

Future demand for Au Pairs

An Industry Perspective



Written by Wendi Aylward

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

January, 2014

Contents

1. **Introduction**
2. **Background**
3. **Why Au Pair?**
 - a) Flexibility
 - b) Shortage of childcare
 - c) Accessibility of affordable care
 - d) Cultural exchange
 - e) Preference for in-home care
4. **The Future of Au Pairs in Australia**
 - a. Inclusion under the childcare rebate
 - b. Extension of the 6 month rule
 - c. Inclusion under an approved second working holiday industry
 - d. A dedicated Au Pair visa
 - i. Eligibility
 - ii. Duration
 - iii. Screening
 - iv. Arrival orientation
 - v. Support
 - vi. Reporting
 - vii. Health and accident insurance
 - viii. Reciprocity
5. **Other considerations for the AU Pair industry**
6. **Conclusion**

1 Introduction

In the last 10 years an increasing number of families have begun to seek alternative options to traditional childcare. Childcare shortages, the need for flexibility and the rising costs of childcare have all contributed to this shift.

In 2012 the Cultural Au Pair in Australia Association (CAPAA) was established as a peak industry body for Au Pair agencies and a voice for the industry. Its members are required to provide comprehensive screening and support, and adequately prepare an international Au Pair and their host family for their placement. The association places a priority on the underpinning cultural exchange element of an international Au Pair program and its members are proactive in promoting this as a core component of the experience.

In this submission an explanation will be offered for why an increasing number of families are seeking Au Pairs, the current challenges facing this sector and a possible way forward with the introduction of visa changes. This submission will also recommend the inclusion of Au Pairs under a childcare rebate and the accreditation and greater accountability for agencies offering international Au Pairs under a cultural exchange program.

The call for alternative childcare options has never been louder. Au Pair is part of the childcare landscape so it must be acknowledged now as more than just a temporary childcare solution. For a growing number of families it is their sole form of childcare and an investment in their children's future. Resolving the current challenges facing the industry and its stakeholders will set a solid foundation to address future childcare shortages, provide another source of affordable care and be a positive signal to families wishing to return to the workforce. We hope that this report will open a dialogue with industry, government and other critical stakeholders in the timely inclusion of Au Pair in future childcare planning.

Wendi Aylward
CAPAA President
January 31, 2014

2 Background

'Au Pair' comes from the French word 'Au Par' meaning "equal" or "on par." Generally an Au Pair is defined as a person from another country who cares for the children of a family in exchange for board and a stipend. Light house work relating to the children and as a member of the family is also a requirement in most placements.

Choosing an Au Pair as a childcare solution is a relatively new concept for most Australian families although in Western Europe and the United States formal Au Pair programs have been running for the last 25 years.

Since the inception of the Working Holiday scheme Australian families have hosted Au Pairs. These placements were normally arranged informally or through a small number of agencies who offered Au Pairs as a small part of their overall services.

Step forward to the last 10 years and the demand for Au Pairs has grown as families seek alternatives forms of care. As part of this growth Au Pair specific programs and agencies emerged with the sole purpose of placing international Au Pairs with Australian families. Agencies varied greatly in their fees, screening processes varied and the support to families.

In the last 5 years the sector has grown further and the demand for Au Pairs has never been greater. CAPAA members have witnessed a twofold, sometimes threefold increase in inquiries for this period. Many of these inquiries come from regional areas where there is little access to traditional childcare.

An important obstacle to sourcing a sufficient number of Au Pairs has been the seasonal nature of the industry. Au Pairs currently arriving on the Working holiday program tend to arrive outside the periods the times Australian families need them. This discrepancy has meant that many agencies cannot provide a sufficient number of Au Pairs to meet the demand.

Without an Au Pair or alternative childcare many families have simply been unable to return to the workforce. Without changes to the current Working Holiday visa or the introduction of a dedicated Au Pair visa it is unlikely that the industry will be able to address the demand.

3 Why Au Pair?

There are many reasons a family chooses an Au Pair over other childcare care options. The most frequently given reasons are:

a) Flexibility

Increasingly families work outside of the non-standard '9 to 5' Monday to Friday working week. CAPAA agencies' clients include families who work weekends, have regular extended work hours or who have commitments that preclude them from using standard childcare.

b) Shortage of childcare

Many inner city and regional families do not have access to traditional child care. According to a recent national study, one in five families in NSW must wait a year or longer for a childcare place. ¹In inner city areas *it is significantly more difficult to find a place for babies and children aged under three*² which delays the return of the parent to the workforce.

In regional areas an Au Pair is the only option when faced with the shortage or absence of traditional childcare centres. The situation has deteriorated and in recent years there is evidence of families leaving regional areas as a result of childcare shortages.³

c) Accessibility of affordable care

The cost of child care is currently between 8-9% of gross income.⁴ In the past year childcare costs have increased at close to double the rate of inflation. Costs have risen in all states although the biggest increases were in Western Australia, the ACT and the NT. A family with 2 children in care can currently expect to pay \$728 per week.⁵

In comparison an Au Pair can cost a family less than half the cost of formal childcare for 2 children and can offer care over school holidays when many families struggle to find temporary childcare.

¹ Nannies win from Childcare shortage, Cosima Marriner, April 21, 2013
<http://www.smh.com.au/nsw/nannies-win-from-childcare-shortage-20130420-2i702.html>

² Industry group backs parents' call for more, and more affordable, childcare, Rebecca Nash, August 2, 2013
<http://www.abc.net.au/news/2013-07-25/push-to-overhaul-childcare-system/4841160>

³ Childcare shortage driving families out of town, Melissa Maddison, November 29, 2011
<http://www.abc.net.au/local/stories/2011/11/29/3379231.htm>

⁴ ACT families pay nation's costliest childcare, Megan Doherty, December 30, 2013
<http://www.canberratimes.com.au/act-news/act-families-pay-nations-costliest-childcare-20131229-301z9.html>

⁵ Cost of childcare hitting families, January 28, 2014
<http://www.skynews.com.au/businessnews/article.aspx?id=945421&vid=4318293&cid=Business>

d) Cultural Exchange

Very little formal research has been completed on the impact an Au Pair has on a family and the community as a whole yet the cultural exchange element of Au Pair is often cited as a reason families choose an Au Pair. Hosting an Au Pair is an opportunity for the family's children and other family members to actively share their culture and form bonds with their Au Pair that last well after the placement has finished.

A report on international Au Pairs coming to the US under the J1 Au Pair cultural exchange program evidenced this lasting impact of cultural exchange. 80% of the 6,200 Au Pairs that were surveyed said their attitude towards the United States and its people had become more positive as a result of their Au Pair experience. 70% surveyed said that living with an American family contributed to their general understanding of American culture.⁶

e) Preference for in-home care

Every child responds to childcare differently in a care situation. For some families their child responds well in a familiar location – their own home with their own belongings versus the more traditional form of childcare. There is also less need for travel and less exposure to illness.⁷

⁶ Au Pair in America *Program Outcomes – A view from Our Alumni 1987 – 2012*", 2013, Au Pair in America

⁷ <https://www.careforkids.com.au/articlesv2/article.asp?ID=54>

4 The Future of Au Pairs in Australia

Currently there are substantial obstacles preventing agencies from responding to the increased demand from families for Au Pairs:

- A 6 month cap preventing families from hosting an Au Pair for a longer period
- The exclusion of Au Pair from the existing childcare rebate
- The proliferation of agencies offering little or no screening or support
- The absence of an Au Pair specific visa to countries not under the Working holiday visa scheme

CAPAA would like to make the following recommendations to remove these obstacles:

a. Inclusion under the childcare rebate

A rebate under the current model is feasible with Au Pairs being recruited and placed solely through an accredited agency. New Zealand is an example where an Au Pair program delivered through accredited agencies give families the option to claim child care subsidies.

b. Extension of the 6 month rule

Currently the duration of the Working Holiday visa is 12 months with a limitation of 6 months with no option to extend for a further period. CAPAA supports a longer placement under the existing Working holiday visa. This will give the family continuity of care who seek longer placements and reduce the disruption from handovers that occur every 6 months.

c. Inclusion under an approved second working holiday industry

Despite the number of working holiday visas issued every year, the need for Au Pairs, particularly in regional areas outstrips the number of available Au Pairs. To apply for a second Working Holiday visa, the Applicant must complete three months of specified work in regional Australia whilst their first Working holiday visa is still current. Approved industries include plant and animal cultivation fishing and pearling, tree farming and felling mining and construction.⁸ CAPAA supports the inclusion of Au Pair under the 'Approved Industries' list for the second year working holiday visa. This inclusion would increase the number of overall Au Pairs but significantly Au Pairs to the regional areas that need them.

⁸ <http://www.immi.gov.au/Visas/Pages/417.aspx>

d. A dedicated Au Pair visa

There are currently no conditions set by the Australian Government for the screening, placement and ongoing support of Au Pairs coming to Australia under a Working Holiday visa. In comparison the US J1 Au Pair cultural exchange program is run through Government accredited agencies who screen Au Pair applicants, complete background checks and offer on the ground support. Au Pairs from any country are eligible to apply providing they meet the criteria of the program. ⁹

CAPAA supports the introduction of an Au Pair program under the 416 Special Program visa or an Au Pair specific visa similar in nature to the United States J1 visa. The 416 visa category could potentially accommodate this type of program and ensure that the provisions protecting and supporting families and Au Pairs are part of an agency's accreditation. Under the 416 visa it could also potentially accommodate the expansion to non-working holiday Visa countries such as Brazil and Spain whose seasonal patterns more closely align with the needs of Australian families.

i. Eligibility

CAPAA supports using the Working holiday (417) visa model that limits participation to applicants aged 18-30.

ii. Duration

CAPAA supports a program of up to 12 months in duration.

iii. Screening

CAPAA strongly supports comprehensive screening of all prospective Au Pairs. In most cases Au Pairs are recruited offshore through a third party agent that works directly with the accredited Australian counterpart. The Australian agencies are ultimately responsible for the Au Pair so any steps to introduce a dedicated Au Pair visa should also detail the role of the offshore agent. CAPAA recommends screening of an Au Pair should include:

⁹ <http://j1visa.state.gov/programs/au-pair/>

- A comprehensive application that references in detail the Au Pair's experience with children.
- References - a minimum of 2 references with clearly definitions of the type of reference that can be accepted. For example experience gained caring for family members would not be treated as formal experience meeting eligibility criteria.
- A Medical check completed by both the Applicant and the Applicant's doctor
- First Aid certificate
- A Police check from their home country
- Child Protection and Safeguarding screening

iv. Arrival Orientation

When participants arrive in the host country, our local staff are trained to help them settle quickly and gain the most from their placement. An orientation upon arrival may include the following:

- Australian culture, transitioning to their placement
- Child Protection & Safeguarding
- Review the weekly plan and its purpose and the care of the children
- Support and during the placement
- general laws and customs

v. Support

- The agency will be responsible for ensuring the Au Pair fulfil the requirements of the program and support them as required including 24/7 emergency support.

vi. Reporting

- Under the proposed visa model the agency will complete an annual report for the Dept of Immigration and Border Protection with the number of Au Pairs arrivals by country. This reporting would replicate the current reporting under the 416 Special Program visa.

vii. Health and Accident Insurance

- The agency to ensure participants have medical and liability insurance for the full duration of the program
- inform participants on how to get medical help

- provide a 24 emergency number

viii. Reciprocity

- CAPAA supports similar opportunities should be offered to young Australians. Any accredited agency should be able to demonstrate that they offer an international Au Pair programs to young Australians although we believe it should not be a goal to achieve one-to-one reciprocity.

5 Other considerations for the Au Pair industry

Au Pairs do not replace childcare workers in traditional childcare. The objective of this program is to continue to foster cultural exchange, provide an alternative source of care for families and help offset the shortage of childcare options. It is expected that any Au Pair program will run side by side other childcare options.

Another consideration often forgotten is the tourism revenue generated by this segment is substantial and growing. The average Working Holiday maker stays for 8 months and spend \$13,000. In 2011 the Working holiday sector boosted the Australia GDP to \$320 million and expenditure on goods and services to \$630 million. The increase in Au Pairs would provide a corresponding positive impact on tourism. Regional Australia in particular that has experienced families leaving due to childcare shortages would prosper from this change.¹⁰

¹⁰ The Importance of the Working Holiday Visa (Subclass 417) Position Paper February 2012, Australian Tourism Export Council.

6 Conclusion

The demand from families for Au Pairs is growing and can no longer be dismissed as an informal arrangement. International Au Pairs present a very attractive opportunity for the Australian Government: the opportunity to grow inbound youth tourism whilst addressing a childcare shortage. Providing the correct steps are put in place now this option can only be a positive step. CAPAA is confident of the capacity of existing agencies to administer and support a significant increase in Au Pair numbers to Australia. We welcome the opportunity to become part of the solution and join the dialogue at this stage in the planning of Australia's future childcare.

END.