

**Senate Committee: Education and Employment**

**QUESTION ON NOTICE**

**Supplementary Budget Estimates 2015 - 2016**

**Outcome: Early Childhood and Child Care**

**Department of Education and Training Question No. SQ15-000947**

Senator Lines, Sue provided in writing

***The Nannies trial***

**Question**

In relation to the nannies trial:

- a. Why has this program been run as a grants program rather than a tender?
- b. Will the nannies pilot commence on 1 January 2016 as announced? Will families participating in the pilot be using a nanny under the program from 1 January 2016?
- c. How many services have applied to be a service provider under the Nanny Pilot Program?
- d. How many service providers will be required to meet the needs of the Nanny Pilot program?
- e. Have suitable service providers been selected for the Nanny Pilot program? Where are these service providers located? Do they cover every jurisdiction?
- f. What types of services have applied? Family day care providers? Long day care services that are prepared to expand their operations? Traditional nanny agencies?
- g. How many families have applied to participate in the program to date? How many children does that cover?
- h. Have there been any extensions to when applications closed for either service providers or families, and if so what was the reason for the revision(s)?
- i. In terms of the budgeted cost of the program, how many families has the Department assumed will be participating in the program from 1 January 2016?
- j. When has the Department assumed full participation in the program?
- k. What is the funding profile of the 246 million allocated for the pilot? That is, how much has been allocated over each year of the forward estimates? Please provide a year by year breakdown of the \$246 million.
- l. The Q&A for the program says "Up to \$245.9 million<sup>2</sup> (GST exclusive) has been allocated for the Programme. This includes the subsidy amount, administrative payment to service providers and evaluation costs for the Programme."
- i. How much of the \$246 million will go directly towards subsidies?
- ii. How much will go to service providers for administrative costs?
- iii. How much has been allocated for the review of the pilot?
- iv. Please provide an itemised breakdown of the \$246 million allocated for the pilot.

**Answer**

- a. The Nanny Pilot Programme has been run as a grants program as the activities defined under the programme fell within the definition of a 'grant' in the Commonwealth Grants Rules and Guidelines. As such the selection of service providers under the programme were subject to an open competitive selection process.
- b. The Nanny Pilot Programme will commence in January 2016 when service providers begin matching nannies to participating families. The start date for a nanny will depend on each family's requirements, and when a suitable nanny is available. We expect that the take up of the pilot will grow over time as more nannies and families are progressively matched and care commences.

- c. There were 180 service provider applications assessed as part of the provider selection process.
- d. Ten service providers have been selected to manage the Nanny Pilot Programme.
- e. The ten service providers selected to deliver the Nanny Pilot Programme are listed on the department's website at <http://www.education.gov.au/information-service-providers>
- f. A range of service providers have been selected to manage the Nanny Pilot Programme including nanny services and In Home Care providers.
- g. Over 2800 families with around 5500 children have submitted applications to be part of the programme.
- h. The closing date for applications for families was extended from 30 October 2015 to 5 November 2015 due to the high demand from families seeking to submit applications (including those applications that were underway) for the programme.
- i. The programme is intended to support up to 3000 families and 7500 children.
- j. The pilot programme has ~~will formally~~ commenced with service providers contacting families in January 2016 to gather information about their child care needs and begin the nanny matching process. The start date for a nanny will depend on each family's requirements, and when a suitable nanny is available. We expect that the take up of the pilot will grow over time as more nannies and families are progressively matched and care commences.
- k. The Nanny Pilot Programme is demand driven. The funding profile for each financial year will depend on the number of hours of care provided, the profile of families and the number of children in those families.
- l. The total amount for the Nanny Pilot Programme is \$184.5 million, which includes funding for administrative costs, the subsidy and the evaluation of the programme.
  - o The majority of the funding will be provided through the subsidy, however as this is demand driven the total for each year will depend on the amount of care requested by families, the number of children in each family and the subsidy rate for which each family is eligible (which depends on annual family income).
  - o The administrative amount will be 5 per cent of the subsidy amount.
  - o The department will be able to provide information on the cost of the evaluation once the evaluator has been contracted as part of a Request for Quotation currently underway.