

A Radical Proposal

What if child care provisions could be met partly in a way that would both harmonise Australia's integration into the Asia-Pacific region and help our developing neighbours. Moreover, what if this same mechanism could be used to permit more elderly Australians to stay in their own homes throughout their dotage?

I refer to the use of foreign domestic helpers, which is common place in countries such as Singapore, Malaysia and Hong Kong, where helpers are used to provide full-time or out-of-school-hours child care to permit working parents to carry out high-value work by freeing them from routine childcare and domestic duties at an affordable cost.

Such helpers are employed on fixed-term contracts (usually 2 or 3 years) with their employers being responsible for their wages, medical insurance costs, accommodation, food, and travel to and from their country of origin. Governments in other Asian countries legislate the form of domestic-helper contracts to set wages and conditions and to avoid exploitation. Such a scheme would only work if the wages paid to these helpers was well below the Australian minimum wage, perhaps as little as one third the norm. This may seem exploitative, but seen in the context of the helpers' home countries, such as New Guinea, the Pacific Islands, Indonesia, the Philippines and Sri Lanka, \$7 per hour would be several times more than they would earn at home and would in some instances be more than they would earn in professions such as teaching or nursing. The current (Government set) minimum wage for domestic helpers in Hong Kong is about \$500 per month and the average wage in Singapore is similar, which equates to only \$3 per hour and would probably not be acceptable within the Australian context, but this does illustrate that such pay rates are attractive to prospective helpers compared to what they can earn at home.

I understand this proposal is highly controversial not least because it would be claimed that such a scheme would under-cut the pay of local workers. But, in reality how many Australians work as live-in nannies? No typical working families can afford to pay for 40 hours per week at the minimum wage of \$20 per hour with penalty rates on top if work was carried out at odd times. The reality is that the number of Australian workers carrying out such work is tiny and is likely to remain so. Competition between the wider Australian workforce would be prevented by making it a condition of domestic-helper visas that they were unable to work in any other capacity and were unable to apply for permanent residence. There could also be a limit on how many contracts an individual could serve.

This is really a win-win situation. Australian families would have a low-cost solution to free them to do high value work. The wages that the helpers remitted to their homes would have a beneficial effect both on the situation of their own families and on the countries from which they come. And, the same scheme could be used to assist elderly Australian's to live out their days in their own homes rather than being forced to enter an old-persons home prematurely.