



**Response to the Productivity Commission
Draft Report on Childcare and Early
Childhood Learning**

Written by Wendi Aylward

On behalf of the Cultural Au Pair in Australia Association (CAPAA)

www.capaa.com.au

September, 2014

CAPAA welcomes the acknowledgment of Au Pairs as part of the childcare landscape and their inclusion in the Commission's Draft Report. The purpose of this submission is to offer a response to points raised in the Draft Report and at the recent public hearings.

CAPAA looks forward to continuing the dialogue with the Australian Government, the Productivity Commission and the broader childcare industry. International Au Pairs are the preferred choice of childcare for an increasing number of Australian families and as such should be part of any industry dialogue about the future of childcare in Australia.

Wendi Aylward

CAPAA President

September 4, 2014

Contents

1. Changes to the Current Visa	Page 4
2. Regulating the Provision of Au Pairs to Families	Page 7
3. Cultural Exchange	Page 9
4. Measuring Outcomes	Page 10
5. Compensation	Page 12
Concluding Remarks	Page 13

Changes to the Current Visa

CAPAA welcomes the Draft Recommendation (8.7):

The Australian Government should simplify the working holiday visa requirements to make it easier for families to employ au pairs, by allowing au pairs to work for a family for the full 12 month term of the visa rather than the current limit of six months.¹

This change is a positive step to addressing the current seasonal shortages. CAPAA would like to include the following visa changes for consideration as part of the final draft recommendations:

1. **Extension of the draft recommendation (8.7) to include the Work and Holiday visa (subclass 462).** With similar conditions to the Working Holiday visa, the Work and Holiday visa has become the default visa agreement for new countries seeking a Working holiday- type arrangement with Australia .² Currently Au pairs coming to Australia will use either the Working holiday or Work and Holiday visa and therefore any recommendation to extend the 6 month rule to 12 months should include both the 417 and 462 visa subclasses.
2. **Provision of a 1 month travel period -** The Commission has recommended an extension of the work period from 6 months to 12 months under the current Working holiday visa (subclass 417). As part of this change CAPAA recommends that a 1 month travel period be added to the Working Holiday visa to allow sufficient time for Au Pairs to travel.

Consideration under the 416 Special Program Visa - CAPAA believes the current 416 visa is an appropriate model for an Au Pair program. The visa's purpose aligns with the experience which Au Pairs are seeking when coming to Australia:³

¹ Page 377 of the Draft Report

² <http://www.immi.gov.au/media/fact-sheets/49awhp.htm>

*The visa is designed to enhance international relations and cultural exchange by allowing persons to share cultural, social experiences, knowledge and skills in the Australian community through cultural enrichment, community benefits or youth exchange programs.*⁴

CAPAA's initial submission to the Commission recommended the inclusion of Au Pairs under the 416 subclass. This recommendation was not supported by AuPairWorld in its response to the Commission as they argued that CAPAA's recommendation was based upon self-interest.

CAPAA disagrees with this response. AuPairWorld offers an internet platform to facilitate Au pairs and families to find each other. AuPairWorld does not screen or provide any ongoing support to Au Pairs or families during the Au Pair's placement and therefore AuPairWorld would not be eligible to become a sponsor under this visa. Furthermore, AuPairWorld is not registered as a business in Australia so does not meet one of the basic criteria to become a 416 visa sponsor.⁵

The 416 Special program visa is very similar to the US J1 visa in both its purpose and intent and CAPAA believes is a relevant model to use in considering Au Pairs under the 416 subclass. US J1 Au Pair Sponsors are required to:

- Ensure Au Pair applicants meet the program's eligibility requirements;
- Screen and select host families and Au pairs according to selection criteria stated in the J1 regulations;
- Provide Au pairs with instruction and guidance prior to departure to help them to prepare for their placement;
- Monitor the placement to ensure care is limited to no more than 10 hours per day, and to a maximum of 45 hours per week;
- Ensure Au pairs are compensated for their work according to a stipulated weekly stipend.⁶

³ http://www.pc.gov.au/_data/assets/pdf_file/0003/133806/sub238-childcare.pdf page 9

⁴ <http://www.immi.gov.au/Visas/Pages/416-sp.aspx>

⁵ http://www.pc.gov.au/_data/assets/pdf_file/0020/135560/sub446-childcare.pdf

CAPAA has submitted a proposal to the Department of Immigration and Border Protection for the inclusion of Au Pairs under this visa which is under consideration. CAPAA recommends that the Commission consider the 416 visa as part of its recommendation for visa changes for Au pairs.

3. Inclusions of Au Pair under the Second Working Holiday Approved

Industries List - CAPAA's initial submission to the Commission recommended Au Pairs be considered as an eligible 'industry' for the second Working Holiday visa in order to address critical childcare shortages in regional areas. CAPAA requests that this proposal be considered under any final recommendations by the Commission.

⁶ <http://j1visa.state.gov/programs/au-pair#program-sponsors>

Regulating the Provision of Au Pairs to Families

CAPAA welcomes acknowledgement in the Draft Report that an agent's screening can reduce risks:

*Agencies that facilitate the placement of international au pairs with families undertake varying degrees of vetting and this can reduce such risks to some extent. Au pairs employed through agencies are also better able to access information and advice about their rights and obligations.*⁷

CAPAA agrees with the Draft Report's finding that the *Au pair industry is largely unregulated*⁸. In its response to the Commission, AuPairWorld argues against screening, presumably as it is an internet platform, it does not have the mechanism to deliver this.

CAPAA believes screening is central to any Au Pair placement and in response to AuPairWorld we argue that it is a fundamental child protection requirement. CAPAA does not support any Au Pair model that does not offer screening as part of its recruitment process.

In lieu of any regulatory screening requirement, a condition of membership to CAPAA is the member demonstrating the provision of screening during their recruitment process.

Screening is generally measured by the completion of the following steps:

- Reference checks
- completion of an interview
- Completion of a First Aid course
- Completion of a medical check and police check
- Ensuring an Au Pair has the appropriate immunisations

CAPAA members currently complete all of the above steps. AuPair-Assist's assertion in the Draft Report that *'most au pairs also do not hold a current first aid*

⁷ Page 377 of the Draft Report

⁸ Page 377 of the Draft Report http://www.pc.gov.au/__data/assets/pdf_file/0008/138383/childcare-draft.pdf

qualification and few have undergone a working with children check from either overseas or Australia (AuPair-Assist sub. 153) is not correct for CAPAA member programs.⁹ In the absence of a regulatory requirement for Au pair screening, CAPAA members will continue to complete this step.

CAPAA strongly recommends the introduction of mandatory screening for all Au pairs in the Commission's final recommendations.

⁹ Page 377 (AuPair-Assist sub. 153) in the Draft report

Cultural Exchange

The Draft Report notes the promotion of cultural exchange under the Working Holiday visa. CAPAA welcomes this acknowledgement which aligns with the original purpose of the visa:

‘to enhance the cultural and social development of young people, promotes mutual understanding between Australia and other nations and is an important part of the tourism industry.’¹⁰

One of the reasons an Au pair chooses to come to Australia is the cultural exchange experience so this element must be part of any future Au pair program. In its submission to the Commission AuPairWorld states that it provides information about cultural exchange on its internet platform. CAPAA believes that an internet platform offers no mechanism to monitor the cultural exchange element.

We believe that any international Au pair placed with an Australian family comes under the umbrella of cultural exchange and therefore we support any recommendation that an Au Pair provider must assist in facilitating this experience. Further, CAPAA recommends that as part of any future sponsored Au pair program, the provision of cultural exchange must be clearly stated in terms of delivery and ongoing monitoring.

¹⁰ <http://www.immi.gov.au/media/fact-sheets/49whm.htm#b>

Measuring outcomes

There is no known data to measure the impact that an Au Pair placement has on the family or the Au Pair. In the last 5 years there have been many stories in the media demonstrating the value and long term positive impact an Au Pair has on a family. The outcomes have yet to be collected or measured.

In 2014 a report was published by a US J1 Au Pair sponsor, Au Pair in America (APIA) to explore the impacts of its Au pair program on its alumni. Some of the outcomes that were measured were:

- the understanding of US culture and society
- personal development
- career direction
- employability
- global outlook
- travel

The report contained responses from 6,200 former alumni that were Au pairs in the US between 1987 – 2012. The following is a snapshot of the key findings from the report. These findings demonstrate the positive outcomes and it is reasonable to assume that the same type of program in Australia would produce similar outcomes. A full copy of the report will be included with this submission.

Personal Development

Better understanding of themselves and their values	95%
Ability to accept differences	90%
Friendships with people from other countries	94%
Traveled alone or with friends around the country	75%

Global Outlook/Local Involvement

Development of friendships with people from other nations	94%
Ability to communicate in my home country about US citizen and culture in a more informed and positive manner	88%
More tolerant attitude toward the US and its involvement in world	65%

affairs	
---------	--

Understanding of US Culture and Society

Attitude towards the US and its people become more positive	80%
Living with an American family contributed to their general understanding of US culture	70%
Maintained contact with their host family and considered them to be family	71%

Travel

Travelled within the US or other cities with friends or alone	100%
I travelled within the US with my host family	75%

Community engagement

I did volunteer work or community service	24%
---	-----

The introduction of a regulatory framework, mandatory monitoring and expansion of the visas for Au Pairs would allow similar data to be collected in Australia. CAPAA supports the inclusion in the Commission’s recommendations that Au Pair providers collect data from families and Au Pairs in order to monitor outcomes and assist in delivering a positive experience.

Compensation

The Draft Report acknowledged there is little data collected about the hourly or weekly rate that is paid to an Au Pair.¹¹ Depending on how and where the Au Pair was recruited, the weekly or daily payment can vary greatly. CAPAA would like the Commission to consider the introduction of mandatory minimum payments to ensure Au Pair's are fairly compensated. For this purpose CAPAA has applied the New Zealand model where the Au Pair's weekly pocket money is calculated using the average costs of room and board under a homestay, less the average hourly rate for a Child Care Worker.

Proposed Au Pair Payments

Homestay costs	\$350 ¹²
Hourly rate ¹³	17.25 per hour

Category 1.

Weekly hours 30 hours
\$17.25 x 30 = \$517.50 -
 \$350.00
 \$167.50

Category 2.

Weekly hours 40 hours
\$17.25 x 40 = \$690.00 -
 \$350.00
 \$340.00

CAPAA welcomes discussion with the Commission about mandatory minimum compensation.

¹¹ Page 390 of the Draft Report

¹² ¹² Homestay rates vary however for this model we have used the current rate for a VIP homestay with HomestayDirect. This company's weekly rate ranges between \$270- \$370 depending on package selected. For the purpose of the model we have used a rate from the upper range <http://www.homestaydirect.com.au/homestay-students.html>

¹³ Minimum hourly rate for Children's Services Employee (level 1.1) under the Children's Services Award 2010

<http://www.airc.gov.au/awardmod/awards/MA000120.pdf>

Concluding Remarks

CAPAA members collectively provide a significant portion of the Au Pairs that come to Australia however the recommendations in this submission should be a requirement for any company that recruit or facilitate the placement of an international Au Pair with an Australian family.

CAPAA believes that continuing to recruit Au Pairs without a regulatory framework is creating an environment that may attracts operators whose priorities are skewed away from the welfare and safeguarding of the children.

The inclusion of Au pairs in the Commission's Draft Report is welcomed by CAPAA and no doubt by many Australian families that have Au Pairs as their preferred form of childcare. With such a growing demand from families and the strong likelihood that the Au Pair industry will continue to expand, CAPAA believes it is timely that the recruitment, screening and provision of Au pairs is more closely examined.

It is hoped that the recommendations raised in this submission will assist in the planning of Australia's future childcare. We believe international Au Pairs hold a very important and valuable place in Australia's future childcare solution.