

Early Learning Association Australia

Annual Report 2013/2014



EARLY
LEARNING
ASSOCIATION
AUSTRALIA

The voice for parents and service providers

2013/2014 Report



President's Report

JO GEURTS

I am very pleased to present the 2013–2014 Early Learning Association Australia annual report.

My first year as President has been a challenging one for our sector. With speculation about the future of the Commonwealth Government's commitment to providing funding support for 15 hours of preschool, the Productivity Commission inquiry, and the review of the National Quality Framework, ELAA's advocacy work has had an increasingly national focus.

ELAA has also continued to provide high quality advice, training, information and other member services to our dedicated parent volunteers and professional service providers.

ELAA is pleased to represent the diversity of our sector, and all our members share a commitment to providing quality early learning to benefit children, families and communities.

In these uncertain times, I have been heartened by the way ELAA members and stakeholders have worked together

to campaign on the big issues affecting early childhood education.

This year we also launched the ELAA strategic action plan at the 2014 Early Childhood Education Conference. The plan – *Excellence for Every Child* – details what ELAA will do over the next decade to champion excellence in the provision of high quality early childhood education.

The plan informs everything ELAA does to provide support, training and advisory services for members, while seeking new partners across Australia to advocate for quality early learning.

I want to thank the volunteer members of the ELAA Board for their ongoing support. At the 2013 AGM, we welcomed Krishnan Rangaswamy and Charles Power to the Board. Krishnan and Charles have respectively brought a depth of financial and legal expertise to the organisation, and I want to thank them for the invaluable support they continue to provide.

This year we also farewelled our past President, Danny Pearson. I would like to again acknowledge Danny's extraordinary contribution to ELAA during his tenure.

I would also like to thank the ELAA staff for their professionalism and dedication, and I want to assure our members that ELAA will continue to be a strong national voice for parents and service providers in the early learning sector.



CEO's Report

SHANE LUCAS

I am delighted to present my report for 2013–14.

Over the past year, our focus has been on working with members and stakeholders to advocate for the importance of quality early learning – at all levels of government, in the media, and in the community.

We played a leading role in the national debate on the future of Commonwealth funding for 15 hours of preschool, and we continued to press States to maintain their support for quality early learning.

We worked with members and stakeholders to make compelling evidence-and-practice based submissions to the Productivity Commission inquiry, and the National Quality Framework review.

We also sought to continuously improve our provision of services to members.

Our Member Services team was again extremely active, responding to over 10,000 enquiries. ELAA's training programs also remained strong, with over 700 people attending workshops and seminars.

And in the third year of our initial contract with VicRoads to deliver Road Safety Education to the early learning sector, we visited over 500 preschools, engaging over 6000 children and families.

Over 1000 delegates and exhibitors attended the 2014 *Together we grow* Conference and our partnership with Gowrie Victoria and the Organising Committee to deliver the conference is stronger than ever.

We were delighted with the Victorian Government's decision to provide a \$200,000 grant in the May budget for ELAA to support ongoing provision of quality kindergarten in rural areas by building capacity in governance and service management. This project complements the work already underway in partnership with Playgroup Victoria which connects rural families with play-based early learning experiences and services.

Even in difficult times, we maintain durable and robust relationships with Ministers, Opposition Members, and senior public servants at State and Commonwealth level.

We are always appreciative of the support of our preferred partners, philanthropic sponsors, and fraternal organisations across the education and community sectors.

I meet regularly with ELAA members from organisations large and small, and I continue to be impressed by their commitment to excellence in early learning for every child. I thank our members for their support – please keep telling us how we can serve you better.

I thank the Board – and especially our President, Jo Geurts – for their leadership. Jo's dedication to the sector and her capacity for sheer hard work are a constant source of inspiration.

I also thank the ELAA staff for their support. I can always rely on my colleagues' willingness to do all that is required to deliver the best possible service to our members.

Our Board

Top row: Left to right – Jo Geurts (President) board member since 2010; June McLoughlin (Vice-President) board member since 2012.

Second row: Left to right – Krishnan Rangaswamy (Treasurer) board member since 2013; Katie Wyatt (Secretary) board member since 2011; Lee Cath, board member since 2011.

Third row: Left to right – Karalynn McDonnell, board member since 2009; Nicole Pilsworth, board member since 2011; Ben Willee, board member since 2011.

Bottom row: Left to right – Carlene Wilson, board member since 2011; Charles Power, board member since 2013.



“ ELAA is pleased to represent the diversity of our sector, and all our members share a commitment to providing quality early learning to benefit children, families and communities. Jo Geurts, President

Our partners 2013-14

ELAA is grateful to our corporate partners and event sponsors for their investment in the early childhood sector and the support of our members through excellent services. We would like to thank the Creswick Foundation and the consultants for their contribution during the year.

We would also like to thank the Department of Education and Early Childhood Development for their ongoing funding of key programs and projects, supporting us in delivering high quality services to the early childhood sector. ELAA has enjoyed strong relationships with various representatives of the Department, from both central office and the regions, working together on key projects which, we believe, will create lasting benefits for the sector.

We appreciate the valuable legal advice and guidance provided by Russell Kennedy.



“ Over the past year, our focus has been on working with members and stakeholders to advocate for the importance of quality early learning – at all levels of government, in the media, and in the community. Shane Lucas, CEO

Our organisation

A strong voice for members in 2013–14

ELAA is the peak organisation representing the voice of parents and service providers of quality early learning for all children.

Our membership represents more than 1200 early learning providers including independent kindergartens, cluster managers, integrated services, government and independent schools, before and after-school care providers, long day care services, and local governments.

We provide advice, resources, training and advocacy relating to governance, industrial relations, management practice, and family and community engagement in early learning services.

We advocate on behalf of families, children and service providers in consultations about the development of early learning policy and service delivery with government, community, educational institutions and other interested stakeholders.

Our Vision and Purpose

Vision: Excellence in early learning for every child

Purpose: As a national peak body, we champion excellence in early learning for children and support parents and service providers

Our Values

Excellence – Learning – Inclusive – Enabling – Integrity – Respect

Our staff

Chief Executive Officer Shane Lucas

Deputy Chief Executive Officer Sunitha Raman

Member Services Carrie McCluskey, Kathy Cross, Glenda Glover, David Haesler, Vanessa Kenny (until December 2013), Christina Martono, Zora Marko, Laura Mondon, Paula Spenceley, Anita Valenzisi

Business Development & Membership
Tina Baldwin, Cass Marxsen, Sue Smith

Administration and Finance
Andrea Foreman, Sally Gross, Sarah McNeill, Trevor Olsen, Tania Smith, Janelle VanderWerf

Advocacy

As a peak representative body, ELAA plays a leading advocacy role on issues of significance to our members and the early childhood education and care sector more broadly. In the past year, that role was more critical than ever.

During 2013–14, the Commonwealth Government embarked on significant reviews of the National Quality Framework and the National Partnership with the States that provides funding for the delivery of 15 hours of quality preschool. The Commonwealth also directed the Productivity Commission to undertake a comprehensive inquiry into childcare and early childhood development, the results of which may determine the future quality and affordability of early learning services.

In response, ELAA made numerous submissions and representations to government and the Productivity Commission, and launched a highly successful campaign: *Keep 15 hours – Preschool Matters*. We also worked collaboratively with a diverse range of organisations across the education, community and business sectors to advocate for the importance of quality early learning.

The advocacy work we do is informed by our engagement with members, and supports their work to deliver high quality early learning programs that are affordable, accessible and sustainable.

Support for members

Advice

In 2013–14, ELAA's advisory service responded to more than 10,000 phone calls and emails supporting services across Victoria.

The enquiries covered a vast array of issues including committee conflicts, interpretation and review of constitutions and policies, budgets, staff management, parent complaints, and the assessment process under the NQF.

Through hard-work and good planning, ELAA members successfully transitioned to 15 hour programs during 2013–14. However, we noted an increase in member enquiries around planning for 2015 due largely to the Commonwealth Government delay in committing to funding 15 hours beyond December 2014.

ELAA also worked closely with several services with more complex issues, providing intensive case management including site visits and face-to-face meetings. Our IR specialists continued to support members with advice and assistance on staff management and industrial issues.

Our support services to members in relation to Occupational Health and Safety continued during this year. As part of this service, ELAA conducted several OHS inspections, and provided guidance on OHS matters and staff training for numerous services.

The emails and messages we receive from parents and members demonstrate that the diverse range of our member services is highly valued.

Training

During 2013–14, more than 400 participants attended seminars and workshops on a variety of topics, including the NQF and positive behaviour management. Over 300 people attended free committee training sessions funded by the Victorian Department of Education and Early Childhood Development on governance-related matters.

There are many opportunities for members to provide feedback to ELAA throughout the year including:

- the annual membership survey which helps us to establish priorities and improve our services
- issue specific surveys – such as the 15 hour survey undertaken in May and June 2014
- the Cluster Manager Reference Group
- the Industrial Relations Reference Group
- seminars and forums organised by ELAA
- discussions with member services and other ELAA staff.

In the past 12 months, ELAA has also worked to strengthen our enduring relationships with government to ensure we are an effective advocate for the sector, and that the concerns of our members are heard.

We continue to be active in providing input to shape policy by contributing submissions to major State and Commonwealth budget and policy development processes, and by engaging regularly with policy makers on issues affecting our members.

Our work with members, parents and like-minded organisations to campaign for the maintenance of funding – and to support

quality – has contributed to successful outcomes including the continuation of funding for 15 hours of preschool to December 2015.

We were pleased that a priority identified in our 2014 budget submission to the Victorian Government – providing support for rural services to build capacity in governance and service management – was successful in receiving funding.

Negotiations with the Australian Education Union and United Voice to achieve a new enterprise agreement for kindergarten teachers and educators in Victoria commenced in 2013. ELAA has been mindful throughout the negotiation process of the vital work that educators do in delivering quality programs to children. Our negotiations must balance our commitment to the ongoing development of the early childhood teaching profession, with the constraints of available Victorian Government funding – and the capacity of parents to contribute through fees and fundraising.

ELAA will continue to advocate strongly on behalf of members and to support them in their own advocacy work. We thank all members and supporters for completing surveys, signing petitions, writing letters, making submissions, and providing us with the invaluable views and input we need to inform our advocacy work.

The seminars and workshops, led by early childhood education experts Catharine Hydon (Educational leadership Quality Area 1), Jo Lange (Positive Behaviour management, Quality Area 5) and Kathy Glancy (Sustainability, Quality Area 1 and 3), proved extremely popular and achieved positive evaluations from attendees.

The 2014 Early Childhood Education Conference *Together We Grow – preparing children for life* at Caulfield Racecourse, was the eleventh conference hosted by ELAA and Gowrie Victoria, with over 1000 people attending over two days. The event – supported by DEECD, AustralianSuper, VicRoads and the Creswick Foundation – provides a major professional development and networking opportunity for service providers, educators and staff. High profile international and Australian speakers explored the contemporary issue of giving children the best start in life by providing high quality early childhood education and care programs.

ELAA has been funded by VicRoads to deliver the Starting Out Safely early childhood road safety education program since 2011. The third year of the project has seen a massive expansion in the delivery of education sessions across Victoria. This year ELAA delivered professional development education sessions to over 1,400 early childhood educators and tertiary students. We also delivered child restraint information sessions to over 1,100 parents and carers from CALD communities, Family Day Care services, Maternal and Child Health professionals, and child car seat retailers and fitters. More than 500 ThingleToodle sessions were delivered to funded kindergarten programs throughout Victoria.

As part of this project, ELAA is contributing expert advice to a number of Road Safety Advisory groups and continues to advocate for early childhood road safety education across the community. We look forward to continuing the program for a further three years on behalf of VicRoads.

Resources

ELAA's *PolicyWorks Manual – NQF V2* provides a practical guide to help services develop policies to comply with the NQF. *PolicyWorks* was fully revised, updated and made available online in early 2014. It continues to be in high demand from members and other early childhood service providers.

The *Employee Management and Development Kit* – launched at the 2014 Early Childhood Education Conference – was developed by ELAA to support early learning services in the ongoing management and development of their employees. This valuable early childhood management resource was funded by DEECD, and supports employee performance and professional development.

Another new resource developed during 2013–14 assists independent services that are considering moving to cluster management. The *Kindergarten Cluster Management Kit* guides committees of management in evaluating the effectiveness of their current management strategies and helps them determine how cluster management might benefit their service.

Preschool Matters (our quarterly magazine), regular Industrial Bulletins, monthly member mail-outs, and our fortnightly *E-news* continue to inform members of the latest developments and issues affecting the sector. *E-news* now has over 3200 subscribers.

ELAA's website continues to be a valuable resource for members with an average 40,000 page views per month. The McArthur job board and the resources shop are among our most visited pages.

The *Caring for Kids* raffle is a popular resource for members, providing valuable fundraising support for early childhood services and playgroups. This year the raffle raised more than \$86,000 for the early childhood sector.

Financial statements

Treasurer's Report

Summary

The financial statements presented with this report are for the year to 30 June 2014 and disclose an operating surplus of \$188,404 (2013 Surplus \$311,554), and a net asset position of \$1,462,808 (2013: \$1,272,404).

Income and Expenditure Statement

The net surplus at \$188,404 is \$123,150 lower compared to financial year ended 30 June 2013. Revenue for 2014 at \$2.63M (2013 – \$2.7M) was marginally lower due to membership being below budget. However, the lower revenue was more than offset by lower operating expenses generating a healthy surplus for 2014.

The net surplus is attributed to

- Better than expected income generated by the ELAA conference generating over \$250,000 of Registration and Sponsorship income.
- Strong uptake of resource materials such as the Early Childhood Management Manual and Policy Works providing \$72,000 of income.
- Administrative and Legal expenses at \$39,000 being below budget as a result of close monitoring and management.

Balance Sheet

The Balance Sheet reflects a net equity position of \$1.46M (2013 – \$1.27M) an increase of \$0.19M. ELAA is in a strong financial position with cash and bank balances of \$2.4M (2013 – \$1.97M) and has more than adequate liquidity to meet all of its liabilities.

Going Forward

The Board has consciously worked to achieve a surplus during the past four years and whilst this year's surplus is smaller than last year, it has provided ELAA with a strong base. The net equity position of \$1.46M ensures ELAA is well positioned to withstand any unexpected political or policy changes and has also provided ELAA the capacity to deliver against the 2014–24 Strategic Plan.

ELAA will continue to focus on maintaining our healthy financial position in the upcoming financial year.



KRISHNAN RANGASWAMY, TREASURER

Independent Auditor's Report to the Members of Early Learning Association Australia Inc.



We have audited the condensed special purpose financial statements of Early Learning Association Australia Inc. (the Association) contained within this report which comprises the balance sheet as at 30 June 2014 and the income and expenditure statement for the year then ended, in accordance with Australian Auditing Standards. The condensed financial statements have been derived from the annual financial report of the Association.

Audit Opinion

In our opinion, the information reported in the condensed financial statements is consistent with the annual financial report from which it has been derived and upon which we expressed an unqualified audit opinion in our report to the members of the Association dated the 23rd of October 2014. For a better understanding of the scope of this audit these statements should be read in conjunction with our audit report on the annual financial report.



CROWE HORWATH MELBOURNE



GORDON ROBERTSON, PARTNER
Melbourne Victoria

Dated this 23 October 2014

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| Income and Expenditure Statement for the year ended 30 June 2014 | 2014 \$ | 2013 \$ |
|---|--------------------|--------------------|
| INCOME | | |
| Revenue from operating activities | 2,627,815 | 2,711,631 |
| | 2,627,815 | 2,711,631 |
| EXPENDITURE | | |
| Employee benefits | (1,360,245) | (1,323,110) |
| Other staff costs | (7,899) | (34,088) |
| Depreciation | (25,434) | (24,863) |
| Professional Fees | (21,681) | (24,565) |
| Occupancy costs | (153,770) | (147,884) |
| Conference and training costs | (303,742) | (285,763) |
| Program consulting costs | (357,122) | (300,574) |
| Office costs | (134,498) | (165,691) |
| Marketing and advertising costs | (55,699) | (66,710) |
| Finance costs | (6,847) | (8,015) |
| Other costs | (12,474) | (18,814) |
| | | |
| Surplus before income tax expense | 188,404 | 311,554 |
| Income tax expense | - | - |
| Surplus after income tax expense | 188,404 | 311,554 |
| | | |
| Balance sheet as at 30 June 2014 | 2014 \$ | 2013 \$ |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 1,112,766 | 723,769 |
| Trade and other debtors | 65,848 | 115,723 |
| Financial assets | 1,296,895 | 1,242,939 |
| Other current assets | 21,353 | 23,648 |
| Total current assets | 2,496,862 | 2,106,079 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 40,850 | 48,950 |
| Total non-current assets | 40,850 | 48,950 |
| Total assets | 2,537,712 | 2,155,029 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 248,079 | 205,262 |
| Income in advance | 644,214 | 503,232 |
| Employee provisions | 162,905 | 134,851 |
| Total current liabilities | 1,055,198 | 843,345 |
| NON-CURRENT LIABILITIES | | |
| Employee provisions | 19,706 | 37,280 |
| Total non-current liabilities | 19,706 | 37,280 |
| Total liabilities | 1,074,904 | 880,625 |
| Net assets | 1,462,808 | 1,274,404 |
| EQUITY | | |
| Accumulated funds | 1,462,808 | 1,274,404 |
| Total equity | 1,462,808 | 1,274,404 |

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