



# KINDERGARTEN PARENTS VICTORIA ANNUAL REPORT 2011/2012

# 2011/12 REPORT

## PRESIDENT'S REPORT



### **The 2011/12 year has been a period of major change for Kindergarten Parents Victoria members.**

The introduction of the National Quality Framework (NQF) on 1 January 2012 marked a major milestone for the sector, providing long overdue recognition from government that all children deserve *quality* early learning services.

At KPV we are strong supporters of the NQF and its commitment to delivering better outcomes for children.

We welcome the increased focus on early learning at both state and federal government level – and will continue to advocate on our members' behalf for investment in the sector.

There is compelling evidence that funding for quality learning programs in early childhood provides a greater return on investment than any other level of the education system.

This year we have actively represented members' interests on crucial issues relating to the national quality reforms, workforce,

service infrastructure and a price review for kindergarten cluster management and independent kindergartens.

We were pleased to see that priorities set out in our State Budget submission secured ongoing IT support for kindergartens and funding to help services comply with the NQF.

We have also been in active discussions with both state and federal ministers about the introduction of Universal Access in 2013 on behalf of our members, to prevent services from being disadvantaged by a lack of available staff or infrastructure.

We have also worked collaboratively with other organisations in the sector to ensure members' views are heard by key decision makers in early learning policy.

Change of the magnitude that is currently affecting early learning services will inevitably create some challenges in the early stages of implementation.

However, as the peak body representing the interests of a growing and diversifying early learning membership, KPV will continue to advocate for the investment and support needed to provide quality, accessible early years education and care for all Victorian children.

DANNY PEARSON

## CEO'S REPORT



### **There has never been a more exciting and challenging time to be involved in the management of an early learning service.**

In 2011/12 Kindergarten Parents Victoria continued to be a leading advisor and advocate for parents and providers of early learning services.

But just as the early learning sector continues to diversify and grow, so does our membership and the work that we do.

The adoption of the NQF and the introduction of 15 hours of funded kindergarten in 2013 have been major issues for our members in 2011/12.

They have also been a major focus of our work as we strive to ensure that our members are well supported through these policy changes.

Our advisory team fielded more than 13,000 inquiries from services last year – and a growing proportion of those related to the NQF and Universal Access.

Our training also took on an NQF flavour and the *Together We Grow – delivering quality* Early Childhood Education Conference attracted a record-breaking number of delegates and exhibitors.

The release of our downloadable *PolicyWorks Manual – National Quality Framework* has also proved to be an extremely useful tool for many in the sector.

It is a privilege to be the Chief Executive Officer of an organisation whose members are dedicated to building the best possible future for our children.

Thank you to all members who have participated in our training, events, reference groups and consultations.

This year KPV saw a number of changes at Board level. We welcomed former Vice-President Danny Pearson to the role of President and inducted new board members: Lee Cath, Shane Lucas, Nicole Pilsworth, Ben Willee, Carlene Wilson and Katie Wyatt.

We also farewelled former treasurer George Andreola and Board members Emma Hunt and Tania Clarke.

KPV is fortunate to have such a highly skilled and supportive Board, and I thank all Board members for their guidance, commitment and support. I would particularly like to thank Danny Pearson and the members of the Board executive.

I would also like to acknowledge the hard work and commitment of KPV staff. Last year's membership survey, which showed a satisfaction rate of 98 per cent with our advisory service, our conference and publications is a great endorsement of our skills.

As a peak body, we are also grateful for the ongoing positive relationships we have with the Minister for Children and Early Childhood Development, Wendy Lovell; federal ministers Peter Garrett and Kate Ellis; state opposition spokesperson Jenny Mikakos and federal spokesperson Sussan Ley. We also appreciate the support of staff from the Department of Education and Early Childhood Development, Australian Children's Education and Care Quality Authority and the Department of Education, Employment and Workplace Relations.

In the coming year, we look forward to building on our achievements and providing our members with the advice, advocacy and support they need to deliver the highest quality early learning programs.

EMMA KING



## OUR BOARD



**Top row:** Left to right – Danny Pearson (President), Shane Lucas (Vice-President), Megan Lewis (Secretary), Jo Geurts (Treasurer), Lee Cath. **Middle row:** Left to right – Karalynn McDonnell, Nicole Pilsworth, Ben Willee, Carlene Wilson, Katie Wyatt. **Bottom row:** Left to right – George Andreola, Tania Clarke, Emma Hunt.

## OUR PARTNERS

KPV is grateful to our corporate partners and event sponsors for their investment in the early learning sector and the support of our members through excellent services.

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 learning sector. KPV has enjoyed strong relationships with various representatives of the Department, from both central office and the regions, working together on key projects which will create lasting benefits for the sector.

Our thanks also to the Country Women's Association of Victoria Inc. for their invaluable sponsorship of the *Together We Grow – delivering quality* Early Childhood Education Conference, which covered the registration costs of many delegates from disadvantaged services.

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



# OUR ORGANISATION

## OUR VISION AND MISSION

**Vision:** KPV is the champion for excellence in early years education and care

**Mission:** The statement: *To advise for today, to advocate for tomorrow* drives what we do as an organisation, with five key underpinning principles:

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Quality

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Affordability

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Accessibility

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Sustainability

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Accountability

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## A VOICE FOR OUR MEMBERS

KPV is the peak organisation representing the voice of parents and service providers of quality early learning for Victorian 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, management and community participation in early learning services.

We advocate on behalf of families, children and service providers. We represent the interests of our members in consultations about the development of early learning policy and reform with government, community, educational institutions and other related groups.

## OUR STAFF

**Chief Executive Officer:** Emma King

**Deputy Chief Executive Officer:** Sunitha Raman

**Advisory Team:** Glenda Glover, David Haesler, Melissa Hogan, Vanessa Kenny, Zora Marko, Laura Mondon

**Policy:** Tina Baldwin

**Communications:** Sue Doring, Cass Marxsen, Janine Sim-Jones, Anna Taylor

**Administration and finance:** Andrea Foreman, Christina Martono, Trevor Olsen, Anita Valenzisi, Janelle Vanderwerf

## ADVOCACY

KPV provides a valuable voice for parents and service providers in state and federal government forums about early learning policy.

Our regular reference groups and our annual membership survey give members an opportunity to highlight important issues that impact on their ability to deliver services to children and families, which in turn inform our advocacy efforts.

Our Cluster Manager Reference Group, chaired by Board member Jo Geurts, is a regular consultative forum where cluster manager members share information, and discuss critical issues and the implications of policy changes.

Our IR Reference Group, chaired by President Danny Pearson, ensures that the KPV Board and staff have an informed opinion on the broad range of industrial and employment issues affecting the sector, including being a critical reference for enterprise bargaining negotiations.

Our membership survey enables us to not only continually improve our services to members, but also to determine the policy areas we should focus on in our discussions with state and federal policymakers.

In 2011/12 the survey showed that the introduction of 15 hours of funded kindergarten for four year olds in 2013 under the Universal Access policy was a concern for members – and this

## SUPPORT FOR MEMBERS

### ADVICE

In 2011/12 KPV's advisory service responded to more than 13,000 phone calls and emails.

The inquiries covered a vast array of issues including committee conflicts, interpretation and review of constitutions and policies, cluster management, National Quality Framework requirements and standards, budgets, industrial issues, parent complaints and the introduction of Universal Access.

Our membership survey in late 2011 showed the phone service to be a highly valued resource among members – achieving a satisfaction rate of more than 98 per cent.

Our advisory team also worked closely with services experiencing more complex difficulties, providing intensive case management including site visits and face-to-face meetings.

The move towards Universal Access proved to be a major focus of our in-house support services this year as we provided targeted advice and support to help individual services and clusters develop models to deliver 15 hours of funded kindergarten for four year olds in 2013.

Our support services to members in relation to Occupational Health and Safety continued to be a growth area during the year. KPV conducted OHS audits and provided staff training for numerous services.

became a strong focus of our advocacy efforts throughout the year.

In particular, almost 50 per cent of members surveyed said they were likely to discontinue or reduce three-year-old programs as a result of Universal Access.

Members cited infrastructure and difficulty recruiting suitable staff as two of the major reasons for this decision.

KPV is a strong supporter of Universal Access and believes it will deliver great benefits for four year olds. However, we also understand the value of Victoria's unique three-year-old programs and believe it is crucial they are maintained.

We have discussed the issue with both state and federal ministers and will continue to advocate on behalf of members to ensure they receive the support they need to implement Universal Access, whether it be in 2013 or at a later date.

This year we have also been active in policy development by contributing submissions to major state and federal consultations.

Two of the priorities identified in our Budget submission to the Baillieu Government, ongoing IT support for kindergartens and funding to support the implementation of the National Quality Framework, were successful.

Other submissions we have contributed to include:

- a response to the draft report *Securing Victoria's Future Prosperity: A Reform Agenda*
- a submission into a review of the kindergarten funding model undertaken by Deloitte Access Economics for the Department of Education and Early Childhood Development
- a submission to the Commonwealth Government Consultation Paper on the definition of charities.

In April 2012, our Chief Executive Officer Emma King met several state MPs at Community Sector Advocacy Day, organised by the Victorian Council of Social Services, at Parliament House.

Ms King and President Danny Pearson also travelled to Canberra on a number of occasions to meet with federal politicians including the Minister for School Education, Early Childhood and Youth, Peter Garrett; the Minister for Early Childhood and Childcare, Kate Ellis; Opposition spokesperson on childcare and early learning Sussan Ley and Greens Senator Sarah Hanson-Young.

Our constructive relationships with politicians, other stakeholders in the early learning sector, and with policymakers at state and federal level are the keys to being effective advocates for our members' interests.

## TRAINING

In 2011/12 almost 800 people attended either a free committee training session funded by DEECD on governance-related matters, or workshops and seminars on themes relating to Universal Access or the National Quality Framework.

The seminars and workshops, led by renowned early childhood education experts Catharine Hydon, Anne Kennedy and Nicole Pilsworth, proved extremely popular and achieved positive evaluations from those who attended.

The NQF theme continued on to the *Together We Grow – delivering quality* Early Childhood Education Conference at Caulfield Racecourse.

The conference, organised by KPV with Gowrie Victoria and an organising committee of early childhood stakeholders, provides a major professional development and networking opportunity for service managers and staff.

The conference attracted a record crowd of more than 1000 delegates.

We also expanded our training offerings when we were engaged by VicRoads to deliver the Starting Out Safely road safety education program.

The program, which we run in collaboration with *fka* Children's Services, encourages children, parents and carers to act as role models in road safety and to supervise children effectively in and near traffic.

In our first year of delivering Starting Out Safely, we exceeded our target of delivering ThingleToodle road safety education sessions to 500 funded kindergarten programs across Victoria.

## RESOURCES

The much-anticipated launch of *PolicyWorks Manual – National Quality Framework* in June sparked strong demand from members and other sector stakeholders.

The manual, which provides a practical guide to help services develop policies to comply with the National Quality Framework, is available in downloadable format on the KPV website.

The *Caring for Kids* raffle continues to be a popular resource for members, providing valuable fundraising support for early childhood services and playgroups.

This year the raffle raised more than \$100,000 for the early learning sector.

# FINANCIAL STATEMENTS

## TREASURER'S REPORT

### Summary

The financial statements presented with this report are for the year to 30 June 2012 and disclose an operating surplus of \$217,364 (2011: Surplus of \$98,196), a net asset position of \$962,850 (2011: \$745,486) and a net increase in cash flows of \$402,212 (2011: increase of \$259,485).

### Income Statement

The net surplus largely comprises income from the KPV conference, KPV resources and other related activities and a decrease in administration, operational and staff expenses.

### Balance Sheet

KPV's balance sheet as at 30 June 2012 reflects a net asset position of \$962,850, an increase of \$217,364 over the previous year. KPV has adequate liquid assets to meet all liabilities.

### Cash Flow

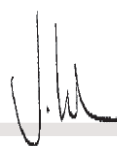
Our cash flows from operations and investing activities disclose an increase to our cash position of \$402,212 for the year.

### Investment Policy

The KPV Board approved a new investment policy in 2012 to guide decisions relating to the investment of KPV funds and reserves. All of KPV's funds are currently deployed in line with this policy.

### Going Forward

The surplus is an excellent result and was achieved through a number of one-off events. The KPV conference and *PolicyWorks* resource exceeded budget forecasts by \$68,000. Administration expenses (\$65,000) and staff and consultancy expenses (\$135,000) were also kept well under budget forecasts. For the coming year, KPV continues to focus on achieving a small surplus and this is reflected in the budget for the financial year 2012/13.



JO GEURTS  
TREASURER

## AUDITOR'S REPORT

I have audited the accompanying summarised financial report of Kindergarten Parents Victoria Inc., comprising the balance sheet as at 30 June 2012 and income statement for the year then ended, which was derived from the financial report of Kindergarten Parents Victoria Inc. for the year ended 30 June 2012.

### The Responsibility of the Board for the Financial Report

The Board of the Association are responsible for the preparation and fair presentation of the financial report. The responsibility of the Board also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those

risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Board's financial reporting requirements under the *Association's Incorporation Act (Vic) 1981*. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any other person other than the members, or for any purpose other than that for which it was prepared.


I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Auditor's Independence Declaration

In conducting the audit, I have complied with the independence requirements of the Australian professional accounting bodies.

### Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Kindergarten Parents Victoria Inc. as at 30 June 2012 and of its financial performance and its changes in equity for the year ended on that date.



DAVID KEW FCA,  
FELLOW OF THE INSTITUTE OF  
CHARTERED ACCOUNTANTS IN  
AUSTRALIA, HAWTHORN

<b>INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012</b>	<b>2012 \$</b>	<b>2011 \$</b>
Revenue from operating activities	2,304,998	2,057,222
Revenue from non-operating activities	70,446	70,066
Employee benefits	(1,222,607)	(1,186,848)
Other staff expenses	(7,437)	(11,971)
Marketing expenses	(83,575)	(105,592)
Administration expenses	(99,703)	(150,425)
Depreciation expense	(15,720)	(26,519)
Property maintenance/equipment expense	(19,481)	(4,040)
Projects expense	(36,398)	(116,863)
Finance expense	(19,701)	(18,696)
General expenses	(19,520)	(17,125)
Occupancy expense	(138,763)	(139,252)
Operational expense	(495,175)	(251,761)
<b>Surplus before income tax expense</b>	<b>217,364</b>	<b>98,196</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>SURPLUS AFTER INCOME TAX EXPENSE</b>	<b>217,364</b>	<b>98,196</b>
<b>BALANCE SHEET AS AT 30 JUNE 2012</b>	<b>2012 \$</b>	<b>2011 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	1,930,787	1,528,575
Trade and other receivables	56,940	97,499
Prepayments	10,702	10,142
<b>Total current assets</b>	<b>1,998,429</b>	<b>1,636,216</b>
<b>Non-current assets</b>		
Property, plant and equipment	67,503	58,189
<b>Total non-current assets</b>	<b>67,503</b>	<b>58,189</b>
<b>Total assets</b>	<b>2,065,932</b>	<b>1,694,405</b>
<b>Current liabilities</b>		
Trade and other payables	974,222	807,753
Provisions	84,132	86,946
<b>Total current liabilities</b>	<b>1,058,354</b>	<b>894,699</b>
<b>Non-current liabilities</b>		
Provisions	44,728	54,220
<b>Total non-current liabilities</b>	<b>44,728</b>	<b>54,220</b>
<b>Total liabilities</b>	<b>1,103,082</b>	<b>948,919</b>
<b>NET ASSETS</b>	<b>962,850</b>	<b>745,486</b>
<b>Equity</b>		
Accumulated funds	962,850	745,486
<b>TOTAL EQUITY</b>	<b>962,850</b>	<b>745,486</b>

The accounts presented in this Annual Report are an extract from the Audited Financial Report of 30 June 2012. All numbers in AUD\$.



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