KEY FINDINGS
FROM THE
ISSR EVALUATION OF THE
NANNY PILOT PROGRAMME

Jenny Povey, Michelle Brady, Francisco Perales, Denise Clague, Janeen Baxter, Charley Pedde and Elizabeth Kennedy
The views expressed in this report are those of the authors and may not reflect the views of the Australian Government, including the Department of Education and Training, the Institute for Social Science Research and The University of Queensland.
CONTENTS

Contents............................................................................................................................................... 2
Acknowledgements ............................................................................................................................ 3
Introduction........................................................................................................................................ 4

Key learnings from the NPP evaluation ............................................................................................ 6
1 The NPP attracted families working non-standard hours, and who lacked access to other child care ........................................................................................................................................ 7
   Policy implications .......................................................................................................................... 7
2 Affordability was a major barrier to participation in the NPP ....................................................... 11
   Policy implications .......................................................................................................................... 11
3 The NPP was successful in providing flexible care and for many families it supplemented other forms of child care ......................................................................................................................... 15
   Policy implications .......................................................................................................................... 15
4 Families perceived that the NPP improved workforce and study participation ......................... 19
   Policy implications .......................................................................................................................... 19
5 The recruitment of nannies was a challenge for service providers and families and nannies found the recruitment process time consuming .............................................................................. 21
   Policy implications .......................................................................................................................... 21
6 Few nannies have child care qualifications and many require additional training and support ................................................................................................................................................. 25
   Policy implications .......................................................................................................................... 25
7 Families were satisfied with the quality of NPP care ................................................................... 29
   Policy implications .......................................................................................................................... 29
Recommendations ............................................................................................................................... 31
ACKNOWLEDGEMENTS

This report uses data collected for an evaluation of the Interim Home Based Carer Subsidy Programme: the Nanny Pilot Programme (NPP). The evaluation was undertaken by the Institute for Social Science Research (ISSR) for the Australian Government Department of Education and Training.

The ISSR research team thanks all of those who assisted in the preparation of this report including staff members of the Australian Government Department of Education and Training, NPP service providers, stakeholders, applicants and nannies.

We would also like to acknowledge the contributions of the following ISSR colleagues who contributed their time and expertise to various aspects of the evaluation: Bernard Baffour; Carys Chainey, Sarah Stevenson, Yara Jarallah, Stephanie Cook, Monica Campo, Joseph Byrne, Yangtao Huang, Elizabeth Greyvenstein and Melindy Bellotti.
INTRODUCTION

Over the past 15 years, successive Australian Governments have recognised the need for flexible child care options. Australian parents, particularly women, continue to be excluded from the workforce as a result of child care accessibility, flexibility and affordability problems (Productivity Commission, 2014: p.3).\(^1\) Problems with affordability, accessibility and quality of care have meant that programs seeking to address this need have not always been successful. Due to this the 2014 Productivity Commission Inquiry into Childcare and Early Childhood Learning recommended that “Government assistance to families should be extended to home-based care services (such as approved nannies), where these services satisfy appropriate NQF requirements” (Productivity Commission, 2014: p.16).\(^2\) In response the Australian Government announced the Interim Home Based Carer Subsidy Programme: the Nanny Pilot Programme (NPP) on 28 April 2015 as part of the Jobs for Families Child Care Package.

As stated in the NPP fact sheet, the NPP was designed to assist shift workers, who were unable to access child care and experienced difficulties accessing mainstream child care as well as other families who struggled to access flexible and affordable child care services when working, studying or looking for work. A total of 2,819 families applied to participate in the NPP between September and November 2015 (Cohort 1). The provision of NPP care commenced in January 2016, but by May 2016 a relatively small number of families had received NPP care.

In June 2016 the Australian Government increased the NPP subsidy in response to early indications that families were not aware of the out-of-pocket costs and could not afford to commence care. In addition to increasing the subsidy, the Australian Government encouraged all families who applied between June and December 2016 to obtain a quote from the service provider prior to submitting an application for the NPP. Applications remained open until December 2016 and 479 families (Cohort 2) applied during this period. By May 2017, 215 families had commenced NPP care. These program changes increased the uptake of the NPP and improved efficiencies for the service providers. The NPP currently caters for up to 500 families across Australia until 30 June 2018.

The Australian Government Department of Education and Training (DET) commissioned the Institute for Social Science Research (ISSR) at The University of Queensland (UQ) in January 2016

---

to undertake a process and impact evaluation to assess the effectiveness of the NPP in achieving its intended outcomes and to inform future Government policy regarding the use of nannies as a form of subsidised child care. ISSR was also commissioned to undertake a review of the In Home Care (IHC) program and this commenced in April 2016. Findings from the NPP evaluation and IHC review will together inform the new Government policy around Government subsidies for child care in the family's home.

The NPP evaluation aims were:

(i) to assess the effectiveness of the NPP for families who are having difficulties accessing mainstream child care to enable them to maintain or increase their workforce participation; and

(ii) to provide evidence to support future policies covering home-based care.

The evaluation used a mixed methods design to elicit key stakeholders’ perspectives on the NPP and to assess the NPP’s impact on service providers, families and nannies. In-depth interviews were conducted with seven key stakeholders not directly involved in the NPP, five families who did not commence NPP care, 27 families who commenced NPP care, and 20 nannies. A survey was sent to families who did not commence NPP care, families who commenced care, and all nannies providing NPP care.

In the remainder of this report, we summarise the findings of this evaluation and where relevant report on the findings from the IHC review.
KEY LEARNINGS FROM THE NPP EVALUATION

The key learnings of the NPP evaluation can be encapsulated in the following points.

- A combination of working non-standard hours with work patterns that changed from week to week made accessing traditional forms of child care challenging.

- Families were unclear about the out-of-pocket costs and expected the costs to be similar to their current child care arrangements such as Long Day Care or that their existing child care benefit and rebates could be used. Having multiple children made the NPP more affordable, however, affordability continued to be a barrier to child care for families with one or two children.

- A third of the families who used NPP care used it in combination with other subsidised care, which suggests that the NPP fills some of the gaps in their current child care arrangements. For other families NPP care replaced alternative care types because variable child care needs made it difficult to secure places, multiple care types were logistically challenging or other care types were inaccessible.

- Families reported that the NPP had many positive benefits related to workforce participation, study participation, and family wellbeing.

- Families either already had a nanny or were asked to recruit their own nanny. Service providers found nanny recruitment challenging when families were located in rural or remote areas or required short or variable hours of NPP care. Nannies found that the experience of checking their qualifications and other paperwork was time-consuming.

- Few nannies have a child care qualification and child care qualifications are important for nannies because they are often working in isolated places on their own with no resources or peers to ask for help.

- In general families reported being satisfied with the quality of care received by their children through the NPP, the skills and experience of the nannies providing care, and their overall experience of the NPP.
1 THE NPP ATTRACTED FAMILIES WORKING NON-STANDARD HOURS, AND WHO LACKED ACCESS TO OTHER CHILD CARE

Responses to the Family Survey (n=1,091) indicate five main reasons for applying to the NPP:

- Working non-standard hours (6pm up to 8am on weekdays or any time on weekends) or variable work patterns (84 per cent).
- Limited access to child care (27 per cent).
- Geographic isolation (27 per cent).
- Experiencing difficulties dropping off and picking up children from multiple child care locations (25 per cent).
- A disability or impairment of a child (10 per cent) or a parent (3 per cent).

The in-depth interviews with families revealed that a combination of working non-standard hours with work patterns that changed from week to week made accessing traditional forms of child care very challenging. Thus, families often had to rely on a network of family or friends to fill in the gaps. The challenge of juggling such complex arrangements was nicely articulated by a dual earner family where both parents were shift workers in the health sector and emergency services. They had commenced care through the NPP and the mother explained:

_We didn’t work within [standard hours] and the day care was only open from 7:00 until 5:30. So you’d be dropping the kids at friends and then friends would drop them at day care and then, again, in the afternoons [partner] used to finish work at 6:00 but he was on-call, so he would be able to go and pick them up, unless he’d been called out ... we had people that were ready to get them._

For some families the challenge was not juggling multiple forms of care, it was the difficulty of getting to work on time when they had to first transport children to centre-based care and then travel to work. One mother of three non-school age children, who receive NPP care, explained:

_We had all three kids in child care three days a week from around 7:00 in the morning until probably 5 at night and the difficulties were getting to child care in the morning. [It] was really, really, really tough because we both had to get into work early to beat traffic and to get our hours. So getting the kids ready and getting them there also was very stressful for the kids. We found, particularly [child3], was having separation anxiety and really stressing the night before as well as the morning of child care. So we found that difficult. The [other two] weren’t too bad...I was late most days with taking_
Families who had children with disabilities also described challenges that made care in the family home an attractive option. A mother of four children, two of whom had a disability, explained:

*I thought it would be much easier if we got somebody that would understand the problems with our children (they both have disabilities). It would be easier to have one person that understood them, rather than having to explain it to lots of people. Having it in the home, I just thought it would be heaps easier.*

In most cases families did not apply to the NPP for a single reason, with 41 per cent of the families reporting more than one reason (see Figure 1).

**Figure 1. Reasons why families applied to the Nanny Pilot Programme**

A comparison of the reasons why families applied to the NPP with those for families who used IHC (see Figure 2) reveals key differences. Families who applied to the NPP were more likely to be working non-standard hours and less likely to have vulnerable families (e.g. families with a child or parent who has a disability or impairment) compared to families who use IHC.
Figure 2. Reasons why families applied, a comparison of the NPP and IHC

**Nanny Pilot Programme**
- Vulnerable families (12%): 35 (8%)
- Geographically isolated (27%): 139 (13%)
- Multiple child care locations (25%): 47 (4%)
- Non-standard work hours (71%): 411 (38%)

**In Home Care**
- Vulnerable families (47%): 111 (30%)
- Geographically isolated (28%): 41 (11%)
- At least 3 children under the age of 5 (24%): 5 (1%)
- Non-standard work hours (41%): 51 (14%)

N=1,091

N=375

None of these reasons (12%)

None of these reasons (3%)
Comparing the characteristics of families who applied to the NPP with those of families who use IHC, we find that NPP families had on average a higher household income and were more likely to be working in emergency services (see Table 1).

### Table 1. Profiling families who use care in the family home, a comparison with IHC

<table>
<thead>
<tr>
<th></th>
<th>NPP (%)</th>
<th>IHC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household earnings of $80,000 or more</td>
<td>73</td>
<td>41</td>
</tr>
<tr>
<td>At least one parent/guardian is unemployed</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>Single parents</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>A child/parent/guardian has an illness, disability or impairment</td>
<td>12</td>
<td>47</td>
</tr>
<tr>
<td>A parent/guardian works in emergency services</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>A parent/guardian works in the farming industry</td>
<td>3</td>
<td>20</td>
</tr>
</tbody>
</table>

We also compared the characteristics of the NPP applicants with a representative sample of Australian families from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The comparison showed that families who applied to the NPP were more likely to be:

- Dual earners (68 per cent in the NPP, compared to 47 per cent in HILDA).
- Have 3 or more children under the age of 13 (27 per cent in the NPP, compared to 16 per cent in HILDA).
- Employed single parents (91 per cent of single parents in the NPP, compared to 60 per cent in HILDA).

### Policy implications

These findings suggest that families who work non-standard hours and who have variable work patterns require child care flexibility such as provided by the NPP.

---

3 Families in the 2014 wave of the HILDA Survey with at least one parent with Australian permanent residence or citizenship, at least one child under 13 years of age, and with an annual taxable couple income below $250,000.
2 AFFORDABILITY WAS A MAJOR BARRIER TO PARTICIPATION IN THE NPP

Ninety-four per cent of the families who applied to the NPP did not commence NPP care.

Families who did not commence NPP care were more likely than families who commenced NPP care to only have one child (36 per cent compared to 6 per cent) and to have other subsidised child care available in their area (74 per cent compared to 68 per cent).

The most common reason for not commencing NPP care was that out-of-pocket expenses were too high (72 per cent) or the cost was unclear (25 per cent) (see Figure 3).

**Figure 3. Reasons why children did not commence NPP care**

We also compared other characteristics of families who commenced NPP care with those who did not and found that families who commenced NPP care were less likely to be:

- Living in outer regional, remote and very remote areas (10 per cent for families who commenced NPP care, compared to 17 per cent for families who did not).
- Household earnings above $100,000 (60 per cent for families who commenced NPP care compared to 64 per cent for families who did not).
Families who commenced NPP care versus those that did not were more likely to:

- Have no child care arrangements at the time of applying for NPP care (32 per cent for families who commenced NPP care, compared to 26 per cent for families who did not).
- Be using a nanny at the time of applying for NPP care (7 per cent for families who commenced NPP care, compared to 3 per cent for families who did not).
- Have 3 or more children (64 per cent for families who commenced NPP care, compared to 25 per cent for families who did not).

Altogether, differences between families who chose to commence NPP care and those who chose not to, suggest that the families with multiple children who had no other child care arrangements or were already using a nanny were more likely to commence NPP care.

The out-of-pocket cost exceeded what families expected and could afford to pay. The vast majority of families who applied to the NPP were dissatisfied with the quote they received for NPP care (84 per cent). The NPP families indicated that they were willing to pay out-of-pocket costs of $14 per hour for care in the family home and were quoted on average $29 (out-of-pocket).

A key consideration for most families when considering the cost of NPP care was the difference between the money they would earn, when taxes and other costs (such as travel costs) were taken into consideration and the out-of-pocket cost of NPP care. Once the out-of-pocket cost became clear for families, many realised that they could not afford regulated child care in the family home.

Families who commenced NPP care received much lower quotes than families who did not commence NPP care ($23 compared to $30) (see Table 2). A number of factors contributed to this. First, 75 per cent of the families who did not commence NPP care had only one or two children who required NPP care, which meant that they were eligible for a lower subsidy and their out-of-pocket cost was higher. Second, most families who commenced NPP care were from Cohort 2 who applied after the subsidy had been increased. However, additional analyses reveal that even after taking these factors into account, families who did not commence NPP care were quoted a higher out-of-pocket hourly rate. Some of these differences may be attributable to variations across service providers, or to a propensity for families who received higher quotes to drop out.
Table 2. Average out-of-pocket hourly cost of NPP care, a comparison between families who commenced and did not commence NPP care

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Did not commence NPP care</th>
<th>Commenced NPP care</th>
<th>All families</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 or less</td>
<td>$38</td>
<td>$24</td>
<td>$30</td>
</tr>
<tr>
<td>3 or more</td>
<td>$28</td>
<td>$22</td>
<td>$26</td>
</tr>
<tr>
<td>Cohort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cohort 1</td>
<td>$30</td>
<td>$25</td>
<td>$30</td>
</tr>
<tr>
<td>Cohort 2</td>
<td>$25</td>
<td>$21</td>
<td>$23</td>
</tr>
</tbody>
</table>

While having multiple children made the NPP more affordable, three quarters of the families who applied to the NPP had one or two children.

The in-depth interviews with parents suggests that families expected that the subsidy would be similar to the Child Care Rebate and Child Care Benefit, which families can access via IHC, and thus that the costs would be much lower.

A partnered mother of two children (one school aged and one non-school aged) who did not commence NPP care explained:

*If you went on what a babysitter, au pair or a nanny would cost ... “Yeah, that’s affordable.” But then when it went through the service ... they quoted me for two children even though that the care was realistically for one. I needed them for two hours, but the minimum was three hours. That’s where it started to blow out and it was $32 for one kid and then something else for another kid and I was just like, “Per hour?” ... $840 is what I got quoted and that was only for three days a week. My understanding that it would be sort of similar to the child care rebate... I think if it was $600 I’d would have gone, “Okay, I could afford $600 a fortnight for a nanny.”*

We cannot be sure whether families did not take into consideration the higher costs associated with regulating care in the family home or whether they did but they had an expectation that the Australian Government would subsidise these costs to make it affordable for families.

Service providers reflected that, in a context where government policy has emphasised that affordable and flexible care would be made more accessible, most families had an expectation that the higher costs of providing care in the home would be off-set by the subsidy:

*I didn’t think parents understood the reality that this program isn’t just for any family. That it costs money because it’s a nanny going into your home. But families are seeing that it’s a government-run program and it’s going to be made accessible to families. So a*
lot of people’s interpretation is that it’s going to be really affordable. Because from a federal point of view, the current government has lobbied - has constantly communicated - around accessible, affordable and flexible child care. Well, what’s that if it’s not a nanny pilot program?

Some service providers reported that, even after they had informed families of the final costs, some did not fully understand it. One service provider recounted that some families only made the decision not to commence NPP care, due to the cost, right at the end of the matching process.

Service providers were required to provide regular invoices to families showing the subsidy. However, many families reported a lack of transparency and clarity around what they actually paid for NPP care. An illustrative example was a mother with three children under school age, including infant twins, who was working standard hours three days a week and receiving NPP care. When asked how much she paid for the nanny she explained:

Coming from the child care setting where they send you an invoice and they say, “Tomorrow we’ll take this money out of your account,” [With NPP] the invoice doesn’t have detail. It just says, “Nanny, 35 hours,” and the cost. It doesn’t say what my subsidy is, and even when I get my money back. It doesn’t breakdown anything. So I am direct debited and then the money comes back into my account from the agency the following week. It makes it difficult because the hourly rate at the nanny agency end fluctuates depending on how many hours of care we have, which is something I never really understood why it would go up or down. I can’t go, “Oh well, last week it was $35 an hour or whatever and so next week it’s $35 times however [many hours]”. I have no idea. [why the cost changes]. They said, “Oh, it’s insurance and super”. All this stuff that did not make sense to me.

Policy implications

These findings suggest that out-of-pocket expenses should be reduced where possible and expenses of receiving regulated child care in the home should be clearly communicated to families at the outset. One way could be through the use of a cost calculator. Particular attention should be paid to how the subsidy arrangements can be revised to support families who have one or two children compared to families with three or more children.
3 THE NPP WAS SUCCESSFUL IN PROVIDING FLEXIBLE CARE AND FOR MANY FAMILIES IT SUPPLEMENTED OTHER FORMS OF CHILD CARE

Flexible child care is child care that accommodates families’ diverse needs. The NPP had a specific focus to address the needs of families who required non-standard or variable hours of care.

The proportion of the NPP families who had at least one parent/guardian working non-standard hours (71 per cent) is higher than for Australian families as a whole (26 per cent in HILDA). Analyses of the NPP usage data for March 2017 showed that almost three quarters of the children (72 per cent) receive some of their NPP care during non-standard hours (defined as any care used during the period 6pm-8am). As the figures below show, even though most families used some non-standard hours, the majority of NPP care occurred during standard hours. There are a number of reasons families who use NPP care exclusively (68 per cent) would use NPP care during standard hours. First, 37 per cent of the families require variable (irregular) child care arrangements due to work patterns which make it hard to secure places alternative care types even when they use standard hours. Second, geographical isolation (27 per cent) may make alternative care types inaccessible. Third, 25 per cent of families indicated that they had to drop off/pick up children from multiple care types which makes it logistically difficult to manage when they had to factor in travel time and work hours. Fourth, families who have a child or parent with a disability often require child care support during standard hours.

The majority of the NPP care that occurred during non-standard hours took place between 6am and 7am and between 6pm and 8pm (see Figure 4). This pattern aligns with findings from in-depth interviews, which also indicate that families were most commonly using NPP care for before and/or after school care. In addition, a moderate percentage of children receive NPP care during the weekend, when most other subsidised care options are not operating (see Figure 5).
Many families have child care needs that change from week to week, as they work rotating shifts, work on call, or undertake frequent travel for work-related reasons. Over half of the families who commenced NPP care (54 per cent) had at least one parent/guardian whose work pattern was not the same each week. This included working unpredictable or irregular work patterns, such as
rotating shifts (37 per cent); travelling away from home for work purposes (17 per cent); working ‘on call’ (16 per cent); and working split shifts (3 per cent).

The in-depth interviews with parents who commenced NPP care revealed that changing shifts involving non-standard hours of employment were challenging. As a single mother of two school aged children explained:

*I am an employee of the [state] Police Service, my shifts vary weekly from 6am-2pm, 2pm-10pm, 4pm-12, 10pm to 6am and various shifts in between, I work 40 hours a week and take any overtime available. I work 3 out of the 4 weekends a month. Luckily, I have my Mother to care for my children when I am on night work or working into the night. I use before and after school facilities a few times a week. My children often jump from location to location and rarely sleep in their own beds. I was excited to apply for this program to get some routine into my children’s lives. To have homework done, to have dinner at home. To have bedtime with a book. The simple yet important aspects in a childhood.*

A partnered mother with three children (two school age and one infant) who worked from 7am to 5pm and whose partner worked variable shifts in law enforcement reported a similar situation. She explained that she faced challenges because other child care services did not open until 7am:

*[In terms of my partner’s shifts] it’s a combination. So [my partner] probably does two weeks of nights a month and then two days or sometimes afternoon shifts. It depends. A few day shifts the other times. But having said that, [partner] might work sometimes, have a couple of hours break, and then go back. It’s a juggling act. So [my partner] would normally drop the [school age children] off and then I’d picked them up if it worked that way. But at the moment [my partner’s] has 12 hour shifts so it kind of doesn’t work out that way. So day care used to start at 8:00 am. So I think that was a big challenge. We managed to ask them to change it to 7:30 am, but the not starting early is the challenge for us, especially when I start at 7:00 am.*

The NPP usage data confirmed families’ reports: 68 per cent of the children (67 per cent of the families) using the NPP did not have the same pattern of care during the month of March 2016.

For some families, accessing flexible care involves using a combination of subsidised child care modes, with 32 per cent of the NPP families using NPP care in combination with centre-based services.
Comparing the ability of the NPP and IHC program to address child care flexibility through subsidised care in the family home, Table 3 shows that the NPP families are more likely to be working non-standard hours, work variable work patterns such as rotating shift, and use variable care.

<table>
<thead>
<tr>
<th>Table 3. Ability of the program to address flexible needs, a comparison with IHC</th>
<th>NPP (%)</th>
<th>IHC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work non-standard hours</td>
<td>71</td>
<td>41</td>
</tr>
<tr>
<td>Use variable care (as shown in child care usage data)</td>
<td>68</td>
<td>43</td>
</tr>
<tr>
<td>Don't have the same work pattern each week</td>
<td>54</td>
<td>45</td>
</tr>
<tr>
<td>Variable work patterns, such as rotating shifts</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>Travelling away from home for work purposes</td>
<td>17</td>
<td>28</td>
</tr>
</tbody>
</table>

**Policy implications**

These findings suggest that child care policy should provide a flexible form of care that meets the needs of families requiring care for variable hours or non-standard hours. Given that many families combined the NPP with other forms of child care it is important that any future program that provides care in the child’s home is designed to accommodate the needs of families who will combine it with other formal care including Long Day Care and Outside School Hours Care.
4 FAMILIES PERCEIVED THAT THE NPP IMPROVED WORKFORCE AND STUDY PARTICIPATION

When surveyed, families reported that they perceived that participation in the NPP had resulted in many positive benefits related to workforce participation and family wellbeing.

Importantly, families reported that NPP care increased their standard (80 per cent) or non-standard (61 per cent) work hours. In addition, families reported that it also resulted in the following benefits:

- Increased availability for employers (72 per cent).
- Reduced work absences due to child illness (64 per cent).
- Increased their ability to take on more responsibility at work (64 per cent).
- Increased their ability to undertake better-paid work (30 per cent).
- Increased their ability to choose alternative employment (22 per cent).

The in-depth interviews with parents suggest that the NPP provided invaluable support for families in which parents worked shifts and that, in the absence of the NPP, many mothers on maternity leave would not have been able to return to paid work or would not have returned as early from leave.

An illustrative example comes from a family with four children, with one parent who worked trade hours (7am-4pm) and one who worked either 7am to 3:30 pm or 1:30 to 10pm. The mother reflected that without having a nanny she would not have been able to work, as formal care did not start early enough:

> I wouldn't be working without it. So it's definitely been a very important part to our money and finances and everything. We're just so lucky that the pilot program's happened because it's happened right at a good time for us as well with the four of them, and juggling them would have been impossible.

A number of families who commenced NPP care after returning from maternity leave stated that participation in the NPP allowed them to return to work earlier than they otherwise would have.

In the survey, families also reported benefits associated with their participation in the NPP that extended beyond the workplace. For example:

- Feeling more at ease about leaving children in child care while working or studying (85 per cent).
- Increased work-life balance (83 per cent).
- Feeling less rushed and stressed (80 per cent).

Similarly, in the in-depth interviews families consistently reported greater work life balance and reduced stress as a result of participating in the NPP. An illustrative example was a family with three children where the mother worked three days a week (increased to 3.5) and the father worked full time. The father reflected on how having access to a nanny through the NPP helped with work-life balance:

*The first thing it’s enabled us to do is to get to work on time, which obviously, has that flow on effect of, things being better at work. You’re not as stressed when you get to work. Like I often used to get to work and it used to take me longer just to get settled and get into work and get organised because your mind’s just stressed from having your kids crying and the stress of getting organised and traffic’s worse and it’s just a pile-on effect. So work’s been much better in the mornings for me. It’s been a lot more relaxed. I think my wife, I can see a noticeable difference too in that she’s been a lot less stressed about things and it’s also having just somebody else as a backup, that somebody else is there to be able to look after your kids and help. Somebody you can trust.*

Nevertheless, the benefits of the NPP for workforce and study participation reported by parents/guardians need to be taken with a degree of caution. We found that families who received care through the NPP increased their workforce and study participation. However, we found very similar increases in those outcomes amongst families who applied to participate in the NPP but did not commence care. This means that, with the data at hand, it is not possible to conclude that the benefits accrued by families who received NPP care can solely be attributed to the NPP itself. This is because those who commenced NPP care may have had fewer alternative child care options and faced greater challenges than those families who did not commence NPP care.

**Policy implications**

These findings suggest that the provision of subsidised care in the family home supports some families to increase their workforce and study participation, workplace productivity and work-life balance. However, given that there was not a clear difference between those who applied and those who participated in the NPP it is important to ensure that any future program that subsidies care in the home is targeted at those who are unable to access other forms of formal child care.
5 THE RECRUITMENT OF NANNIES WAS A CHALLENGE FOR SERVICE PROVIDERS AND FAMILIES AND NANNIES FOUND THE RECRUITMENT PROCESS TIME CONSUMING

The recruitment of nannies was one of the major challenges encountered by service providers, which in turn impacted the length of time taken to match families with a nanny. As one service provider who serviced both city and regional areas explained:

*The need [for nannies] has predominantly been in [city] areas, and if it's outside those areas we have struggled to find suitable nannies to meet the family’s needs. I would say it hasn’t been so hard to find nannies in [city] areas.*

Service providers are responsible for verifying nannies’ qualifications, registering nanny’s in the NPP, and completing nannies’ induction. However, they do not always recruit the nannies. Nannies were recruited via three main strategies.

First, some nannies were recruited by the NPP service providers or were already working for the service provider providing home based care (38 per cent). Second, some nannies were already working for the family as a nanny or au pair, and transited into the NPP to continue providing their services to that family (29 per cent). Third, some nannies were recruited by the family either through social networks or through an advert the nanny had placed seeking work (24 per cent). This was particularly so in regional and remote areas, where services found it harder to identify and recruit nannies.

Early in the pilot, some service providers reported problems with nannies withdrawing from the NPP because it took too long to be matched with a family. This delay partially occurred because it took service providers a significant amount of time to identify and make contact with Cohort 1 families.

Of those families who already had nannies, 65 per cent reported that they transited to the NPP because the subsidy would make it cheaper for them. An illustrative example is the experience on a mother of one-year-old twins, who explained that she heard about the NPP through the nanny she recruited:

*I advertised on a website called ‘We Need a Nanny’, for a nanny and then the woman who became our nanny told me that she works under the Nanny Pilot Program and that we might be eligible. So I actually found a nanny first and then the Nanny Pilot Program.*
The in-depth interviews revealed that most families recruited their own nanny because the service provider asked them to, and that very few families actively chose to recruit their own nanny. For example, one mother (who lived in a rural area) reported that she felt that she was constantly chasing the service provider to locate a nanny, and eventually, to her surprise, the service provider asked her for help with locating a suitable nanny. She accomplished this by asking a local kindergarten to recommend suitable candidates and passing those contact details onto the service provider.

Families who had recruited their own nanny generally reported finding the nanny recruitment process time-consuming and stressful. One family reflected that it would have been useful to have a registry of nannies from which to choose from.

In many cases the difficulty was not with recruiting nannies, but with locating nannies who could cater the needs of families. This was particularly the case due to many NPP families having to reduce their NPP hours to the minimum to make it affordable. Additionally, nannies were sometimes unwilling to travel significant distances for short shifts. As one service provider explained:

*Because the nanny pilot program has been so unaffordable, families have reduced the number of hours that they would’ve originally asked for. So they are going down to minimum hours. So you’re driving from [region] to [suburb] for an after-school care shift. After-school care and before-school care is the most common request of shifts.*

Some service providers also reported challenges around recruiting nannies with sufficient skills and experience to cater for the complex needs of some of the NPP families. As one service provider explained:

*Just from a recruitment point of view, who we were looking for started to change because one of the things we noticed in the nanny pilot program was we had a large percentage of the families, not that we had many, who come with significant challenges, complex needs. So either the family as a whole had some complex needs or the children in particular. So it made us really think about the nanny that we were sending into that space had to have pretty high level skills around managing that type of complexity from conflict management, really challenging behaviours, a range of different disabilities. Sometimes just dealing with families who were just really complex to communicate and engage with.*
Many service providers became aware of the need to innovate in their recruitment strategies after the first six months and in the follow up interviews many providers reported using a wider range of strategies including social media and job matching websites.

As a consequence of these recruitment challenges, almost two thirds of the families in the NPP Family Survey (61 per cent) were dissatisfied with the time it took to be matched with a nanny. Families who did not commence NPP care were significantly more dissatisfied than families who did (84 per cent, compared to 42 per cent).

Reviewing the employment condition of nannies, more than one third (44 per cent) of the nannies were employed as casual employees, and nearly a fifth (18 per cent) as independent contractors.

Nannies earned on average $24 per hour, with those who had child care qualifications receiving a slightly higher average rate of pay ($25) than those who did not ($24). Reviewing the rate of pay by employment type, nannies earned on average $26 per hour as casuals, $25 per hour as permanent or fixed term staff, and $23 as an independent contractor. These pay rates vary across the service providers. More than a third of nannies (41 per cent) indicated that they were dissatisfied with their rate of pay.

More than half of the nannies work some non-standard hours (53 per cent). Almost two thirds of the nannies reported they were satisfied with their usual hours of work (62 per cent), and only 9 per cent indicated that their work hours were unpredictable and 6 per cent were dissatisfied with their ability to balance work and family.

One fifth (21 per cent) of the nannies were concerned about job security and more than a third (38 per cent) work additional hours in other subsidised child care, informal child care, or non-child related employment. Approximately 12 per cent of the nannies were no longer providing care through the NPP at the time of the survey, and 18 per cent reported that they would not continue working in home based care for the next 2 years.

The employment conditions of nannies in the NPP show that some nannies are dissatisfied with their pay, concerned about their job security and don’t seem to want to stay in the sector.

Policy implications

These findings suggest that families require assistance in finding nannies and the registration process needs to be streamlined. Possible ways to support families recruit nannies and streamline processes should be explored. One possible solution would be to develop an IT system that can
automatically check qualifications or systems that allow service providers to manually check
nanny qualifications prior to allowing nannies to post on a database that can be shared with
families. In addition, the employment conditions of the workforce supply for care in the family
home should be considered in the future child care policy. In addressing the flexible child care
needs of families we are imposing the difficulties these families face due to work patterns onto
another workforce sector and the future policy should consider ways to make this type of work
attractive in order to meet the demand.
6 FEW NANNIES HAVE CHILD CARE QUALIFICATIONS AND MANY REQUIRE ADDITIONAL TRAINING AND SUPPORT

Generally, stakeholders believed that formal child care qualifications were important for nannies because they are regularly required to provide care at times when others may not be easily contactable and in remote or isolated settings. In these circumstances, nannies face a great deal of responsibility in their day-to-day work. However, some stakeholders suggested that nannies do not require qualifications when they only provide overnight care. One stakeholder arguing for formal qualifications said the following:

Certificate III [is] a very basic qualification but it does give you the skills you need to appropriately respond to children’s behaviour, children’s distress, to understand the importance of children’s routine, to know how to meet children’s basic needs, and to do that in a way that is safe and socially and emotionally safe as well as physically safe. Particularly when you have nannies in isolated places working on their own with no recourse to a supervisor or a peer that they can ask for help with, that they should have those basic skills...That is a way of avoiding circumstances arising where they respond inappropriately to children; lost their temper...don’t realize the importance of routine, don’t feed children risky food substances for the wrong development age.

In our survey, 64 per cent of nannies had five or more years of child care experience. Yet less than half (49 per cent) had a child care qualification (ranging from a certificate to a degree). This is in contrast to IHC where 64 per cent of educators had a child care qualification. A quarter (27 per cent) of the nannies are working towards a child care qualification compared to eight per cent of IHC educators.

When interviewed, nannies themselves reflected on the isolation they experienced as a nanny in the home and their desire for training that would assist with topics that were particularly pertinent to home-based carers. These included training on topic areas such as ‘boundaries’, sleep and ‘difficult’ children.

Stakeholders also emphasised the importance of providing appropriate training to nannies. Some argued that nannies should have training in nutrition and safe settling practices, particularly given that they were solely responsible if something went wrong (e.g. child became sick, had accident etc.). Several stakeholders shared the concern that current child care certificate programs do not adequately prepare carers to provide care in the family home.
High quality child care requires carers/educators to be supported and provided opportunities for professional development. However, there was substantial diversity in the NPP program in terms of the amount and nature of support service providers provided to their nannies. A large portion of nannies indicated that they had never received the following forms of support from their service provider:

- Home visits (74 per cent).
- Educational resources (62 per cent).
- Newsletters (41 per cent).
- Phone calls, text messages, emails (29 per cent).

A nanny described how unsupported and isolated she felt during the NPP:

Well even once a month. I mean, to go this long without any communication is not professional. [the relationship with the service provider] It is poor, because without my initiation I don’t have communication with them.... the fact of the matter is the agency’s not doing anything. What are they doing? They’re not doing anything.

Similarly, another nanny working in a regional area explained:

I would have expected that there would have been a case manager or a person, a contact, or something that would be ringing, checking how things are going, that sort of stuff. It hasn’t happened at all. That’s pretty much it. I don’t want to bag the service provider out...I just think that there should be more of an introduction, like, “Here’s a contract person or a case person that is assigned with you,” that there’d be a regular check in, even if it’s only once a month or something like that. Not just for me, but for the families as well. Like, I know the family I’ve got has not heard from them either.

The proportion of nannies who were satisfied with support, professional development opportunities and training was relatively low:

- Their service provider’s level of support (53 per cent).
- Their service provider’s provision of professional development opportunities (35 per cent).
- The training provided by their service provider (32 per cent).

Service providers in regional and remote areas spoke about the additional costs associated with providing additional support to nannies:
When you’re doing rural and remote, you’ve got less numbers, but a lot more cost and time associated with that because of the distance.

A number of nannies expressed disappointment that their provider had offered less training and professional development than they expected. One nanny, who had also expressed a feeling of being isolated and unsupported during the NPP stated:

*I thought there’d be a lot more training and days that you could learn from other people what they’re experiencing, how they deal with different issues that arise. I mean, being isolated and alone and so far from – I don’t know anybody that works for [service provider].*

Similarly, another nanny who had reported not receiving any regular contact from the service provider stated:

*Well, I would have thought that there could have been some small, short courses. Like updating of information or childhood education type things. Being a nanny, I mean, anyone can probably look after a child, but you really are an educator as well with your kids. There could have been things like boundaries.*

In the survey nannies reported being interested in receiving training in behaviour management (65 per cent), conflict management (58 per cent), child development (58 per cent), administration training (55 per cent), and health and nutrition (52 per cent). Within the in-depth interviews nannies commonly raised the need for training and support in managing relationships with families.

A comparison of the NPP nannies and IHC educators showed that the NPP nannies were less likely to have a child care qualification; be employed as an independent contractor; and receive home visits, educational resources, and phone calls or emails from their service provider. The NPP nannies receive a lower hourly rate than IHC educators and were more dissatisfied with their rate of pay (see Table 4).
Table 4. A comparison of the NPP nannies and the IHC educators

<table>
<thead>
<tr>
<th></th>
<th>NPP (%)</th>
<th>IHC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a child care qualification</td>
<td>49</td>
<td>64</td>
</tr>
<tr>
<td>Working towards a child care qualification</td>
<td>27</td>
<td>8</td>
</tr>
<tr>
<td>Employed as an independent contractor</td>
<td>18</td>
<td>56</td>
</tr>
<tr>
<td>Dissatisfied with rate of pay</td>
<td>41</td>
<td>18</td>
</tr>
<tr>
<td>Satisfied with their usual hours of work</td>
<td>62</td>
<td>78</td>
</tr>
<tr>
<td>Dissatisfied with their ability to balance work and family</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Home visits from the service provider</td>
<td>26</td>
<td>82</td>
</tr>
<tr>
<td>Educational resources provided by the service provider</td>
<td>38</td>
<td>85</td>
</tr>
<tr>
<td>Phone calls, text messages, emails received from the service provider</td>
<td>71</td>
<td>96</td>
</tr>
<tr>
<td>Satisfied with the service provider's level of support</td>
<td>53</td>
<td>70</td>
</tr>
<tr>
<td>Satisfied with the training provided by the service provider</td>
<td>32</td>
<td>65</td>
</tr>
<tr>
<td>Overall hourly rate</td>
<td>$24</td>
<td>$26</td>
</tr>
<tr>
<td>Hourly rate if nanny has a child care qualification</td>
<td>$25</td>
<td>$28</td>
</tr>
<tr>
<td>Hourly rate if nanny has no child care qualification</td>
<td>$24</td>
<td>$22</td>
</tr>
</tbody>
</table>

Policy implications

These findings suggest that nannies need additional support in terms of training (including professional development and formal child care qualifications) as well as on-the-job support such as home visits and regular calls from their service provider.
FAMILIES WERE SATISFIED WITH THE QUALITY OF NPP CARE

NPP families were very satisfied with their nannies, with the majority reporting satisfaction with the skills and experience of the nannies who cared for their children (87 per cent); their relationship with the nannies (88 per cent); their children’s relationship with the nannies (88 per cent); and the quality of care their children received (86 per cent). Almost two thirds of the families reported that their children’s wellbeing improved since commencing NPP care (62 per cent).

A mother of three children living with her partner in a country area reflected that the NPP care not only benefited her children but improved her life as well.

_She’s amazing. She makes my life better. So the kids don’t just benefit. I benefit as well._

A mother of a 4-year-old child and one-year-old twins who worked shifts explained how the NPP care benefited her family:

_I like the fact that they get the one-on-one attention with somebody who’s constant in their life. They give her a kiss when she goes, they’re happy to see her, they cuddle her. So they feel like she’s part of their life. It offers a great deal more flexibility than a day care would._

However, some parents (9 per cent) were not happy with the care their nanny provided their children and 38 per cent would not consider using child care in the family home in the future. Parents gave examples of nannies not cleaning up child related mess and using rewards such as chocolate that parents disapprove of, as one mother explained:

_There was a couple of instances where I came home and she’d be like “Yeah, they were fine. I had to bribe them to go to bed, but they’re all good. ... And then I thought, “Yeah, fine.” So she left ... I found M&Ms on the floor in their bedrooms. She didn’t even tell me that she’d been bribing them with chocolate. ... You know, be a little bit more creative with your ideas as to what to do. Like, “We’ll go to the park,” or, “We’ll do this after you wake up if you go and have some quiet time,” or, that sort of thing._

Some stakeholders argued for the need for increased quality standards for care provided in the family home. These claims were made on the grounds that research evidence has shown that
early childhood development is crucial and shapes children’s outcomes into adulthood. One stated:

*Child care in the family home should fall under the National Quality Framework which provides nationally consistent standards for all early childhood services and is based on the research evidence around early childhood development in the first five years in particular, and the importance of children's learning and development during that period of their life.*

Some suggested that such standards could be a modified version of the National Qualification Framework (NQF), with allowances made for a home care setting and rural and remote locations, where child care options are limited. This feedback aligned with the findings of the IHC review, where most service providers wished to see more rigorous quality standards for service provision.

**Policy implications**

These findings suggest that families were satisfied with the quality of care their children received and with the overall experience of the NPP. Future home-based programs should continue to address families need for high quality child care.
RECOMMENDATIONS

The NPP provided child care to families who wanted to maintain or increase workforce participation but found accessing traditional forms of child care challenging. Overall the majority of the families receiving NPP were satisfied with the quality of care their children received and reported a number of positive benefits related to workforce or study participation, workplace productivity, work-life balance, and family wellbeing. There were however, many families who were unable to commence NPP care because they could not afford the fees or they could not be matched with a nanny. The NPP evaluation highlighted a number of key findings which may be used to inform child care reforms and future policy regarding child care in the family home:

Finding: The NPP attracted families who worked non-standard hours, have variable work patterns, and don’t have access to other care.

Recommendation: Provide subsidised care in the family home for families who need some non-standard hours, who have variable work patterns, and don’t have access to other care.

Finding: Families were not clear about the associated out-of-pocket costs when they applied and affordability continued to be a major barrier to the NPP, especially for families with one or two children.

Recommendation: Communicate the out-of-pocket cost to families up front. One way could be through the use of a cost calculator. Revise the subsidy arrangements to support one-child and two-child families. Consideration should be given to the provision of a higher subsidy for the first child and a proportional subsidy for subsequent children.

Finding: The NPP was successful in providing flexible care and for many families, it supplemented other forms of child care.

Recommendation: Any future program that provides care in the child’s home should be designed to accommodate the needs of families who will combine it with other formal care including Long Day Care and Outside School Hours Care.

Finding: Families in the NPP perceived that this improved their workforce and study participation.

Recommendation: Given the high cost of providing care in the home, consideration should be given to targeting the subsidy based on need (e.g. only a subsidy for those who can’t access any other form of care or a higher subsidy for this group).
Finding: The recruitment of nannies was a major challenge for service providers and families, particularly those in regional and remote areas and nannies found that the experience of checking their qualifications and other paperwork was time-consuming.

Recommendation: Families require assistance in finding nannies and the registration process needs to be streamlined. Possible ways to support families recruit nannies and streamline processes should be explored. One possible solution would be develop an IT system that can automatically check qualifications or systems that allow service providers to manually check nanny qualifications prior to allowing nannies to post on a database that can be shared with families.

Finding: Not all nannies have a minimum child care qualification, and many require extra training and support from their service providers.

Recommendation: All nannies should have a minimum Certificate 3 child care qualification and receive regular support from their service provider. For example, home visits once every three months and a phone call once a month to discuss support needs. Training and professional development should form part of the quality standards governing care in the family home. Nannies (including those that have a child care qualification) have requested training in: behaviour management, conflict management, child development, administration training, and health and nutrition.

Finding: Most families were satisfied with the quality of NPP their care, as well as the skills and experience of the nannies providing care.

Recommendation: While most families reported being satisfied with the care provided the concerns of nannies and service providers suggest that in order for this quality to be sustained on an ongoing basis there is a need to provide nannies with greater training and support.