Australian Government
Department of Home Affairs

Discussion Paper: Reforming Australia's Settlement Grants Programs September 2026

Building stronger pathways to economic participation, social connection and self-reliance

Australia's settlement services help migrants and humanitarian entrants establish their lives in Australia and contribute to the nation's economic and social success. They support people to navigate unfamiliar systems, build new community connections, access education and employment opportunities, and participate fully in Australian society.

As Australia's migration and humanitarian programs continue to evolve, there is an opportunity to ensure the settlement support system remains fit-for-purpose and responsive to changing client needs. The Government is therefore considering options to modernise settlement grants programs, including through greater integration of existing services.

The objective is to create a settlement grants system that is:

- easier for clients to navigate
- focused on long-term outcomes
- responsive to diverse needs and pathways
- aligned to economic participation, economic security and social connection
- capable of supporting successful settlement over time.

This discussion paper seeks stakeholder views on how settlement grants programs can best support these objectives.

Reform scope: This consultation focuses on the future design of settlement support services that assist migrants and humanitarian entrants to build social connections, navigate key transitions and participate economically in Australia. While these services are currently delivered through the Settlement Engagement and Transition Support (SETS), Youth Transition Support (YTS) and Economic Pathways for Refugee Integration (EPRI) programs, the consultation is intended to inform future approaches to service delivery rather than assess individual existing programs. Broader settlement, language and humanitarian support programs such as the Humanitarian Settlement Program, Australian Cultural Orientation Program and the Adult Migrant English Program are outside the scope of this process.

Grant programs at a Glance

Settlement Engagement and Transition Support (SETS)
Supports participation, independence and connection to Australian society.

Youth Transition Support (YTS)
Supports young people from migrant and humanitarian backgrounds to navigate education, employment and social transitions.

Economic Pathways to Refugee Integration (EPRI)
Supports pathways to employment and economic participation for refugees and humanitarian entrants.

These programs achieve valuable outcomes. However, they were developed at different times, for different purposes, and through separate funding streams. As a result, clients may move between multiple programs and service providers throughout their settlement journey.

The Government is seeking views on whether a more integrated model could:

- strengthen pathways to employment and economic participation
- improve economic security and self-reliance
- support stronger social connections and community participation
- improve service coordination and navigation
- deliver more seamless support across the settlement journey.

Why Reform?

Research consistently demonstrates that early engagement with settlement services contributes to stronger long-term employment, participation and wellbeing outcomes.[1] Evidence also suggests that economic participation, social connection and community engagement are mutually reinforcing drivers of successful settlement.

At the same time, navigating services can be challenging for some migrants and humanitarian entrants, particularly those with complex needs or disrupted pre-arrival experiences.[2] Young people may require additional supports across multiple domains including education, employment and community participation to overcome their intersectional vulnerability.[3] Many humanitarian entrants experience financial hardship during their early years of settlement, highlighting the importance of supports that strengthen pathways to employment, economic participation and self-reliance.[4]

[1] SCOA (2026)
[2] AIFS (2024)
[3] BNLA (2024)
[4] AIFS (2024)

Research also suggests that outcomes are strengthened when migrants are supported to build both connections within their own communities and connections with the broader Australian community.[5] This combination of "bonding" and "bridging" social capital supports social inclusion, economic participation and longer-term integration outcomes.

These findings highlight the importance of a settlement system that is:

- coordinated
- easy to access
- focused on capability-building
- responsive to individual needs
- connected to long-term outcomes
- a whole-of-community approach to achieve settlement and integration outcomes

There is an opportunity to consider whether existing settlement grants programs could work more effectively as part of a more integrated system.

What Outcomes Are We Seeking?

The Government is interested in how settlement services can contribute to stronger outcomes across three interconnected domains.

Economic Participation

Supporting people to access employment, training, skills development and pathways to economic independence.

Social Connection

Supporting people to develop connections to community, strengthen belonging, participation and inclusion.

Youth Pathways

Supporting young people to successfully navigate education, employment and social transitions that contribute to long-term settlement success.

These outcomes are supported by successful transitions throughout the settlement journey, particularly participation in education and training, entry into employment, financial stability, and the development of social networks and community connections. Together, these factors contribute to improved economic security, increased self-reliance and stronger long-term settlement outcomes.

[5] AIFS (2024)

A Future Integrated Settlement Grants Model for Longer-Term impact

The Government is considering whether an integrated settlement grants model could better support individuals across their settlement journey by bringing together services that contribute to economic participation, social connection and youth transitions.

A more integrated approach could potentially:

- reduce fragmentation and duplication across programs
- merge SETS, EPRI and YTS into a single integrated program with the following streams:
    - economic participation
    - social connections (including social bridges)
    - youth pathways.
- improve client pathways and navigation
- strengthen connections between social and economic outcomes
- support more coordinated and holistic service delivery
- create stronger links to long-term settlement outcomes

This provides a unique opportunity to better align settlement support with the key transition points that influence long-term settlement outcomes. This includes supporting participation in education and economic participation pathways, and the development of social and community connections. The Government is interested in stakeholder views on how a reformed system can best support individuals to achieve these outcomes early in their settlement journey and sustain them over time.

Feedback received through these consultations will inform future budget considerations.

Key Design Considerations

The Government is seeking stakeholder views on the opportunities, risks and design considerations associated with this approach, with a focus on:

- **Structure**: Retaining strengths of existing programs within the integrated model while improving coherence
- **Outcomes**: Balancing economic participation, social connection and youth outcomes
- **Access**: Ensuring equitable access across locations and diverse cohorts
- **Delivery**: Appropriate balance between national consistency and local flexibility
- **Alignment**: Achieving strong connections between employment, training pathways and other settlement and mainstream service systems

Consultation Questions

Your feedback will be taken into consideration in designing features of the new program. Please provide evidence and/or rationale for your responses to the below questions.

1. Service Design
How could settlement support services achieve strong economic participation, social connection and youth outcomes?
Consider:

- How can an integrated model provide seamless support for clients with needs across multiple streams?
- How should the new program be set up to ensure client outcomes are aligned with the Refugee and Humanitarian Entrant Settlement and Integration Outcomes Framework?
- How do settlement services and grants contribute to successful settlement outcomes, and how are these defined and measured?

2. Targeting and Access
How can services ensure support is accessible, equitable and directed to those with the greatest settlement needs?
Consider:

- How should the program respond to the needs of different client cohorts and locations?
- What factors should guide service delivery in regional and remote areas?

3. Service Delivery and Outcomes
What service delivery approaches would best support long-term settlement outcomes and value for money?
Consider:

- How can coordination between settlement services, mainstream services and employment programs—particularly Workforce Australia and Inclusive Employment Australia—be strengthened to support the Government's economic and community participation priorities?
- How can duplication be reduced and client pathways improved?
- How can better collaboration be embedded and incentivised within an integrated program?
- To what degree should settlement grants be delivered by organisations with established links in local communities? Why? How should national consistency be balanced against community responsiveness and social capital?

Have Your Say

The Government welcomes feedback from stakeholders to inform the future design of a more integrated, outcomes-focused settlement grants system.

Submissions can be provided via email by Monday 12 October 2026 to

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Further consultation will include roundtables and targeted engagement.

References

This discussion paper draws on a range of settlement research and administrative data sources, including:

1. Australian Institute of Family Studies (2024), *Building a New Life in Australia: 10 Years of Humanitarian Settlement Outcomes*. Melbourne: AIFS.
2. Marshall, D. and Rioseco, P. (2024), *Building a New Life in Australia: 10 Years of Humanitarian Settlement Outcomes – Youth Module Addendum*. Melbourne: Australian Institute of Family Studies.
3. Settlement Council of Australia and Deloitte Access Economics (2026), *Accelerating Settlement Outcomes: A Research Report on the Role of Early Support in Humanitarian Migrants' Social and Economic Participation*. Settlement Council of Australia.
4. Australian Bureau of Statistics, *Migrant Settlement Outcomes Data* (various releases).