

# 2017/18 ANNUAL REPORT



EARLY  
LEARNING  
ASSOCIATION  
AUSTRALIA

The voice for parents and service providers

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## PRESIDENT AND CEO'S MESSAGE

*2017/18 proved a year of significant transition for the Australian Early Childhood Education and Care (ECEC) sector and Early Learning Association Australia.*

Families and service providers prepared for the single largest change to the sector – the new Child Care Subsidy Funding package. Prior to the Package's introduction, ELAA advocated strongly for the removal of the work activity test in terms of its detrimental impact on access and affordability for Australia's most vulnerable and disadvantaged families and children.

During 2017/18 ELAA said goodbye to its former CEO, Shane Lucas, in November 2017. Shane was a popular CEO with staff and stakeholders who did a wonderful job raising ELAA's advocacy profile substantially at a local, State and national level. Ms Tina Martin stepped up from the Deputy CEO role to act as CEO until the appointment of our new CEO in May 2019, Mr David Worland. David has significant executive management and CEO experience across the health, community, not for profit and ECEC sectors and is excited to lead ELAA on the next phase of its journey.

Despite these changes, ELAA continued to offer value to its members and stakeholders through its advocacy work and commitment to high quality member services including:

- responding to over 10,000 phone and email enquiries for advice and support
- hosting the annual conference featuring 700 delegates, 80 speakers and 60 exhibitors
- delivering over 40 professional learning and development sessions
- re-securing grant funding to deliver the highly regarded *Starting Out Safely* Road Safety Education program.

As we look ahead to 2018/19 ELAA will continue to lead ECEC policy advocacy during both the Victorian State election and Australian Federal election campaigns. Our leading messages are centred around four key themes:

1. ensure access for all children to quality education and care and ultimately extend that access to two years of funded preschool
2. ensure early and middle years learning and care programs in Victoria are supported and regulated to maintain quality standards
3. build the capacity of Victoria's early years workforce so education and care staff are recognised, rewarded and developed appropriately as early years professionals
4. plan for future program development and infrastructure based on real community need, projected population growth and changing approaches to learning.

Our commitment to the highest levels of member support and advisory services will continue in 2018/19 as ELAA introduces a range of enhanced outcomes, including:

- a refined professional learning and development program featuring interactive workshops linked to National Quality Framework hotspots
- expansion of the annual conference to a new state-of-the-art venue, underpinned with a newly developed program featuring leading international and domestic speakers
- introduction of new phone based and membership database technology systems to ensure swifter response and resolution of member issues
- implementation of a new organisation structure and supporting work practices that will see all members receive enhanced support and more proactive contact.

On behalf of the ELAA Board of Management, leadership team and staff, we would like to thank our members, stakeholders and partners for their ongoing support. We are proud to represent your interests and will continue to do so as we strive towards our vision of excellence in early learning for every child.

Lee Cath  
ELAA President

David Worland  
ELAA CEO

# OUR VISION DRIVES OUR WORK

## OUR VISION

Excellence in early learning  
for every child

## OUR PURPOSE

As an independent organisation supporting  
parents and service providers, we are an  
influential voice for excellence in early  
learning for all Australian children

## OUR VALUES

Excellence, Integrity, Inclusivity,  
Learning, Enabling, Respect





# 2017/18 ACHIEVEMENTS

Drive Excellence in Early Learning



Deliver Strong, Responsive Member Services

## Conference

Largest speaker program in the conference's history with **79 presentations**

Over 90% of surveyed delegates indicated that they would consider attending again in 2019

Streamlined delegate and speaker check in processes well received

Trade Fair fully subscribed (**60 booths**)

Over 90% of surveyed Trade Fair exhibitors indicated they would consider exhibiting again in 2019



Between 75-95% of surveyed delegates rated all sessions as either **Good or Excellent**

## Starting Out Safely – Road Safety Education Program

Celebrated the participation of over 75,000 Victorian children (since 2011) in the *Starting Out Safely* program through a ThingleToodle session in their kindergarten program

Increased demand for ThingleToodle sessions as evidenced by sizeable waiting lists

New partnerships with Victoria Police in child restraint education

Increased awareness of ELAA and the *Starting Out Safely* Program through attendance at Expos, car seat information days, and media stories



## Governance Tools

Reviewed the literature on governance practices for EYM organisations and early years services

Developed an assessment tool and accompanying guide to support boards and senior staff to strengthen their governance

Assessment tool used by EYMs in rural areas to further enhance governance practices



## Early Childhood Management Manual

Updated Early Childhood Management Manual ensuring 'the' ultimate management tool for service providers



MEMBER  
2018/19

## ELAA Member Logo

Developed ELAA member logo for use by current ELAA members as a mark of their commitment to raising service standards to achieve excellence in early learning

## Professional Development

34 professional learning and development sessions delivered to **491 participants**

Sessions on "The Quality Improvement Plan", and "Bush Kinder," had the **highest attendance**

19 Governance training sessions delivered to **222 committee members**

2038 page views for learning and development online training modules from the ELAA website



## 2017/18 ACHIEVEMENTS

### Advocate & Influence

#### Early Learning Everyone Benefits Campaign



- 1 ELAA continues to be a leading campaign partner through financial support and involvement on the Campaign Reference Group
- 2 Campaign advocacy activities contributed to Federal Government decision to extend the National Partnership Agreement on Universal Access to Early Childhood Education to the end of 2019
- 3 The campaign report – *The State of Early Learning Report 2017* – and proactive campaign responses to OECD reports have refocused media attention on Australia's poor performance on access to early learning for 3-year-olds compared to other OECD countries
- 4 3600 early childhood educators have signed up to the campaign

#### Early Childhood Reform Plan

As a **significant contributor** and key signatory to the Revised Early Childhood Agreement for *Children in Out of Home Care* (a key element in the Reform Plan), ELAA has assisted to make early childhood services **more accessible and inclusive** of vulnerable children and families.



#### Child Care Subsidy



**Implemented by the Federal Government on 2 July 2018**

ELAA spent significant time in 2017/18 **advocating** for removal of the work activity test and improved access for Australia's most vulnerable and disadvantaged families and children. As a result of ELAA's and other sector advocacy on this issue, the ALP have indicated they will amend the activity test should they win government.

#### Two Years of Preschool

ELAA developed a position paper and collateral to support a campaign for universal access to two years of preschool

**Contributed** to national discussion and debate on two years through media

**Advocated** for two years through our Victorian State Budget Submission



## LOOKING AHEAD 2018/19

#### Drive Excellence in Early Learning

- ELAA will deliver an enhanced professional learning and development calendar in 2018/19. Practical workshops presented by experts will be linked to national quality standard hot spots in venues across the State.
- Our early childhood conference will be bigger and better than ever in 2019. Hosted at Crown Conference Centre, the program will feature content targeted to different cohorts of delegates.

#### Deliver Strong, Responsive Member Services

- ELAA will implement a new operating model and work practices in 2019 aimed at achieving more proactive service to members and swifter issue resolution.
- This work will be supported by a range of technology improvements including a new phone call routing system and investment in a streamlined member management system.

#### Advocate & Influence

- ELAA continues to partner with key sector stakeholders in support of the Early Learning, Everyone Benefits campaign. The key message being promoted is that quality early learning for our children makes a quality future for Australia.
- Our advocacy work will also focus on improved outcomes for children at both the Victorian State and Federal elections through calls for:
  - improved accessibility via extension of universal access to 3 year olds
  - continued investment in the national quality framework
  - implementation of a workforce strategy to improve attraction and retention
  - a focus on a sustainable sector and planning linked to community needs.



# TREASURER'S REPORT

## Summary

2017-18 proved a challenging year for ELAA from a financial perspective. The financial statements presented with this report reveal an operating deficit of \$338,677 (2016-17 deficit of \$287,352) and a net equity position of \$1,018,423 (2016-17 – \$1,357,100).

## Income and Expenditure Statement

ELAA derives its income from a diverse number of sources including membership fees, project-based income (i.e. Starting Out Safely), professional development and learning programs, an annual Early Childhood Education Conference, consultancy services and governance training for kindergarten committees of management funded by the Victorian Department of Education and Training.

Revenue for 2017-18 totalled \$2,355,357, down 2.6% on income received in 2016-17 (\$2,418,576). Expiry of the Long Day Care Professional Development Programme fund had a material adverse impact on both ELAA's Early Childhood Education Conference and the annual Professional Development calendar. With funding for many long day care services no longer subsidised, attendance at our Conference and Professional Development events declined. Total expenditure for 2017-18 was only marginally lower at \$2,694,034 compared against \$2,705,928 in 2016-17.

## Balance Sheet

Despite the loss in 2017-18, ELAA's overall balance sheet reflects a net equity position of \$1,018,423 (2016-17 – \$1,357,100). The reduction in net equity is attributed to the operating deficit. ELAA is in a reasonably strong financial position and has adequate liquidity to meet all of its liabilities, but is taking action to ensure a return to break even and improve financial performance.

## Looking Forward

The ELAA Board of Management, CEO and staff have committed to a range of revenue growth and expenditure control strategies in 2018-19, including:

- revitalising the 2019 Conference to attract more delegates and sponsors
- implementation of an updated cost effective operating model
- a focus on retaining existing grant funding and attracting new grant funding
- development of a strategy to add value for multi-site early childhood education providers
- a move to online marketing and communication, reducing print/post expenses
- reduced use of consultants to deliver projects, reducing expenses and improving internal capability.

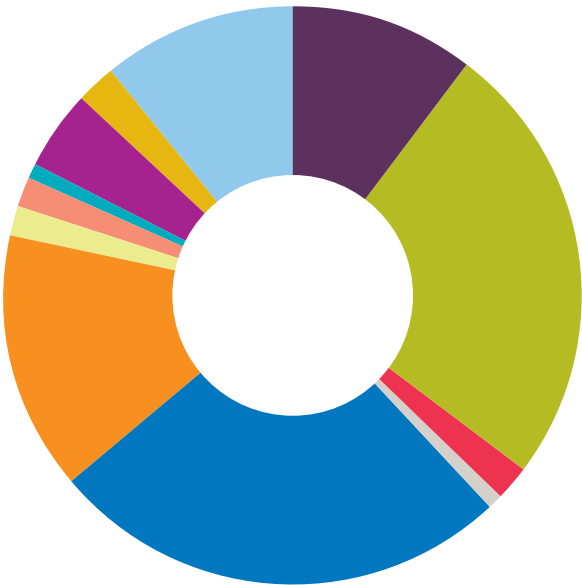
These actions will be embedded together with a new organisation risk management framework, allowing for enhanced governance and risk identification and mitigation.



Krishnan Rangaswamy  
Treasurer

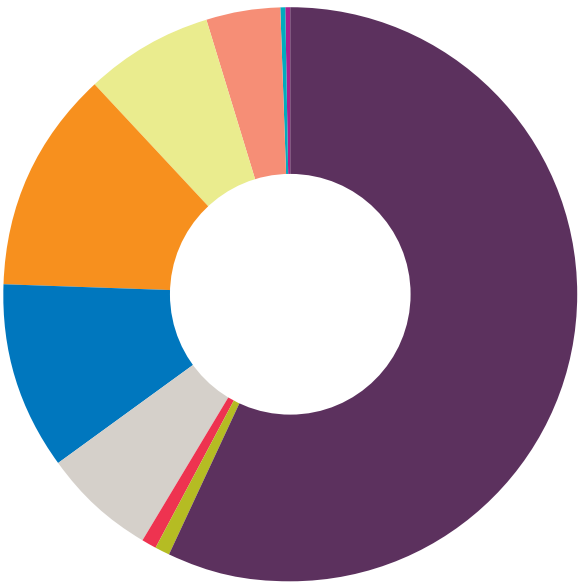
## TOTAL INCOME

- Conference (\$245,805)
- Membership (\$589,840)
- Interest (\$45,004)
- Advertising (\$21,060)
- Projects (\$605,283)
- Advisory Service (DET) (\$341,069)
- Resource/publications (\$36,777)
- Raffle (\$41,325)
- Other (\$19,312)
- Training & consultancies (\$105,925)
- Sponsorships (\$55,017)
- Payroll support (\$248,944)



## TOTAL EXPENDITURE

- Employee benefits (\$1,541,185)
- Depreciation (\$19,545)
- Professional fees (\$19,049)
- Occupancy costs (\$176,526)
- Program consulting costs (\$283,506)
- Conference & training costs (\$337,105)
- Office costs (\$191,726)
- Marketing & advertising costs (\$116,146)
- Finance costs (\$4,371)
- Other costs (\$4,875)





# AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLY LEARNING ASSOCIATION AUSTRALIA INC.

### Opinion

We have audited the financial report of Early Learning Association Australia Inc. (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Association presents fairly, in all material respects the association's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporation Reform Act 2012*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the auditor independence requirements of the *Associations Incorporation Reform Act*

2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other

information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Association are responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1 to the financial statements, is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

CROWE HORWATH MELBOURNE



Cassandra Gravenall  
Partner

Dated at Melbourne Victoria this  
18th day of September 2018

# FINANCIAL STATEMENTS

## INCOME AND EXPENDITURE STATEMENT for the year ended 30 June 2018

The Summarised Statement of Profit or Loss or other Comprehensive Income and the Statement of Financial Position are summarised from the audited financial statements. Complete copies of the audited financial statements are available on request.

	2018	2017
<b>INCOME</b>		
Revenue from operating activities	2,355,357	2,418,576
<b>EXPENDITURE</b>		
Employee benefits	(1,541,185)	(1,578,720)
Depreciation	(19,545)	(21,939)
Professional fees	(19,049)	(14,500)
Occupancy costs	(176,526)	(166,650)
Conference and training costs	(337,105)	(324,907)
Program consulting costs	(283,506)	(393,935)
Office expenses	(191,726)	(150,108)
Marketing and advertising costs	(116,146)	(45,276)
Finance costs	(4,371)	(6,059)
Other expenses	(4,875)	(3,834)
Total expenses	(2,694,034)	(2,705,928)
<b>Loss before income tax expense</b>	(338,677)	(287,352)
Income tax expense	-	-
<b>Loss after income tax expense</b>	(338,677)	(287,352)
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	(338,677)	(287,352)

## BALANCE SHEET as at 30 June 2018

	2018	2017
<b>Current assets</b>		
Cash and cash equivalents	272,709	348,534
Trade and other receivables	32,971	28,493
Financial assets	1,188,789	1,550,941
Other current assets	70,241	48,116
Inventories	10,666	-
<b>Total current assets</b>	<b>1,575,376</b>	<b>1,976,084</b>
<b>Non-current assets</b>		
Property, plant and equipment	35,413	52,335
<b>Total non-current assets</b>	<b>35,413</b>	<b>52,335</b>
<b>Total assets</b>	<b>1,610,789</b>	<b>2,028,419</b>
<b>Current liabilities</b>		
Trade and other payables	190,630	182,697
Income in advance	190,249	273,797
Employee benefits	193,008	179,741
<b>Total current liabilities</b>	<b>573,887</b>	<b>636,235</b>
<b>Non-current liabilities</b>		
Employee benefits	18,479	35,084
<b>Total non-current liabilities</b>	<b>18,479</b>	<b>35,084</b>
<b>Total liabilities</b>	<b>592,366</b>	<b>671,319</b>
<b>Net assets</b>	<b>1,018,423</b>	<b>1,357,100</b>
<b>Equity</b>		
Accumulated funds	1,018,423	1,357,100
<b>Total equity</b>	<b>1,018,423</b>	<b>1,357,100</b>



## ELAA PREFERRED PARTNERS AND PROVIDERS

During 2017/18 ELAA partnered with the following organisations that are committed to supporting ELAA members to manage their early years services.



### Australian Super

- Superannuation services
- One of Australia's largest funds
- Low fees, all profits to members (no shareholder dividends or agent commissions)
- Contact: 1300 300 273  
www.australiansuper.com



### Insurance House

- Insurance services
- Contents insurance policy specially designed for kindergartens
- Contact: 1300 305 834  
www.insurancehouse.com.au



### McArthur

- Temporary and permanent staff recruitment
- Experienced in early years recruitment including childcare workers, teachers and assistants, and cooks
- Staff retention strategies
- Sponsor of the Jobs in Early Childhood online Job Board (free to ELAA members)
- Contact (03) 9828 6565  
www.mcarthur.com.au



### Officeworks

- Office and art supplies
- Over 20000 products
- Preferential pricing, dedicated online order page, Account Manager, and same day delivery (if ordered before 11:30am) for ELAA members who sign up to an Officeworks business account
- Contact: www.officeworks.com.au/campaigns/elaa



### Storypark

- Secure, online platform that assists in improving early learning practice, engaging families, and professional development
- Special sign up offer for ELAA members
- Contact: www.storypark.com

## PREFERRED PROVIDER



### Australian First Aid

- ELAA preferred provider of first aid training and equipment
- Special pricing for ELAA members on training and first aid equipment
- Fundraising options
- Contact: 1300 975 889  
courses@aplgroup.com.au  
www.australianfirstaid.com.au

## OUR BOARD

The ELAA Board: (L-R) front row: Stacey Fox, Lee Cath and Kate Fischer.  
(L-R) back row: Karl Blake, Sue West, Jacinta Barnes, Tim Winkler, Krishnan Rangaswamy, Joanne Geurts, and Carlene Wilson.



### Lee Cath – President

**Appointed:** 2012

**Expertise:** social work, humanitarian law, training/program development/volunteer management (community health sector)

**Committees:** Executive, Governance, and Finance

### Joanne Geurts – Vice President

**Appointed:** 2010

**Expertise:** kindergarten management, retail and business management

**Committees:** Executive, Governance, and Finance

### Krishnan Rangaswamy – Treasurer

**Appointed:** 2013

**Expertise:** financial risk management

**Committees:** Finance and Executive

### Carlene Wilson – Secretary

**Appointed:** 2012

**Expertise:** policy and government relations, education

**Committees:** Executive, Governance, and Finance

### Karl Blake

**Appointed:** 2017

**Expertise:** industrial relations and employment law

**Committees:** IR Reference Group

### Jacinta Barnes

**Appointed:** 2015

**Expertise:** early childhood education and service management

### Stacey Fox

**Appointed:** 2017

**Expertise:** child, youth, and family research and policy

**Committees:** Governance

### Sue West

**Appointed:** 2015

**Expertise:** early childhood policy, translation of research into practice, workforce development, service improvement and evaluation

### Kate Fischer

**Appointed:** 2014

**Expertise:** Public interest law and governance training

**Committees:** Governance

### Tim Winkler

**Appointed:** 2016

**Expertise:** marketing, strategy and communications



## OUR STAFF



**David Worland**  
Chief Executive  
Officer  
*(Commenced  
May 2018)*



**Shane Lucas**  
Chief Executive  
Officer  
*(Until November 2017)*



**Tina Martin**  
Deputy CEO



**Glenda Glover**  
Member Services  
Manager



**David Haesler**  
Member Services  
Officer (HR/IR  
Portfolio)



**Carrie McCluskey**  
Member Services  
Officer  
(Consultancies  
Portfolio)



**Laura Mondon**  
Member Services  
Officer  
(HR/IR Portfolio)



**Pat Rustad**  
Member Services  
Officer  
(Governance  
Training Portfolio)



**Louise Hennessy**  
Member Services  
Officer



**Sonali Le Brocque**  
Member Services  
Officer  
(Consultancies  
Portfolio)



**Maryam Zadeh**  
Member Services  
Officer (HR/IR  
Portfolio)



**Shauna Clarke**  
Member Services  
Officer &  
Professional  
Development  
Coordinator



**Lynsey Leong**  
Member Services  
Officer &  
Professional  
Development  
Coordinator



**James Gardener**  
Communications  
& Marketing  
Officer



**Anu Krishnan**  
E-media officer



**Lisa Minchin**  
Policy Officer



**Vanaja Thomas**  
Membership  
Officer



**Zora Marco**  
RSE Project  
Manager



**Anita Valenzisi**  
RSE Project  
Administrator



**Christina Martono**  
RSE Project  
Administrator  
Assistant



**Tania De Carli**  
Manager  
Administration,  
Governance & Risk



**Janelle  
VanderWerf**  
Administration  
Assistant  
*(until Aug 2017)*



**Joanna Morcom**  
Administration  
Assistant  
*(from Jan 2018)*



**Julie Thompson**  
Project  
Administration  
Officer



**Sarah McNeil**  
Receptionist  
*(until Sep 2017)*



**Rosie Sparks**  
Receptionist  
*(from April 2018)*



**Iromi Kodikara**  
Senior Accountant



Thank you to ELAA  
Member Services  
Officer - HR/IR Portfolio,  
David Haesler (pictured here  
with granddaughter, Alex, during  
a photoshoot for the ELAA/VicRoads/  
TAC video 'Child Restraints and Booster  
Seats – What You Need to Know') on over  
23 years of excellent service. David's expertise  
in industrial and wages matters has been greatly  
valued and we wish him all the best in retirement.

*Advocacy*

*Industrial relations*

*Payroll support*

*Governance training*

*Management advice and resources*

*Professional development*

*OHS consultancy*

*Sector news*

*Road Safety Education*

*Sector Job Board*

*Discounts on products and services*

Level 3, 145 Smith Street, Fitzroy VIC 3065

PO Box 1246, Collingwood VIC 3066

t (03) 9489 3500 1300 730 119 (rural)

e [elaa@elaa.org.au](mailto:elaa@elaa.org.au)

w [www.elaa.org.au](http://www.elaa.org.au)



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