



Submission to: Low Pay Commission

Areas Covered

- National Minimum Wage

- The underlying reasons for the preponderance of women on minimum wage

- The appropriateness of the current sub-minima rates with regard to their impact on youth unemployment rates and participation in education

Date: November 14th, 2016

Introduction:

Cara International welcomes the opportunity to make this submission to the Low Pay Commission (LPC). The presentation will focus on the pay of home care workers such as Au Pair, Nannies, Childminder, Elderly Carer in the home care sector. These roles affect women mainly both as employers and employees. My recommendations are based on a detailed researched thesis conducted as part of a 3rd level Degree in Social and seventeen years of work experience, working with families and Au Pairs and in the wider recruitment area.

More about Us:

Cara International was established in 2000. Cara International is a for profit business charging families to find Au Pairs. Cara International has looked for clarity from the Government on several occasions and was informed by Government Departments that Au Pairs were not classed as employees under the minimum wage act. Cara International has placed more than 4000 au pair in Ireland over those years based on this information.

Cara International was a member of IAPA (International Au Pair Association) for in excess of ten years. Caroline Joyce the managing director has been a committee member of ECAP(European Committee on Au Pair Standards) and chairperson of INAPA(Irish National Au Pair Association).

Caroline Joyce has a Degree in Social Care and has ten plus years' experience working with children in care and young people in marginalised groups.

Caroline won Mayo business women of the year 2015 for her work in cultural exchange including her visa placement agency Travel Bug Ltd.

Caroline has a passionate interest in child protection and ensuring children's and families have a voice in matters affecting them.

Summary of Facts

Number of children in Ireland

In 2011, there were 1,148,687 children were living in Ireland. This accounted for one-quarter (25%) of the total population of Ireland. Approximately 1 in 6 children lives in a lone-parent household. Ireland now has the highest proportion of children of any EU country. (Department of Children and Youth Affairs , 2012)

Number of Women in Workplace

There are now over 975,000 women active in Ireland's labor market and of these around 500,000 have children, meaning they have caring responsibilities. (European Commission, 2014)

Approximate numbers of children minded by Non-Relative Childcare

The Growing up in Ireland reported indicates that 8.2% of childcare is carried out by non-relative in child's home.

8.2% of 500,000 working mothers would mean that 40,999 non-relatives are minding children in family homes. (Growing up in Ireland)

Preponderance of women on minimum wage

The high levels of single parents largely women is a large underlying contributor for the preponderance of women on minimum wage. These women are excluded by lack of education opportunities and child care costs and dealing with other caring roles such as elderly care and special needs children.

Children with Special Needs

While there is a tax credit for incapacitated child and elderly care, there is no tax credit for families with children with other disabilities like Asperger's, ADHD.

This forces these women to stay as carers or to take up low paid jobs to work around children's needs. The largest cost for these families is childcare that is flexible/affordable and vetted and allows these women to take up work at a time that is suitable to potential employers.

Shift Workers

Many families such as nurses, doctors, guards and social care practitioners work shift work. Often the only childcare available is in-home childcare.

"It is estimated that in Ireland approximately 15% or 270,000 of the working population of 1.8 million workers do shift and night work on a regular basis, and it is likely that this trend will increase over the coming years." (Health and Safety Authority, 2012)

Industrial Unrest

We know from the threat of industrial action that many public sectors are miserable with their take home pay.

Providing a funded affordable home care industry would certainly help families in these areas. It would also help with keeping nurses and doctors in Ireland.

We have shift workers who available of our services including Migrant Doctors. They would not otherwise be able to function without au pairs to mind their children at night when there is no other childcare available

What are people currently paying for Home Childcare

Distribution of infants' main care across different care types (for infants with some regular non-parental care) including percentage of paid care and mean cost per hour in euro

Care-type	% of infants in care type	% of these carers who receive a payment	Mean Cost per hour was paid
Relative in Child's home	14.2	33.0	4.98
Relative in carer's home	27.7	49.6	4.21
Non-relative in child's home	8.2	91.7	7.35
Non-relative in carer's home	22.4	97.1	4.90
Centre	27.5	99.1	5.1

(Frances McGinnity, 2013)

Note: *The high cost for this category could be due to the career being an employee of the family – perhaps caring for more than one child and/or doing other household tasks.

The average pay per hour recorded was €7.35 per hour for home childcare. However, at the time of the report, the minimum wage was €8.65 per hour plus PRSI. This shows that families are not paying minimum wage because people are working in the black economy.

Minimum wage rates have now risen to €9.25 per hour. Families have the added anxiety of calculating and paying PRSI, Holiday, Maternity Leave, Working Time Break, Contracts of Employment, Time Sheets, Pay Slips, Health and Safety, Employee Insurance, Equality legislation to deal with in the family home.

Solutions

- **PRSI contribution should be exempted for households in the home care sector particularly for Au Pairs who are generally on short term placements ranging from 2 months to 1 year.**
- **Simplified administration procedures should be established.**
- **These procedures should be administrated by registered au pair or home care agencies.**

History of Au Pairs in Ireland

History of Au Pairs in Ireland

“One of the first mentions of Au Pairs dates back to 1956. Duffy, Louise Gavan (1884–1969), educator, nationalist and Irish language enthusiast, was born 17 July 1884. She was best known for her involvement in nationalist politics and the Gaelic revival, Cumann Na mBan and the events of Easter Week. Her work with UCD's department of education began in 1926 when

Scoil Bhríde was recognised for teacher training purposes. Until her retirement in 1956, she was a government supervisor and later lectured on the teaching of French. Having retired she devoted much of her time to the Legion of Mary and to a group which worked with French Au Pairs in Dublin.” (Kotsonouris, 2015)

“In 1974 Dr.Gibbons asks the Minister for Foreign Affairs if it planned to ratify the EU Treaty on Au Pairs which was agreed by certain EU member states in 1969.” (Dail Éireann, 1974)

The Government did not ratify this treaty. At that time, the concern was more for Irish Au Pairs in Europe than European Au Pairs in Ireland.

The issue of Au Pairs was raised numerous times over the following years in the Dail.

Europe and Au Pairs

Au Pair EU definition –Council of Europe 1969 “The Agreement defines ‘Au Pair’ as neither student nor worker, and the Au Pair stay as a temporary live-in arrangement. Persons placed as ‘Au Pair’ belong neither to the student category, nor to the worker, category but to a special category which has features of both, and that therefore it is useful to make appropriate arrangements for them.

An ‘Au Pair’ placement is the temporary reception by families, in exchange for certain services, of young foreigners who come to improve their linguistic and possibly professional knowledge, as well as their general culture by acquiring a better knowledge of the country where they are received.” (Council of Europe, 1969)

Council of Europe Recommendation

In 2004, the Committee on Equal Opportunities for Women and Men of the Council of Europe reported on instances of abuse, noting that ‘Au Pairs’ are not meant to work as replacement housekeepers or nannies.

The 2004 Parliamentary Assembly of the Council of Europe recommended the following regarding Au Pairs:

a) issue guidelines in the form of a Committee of Ministers’ recommendation to member states, which would ensure that the distinctive status of Au Pairs (neither students nor workers) are recognized and safeguarded, their working conditions and social cover are fixed and that the Au Pair profession is appropriately regulated at national and international level;

b) Recommend government regulation of the Au Pair placement profession, through the creation of a system of accreditation, by virtue of which agencies that commit themselves to certain minimum standards – such as charging reasonable fees, ensuring Au Pairs enter into a legally binding contract with their employers which clearly states’ rights, responsibilities and duties and providing emergency help in cases of difficulty – would see visa applications put forward on their behalf validated automatically.

c) Accredited agencies should also be committed to doing background checks on both the prospective Au Pair and the prospective Host Family to ensure that they do not have criminal convictions, for example for sexual or child abuse.

Ensure regular monitoring by appropriate authorities of the agencies accredited under the “accreditation” system referred to in subparagraph b above;
(Parliamentary Assembly, 2004)

The Migrant Rights made this recommendation in 2012.

“The recommendations presented here are based on best practice internationally where governments have regulated Au Pairing to establish professional standards and provide protections for Au Pairs.

1. Establish an Au Pair Immigration Scheme for non-EU and EEA Au Pairs. The practice used in Germany, Sweden and Denmark provides a useful model to develop this scheme.
2. Regulate the Au Pair profession by establishing standards and guidelines including
 - Defining the Au Pair concept as a short-term cultural programme with linguistic opportunities.
 - Establishing model contracts outlining conditions of placement including hours, duties, pay, holidays, sick days and termination details.
 - Develop a system of data collection for the home care professionals including a system of registration for Au Pairs and Host Families in Ireland.
3. Establish and give resources to a national working group of relevant stakeholders including government departments, employment protection agencies, Au Pair agencies and Au Pair representatives. This group of stakeholders should provide advice on the development of standards and guidelines in addition to monitoring the implementation of the Au Pair regulatory framework.
4. Ensure Au Pairs experiencing exploitation have access to accommodation, health care, and social protection.
5. Resource the development of mechanisms for Au Pairs to obtain peer support and educational opportunities and to take action on areas of collective interest.
6. Support and facilitate Au Pairs to obtain labour complaints mechanisms and employment legislation in situations where regulations are breached.

7. Ban Host Families who have breached Au Pair rules from accessing further Au Pairs.

8. Advertise and widely disseminate national guidelines on Au Pairing rights and entitlements of Au Pairs.” (MRCI Migrant Rights Centre Ireland, 2012)

How many Childminders in Ireland

The figure for childminding showed 17,636 of childminders. (CSO, 2011)

These could be made up of au pairs and live in our out childminders.

There are 673 registered child minders on Childminding Ireland site.

This would show that there are $(17,636-673) = 16,963$ live out or live in childminders and au pairs in Ireland.

Non -Vetting of Au Pairs.

Au Pairs numbers are not captured in Ireland under the CEO so difficult to get accurate figures.

There are risks to children when unvetted/untrained au pairs are inappropriately placed with a child's whose age in which they have no experience. Expensive childcare costs are putting children at risk by growth in sites like Au Pair World and Facebook.

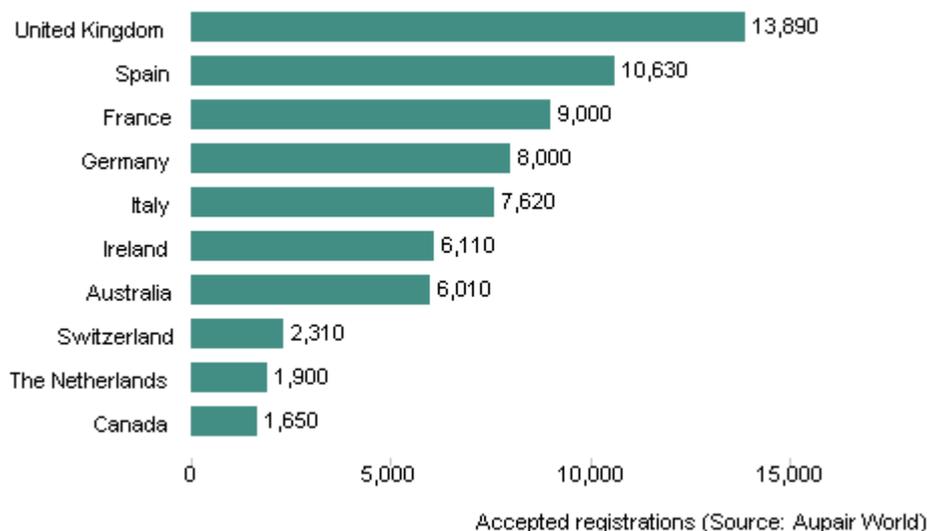
Figures from Au Pair World

“In the 12 months of 2013, more than 375,000 new users signed up to use the website – an annual increase of 43% that pushed the number of Host Families and Au Pairs who have registered with us to over 1.8 million since our founding in 1999.

(Au Pair World)

Growth in Non Vetted Au Pairs placed In Ireland

Host families by country (2013)



“Host families from English speaking countries continue to play a major role at AuPairWorld. Once again, Great Britain was the top Host Family country with 13,890 registrations.

Interestingly, Ireland with less than one tenth of Great Britain's total population nonetheless had 6,110 Host Family registrations – only slightly less than half of the figure for Great Britain.

UN Convention on Rights if the child

Article 1

For the Convention, a child means every human being below the age of **eighteen years** unless, under the law applicable to the child, majority is attained earlier.

Many of our childcare policy focus on early years in external setting.

The UN states that children are human beings up to 18. Many of these children are minded in their family homes.

Article 12

States Parties shall assure to the child who is capable of forming his or her own views the right to express those views freely in all matters affecting the child, the views of the child being given due weight in accordance with the age and maturity of the child.

In my opinion, children have been cared for in their own home. Are children's voice really taken into consideration regarding Au Pair or Home Child Care?

We know from Growing Up in Ireland research that Au Pairs/ home child carer are important people in children's lives, and they provide childcare in the child's home.

Having stressed parents who are struggling to pay for childcare is damaging for children.

Solution

A proper funded home care /Au Pair programme would significantly reduce family stress

A plan in which all Au Pairs/Child Carers are trained and vetted by agencies would provide safety for children.

Agencies registered with childminding Ireland rather than with the Department of Jobs would be more appropriate.

Recognition of cultural aspects of the programme to be included.

Children's First Legislation

Children First requirement organisations to providing services to children to keep children safe and to produce a Child Safeguarding Statement. This raises the following questions for Government

- How this is to be implemented in the Au Pair sector is a question.
- How TUSLA and the DCYA envisage training Au Pairs (and the agencies that place them in homes) on Children First and implementing the safeguarding policies, is key.
- It is not just about having the Safeguarding policies (although that is central); it is about supporting people with implementation and decision-making.
- Whom will TUSLA be training?
- Will au pairs be part of their target group?
- What is the training plan?

As a child is up to 18 years then all this must be considered as part of offering safe placements to children.

Solution

The appropriateness of the current sub-minima rates with regard to their impact on youth unemployment rates and participation in education

- **Au Pairs should be classed as trainees under the minimum wage Act**
- **Au Pairs are mainly young people looking to improve their English skills.**
- **Au Pairs are short term placements ranging from 2 months to 12 months.**
- **Au Pair Agencies should be licenced under Child Minding Ireland.**
- **These agencies should provide training in children's first and paediatric first aid and cultural exchange.**

My own company Cara International is currently trailing a model that trains au pairs in the following areas. The families pay for the training.

- **Paediatric First Aid**
- **Child Safety and Wellbeing**
- **Fire Safety and Emergency Training**
- **Food Safety**
- **Manual Handling Awareness**
- **Children's First,**
- **Irish History and Culture.**

We know that there is massive youth unemployment with young people in Europe. Gaining English and life skills through a structured vetted au pair programme could only benefit these young people in the future.

Many European Students come on Erasmus programmes. Currently, under Min Wage Regulations these are not officially excluded from Min wage laws. The Low Paid Commission should address this anomaly while reviewing these rules. Training European Students with language could be very beneficial for business.

I believe amendments to the trainee minimum wage could be useful to young people here who also need some skills training on structure programmes.

All au pairs should be registered with official Au Pair agencies which are registered with Childminding Ireland so that safe childcare training and vetting can be implemented.

These Au Pair Agencies should be classed as Cultural Training Schools and excluded from paying VAT as training providers.

To encourage au pair and families to register the following framework should be put in place.

- Families should be excluded from PRSI.
- Training and vetting fee paid to the agency by the family. This training can be deducted from board and lodgings as outlined below.
- Board and lodgings deductions in home care sector should be increased. Families should only receive this increase deduction if they register their au pair with the licenced Au Pair agencies. The Agency could have to give a reference number that can be used for registering for Social Security card and revenue to receive a deduction.

Cost of Board and Lodgings

Increase in Rents

On an annual basis, Nationally, rents were 9.9% higher than in Q2, 2015; up from €869 to €956. Nationally, rents for houses were 9.3% higher annually in Q2 (up from €850 to €929), while apartment rents were 11.7% higher than in the same quarter of 2015 (up from €908 to €1,014).

Annual growth in the Dublin market was also strong, up by 9% (from €1,251 to €1,364). Dublin house rents were up by 7.5% (€1,388 to €1,492) and Dublin apartment rents were higher by 9.8% (€1,246 to €1,368). Annual growth in rents for the market outside Dublin recorded increases of 10.6% when compared to Q2, 2015; up from €669 to €740. Again the performance differed by property type. Monthly rent for houses outside Dublin increased by 9.9% (from €688 to €756), while apartments outside Dublin experienced an increase of 12.7% (€647 up to €729).

(ERSI 2016)

Cost of Living Expenses.

Guidelines on a reasonable standard of living and reasonable living expenses.

The Insolvency Service of Ireland (“ISI”) was established by the Personal Insolvency Act 2012 (“the Act”).

Expenditure category	A guide to what is included in each expenditure category.	For a single adult of working age living alone this comes to a monthly total of:	For a single adult of working age living alone this comes to an annual total of:
Food	The expenditure on food is based on a balanced, nutritious diet. The consensual budget standards model is premised on a healthy lifestyle.	€247.04	€2,964.48
Clothing	Clothing and footwear for all seasons, including accessories.	€35.73	€428.76
Personal Care	Personal hygiene and grooming items.	€33.40	€400.80

Health	Medications, and visits to a General Practitioner, Optician, Dentist, etc. It also includes small items such as plasters, antiseptic, and over-the-counter medicines.	€31.09	€373.08
Household Goods	Furniture, appliances, cleaning products, etc. Single adults of working age living in an urban area are assumed to be living in a rented furnished studio apartment.	€31.47	€377.64
Household Services	Vital household related services such as waste charges, getting an annual boiler service and having chimneys swept.	€28.61	€343.32
Communications	Telephone, postage and basic internet; an internet dongle/wireless connection at €4.69 per week and phone credit at €5.00 per week.	€43.45	€521.40
Education	The minimum education needs of a household as decided by the focus groups. This category includes uniforms, books, and stationery where applicable and also adult education.	€24.50	€294.00

Transport	The cost of a car is allowed where public transport is inadequate to get to work, school and the local shop.	€136.29 for public transport costs or €240.13 if a car is necessary	€1,635.48 for public transport costs or €2,881.56 if a car is necessary
Household Energy	Electricity and home heating fuel. Electricity and heating costs come from the CSO Household Budget Survey.	€48.87 electricity €57.31 heating	€586.44 electricity €687.72 heating
Insurance	Home insurance and also car insurance where a car is needed. Note that the ISI model does not ordinarily include private health insurance though this may be included in some circumstances where warranted.	€12.22 home contents €25.91 car insurance where applicable	€146.64 home contents €310.92 car insurance where applicable
Savings and Contingencies	Savings and life assurance (for households with dependents). For a single person, savings at €5 a week are assumed as is €5 a week to be put aside for contingencies and emergencies ¹ .	€43.33	€519.96

Social Inclusion and Participation	At €28.97 a week, the minimum considered necessary for participation and inclusion. It includes sports activities and social events such as visits to the cinema. The ISI model does not factor in the cost of a holiday.	€125.97	€1,511.64
Housing	The cost of renting or making mortgage payments.	Variable – subject to PIP or AI assessing cost to be reasonable	Variable – subject to PIP or AI assessing cost to be reasonable
Childcare	The cost of full or part-time childcare. This is dependent on the employment status of the adults in the household as well as the age of the child.	Variable – subject to PIP or AI assessing cost to be reasonable.	Variable – subject to PIP or AI assessing cost to be reasonable

Figure 6: The main categories of expenditure with a description of each

Solutions

- **Certainly, these rent and living expenses give a very clear representation that a significant increase in board and lodgings is required.**
- **There are Education and Social Inclusion and parparation included in this figure that could be used to pay the training of the Au Pairs in Childcare, English Language and Cultural Exchange.**
- **For trained skilled workers with qualifications in childcare and elderly care, they can still be paid a full minimum wage or higher depending on skills.**
- **Families are more likely to host people in their homes if board and lodgings deductions are fair.This would help with the problems we are experiencing with the housing crisis as more people likely to employee people in family home or indeed in hospitality sector**
- **Companies who host European Interns should also be elligible to these board and lodging deductions.**
- **There should be a Government body solely responsible for cultural exchange programmes such as au pair, interns, work away, language placement, International third level students.Its imperative that Ireland is equipped for this market with Brexit pending.**

Should you require any other information pleae contact me

Caroline Joyce

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