relevance and usefulness and delivery mode, and identifies any gaps in content.
- ◆ **Section 5** presents 3 case studies of existing financial education initiatives and financial education material for newly arrived migrants and refugees.
- ◆ **Section 6** presents recommendations for broader application of this research.

## Research Approach

Focus group discussions were conducted with 151 newly arrived migrants and refugees across Australia, who also fully or partly completed a survey. In addition, a focus group was conducted with 26 settlement workers, and five individual interviews were conducted with settlement workers. The research was further informed by a literature review. Each of the data sources is outlined below.

### Literature review

The literature review included academic and grey literature relating to developing the financial capability and wellbeing of refugee and migrant communities. The research consulted a wide range of literature in Australia and internationally comparable countries, including from Canada, New Zealand, Norway, the United Kingdom and the United States. A complete bibliography is provided at the end of this report.

Location	Organisation	Language	Date of consultation	Mode	Participants
Adelaide	Australian Migrant Resource Centre	Chin (Burmese), Spanish (Central and Latin American refugees), French (Central African communities)	4 June 2021	In person	26
Hobart	Migrant Resource Centre Tasmania	Oromo, Tigrinya	21 June 2021	In person	28
Sydney	SydWest Multicultural Services	Dari, Arabic	20 July 2021 26 July 2021	Online	21
Brisbane	MultiLink Community Services	Swahili, Karenni (Burmese)	28 July 2021	Hybrid	25
Regional QLD	CatholicCare Social Services Toowoomba Region	Sudanese Arabic, Kurdish	30 July 2021	Hybrid	16
ACT	Migrant and Refugee Settlement Services of the ACT Inc.	Arabic, Farsi, Dari, Hazaragi, Tamil	4 August 2021	In person	35
TOTAL PARTICIPANTS					151

**Table 1:** Overview of focus groups

### Focus groups with newly arrived migrants and refugees

Qualitative data was collected through focus group discussions with refugee and migrant community members. Table 1 provides an overview of focus groups' geographic location, participating organisations, languages covered, mode of delivery and number of participants.

Languages were chosen in consultation with ASIC and settlement service providers and were intended to be representative of newly arrived migrant and refugee communities. Organisations were also chosen to be geographically representative and encompassed five states and territories, 4 metropolitan areas and one regional area.

The focus groups captured specific factors impacting the financial literacy, capability and wellbeing of refugee and migrant communities. They also explored how much the participants used the Kit, and the extent to which information in the Kit was useful. For a detailed overview of focus group questions, see [Appendix 2](#).

Focus group discussions were impacted by COVID-19 outbreaks and consequent lockdowns and travel restrictions. Focus groups in South Australia and the Australian Capital Territory were conducted in person. Focus groups in Sydney, Brisbane, and regional Queensland were rescheduled from June to July 2021. SCoA led the Sydney focus groups online. Focus groups in Brisbane and regional QLD were hosted in a hybrid format where focus group participants were present at participating organisations and SCoA facilitated the discussion via videoconference.

## Survey of newly arrived migrants and refugees

Quantitative data were collected through a survey of newly arrived migrants and refugees. The survey was completed by participants in the focus groups; it is therefore representative of the same demographics outlined in Table 1. Cultural workers and translators assisted participants by translating and clarifying financial concepts. A total of 151 surveys were fully or partly completed.

The survey captured participants' financial literacy, capability and wellbeing by measuring their confidence and rates of usage of specific financial services and products. The survey retrospectively captured participant's usage as well as their confidence in using different financial instruments and institutions at the time of participation. Financial instruments and institutions included household budgets, bank deposits, lines of credit, the Australian Tax Office (ATO), insurance companies, loans and others.

The survey questions are outlined at [Appendix 3](#), and a detailed account of the survey results is provided in Section 3. Table 2 provides the overall characteristics of survey participants.

Characteristics		%
Gender	Female	60
	Male	40
Arrival	Before 2015	18
	2016	11
	2017	20
	2018	19
	2019	23
	2020	5
	2021	1
Employment status	Self-employed	4
	Employed	21
	Unemployed but searching for employment	29
	Unemployed but not looking for employment	36
	Student	10
Type of employment	Self-employed	14
	Full-time	11
	Part-time	58
	Casual	17
Education	No formal education	30
	Primary school (grade 10)	23
	High school	19
	College/technical education	12
	Undergraduate (bachelor's degree)	10
	Postgraduate (master's degree or PhD)	6

**Table 2:** Key characteristics of survey participants (n = 151)<sup>1</sup>

<sup>1</sup> Total sample size is 151 participants. Percentages not adding to 100% are due to partly completed surveys.



The participants were 60% female and 40% male. Most participants (82%) arrived in Australia after 2016. Of the participants, 54% were actively engaged in the labour force with 25% being fully or partly employed. Education attainment of participants varied, with 30% possessing no formal education and 16% possessing tertiary qualifications.

### **Focus group with settlement workers**

SCoA consulted service providers through a focus group to capture service providers' experiences in using the Kit and other financial education material. SCoA facilitated the focus group discussion online on 9 August 2021. This consultation was attended by 25 representatives of different service providers and lasted around one hour.

Participants shared their opinion and experiences of using financial literacy and educational material. They also shared their views on financial challenges facing migrant and refugee communities and identified trends related to enhancing their financial literacy, capability and wellbeing.

Discussion questions are listed at [Appendix 5](#). A detailed outline of the discussion results is provided in Section 5 of this report.

### **Follow up interviews with settlement workers**

Five interviews were conducted with settlement workers as a follow-up from the focus group discussions. These interviews provided greater depth of understanding of the themes that emerged from the focus group discussion.

## **Limitations of research**

Limited use of the Kit by refugee and migrant communities, as well as by financial education providers, limited this analysis. To control for this limitation, participants and service providers were asked to read a sample of the Kit (more precisely, several information sheets) and comment on their relevance, utility, ease of understanding and content. For participants with low literacy levels, the Kit's audio and video recordings were used in lieu of written information sheets.

## **Definitions**

The definitions surveyed and developed by Argyrous et al. were adopted to unify the research's approach with ASIC's internal definitions.<sup>2</sup> The term 'financial literacy' was used to describe knowledge and understanding of financial concepts and processes. 'Financial capability' includes financial literacy but also refers to a range of additional financial skills, attitudes and behaviours. 'Financial wellbeing' is the outcome of people exercising their financial capability to meet their financial needs. It usually depends upon favourable socioeconomic conditions and takes account of opportunity and life stages.<sup>3</sup>

<sup>2</sup> G Argyrous et al., *An evidence review in relation to financial capability of three priority groups*, University of Technology Sydney, Sydney, 2021.

<sup>3</sup> Ibid, 2.

## 2. FINANCIAL LIVES OF NEWLY ARRIVED MIGRANTS AND REFUGEES

Consultations with focus group participants and settlement workers found that the financial lives of newly arrived migrants and refugees were heavily influenced by four factors: cultural factors, gender considerations, financial obligations abroad, and building confidence and familiarity with the Australian financial system.

The financial lives of newly arrived migrants and refugees are shaped by many factors. Consultations with focus group participants and settlement workers identified cultural factors, gender considerations, financial obligations abroad and the level of familiarity with the Australian financial system. This section details these findings and relates them to contemporary research on financial education of newly arrived migrants and refugees.

### Cultural factors

Cultural factors play an important role in shaping the settlement process. This extends to how newly arrived migrants and refugees view and manage their financial lives, and how and when they reach out for assistance. Some of the key cultural considerations are outlined below.

#### Budgeting

The effect of culture is felt at the start of the settlement journey. When asked about how managing money was different in Australia compared to their country of origin, focus group participants said that budgeting on a fortnightly or weekly basis was difficult compared to daily or monthly budgeting in their country of origin.

*'Salary and income are done once a week or a fortnight. In s 47F things are done once a month. It is better to get paid more often because you can manage your expenses well, but when we first arrived in Australia it was very difficult for us to make this adjustment.'*

s 47F, focus group

*'How and when we received money was a big challenge for us. At home we managed money monthly. Here we must manage money fortnightly. We did not have to budget at home, but here having a budget is the most important thing to survive. We also have to do our budget as a family. All of our household members and family work together to pay expenses in Australia.'*

s 47F, focus group

#### Digital economy

There was also an emphasis on what many respondents called 'digital money', referring to the difference between a cash culture in their country of origin and the mostly cashless system in Australia.

*'When I first arrived at Australia, I took the public bus and tried to pay the driver with a \$50 bill. I did not know that I could not pay with cash, because I assumed it was money everyone would accept it.'*

s 47F focus group

*'In s 47F we used to keep money in wallets, books and shoeboxes. We had no idea about money in form other than cash. We did not use banks at all because when we used to get money, we spent it immediately to buy basic things for our house.'*

s 47F focus group

*'In my home country we could keep cash and do whatever we wanted with our money using cash. Here in Australia money has to be done through banks. This is a very big problem because we need to use the internet and email and the ATM which we don't understand and cannot use. All of these electronic things prevent us from accessing our money. I always forget my password and because I cannot speak English I do not know what to do so I always have to wait for my family members who speak English to help me. I also have problem to manage my money because I feel that I do not own it and it is mostly controlled by the bank and not me.'*

s 47F , focus group

*'Bank system is different here relative to s 47F. People in s 47F use physical money. In banks here because money is not physical people think that banks or government can go any time to your account and hold your money and take it from you. We are programmed to think that way. That if money is not physical it is not real and can always disappear. This is a major problem for trusting financial institutions.'*

s 47F focus group

## Credit

Participants expressed conflicting feelings about their ability in Australia to spend money they did not currently have. While some participants found credit cards and other forms of buy-now-pay-later schemes helpful, most were reluctant and uncomfortable with spending money they 'did not own'. Some Muslim participants avoided borrowing money from official financial institutions as interest charges are prohibited by their religion. Research shows that financial exclusion is higher among migrant groups who have cultural and religious needs that are not met by mainstream financial services and products.<sup>4</sup> In particular, the lack of non-interest based financial products and services contributes to financial exclusion among Muslim communities.<sup>5</sup> It has also been shown that attitude, religion and ethnicity play significant roles in the relationship between income and savings.<sup>6</sup>

*'I do not use credit cards or issue loans from banks because I do not want to pay interest. Once I needed to borrow money to pay my electricity bill and I asked my friends to help and they gave me the money and I paid it back in 2 months.'*

s 47F focus group

*'In our community we do not want anything to do with loans. We do not like to owe money.'*

s 47F focus group

*'We do not take any loans because they have interest and using interest is not allowed by my religion and culture. So we have a system in the family whereby we have family members contributing \$20 per person and if an emergency happens we all help each other.'*

s 47F focus group

<sup>4</sup> R Russell et al., *Financial capability research in Australia*, RMIT University, Melbourne, 2020.

<sup>5</sup> MRM Sain et al., 'Financial exclusion and the role of Islamic finance in Australia: a case study in Queensland', *Australasian Accounting, Business and Finance Journal*, 2018, 12(4):23–42, doi:10.14453/aabfj.v12i4.3.

<sup>6</sup> H Hamin et al., 'Customers' savings rate and share of wallet: the moderating role of religion and ethnicity/immigrant generation vis-à-vis attitude as mediator', *Journal of Strategic Marketing*, 2018, 26(5):400–416, doi:10.1080/0965254X.2016.1258002.

## Reliance on social networks

Focus group discussions highlighted that newly arrived migrants and refugees tended to rely on dense social networks to navigate the financial landscape in Australia. The dependence on social networks appeared to intensify in cases of low literacy and low English language proficiency. While research shows that social networks are crucial for successful settlement and positive economic behaviour, this can prolong newly arrived migrants' and refugees' entry into the conventional financial system as the social networks are often composed of informal cash economies and rely on ethnic or religious savings and credit systems.<sup>7</sup>

This reliance on networks can contribute to financial abuse. Discussions with focus group participants and settlement workers provided examples of instances of financial abuse that tended to occur predominantly among newly arrived migrants and refugees with low rates of literacy and levels of education.

*'A family friend of an immigrant helped set up the bank account payments for a new migrant. Many months later she found out that all payments to her bank account were being diverted to the family friend. She did not know that she was receiving support payments from government.'*

Settlement worker, service providers consultations

## Help-seeking behaviour

Discussing financial matters in some cultures is considered taboo because some cultures view money as private and personal.<sup>8</sup> Focus group participants and settlement workers expressed that in many instances assistance with financial issues is requested after the financial situation has significantly deteriorated. This is sometimes fuelled by migrants' and refugees' experiences before arriving in Australia.

*'Sometimes it is about resisting the change. Refusing to accept that life is different in Australia. We refugees take high risk, this is how we managed to come to Australia. If it is not a crisis I may not take action. But when a crisis happens, it is too late financially. It is not only about the system, we sometimes ask for help too late.'*

Settlement worker and former refugee, service providers consultations

*'Culture issues are important. There is a sense of shame and guilt to ask for financial relief. So sometimes coming forward to ask for help can be against their identity. So they sometimes just cannot get themselves to do it.'*

Settlement worker, service providers consultations

## Gender considerations

In general, women and children are at greater risk of being victims of financial abuse. Gender inequality and ingrained gender norms that posit men as breadwinners and 'in-control' of family finances are a key driver of this.<sup>9</sup> For migrant and refugee women, the migration and settlement experience intersects with gender and means financial abuse can manifest in particular ways.<sup>10</sup> Research suggests that changed and changing gender and family roles and responsibilities in migrant and refugee families, including those related to

<sup>7</sup> V Colic-Peisker & F Tilbury, 'Integration into the Australian labour market: the experience of three "visibly different" groups of recently arrived refugees', *International Migration*, 2007, 45(1):59–85, doi:10.1111/j.1468-2435.2007.00396.x.

<sup>8</sup> J van Kooy, 'Refugee women as entrepreneurs in Australia', *Forced Migration Review*, 2016, 53: 71–73.

<sup>9</sup> L Heise, *What Works to Prevent Partner Violence*, STRIVE, UK, 2011, <http://strive.lshtm.ac.uk/system/files/attachments/What%20works%20to%20prevent%20partner%20violence.pdf>.

<sup>10</sup> See for example, S Singh, 'The daughter-in-law questions remittances: changes in the gender of remittances among Indian migrants to Australia', *Global Networks*, 2019, 19(2):197–217, doi:10.1111/glob.12215; C Vaughan, 'The MuSeS project: a mixed methods study to increase understanding of the role of settlement and multicultural services in supporting migrant and refugee women experiencing violence in Australia', *BMC International Health and Human Rights*, 2019, 19(1), doi:10.1186/s12914-018-0184-0.

financial and economic factors, influence experiences of financial abuse.<sup>11</sup> Low English-language proficiency and ability to navigate financial life in Australia can render migrant and refugee women more susceptible to abuse.<sup>12</sup> Further, some women arrive in Australia on visas that render them financially dependent on their spouse.<sup>13</sup>

In relation to financial abuse, one participant said:

*'It is common to see cases where the man would control all income and bank accounts even in cases where women would work outside the house. This tends to happen in households that experience other forms of violence and financial abuse would be one way of controlling certain family members. Some women were prevented from spending money at all and given \$10–\$20 a week.'*

Settlement worker, service providers consultations

Financial education targeted at empowering women financially and educating them about independently navigating the Australian financial system was a primary area for improvement discussed by settlement case workers. Research suggests that women represent a majority of financial education program attendees but the education provided is usually generic and targeted at the household level. In cultures where the male head of the household is responsible for financial decisions and is often expected to be the primary wage-earner, this education usually results in no change to the financial behaviour of the family. However, research also suggests that financial education provided using peer education models for migrant and refugee women produces positive outcomes for participants.<sup>15</sup>

## Remittances

An important part of economic activity for newly arrived migrants and refugees is transfers of funds abroad, generally to family and friends. About A\$24 billion worth of remittances were transferred overseas from Australia in 2017.<sup>16</sup> There is little clarity about how much of these remittances can be attributed to funds transferred by newly arrived migrants and refugees. A 2008 study indicated that about 70% of humanitarian migrants in Australia have, at some point, sent money to their country of origin.<sup>17</sup> Focus group discussions and the survey revealed that about 53% of respondents had sent remittances to friends and family over the preceding 12 months, with 15% of respondents indicating that they send money once a month or more. Research suggests the extent to which migrants send remittances overseas declines the longer they have been settled in a country.<sup>18</sup> However, our survey responses showed little correlation between frequency of remittances and time spent in Australia.

<sup>11</sup> C Fisher, 'Changed and changing gender and family roles and domestic violence in African refugee background communities post-settlement in Perth' *Violence Against Women*, 2013, 19(7):833–47, doi:10.1177/1077801213497535.

<sup>12</sup> J Maher & M Segrave, 'Family Violence Risk, Migration Status and "Vulnerability": Hearing the Voices of Immigrant Women', *Journal of Gender-Based Violence*, 2018, 2(3):503–518, doi:10.1332/239868018X15375304047178.

<sup>13</sup> L Tarzia et al., 'Reproductive coercion and abuse against women from minority ethnic backgrounds: views of service providers in Australia', *Culture, Health & Sexuality*, 2021, 18:1, doi: 10.1080/13691058.2020.1859617.

<sup>14</sup> JAR Dantas et al., 'Women migrants in Western Australia: case studies of resilience and empowerment', *Social Change*, 2020, 50(1):77–94, doi:10.1177/0049085719901074.

<sup>15</sup> T Watson & J Kenway, *Let's Talk Money evaluation report*, Thornbury: Women's Health In the North, Thornbury, 2018, <https://www.financialcapability.gov.au/files/let-s-talk-money-evaluation-report.pdf>.

<sup>16</sup> World Bank, *Migration and remittances data*, Washington, D.C., 2018, <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

<sup>17</sup> Department of Immigration and Citizenship, *A significant contribution: the economic, social and civic contributions of first and second generation humanitarian entrants*, Commonwealth of Australia, Canberra, 2011, [https://www.dss.gov.au/sites/default/files/documents/01\\_2014/economic-social-civic-contributions-booklet2011.pdf](https://www.dss.gov.au/sites/default/files/documents/01_2014/economic-social-civic-contributions-booklet2011.pdf).

<sup>18</sup> Oxfam Australia, *Economic and social impact of increasing Australia's humanitarian intake*, Deloitte, Sydney, 2019, <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-social-impact-increasing-australias-humanitarian-intake-280819.pdf>.



Focus group discussions suggested that remittances were not a priority for most participants. In several instances, respondents indicated that their family had instead transferred funds to them to assist with their living expenses in Australia. Nonetheless, navigating the financial system to access affordable and low-cost money transfer options was important for several respondents. Remittances were also used to repay debt incurred to fund migration to Australia.

*'I know many people who came here on their own after getting a loan in their home country. Now they have to send money back home all the time to pay it back.'*

s 47F , focus group

*'When you first arrive here, you have no base in Australia. Your familial network and friends are not here. So you feel alone. When I have financial difficulty, I call my brothers in s 47F so that they can send me money.'*

s 47F focus group

*'Also having to send money to family back in home country often puts added pressure on families. Some families are pressured into sending money regularly for cultural or family reasons or to pay back debt that they or their family members have accumulated.'*

s 47F focus group

## Trust and familiarity

Building confidence in and familiarity with the Australian financial system was an important topic discussed by focus group participants and settlement workers. Many participants expressed mistrust in certain financial institutions or lacked the knowledge to build their familiarity with these institutions.

Australia is a heavily financialised society compared with many of the countries from which migrants and refugees arrive. Focus group discussions suggested that underdeveloped financial services industries in countries of origin were a key factor in mistrust of Australian financial institutions. Lack of familiarity with the financial system, limited literacy or English language skills, limited digital literacy, cultural or religious differences, inadequate financial education, and lack of appropriate financial products for migrants and refugees were all cited as factors that could lead to misunderstanding and mistrust of financial institutions during settlement in Australia.

Focus group participants were generally trusting of Australian banks and simple financial products such as debit cards and cheque accounts, but trust levels significantly decreased when discussing credit, loans and investment products. The survey showcased that there was a direct correlation between the frequency of using a financial product or institution and its perceived trustworthiness among newly arrived migrant and refugee communities. Similarly, insurance and taxation seemed to be poorly understood, leading to lower levels of trust.

*'Some people call us to give our information and scam us. This is also why we don't trust banks because I do not know how to access it online without being hacked or tricked.'*

s 47F focus group

*'I had a very bad experience with the insurance company. I was not offered an interpreter and was not happy with what they offered me. The insurance company keep calling me and now I just do not answer their calls. I don't know what to do or how to ask them to stop.'*

s 47F , focus group

*'Insurance is a big problem for me. I was in an accident and the insurance company said they were going to fix my car then they said that I had to pay for fixing my car. So I asked to take my car back but then they forced me to pay the excess before taking my car back to fix it somewhere else. Why do I need to pay an excess if I pay for insurance?'*

s 47F , focus group

*'People from banks and insurance companies are very supportive. Sometimes when I face difficulty, I realise it is probably because of my language.'*

s 47F focus group

*'I have never been offered an interpreter assistance at banks. But I was offered this help at insurance companies.'*

s 47F focus group

*'I have a problem with tax return. I feel that I pay too much money in tax... I paid \$12,000 in taxes then the ATO gave me only \$1,000 as refund. Why is that? I never received an explanation as to why I had to pay this much tax.'*

s 47F , focus group

*'Insurance is hardest for me because they do not have an interpreter. It is also difficult to understand monthly payments (it is different person to person) and I do not understand financial words... do not understand how insurance works.'*

s 47F , focus group

Participants indicated that scams perpetrated by individuals claiming to be representing the ATO have severely reduced their trust and confidence in dealing with the ATO. This is exacerbated by the fact that filing taxes is conducted entirely online, increasing the anxiety for many of being scammed or hacked.

*'I do not trust the ATO... The ATO once called me saying that we needed to pay \$1,800 now or the police was coming to our house in 15 minutes and that they would take me to prison. My husband and I rushed to pay for this amount as*

*s 47F . We were scared and bought*

*s 47F . Then we called the police and we found out that it was a scam. We did not give the scammers the information s 47F , but we s 47F lost a lot of money.'*

s 47F , focus group

*'I get anxious and scared every time I hear about something I don't understand and the ATO is just like this. I am not familiar with it at all.'*

s 47F , focus group

### 3. SETTLEMENT SERVICE PROVIDERS AND FINANCIAL EDUCATION FOR NEWLY ARRIVED COMMUNITIES

Consultations with settlement workers found that the level of support for managing the financial aspects of settlement in Australia was ‘very limited’. Settlement workers attributed this partly to the lack of connection and communication about financial education between settlement service providers and a wider range of social institutions, such as schools, banks, insurance providers and government. In addition, limited funding, inadequate financial education material and delivery, and lack of appropriately trained staff were cited as primary challenges facing settlement service providers.

#### Financial education

While research suggests that newly arrived migrants and refugees are eager for access to information that could assist with their financial decision-making, it also highlights that there is inadequate support available for the financial aspects of settlement in Australia.<sup>19</sup>

It is important to note that the scope and type of financial services needed by newly arrived migrants and refugees changes as their settlement progresses. Generally, the immigrant experience can be divided into 4 distinct stages of financial needs.<sup>20</sup>

- ◆ **Initial settlement:** This is the stage when migrants and refugees first enter the host country. Financial needs at this stage include obtaining work, housing and learning basic language proficiency, and relate to the use of money as means of survival.<sup>21</sup>
- ◆ **Legalisation:** In this stage migrants tend to position themselves for stable employment and strive to reunite their family. Financial needs at this stage include saving and transferring money abroad. Financial needs may also include personal loans or consumer credit to buy household items or, in the case of self-employment, obtaining credit to buy business equipment.
- ◆ **Stable settlement:** In this stage, migrants have a greater degree of settlement into the host country. Financial priorities may include setting up business activities, buying more consumer goods such as cars, and buying a house. Financial services used include basic investment products, mortgages and/or business loans.
- ◆ **Consolidation:** The features in this stage depend on the purpose of migration and whether it was permanent or temporary. Financial priorities for permanent migrants include purchasing complex financial products and services such as insurance and medium to long-term investments.<sup>22</sup>

These four stages are non-linear and may unfold in conjunction with one another as the lives and experiences of newly arrived migrants and refugees can be unpredictable. It is common for unplanned financial events to occur at any of these stages, resulting in disruption of the settlement process.

Thus, financial education should be introduced at various stages of settlement to be effective. However, currently finance related settlement support is currently focused on the initial stages of settlement, and most intensive for humanitarian entrants. Research shows that the level of support for managing the financial aspects of settlement in Australia is ‘very limited’.<sup>23</sup> Service providers attributed this partly to the lack of connection and communication about financial education between settlement service providers and a wider

<sup>19</sup> E Bourova et al., ‘It’s easy to say “don’t sign anything”: debt problems among recent migrants from a non-English-speaking background’, *Alternative Law Journal*, 2019, 44(2):127–32, doi:10.1177/1037969X18817875; S Zuhair et al., ‘Migrants and self-reported financial literacy’, *International Journal of Social Economics*, 2015, 42(4):368–86, doi:10.1108/IJSE-09-2013-0203.

<sup>20</sup> L Anderloni, ‘Migrants and remittances’, in *New frontiers in banking services: emerging needs and tailored products for untapped markets*, ed. L Anderloni, MD Braga & E Carluccio, Springer, Berlin, 2007, pp. 353–71.

<sup>21</sup> S Zuhair et al., ‘Migrants and self-reported financial literacy’.

<sup>22</sup> L Anderloni, ‘Migrants and remittances’.

range of social institutions, such as banks, insurance providers and government agencies. In addition, limited funding, inadequate financial education material and delivery, and lack of specialised staff were cited as primary challenges facing settlement service providers.

## Limited funding and education delivery

For refugees, financial literacy education is usually provided during the first 18-month settlement period and is typically funded by the Humanitarian Settlement Program (HSP; see [Appendix 1](#)). This funding, however, is very limited and does not allow for financial education training across the full settlement journey. Typically, new entrants are shown how to undertake basic financial tasks such as banking. They also attend a group session about financial literacy and managing money in Australia. An interpreter or cultural worker is usually present during these sessions. At times, clients receive printed in-language financial literacy educational material in the form of information sheets, which may include parts of the factsheets from ASIC's Money Management Kit.

Where humanitarian entrants or other eligible migrants attend the Adult Migrant English Program (AMEP), they are exposed to a range of financial education information. While the focus of the AMEP is English language tuition, this is done within a settlement context and with the aim of enhancing settlement outcomes. As such, much of the material used in classes provides useful settlement knowledge. It is important to note however, that not all migrants and refugees access the AMEP for a range of reasons, including work commitments, caring responsibilities, pre-arrival English language ability or other reasons.

In the Settlement Engagement and Transition Support (SETS) program, which supports humanitarian entrants and other eligible migrants for up to 5 years (see [Appendix 1](#)), case workers provide financial education mostly in response to clients facing financial difficulties. Newly arrived migrants and refugees often rely on settlement workers for information and assistance in navigating financial problems including debt, contracts, filing taxes, banking and paying utility bills. Participants in the service provider focus group attributed limited financial education delivery to a lack of specific funding dedicated for financial education.

*'I wish we could provide extensive and ongoing financial education throughout the settlement. This would be ideal! But what ends up happening is very limited and isolated introductory sessions about managing money in Australia during the first weeks of settlement. Limited funding and resources make it very difficult to be more engaging.'*

Settlement worker, service providers consultations

*'We usually have adequate funding for one case worker for more than 20 settling families. All require different forms of assistance and providing financial literacy education is something that we simply lack the resources for.'*

Settlement worker, service providers consultations

*'Recently I have helped many families with paying electricity bills. In many cases I take messages over WhatsApp during night-time and or other unpaid hours to help.'*

Settlement worker, service providers consultations

## Limited financial education material and delivery mode

Settlement service providers indicated that financial education for newly arrived migrants and refugees was delivered in different formats. Most programs, however, were delivered face-to-face in group workshops. Other formats included one-on-one assistance provided by case workers who were not specialised in financial education. On limited occasions, migrants were referred to financial counselling sessions, for either individual or group sessions. The accessibility of these sessions was variable.

<sup>23</sup> E Bourova et al., 'Debt problems among recent migrants from a non-English-speaking background'.

It was also common for financial education material to be incorporated into other settlement programs that provided general information for newly arrived migrants and refugees. Although educational material such as ASIC's Money Management Kit were available, case workers seldom had the chance to fully use this material during the settlement period. The Kit's length and generalised format made it difficult to use during workshop sessions. According to one settlement worker:

*'Available financial education programs are too much to be covered by settlement providers. It [The Money Management Kit] is overwhelming. When we use it, we must select a specific topic for any given session. More recently we had someone in our team deliver some of the Kit's material. But ultimately, it is only information passed on with no way of knowing whether it made a difference.'*

Settlement worker, service providers consultations

*'If the Kit is designed to provide financial education and to be utilised by case workers, then it is too long and cumbersome.'*

Settlement worker, service providers consultations

## Lack of specialised staff

Newly arrived migrants and refugees often relied on settlement workers for guidance and information about financial matters. Case workers indicated that these matters included household budgeting, phone or rental agreements, electricity and gas bills, credit card debt, car insurance contracts and complications and paying down accumulated debt. However, research and data collection revealed that settlement workers have varying levels of financial counselling experience. Settlement workers have limited professional knowledge about, for example, resolving debt problems and entering credit contracts.<sup>24</sup>

*'One of our clients accumulated electricity bill of \$3,000. They then had borrowed money from a friend with interest to pay this bill. Having to break down their financial situation and assemble a debt repayment plan was a big challenge. In these cases having access to financial counsellors would make this process simpler and more streamlined.'*

Settlement worker, service providers consultations

*'The most common cause of financial problems would primarily be utilities, rent arrears, medical specialists, Centrelink debt... Issues that require trained financial counsellors to address, but when clients sometimes do not have literacy in English and in their own language, this step is further complicated.'*

Settlement worker, service providers consultations

*'There are a number of issues about limited financial assistance access ability. Financial literacy and emergency relief providers have limited available hours to see clients (some only one day per week on a first-come first-served system). There are typically long waiting times to see financial counsellors.'*

Settlement worker, service providers consultations

<sup>24</sup> E Bourova et al., 'Debt problems among recent migrants from a non-English-speaking background'.



## 4. REVIEW OF THE MONEY MANAGEMENT KIT

Consultations with newly arrived migrants and refugees as well as settlement workers found that the Kit's curriculum and delivery mode were not in sync with current financial education practices in the settlement sector and the resources available to settlement service providers. The Kit's content also lacked information about topical and relevant financial issues facing newly arrived migrants and refugees such as identifying and understanding financial scams, accessing and dealing with utilities providers, and taxation specific information.

SCoA conducted a review of the Money Management Kit that included in-language focus group discussions with newly arrived migrants and refugees as well as consultations with services providers. A total of 151 participants representing refugee and migrant communities took part in the focus group discussions, and 26 settlement workers took part in the service provider consultations.

The review followed the methodology delineated in the Research Approach section of this report. Data was collected through focus group discussions on the Kit's appropriateness; recommendations to improve its content, communication, and delivery; any gaps in content; and whether its content is written in culturally appropriate ways.

The analysis of the data and the relevant recommendations are presented in the four sections below: curriculum structure, relevance and usefulness, delivery mode, and gaps in content.

### Moneysmart and the Money Management Kit

ASIC's Moneysmart website has various resources specifically designed for migrant and refugee communities. In particular, the Money Management Kit was designed to help settlement workers deliver education about money management issues as part of the settlement process.

It is worth noting that other publications and media content for migrants and refugees can also be accessed through the Moneysmart website. These include a simple money manager calculator available in English and 8 other languages, and links to translated versions of several of ASIC's fact sheets on topics such as paying debt, borrowing money, consumer leases and car loans. Elsewhere on the Moneysmart website, migrants and refugees can read about ways to transfer money, how to compare costs and exchange rates, how to pay lower fees and how to complain if there is a problem. While some of the resources are available in languages other than English, most are in English. A number of settlement workers indicated they made use of these. This was partly because the availability of in-language resources is less critical when a worker delivers the information verbally.

ASIC developed the Kit in 2012 to help community settlement workers deliver money management content to newly arrived communities. The Kit can be used by community settlement workers, teachers, welfare, and healthcare professionals who provide general financial literacy education to newly arrived communities and the wider community, and in English language programs for these communities.<sup>25</sup>

The Kit provides information for those with English as an additional language and who recently arrived in Australia. The Kit covers 10 topics: household budgets; saving money; paying bills; contracts; banking; credit; types of credit; debt; working in Australia; and insurance. Each topic has guidance for those using the Kit on delivery, factsheets, audio files and videos.

The Kit caters for different levels of understanding of financial matters, not to be confused with level of English attainment. Each factsheet and audio and video story is provided in English and has been translated into 15 other languages: Arabic, Assyrian, Burmese, Hakha Chin, Dari, Dinka, Farsi, Hazaragi, Karen, Kirundi, Nepalese, Nuer, Sudanese Arabic, Swahili, and Tamil.

<sup>25</sup> Moneysmart, *Money Management Kit*, Australian Securities and Investments Commission, Commonwealth of Australia, Canberra, <https://moneysmart.gov.au/publications/money-management-kit>.

## Curriculum structure

The Kit is designed as a tool to be used by settlement workers in one-on-one sessions with newly arrived migrants and refugees and their families. The Kit can also be used by teachers, welfare and healthcare professionals, those who provide general financial literacy education, and those who teach English as an additional language.<sup>26</sup>

For the Kit to be fully used, settlement workers would have to use more than the factsheet and media components. The Kit is designed to cater for 3 levels of financial literacy. The video and audio stories and the factsheets are designed for level 1, while advanced options are provided for clients with financial knowledge suitable for level 2 and level 3. The Kit directs settlement workers to ask clients pre-set questions to determine their level of understanding and knowledge of a specific financial topic. This directs the worker to the appropriate level of information to use with a client.

The Kit's design and intended use place strong emphasis on settlement workers' familiarity with its contents and purpose. Educators are expected to study the Kit's contents fully and design their interaction with clients after careful consideration of the Kit's instructions. While helpful, the settlement sector does not possess the necessary resources to support this curriculum structure. During consultations, settlement service providers indicated that reduced resources hinder their ability to deliver extensive financial education to newly arrived migrant and refugee communities. To fully use the Kit, settlement workers would have to invest significant time and effort familiarising themselves with its content and designing their educational sessions with clients. This is not possible under current finding arrangements. Furthermore, the Kit was considered too long, another aspect hindering its wider usage. For example, the Household Budgets topic in the Kit is 36 pages in length, paying bills 74 pages, contracts 42 pages and credit 38 pages.

Throughout discussions with settlement workers, it became apparent that most of settlement providers were only aware of level 1 of the Kit. Over time, it appears that some settlement organisations have incorporated the audio and video components and factsheets as tools for providing financial education. The few organisations that used the Kit simply displayed the factsheets and/or played the video or audio recordings during money management orientation sessions for newly arrived migrants and refugees. A minority of settlement workers indicated that they used the factsheets and the audio and video recordings in one-on-one sessions with clients. Those who presented components of the Kit during orientation also disseminated printed factsheets to participants in their native language.

Discussions with settlement workers also revealed that only a few sections of the Kit's topics were being used. Factsheets on household budgets, saving money and paying bills appeared to be most frequently circulated. The remainder of the topics, including contracts, banking, credit, types of credit, debt, working in Australia and insurance were rarely used in orientation or other information sessions. Some settlement workers indicated that they used these lesser-used factsheets, but only when they had a client asking for specific help with one of these topics. This is likely linked to the fact that most settlement support, including relating to financial education, is concentrated in the early years of settlement where not all topics are immediately relevant.

## Relevance and usefulness

The Kit was designed in 2012, but its contents and examples remain largely relevant. Although consultations revealed that knowledge about and use of the Kit were limited, when presented with the Kit's content participants indicated its relevance and usefulness.

Migrant and refugee respondents were asked to view at random 3 different topics from the Kit, represented by the factsheets, and to comment on their relevance and usefulness.

<sup>26</sup> Moneysmart, *Money Management Kit*, Australian Securities and Investments Commission, Commonwealth of Australia, Canberra, <https://moneysmart.gov.au/publications/money-management-kit>.

The following are some of the responses:

*'I learned something new because of these factsheets.'*

s 47F , focus group

*'Most of the information here is new to me.'*

s 47F focus group

*'I find this information very important and helpful.'*

s 47F focus group

*'I have never seen this factsheet before, but I would like to have this information.'*

s 47F , focus group

*'First time seeing the debt hotline number, I really want to have this information.'*

s 47F focus group

*'It is easier for me to understand in s 47F and I am more confident now that I can read this information in my own language.'*

s 47F , focus group

*'I like the examples used in this factsheet. They are actual people's stories – I can learn from them.'*

s 47F , focus group

*'Yes, this is some things I use every day and it is great to have this information to help me.'*

s 47F , focus group

## Delivery mode

As detailed in [Appendix 1](#), for humanitarian entrants, financial education is usually provided during the first 18-month settlement period and new arrivals typically attend a group session about financial literacy and managing money in Australia. An interpreter or cultural worker is usually present during these sessions. Clients may receive printed in-language educational material in the form of information sheets, which may include parts of the factsheets from the Money Management Kit.

The Kit's design and intended use rely on settlement workers' familiarity with its contents and purpose. The design assumes that settlement workers will use its content and advance through its 3 tiers of knowledge for each topic provided. As noted in Section 5, settlement workers themselves have varying levels of financial knowledge, financial counselling capacity and knowledge about resolving debt or contractual issues. Given the Kit's focus on the role of the settlement worker, it is important to ensure that the settlement sector possesses the capacity to train and retain staff who can perform these duties. The sector's current resources, however, make this very difficult to achieve.

The Kit's intended design as an ongoing teaching tool composed of 3 different levels was further found to be useful, if delivered. Research shows that the first 2 years of settlement are the most critical time for newly arrived migrants and refugees to receive information on how to deal with Australia's financial system.<sup>27</sup> Achieving this, however, requires consistent educational sessions with clients. For many migrants and refugees, a lack of stability and time make it difficult to research financial products, seek advice or attend educational sessions. For low-income workers who are paid by the hour, the opportunity cost of stopping work to address such issues is particularly acute.<sup>28</sup> Nonetheless, in consultation sessions both settlement workers and newly arrived migrants and refugees expressed a preference for the Kit to be used in tailored information sessions.

<sup>27</sup> Australian Government Office for Women, *Financial literacy among marginalised women*, RPR Consulting, Canberra, 2007.

<sup>28</sup> A Blundell-Wignall & F-A Messy, *Financial education and the long-term integration of refugees and migrants*, OECD, 2016, <https://www.oecd.org/daf/fin/financial-education/Financial-education-long-term-integration-refugees-migrants.pdf>.

Focus group participants and settlement workers commented on the mode of delivery of the Kit:

*'Cannot make assumptions that clients have access to laptops or screens.'*

Settlement worker, service providers consultations

*'Ongoing financial education is important to address potential financial problems when they arise.'*

Settlement worker, service providers consultations

*'The delivery has to happen through a case manager who builds a personalised relationship with clients.'*

Settlement worker, service providers consultations

*'More people use Moneysmart instead of the kit. They find it to be direct and provide helpful information.'*

Settlement worker, service providers consultations

*'We prefer to receive this information through sessions because we do not trust the internet. Some websites may be hacked but if you have a session and introduce the website to us then we know it is safe and we can later use it.'*

s 47F, focus group

*'This information should be presented to us step by step and with help from someone who can assist us at each step.'*

s 47F, focus group

*'Information provided is very complex and difficult to follow. I need someone to help me understand these terms.'*

s 47F focus group

The preferences outlined above mirror preferences for learning expressed across a variety of subject matter areas beyond financial education. For example, most recently in relation to a separate project delivered by SCoA on COVID-19 vaccines, a strong preference was expressed for face-to-face forums to discuss information about COVID-19 vaccines, tailored to the local community, delivered in-language, and facilitated by an organisation or person with a trusted relationship with the relevant community. Given the preferences mirror those expressed in relation to other settlement information, the lessons learned elsewhere can be applied here to enhance the delivery of financial education. Models that have national coordination but allow for small-scale and tailored activities in partnership with local community organisations can be particularly effective. These kinds of activities can facilitate partnerships between local settlement organisations, providers of financial counselling services, and financial institutions, in a parallel manner to the collaborations fostered in our COVID-19 vaccine program between settlement services, healthcare providers, and health authorities. Moreover, in the absence of funding to maintain an ongoing resource within each settlement agency for delivering financial education, this can be a more cost-effective way to achieve maximum reach.

## Content opportunities

Newly arrived migrants and refugees often lack familiarity with the language as well as the financial and welfare system in the host country. As other sections of this review highlight, they may lack confidence in or misunderstand the role of certain financial institutions and, more generally, have insufficient knowledge and skills to understand and manage different financial products and services. These limitations tend to be exacerbated in scenarios of reduced social and technological inclusion. Such circumstances include visa status, lack of familiarity with certain technologies (ATMs, internet, mobile banking) and/or poor language

skills. Research shows that many newly arrived migrants and refugees, particularly those from non-English-speaking backgrounds, require targeted support to safely access even basic goods and services without falling prey to scams and high-cost financial products.<sup>29</sup>

In its current format, the Kit assumes knowledge of financial institutions and their services. It does not provide a high-level overview of the roles and limitations of each institution, nor how newly arrived migrants and refugees could engage with these institutions. This discussion applies to banks, insurance providers, the ATO and superannuation providers.

The Kit overlooks the effects of Australia's highly financialised society on economic and financial inclusion for migrant and refugee communities. Technological shocks are common in the early stages of migration, particularly for those arriving from areas of protracted conflict and refugee or refugee-like situations. For example, the Kit's information on paying bills, insurance and banking does not display information on conducting transactions online, through phone applications or over the phone. Although the superannuation and taxation systems are heavily digitised, the 'working in Australia' topic does not provide any information about digital access to these institutions.

Focus group participants' comments on the content gaps in the Kit revolved around 3 main themes. The most cited theme was identifying and understanding financial scams. Most participants had received calls from scammers. Many indicated that they had fallen victim to financial scams. The Australian Competition and Consumer Commission estimates that culturally and linguistically diverse (CALD) communities in Australia lost \$22 million to scams in 2020.<sup>30</sup> The costliest type of scam for the CALD community was investment scams, which were responsible for \$6.3 million in losses. Threat-based scams were second and were responsible for \$6 million in losses.<sup>31</sup> Threat based scams include scammers impersonating Australian government departments such as the ATO and the Attorney-General's Department.

*'Would like more information about scams.'*

s 47F , focus group

*'I have been impacted by scams – someone using my account – had to close my bank account and open a new one.'*

s 47F focus group

*'I used to go to the gym, and I got a message about having to pay \$800 that I owed to the gym and they said I would go to jail if I didn't pay. I went to the gym and showed them the message, found out it was a scam.'*

s 47F focus group

*'Used online shop to buy stuff, someone used my details and bought stuff using my account after I did, I tried to delete my account.'*

s 47F focus group

*'We also get phone calls; how do we know which call is real and which one is a scam?'*

s 47F , focus group

<sup>29</sup> E Bourova et al., 'Debt problems among recent migrants from a non-English-speaking background'.

<sup>30</sup> Australian Competition & Consumer Commission, *Culturally and linguistically diverse community lose \$22 million to scams in 2020, reports from Indigenous Australians up by 25 per cent*, Canberra, 2021, <https://www.accc.gov.au/media-release/culturally-and-linguistically-diverse-community-lose-22-million-to-scams-in-2020-reports-from-indigenous-australians-up-by-25-per-cent>.

<sup>31</sup> Ibid.



Another theme cited by newly arrived migrants and refugees was information on how to access and deal with utilities providers, including electricity, gas and internet providers. Many described communicating with electricity providers as intimidating. The primary concerns of focus group participants were the lack of language skills needed to communicate with utilities providers, difficulty accessing and understanding usage charges and fees, and lack of digital knowledge to pay bills.

*'How to contact electricity company – this would help but we still couldn't feel confident to talk to them.'*

s 47F, focus group

*'We did not know that electricity was so expensive in Canberra. During the winter our electricity bill was \$2,000.'*

s 47F, focus group

The third theme suggested by participants was taxation-specific information. As illustrated in previous sections, knowledge of tax practices and trust in the ATO were low, with only about 30% of participants feeling comfortable dealing with the ATO. Participants felt they lacked the knowledge to claim taxes without the help of tax agents. However, the general view of tax agents was also characterised by mistrust. This mistrust seems to emanate from misunderstandings about the institutional role of the ATO, lack of knowledge of tax obligations and responsibilities while working or running a business, and the lack of official in-language educational material on managing taxation obligations.

*'It is strange because accountants all have different tax return figures which makes me wonder why is that, and I feel uncomfortable filing my taxes with tax agents and I always feel that I am being scammed.'*

s 47F focus group

*'I had to pay \$10,000 in taxes for my business, but my friends received a tax refund. I did not know that I had to pay so much in taxes.'*

s 47F focus group

## 5. CASE STUDIES

This section presents three case studies addressing key themes identified in this report. Each of the case studies are bespoke examples that address some of the gaps identified in this report. They are intended to highlight the ways in which future work can further support building financial capability.

The MoneyGirl case study is an example of efforts providing financial education to women and empowering them financially to independently navigate the Australian financial system. The report identified that migrant and refugee women face unique challenges and barriers in pursuing financial education, and MoneyGirl presents an existing model addressing this gap. It provides an illustration of the importance of, and value of, tailoring financial education interventions to particular demographics.

The Commonwealth Bank case study showcases how Australian corporations are contributing to financial education efforts in migrant and refugee communities by developing educational materials in priority areas such as financial abuse and financial scams and fraud accessible in-language and easy English. This case study highlights the opportunities in engaging more deeply with financial institutions to provide financial education to migrants and refugees.

The third case study showcases a successful partnership between a settlement service and a financial counselling service. It shows how effective partnerships between the two can ensure the right combination of expertise in building financial capability, and knowledge on settlement and cultural and linguistic accessibility. This combination ensures newly arrived migrants and refugees can access the information they need, in a manner that is appropriate for them.

## Case study 1: MoneyGirl

MoneyGirl is an evidence-based financial education program designed for young women in Australia. The program consists of six workshops, each of which covers one topic that will become a key building block in the path to financial independence.

The topics covered are everyday money management, tax, superannuation, credit and debt, love and money, and Investing 101.

This 6-week course, delivered in-person or online, includes actionable tips aimed at improving confidence around money and personal finance. MoneyGirl's workshops are hands-on so participants gain practical knowledge as they are guided through calculation exercises and researching super funds and stocks. MoneyGirl is a proactive and preventative solution – equipping women before they find themselves in a crisis.

The program is tailored to an underserved market. Current solutions are not financially accessible and do not cater to the needs of young women aged 18–35. MoneyGirl's content was co-created with and tailored to the community. This is further enhanced by the evidence-based education and community-building practices MoneyGirl employs for their program.

### At a glance

Financial literacy is lacking within schools, with information often being generic and inaccessible. MoneyGirl was launched in early 2019 to fill this gap. With 70% of women worldwide lacking financial literacy, MoneyGirl delivers financial literacy programs aimed at empowering young women to take control of their finances.

- ◆ Target participants: women, aged 18–35, predominantly from migrant and refugee backgrounds.
- ◆ Aim of program: deliver fun and engaging financial education to young women so they can make sound financial decisions for their futures.
- ◆ Organisations involved: MoneyGirl.
- ◆ Location: national.
- ◆ Funding: self-funded through revenue generation.

### What makes this program different?

**Proactive and preventative solution:** Existing financial supports are mainly reactive in nature. This program equips women before they find themselves in crisis.

**Tailored to an underserved market:** Current solutions are not financially accessible and do not cater to the needs of women 18–35. MoneyGirl's content was co-created with and tailored to this underserved community.

**Evidence-based:** Evidence-based and community building practices inform the content and delivery of this program. This entails designing evidence-based solutions that created long-term behavioural change in adults.

### Outcomes

MoneyGirl has successfully tackled these challenges and created an evidence-based program that has financially educated 200 women across Australia. The increase in confidence participants feel after completing the program has had long-term impacts on their financial literacy and independence.

## Case study 2:

### Commonwealth Bank addressing financial abuse and financial scams

Commonwealth Bank (CBA) provides financial education material designed to address financial and economic abuse and financial scams and fraud. In both cases, CBA worked with community organisations, academics and experts to address these 2 topics and devise educational materials in a variety of languages.

#### Financial abuse

CBA developed the Financial Abuse Resource Centre to provide a better understanding of financial abuse. The centre is an online platform providing information, support, and research in the areas of financial and economic abuse. The platform is divided into four sections: financial abuse, better understanding, partnering with experts, and support for customers.

Under the 'better understanding' section, CBA launched the Next Chapter program, which addressed financial abuse for their customers and communities. As part of this program, CBA partnered with a range of academic and community experts to produce innovative responses to financial abuse. One of these initiatives was a report titled 'Understanding Economic and Financial Abuse Across Cultural Contexts', providing specific discourses and analysis of instances of financial abuse within CALD communities, including newly arrived migrants and refugees. CBA's 'Recognise and Recover' and 'Safe and Savvy' are further reports exploring ways through which financial and economic abuse occurs and study measures to address and stop these instances.

Recognising that customers have a diverse range of communication needs and the importance of having an intersectional lens, CBA created summary flyers for Financial Abuse awareness and Elder Financial Abuse. These are translated into Easy English, Arabic, Assyrian, Bengali, Burmese, Dari, Hindi, Karen, Persian, Punjabi, Mandarin, Somali, Swahili, Tamil, Tigrinya, Urdu, and Vietnamese.

#### Financial scams and fraud

CBA developed an information sheet addressing ways to understand and avert financial fraud and scams. The information sheet, available in Easy English, Arabic, Greek, Mandarin, and Vietnamese, explains how customers can be aware of early warning signs and how to get help if they have fallen victim to a fraud or scam. A list of most common financial scams is provided with tips for avoiding each type.

#### Easy English

CBA further provides support to customers from CALD and non-English-speaking backgrounds and have developed a suite of Easy English financial education documents. This is in recognition that CBA's customers have a diverse range of communication needs and by providing Easy English documents, CBA provides a different way to communicate important information. The goal is to make sure that as many people as possible can understand the content of financial education material and the support and services CBA provides. Topics available in Easy English include support services, financial difficulty, coronavirus financial assistance and tips, help from an interpreter, banking in Australia, low-cost banking, scams and fraud, financial abuse, elder financial abuse and support for people with serious illness.

#### Key takeaways

Up to 90% of people who seek help for domestic and family violence are also affected by financial abuse. CBA's financial abuse interventions aim to address these issues by providing accessible and easy to digest information in a variety of languages. Similarly, with instances of financial scams increasing and people from CALD communities targeted at a higher rate, CBA's in-language information and educational material present an important resource.

### Case study 3:

ss 47E(d) and 47G(1)(b) **partnership with** ss 47E(d) and 47G(1)(b)

ss 47E(d) and 47G(1)(b) is a settlement service based in ss 47E(d) and 47G(1)(b). They have a longstanding partnership with ss 47E(d) and 47G(1)(b) to provide financial education and culturally tailored financial counselling.

ss 47E(d) and 47G(1)(b) identified that many of their clients were encountering complex financial issues, such as challenges in budgeting, signing up for unaffordable contracts, accumulating debts, or falling victim to scams. They identified that early and more regular access to financial counselling for migrants and refugees would ensure these issues were either avoided or identified and addressed earlier. Accordingly, they partnered with ss 47E(d) to ensure better access to financial counselling.

Financial counsellors from ss 47E(d) and 47G(1)(b) meet with ss 47E(d) and 47G(1)(b) clients to discuss their needs and support them with budgeting and other financial issues. Counsellors meet clients at ss 47E(d) and 47G(1)(b), with the support of an interpreter or bicultural worker, where this would aid access for the client. ss 47E(d) and 47G(1)(b) also deliver occasional information sessions to clients at ss 47E(d) and 47G(1)(b), with the support of an interpreter or bicultural worker. Delivering services and information at ss 47E(d) and 47G(1)(b), in collaboration with trusted settlement workers, ensures greater accessibility for newly arrived migrants and refugees.

### At a glance

- ◆ Target participants: newly arrived migrants and refugees who have been in Australia for less than 5 years and all clients accessing emergency relief financial assistance
- ◆ Aim of program: to ensure migrants and refugees have the knowledge, skills and support to manage their finances independently, and prevent financial issues arising
- ◆ Organisations involved: ss 47E(d) and 47G(1)(b) and ss 47E(d) and 47G(1)(b)
- ◆ Location: ss 47E(d) and 47G(1)(b)

### What makes this program different?

The partnership between a settlement service and a financial counselling service brings together the best of both worlds – cultural knowledge and financial knowledge – thereby providing a holistic and accessible solution for clients.

### Outcomes

Through this partnership, ss 47E(d) and 47G(1)(b) has seen a significant decline in the number of clients presenting with complex financial issues and significant debts. Clients access financial counselling at the earliest signs of financial issues before the situation escalates.

## 6. RECOMMENDATIONS

Building financial capability is an essential part of successful settlement in Australia. Newly arrived migrants and refugees are exposed to the finance system in Australia, but, as this report has shown, financial exposure is not sufficient in and of itself. Migrants and refugees also need financial knowledge and skills to make informed financial choices, and financial systems need to improve their cultural accessibility.

The report showcased that the financial lives of newly arrived migrants and refugees are affected by a multitude of factors including cultural factors, gender considerations, financial obligations abroad, and the level of familiarity with the Australian financial system. Limited financial education and support levels for managing financial aspects of settlement in Australia were also identified as key barriers for successful financial settlement. The report provided an overview of the available financial education material, including ASIC's Money Management Kit, and explored ways through which initiatives targeted at building financial capability can improve.

SCoA makes the following recommendations based on the insights gathered through this research:

### 1. A targeted and dynamic national financial education program for migrants and refugees

The delivery mode and types of content that make for effective financial education differs depending on cultural factors, gender, the nature of existing financial obligations, the level of familiarity and trust in financial institutions, and a range of other factors. This means static financial education information is likely to be of limited utility. Instead, we recommend a national program that provides funding for projects that address specific areas of demonstrated need, in partnership with relevant experts, such as financial counsellors and financial institutions. This allows for the content to change as client needs change and allows for greater responsiveness to the myriad factors that affect people's financial lives as outlined in this report. Similar models have recently been used in the delivery of COVID-19 information to great success.

### 2. Improved data and evaluation mechanisms

There is a need for an evaluation and data collection mechanism that gathers data from participants on contemporary issues and the impact of financial education programs. This could be coupled with Recommendation 1, ensuring that these programs not only result in the provision of information to new arrivals, but also gather data from them to monitor the ongoing effectiveness of interventions, and areas that need greater attention. Further, data collection and evaluation frameworks used in the settlement sector should be reviewed to ensure useful data on financial capability is gathered. Collecting and tracking data over time about financial capability ensures interventions are appropriately targeted.

### 3. Greater accessibility of mainstream resources for financial education

The research showed ASIC's Moneysmart website was a useful resource and was being used by settlement workers to share information with clients. However, as not all Moneysmart resources are available in languages other than English, individuals with low levels of English language proficiency often rely on others to access this information. It is recommended that those organisations developing financial education tools and programs conduct a review of the cultural and language accessibility of their financial education resources, to identify how accessibility for these resources can be improved for newly arrived migrants and refugees. Improving the accessibility of mainstream resources would reduce newly arrived migrants and refugees' reliance on settlement services and free scarce resources in the settlement sector.

#### **4. Improved partnerships between financial counsellors and the settlement sector and increased accessibility to financial counselling for migrants and refugees**

Most settlement workers supporting clients with financial issues do not have specialised financial knowledge. This can make addressing complex financial issues challenging. Access to financial counsellors can be limited, with settlement workers describing these services as having long waiting times and sometimes being inadequately tailored to the circumstances of migrants and refugees. Increasing the availability of financial counsellors, their cultural accessibility, and the level of partnerships between financial counsellors and settlement services would enhance access to these services for migrants and refugees. Where population demographics justify it, specialist financial counsellors working specifically with migrants and refugees could be embedded in settlement services.

#### **5. Education opportunities embedded in financial institutions**

Newly arrived migrants and refugees regularly engage with financial institutions. These are efficient and accessible locations for financial education to take place. Further, learning about financial institutions and products at the time at which the individual needs to use these is likely to result in longer lasting learnings. There is an opportunity to embed financial education within financial institutions such as banks, insurance providers and others. Increased partnerships between the settlement sector and financial institutions can help facilitate this and increase awareness among financial institutions of the positive role they can have in settlement.



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## APPENDIX 1: BACKGROUND INFORMATION ON MIGRATION AND SETTLEMENT

### Australia's migrants and refugees

Australia is one of the world's major 'immigration nations' together with New Zealand, Canada and the USA.<sup>32</sup> Since 1945, when the first federal immigration program was created, over 7.5 million people have migrated to Australia.<sup>33</sup> Australia's overseas-born resident population is estimated to be 28.2% of the total population.<sup>34</sup> Migration has formed a pivotal part of Australia's heritage and is a substantial contributor to the economy, culture, and lifestyle.<sup>35</sup> The Australian Bureau of Statistics (ABS) describes Australia as follows: 'We have more than 300 different ancestries and 28 percent of our resident population is born overseas – that's nearly 7 million people. We're a nation of nations – we speak more than 300 languages.'<sup>36</sup>

Permanent migrants enter Australia via one of two distinct programs: the Migration Program for skilled and family migrants or the Humanitarian Program for refugees and those in refugee-like situations. Each year, the Australian Government allocates places, or quotas, for people wanting to migrate permanently to Australia under these two programs.<sup>37</sup>

The migration program consists of four independent streams: skill stream, family stream, special eligibility stream, and child stream. The total number of granted permanent migration visas under this program for 2019–20 was 140,366 distributed as: 95,843 places for the skill stream; 41,961 places for the family stream; 81 places for the special eligibility stream; and 2,481 for the child stream.<sup>38</sup>

Australia has settled more than 880,000 refugees and others in humanitarian need since the end of the Second World War. According to the Department of Home Affairs, Australia's humanitarian settlement program aims to: provide permanent resettlement to those most in need, including those living in refugee camps or protracted refugee situations; reunite refugees and people who are in refugee-like situations overseas with their family in Australia; and be flexible and responsive to changing global resettlement needs.<sup>39</sup>

Each year the Australian Government sets the number of visas that may be granted under its humanitarian program. In 2018–19, the Australian Government granted 18,762 visas under this program, and 13,171 were granted in 2019–20. In recent years, the Australian Government also provided additional visas for people displaced by conflict in Syria, Iraq and Afghanistan.<sup>40</sup>

Humanitarian entrants represent a small proportion of visa grants for permanent migration to Australia. In 2019–20, there were 153,537 permanent migrants to Australia, of whom 13,171 arrived under the humanitarian program.<sup>41</sup> Figure 1 provides a breakdown of the permanent migration visas granted and the distribution of visas in 2019–20.

<sup>32</sup> J Phillips & J Simon-Davies, *Migration to Australia: a quick guide to the statistics*, Parliament of Australia, Commonwealth of Australia, Canberra, 2017, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1617/Quick\\_Guides/MigrationStatistics](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/MigrationStatistics).

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Australian Chamber of Commerce and Industry, *Planning Australia's 2021-22 Migration Program*, Canberra, 2021, [https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission\\_Planning-Australia-Migration-Program-2021-22.pdf](https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission_Planning-Australia-Migration-Program-2021-22.pdf).

<sup>36</sup> Ibid.

<sup>37</sup> J Phillips et al., *Migration to Australia: a quick guide to the statistics*.

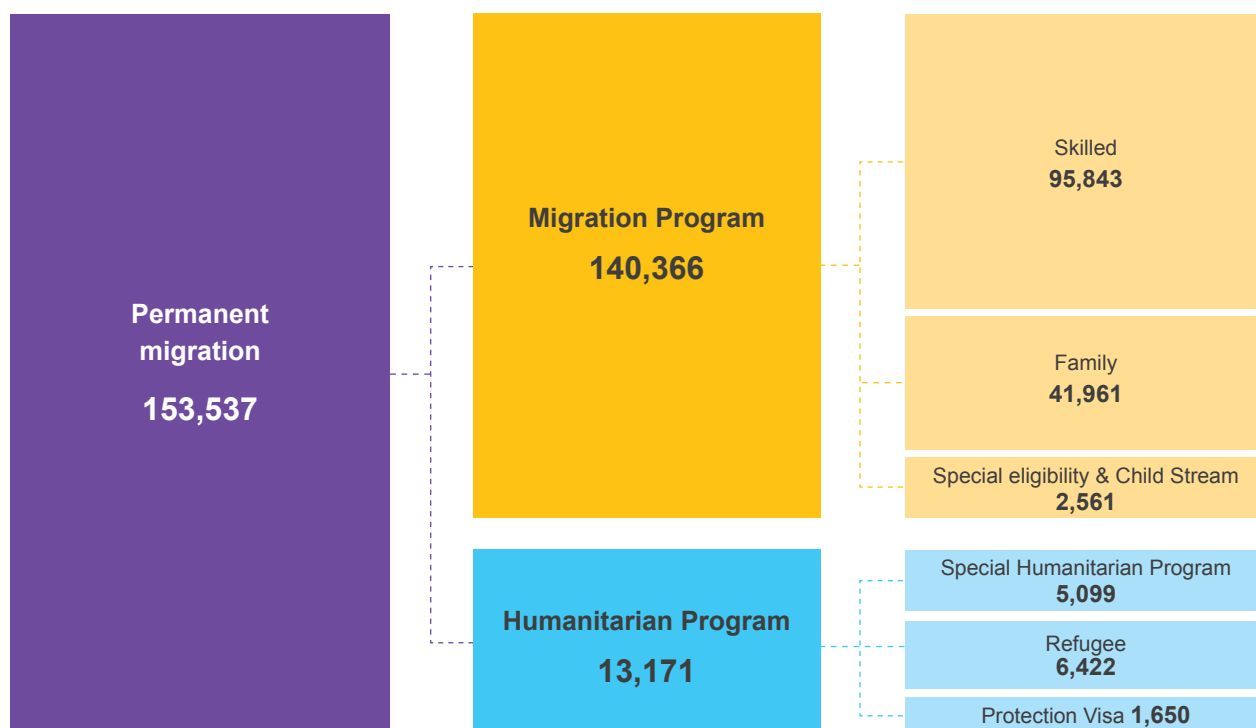
<sup>38</sup> Department of Home Affairs, *2019 – 20 Migration Program Report*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/research-and-stats/files/report-migration-program-2019-20.pdf>.

<sup>39</sup> Department of Home Affairs, *Discussion paper: Australia's humanitarian program 2019–20*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/reports-and-pubs/files/2019-20-discussion-paper.pdf>.

<sup>40</sup> Department of Home Affairs, *Australia's offshore humanitarian program: 2019–20*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/research-and-stats/files/australia-offshore-humanitarian-program-2019-20.pdf>.

<sup>41</sup> Ibid.

This report primarily focuses on humanitarian entrants. This is due to two factors. First, humanitarian entrants are always linked to a settlement service through the HSP, whereas for all other migrants there is only self-referral to SETS (a less intensive program). The HSP and SETS and their eligibility criteria will be discussed in the following section. Second, the circumstances of humanitarian entrant's arrival mean they require more support in Australia. These can include lower levels of English, fewer resources upon arrival, and circumstances of forced migration. For these reasons, humanitarian entrants are overrepresented in settlement services and this report.



**Figure 1:** Permanent migration visas granted in 2019–20

## Australia's settlement sector

Settlement is a two-way process of migrants and refugees adjusting to a new life in Australia, and Australia welcoming migrants and refugees. Successful settlement enables migrants and refugees to fully participate in life in Australia.

Settlement is a key part of Australia's multicultural success story. Successive waves of migrants have brought social and economic value to Australia, and this has been made possible through their effective settlement. Settlement services work with migrants and refugees and local communities to facilitate this process in a way that enhances positive outcomes for us all.

The services that do this work are wide-ranging and diverse. The core of the sector is made up of organisations funded by the Australian Government for one of the following 3 large programs:<sup>42</sup>

- ◆ The Humanitarian Settlement Program (HSP) provides intensive support to humanitarian entrants for their first 6–18 months from the moment they arrive at the airport. This support includes sourcing accommodation, providing initial orientation, opening bank accounts, linking to income support, enrolments in schools, linking with health services and other immediate needs to live an independent life in Australia.

<sup>42</sup> Settlement Council of Australia, *State of the Sector – 2020*, Canberra, 2021, <https://scoa.org.au/wp-content/uploads/2021/06/State-of-the-Sector-2020-FINAL-REPORT.pdf>.

- ◆ The Settlement Engagement and Transition Support (SETS) program provides less intensive support to humanitarian entrants and other eligible vulnerable migrants for up to 5 years after arrival. Through this program individuals can self-refer to a SETS provider for assistance. Usually, the assistance provided is not case management, but often referral or information on discrete issues. For example, a client may come in asking a settlement worker to explain a letter. SETS providers also deliver case management for some clients with more intensive needs. In addition, they deliver programs such as information sessions, social programs, and community development work.
- ◆ The Adult Migrant English Program (AMEP) provides English language tuition to eligible migrants and refugees.

Most humanitarian entrants are automatically eligible to access supports from the HSP. The HSP provides initial settlement support to people who have recently arrived in Australia on refugee or humanitarian visas. As illustrated in Figure 1, the Humanitarian Program mostly consists of two components. Entrants who arrive in Australia under the refugee component (Visa Subclasses 200, 201, 203 and 204) are eligible for the HSP. Entrants who arrive under the Special Humanitarian Program component (Subclass 202) are also eligible for the HSP.<sup>43</sup> According to the Department of Home Affairs, the objective of the HSP is to 'build skills and knowledge for social and economic wellbeing of eligible clients through a tailored needs-based case management approach.'<sup>44</sup>

SETS is a settlement program that complements the HSP. The eligibility criteria for SETS is limited to permanent residents who have arrived in Australia in the past five years primarily as humanitarian entrants, family stream migrants with low English proficiency, or dependants of skilled migrants in rural and regional areas with low English proficiency.<sup>45</sup> Other visa holders can be eligible for SETS upon assessment and include: selected temporary residents (Prospective Marriage, Provisional Partner visa holders and their dependants) in rural and regional areas who have arrived in the past five years and who have low English proficiency; and dependants of selected temporary residents (Provisional Skilled, Provisional Business or Investment) in rural and regional areas who have arrived in the past five years and who have low English proficiency.<sup>46</sup>

According to the Department of Home Affairs, SETS aims to equip and empower humanitarian entrants, other eligible permanent migrants and their communities to address their settlement needs, in order to improve social participation, economic wellbeing, independence, personal wellbeing and community connectedness.<sup>47</sup>

AMEP is a free service to help eligible migrants and humanitarian entrants with low English levels to improve their English language skills and settle into Australia. The eligibility criteria for AMEP includes possessing less than vocational level of English as well as being a permanent resident; holding an eligible temporary visa; or being an Australian citizen who previously held an eligible visa.<sup>48</sup> New changes to AMEP have introduced time limits for registering, starting, and finishing the program – previously eligible participants could access AMEP until they reached a vocational level of English. New limits dictate that participants should register with an AMEP provider within six months of arrival to Australia, start their course within 12 months and complete their course within five years.<sup>49</sup>

In addition to these three main programs, settlement services deliver a range of programs through other funding sources, including state and territory funding, philanthropy, and the use of volunteers.

<sup>43</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, Australian National Audit Office, Canberra, 2019, 15, [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2019-2020\\_17.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_17.pdf).

<sup>44</sup> Ibid, 7.

<sup>45</sup> Department of Home Affairs, *Settlement Engagement and Transition Support (SETS) - Client services*, Commonwealth of Australia, Canberra, <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program/sets-client-services>.

<sup>46</sup> Ibid.

<sup>47</sup> Department of Home Affairs, *Settlement Engagement and Transition Support (SETS)*, Commonwealth of Australia, Canberra, Program <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program>.

<sup>48</sup> Services Australia, *Adult Migrant English Program*, Commonwealth of Australia, Canberra, <https://www.servicesaustralia.gov.au/individuals/topics/adult-migrant-english-program/30846>.

<sup>49</sup> Ibid.



It is important to recognise that settlement is non-linear and migrants and refugees do not necessarily progress through services sequentially. They may access services concurrently, or may leave a service and then reengage at a later date.

The work of settlement services is guided by the National Settlement Outcomes Standards. The Standards stipulate 10 areas across which migrants and refugees need to be independent, secure, and accepted to be considered 'settled'. The 10 standards are: education and training; employment; health and wellbeing; housing; language services; transport; civic participation; family and social support; justice; and finance.

While settlement services have a leading role in supporting migrants and refugees to settle in Australia, settlement is a whole of community, whole of government responsibility. As evidenced by the breadth of the National Settlement Outcomes Standards, settlement touches every area of society and life. The settlement sector therefore works closely with broader communities, governments, and the private sector to broker positive settlement outcomes.

## Arrival experience

Experiences of settlement in Australia vary greatly depending on pre-migration experience, migration path, and support services provided after migration. For most migrants, there is no automatic engagement with a settlement program that supports them to settle into life in Australia. This differs to humanitarian entrants, who receive intensive settlement support during their first year of settlement in Australia. The HSP provides initial settlement support to people who have recently arrived in Australia on refugee or humanitarian visas and to some eligible people onshore.<sup>50</sup>

HSP services are generally provided to clients until they achieve the settlement outcomes. It is expected that most clients will be provided HSP services for up to 18 months.<sup>51</sup> HSP service providers employ case managers to assess the needs of HSP clients and services are provided in line with client needs.

In general, humanitarian entrants are met on arrival at the airport and transport is provided to their initial location. Short term accommodation is provided for around 30 days. Settlement services aid in locating affordable accommodation and a package of basic household goods is usually supplied.<sup>52</sup>

Within 3 days of arrival, clients are registered with Centrelink and Medicare and open a bank account. They begin an orientation and training program during the first 3 days. Migrants and refugees for whom English is an additional language are usually enrolled in AMEP. AMEP offers free English tuition to refugees entering Australia under the humanitarian program, migrants in the family stream, and some migrants in the skilled stream.<sup>53</sup>

For 6 to 18 months, the HSP provides tailored support from a case manager, with the goal of enhancing self-reliance, improving English language skills, educational attainment, and employment prospects.<sup>54</sup> Following the initial 6 to 18 months of settlement, migrants and refugees qualify for the SETS program, under which support is provided for up to 5 years after arrival.<sup>55</sup>

SETS complements the HSP. Migrants and refugees can access various settlement services and referrals to support their settlement needs, including in the areas of economic participation, personal wellbeing and social participation.

<sup>50</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, Australian National Audit Office, Canberra, 2019, 17, [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2019-2020\\_17.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_17.pdf).

<sup>51</sup> Ibid, 15.

<sup>52</sup> Ibid.

<sup>53</sup> J Button, *Australia's English Problem*, Scanlon Foundation Research Institute, 2019, [https://scanloninstitute.org.au/sites/default/files/2020-01/June2019\\_Scanlon-Institute\\_Narrative-3.pdf](https://scanloninstitute.org.au/sites/default/files/2020-01/June2019_Scanlon-Institute_Narrative-3.pdf).

<sup>54</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, 7.

<sup>55</sup> Department of Home Affairs, Settlement Engagement and Transition Support (SETS) Program, Commonwealth of Australia, Canberra, 2021, <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program>.



## APPENDIX 2: FOCUS GROUPS WITH NEWLY ARRIVED MIGRANTS AND REFUGEES - QUESTIONS

### Review of Money Management Kit: focus group questions

#### General questions

- ◆ How is money in Australia different from money in your home country?
- ◆ How is managing and dealing with money and financial matters in Australia different from your home country?
- ◆ Have you received help since you arrived in Australia to use financial products and institutions? Can you share with us who provided this help? What (educational) material did they supply you with (if any)?

#### Money management:

- ◆ What difficulties can you identify in managing money in Australia?
- ◆ Does your financial wellbeing impact your stress levels and mental health?
- ◆ Are the reasons for financial hardship in Australia different from your home country? How? (Focus the conversation on Australian hardships)

#### Financial literacy, capability and access:

- ◆ Are you confident using different financial services and products in Australia?
  - Give examples of financial products that you or your family members are currently using.
- ◆ Do you feel confident using Australian financial institutions and service providers?
  - Do you feel comfortable and secure using Banks in Australia?
  - Do you feel comfortable and secure using insurance companies in Australia?
  - Have you or your family members found it difficult to open a bank account, sign up for insurance? Why?
  - What do you think would improve your experience with Australian financial institutions (banks, insurance companies, money lending firms, etc)?
- ◆ Do you feel comfortable and secure using Australian government financial agencies (like ATO and Centrelink)? Ask participants to explain their answer.
  - Are you confident with filing your own taxes? Did you or your family members receive help to file taxes in previous years? Ask participants to identify reasons as to why filing taxes may be difficult.
- ◆ Have you faced difficulties paying bills? Describe your reasons? (Ask for nonfinancial reasons as well, such as difficulty paying online, through phone, or using phone applications, etc. Give participants the freedom to identify their own challenges.)
- ◆ Have you faced trouble with getting a loan (any type of loan including credit cards, car loans, business loans, personal loans, etc)? What do you think were the reasons? Here ask for nonfinancial reasons as well, such as cultural barriers, difficulty understanding loan terms, language barriers, gender inequalities, etc.

**Money Management Kit - information sheets assessment:**

*Instructions: Print copies of the information sheets and distribute one sheet per participant at random. Ensure that participants receive a mix of different information sheets topics. Give participants five minutes to review and think about the content of the information sheets. Ask the following questions:*

- ◆ Have you seen this information sheet or similar information sheets before?  
→ If yes, have you ever used it? Can you tell a story or experience about how you have used it?
- ◆ On a scale of 1 to 5, where 1 is not familiar at all and 5 is very familiar, how familiar are you with the information provided in this information sheet?
- ◆ Did you learn something new from these information sheets?
- ◆ What do you like or dislike about the content of this information sheet?
- ◆ Do you think the information provided in this information sheet are relevant to your regular money management? How?
- ◆ What information would you like to see included in this information sheet to make it more relevant? Why?
- ◆ How would you prefer to receive the information provided in the information sheet? Group meetings, one-on-one meeting with your case manager (?), email, text message, posted online?
- ◆ What other financial related information would you like to learn about that are not included in the information sheets?

**Improvements:**

- ◆ What changes would you like to see happen in Australian financial institutions to make you at a better position to manage your money in Australia?

## APPENDIX 3: FOCUS GROUP WITH SETTLEMENT WORKERS - QUESTIONS

### General questions

- ◆ In your experience what is the most common cause of financial problems among newly arrived communities?
- ◆ In your experience what kinds of financial literacy information do migrants and refugees need?
- ◆ Do your clients typically ask their case managers for help with their money issues?
- ◆ Where do you refer clients who have questions about money management?
- ◆ What barriers do you observe that keep clients from accessing financial literacy programs or financial institutions?

### Money Management Kit

- ◆ Do you use the Money Smart Money Management Kit?
- ◆ Do you like its format? What do you like and dislike about its curriculum?
- ◆ Do you think it's useful?
- ◆ If you do use the Money Management Kit:
  - Do you feel confident in using it in your consultations with clients?
  - Did you receive any training to use the kit?
  - Do you usually go over the curriculum with clients in a group setting or one-on-one?
  - What are some difficulties you have experienced implementing the Money Management Kit?
  - What does ASIC need to do for the Money Management Kit to better serve its purpose?

### Other financial education resources

- ◆ What other financial education resources do you use?
- ◆ How do they compare to the Money Management Kit?

## APPENDIX 4: SURVEY QUESTIONS

### Review of money management kit survey

1. **When did you arrive in Australia?**
2. **What is your gender?**
3. **What is your current employment status?** *(Please draw a circle on your answer)*
  - a. Self Employed
  - b. Employed
    - i. Full time
    - ii. Part time
    - iii. Casual
  - c. Unemployed but searching for employment
  - d. Unemployed but not looking for employment
4. **What is your level of education?**
  - a. No formal education
  - b. Primary school (grade 10)
  - c. High school
  - d. College/technical education
  - e. Undergraduate (bachelor's degree)
  - f. Postgraduate (master's degree or PhD)
5. **Approximately, how long after you arrived in Australia did you register for your Tax File Number?**
6. **Have ever accessed support to help with budgeting and financial planning?**
  - a. Yes
  - b. No
  - c. Not sure
7. **How long after you arrived in Australia did you start your first paid job?**
8. **How long after you arrived in Australia did you open your bank account?**
9. **Do you send money to family or friends abroad?**
  - a. If yes, how frequently do you send money:
    - i. Once a fortnight
    - ii. Once a month
    - iii. Once every three months
    - iv. Once every six months
    - v. Once a year
    - vi. Other (please explain)
10. **How do you send money to family or friends abroad? Please specify.**
11. **Do you use an accountant to support you filing taxes?**
  - a. Yes
  - b. No
  - c. Not sure

**12. Has Covid-19 affected your financial wellbeing? How?****13. Please indicate how comfortable you are using the following financial tools?**

	Extremely comfortable	Comfortable	Neither comfortable nor uncomfortable	Uncomfortable	Extremely uncomfortable	Do not know
Bank deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debit cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank phone applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet banking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance (house, car, business)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment products (e.g. shares, term deposits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tax office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. Which of the following financial products (services) do you personally use at present?***(Please put X for each service used)*

Bank account	<input type="checkbox"/>	Investment products	<input type="checkbox"/>
Debit cards	<input type="checkbox"/>	Insurance (house, car, business)	<input type="checkbox"/>
Internet banking	<input type="checkbox"/>	None of the above	<input type="checkbox"/>
Bank phone application	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

**15. Can you remember what types of loans you personally or a member of your household have ever used in Australia? (Please put X for each loan type used)**

A loan for the purchase of goods in the store like After Pay, Zip, or Klarna	<input type="checkbox"/>
A loan from family members, relatives, friends (no interest rate)	<input type="checkbox"/>
Credit cards	<input type="checkbox"/>
House mortgage	<input type="checkbox"/>
Car loan	<input type="checkbox"/>
Other personal loan from a bank	<input type="checkbox"/>
Loan from employer	<input type="checkbox"/>
Loan from a private person (with interest rate)	<input type="checkbox"/>
Business loan	<input type="checkbox"/>
None of the above, did not take loans	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

## APPENDIX 5: SURVEY RESULTS

This appendix provides the results of the survey in detail. The survey was distributed to focus group participants at the end of the consultations. Cultural workers and translators assisted participants by translating and clarifying financial concepts. A total of 151 surveys were fully or partly completed.

The following highlights findings in the areas of levels of financial participation and access; trust in financial institutions; and familiarity with and use of a variety of financial products, including credit.

Table 3 displays the length of time it took after arriving in Australia to establish a bank account, obtain a TFN and obtain their first paid job in Australia.

Most participants opened a bank account and obtained a TFN within 30 days of settlement. It is important to note that survey results are heavily skewed towards those likely to have engaged with the HSP, as most participants were humanitarian entrants. As outlined in Appendix 1, HSP participants are assisted with opening a bank account and obtaining a TFN soon after arrival.

How long for		%
Bank account	First 30 days	96
	First 60 days	1
	More than a year	3
TFN	First 30 days	95
	First 60 days	2
	First year	2
	More than a year	1
First paid job	First year	15
	Second year	6
	Third year	5
	Not yet employed	74

**Table 3:** Basic access to financial institutions and employment (n = 151)

Table 4 displays participants' willingness to seek help with basic financial interactions such as preparing a household budget (45%) or filing taxes (22%).

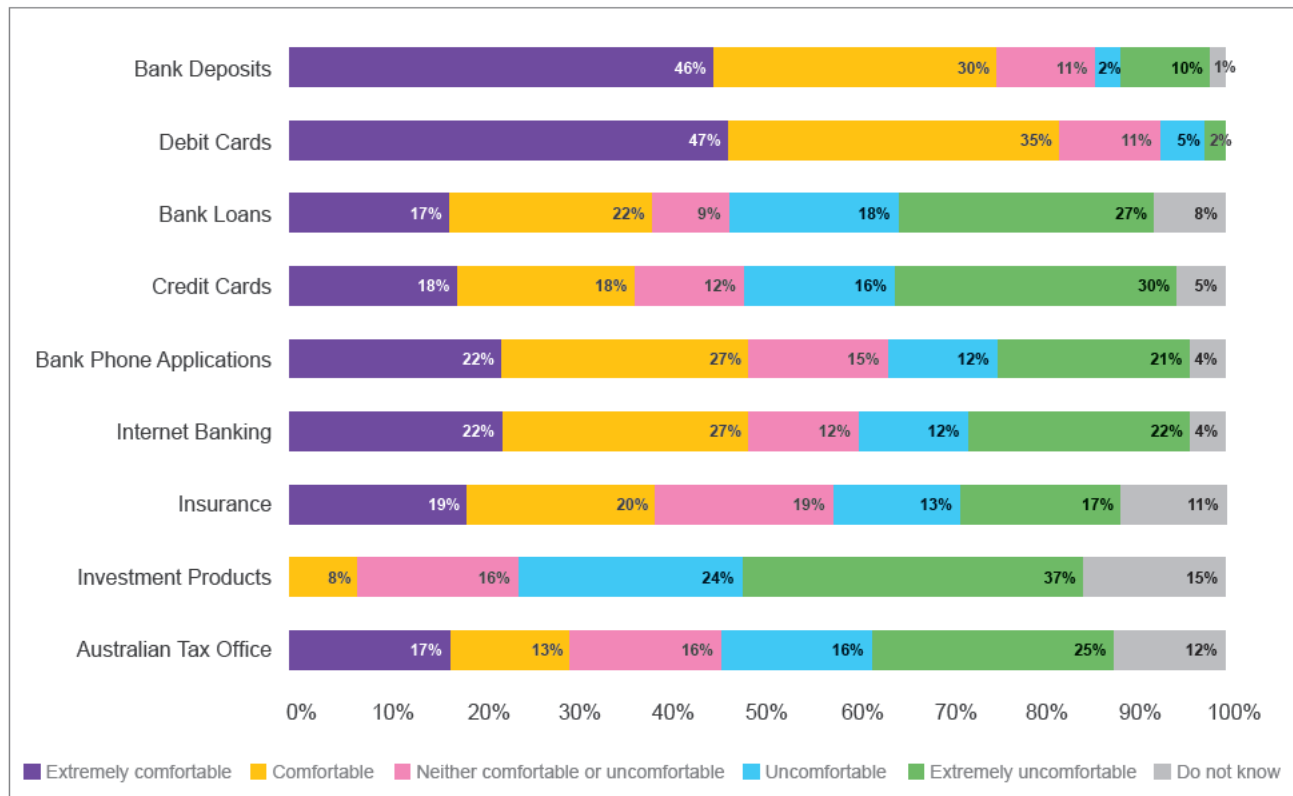
Have you sought help for		%
Filing taxes	Yes	22
	No	61
	Not Sure	17
Budgeting	Yes	45
	No	40
	Not Sure	15

**Table 4:** Help with financial transactions (n = 151)



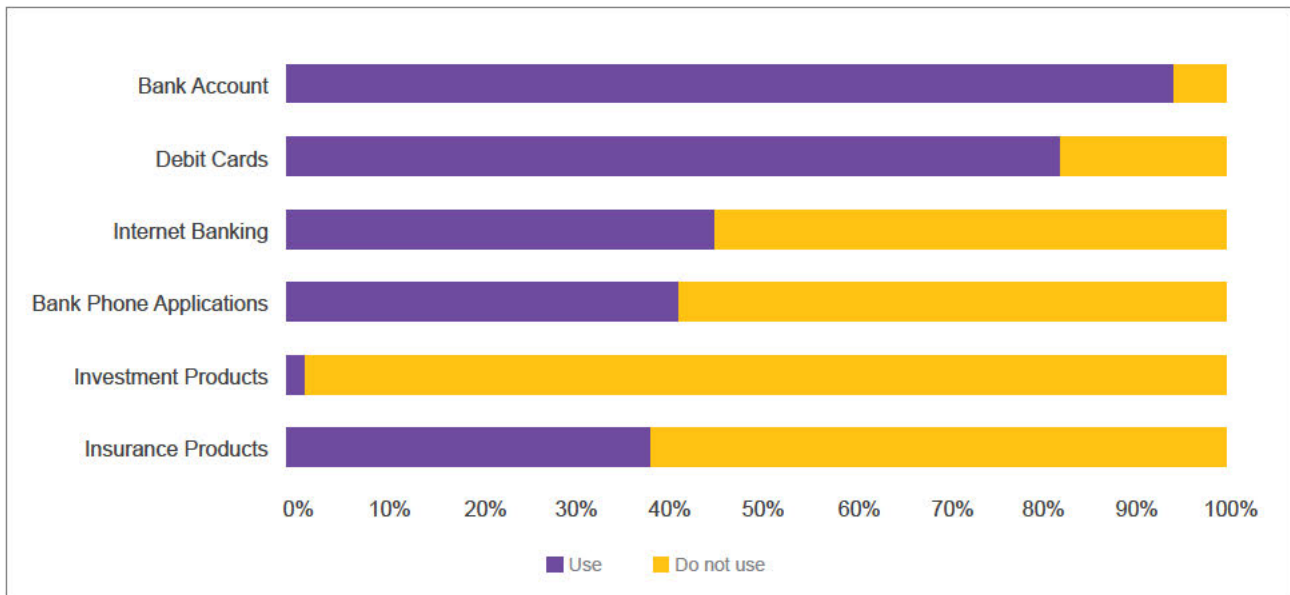
The survey asked how confident participants were in using various financial tools. They were asked to rank their comfort on a scale from extremely comfortable to extremely uncomfortable. The results are shown in Figure 2.

Respondents had high levels of confidence in using bank deposits and debit cards, with comfort levels exceeding 75% for both items. Respondents' confidence in using and accessing credit through bank loans or credit cards was significantly lower at under 40%. Similarly, only 40% of respondents were confident using various types of insurance. About 50% of respondents were confident in using internet banking and phone banking applications. Only 30% of respondents were comfortable engaging with the ATO while less than 10% were confident using investment products.



**Figure 2: Indicators of confidence in various financial tools (n=146)**

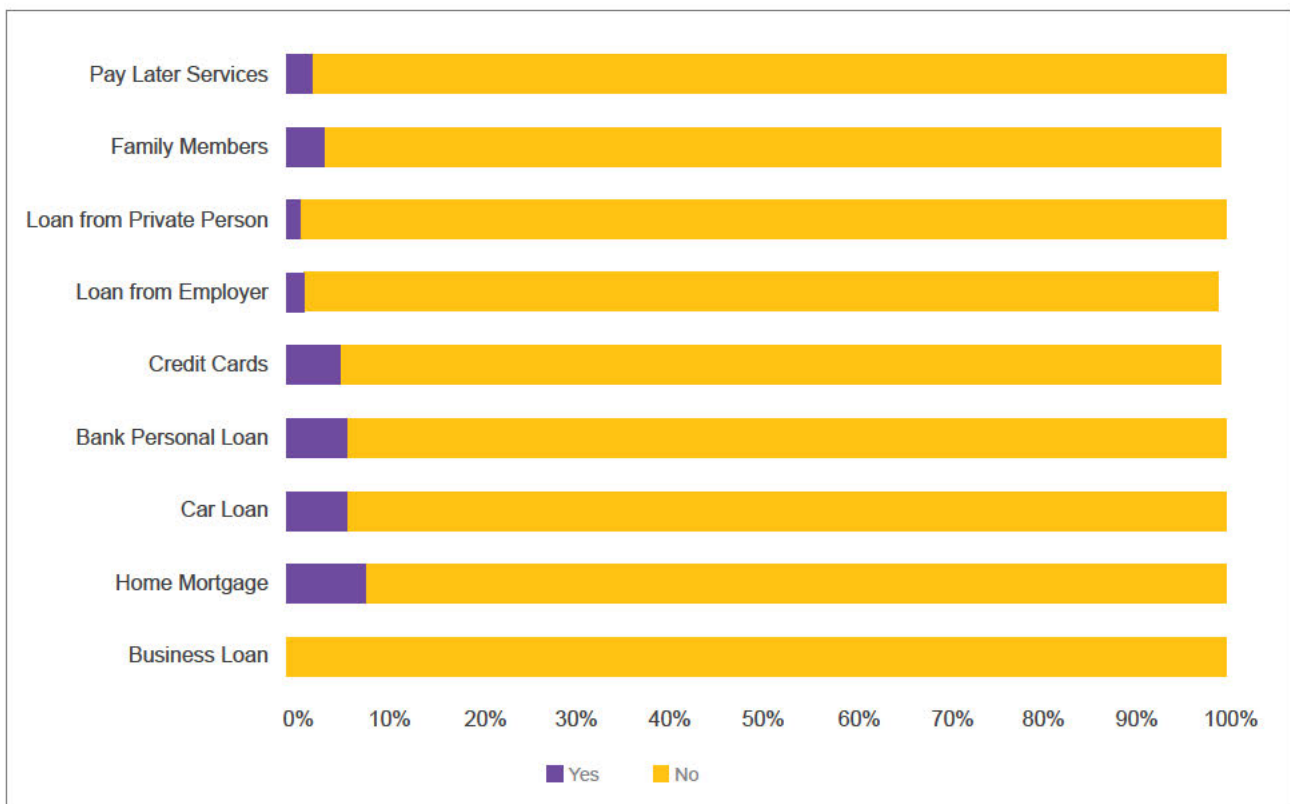
A measure of respondents' use of different financial products as well as access to credit was used. Figure 3 displays the results when respondents were asked about which of the financial products and services they personally used on a regular or ongoing basis.



**Figure 3: Rate of personal use of financial products and services**

Figure 4 shows responses to the question ‘Do you remember what types of loans you personally or a member of your household have ever used in Australia?’

Both sets of results reflect a lower-than-average use of financial services. In particular, credit use, in the form of house mortgages, car loans, business loans and credit cards, was well below the national average in Australia. For example, only 8% of participants indicated they or a family member have a home mortgage, compared with a national average of 35%.<sup>56</sup>



**Figure 4: Household credit access**

<sup>56</sup> Australian Bureau of Statistics, *Census of Population and Housing*, Commonwealth of Australia, Canberra, 2017, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features22016>.



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Council  
of Australia

# Building the financial capability of newly arrived migrants and refugees

An exploration of financial life for new arrivals to Australia

*September 2022*



## **Building financial capability of newly arrived migrants and refugees**

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### **Author**

Settlement Council of Australia

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### **About the Settlement Council of Australia**

The Settlement Council of Australia is the peak body representing the vast majority of settlement agencies across Australia providing direct services and support to people of migrant and refugee backgrounds.

Our members include organisations large and small, who are committed to the successful settlement of migrants and refugees across the country. Their services range from greeting new arrivals at the airport, through to assisting them to secure housing, learn English, make social connections, access services and find their first job. Australia's settlement services are recognised as being among the best in the world.

### **Acknowledgements**

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# TABLE OF CONTENTS

<b>Glossary .....</b>	<b>4</b>
<b>Executive summary .....</b>	<b>5</b>
<b>1. Introduction and research approach .....</b>	<b>7</b>
Research Approach .....	7
Limitations of research.....	10
Definitions .....	10
<b>2. Financial lives of newly arrived migrants and refugees .....</b>	<b>11</b>
Cultural factors .....	11
Gender considerations.....	13
Remittances.....	14
Trust and familiarity .....	15
<b>3. Settlement service providers and financial education for newly arrived communities .....</b>	<b>17</b>
Financial education.....	17
Limited funding and education delivery .....	18
Limited financial education material and delivery mode.....	18
Lack of specialised staff.....	19
<b>4. Recommendations .....</b>	<b>20</b>
<b>Bibliography .....</b>	<b>22</b>
<b>Appendix 1: Background information on migration and settlement .....</b>	<b>24</b>
<b>Appendix 2: Focus groups with newly arrived migrants and refugees - questions.....</b>	<b>28</b>
<b>Appendix 3: Focus group with settlement workers - questions .....</b>	<b>30</b>
<b>Appendix 4: Survey questions.....</b>	<b>31</b>
<b>Appendix 5: Survey results .....</b>	<b>33</b>



## TABLES

<b>Table 1:</b> Overview of focus groups.....	8
<b>Table 2:</b> Key characteristics of survey participants.....	9
<b>Table 3:</b> Basic access to financial institutions and employment.....	33
<b>Table 4:</b> Help with financial transactions.....	33

## FIGURES

<b>Figure 1:</b> Permanent migration and visas granted in 2019-20.....	25
<b>Figure 2:</b> Indicators of confidence in various financial tools .....	34
<b>Figure 3:</b> Rate of personal use of financial products and services.....	35
<b>Figure 4:</b> Household credit access .....	35

## GLOSSARY

<b>AMEP</b>	Adult Migrant English Program
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ATO</b>	Australian Taxation Office
<b>CALD</b>	Culturally and Linguistically Diverse
<b>CBA</b>	Commonwealth Bank of Australia
<b>HSP</b>	Humanitarian Settlement Program
<b>NESB</b>	Non-English Speaking Background
<b>SCoA</b>	Settlement Council of Australia
<b>SETS</b>	Settlement Engagement and Transition Support
<b>TFN</b>	Tax File Number

## EXECUTIVE SUMMARY

Settlement services assist humanitarian entrants through the provision of a range of services that support them to live an independent life in Australia. This includes financial literacy education and other support to manage finances independently. Building financial capability is a critical part of successful settlement, affecting a range of other settlement areas such as employment, education, housing, and other aspects of life. Hence, understanding how to best build the financial capability of new migrants and refugees is of critical importance.

In May 2021, the Australian Securities and Investments Commission (ASIC) commissioned the Settlement Council of Australia (SCoA) to provide a report on the financial lives and financial education available for newly arrived migrants and refugees.

The findings in this report are informed by qualitative and quantitative data gathered from newly arrived migrants, refugees and settlement workers and supplemented by a literature review. Collaboration with settlement services in the SCoA network enabled 151 newly arrived migrants and refugees from a range of backgrounds to participate in the research.

The research has found that the financial lives of newly arrived migrants and refugees are shaped by a number of factors. Consultations with focus group participants and settlement workers found that these factors were cultural factors, gender considerations, financial obligations abroad, and the level of familiarity with the Australian financial system. Each of these must be carefully considered and accounted for in supporting newly arrived migrants and refugees to build their financial capability.

The research has further revealed that levels of support for managing the financial aspects of settlement in Australia are limited. Service providers attributed this partly to the lack of connection between settlement service providers and a wider range of social institutions, such as schools, banks, insurance providers and government. In addition, the research highlighted that limited funding, insufficient financial education material and delivery, and limited availability of appropriately trained staff are primary challenges facing settlement service providers.

The report concludes by providing several key recommendations:

### 1. A targeted and dynamic national financial education program for migrants and refugees

The delivery mode and types of content that make for effective financial education differs depending on cultural factors, gender, the nature of existing financial obligations, the level of familiarity and trust in financial institutions, and a range of other factors. This means static financial education information is likely to be of limited use. Instead, we recommend a national program that provides funding for projects that address specific areas of demonstrated need, in partnership with relevant experts, such as financial counsellors and financial institutions. This allows for the content to change as client needs change and allows for greater responsiveness to the myriad factors that affect people's financial lives as outlined in this report. Similar models have recently been used in the delivery of COVID-19 information to great success.

### 2. Improved data and evaluation mechanisms

There is a need for an evaluation and data collection mechanism that gathers data from participants on contemporary issues and the impact of financial education programs. This could be coupled with Recommendation 1, ensuring that these programs not only result in the provision of information to new arrivals, but also gather data from them to monitor the ongoing effectiveness of interventions, and areas that need greater attention. Further, data collection and evaluation frameworks used in the settlement sector should be reviewed to ensure that useful data on financial capability is gathered. Collecting and tracking data over time about financial capability ensures interventions are appropriately targeted.

### 3. Greater accessibility of mainstream resources for financial education

The research showed that ASIC's Moneysmart website was a useful resource and was being used by settlement workers to share information with clients. However, as not all Moneysmart resources are available in languages other than English, individuals with low levels of English language proficiency often rely on others to access this information. It is recommended that those organisations developing financial education tools and programs conduct a review of the cultural and language accessibility of their financial education resources, to identify how accessibility for these resources can be improved for newly arrived migrants and refugees. Improving the accessibility of mainstream resources would reduce newly arrived migrants and refugees' reliance on settlement services and free scarce resources in the settlement sector.

### 4. Improved partnerships between financial counsellors and the settlement sector and increased accessibility to financial counselling for migrants and refugees

Most settlement workers supporting clients with financial issues do not have specialised financial knowledge. This can make addressing complex financial issues challenging. Access to financial counsellors can be limited, with settlement workers describing these services as having long waiting times and sometimes being inadequately tailored to the circumstances of migrants and refugees. Increasing the availability of financial counsellors, their cultural accessibility, and the level of partnerships between financial counsellors and settlement services would enhance access to these services for migrants and refugees. Where population demographics justify it, specialist financial counsellors working specifically with migrants and refugees could be embedded in settlement services.

### 5. Education opportunities embedded in financial institutions

Newly arrived migrants and refugees regularly engage with financial institutions. These are efficient and accessible locations for financial education to take place. Further, learning about financial institutions and products at the time at which the individual needs to use these is likely to result in longer lasting learnings. There is an opportunity to embed financial education within financial institutions such as banks, insurance providers and others. Increased partnerships between the settlement sector and financial institutions can help facilitate this and increase awareness among financial institutions of the positive role they can have in settlement.

# 1. INTRODUCTION AND RESEARCH APPROACH

**This report provides insights into the financial lives of newly arrived migrants and refugees, current mechanisms for providing financial education, and how these can be improved.**

The research benefited from leveraging SCoA's settlement network, which is able to reach individuals at the grassroots level and glean their insights, ensuring the recommendations are grounded in both lived and practice experience.

This report is structured as follows:

- ◆ **Section 1** introduces the report and describes the research purpose, research framework, questions and methodology employed for the report.
- ◆ **Section 2** provides a review of the financial lives of newly arrived migrants and refugees including an overview of cultural and gender-sensitive factors, remittances and issues of trust.
- ◆ **Section 3** offers an overview of financial education in Australia and the perspectives of settlement service providers on delivering financial education to newly arrived migrants and refugee communities.
- ◆ **Section 4** presents recommendations for broader application of this research.

## Research Approach

Focus group discussions were conducted with 151 newly arrived migrants and refugees across Australia, who also fully or partly completed a survey. In addition, a focus group was conducted with 26 settlement workers, and five individual interviews were conducted with settlement workers. The research was further informed by a literature review. Each of the data sources is outlined below.

### Literature review

The literature review included academic and grey literature relating to developing the financial capability and wellbeing of refugee and migrant communities. The research consulted a wide range of literature in Australia and internationally comparable countries, including from Canada, New Zealand, Norway, the United Kingdom and the United States. A complete bibliography is provided at the end of this report.

Location	Organisation	Language	Date of consultation	Mode	Participants
Adelaide	Australian Migrant Resource Centre	Chin (Burmese), Spanish (Central and Latin American refugees), French (Central African communities)	4 June 2021	In person	26
Hobart	Migrant Resource Centre Tasmania	Oromo, Tigrinya	21 June 2021	In person	28
Sydney	SydWest Multicultural Services	Dari, Arabic	20 July 2021 26 July 2021	Online	21
Brisbane	MultiLink Community Services	Swahili, Karenni (Burmese)	28 July 2021	Hybrid	25
Regional QLD	CatholicCare Social Services Toowoomba Region	Sudanese Arabic, Kurdish	30 July 2021	Hybrid	16
ACT	Migrant and Refugee Settlement Services of the ACT Inc.	Arabic, Farsi, Dari, Hazaragi, Tamil	4 August 2021	In person	35
<b>TOTAL PARTICIPANTS</b>					<b>151</b>

*Table 1: Overview of focus groups*

### Focus groups with newly arrived migrants and refugees

Qualitative data was collected through focus group discussions with refugee and migrant community members. Table 1 provides an overview of focus groups' geographic location, participating organisations, languages covered, mode of delivery and number of participants.

Languages were chosen in consultation with ASIC and settlement service providers and were intended to be representative of newly arrived migrant and refugee communities. Organisations were also chosen to be geographically representative and encompassed five states and territories, four metropolitan areas and one regional area.

The focus groups captured specific factors impacting the financial literacy, capability and wellbeing of refugee and migrant communities. They also explored how much the participants used the Kit, and the extent to which information in the Kit was useful. For a detailed overview of focus group questions, see [Appendix 2](#).

Focus group discussions were impacted by COVID-19 outbreaks and consequent lockdowns and travel restrictions. Focus groups in South Australia and the Australian Capital Territory were conducted in person. Focus groups in Sydney, Brisbane, and regional Queensland were rescheduled from June to July 2021. SCoA led the Sydney focus groups online. Focus groups in Brisbane and regional QLD were hosted in a hybrid format where focus group participants were present at participating organisations and SCoA facilitated the discussion via videoconference.



## Survey of newly arrived migrants and refugees

Quantitative data were collected through a survey of newly arrived migrants and refugees. The survey was completed by participants in the focus groups; it is therefore representative of the same demographics outlined in Table 1. Cultural workers and translators assisted participants by translating and clarifying financial concepts. A total of 151 surveys were fully or partly completed.

The survey captured participants' financial literacy, capability and wellbeing by measuring their confidence and rates of usage of specific financial services and products. The survey retrospectively captured participant's usage as well as their confidence in using different financial instruments and institutions at the time of participation. Financial instruments and institutions included household budgets, bank deposits, lines of credit, the Australian Tax Office (ATO), insurance companies, loans and others.

The survey questions are outlined at [Appendix 3](#), and a detailed account of the survey results is provided in Section 3. Table 2 provides the overall characteristics of survey participants.

Characteristics		%
Gender	Female	60
	Male	40
Arrival	Before 2015	18
	2016	11
	2017	20
	2018	19
	2019	23
	2020	5
	2021	1
Employment status	Self-employed	4
	Employed	21
	Unemployed but searching for employment	29
	Unemployed but not looking for employment	36
	Student	10
Type of employment	Self-employed	14
	Full-time	11
	Part-time	58
	Casual	17
Education	No formal education	30
	Primary school (grade 10)	23
	High school	19
	College/technical education	12
	Undergraduate (bachelor's degree)	10
	Postgraduate (master's degree or PhD)	6

**Table 2:** Key characteristics of survey participants (n = 151)<sup>1</sup>

<sup>1</sup> Total sample size is 151 participants. Percentages not adding to 100% are due to partly completed surveys.



The participants were 60% female and 40% male. Most participants (82%) arrived in Australia after 2016. Of the participants, 54% were actively engaged in the labour force with 25% being fully or partly employed. Education attainment of participants varied, with 30% possessing no formal education and 16% possessing tertiary qualifications.

### Focus group with settlement workers

SCoA consulted service providers through a focus group to capture service providers' experiences in using the Kit and other financial education material. SCoA facilitated the focus group discussion online on 9 August 2021. This consultation was attended by 25 representatives of different service providers and lasted around one hour.

Participants shared their opinion and experiences of using financial literacy and educational material. They also shared their views on financial challenges facing migrant and refugee communities and identified trends related to enhancing their financial literacy, capability and wellbeing.

Discussion questions are listed at [Appendix 5](#). A detailed outline of the discussion results is provided in Section 5 of this report.

### Follow up interviews with settlement workers

Five interviews were conducted with settlement workers as a follow-up from the focus group discussions. These interviews provided greater depth of understanding of the themes that emerged from the focus group discussion.

### Limitations of research

Limited use of the Kit by refugee and migrant communities, as well as by financial education providers, limited this analysis. To control for this limitation, participants and service providers were asked to read a sample of the Kit (several information sheets) and comment on their relevance, utility, ease of understanding and content. For participants with low literacy levels, the Kit's audio and video recordings were used in lieu of written information sheets.

### Definitions

The definitions surveyed and developed by Argyrous et al. were adopted to unify the research's approach with ASIC's internal definitions.<sup>2</sup> The term 'financial literacy' was used to describe knowledge and understanding of financial concepts and processes. 'Financial capability' includes financial literacy but also refers to a range of additional financial skills, attitudes and behaviours. 'Financial wellbeing' is the outcome of people exercising their financial capability to meet their financial needs. It usually depends upon favourable socioeconomic conditions and takes account of opportunity and life stages.<sup>3</sup>

<sup>2</sup> G Argyrous et al., *An evidence review in relation to financial capability of three priority groups*, University of Technology Sydney, Sydney, 2021.

<sup>3</sup> Ibid, 2.

## 2. FINANCIAL LIVES OF NEWLY ARRIVED MIGRANTS AND REFUGEES

Consultations with focus group participants and settlement workers found that the financial lives of newly arrived migrants and refugees were heavily influenced by four factors: cultural factors, gender considerations, financial obligations abroad, and building confidence and familiarity with the Australian financial system.

The financial lives of newly arrived migrants and refugees are shaped by many factors. Consultations with focus group participants and settlement workers identified cultural factors, gender considerations, financial obligations abroad and the level of familiarity with the Australian financial system. This section details these findings and relates them to contemporary research on financial education of newly arrived migrants and refugees.

### Cultural factors

Cultural factors play an important role in shaping the settlement process. This extends to how newly arrived migrants and refugees view and manage their financial lives, and how and when they reach out for assistance. Some of the key cultural considerations are outlined below.

#### Budgeting

The effect of culture is felt at the start of the settlement journey. When asked about how managing money was different in Australia compared to their country of origin, focus group participants said that budgeting on a fortnightly or weekly basis was difficult compared to daily or monthly budgeting in their country of origin.

*'Salary and income are done once a week or a fortnight. In s 47F things are done once a month. It is better to get paid more often because you can manage your expenses well, but when we first arrived in Australia it was very difficult for us to make this adjustment.'*

s 47F focus group

*'How and when we received money was a big challenge for us. At home we managed money monthly. Here we must manage money fortnightly. We did not have to budget at home, but here having a budget is the most important thing to survive. We also have to do our budget as a family. All of our household members and family work together to pay expenses in Australia.'*

s 47F , focus group

#### Digital economy

There was also an emphasis on what many respondents called 'digital money', referring to the difference between a cash culture in their country of origin and the mostly cashless system in Australia.

*'When I first arrived at Australia, I took the public bus and tried to pay the driver with a \$50 bill. I did not know that I could not pay with cash, because I assumed it was money everyone would accept it.'*

s 47F focus group

*'In s 47F we used to keep money in wallets, books and shoeboxes. We had no idea about money in form other than cash. We did not use banks at all because when we used to get money, we spent it immediately to buy basic things for our house.'*

s 47F , focus group

*'In my home country we could keep cash and do whatever we wanted with our money using cash. Here in Australia money has to be done through banks. This is a very big problem because we need to use the internet and email and the ATM which we don't understand and cannot use. All of these electronic things prevent us from accessing our money. I always forget my password and because I cannot speak English I do not know what to do so I always have to wait for my family members who speak English to help me. I also have problem to manage my money because I feel that I do not own it and it is mostly controlled by the bank and not me.'*

s 47F, focus group

*'Bank system is different here relative to s 47F. People in s 47F use physical money. In banks here because money is not physical people think that banks or government can go any time to your account and hold your money and take it from you. We are programmed to think that way. That if money is not physical it is not real and can always disappear. This is a major problem for trusting financial institutions.'*

s 47F, focus group

## Credit

Participants expressed conflicting feelings about their ability in Australia to spend money they did not currently have. While some participants found credit cards and other forms of buy-now-pay-later schemes helpful, most were reluctant and uncomfortable with spending money they 'did not own'. Some Muslim participants avoided borrowing money from official financial institutions as interest charges are prohibited by their religion. Research shows that financial exclusion is higher among migrant groups who have cultural and religious needs that are not met by mainstream financial services and products.<sup>4</sup> In particular, the lack of non-interest based financial products and services contributes to financial exclusion among Muslim communities.<sup>5</sup> It has also been shown that attitude, religion and ethnicity play significant roles in the relationship between income and savings.<sup>6</sup>

*'I do not use credit cards or issue loans from banks because I do not want to pay interest. Once I needed to borrow money to pay my electricity bill and I asked my friends to help and they gave me the money and I paid it back in 2 months.'*

s 47F, focus group

*'In our community we do not want anything to do with loans. We do not like to owe money.'*

s 47F, focus group

*'We do not take any loans because they have interest and using interest is not allowed by my religion and culture. So we have a system in the family whereby we have family members contributing \$20 per person and if an emergency happens we all help each other.'*

s 47F, focus group

<sup>4</sup> R Russell et al., *Financial capability research in Australia*, RMIT University, Melbourne, 2020.

<sup>5</sup> MRM Sain et al., 'Financial exclusion and the role of Islamic finance in Australia: a case study in Queensland', *Australasian Accounting, Business and Finance Journal*, 2018, 12(4):23–42, doi:10.14453/aabfj.v12i4.3.

<sup>6</sup> H Hamin et al., 'Customers' savings rate and share of wallet: the moderating role of religion and ethnicity/immigrant generation vis-à-vis attitude as mediator', *Journal of Strategic Marketing*, 2018, 26(5):400–416, doi:10.1080/0965254X.2016.1258002.

## Reliance on social networks

Focus group discussions highlighted that newly arrived migrants and refugees tended to rely on dense social networks to navigate the financial landscape in Australia. The dependence on social networks appeared to intensify in cases of low literacy and low English language proficiency. While research shows that social networks are crucial for successful settlement and positive economic behaviour, this can prolong newly arrived migrants' and refugees' entry into the conventional financial system as social networks are often composed of informal cash economies and rely on ethnic or religious savings and credit systems.<sup>7</sup>

This reliance on networks can contribute to financial abuse. Discussions with focus group participants and settlement workers provided examples of instances of financial abuse that tended to occur predominantly among newly arrived migrants and refugees with low rates of literacy and levels of education.

*'A family friend of an immigrant helped set up the bank account payments for a new migrant. Many months later she found out that all payments to her bank account were being diverted to the family friend. She did not know that she was receiving support payments from government.'*

Settlement worker, service providers consultations

## Help-seeking behaviour

Discussing financial matters in some cultures is considered taboo because some cultures view money as private and personal.<sup>8</sup> Focus group participants and settlement workers expressed that in many instances assistance with financial issues is requested after the financial situation has significantly deteriorated. This is sometimes fuelled by migrants' and refugees' experiences before arriving in Australia.

*'Sometimes it is about resisting the change. Refusing to accept that life is different in Australia. We refugees take high risk, this is how we managed to come to Australia. If it is not a crisis I may not take action. But when a crisis happens, it is too late financially. It is not only about the system, we sometimes ask for help too late.'*

Settlement worker and former refugee, service providers consultations

*'Culture issues are important. There is a sense of shame and guilt to ask for financial relief. So sometimes coming forward to ask for help can be against their identity. So they sometimes just cannot get themselves to do it.'*

Settlement worker, service providers consultations

## Gender considerations

In general, women and children are at greater risk of being victims of financial abuse. Gender inequality and ingrained gender norms that posit men as breadwinners and 'in-control' of family finances are a key driver of this.<sup>9</sup> For migrant and refugee women, the migration and settlement experience intersects with gender. This means financial abuse can manifest in particular ways.<sup>10</sup> Research suggests that changed and changing gender and family roles and responsibilities in migrant and refugee families, including those related to

<sup>7</sup> V Colic-Peisker & F Tilbury, 'Integration into the Australian labour market: the experience of three "visibly different" groups of recently arrived refugees', *International Migration*, 2007, 45(1):59–85, doi:10.1111/j.1468-2435.2007.00396.x.

<sup>8</sup> J van Kooy, 'Refugee women as entrepreneurs in Australia', *Forced Migration Review*, 2016, 53: 71–73.

<sup>9</sup> L Heise, *What Works to Prevent Partner Violence*, STRIVE, UK, 2011, <http://strive.lshtm.ac.uk/system/files/attachments/What%20works%20to%20prevent%20partner%20violence.pdf>.

<sup>10</sup> See for example, S Singh, 'The daughter-in-law questions remittances: changes in the gender of remittances among Indian migrants to Australia', *Global Networks*, 2019, 19(2):197–217, doi:10.1111/glob.12215; C Vaughan, 'The MuSeS project: a mixed methods study to increase understanding of the role of settlement and multicultural services in supporting migrant and refugee women experiencing violence in Australia', *BMC International Health and Human Rights*, 2019, 19(1), doi:10.1186/s12914-018-0184-0.

financial and economic factors, influence experiences of financial abuse.<sup>11</sup> Low English-language proficiency and ability to navigate financial life in Australia can render migrant and refugee women more susceptible to abuse.<sup>12</sup> Further, some women arrive in Australia on visas that render them financially dependent on their spouse.<sup>13</sup>

In relation to financial abuse, one participant said:

*'It is common to see cases where the man would control all income and bank accounts even in cases where women would work outside the house. This tends to happen in households that experience other forms of violence and financial abuse would be one way of controlling certain family members. Some women were prevented from spending money at all and given \$10–\$20 a week.'*

Settlement worker, service providers consultations

Financial education targeted at empowering women financially and educating them about independently navigating the Australian financial system was a primary area for improvement discussed by settlement case workers. Research suggests that women represent a majority of financial education program attendees but the education provided is usually generic and targeted at the household level. In cultures where the male head of the household is responsible for financial decisions and is often expected to be the primary wage-earner, this education usually results in no change to the financial behaviour of the family. However, research also suggests that financial education provided using peer education models for migrant and refugee women produces positive outcomes for participants.<sup>15</sup>

## Remittances

An important part of economic activity for newly arrived migrants and refugees is transfers of funds abroad, generally to family and friends. About A\$24 billion worth of remittances were transferred overseas from Australia in 2017.<sup>16</sup> There is little clarity about how much of these remittances can be attributed to funds transferred by newly arrived migrants and refugees. A 2008 study indicated that about 70% of humanitarian migrants in Australia have, at some point, sent money to their country of origin.<sup>17</sup> Focus group discussions and the survey revealed that about 53% of respondents had sent remittances to friends and family over the preceding 12 months, with 15% of respondents indicating that they send money once a month or more. Research suggests the extent to which migrants send remittances overseas declines the longer they have been settled in a country.<sup>18</sup> However, our survey responses showed little correlation between frequency of remittances and time spent in Australia.

<sup>11</sup> C Fisher, 'Changed and changing gender and family roles and domestic violence in African refugee background communities post-settlement in Perth' *Violence Against Women*, 2013, 19(7):833–47, doi:10.1177/1077801213497535.

<sup>12</sup> J Maher & M Segrave, 'Family Violence Risk, Migration Status and "Vulnerability": Hearing the Voices of Immigrant Women', *Journal of Gender-Based Violence*, 2018, 2(3):503–518, doi:10.1332/239868018X15375304047178.

<sup>13</sup> L Tarzia et al., 'Reproductive coercion and abuse against women from minority ethnic backgrounds: views of service providers in Australia', *Culture, Health & Sexuality*, 2021, 18:1, doi: 10.1080/13691058.2020.1859617.

<sup>14</sup> JAR Dantas et al., 'Women migrants in Western Australia: case studies of resilience and empowerment', *Social Change*, 2020, 50(1):77–94, doi:10.1177/0049085719901074.

<sup>15</sup> T Watson & J Kenway, *Let's Talk Money evaluation report*, Thornbury: Women's Health In the North, Thornbury, 2018, <https://www.financialcapability.gov.au/files/let-s-talk-money-evaluation-report.pdf>.

<sup>16</sup> World Bank, *Migration and remittances data*, Washington, D.C., 2018, <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

<sup>17</sup> Department of Immigration and Citizenship, *A significant contribution: the economic, social and civic contributions of first and second generation humanitarian entrants*, Commonwealth of Australia, Canberra, 2011, [https://www.dss.gov.au/sites/default/files/documents/01\\_2014/economic-social-civic-contributions-booklet2011.pdf](https://www.dss.gov.au/sites/default/files/documents/01_2014/economic-social-civic-contributions-booklet2011.pdf).

<sup>18</sup> Oxfam Australia, *Economic and social impact of increasing Australia's humanitarian intake*, Deloitte, Sydney, 2019, <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-social-impact-increasing-australias-humanitarian-intake-280819.pdf>.

Focus group discussions suggested that remittances were not a priority for most participants. In several instances, respondents indicated that their family had instead transferred funds to them to assist with their living expenses in Australia. Nonetheless, navigating the financial system to access affordable and low-cost money transfer options was important for several respondents. Remittances were also used to repay debt incurred to fund migration to Australia.

*'I know many people who came here on their own after getting a loan in their home country. Now they have to send money back home all the time to pay it back.'*

s 47F, focus group

*'When you first arrive here, you have no base in Australia. Your familial network and friends are not here. So you feel alone. When I have financial difficulty, I call my brothers in s 47F so that they can send me money.'*

s 47F, focus group

*'Also having to send money to family back in home country often puts added pressure on families. Some families are pressured into sending money regularly for cultural or family reasons or to pay back debt that they or their family members have accumulated.'*

s 47F, focus group

## Trust and familiarity

Building confidence in and familiarity with the Australian financial system was an important topic discussed by focus group participants and settlement workers. Many participants expressed mistrust in certain financial institutions or lacked the knowledge to build their familiarity with these institutions.

Australia is a heavily financialised society compared with many of the countries from which migrants and refugees arrive. Focus group discussions suggested that underdeveloped financial services industries in countries of origin were a key factor in mistrust of Australian financial institutions. Lack of familiarity with the financial system, limited literacy or English language skills, limited digital literacy, cultural or religious differences, inadequate financial education, and lack of appropriate financial products for migrants and refugees were all cited as factors that could lead to misunderstanding and mistrust of financial institutions during settlement in Australia.

Focus group participants were generally trusting of Australian banks and simple financial products such as debit cards and cheque accounts, but trust levels significantly decreased when discussing credit, loans and investment products. The survey showcased that there was a direct correlation between the frequency of using a financial product or institution and its perceived trustworthiness among newly arrived migrant and refugee communities. Similarly, insurance and taxation seemed to be poorly understood, leading to lower levels of trust.

*'Some people call us to give our information and scam us. This is also why we don't trust banks because I do not know how to access it online without being hacked or tricked.'*

s 47F, focus group

*'I had a very bad experience with the insurance company. I was not offered an interpreter and was not happy with what they offered me. The insurance company keep calling me and now I just do not answer their calls. I don't know what to do or how to ask them to stop.'*

s 47F, focus group



*'Insurance is a big problem for me. I was in an accident and the insurance company said they were going to fix my car then they said that I had to pay for fixing my car. So I asked to take my car back but then they forced me to pay the excess before taking my car back to fix it somewhere else. Why do I need to pay an excess if I pay for insurance?'*

s 47F , focus group

*'People from banks and insurance companies are very supportive. Sometimes when I face difficulty, I realise it is probably because of my language.'*

s 47F , focus group

*'I have never been offered an interpreter assistance at banks. But I was offered this help at insurance companies.'*

s 47F , focus group

*'Insurance is hardest for me because they do not have an interpreter. It is also difficult to understand monthly payments (it is different person to person) and I do not understand financial words... do not understand how insurance works.'*

s 47F , focus group

Participants indicated that scams perpetrated by individuals claiming to be representing the ATO have severely reduced their trust and confidence in dealing with the ATO. This is exacerbated by the fact that filing taxes is conducted entirely online, increasing the anxiety for many of being scammed or hacked.

### 3. SETTLEMENT SERVICE PROVIDERS AND FINANCIAL EDUCATION FOR NEWLY ARRIVED COMMUNITIES

Consultations with settlement workers found that the level of support for managing the financial aspects of settlement in Australia was ‘very limited’. Settlement workers attributed this partly to the lack of connection and communication about financial education between settlement service providers and a wider range of social institutions, such as schools, banks, insurance providers and government. In addition, limited funding, inadequate financial education material and delivery, and lack of appropriately trained staff were cited as primary challenges facing settlement service providers.

#### Financial education

While research suggests that newly arrived migrants and refugees are eager for access to information that could assist with their financial decision-making, it also highlights that there is inadequate support available for the financial aspects of settlement in Australia.<sup>19</sup>

It is important to note that the scope and type of financial services needed by newly arrived migrants and refugees changes as their settlement progresses. Generally, the immigrant experience can be divided into 4 distinct stages of financial needs.<sup>20</sup>

- ◆ **Initial settlement:** This is the stage when migrants and refugees first enter the host country. Financial needs at this stage include obtaining work, housing and learning basic language proficiency, and relate to the use of money as means of survival.<sup>21</sup>
- ◆ **Legalisation:** In this stage migrants tend to position themselves for stable employment and strive to reunite their family. Financial needs at this stage include saving and transferring money abroad. Financial needs may also include personal loans or consumer credit to buy household items or, in the case of self-employment, obtaining credit to buy business equipment.
- ◆ **Stable settlement:** In this stage, migrants have a greater degree of settlement into the host country. Financial priorities may include setting up business activities, buying more consumer goods such as cars, and buying a house. Financial services used include basic investment products, mortgages and/or business loans.
- ◆ **Consolidation:** The features in this stage depend on the purpose of migration and whether it was permanent or temporary. Financial priorities for permanent migrants include purchasing complex financial products and services such as insurance and medium to long-term investments.<sup>22</sup>

These four stages are non-linear and may unfold in conjunction with one another as the lives and experiences of newly arrived migrants and refugees can be unpredictable. It is common for unplanned financial events to occur at any of these stages, resulting in disruption of the settlement process.

Thus, financial education should be introduced at various stages of settlement to be effective. However, finance related settlement support is currently focused on the initial stages of settlement, and most intensive for humanitarian entrants. Research shows that the level of support for managing the financial aspects of settlement in Australia is ‘very limited’.<sup>23</sup> Service providers attributed this partly to the lack of connection and communication about financial education between settlement service providers and a wider

<sup>19</sup> E Bourova et al., ‘It’s easy to say “don’t sign anything”: debt problems among recent migrants from a non-English-speaking background’, *Alternative Law Journal*, 2019, 44(2):127–32, doi:10.1177/1037969X18817875; S Zuhair et al., ‘Migrants and self-reported financial literacy’, *International Journal of Social Economics*, 2015, 42(4):368–86, doi:10.1108/IJSE-09-2013-0203.

<sup>20</sup> L Anderloni, ‘Migrants and remittances’, in *New frontiers in banking services: emerging needs and tailored products for untapped markets*, ed. L Anderloni, MD Braga & E Carluccio, Springer, Berlin, 2007, pp. 353–71.

<sup>21</sup> S Zuhair et al., ‘Migrants and self-reported financial literacy’.

<sup>22</sup> L Anderloni, ‘Migrants and remittances’.

<sup>23</sup> E Bourova et al., ‘Debt problems among recent migrants from a non-English-speaking background’.

range of social institutions, such as banks, insurance providers and government agencies. In addition, limited funding, inadequate financial education material and delivery, and lack of specialised staff were cited as primary challenges facing settlement service providers.

## Limited funding and education delivery

For refugees, financial literacy education is usually provided during the first 18-month settlement period and is typically funded by the Humanitarian Settlement Program (HSP; see [Appendix 1](#)). This funding, however, is very limited and does not allow for financial education training across the full settlement journey. Typically, new entrants are shown how to undertake basic financial tasks such as banking. They also attend a group session about financial literacy and managing money in Australia. An interpreter or cultural worker is usually present during these sessions. At times, clients receive printed in-language financial literacy educational material in the form of information sheets, which may include parts of the factsheets from ASIC's Money Management Kit.

Where humanitarian entrants or other eligible migrants attend the Adult Migrant English Program (AMEP), they are exposed to a range of financial education information. While the focus of the AMEP is English language tuition, this is done within a settlement context and with the aim of enhancing settlement outcomes. As such, much of the material used in classes provides useful settlement knowledge. It is important to note however, that not all migrants and refugees access the AMEP for a range of reasons, including work commitments, caring responsibilities, pre-arrival English language ability or other reasons.

In the Settlement Engagement and Transition Support (SETS) program, which supports humanitarian entrants and other eligible migrants for up to 5 years (see [Appendix 1](#)), case workers provide financial education mostly in response to clients facing financial difficulties. Newly arrived migrants and refugees often rely on settlement workers for information and assistance in navigating financial problems including debt, contracts, filing taxes, banking and paying utility bills. Participants in the service provider focus group attributed limited financial education delivery to a lack of specific funding dedicated for financial education.

*'I wish we could provide extensive and ongoing financial education throughout the settlement. This would be ideal! But what ends up happening is very limited and isolated introductory sessions about managing money in Australia during the first weeks of settlement. Limited funding and resources make it very difficult to be more engaging.'*

Settlement worker, service providers consultations

*'We usually have adequate funding for one case worker for more than 20 settling families. All require different forms of assistance and providing financial literacy education is something that we simply lack the resources for.'*

Settlement worker, service providers consultations

*'Recently I have helped many families with paying electricity bills. In many cases I take messages over WhatsApp during night-time and or other unpaid hours to help.'*

Settlement worker, service providers consultations

## Limited financial education material and delivery mode

Settlement service providers indicated that financial education for newly arrived migrants and refugees was delivered in different formats. Most programs, however, were delivered face-to-face in group workshops. Other formats included one-on-one assistance provided by case workers who were not specialised in financial education. On limited occasions, migrants were referred to financial counselling sessions, for either individual or group sessions. The accessibility of these sessions was variable.

It was also common for financial education material to be incorporated into other settlement programs that provided general information for newly arrived migrants and refugees. Although educational material such as ASIC's Money Management Kit were available, case workers seldom had the chance to fully use this material during the settlement period. The Kit's length and generalised format made it difficult to use during workshop sessions. According to one settlement worker:

*'Available financial education programs are too much to be covered by settlement providers. It [The Money Management Kit] is overwhelming. When we use it, we must select a specific topic for any given session. More recently we had someone in our team deliver some of the Kit's material. But ultimately, it is only information passed on with no way of knowing whether it made a difference.'*

Settlement worker, service providers consultations

*'If the Kit is designed to provide financial education and to be utilised by case workers, then it is too long and cumbersome.'*

Settlement worker, service providers consultations

## Lack of specialised staff

Newly arrived migrants and refugees often relied on settlement workers for guidance and information about financial matters. Case workers indicated that these matters included household budgeting, phone or rental agreements, electricity and gas bills, credit card debt, car insurance contracts and complications and paying down accumulated debt. However, research and data collection revealed that settlement workers have varying levels of financial counselling experience. Settlement workers have limited professional knowledge about, for example, resolving debt problems and entering credit contracts.<sup>24</sup>

*'One of our clients accumulated an electricity bill of \$3,000. They then had borrowed money from a friend with interest to pay this bill. Having to break down their financial situation and assemble a debt repayment plan was a big challenge. In these cases having access to financial counsellors would make this process simpler and more streamlined.'*

Settlement worker, service providers consultations

*'The most common cause of financial problems would primarily be utilities, rent arrears, medical specialists, Centrelink debt... Issues that require trained financial counsellors to address, but when clients sometimes do not have literacy in English and in their own language, this step is further complicated.'*

Settlement worker, service providers consultations

*'There are a number of issues about limited financial assistance access ability. Financial literacy and emergency relief providers have limited available hours to see clients (some only one day per week on a first-come first-served system). There are typically long waiting times to see financial counsellors.'*

Settlement worker, service providers consultations

<sup>24</sup> E Bourova et al., 'Debt problems among recent migrants from a non-English-speaking background'.

## 4. RECOMMENDATIONS

Building financial capability is an essential part of successful settlement in Australia. Newly arrived migrants and refugees are exposed to the finance system in Australia, but, as this report has shown, financial exposure is not sufficient in and of itself. Migrants and refugees also need financial knowledge and skills to make informed financial choices, and financial systems need to improve their cultural accessibility.

The report showcased that the financial lives of newly arrived migrants and refugees are affected by a multitude of factors including cultural factors, gender considerations, financial obligations abroad, and the level of familiarity with the Australian financial system. Limited financial education and support levels for managing financial aspects of settlement in Australia were also identified as key barriers for successful financial settlement. The report provided an overview of the available financial education material, including ASIC's Money Management Kit, and explored ways through which initiatives targeted at building financial capability can improve.

SCoA makes the following recommendations based on the insights gathered through this research:

### 1. A targeted and dynamic national financial education program for migrants and refugees

The delivery mode and types of content that make for effective financial education differs depending on cultural factors, gender, the nature of existing financial obligations, the level of familiarity and trust in financial institutions, and a range of other factors. This means static financial education information is likely to be of limited utility. Instead, we recommend a national program that provides funding for projects that address specific areas of demonstrated need, in partnership with relevant experts, such as financial counsellors and financial institutions. This allows for the content to change as client needs change and allows for greater responsiveness to the myriad factors that affect people's financial lives as outlined in this report. Similar models have recently been used in the delivery of COVID-19 information to great success.

### 2. Improved data and evaluation mechanisms

There is a need for an evaluation and data collection mechanism that gathers data from participants on contemporary issues and the impact of financial education programs. This could be coupled with Recommendation 1, ensuring that these programs not only result in the provision of information to new arrivals, but also gather data from them to monitor the ongoing effectiveness of interventions, and areas that need greater attention. Further, data collection and evaluation frameworks used in the settlement sector should be reviewed to ensure useful data on financial capability is gathered. Collecting and tracking data over time about financial capability ensures interventions are appropriately targeted.

### 3. Greater accessibility of mainstream resources for financial education

The research showed ASIC's Moneysmart website was a useful resource and was being used by settlement workers to share information with clients. However, as not all Moneysmart resources are available in languages other than English, individuals with low levels of English language proficiency often rely on others to access this information. It is recommended that those organisations developing financial education tools and programs conduct a review of the cultural and language accessibility of their financial education resources, to identify how accessibility for these resources can be improved for newly arrived migrants and refugees. Improving the accessibility of mainstream resources would reduce newly arrived migrants and refugees' reliance on settlement services and free scarce resources in the settlement sector.

#### **4. Improved partnerships between financial counsellors and the settlement sector and increased accessibility to financial counselling for migrants and refugees**

Most settlement workers supporting clients with financial issues do not have specialised financial knowledge. This can make addressing complex financial issues challenging. Access to financial counsellors can be limited, with settlement workers describing these services as having long waiting times and sometimes being inadequately tailored to the circumstances of migrants and refugees. Increasing the availability of financial counsellors, their cultural accessibility, and the level of partnerships between financial counsellors and settlement services would enhance access to these services for migrants and refugees. Where population demographics justify it, specialist financial counsellors working specifically with migrants and refugees could be embedded in settlement services.

#### **5. Education opportunities embedded in financial institutions**

Newly arrived migrants and refugees regularly engage with financial institutions. These are efficient and accessible locations for financial education to take place. Further, learning about financial institutions and products at the time at which the individual needs to use these is likely to result in longer lasting learnings. There is an opportunity to embed financial education within financial institutions such as banks, insurance providers and others. Increased partnerships between the settlement sector and financial institutions can help facilitate this and increase awareness among financial institutions of the positive role they can have in settlement.



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## APPENDIX 1:

# BACKGROUND INFORMATION ON MIGRATION AND SETTLEMENT

## Australia's migrants and refugees

Australia is one of the world's major 'immigration nations' together with New Zealand, Canada and the USA.<sup>25</sup> Since 1945, when the first federal immigration program was created, over 7.5 million people have migrated to Australia.<sup>26</sup> Australia's overseas-born resident population is estimated to be 28.2% of the total population.<sup>27</sup> Migration has formed a pivotal part of Australia's heritage and is a substantial contributor to the economy, culture, and lifestyle.<sup>28</sup> The Australian Bureau of Statistics (ABS) describes Australia as follows: 'We have more than 300 different ancestries and 28 percent of our resident population is born overseas – that's nearly 7 million people. We're a nation of nations – we speak more than 300 languages.'<sup>29</sup>

Permanent migrants enter Australia via one of two distinct programs: the Migration Program for skilled and family migrants or the Humanitarian Program for refugees and those in refugee-like situations. Each year, the Australian Government allocates places, or quotas, for people wanting to migrate permanently to Australia under these two programs.<sup>30</sup>

The migration program consists of four independent streams: skilled stream, family stream, special eligibility stream, and child stream. The total number of granted permanent migration visas under this program for 2019–20 was 140,366 distributed as: 95,843 places for the skill stream; 41,961 places for the family stream; 81 places for the special eligibility stream; and 2,481 for the child stream.<sup>31</sup>

Australia has settled more than 880,000 refugees and others in humanitarian need since the end of the Second World War. According to the Department of Home Affairs, Australia's humanitarian settlement program aims to: provide permanent resettlement to those most in need, including those living in refugee camps or protracted refugee situations; reunite refugees and people who are in refugee-like situations overseas with their family in Australia; and be flexible and responsive to changing global resettlement needs.<sup>32</sup>

Each year the Australian Government sets the number of visas that may be granted under its humanitarian program. In 2018–19, the Australian Government granted 18,762 visas under this program, and 13,171 were granted in 2019–20. In recent years, the Australian Government also provided additional visas for people displaced by conflict in Syria, Iraq and Afghanistan.<sup>33</sup>

Humanitarian entrants represent a small proportion of visa grants for permanent migration to Australia. In 2019–20, there were 153,537 permanent migrants to Australia, of whom 13,171 arrived under the humanitarian program.<sup>34</sup> Figure 1 provides a breakdown of the permanent migration visas granted and the distribution of visas in 2019–20.

<sup>25</sup> J Phillips & J Simon-Davies, *Migration to Australia: a quick guide to the statistics*, Parliament of Australia, Commonwealth of Australia, Canberra, 2017, [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1617/Quick\\_Guides/MigrationStatistics](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/MigrationStatistics).

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Australian Chamber of Commerce and Industry, *Planning Australia's 2021-22 Migration Program*, Canberra, 2021, [https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission\\_Planning-Australia-Migration-Program-2021-22.pdf](https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission_Planning-Australia-Migration-Program-2021-22.pdf).

<sup>29</sup> Ibid.

<sup>30</sup> J Phillips et al., *Migration to Australia: a quick guide to the statistics*.

<sup>31</sup> Department of Home Affairs, *2019–20 Migration Program Report*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/research-and-stats/files/report-migration-program-2019-20.pdf>.

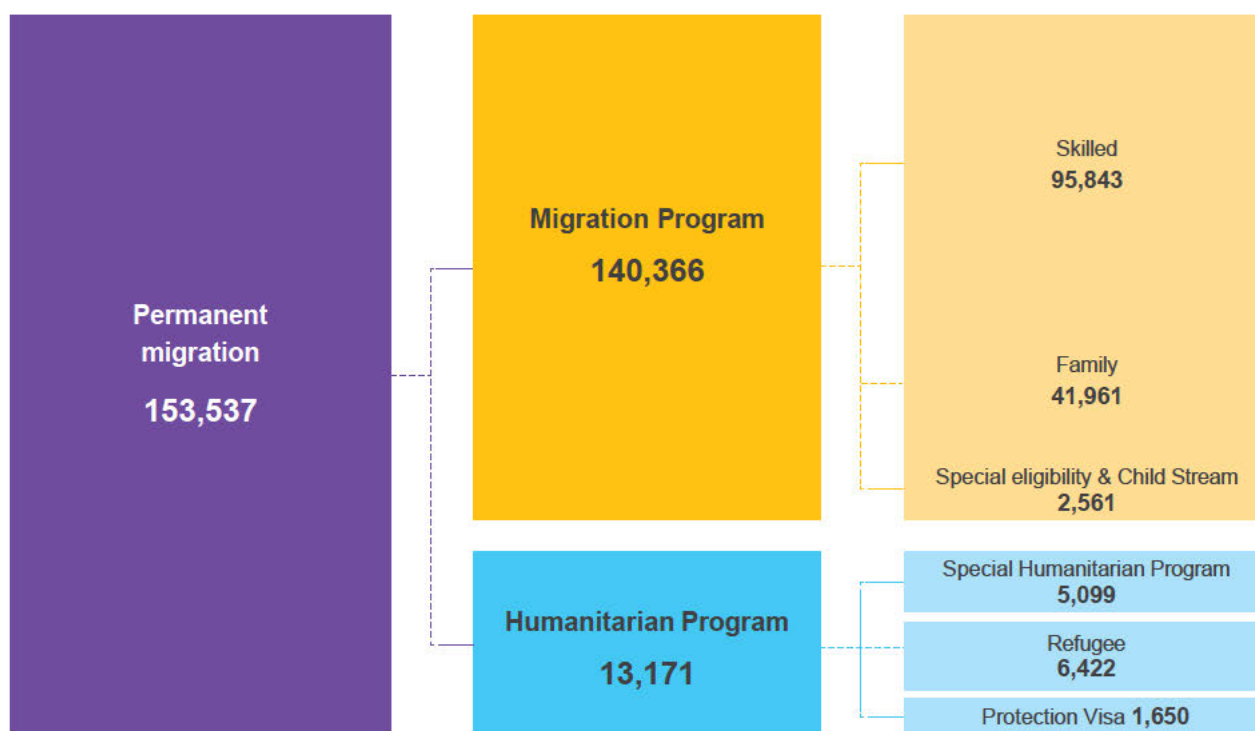
<sup>32</sup> Department of Home Affairs, *Discussion paper: Australia's humanitarian program 2019–20*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/reports-and-pubs/files/2019-20-discussion-paper.pdf>.

<sup>33</sup> Department of Home Affairs, *Australia's offshore humanitarian program: 2019–20*, Commonwealth of Australia, Canberra, 2020, <https://www.homeaffairs.gov.au/research-and-stats/files/australia-offshore-humanitarian-program-2019-20.pdf>.

<sup>34</sup> Ibid.



This report primarily focuses on humanitarian entrants. This is due to two factors. First, humanitarian entrants are always linked to a settlement service through the HSP, whereas for all other migrants there is only self-referral to SETS (a less intensive program). The HSP and SETS and their eligibility criteria will be discussed in the following section. Second, the circumstances of humanitarian entrant's arrival mean they require more support in Australia. These can include lower levels of English, fewer resources upon arrival, and circumstances of forced migration. For these reasons, humanitarian entrants are overrepresented in settlement services and this report.



**Figure 1:** Permanent migration visas granted in 2019–20

## Australia's settlement sector

Settlement is a two-way process of migrants and refugees adjusting to a new life in Australia, and Australia welcoming migrants and refugees. Successful settlement enables migrants and refugees to fully participate in life in Australia.

Settlement is a key part of Australia's multicultural success story. Successive waves of migrants have brought social and economic value to Australia, and this has been made possible through their effective settlement. Settlement services work with migrants and refugees and local communities to facilitate this process in a way that enhances positive outcomes for us all.

The services that do this work are wide-ranging and diverse. The core of the sector is made up of organisations funded by the Australian Government for one of the following 3 large programs:<sup>35</sup>

- ◆ The Humanitarian Settlement Program (HSP) provides intensive support to humanitarian entrants for their first 6–18 months from the moment they arrive at the airport. This support includes sourcing accommodation, providing initial orientation, opening bank accounts, linking to income support, enrolments in schools, linking with health services and other immediate needs to live an independent life in Australia.

<sup>35</sup> Settlement Council of Australia, *State of the Sector – 2020*, Canberra, 2021, <https://scoa.org.au/wp-content/uploads/2021/06/State-of-the-Sector-2020-FINAL-REPORT.pdf>.

- ◆ The Settlement Engagement and Transition Support (SETS) program provides less intensive support to humanitarian entrants and other eligible vulnerable migrants for up to 5 years after arrival. Through this program individuals can self-refer to a SETS provider for assistance. Usually, the assistance provided is not case management, but often referral or information on discrete issues. For example, a client may come in asking a settlement worker to explain a letter. SETS providers also deliver case management for some clients with more intensive needs. In addition, they deliver programs such as information sessions, social programs, and community development work.
- ◆ The Adult Migrant English Program (AMEP) provides English language tuition to eligible migrants and refugees.

Most humanitarian entrants are automatically eligible to access supports from the HSP. The HSP provides initial settlement support to people who have recently arrived in Australia on refugee or humanitarian visas. As illustrated in Figure 1, the Humanitarian Program mostly consists of two components. Entrants who arrive in Australia under the refugee component (Visa Subclasses 200, 201, 203 and 204) are eligible for the HSP. Entrants who arrive under the Special Humanitarian Program component (Subclass 202) are also eligible for the HSP.<sup>36</sup> According to the Department of Home Affairs, the objective of the HSP is to 'build skills and knowledge for social and economic wellbeing of eligible clients through a tailored needs-based case management approach.'<sup>37</sup>

SETS is a settlement program that complements the HSP. The eligibility criteria for SETS is limited to permanent residents who have arrived in Australia in the past five years primarily as humanitarian entrants, family stream migrants with low English proficiency, or dependents of skilled migrants in rural and regional areas with low English proficiency.<sup>38</sup> Other visa holders can be eligible for SETS upon assessment and include: selected temporary residents (Prospective Marriage, Provisional Partner visa holders and their dependents) in rural and regional areas who have arrived in the past five years and who have low English proficiency; and dependents of selected temporary residents (Provisional Skilled, Provisional Business or Investment) in rural and regional areas who have arrived in the past five years and who have low English proficiency.<sup>39</sup>

According to the Department of Home Affairs, SETS aims to equip and empower humanitarian entrants, other eligible permanent migrants and their communities to address their settlement needs, in order to improve social participation, economic wellbeing, independence, personal wellbeing and community connectedness.<sup>40</sup>

AMEP is a free service to help eligible migrants and humanitarian entrants with low English levels to improve their English language skills and settle into Australia. The eligibility criteria for AMEP includes possessing less than vocational level of English as well as being a permanent resident; holding an eligible temporary visa; or being an Australian citizen who previously held an eligible visa.<sup>41</sup> New changes to AMEP have introduced time limits for registering, starting, and finishing the program – previously eligible participants could access AMEP until they reached a vocational level of English. New limits dictate that participants should register with an AMEP provider within six months of arrival to Australia, start their course within 12 months and complete their course within five years.<sup>42</sup>

In addition to these three main programs, settlement services deliver a range of programs through other funding sources, including state and territory funding, philanthropy, and the use of volunteers.

<sup>36</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, Australian National Audit Office, Canberra, 2019, 15, [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2019-2020\\_17.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_17.pdf).

<sup>37</sup> Ibid, 7.

<sup>38</sup> Department of Home Affairs, *Settlement Engagement and Transition Support (SETS) - Client services*, Commonwealth of Australia, Canberra, <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program/sets-client-services>.

<sup>39</sup> Ibid.

<sup>40</sup> Department of Home Affairs, *Settlement Engagement and Transition Support (SETS)*, Commonwealth of Australia, Canberra, Program <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program>.

<sup>41</sup> Services Australia, *Adult Migrant English Program*, Commonwealth of Australia, Canberra, <https://www.servicesaustralia.gov.au/individuals/topics/adult-migrant-english-program/30846>.

<sup>42</sup> Ibid.

It is important to recognise that settlement is non-linear and migrants and refugees do not necessarily progress through services sequentially. They may access services concurrently, or may leave a service and then reengage at a later date.

The work of settlement services is guided by the National Settlement Outcomes Standards. The Standards stipulate 10 areas across which migrants and refugees need to be independent, secure, and accepted to be considered 'settled'. The 10 standards are: education and training; employment; health and wellbeing; housing; language services; transport; civic participation; family and social support; justice; and finance.

While settlement services have a leading role in supporting migrants and refugees to settle in Australia, settlement is a whole of community, whole of government responsibility. As evidenced by the breadth of the National Settlement Outcomes Standards, settlement touches every area of society and life. The settlement sector therefore works closely with broader communities, governments, and the private sector to broker positive settlement outcomes.

## Arrival experience

Experiences of settlement in Australia vary greatly depending on pre-migration experience, migration path, and support services provided after migration. For most migrants, there is no automatic engagement with a settlement program that supports them to settle into life in Australia. This differs to humanitarian entrants, who receive intensive settlement support during their first year of settlement in Australia. The HSP provides initial settlement support to people who have recently arrived in Australia on refugee or humanitarian visas and to some eligible people onshore.<sup>43</sup>

HSP services are generally provided to clients until they achieve the settlement outcomes. It is expected that most clients will be provided HSP services for up to 18 months.<sup>44</sup> HSP service providers employ case managers to assess the needs of HSP clients and services are provided in line with client needs.

In general, humanitarian entrants are met on arrival at the airport and transport is provided to their initial location. Short term accommodation is provided for around 30 days. Settlement services aid in locating affordable accommodation and a package of basic household goods is usually supplied.<sup>45</sup>

Within 3 days of arrival, clients are registered with Centrelink and Medicare and open a bank account. They begin an orientation and training program during the first 3 days. Migrants and refugees for whom English is an additional language are usually enrolled in AMEP. AMEP offers free English tuition to refugees entering Australia under the humanitarian program, migrants in the family stream, and some migrants in the skilled stream.<sup>46</sup>

For 6 to 18 months, the HSP provides tailored support from a case manager, with the goal of enhancing self-reliance, improving English language skills, educational attainment, and employment prospects.<sup>47</sup> Following the initial 6 to 18 months of settlement, migrants and refugees qualify for the SETS program, under which support is provided for up to 5 years after arrival.<sup>48</sup>

SETS complements the HSP. Migrants and refugees can access various settlement services and referrals to support their settlement needs, including in the areas of economic participation, personal wellbeing and social participation.

<sup>43</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, Australian National Audit Office, Canberra, 2019, 17, [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2019-2020\\_17.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2019-2020_17.pdf).

<sup>44</sup> Ibid, 15.

<sup>45</sup> Ibid.

<sup>46</sup> J Button, *Australia's English Problem*, Scanlon Foundation Research Institute, 2019, [https://scanloninstitute.org.au/sites/default/files/2020-01/June2019\\_Scanlon-Institute\\_Narrative-3.pdf](https://scanloninstitute.org.au/sites/default/files/2020-01/June2019_Scanlon-Institute_Narrative-3.pdf).

<sup>47</sup> The Auditor-General, *Delivery of the Humanitarian Settlement Program*, 7.

<sup>48</sup> Department of Home Affairs, Settlement Engagement and Transition Support (SETS) Program, Commonwealth of Australia, Canberra, 2021, <https://immi.homeaffairs.gov.au/settling-in-australia/sets-program>.



## APPENDIX 2:

# FOCUS GROUPS WITH NEWLY ARRIVED MIGRANTS AND REFUGEES - QUESTIONS

### Review of Money Management Kit: focus group questions

#### General questions

- ◆ How is money in Australia different from money in your home country?
- ◆ How is managing and dealing with money and financial matters in Australia different from your home country?
- ◆ Have you received help since you arrived in Australia to use financial products and institutions? Can you share with us who provided this help? What (educational) material did they supply you with (if any)?

#### Money management:

- ◆ What difficulties can you identify in managing money in Australia?
- ◆ Does your financial wellbeing impact your stress levels and mental health?
- ◆ Are the reasons for financial hardship in Australia different from your home country? How? (Focus the conversation on Australian hardships)

#### Financial literacy, capability and access:

- ◆ Are you confident using different financial services and products in Australia?
  - Give examples of financial products that you or your family members are currently using.
- ◆ Do you feel confident using Australian financial institutions and service providers?
  - Do you feel comfortable and secure using Banks in Australia?
  - Do you feel comfortable and secure using insurance companies in Australia?
  - Have you or your family members found it difficult to open a bank account, sign up for insurance? Why?
  - What do you think would improve your experience with Australian financial institutions (banks, insurance companies, money lending firms, etc)?
- ◆ Do you feel comfortable and secure using Australian government financial agencies (like ATO and Centrelink)? Ask participants to explain their answer.
  - Are you confident with filing your own taxes? Did you or your family members receive help to file taxes in previous years? Ask participants to identify reasons as to why filing taxes may be difficult.
- ◆ Have you faced difficulties paying bills? Describe your reasons? (Ask for nonfinancial reasons as well, such as difficulty paying online, through phone, or using phone applications, etc. Give participants the freedom to identify their own challenges.)
- ◆ Have you faced trouble with getting a loan (any type of loan including credit cards, car loans, business loans, personal loans, etc)? What do you think were the reasons? Here ask for nonfinancial reasons as well, such as cultural barriers, difficulty understanding loan terms, language barriers, gender inequalities, etc.

**Money Management Kit - information sheets assessment:**

*Instructions: Print copies of the information sheets and distribute one sheet per participant at random. Ensure that participants receive a mix of different information sheets topics. Give participants five minutes to review and think about the content of the information sheets. Ask the following questions:*

- ◆ Have you seen this information sheet or similar information sheets before?  
→ If yes, have you ever used it? Can you tell a story or experience about how you have used it?
- ◆ On a scale of 1 to 5, where 1 is not familiar at all and 5 is very familiar, how familiar are you with the information provided in this information sheet?
- ◆ Did you learn something new from these information sheets?
- ◆ What do you like or dislike about the content of this information sheet?
- ◆ Do you think the information provided in this information sheet are relevant to your regular money management? How?
- ◆ What information would you like to see included in this information sheet to make it more relevant? Why?
- ◆ How would you prefer to receive the information provided in the information sheet? Group meetings, one-on-one meeting with your case manager (?), email, text message, posted online?
- ◆ What other financial related information would you like to learn about that are not included in the information sheets?

**Improvements:**

- ◆ What changes would you like to see happen in Australian financial institutions to make you at a better position to manage your money in Australia?

## APPENDIX 3: FOCUS GROUP WITH SETTLEMENT WORKERS - QUESTIONS

### General questions

- ◆ In your experience what is the most common cause of financial problems among newly arrived communities?
- ◆ In your experience what kinds of financial literacy information do migrants and refugees need?
- ◆ Do your clients typically ask their case managers for help with their money issues?
- ◆ Where do you refer clients who have questions about money management?
- ◆ What barriers do you observe that keep clients from accessing financial literacy programs or financial institutions?

### Money Management Kit

- ◆ Do you use the Money Smart Money Management Kit?
- ◆ Do you like its format? What do you like and dislike about its curriculum?
- ◆ Do you think it's useful?
- ◆ If you do use the Money Management Kit:
  - Do you feel confident in using it in your consultations with clients?
  - Did you receive any training to use the kit?
  - Do you usually go over the curriculum with clients in a group setting or one-on-one?
  - What are some difficulties you have experienced implementing the Money Management Kit?
  - What does ASIC need to do for the Money Management Kit to better serve its purpose?

### Other financial education resources

- ◆ What other financial education resources do you use?
- ◆ How do they compare to the Money Management Kit?

## APPENDIX 4: SURVEY QUESTIONS

### Review of money management kit survey

1. **When did you arrive in Australia?**
2. **What is your gender?**
3. **What is your current employment status?** *(Please draw a circle on your answer)*
  - a. Self Employed
  - b. Employed
    - i. Full time
    - ii. Part time
    - iii. Casual
  - c. Unemployed but searching for employment
  - d. Unemployed but not looking for employment
4. **What is your level of education?**
  - a. No formal education
  - b. Primary school (grade 10)
  - c. High school
  - d. College/technical education
  - e. Undergraduate (bachelor's degree)
  - f. Postgraduate (master's degree or PhD)
5. **Approximately, how long after you arrived in Australia did you register for your Tax File Number?**
6. **Have ever accessed support to help with budgeting and financial planning?**
  - a. Yes
  - b. No
  - c. Not sure
7. **How long after you arrived in Australia did you start your first paid job?**
8. **How long after you arrived in Australia did you open your bank account?**
9. **Do you send money to family or friends abroad?**
  - a. If yes, how frequently do you send money:
    - i. Once a fortnight
    - ii. Once a month
    - iii. Once every three months
    - iv. Once every six months
    - v. Once a year
    - vi. Other (please explain)
10. **How do you send money to family or friends abroad? Please specify.**
11. **Do you use an accountant to support you filing taxes?**
  - a. Yes
  - b. No
  - c. Not sure

**12. Has Covid-19 affected your financial wellbeing? How?****13. Please indicate how comfortable you are using the following financial tools?**

	Extremely comfortable	Comfortable	Neither comfortable nor uncomfortable	Uncomfortable	Extremely uncomfortable	Do not know
Bank deposits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Debit cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit cards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank phone applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet banking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance (house, car, business)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment products (e.g. shares, term deposits)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tax office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**14. Which of the following financial products (services) do you personally use at present?***(Please put X for each service used)*

Bank account	<input type="checkbox"/>	Investment products	<input type="checkbox"/>
Debit cards	<input type="checkbox"/>	Insurance (house, car, business)	<input type="checkbox"/>
Internet banking	<input type="checkbox"/>	None of the above	<input type="checkbox"/>
Bank phone application	<input type="checkbox"/>	Other (please specify)	<input type="checkbox"/>

**15. Can you remember what types of loans you personally or a member of your household have ever used in Australia? (Please put X for each loan type used)**

A loan for the purchase of goods in the store like After Pay, Zip, or Klarna	<input type="checkbox"/>
A loan from family members, relatives, friends (no interest rate)	<input type="checkbox"/>
Credit cards	<input type="checkbox"/>
House mortgage	<input type="checkbox"/>
Car loan	<input type="checkbox"/>
Other personal loan from a bank	<input type="checkbox"/>
Loan from employer	<input type="checkbox"/>
Loan from a private person (with interest rate)	<input type="checkbox"/>
Business loan	<input type="checkbox"/>
None of the above, did not take loans	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

## APPENDIX 5:

### SURVEY RESULTS

This appendix provides the results of the survey in detail. The survey was distributed to focus group participants at the end of the consultations. Cultural workers and translators assisted participants by translating and clarifying financial concepts. A total of 151 surveys were fully or partly completed.

The following highlights findings in the areas of levels of financial participation and access; trust in financial institutions; and familiarity with and use of a variety of financial products, including credit.

Table 3 displays the length of time it took after arriving in Australia to establish a bank account, obtain a TFN and obtain their first paid job in Australia.

Most participants opened a bank account and obtained a TFN within 30 days of settlement. It is important to note that survey results are heavily skewed towards those likely to have engaged with the HSP, as most participants were humanitarian entrants. As outlined in Appendix 1, HSP participants are assisted with opening a bank account and obtaining a TFN soon after arrival.

How long for		%
Bank account	First 30 days	96
	First 60 days	1
	More than a year	3
TFN	First 30 days	95
	First 60 days	2
	First year	2
	More than a year	1
First paid job	First year	15
	Second year	6
	Third year	5
	Not yet employed	74

**Table 3:** Basic access to financial institutions and employment ( $n = 151$ )

Table 4 displays participants' willingness to seek help with basic financial interactions such as preparing a household budget (45%) or filing taxes (22%).

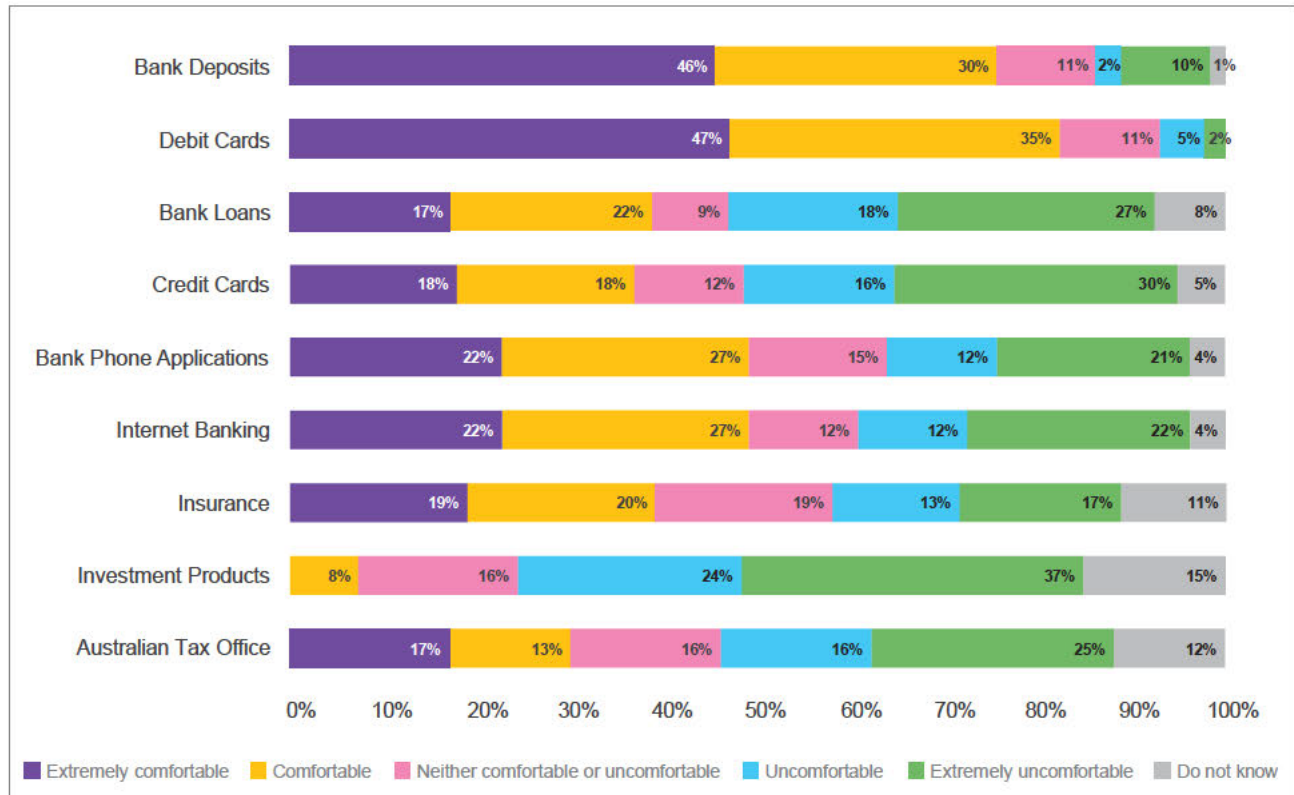
Have you sought help for		%
Filing taxes	Yes	22
	No	61
	Not Sure	17
Budgeting	Yes	45
	No	40
	Not Sure	15

**Table 4:** Help with financial transactions ( $n = 151$ )



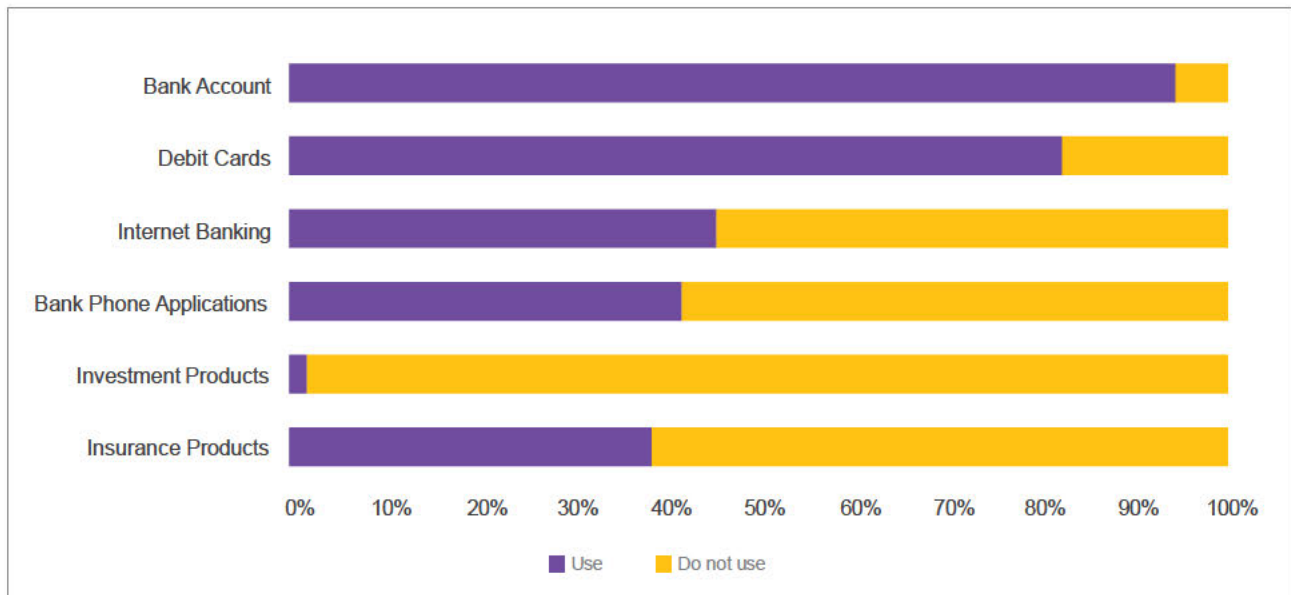
The survey asked how confident participants were in using various financial tools. They were asked to rank their comfort on a scale from extremely comfortable to extremely uncomfortable. The results are shown in Figure 2.

Respondents had high levels of confidence in using bank deposits and debit cards, with comfort levels exceeding 75% for both items. Respondents' confidence in using and accessing credit through bank loans or credit cards was significantly lower at under 40%. Similarly, only 40% of respondents were confident using various types of insurance. About 50% of respondents were confident in using internet banking and phone banking applications. Only 30% of respondents were comfortable engaging with the ATO while less than 10% were confident using investment products.



**Figure 2: Indicators of confidence in various financial tools (n=146)**

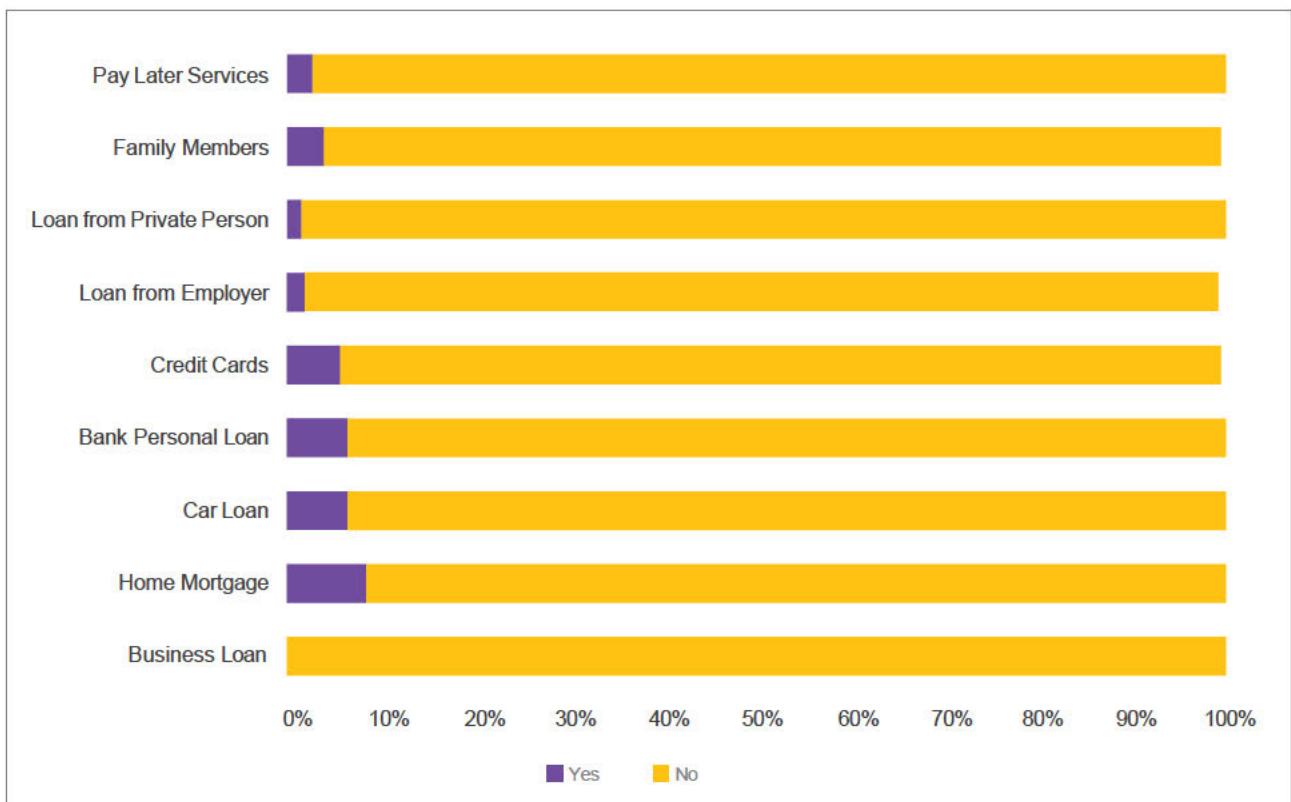
A measure of respondents' use of different financial products as well as access to credit was used. Figure 3 displays the results when respondents were asked about which of the financial products and services they personally used on a regular or ongoing basis.



**Figure 3: Rate of personal use of financial products and services**

Figure 4 shows responses to the question 'Do you remember what types of loans you personally or a member of your household have ever used in Australia?'

Both sets of results reflect a lower-than-average use of financial services. In particular, credit use in the form of house mortgages, car loans, business loans and credit cards, was well below the national average in Australia. For example, only 8% of participants indicated they or a family member have a home mortgage, compared with a national average of 35%.<sup>49</sup>



**Figure 4: Household credit access**

<sup>49</sup> Australian Bureau of Statistics, *Census of Population and Housing*, Commonwealth of Australia, Canberra, 2017, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features22016>.



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