



***Submission to the Joint Standing Committee for the
Review of the Working Holiday Maker Program***

July 2020

Written by Wendi Aylward on behalf of Cultural Au Pair in Australia Association (CAPAA)

Contents

RECOMMENDATIONS - OVERVIEW	3
1. ABOUT THE CULTURAL AU PAIR IN AUSTRALIA ASSOCIATION (CAPAA).....	4
2. SIZE & BACKGROUND OF THE AU PAIR INDUSTRY UNDER THE WHM VISA.....	5
3. VALUE OF THE WHM PROGRAM	7
4. THE IMPACT OF COVID-19 ON THE AU PAIR SECTOR	10
5. RECOMMENDATIONS	11
6. CONCLUSION	13

Recommendations - Overview

Short-term Recommendations

1. Establish a COVID-Safe Corridor to enable Au Pairs under the WHM visa to re-enter under the proposed BYTAP Pilot.
2. Offer cost neutral or affordable quarantine options while quarantine remains in place.
3. Include Au Pairs under the essential work category (Childcare) so they may be eligible to apply for a second or third WH visa.
4. Triple existing 462 visa quotas on all countries which are currently set at less than 2,000.
5. Grant an automatic 408 visa extension to all WHMs currently in Australia without the necessity of demonstrating current employment.
6. Grant existing 417 and 462 visa holders an automatic extension of 12 months without penalty if due to the pandemic, they were unable to enter Australia or returned home prematurely.
- 1 Subsidise WHM visa fees for the next 2 years.
- 2 Recommence 417 and 462 visa processing.

Long-term Recommendations

9. Consideration to shift Au Pairs to the 408 visa (Special Programs sub-category) in order to provide greater regulatory control.
10. Expansion of the existing WHM scheme.

1. ABOUT THE CULTURAL AU PAIR IN AUSTRALIA ASSOCIATION (CAPAA)

The Cultural Au Pair in Australia Association (CAPAA) was established in 2012 as a peak Au Pair agency industry body. CAPAA member agencies are located across Australia and provide Au Pairs to nearly 5,000 families every year. Australia accepts Au Pairs from over 20 countries. CAPAA's objectives are to:

- Represent the interests and aims of the Au Pair industry in Australia;
- Promote the benefits of Au Pair cultural exchange programs;
- Work with Government, the broader childcare sector and the community to establish agreed standards for Australian Au Pair programs;
- Support and assist its members in the delivery of quality cultural exchange Au Pair programs.

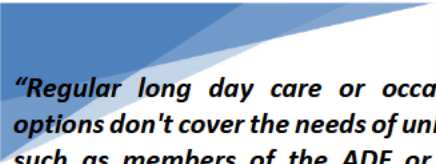
For more information: <http://capaa.com.au>



2. SIZE & BACKGROUND OF THE AU PAIR INDUSTRY UNDER THE WHM VISA

An international Au Pair is defined as a person from another country whose primary role is to assist a family with childcare and child-related domestic duties. The Au Pair receives board and pocket money and participates in a cultural exchange. Besides addressing a practical need, the experience mutually broadens an understanding of each other's cultures and provides a deeper and more enriching exposure of Australian life.

Au Pairs come to Australia primarily for three reasons: cultural exchange, the opportunity to gain international experience caring for children, and to improve their English.



"Regular long day care or occasional care options don't cover the needs of unique careers such as members of the ADF or emergency services. We are dependent on the in-home care option that Au Pairs offer."

CAPAA Survey respondent, June 2020

During the last 10 years, an increasing number of Australian families have sought alternatives to traditional childcare which include hosting an Au Pair. According to budget figures in 2017¹, childcare shortages were forecast as demand for subsidised places were set to swell by 300,000. Budgeted figures showed the number of children accessing subsidised childcare was expected to grow to 2 million by 2020. While no updated data is available, reported shortages and the growing demand for Au Pairs have demonstrated demand has outstripped supply.

The need for flexibility and the rising costs of childcare have also contributed to this shift. Au Pairs provide an alternative solution, particularly with families who have more than one child, or are working hours outside of traditional childcare.

Au Pair visa programs are not new. Western Europe and the United States have had formal Au Pair visa programs for over the past 30 years. The New Zealand Government has an international fully subsidised Au Pair model. These visa programs have been successful in offering an alternative childcare solution while ensuring the arrangement is a safe and rewarding cultural exchange experience for families and Au Pairs.

¹ <https://www.theguardian.com/australia-news/2017/jan/02/childcare-shortage-fears-as-demand-for-subsidised-places-to-swell-by-300000>

With the demand for childcare, there has been an increased interest from Australian families in hosting international Au Pairs. This demand cannot be fulfilled under the current 417/462 visas which have a finite number of countries, and many with visa quotas.

As there is no dedicated Au Pair visa, estimating the percentage of WHMs who Au Pair is very difficult however CAPAA estimates between 5,000-8,000 Au Pairs do some type of Au Pairing while on the visa.



Due to the program being stopped I am in the situation where I have no other choice to adjust my employment to allow me to meet my childcare needs, through changing jobs or reducing my working hours. Not ideal considering the precarious situation we are currently living in

CAPAA Survey Respondent, June 2020

3. VALUE OF THE WHM PROGRAM

3.1 Economic Benefits

The Au Pair's tourism dollar spend is greater than the average WHM due to their length of stay in country, however income derived by the overall WHM sector is substantial with the average WHM spending A\$10,300 while they are here and contributing 3.2 billion to Australia's GDP.² The report also demonstrates regional dispersal with 64% visiting at least 3 locations.

In 2017 CAPAA surveyed Au Pairs about their spending habits and the results support the ATEC report. CAPAA research also indicated that Au Pairs attract additional tourism income through family and friends visiting while they are here.³

- **72% said they spent most of or all their money in Australia.**
- **73% said they would spend more than A\$5,000 on travel while in Australia (on top of money spent during their placement).**
- **54% said friends or family would visit them during or after the placement.**

Due to the nature of their stay in Australia, Au Pairs spend more per head than other Working Holiday visa visitors, and due to the increased likelihood their family and friends will visit them, their net economic worth increases.

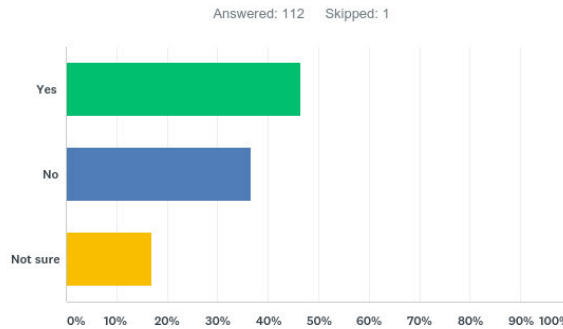
3.2 Cultural Exchange

According to 2017 CAPAA survey most Au Pairs have a positive perception of Australia and Australians and are likely to recommend it to friends and family.

² <https://www.tourism.australia.com/content/dam/assets/document/1/7/4/v/m/2012530.pdf>

³ CAPAA Au Pair Survey, August 2017

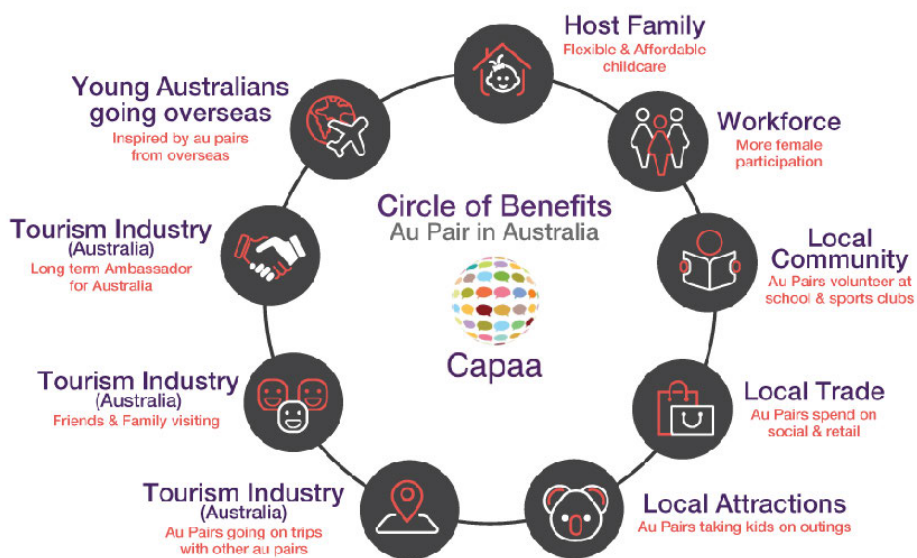
Q12 Has your opinion about Australia and Australian people changed as a result of your visit?



From CAPAA's research, the cultural exchange benefits are considerable and flow both ways.

3.3 Reciprocity

CAPAA agencies currently send Australian Au Pairs and other young people overseas on cultural exchange visa, many schemes which have been established for over 50 years. Many Australians participate on similar opportunities having witnessed first-hand the benefits derived from experiencing a country other than a tourist. Young Australians travel is larger numbers to countries like the UK, US and Canada. It is no accident that since the inception of the Working Holiday visa these countries have benefited from this 'coalface' diplomacy.



© CAPAA 2017

3.4 Addressing Labour Shortages

CAPAA supports any government initiatives to provide local solutions for Australian families. However, for many families there is no alternative except to use international Au Pairs.

CAPAA recently surveyed Australian families who use Au Pairs for their main source of childcare. The results indicated that over 85% of the 392 families who were surveyed stated they would find it very difficult or unable to access alternative live-in childcare if access to international au pairs cannot come to Australia until 2021. Importantly Nearly 30% of these families are located in regional Australia.⁴

Depriving families of access to Au Pairs has an immediate economic impact. Families are left with having to reduce their work hours or in some cases, cease work all together. An OECD study concluded that Australian mothers returning to the workforce is an important driving factor in our economy. “One of the areas of greatest untapped potential in the Australian labour force is inactive and/or part-time working women, especially those with children. There are potentially large losses to the economy when women stay at home or work short part-time hours.”⁵

Clearly, formal childcare does not work for all families due to inflexible hours and costs. Building a structured Au Pair model will address this need and increase the opportunity for women to return to employment, with subsequent economic benefits.

⁴ CAPAA Survey: See Appendix

<https://www.oecd.org/australia/connecting-people-with-jobs-key-issues-for-raising-labour-market-participation-in-australia-9789264269637-en.htm>

4. THE IMPACT OF COVID-19 ON THE AU PAIR SECTOR

COVID-19 forced many Au Pairs on a WHM visa to return home following government recommendations both in Australia and in their home countries. A large number of Au Pairs who traditionally finish their placements in the first quarter of the year were forced to cancel travel plans at short notice, in some cases lost bookings costing thousands of dollars.

Au Pairs who returned home early, or were just about to arrive in Australia have been left with an unused visa with little hope of return before it expires. Travel bookings are in limbo with the expectation that Australian borders will not reopen soon.



"I need to start work at 6am, both childcare centres in town don't open until 6.30am. We need an Au Pair. We live in the outback with no family support."

CAPAA Survey respondent, June 2020

For Australian families the loss of so many Au Pairs has been extremely challenging. Many families, particularly those in regional areas could not find a local solution and CAPAA heard from increasingly desperate families who were having to take leave from work to care for their children.

Ironically as government called for essential workers to step up, many simply did not have the Au Pairs or alternate local solutions to meet that call - over 80% of essential families surveyed by CAPAA in June 2020 said that either one or both parents were essential workers. This situation continues.

5. RECOMMENDATIONS

CAPAA identifies the following as being the short-term recommendations for the Au Pair industry sector under the WHM visa:

- 1. Establish a COVID-Safe Corridor to enable Au Pairs and other WHMs under the WHM visa to re-enter Australia under the proposed BYTAP pilot¹.** CAPAA endorses the BYTAP model proposing that a phased return of au pairs ahead of borders fully reopening. This will initially provide immediate childcare to regional families who have been unable to find local childcare in addition to helping kickstart regional tourism.
- 2. Offer cost neutral or affordable quarantine options while quarantine remains in place.**
CAPAA endorses the BYTAP model proposing secure alternatives to the current quarantine model.
- 3. Include Au Pairs under the essential work category (Childcare) so they may be eligible to apply for a second or third WH visa.** Currently au pairs are able to extend their placement with a family however they are not eligible workers under the second WH visa extension criteria. This is regardless of whether they are placed with families of essential workers or in a regional location. CAPAA recommends Au Pairs inclusion if their placement is located in one of the current designated areas for the 88-day requirement.
- 4. Grant an automatic 408 visa extension to all WHMs currently in Australia without the necessity of demonstrating current employment.**
- 5. Grant existing 417 and 462 visa holders an automatic extension of 12 months without penalty if due to the pandemic, they were unable to enter Australia or returned home prematurely.**
- 6. Subsidise WHM visa fees for the next 2 years.** With the likely requirement of a quarantine upon arrival, increase travel and insurance costs, and the already high costs to travel to Australia the government should consider incentives for WHMs to return to Australia.
- 7. Recommence 417 and 462 visa processing.** Au Pairs who may be considering Australia cannot proceed with any firm planning when the visa processing is not open. Continuing to

keep application processing closed increases the likelihood that potential WHMs turning to alternate destinations.

CAPAA identifies the following as being the long-term recommendations for the Au Pair industry sector under the WHM visa:

1. Triple existing 462 visa quotas on all countries which are currently set at less than 2,000.

CAPAA agencies are unable to grow in newer 462 countries who have smaller visa quotas as there is a high risk that marketing Australia as a destination will not guarantee that an au pair will be able to get a visa. Increasing visa numbers to a viable volume will allow overseas agents to guarantee their marketing investment.

2. Use of the 408 Visa for Au Pairs

While the current 462 and 417 visa is an adequate visa for Au Pairs, CAPAA recommends consideration be given to Au Pairs moving to the 408 visa⁶ (Special Program Sub-category). As stated under the visa description “*Special programs can include youth exchange, cultural enrichment*” – well suited to the cultural exchange experience derived from Au Pairing. The 408 would also provide a framework in which to establish a regulatory framework – currently not possible under the WH visa. In addition to this the benefits are:

- ✓ Immediate help for families, particularly those in regional areas who are struggling to find local childcare.
- ✓ Improving quality and reducing risk by linking visa sponsorship to an agency, The agency then takes the responsibility for screening, monitoring and reporting of Au Pairs and host families.
- ✓ Greater reporting and transparency in the Au Pair recruitment and placement process.
- ✓ Flow-on benefits for the Australian economy and cross-border cultural understanding.

⁶ <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-activity-408>

6. CONCLUSION

Until the onset of the pandemic, the Au Pair industry sector was undergoing significant growth. As the peak industry body for the Au Pair sector, CAPAA believes the WHM program must continue. WHMs will play a critical part in restarting our economy, kickstarting tourism and filling the labour gap for one of the most important industries for Australian families. WHMs are our future leaders, our country's advocates and friends. This review is a timely juncture to strengthen the program, not only to return from the pandemic, but to look ahead to the next generation who will participate on an Australian Working Holiday Maker visa.



CAPAA Contact: Wendi Aylward



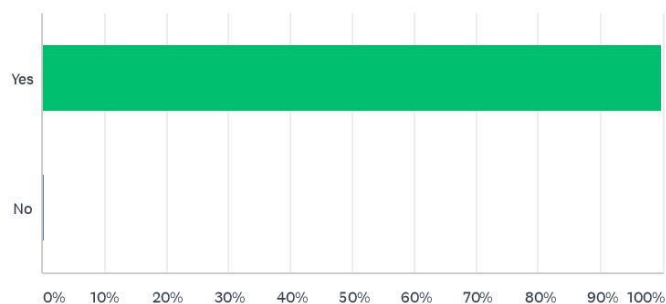
APPENDIX

1. CAPAA Survey, June 2020

Au Pairs returning to Australia in 2020

Q1 Do you support the return of au pairs to Australia under a safe and well monitored quarantine model requiring an au pair to quarantine upon entry to Australia?

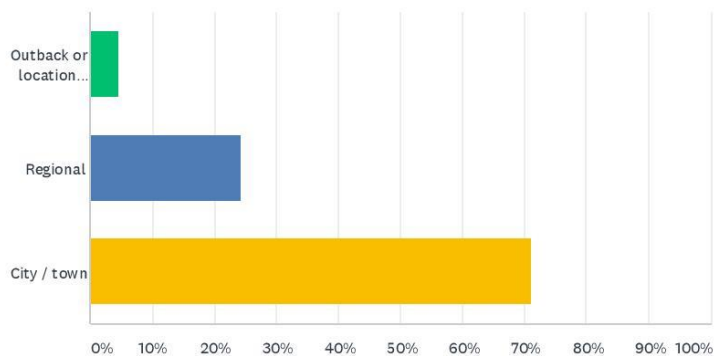
Answered: 389 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	99.74%	388
No	0.26%	1
TOTAL		389

Q2 Where are you based?

Answered: 389 Skipped: 1

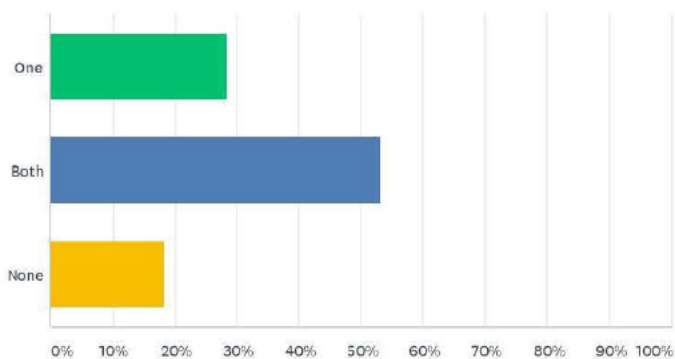


Au Pairs returning to Australia in 2020

ANSWER CHOICES	RESPONSES	
Outback or location greater than 50km from the nearest area town	4.63%	18
Regional	24.16%	94
City / town	71.21%	277
TOTAL		389

Q3 Is either parent an essential worker?

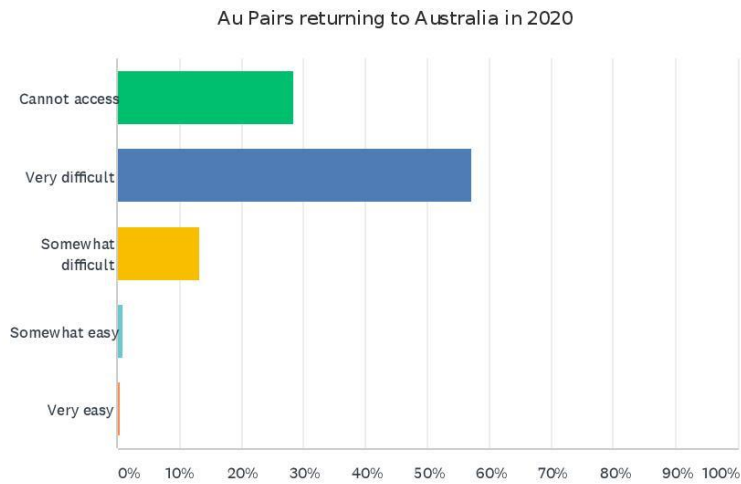
Answered: 389 Skipped: 1



ANSWER CHOICES	RESPONSES	
One	28.53%	111
Both	53.21%	207
None	18.25%	71
TOTAL		389

Q4 If au pairs cannot come to Australia until 2021 how easy will it be for you to access alternative live in childcare in the interim?

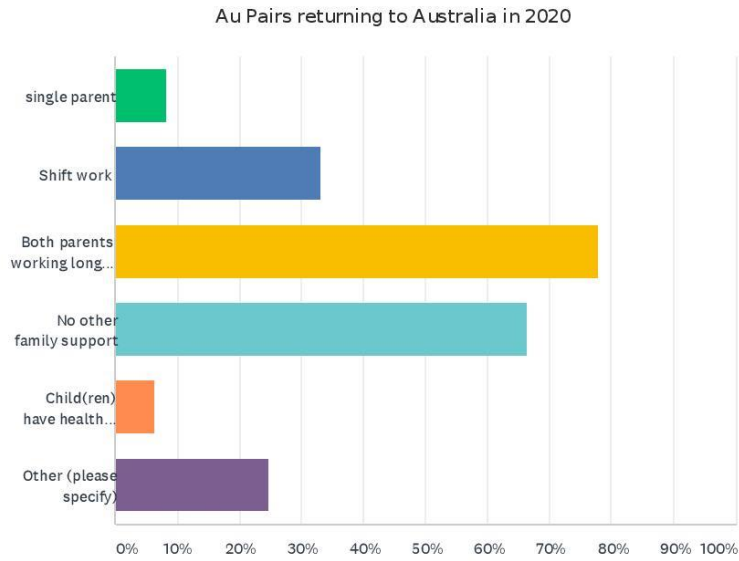
Answered: 389 Skipped: 1



ANSWER CHOICES	RESPONSES	
Cannot access	28.53%	111
Very difficult	57.07%	222
Somewhat difficult	13.11%	51
Somewhat easy	0.77%	3
Very easy	0.51%	2
TOTAL		389

Q5 Why does your family need live in childcare ? pls select ALL that apply

Answered: 388 Skipped: 2

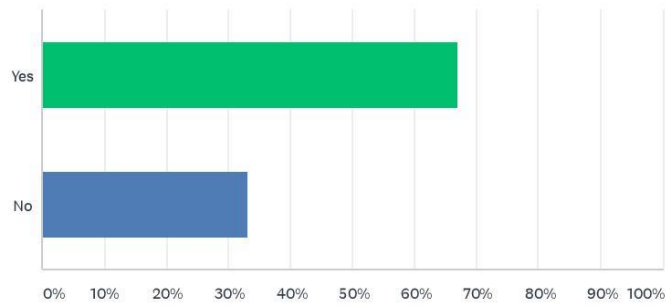


ANSWER CHOICES	RESPONSES	
single parent	8.25%	32
Shift work	32.99%	128
Both parents working long hours	77.84%	302
No other family support	66.24%	257
Child(ren) have health conditions (avoiding daycare)	6.19%	24
Other (please specify)	24.74%	96
Total Respondents: 388		

Q6 Have you tried, or are willing to try to find live in local childcare for your family if you have no access to au pairs?

Answered: 390 Skipped: 0

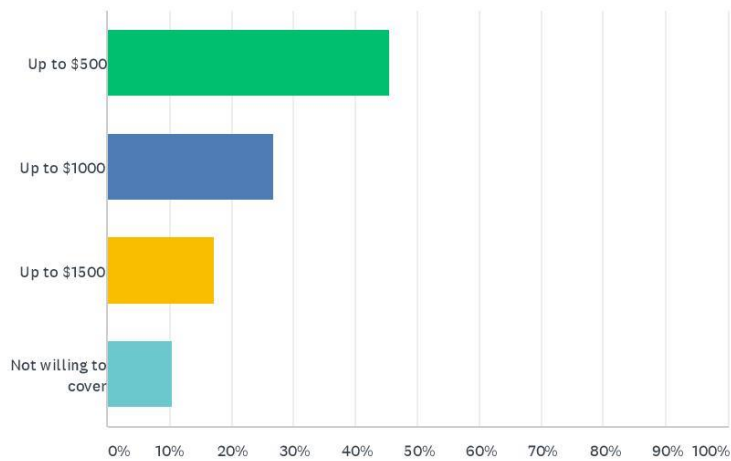
Au Pairs returning to Australia in 2020



ANSWER CHOICES	RESPONSES	
Yes	66.92%	261
No	33.08%	129
TOTAL		390

Q7 Would you be willing to cover part of the costs of quarantine for your au pair?

Answered: 389 Skipped: 1



Au Pairs returning to Australia in 2020

ANSWER CHOICES	RESPONSES	
Up to \$500	45.50%	177
Up to \$1000	26.74%	104
Up to \$1500	17.22%	67
Not willing to cover	10.54%	41
TOTAL		389

Q8 Any other comments?

Answered: 67 Skipped: 323

END.