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Committee Secretary Standing Committee on Family and Human Services House of Representatives Parliament House CANBERRA ACT 2600 AUSTRALIA

Friday, November 18, 2005

Term of Reference # 2: making it easier for parents who so wish to return to the paid workforce. Dear Sir or Madam,

I wish to address the possibility of an Au-Pair visa as a subclass of the Working Holiday (Temporary) 1225 class TZ. This is the most relevant and obvious choice of visa for a few reasons:

- The 417 subclass conditions allow the holders to undertake any type of work and many already work as Au-Pairs in the Australian urban and rural communities.
- The countries eligible for the 417 visa all have Au-Pairs in their communities. We would be drawing from an established industry.
- There are niche-market agencies in these countries that send and receive Au-Pairs in and out of their countries; in fact Denmark is the base of the International Au Pairs Association <u>www.IAPA.org</u>, which boasts 130 members worldwide. IAPA states its main aim as: *Their main aim is to protect the rights of all au pairs and host families and at the same time establish internationally approved quidelines for au pair exchange programmes.*
- Over 80% of the Working Holiday Eligible countries are gazetted as assessment level 1 countries by the Minister for Immigration; the balance is at level 2. Simply put this means they are low-risk countries (the assessment level applies to Student visas; however, the risk factor is relevant).

For an Au-Pair and host family the three-month with in any one employer condition of the 417 visa causes three problems:

1. Families are reluctant to hire somebody who must leave after 12-weeks, but hire them they must. The knock-on effect is that the family member (in most cases the mother)

that normally stays home could only commit to an employer for 3-months. Or they may have to leave their job after three months if a replacement Au-Pair cannot be found.

- 2. The Au-Pair stays beyond three months on a cash payment basis and in doing so breaches their visa conditions. By paying cash the family is committing an offence.
- 3. Good quality Au-Pairs may not be attracted to Australia if they cannot have a reasonable term of employment.

My proposal is the creation of another sub-class of visa or the addition of a schedule 8 visa condition to the 417 to accommodate Au-Pairs. Organisations wishing to place the Au-Pairs would have to meet the following criteria:

- Be approved as a sponsoring organisation by DIMIA in the same way as 457 business visa holders.
- Ensure that minimum hourly rates of pay and hours are met (these could be gazetted by the Minister) to ensure Au-Pairs are not exploited or underpaid.
- Provide a support service for the Au-Pairs for the duration of their stay.
- Implement a monitoring program as part of the sponsorship.
- The visa would enable a maximum 6-month work period with one employer.
- The visa could be applied for onshore, but only if accompanied with a letter from an approved sponsoring organisation and only if the applicant already holds a working holiday or student visa.

The FAQ section of the Working Holiday Visa page on the DIMIA website says the following: Work condition 8108, which is attached to the Working Holiday visa, states that 'the holder must not be employed in Australia by any one employer for more than three months, without the prior permission in writing of the Secretary (of the

Department)'.http://www.dimia.gov.au/fag/visiting/visiting03.htm#x7

The regulation appears to be discretionary rather than mandatory. If a letter from the department is all it takes then such a letter or power of approval could be granted to specially approved organisations. DIMIA would be notified when a placement beyond 3-months occurs and the details would be lodged in the visa-holders file. This is of importance for tax reasons. Working Holiday Makers by law must file a tax return; however, they are not entitled to any sort of refund (they are entitled to superannuation refunds after they have left Australia and the visa has expired). If the ATO detects they have worked for over 3-months with one employer they would likely notify DIMIA.

A live in Au-Pair offers families flexibility. Mothers or Fathers with infants or even school-age children can work normal hours and even take time off in the evening. For families unable to afford 5-day a week childcare an Au-Pair is an excellent option; another set of hands around the house.

Australian workers do not want to do this type of work any more than they want to do harvest or farm work. I make reference to harvest work as this is another area that DIMIA recognised a labour shortage and put forward a solution being the 2nd-year visa incentive for 417 holders. If they complete 3-months minimum harvest work in a designated regional area they are entitled to a 2nd one-year visa. This will encourage more young travellers to go forth and pick fruit. A job they previously only undertook for short periods of time of 2-3 weeks or less due to the nature of the work.

I believe a simple monitoring system attached to an existing visa sub-class, being the 417, or the creation of parallel sub-class with slightly different conditions is the answer to a problem that is only going to get worse for families, and therefore the parenting community as a whole.

One hundred thousand working holiday visas are issued every year. The labour force is already here. We just need a couple of regulation changes to fit them in.

Yours Sincerely Greg Cole Managing Director Study Work and Travel