



23rd July 2015

Submission on Home Based Carer (Nanny Pilot) Programme

Introduction:

The Australian Nanny Association is the national peak body representing nannies, families employing nannies and nanny agencies. The Home Based Care (Nanny Pilot) Programme is aimed at low to middle income earning families with work hours outside of standard hours of approved childcare, and families who live in rural and regional areas.

Our concerns:

Funding:

Currently the In-Home Care program receives up to \$0.71 cents per hour per child as an administration component, almost double what has been allocated to the Nanny Pilot for operating a similar program. Additionally, we believe (based on the Accessibility Index map) that Family Day Care and In-Home Care are provided with an additional supplement for rural and remote care locations. This rural and regional support funding has not been offered in the Nanny Pilot making it very difficult to provide services to these locations.

The guidelines for the Nanny Pilot Program set funding for administration and compliance at 50% of the rate allocated to In Home Care. This amounts to \$0.35 per hour per child for the full rebate, or \$0.17 per hour per child at a minimal rate (e.g. 5% of the rebate). It will not be viable for service providers to run the program with the funding allocated in the guidelines. No quality organisation would be able to manage the nanny pilot on such low subsidies. We have grave concerns the program is being set up to fail. Services would likely be running at a loss to provide the pilot on behalf of government. Services that tender for this pilot under these conditions may potentially cut corners to provide services. In turn this would have a detrimental effect on the quality of services, safety of children in care and also have the potential to be detrimental to the nanny industry.

If services add fees to cover the expenses of administering the pilot, this would increase the cost to families requiring care. The subsidy is means tested and based on a rate of \$7 per hour per child, with a maximum rebate of \$5.95 (available to families earning up to \$60,000) and drops down to as low as \$3.95 per hour per child.

Services need to cover recruitment, background checks, Insurance, super, tax, support and professional development for each eligible nanny. Some providers are also required to pay payroll tax as well.

Additionally, the cost for each provider to offer a 24-hour support hotline will not be feasible for the majority of providers. There appears to be no targeting of funding for disadvantaged families and/or rural and remote locations.

Funding is stated as being paid in arrears. How far in arrears? Most small providers through partnership with a larger body will not be able to sustain payment made in arrears.

ANA believes that experienced small providers will need to be engaged with this pilot by way of an umbrella model arrangement where the larger body manages compliance and funding and the smaller organisations who are experienced in localised recruitment manage the placement of nannies. There is a further need within this arrangement for sector development and support of providers and nannies. The ability to cover vast rural, regional and remote areas would be covered with this type of model. The guidelines do not appear to reflect the possibility of this type of model, due to lack of funding and risky low quality guidelines.

A qualified and experienced nanny would typically be employed by a service provider for a minimum of \$30.00 per hour. With overtime or out of the ordinary hours, the costs per hour could escalate. Provision for annual leave, sick leave and long service leave also need to be considered. With the grant set as low as \$0.17 per hour to cover purchasing new compliant software (CCMS which we believe is charged at \$0.10 per hour per family), mileage and time to visit rural and regional families, administration, support for families and nannies and professional development, costs will be blown out for families and the goal of affordable, flexible, quality care left unachieved.

The Australian Nanny Association has grave concerns that the pilot has not considered the most important person– the child.

Quality and Risk:

Services tendering for the pilot will be trying to keep costs down so families can afford to participate. With the costs specified in the draft guidelines, untrained and inexperienced nannies would likely be providing care for between four and seven children. The Australian Nanny Association does not want to see the pilot fail or children be put at risk because of a lack of understanding of the nanny sector.

Junior or inexperienced nannies earning between \$18 and \$20 per hour may be considered appropriate to keep the costs affordable. With minimal experience and many young nannies without qualifications (or working towards a Certificate 3 in Early Childhood Education and Care), we see a high risk around having the ratio of up to one nanny for up to seven children. There would need to be strict and detailed protocols put in place to guide safe practice if this ratio were adopted.

The protocol around ratios also needs to be clear in relation to age groups and requirements.

The pilot specifies that nannies do not need to be qualified and are only required to have a current first aid certificate- no yearly CPR update, asthma management or anaphylaxis training. This places children at risk and leaves nannies liable if something goes wrong. Neither child protective measures nor mandatory reporting have been covered in the draft guidelines.

The ANA is keen to see quality care and education being rendered to the children of all families. There are no definitions of appropriate environments or minimum standards/requirements (e.g. cots for all babies), and no limit on the proportion of time being spent on "other duties relating to the care of children". We predict the least experienced and qualified educators working in highest risk, and least supported environments.

There is a need for sector development funding to ensure support for nannies, families and providers to engage best practices throughout the nanny sector.

Employment relationship:

Clarification is required in relation to the definition of a contractor vs employee of the service provider (point 7.5). There are no requirements for contractors outlined here. Many nanny agencies operate as a referral service with contractor nannies using ABNs. Some large service providers do operate the employer/employee model. The majority operate with a self-employed ABN model. In both models the service provider will be required to provide the support, mentoring, guidance and compliance within the pilot. All which lead to additional costs to the family without additional financial support from the Federal Government.

With superannuation, tax, workers compensation (or income protection insurance for a contractor), the subsidy won't cover much of what is being paid by families.

The clause to allow cessation or cancellation of the pilot at any time, without notice, will impact significantly on contractual employment and nanny placement arrangements to the detriment of the family, the children and the nanny as well as the nanny agency.

Although the draft guidelines have specified relatives or those deemed relatives are not able to participate as a nanny caring for their own children in the pilot, there is still the ability for inexperienced nannies to participate in this program without any quality measures in place.

There should be recognition of existing nanny and family arrangements, as this will have an impact of transferring employment to accommodate the pilot to an approved provider of the services.

IT Expectations;

More information is needed regarding the system or platform to assess and cost administrative, resourcing requirements. Will approved providers have access to the CCMS system without additional cost? Who picks up the cost for that? In the guidelines, there is no minimum IT requirement for families, nannies or for nanny agencies. What if providers want to use IT to record and have evidence-based activity documented? Is using

the CCMS or other technology a condition of participation? Will service providers in the pilot be required to conform with mainstream early childhood services who will be required to implement the new CCMS systems from 2017? If so, this will add further cost burden to families as providers increase pricing to accommodate the new requirement.

Summary and conclusion;

The Australian Nanny Association is keen to partner with a third party provider for this pilot but unless the funding for administration is increased we do not believe it will be viable for any organisation, large or small, to run. Further discussions are essential and need to take place with clarification around funding, quality, risks, employment relationships and IT expectations before the tender document is released.

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