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Govt's 'subsidised' nannies to cost parents \$30 an hour

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The federal government's \$246 million "nanny program" is in serious trouble, with some families who signed up for the program shocked by the cost of more than \$30 for each hour of child care.

The cost, of nearly \$1200 for a standard working week of care for one child, has private providers hired by the government to provide the nannies on the verge of walking away from the program because they cannot convince enough families to pay the fees.

Up to 10,000 children were supposed to benefit from the program, which was due to begin operating this month, but in December a cap of 3000 families was imposed as the Coalition sought to rein in spending on some of its policy initiatives.

Some parents who have signed up for the pilot, and who will be included in the official statistics, say they have no intention of going ahead after learning of the full costs involved.

The official fee schedule on the Education Department's website indicates that nannies will cost between \$25 and \$30 per hour, before the subsidies kick in.

But parents in Canberra have been told the nannies will cost \$35 an hour, with the maximum subsidy per child of \$5.95 per hour available only to families earning less than \$60,000 a year.

Even on the department's optimistic calculations, a family earning just \$58,000 a year would have to find \$13.10 an hour, or nearly \$500 dollars a standard working week, to have two children cared for by a nanny, after receiving the subsidy.

One family who spoke to Fairfax wanted the mother to go back to work full time, but her wages would have pushed the family into one of the higher income brackets for the scheme and they would have to find more than \$850 a week to pay for the care of their two children.

With parents unable to find the money to join the scheme, the private sector provider in Canberra has frankly admitted the pilot program is not going to plan. Families are finding the cost prohibitive and it was seeking talks with the Department of Education about the "unsustainable" model.

When the trial was first announced in April 2015, it was envisaged that take-up would mostly be among middle-income workers like police officers, fire fighters and paramedics whose working hours made it hard for them to use regular childcare centres.

The Department of Education and Training, which has taken over running the scheme from Social Services, failed to respond to questions on Tuesday.

Minister for Education and Training Simon Birmingham reiterated the government's intentions for the nanny scheme – to help families who struggle to get child care because they work non-standard hours, or live in regional or remote areas – but said it was never intended to cover the full cost of nanny care.

"We are in the early stages of this pilot programme and while we are committed to delivering additional flexibility to more Australian families, the Pilot will help us to learn more about how best to structure longer term support and engagement," Mr Birmingham said.

"In the same way that families' circumstances can change, the private operators delivering the programme in some cases may decide to alter the amount they charge parents based on individual commercial decisions."

This story was found at: <http://www.canberratimes.com.au/national/public-service/govts-subsidised-nannies-to-cost-parents-30-an-hour-20160202-gmjdnx.html>