



Refugee Council
of Australia

Who bears the cost of Australia's Special Humanitarian Program?

Research into the impact of travel costs on new Special
Humanitarian entrants and their proposers

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GLOSSARY OF TERMS

Housing Stress

Housing stress occurs when housing costs are greater than 30% of household income where the household income lies within the bottom 40% of income distribution.

International Organization for Migration (IOM)

IOM is an inter-governmental organisation working in the area of migration. In Australia, IOM provides travel loans to people on low incomes wishing to propose people under the Special Humanitarian Program.

Humanitarian Program

The Humanitarian Program offers resettlement to refugees and others overseas who are in need of humanitarian resettlement. This program forms part of the Australian government's contribution to addressing global resettlement needs. This program is divided into two categories:

Refugee category

The refugee category is for people who are subject to persecution in their home country and who are in need of resettlement. The majority of applicants who are considered under this category are identified by the United Nations High Commissioner for Refugees (UNHCR) and referred by UNHCR to Australia. The refugee category places are fully funded by the Australian Government.

Special Humanitarian Program (SHP)

The SHP is for people outside their home country who are subject to substantial discrimination amounting to gross violation of human rights in their home country. They must be supported by a proposer (or sponsor) in Australia. These places are predominantly funded by the proposer. This is also the visa category that is commonly used for family reunion for humanitarian entrants.

Proposer

A proposer (known as sponsor under the Migration Program) is an Australian citizen, permanent resident or eligible New Zealand citizen, or an organisation based in Australia that agrees to support an application for entry under the SHP. The support includes both settlement support on arrival as well as arranging and covering all the costs associated with travel to Australia.

Temporary Protection Visa (TPV)

Temporary Protection Visas are allocated to asylum seekers who arrive in Australia without valid travel documents and successfully apply for refugee protection. In the past, both five-year and three-year TPVs have been allocated. TPV holders are unable to access government funded settlement support, cannot reunite with family and are unable to travel outside of Australia. Upon expiry of their visas, they must reapply for a permanent protection visa and prove their refugee claim all over again.

EXECUTIVE SUMMARY

- ◆ Of the 13,000 Refugee and Humanitarian entrants that Australia accepts each year, up to 7000 come under the Special Humanitarian Program (SHP) where they are 'proposed' by someone in Australia who is responsible for paying for their airfares and assisting with their resettlement.¹
- ◆ Most proposers are former refugee or SHP entrants themselves, many of whom are still in the early stages of settlement. The people who they are proposing are usually family or others to whom they have obligations and who are coming from refugee-like situations. In many cases the people they are proposing are recognised refugees.
- ◆ The International Organization for Migration (IOM) received some money from the Australian Government to provide interest-free loans to proposers to cover airfare costs. Despite the estimated 40% of proposers accessing this loan scheme, they made up only a small percentage of proposers interviewed. The majority were taking loans from informal sources, in some cases with excessively high interest rates and short repayment periods.
- ◆ In some cases, difficulties in raising the funds for airfares were causing delays in the arrival of families. Sometimes this resulted in families being split across continents, if the funds could not be raised for all family members.
- ◆ The desire to access funds as quickly and easily as possible once the visas have been issued has made proposers vulnerable to exploitative loan arrangements.
- ◆ In most cases where the SHP entrant was not an immediate family member (i.e. spouse or dependant child), the proposer was handing the debt over to the new entrant/s. This meant that most new SHP entrants were arriving with a significant existing debt.
- ◆ As a result of the debt, many new SHP entrants were unable to afford their own accommodation and were forced to live with their proposer, often in overcrowded conditions until the loan was paid off. This placed a significant strain on the relationship between the proposer and the new entrant, resulting in some cases in the relationship breaking down at a crucial stage in the new entrant's settlement process.
- ◆ The vulnerability of humanitarian entrants when they first arrived made them, in some cases, susceptible to unscrupulous operators who wished to profit from their lack of knowledge of the Australian environment and their rights. Gratitude and lack of other community supports meant few new entrants were prepared to challenge or question the amounts to be repaid or the loan conditions.
- ◆ Having to pay back a debt for airfares caused enormous hardship for many new entrants including:
 - Poverty;
 - Malnutrition;
 - Housing stress and overcrowding;
 - Homelessness;
 - Separation of families across households;
 - Discontinuation of schooling;
 - Bad credit ratings; and
 - Bankruptcy.

¹ This number varies from year to year: in 06/07 – 5183 SHP entrants, in 05/06 – 6736 entrants

INTRODUCTION

Background

The Australian Government's Humanitarian Program accepts 13,000 refugee and humanitarian entrants each year. While this appears to be a generous allocation, what is not commonly known is that more than half of these places are largely funded by new arrivals and their proposers. Up to 7000 places may be allocated to Special Humanitarian Program (SHP) entrants who are proposed (or sponsored) by an Australian permanent resident or organisation and must organise their own travel. While the criteria for these visas is not as stringent as those for the refugee visas, in many cases the SHP entrants are, in fact, recognised refugees. This is also the visa that is most commonly used for family reunion of refugees and SHP entrants.

While the refugee visa is fully funded, the SHP requires that the proposer cover most of the costs associated with resettlement. This includes the airfares as well as assistance with settlement support once they arrive. In most cases the proposers are former refugees or SHP entrants, and many are only recently arrived themselves. As most of the SHP entrants are coming from situations identical to that of refugees, there is usually some confusion and lack of understanding as to why the two groups receive different treatment and access to different entitlements. Sometimes this results in tensions between people who hold different visas.

Costs associated with travel can be extremely high, particularly as many entrants are from large family groups and have strong obligations to those they've left behind in refugee camps. For the overwhelming majority of proposers, the travel costs are prohibitive and loans need to be sought. There are a number of loan schemes operated by community organisations, religiously affiliated groups and individuals across Australia that are designed to assist proposers. The International Organization for Migration (IOM) also provides loans to low income proposers to cover the costs of travel. In addition, in 2005 a one-off Federal Government grant was made to IOM to boost the loan fund and to remove the administration fee for travel loans to proposers.

The number of proposers not accessing the variety of no-interest or low-interest loan schemes is, however, significant. Anecdotal evidence suggests that many proposers are taking on loans with exploitative conditions that require rapid repayment and have high interest rates. A RCOA travel loans scoping project, conducted in 2003, suggested that at that time fewer than 5% of entrants benefited from existing interest-free loan schemes. Considering many proposers are newly arrived refugees, the Refugee Council was concerned about the financial strain that travel costs and associated loans may be causing. In particular we were concerned about those cases where the debts were being immediately transferred to the new entrant.

Debts and financial difficulties can be a sensitive topic for many people and, for this reason, the impact of travel costs has been very much a hidden problem. The drive to reunite with family and friends who have been left behind in often precarious situations in refugee camps and other places of exile is so strong that people will go to great lengths to raise the money to bring them to Australia. For many, proposing family is a significant and critical part of the settlement process. In many cases proposers and new entrants wear the debt without complaint. There is a certain shame in borrowing money and many just wish to pay off the debt as quickly as possible and then move on. For new entrants who acquire the debt, most are so grateful to their proposers that they would not dare complain or challenge the amount. This makes new entrants vulnerable to exploitation from unscrupulous lenders.

This research is an attempt to uncover the hidden impact that travel costs are having on the settlement outcomes of both proposers and the new entrants. It looks at the effectiveness of community and IOM loans and the reasons for their low or inconsistent take-up rates. The report outlines some policy recommendations aimed at improving the overall working of the Special Humanitarian Program and reducing the impact of travel costs. This document will be used to assist the Refugee Council in its advocacy on this issue with the Department of Immigration and Citizenship and IOM.

Methodology

While the impact of travel costs on SHP proposers and new entrants is a national issue, the research for this report has been limited to the state of Victoria. In 2006-07, Victoria resettled the largest number of SHP entrants. It is likely that the results are therefore indicative of the situation across Australia.

Focus groups were conducted in the following city and regional areas: Dandenong, Preston, Footscray, Shepparton and Mildura.

Five focus groups were conducted with settlement and service providers working closely with SHP proposers and new entrants (see Appendix A for list of participant organisations). Another five were also conducted with SHP proposers and new entrants drawn from a number of refugee communities across Victoria, including refugees from Afghanistan, Iraq, Iran, Sudan, Burma, Ethiopia and Sierra Leone. A total of 53 proposers and new entrants participated in the research. Basic demographic data was collected from these focus groups.

Information was compiled about existing community travel loan schemes across Australia including that offered by IOM. This information will be available on the Refugee Council website (www.refugeecouncil.org.au).

Limitations

While this research provides an indication of the issues that have arisen as a result of proposers having to pay for the travel costs to bring out SHP entrants, it is by no means exhaustive. It provides a qualitative snapshot of the situation for some proposers who have come from a refugee background. The focus groups were small and the participants were those who had contact with settlement providers in each of the areas chosen. Participants were self-selecting, with the majority being male.

There were clearly sensitivities with some participants around discussing financial issues and the group nature of the research may have prevented more serious examples of exploitation from being disclosed. Despite the limitations, the number and seriousness of the issues raised warrants further research.

RESEARCH FINDINGS

Raising the funds

It is important to understand the significance of being able to propose family and friends under the SHP and the urgency that often accompanies applications for this visa. For many refugees and humanitarian entrants, once some of the initial settlement needs have been met (finding housing, enrolling children in schools, income support etc.), their first priority is proposing family and others who have been left behind to whom they have obligations. Refugees described feeling like they could not really settle in Australia until they knew that their loved ones were with them and safe.

The refugee experience has meant that many families have been separated by war or persecution. Through the Red Cross Refugee Tracing Service refugees in Australia are sometimes able to trace relatives whom they've been separated from for many years, even some that were thought to be dead. The SHP visa provides an opportunity for these families to be reunited. Others who arrived as asylum-seekers and ended up on Temporary Protection Visas (TPVs) have been unable to propose family until they received a permanent visa, usually between three and seven years but sometimes up to 10 years, after arriving in Australia. For these (mainly men), the SHP visa is used to bring out their spouses and children to Australia whom they have not seen for many years.

Once an SHP visa is allocated, proposers have a set period of time to organise the travel arrangements. This timeframe varied, depending on the overseas post from which the visa was being issued. Proposers reported that it was important to find the money for the airfares as quickly as possible. In some cases, where the proposers were in employment, they were able to save the amount needed for the airfares. This was more common amongst former TPV holders who had been in Australia for longer periods of time. Most proposers interviewed had loans of some kind to pay for the airfares.

In many cases, proposers will submit multiple applications, not knowing which ones will ultimately be granted visas. This leads to a situation for some proposers where they are having to raise money for multiple airfares and supporting a number of people at one time.

While some of the participants had or knew members of their communities who had accessed the IOM loans, knowledge of this loan scheme was sporadic at best. The areas where the IOM loans were being used most were those where the settlement workers were pro-active in encouraging proposers to apply and were assisting with the applications. In general, however many of the service provider participants were also unaware of how to access the IOM loans.

For many proposers the IOM loan, which is available to people on low incomes, presented too many barriers and uncertainties. The 35% deposit required by the IOM loan scheme was considered prohibitive by many of the proposers. For most, the IOM loan required the taking out of another loan to cover the deposit. While many community based loans schemes are now moving more towards loans for the deposit, most of the refugee and humanitarian participants thought it preferable to borrow the full amount from one place. For some, the airfares can add up to over \$10,000 and IOM will usually only lend up to \$4000.

There was also a perception amongst proposers that the IOM loans were too expensive, took too long to process and led to delays in their families arriving. It is also a requirement of the IOM loan that IOM makes all the travel arrangements. Many refugees interviewed believed that the airfares that IOM arranges are more expensive than that which can be arranged through a local travel agent and they include a fee for in-country travel arrangements. While some participants were happy for IOM to arrange the internal travel, especially if there were concerns for the safety of relatives in the country of first asylum, there were others who preferred to arrange the travel themselves.

Most of the participants were unaware of other interest-free or low-interest loans schemes unless they were offered through local agencies, groups or religious organisations. Proposers expressed feeling more comfortable approaching locally based groups or organisations to which they already had links or were recommended by other members of their community. Unfortunately most of the community-based loans schemes had limited resources and were quite small. There was resistance among some participants to accessing loan schemes run by complete strangers and many expressed a preference for loaning from people they knew. This is reflected in the most common loan sources being from friends, family or other community members. There were even cases of new entrants borrowing from friends overseas to pay out IOM loans.

The majority of participants' loans were of an informal nature with little or no paperwork and most with added interest. While many of the lenders were individuals within communities, there were also examples given of private businesses, including travel agents, providing loans with interest. Other ways of raising the money included: lending circles; fund raising; donations (including one example in Kakuma refugee camp of people donating money); and use of credit cards, sometimes borrowed from friends.

In some cases, the cost of travel delays the arrival of families and even splits families. One case was outlined of a family of four that were approved for visas but the proposer could only raise the money for one, causing further separation of a family which had already suffered painful separation due to war. Similar examples were given where visas were allocated for the whole family but lack of funds for airfares would result in only the husband/father arriving and the wife and children being

left behind. The husband would then have to re-apply as a proposer to bring out his wife and children.

CASE STUDY 1

Mary is a Liberian woman who arrived in Australia on a Woman at Risk refugee visa (subclass 204). When she arrived, the Liberian community in Victoria was very small. War had separated her family and for a long time she had no idea if they were dead or alive. She lived a very isolated existence until eventually she received news of family members who had been traced to different refugee camps in West Africa. She began the process of trying to reunite with her family. In total she has proposed 15 family members including her husband, their children and grandchildren. She was lucky that she was linked to a settlement provider who helped her with her applications and assisted her in getting a loan from IOM and a secondary loan for the 35% deposit. Five of her relatives have since arrived and she reluctantly handed over the IOM loans to them, but she is too embarrassed to tell them of the second loan. Instead she has been able to get some work and she is managing to pay off the loan, but she has another 10 relatives who are yet to arrive and is unsure how she will raise the funds.

Loan repayment

With the exception of the former TPV holders who are predominantly proposing immediate family members, in almost all other cases the debt acquired by the proposer was being passed on to the new entrant upon arrival. This is of particular concern considering SHP entrants are coming from refugee-like situations and in many cases are recognised refugees. Most SHP entrants are trying to start a new life with very few resources and are eligible for only minimal settlement support. While it is understandable that proposers who are often new entrants themselves pass on this debt – requiring new entrants at this very early stage of settlement to repay what can be a substantial debt, with or without interest – this is clearly beyond the intention of the policy.

New entrants usually prioritise paying off the debt. For many the gratitude that they have to their proposer for bringing them to Australia prevents them from questioning the loan arrangements or challenging the amount. For some, paying it off quickly means that money will be available for others to borrow. Many are also keen to pay it off so that they can become proposers themselves.

Unfortunately, many examples of exploitative loan arrangements were raised in the focus groups. Proposers are often under a great deal of pressure to find the money for airfares quickly and this makes them vulnerable to exploitation for financial gain. There are a number of reasons why proposers are eager to attain the airfares as quickly as possible. The amount of time from the issuing of the visa is limited and many are afraid that lengthy loan application processes may result in the visa expiring. Others want to expedite the process because they are currently sending large amounts of money overseas to support the family they are proposing.

Informal loans provide access to money quickly and easily. Unlike the IOM loans, there is little or no paperwork to fill in, which is appealing for proposers with low levels of English or literacy skills. There is no deposit, often no need for a guarantor and no eligibility criteria. However, most charge interest, sometimes significantly above the commercial rate and many have very short repayment periods. A number of proposers spoke of just wanting to get family out and worrying about the costs later. However, in most cases, it is not the proposer who will have to deal with the exploitative conditions but the new entrant.

Interest rates of up to 25% were reported, with repayment periods as little as three months and interest increasing if not paid back within the required time. Many SHP entrants in the focus groups questioned the amounts they were required to pay. Most were not shown receipts and were just informed verbally of the amount they owed. Others reported paying full price for infant family members. While participants were now able to look back and question, very few new entrants are in a position to question at the time. Arriving in a new country where they often don't speak the language and have no other community supports, new entrants are often entirely dependent on their proposers. The combination of gratitude and reliance places them in a position of very little power in the relationship.

At the same time, there are a lot of pressures on proposers. In many cases they are responsible for ensuring that the new entrant pays off the debt. This usually means supporting the new entrant, which could comprise a whole family, for the period of the debt. The new entrant/s will usually live with the proposer's family as the cost of the debt will prevent them from being able to afford their own housing. This results in overcrowding and places significant strain on the relationship between proposer and new entrant. This can lead to their relationship breaking down at a time when family and community supports are most needed.

While, in most cases, the proposers are acting in good faith, there are inevitably cases where the proposer takes advantage of the vulnerability of the new entrant. Cases were reported in the focus groups of proposers taking away new entrants' bank cards and Centrelink details so as to ensure all of the entrant's money went towards repaying the loan. There appeared to be differing degrees of exploitation in these actions. In some cases this was presented as a necessary requirement where new entrants were happy for this to occur. It was seen as the best way to pay off the debt as quickly as possible and was accompanied by gratefulness to the proposer for meeting all their material needs while the debt was being paid. Others described it as financial abuse and exploitation. Focus group participants spoke of the loss of control associated with not being able to support their families and further indebtedness to their proposers.

CASE STUDY 2

Beatrice arrived in Australia in 2005, a single mother with five children under the age of 15. She lived with her proposer, whom she had never met before, and who controlled her bank card and Centrelink payments. After two months, the proposer claimed that the money had all been spent on expenses and that she had not paid off any of the \$7000 debt that she owed. With the help of an organisation, she was able to escape from the proposer's house and is now renting her own property. She still doesn't know through whom the loan was organised and has never seen any paperwork, but someone now comes to her house once a month to pick up the repayments. At first she was paying \$800 per month but, after five months, all her other bills were mounting. Luckily she was able to negotiate a reduced amount. However, even with the reduction, she has been unable to manage her other debts acquired when she was making the \$800 monthly repayment. As a consequence, her children go to school without food and she has just received a Notice to Vacate for rent arrears. She is fearful of what the future holds in the country where she thought she would find security.

Exploitative situations were described where proposers profited from the situation by charging more than the initial loan. Some new entrants described having no access to income and being prevented from moving out of the proposer's house until the loan was repaid. One case was reported of a proposer locking away the government-provided Household Formation Package (of furniture and whitegoods) until the debt was repaid. Perhaps the most troubling examples were of single women, often with children, who were forced to live with the proposer with no access to

income. In one case raised, the woman had never met her proposer before. In this case the proposer took all her Centrelink payments for several months and then claimed that they were being used to cover her expenses and that she still owed the full amount of the debt. Another was of a single woman forced to work in the home of her proposer in order to pay off the debt. It is likely that there are other cases of even more serious exploitation than those raised in the focus groups.

Because of the informal nature of the loans and the power imbalance between proposer and new entrant, there were numerous reports of proposers adding other expenses to the debt, including rent, food, clothes, even previous money sent overseas prior to the new entrants arrival. This was reportedly more common at the point where the relationship between the proposer and new entrant starts to break down and turn sour.

Hardship caused

The degree of hardship caused by having to pay for the cost of airfares varied depending on the type of loan, the relationship between proposer and new entrant/s and the employment status of the proposer. However, while those proposing immediate family members (i.e. spouse and children) and those who were in full employment found it less difficult, it is clear that for most the debt causes unnecessary hardship and stress on family relations. The hardship caused must also be seen in the context of isolation and lack of social support. Many new SHP entrants lack the social and community connections that can assist in alleviating poverty and providing support. In many cases, new entrants are so grateful to have found safety that the hardship goes unreported.

Addressing Basic Needs

Focus group participants reported numerous examples of poverty-related hardship as a result of new entrants having to pay off this debt. For most, the debt took up a substantial percentage of their income leaving very little to cover other basic needs. There were reports of families surviving through winter with no heating for fear of high electricity bills. Others reported acquiring high debts for utility costs and some having utilities cut off completely. Bad nutrition was considered a significant issue with reports of families not having enough money to put food on the table and living on chillies and rice.

Many SHP entrants have untreated health conditions due to the lack of access to health care in the countries they have left. These conditions can be exacerbated by poor nutrition and lack of heating and yet many reports came through about new entrants' reluctance to visit GPs or take appropriate medication due to the costs. This is of particular concern for families with young children and pregnant women.

Parents also found it extremely hard not being able to provide their children with any treats or money for entertainment. Children often had a high expectation of life in Australia and found it difficult to understand why they couldn't have what other children at school had. This in turn placed a lot of pressure on parents and strain on family relationships. Examples were also raised of children having to go to school without lunch and in some cases this leading to families being reported for neglect to child protection agencies.

Housing stress was a particular concern for SHP entrants. Most new entrants lived with their proposers for a period of time while paying off the debt. In some cases this extended beyond 12 months. Often this would mean two families living in a three-bedroom house. Overcrowding was reported as a major problem. Focus group participants were concerned that this forced overcrowding was contributing to negative stereotypes of refugees (particularly African refugees as this has been the largest group of new entrants in recent years) and leading to further discrimination by landlords and real estate agents. In some cases families were too large to live in the proposer's house and so families would be split and billeted out to other households. Those not living with their proposers were often in severe housing stress, paying very high rents. This was particularly the case for those with large families. In some case the overcrowding lead to evictions

and homelessness. Homelessness was particularly common among young single men who tended to move from couch to couch because they were unable to afford both rent and travel debt.

Relationships and Financial Strain

The financial pressure created by new entrants having to repay this debt places a significant strain on a number of different relationships. As previously mentioned, the stresses of families living together with their proposers and the strain caused by financial obligations have resulted in many relationships between proposers and new entrants breaking down. Even in those situations where the relationship doesn't break down, a lot of pressure is placed on both the new entrant and the proposer's family. Service providers were particularly concerned about how this situation impacts on both the new entrant's and the proposer's settlement processes, especially as many proposer families are still in the early stages of settlement themselves.

Relationships within families also suffer. A number of participants spoke of tensions between spouses over money because men tended to prioritise the debt but the women controlled the domestic finances. Managing the expectations of children, especially teenagers, was seen as extremely hard. The early stages of settlement are often a difficult time of adjustment for families and this was exacerbated by the extra pressure of a travel debt. Service providers reported cases of family breakdown as well as domestic violence which they saw as connected to financial pressure. Numerous cases were raised of teenagers or adult family members moving out of the household and leaving the debt to the primary applicant. In other cases, teenagers moved out of home and continued to pay their share of the debt while trying to live on youth allowance, often sacrificing stable housing and regular meals.

The financial situation for many refugees and humanitarian entrants is often quite difficult even without the travel costs debt. It is not uncommon for them to borrow money while overseas to buy the items that they believe they will need when they arrive. Many believe that they will have prosperity in Australia and be able to pay back the money straight away. Many also make commitments of support to those left behind and feel obligated to send money overseas. The substantial travel debt comes at a time when new entrants are trying to find their feet and can have a substantial impact on their financial future. Examples were given of teenage children dropping out of school in order to find employment so that they could assist in paying off the debt. Others took cash jobs and ended up with Centrelink debts. Cases of bad credit ratings and even bankruptcy were raised. The significant hardship caused by the extra burden of travel costs can impact on their potential to become independent members of the community.

Conclusion

In the current environment, former refugees and humanitarian entrants are becoming proposers at an earlier stage in their settlement than was previously the case and therefore they are often in a situation where raising the necessary funds to cover airfares is increasingly difficult. While the Federal Government contributes to an interest-free loan scheme managed by the IOM, it is clear that many proposers are not accessing these loans. Community-based loans schemes are available in some areas but are usually under-funded and there is a move amongst many to fund only the deposit for IOM loans. As a result the majority of proposers interviewed were borrowing money for airfares from informal sources, some of which were charging high interest with short repayment times.

With the exception of those cases where the proposer is sponsoring their spouse and/or children, most debts are being transferred directly to the SHP entrant when they arrive. In some cases new entrants are taking on informal loans with no paperwork and highly exploitative conditions. Without the support of their proposer providing them with housing and other basic needs, in most cases they would be unable to make the repayments. This creates a difficult power dynamic between proposer and new entrant that can result in a breakdown of the relationship at a time when support is most needed.

The debts cause a great deal of hardship to both proposer and new entrant. Most significantly in the area of housing, where overcrowding is a problem, that is starting to reflect badly on the communities and has the potential to influence later housing outcomes. Many new entrants are living in poverty and this is causing further strain on family relations during what is a difficult period of early settlement where all family members are adjusting to life in a new country.

If refugees and SHP entrants are to recover from their previous experiences, build themselves a new life and become contributing members of Australian society, then they need support and assistance in the early stages of their settlement. The current situation confronting many SHP entrants of acquiring a debt for their airfares is a significant barrier to successful settlement.

RECOMMENDATIONS

1. Recognising that SHP entrants are in most cases coming from the same situation as refugee entrants, RCOA recommends that the Federal Government cover the costs of airfares for SHP entrants as it currently does for refugee entrants.
2. Short of recommendation 1 being implemented, RCOA recommends that one of the following three strategies be adopted:
 - a. To assist proposers who have particularly high airfare costs (associated with the size of the group being proposed or region the entrants are coming from), the Federal Government cover the extra costs beyond a set minimum threshold for individuals and families.
 - b. The Federal Government introduce a HECS like loan scheme for new SHP entrants that allows them to repay their debt once their income reaches a certain threshold.
 - c. The Federal Government fund and develop an interest free loan scheme that allows proposers to borrow the full amount, is not means tested, has reasonable repayment periods and is administered through local community agencies.
3. In the interim, RCOA recommends that:
 - a. IOM explore options for improving its connections with community-based organisations involved in issuing travel loans, to build a more effective strategic partnership between its national loan fund and organisations with closer connections to those being settled.
 - b. A communication strategy be implemented by IOM to ensure that information about how to access their loan scheme is distributed as broadly as possible and especially among potential proposer communities.
 - c. The deposit requirement for IOM loans be removed and IOM provide loans for the full amount of the airfares, acknowledging that this requirement is a significant barrier to access.
 - d. IOM review its eligibility criteria that restrict loans only to proposers on low incomes in recognition that, in most cases, the debt is transferred to the new entrant.

APPENDIX A - Contributing Organisations

Adult Multicultural Education Services (AMES) Settlement (Dandenong, Footscray & Preston)

Centrelink – Mildura office and Shepparton office

Department of Human Services, Refugee Minor Program

Ethnic Communities Council of Shepparton

Goulburn Ovens Institute of TAFE

Goulburn Valley Community Health Service - Refugee Health Nurse Program.

Indo-China Refugee Association

Iraqi Association of Shepparton

South East Region Migrant Resource Centre (SERMRC)

Spectrum Migrant Resource Centre

Springvale Community Aid and Advice Bureau (SCAAB)

Sunraysia Ethnic Communities Council

Sunraysia Institute of TAFE