



EARLY
LEARNING
ASSOCIATION
AUSTRALIA

MEETING THE CHALLENGE

ANNUAL REPORT

2019/20

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PRESIDENT AND CEO'S REPORT



ELAA entered 2019/20 with a strong sense of optimism around its direction for the next 12 months. After several years of financial challenges, we developed a plan focused on three key priorities:

1. improve the effectiveness and efficiency of our business as usual operations
2. grow revenue to create a stable financial platform for the future
3. develop a strategic plan to ensure ELAA's relevance and sustainability for the long term.

We set these priorities in the context of a Victorian sector facing an exciting period of evidence-based reform with the first phase of the three-year-old kindergarten expansion program. Our advocacy messages at a State level have focused on the growing financial pressures facing sessional kindergarten services including early years management organisations. Federally, our advocacy continued to focus on the inequity attached to the Child Care Subsidy and the associated work activity test.

19/20 BROUGHT MULTIPLE CHALLENGES TO OUR COMMUNITIES

As the weather warmed, many communities across Australia were horribly impacted by intense bushfires, leaving a trail of destruction in their wake. On the back of those shocking

experiences, our global community has been challenged by the rapid spread of the coronavirus (COVID-19) pandemic. Associated border closures, lockdowns and business closures have led to unemployment and conditions ending Australia's record run of 28 years without a recession.

The early childhood education and care sector has also been significantly impacted by the coronavirus (COVID-19) pandemic. Parents responded to the crisis initially by withdrawing their children from Early Childhood Education and Care sessions. This situation led to significant financial challenges across the entire early childhood education and care sector. ELAA, like many organisations, was forced to respond to the coronavirus (COVID-19) pandemic through new working arrangements and work practices for staff.

ELAA RESPONDED TO SUPPORT MEMBERS AND THE WIDER ECEC SECTOR

Not surprisingly, ELAA experienced a significant increase in the volume of member enquires linked to the impacts of the pandemic. Issues around child and staff health and wellbeing, industrial relations, and funding and regulatory changes were responded to in a quality and timely manner by ELAA's small but dedicated team. ELAA also led strong advocacy at all levels of Government, supplementing its core messages with significant national and local television, radio and social media coverage.

At a State level, our close relationship with Government and the Victorian Department of Education and Training produced outstanding results for early childhood service providers delivering sessional kindergarten programs. In response to our advocacy efforts, the State Government provided access to 15 hours of free kindergarten to all Victorian parents in terms 2, 3 and 4, with additional funding for unfunded three-year-old programs and cleaning services. There was a welcomed significant increase in ongoing funding for early years management services in rural areas and in areas of socio-economic disadvantage. In addition, there was an increase in funding to early years management services for children in funded three-year-old kindergarten and once-off funding to support the implementation of new initiatives.

Federally, ELAA worked closely in partnership with a number of other peak organisations to develop a structured and evidence-based proposal for structural reform linked to the Child Care Subsidy. The proposed reforms included removal of the work activity test as well as a minimum of 20 hours free child care for parents per week. Unfortunately, the Federal Government largely ignored advocacy from across the sector, instead moving away from the JobKeeper funding and introducing a Child Care Transition payment followed by the Child Care Recovery Package in September.

PRESIDENT AND CEO’S REPORT

MAINTAINING A FOCUS ON OUR STRATEGIC PRIORITIES

Despite the challenges Federally, ELAA is proud of its role advocating for the ongoing sustainability of the Australian early childhood education and care sector during this difficult time. We are also proud of the outstanding progress made in delivering against our three key strategic priorities for 2019/20. Through a focus on enhanced work practices and clearer single points of accountability, ELAA has introduced significant efficiencies in its operations in 2019/20. Despite the disruptions caused by the coronavirus (COVID-19) pandemic, ELAA responded to a record 8804 member enquiries in 2019/20, an 173% increase over 2018/19.

We also provided more tailored one-on-one support via intensives (delivered in partnership with the Victorian Department of Education and Training) and consultancies than ever before. Feedback from members on the quality of these interactions was also exemplary, with over 90% of members extremely satisfied with the quality of advice and support provided.

Like many not-for-profit organisations, in recent years ELAA has experienced growing financial challenges leading to three consecutive years of growing losses. In 2019/20, ELAA entered the second year of a three-year plan to achieve break even. The focus was on growing organisation revenue in areas including grants and membership revenue, whilst also maintaining organisation operating costs. Whilst there is a long road ahead of ELAA in 2020/21, we are pleased to announce that in 2019/20 ELAA achieved an overall profit of \$206,650.

Our final deliverable for 2019/20 was the development of a long-term strategy to ensure ELAA’s ongoing relevance and sustainability in a rapidly changing sector. With support from Deloitte Australia, and input from ELAA staff and stakeholders, ELAA’s Board endorsed a new organisation strategy in September 2020, focused on a clear purpose of collaboratively developing solutions with members, governments, and partners to ensure excellence and equity in early childhood education and care. With an aligned Board and

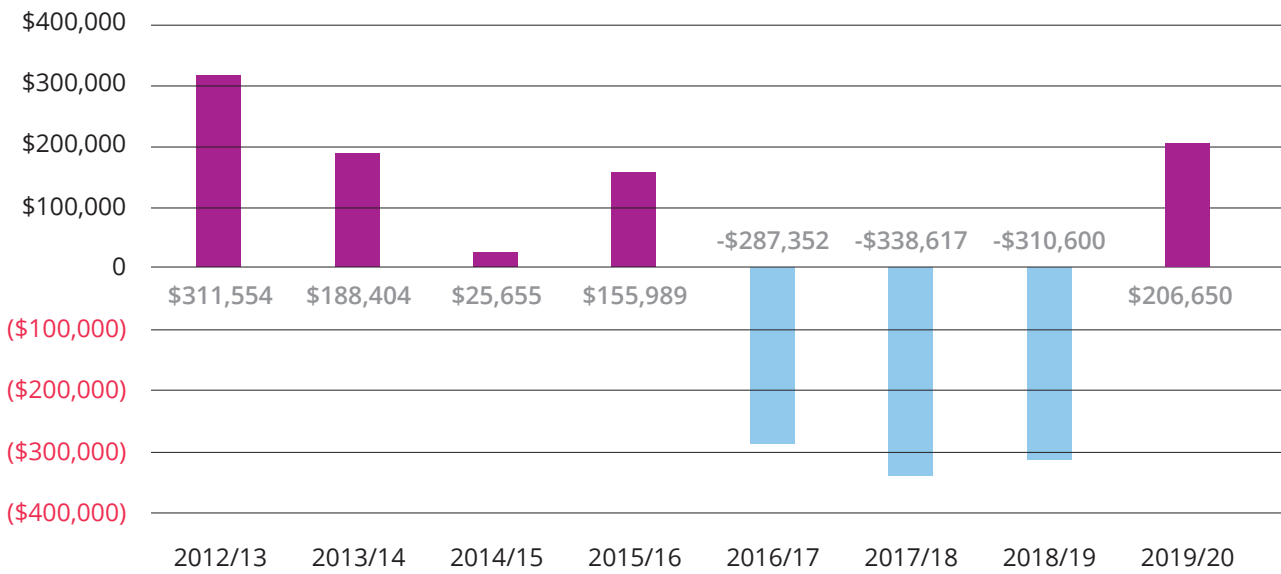
management team, ELAA is fully committed to its vision of excellence and equity in early childhood education and care.

On behalf of ELAA’s Board and staff, we would like to thank our members and stakeholders for their continued support during 2019/20. We empathise with how challenging the year has been and that uncertainty will continue to impact the delivery of quality early childhood and care into the future. The remainder of this annual report features a summary of ELAA’s key achievements across its three strategic priorities for 2019/20. We hope you enjoy reading the report and we look forward to supporting you in 2020/21 and beyond.

Grant Boyd
ELAA President

David Worland
ELAA CEO

ELAA achieved an overall profit of \$206,650.



2019-2020

MEETING THE CHALLENGE

Continuous improvement and greater efficiency
Improved financial position
A new vision for 2025

BEING THERE FOR OUR MEMBERS IN A TIME OF UNPRECEDENTED CHALLENGES

What an amazing and unprecedented 12 months it has been for the early childhood sector. At the AGM last year, who could have foreseen that before the next year was out, we would have seen bushfires, floods and a pandemic affect our sector. And yet through all of this adversity and upheaval, the dedicated people that work in our sector, have continued to put the children first, and continued to provide quality education.

In addition, 2020 has seen the beginning of the rollout of funded three-year-old kindergarten throughout Victoria, to further enhance our reputation as The Education State.

This year has demanded flexibility and embracing new ways of teaching, usually through the use of technology. It has been a roller coaster ride for the sector.

ELAA has adapted and changed to meet the new requirements and challenges faced by the sector, so that we can offer maximum support to our members.

The small but dedicated team that make up ELAA have risen to the challenge of the last year in a truly remarkable way.

For much of 2020 ELAA has maintained minimal staffing at its offices while most staff quickly adapted to the added challenges caused by working from home. We too have embraced technology to support our members.

INCREASED DEMAND FOR SUPPORT

Enquiries from members reached new heights this year. From 1585 in term 2 of 2019, enquiries rose to 3509 in the same term this year, demonstrating the reliance the sector has on ELAA for clear advice. There has also been a noticeable trend to enquiries being much more complex this year, containing multiple issues.

EMBRACING DIGITAL TECHNOLOGY TO MAINTAIN SERVICE LEVELS

The pandemic resulted in ELAA presenting a number of online forums to help our members. The majority of our forums featured representatives from the Victorian Department of Education and Training (Vic DET), enabling those in attendance to ask questions and to hear, first-hand, of new developments in the sector. Earnst and Young also participated in a session to clarify JobKeeper for our members.

Training also took on a different form during the year, with our free governance sessions moving to an online format from the second term. We have seen a big increase in numbers of people attending these training sessions – from 391 in 2019, to 610 so far in 2020, and we still have a further seven sessions planned. Feedback from these sessions has been great – with all participants rating the sessions as good or excellent.

PURPOSE-BUILT RESOURCES

Our team produced a series of new resources, both in video and written formats, which were specifically aimed at helping our members through the pandemic. Topics covered included HR and IR advice, new policies, a checklist for what to do in the event of a positive case at a centre, and a COVID Planning checklist. This was alongside our usual range of new and updated policies and resources to help with compliance.

Unfortunately, after much planning and the securing of a sensational range of speakers and a whole new approach to the event, ELAA had to cancel our annual conference in July due to restrictions resulting from the Pandemic. We are currently working to present these speakers in a series of online events – to be known as ‘Learning Brought to Life’ – so that their knowledge is still available to our members.



“I think ELAA provides an amazing service and is a great resource and during COVID-19 we have all learned such a lot from the sessions that you have put on... for people like me (a service’s bookkeeper) your services are a vital thing that we cannot do without.”
– Catherine Charles, Associate Member

“Since Bunnings established our partnership with ELAA, just over a year ago, we have seen increased awareness of our offering and a surge in Member sign ups to our Powerpass Program – this has been solely driven through ELAA’s direct reach.

We saw sales increase 84% from last year (FY2020 versus FY 2019), which illustrates how our partnership has benefitted Bunnings. It also reflects the appetite from your Members for our exclusive offers and pricing, which they can only access because they are ELAA Members.”
– Laura Downes, Business Development Manager (Organisations) – Bunnings

“Our partnership with ELAA is a strong, collaborative relationship and has helped us share our vision of inspiring Australia to work, learn, create, and connect.”
– Anna Margolis, National Business Specialist – OfficeWorks

“We have been extremely happy with our partnership with ELAA. We have seen immediate increases in enquiries and sales. The ELAA partnership delivers credibility to EnrolNow and provides confidence to services.”
– Tania Grey, Director, EnrolNow (ELAA Preferred Partner)



“Thank you very much for your ongoing support of our playgroup...massive kudos for how ELAA has stepped up and responded during COVID 19. You should all be very proud.”
– Luke Mannix, Malvern Special Needs Playgroup



“During the last 12 months Early Learning Association Australia has been a tremendous support to our Committee of Management. The advice, expertise, resources, consultancy, and professional development enabled us to govern our kindergarten with more confidence. Everyone at ELAA is helpful, friendly and know exactly what you are talking about as they come from backgrounds in Early Childhood. Through the pandemic the online forums, advice and resources have been amazing. It meant we could make quick decisions and ensure our procedures were comprehensive and supportive to our community. They take the time to get to know you and your kinder and make our membership with them an investment.”
– Emma Sceberas, President Pinjarra COM

ADVOCATING FOR OUR MEMBERS

The past financial year has been a challenging one for all our members. The coronavirus pandemic exacerbated sustainability issues for Early Years Management organisations (EYMs) while severely challenging standalone early childhood education and care services who experienced large reductions in attendance while constantly changing funding and operational rules seemed, at times, overwhelming for volunteer committees of management. Some services in regional areas were also significantly impacted by the bush fire and flood emergencies in the early part of 2020. Opposite is a summary of the advocacy work undertaken by ELAA, together with our EYM CEO Group, and in some cases in collaboration with other peak bodies over the past 12 months.



EYM SUSTAINABILITY AND REPRESENTATION

- Following ELAA's report into the sustainability of EYMs, we engaged Deloitte to undertake a financial review of a select number of EYMs to analyse and evaluate cost drivers and understand alignment with the EYM Outcomes Framework.
- Informed by the outcomes of ELAA's EYM Sustainability Project (including the Deloitte review) additional funding of \$3,500 per year (starting in 2020) has been secured for:
 - + 'rural' classified sessional services in EYMs (approximately 160 services)
 - + EYM sessional services in socio-economically disadvantaged (SEIFA 1 and 2) areas (approximately 150 services).
- Successfully advocated for funding of \$3.41 million over four years to further support EYMs running 3-year-old programs (\$70 for each 3-year-old place in a sessional kindergarten).
- Succeeded in advocating for a one off grant to EYMs to support the implementation of School Readiness Funding and Early ABLES.
- Influenced the terms of reference of the Victorian Auditor General Office's audit of Early Years Management to include a diverse cross-section of EYMs.



COVID-19 SUPPORT

- Advocacy for funding to kindergartens including to address the gap in parent fees for four-year-old kindergarten. **Outcome:** \$498 for each fee-paying enrolment in term 2, \$460 in term 3 and \$498 in term 4.
- Advocacy to support unfunded three-year-old kindergarten program. **Outcome:** Funding support made available.
- Advocacy federally to address the fall in numbers attending services and the failings of the ECEC Relief Package and JobKeeper, including submission to the one-month review of relief package.
- Regular group briefings to EYM CEOs including updates from the Vic DET Deputy Secretary.
- Advocacy for additional funding for cleaning. **Outcome:** \$2.6M in grants to boost cleaning and hygiene.
- General ELAA member information sessions including Ernst and Young webinar on applying for JobKeeper payment.
- Regularly updated COVID-19 FAQs on ELAA website
- Access to ELAA Preferred Partner and supplier benefits including priority ordering of hand sanitiser from Bunnings; cleaning services (ACS Property Services); and PDF Food Services.
- A range of member only COVID-19 specific resources OH&S, Governance, Staffing and Financial Support information sheets and templates.
- Support for rural EYMs including two EYM Rural Sub-group meetings to share knowledge and experiences through the pandemic.



STAFF/WORKPLACE RELATIONS

- ELAA reached an in-principle agreement with the AEU for the next VECTEA. The proposed VECTEA is with the Victorian Government for review regarding funding.



POLICY AND FUNDING

- Contributed to the review of the Universal Access National Partnership including making a submission
- State-budget submission 2020-2021
- Federal Budget Submission 2020-2021
- No Jab No Play 2020 Review
- Parliamentary Inquiry into the Early Childhood Engagement of CALD Communities
- Child Information Sharing Scheme
- Victorian Institute of Teaching Code of Conduct Review
- Established a new Submission Advisory Group to ensure greater quality and depth of ELAA's submissions.



PORTABLE LONG SERVICE LEAVE SCHEME

- Extensive advocacy in relation to the implementation of the Portable Long Service Scheme.



QUALITY

- Advocated for ongoing funding for ACECQA which was confirmed.

TARGETING PROFESSIONAL DEVELOPMENT
TO THE NEEDS OF OUR SECTOR

ELAA took a new approach to our Professional Development sessions this year, based on feedback from our members the previous year.

Our members told us that they wanted more collaborative sessions, catering to both the Committee of Management (COM) and Educators, where they could work together for part of the day, so that they would leave the sessions with a united plan to take on practical projects at their kindergarten. And we listened.

Cutting down the number of sessions we had on offer, we instead came up with a smaller, more essential list of topics, and we extended these sessions to a full day in length. The most popular of these sessions focused on Occupational Health and Safety in the Early Childhood Education and Care Sector.

Each day began with a ‘Stories From The Field’ session, where participants were updated with the latest developments in the field relating to the topic of the day, along with first hand experiences from centres and experts.

This was followed with two simultaneous workshops, one for educators and another for members of the COM, so that a relevant approach to the topic was covered for both of these unique groups.

The afternoon saw the two groups come back together, to participate in activities as a team, so that attendees left the sessions with a plan of practical ideas to implement in their kindergarten setting.

The result of this approach meant that both the COM and educators left the sessions on the same page, with a list of actions to workshop back at the centre that was relevant to their particular set up.

The format was universally liked, which is supported by the table below which illustrates all six PD categories as being rated as either ‘good’ or ‘excellent’ by at least of 90 percent of attendees. Post pandemic restrictions, ELAA plans to run more sessions using this approach.

“Thank you for encouraging us to love teaching again!”

– Sue Knowles, Educational Leader, Waverley Meadows Pre School

“A great, informative session thanks.”

– Shelley Reither

ELAA PROFESSIONAL DEVELOPMENT PROGRAM 2019/20

Training	Total attendance	Rated either ‘good’ or ‘excellent’ by attendees
FREE GOVERNANCE TRAINING		
AGM & Handover	170 (10 sessions held)	91%
Starting from the beginning	183 (11 sessions held)	96%
Financial Management	72 (5 sessions held)	92%
Total	425	
PAID PD TRAINING – 1 SESSION HELD FOR EACH CATEGORY		
OHS - Safety not just child’s play	33	94%
Wellbeing in early childhood settings matters!	21	93%
Renewing the educational program and practice (QA1) from a team perspective	19	94%
Total	73	

LEVERAGING OUR EXPERTISE –
IMPROVED CONSULTANCY MANAGEMENT

From time-to-time kindergartens need a little extra help with their governance, and this year ELAA has reviewed its approach to consultancies for our members.

In the past we had found that when ELAA embarked on a consultancy with a kindergarten, the outcomes required by the kindergarten were not always clear. As a result, rather than targeting one particular area, our experienced team of consultants would go into the consultancy with a wider, more generic approach, sometimes spending time working on areas that had not been expected by the Committee of Management (COM).

Introduced during 2019, ELAA took a new approach to the scoping of a required consultancy, enabling us to have a much better understanding of the required outcomes so that we could plan a targeted consultancy into the areas of importance to the kindergarten, ensuring that the required outcomes could be met.

Consultancies during the year covered such areas as financial management, HR and IR issues, governance issues, staff development, COM development, policy help, constitution updates, and OHS and advice – a broad range! Our team of expert consultants, both from within ELAA and from our pool of professionals, were matched to requests for help in their particular area of expertise.

“Eastern Volunteers has had the privilege of working with ELAA, and specifically Peter Hains and his team, this year providing Service Reviews and implementation consultancies for kindergartens who were significantly struggling. Our work has been complemented by the dignified, straight talking and comprehensive support that Peter and his team provide to kindergartens throughout the year. I have seen them go above and beyond many many times. The kindergarten sector is indeed lucky to have this talented team to walk with them.”

– Vivienne Cunningham-Smith, CEO, Eastern Volunteers

“Very professional throughout the process”

– Anneliese Knell (Executive Manager)
Bethany Kindergarten Services



MEETING THE CHALLENGE OF KEEPING CHILDREN SAFE ON OUR ROADS

Over the past three years ELAA has continued to deliver the Starting Out Safely Program with enthusiasm, passion, and commitment. We recognise that quality road safety education is a key enabler for children's active participation in their communities and lays the foundation for them to be safer road users into the future.

The Starting Out Safely Program continues to increase its reach, with more services than ever having Road Safety Education and Safe Transportation Policies. At the commencement of ELAA's involvement in the program, eleven years ago, it was virtually unheard of that services would take children out on excursions and experience real life road safety education learning experiences. As a result of the work of our program it is now rare to find services that do not understand the value of taking children outside of the gates of their service to learn about road safety and to understand their place in their communities.

INQUIRY PROJECT

During 2019/20, ELAA had the privilege of working with a number of dedicated and enthusiastic early childhood leaders to conduct an Inquiry Project. This project investigated and questioned "What does best practice early childhood road safety education look like?". We learnt that best practice early childhood road safety education includes extensive collaboration and consultation with children, families and local communities. It empowers early childhood educators to understand that, through their work, they can help make children and their communities safer road users, pedestrians and cyclists. Through the project, we also developed a network of road safety education champions who will continue to advise and add support to the Starting Out Safely Program.

MEETING THE CHALLENGE OF DELIVERING STARTING OUT SAFELY DURING COVID-19

The COVID-19 pandemic has forced society to rethink what we do and how we do it and sometimes even why we do it. The Starting Out Safely Program and the Road Safety Education Team is no different.

Much of our project's work revolves around face-to-face interactions with our stakeholders, be it educators, families, children, and others who are responsible for or involved in the road safety of young children.

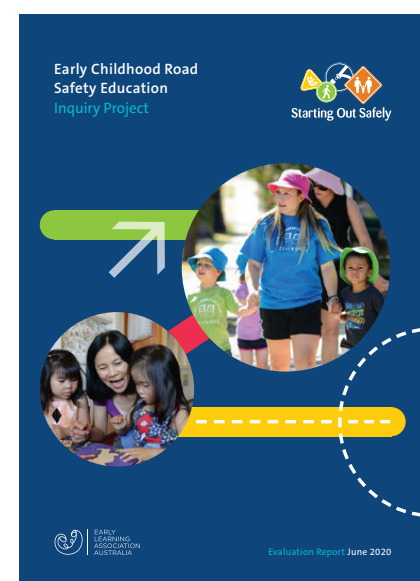
In this past 12 months:

- over 7000 kindergarten children had received the ThingleToodle education session
- 767 early childhood educators attended a professional development session
- 275 family day care educators attended a safe transportation of children session

- 257 CALD parent, carers and support workers attended a safe transportation of children session
- 80 Department of Health and Human Services child protection and Aboriginal support workers had attended a safe transportation of children session
- the Starting Out Safely team represented ELAA at 10 conferences and community events including a presentation to over 700 maternal and child health nurses

Through these challenging times we have had the opportunity to take stock and rethink some of the ways we deliver the program. We are extremely thankful that our collaborative partnership with the Department of Transport provided the flexibility to undertake the development of new online communication strategies to ensure that road safety education stays on the radar of the early childhood sector. We wish to acknowledge the Department of Transport's ongoing funding support and trust in ELAA to deliver this essential program. We have also produced new educator and parent resources as well as the development of a new website.

ELAA remains committed to best practice, evidence-based road safety education. We will continue to work with the early childhood sector to ensure that their road safety education curriculum lays a strong foundation for the future safety of our children.



BUILDING STAFF SATISFACTION IN UNCERTAIN TIMES

The scale and significance of ELAA's outputs belie the fact that we are an organisation of just 13 full time equivalent staff. We rely on the immense passion, dedication and expertise of our small but talented team to achieve the scale and quality of outcomes required of us by our members and stakeholders. Importantly, ELAA takes its role as an employer seriously, working with its staff to create a flexible workplace.

In 2019, ELAA established an Employee Consultative Committee to work with the Leadership Team on issues and opportunities linked to staff morale, health and wellbeing, as well as consultation on change. To offset any impacts of the coronavirus (COVID-19) pandemic, ELAA quickly enacted a business continuity plan to ensure we could continue to offer the highest levels of service and support to our members. New cross team work practices were introduced, allowing for the quick exchange of information on changing policy and funding decisions across staff and then on to members.

We rely on the immense passion, dedication and expertise of our small but talented team to achieve the scale and quality of outcomes required of us by our members and stakeholders.

Amongst the significant change in the first half of 2020, ELAA administered its annual staff morale and engagement survey and achieved a record result of 7.50 / 10, up from 7.35 / 10 in 2019. Improvements were noticed across almost all metrics compared to 2018/19, with the following trends particularly positive:



100%

of staff noting positive cross-team work mostly/always

93%

of staff can see a link between their role and ELAA's strategic objectives

93%

of staff reported positive team work within their teams mostly/always

93%

of staff are mostly/always proud to be a staff member at ELAA

93%

of staff felt that service to members had improved in the past 12 months

86%

understand ELAA's strategic objectives

An action plan for 2020/21 has been developed in consultation with the Employee Consultative Committee to further improve staff morale and engagement. This work will include refinements to ELAA's operating model, introduction of a new suite of organisation values and implementation of an integrated staff competency and behaviours framework.

IMPROVED FINANCIAL POSITION

ELAA reported an overall profit of \$206,650 for the 2019/20 year.

In 2019/20 we introduced a completely new activity based approach to budgeting.

ELAA undertook a complete review of its operating model prior to 2019/20, introducing clearer, single points of accountability.

ELAA has reversed a four-year trend of static membership numbers to grow its membership in 2019/20 by almost 10%.

SIGNIFICANT TURN AROUND IN CORE BUSINESS RESULT

After three years of significant losses, ELAA's overall core business result improved by \$304,750 during the 19/20 year to leave only a small core business net income deficit of \$5,850 which excludes \$212.5K in JobKeeper/COVID cashflow funding. This outcome represents a significant turn around and was achieved on the back of significant revenue growth linked to grant funding, modest growth in membership revenue, as well as reduced operating overheads.

BUDGETING FOCUSSED ON PROFIT AND SUSTAINABILITY

To better understand and manage its financial challenges, in 2019/20 we introduced a completely new approach to budgeting. Individual program areas were identified, with detailed evidence-based assumptions attached to both revenue and expenditure line items. This activity-based budgeting and reporting process has enabled ELAA's Board and leadership team to actively target improvement and monitor financial outcomes in detail.

FINDING EFFICIENCIES

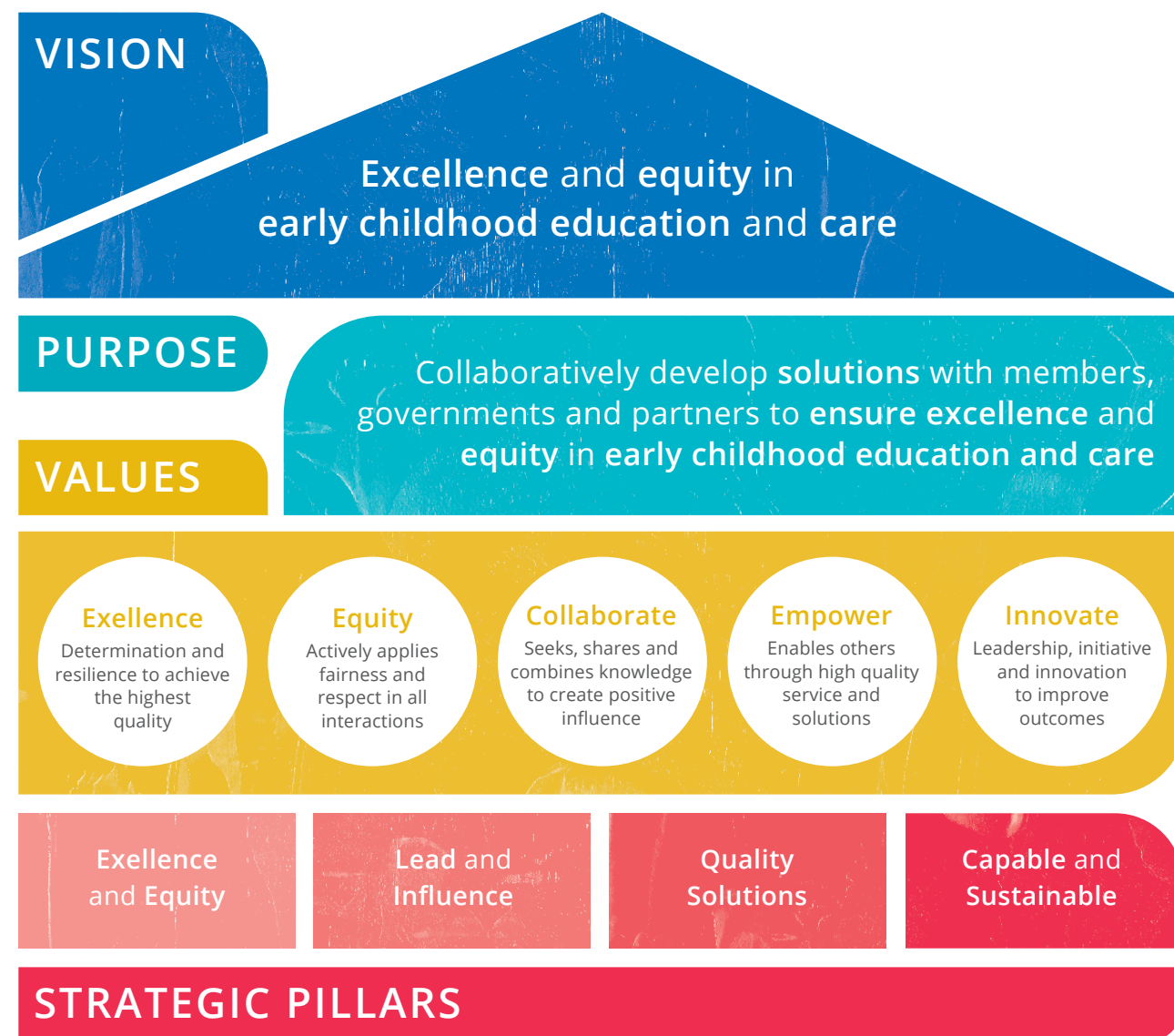
ELAA undertook a complete review of its operating model prior to 2019/20, introducing clearer, single points of accountability and looking for process efficiencies. One example of an efficiency related to taking ELAA's membership application and payment processes online, significantly reducing operating overheads. ELAA also commenced the process of incrementally outsourcing its bookkeeping and accounting functions in 2019/20, a decision that will result in both savings and operating efficiencies.

INCREASED REVENUE LINKED TO ORGANISATION AND SECTOR PRIORITIES

One of ELAA's three key strategic priorities in 2019/20 was to grow profitable revenue in order to create a stable financial foundation. Two areas of focus included targeted growth in membership revenue and grant revenue. To that end, ELAA has reversed a four-year trend of static membership numbers to grow its membership in 2019/20 by almost 10%. This trend has contributed to \$49,981 in new membership revenue, with an additional \$780,823 in grant revenue sourced from the Victorian Government and Department of Education and Training.

ELAA uses a decision framework to assess the alignment of grant funded activities with our core purpose of collaboratively developing solutions with members, Government and partners to ensure excellence and equity in early childhood education and care. Examples of grant funding secured and associated project outcomes in 2019/20 include:

- securing \$1M to work in partnership with Deloitte to understand the cost drivers associated with Early Years Managers, with evidence used to influence the Victorian Government to introduce new funding including school readiness administration support.
- securing funding to redevelop the Employee Management and Development Kit.



EMERGING PRIORITIES

ELAA's Board, CEO, Leadership Team and staff have worked in partnership during 2019/20 to develop a long-term strategy for ELAA's future. With support from Deloitte, the strategy development process adopted a Zoom Out, Zoom In methodology.

This Zoom Out, Zoom In methodology enabled ELAA to take a robust and in-depth evaluation of sector trends, opportunities and risks. Subsequent strategic priorities were identified, leading to a re-definition of ELAA's vision, purpose, strategic pillars and values. The key elements of this re-definition are illustrated on the opposite page.

In a rapidly changing sector, ELAA will increasingly leverage an agile approach to achieve its vision of excellence and equity in early childhood education and care. We will 'dig-in' around the community / not-for-profit early childhood education and care sector and ensure our voice is heard clearly at both a State and Federal level.

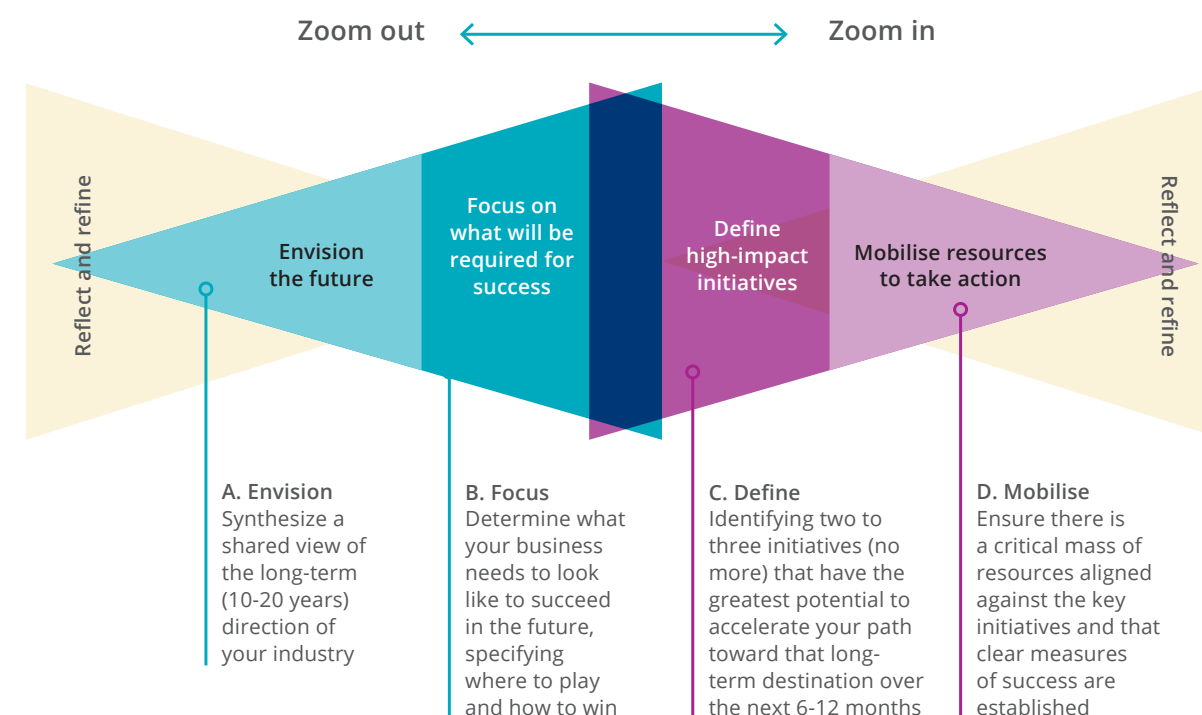
Specific priorities for 2019/20 include:

- advocacy for the financial sustainability of ECEC service providers, particularly sessional kindergarten and early years management
- design and implementation of an online solution for delivering high quality professional learning and development and resources to members
- enhancing member focused work practices to ensure improved levels of service, through better triage of enquiries and improved training and support for staff
- refining ELAA's operating model to the needs of the ELAA 2025 strategy, improving governance, change management and member outcomes.

ELAA will continue to position itself strongly to lead and influence the sector using strong evidence-based advocacy, enabling the sector to respond, recover and ultimately thrive post the coronavirus (COVID-19)

pandemic. To that end, we will strengthen our focus on developing collaborative advocacy solutions with members, governments and partners. This, and everything else that we do, will be guided by our vision of excellence and equity in early childhood education and care.

We will strengthen our focus on developing collaborative advocacy solutions with members, governments and partners. This, and everything else that we do, will be guided by our vision of excellence and equity in early childhood education and care.



TREASURER’S REPORT

ELAA has produced its first profit result in four years in 2019/20, despite the cancellation of the Learning Brought to Life event due to the coronavirus (COVID-19) pandemic.

KEY DRIVERS OF PROFIT OUTCOME

The \$206,650 profit result can be attributed to a combination of targeted growth in grant (\$1 million plus) and membership revenue (\$70,000 plus), whilst maintaining stable (and in some cases reduced) operating costs. Another key contributor to ELAA’s financial outcome has been receipt of the JobKeeper and Cash flow incentives offered by the Federal Government in response to the coronavirus (COVID-19) pandemic.

TOTAL INCOME

- Grants (\$2,059,231)
- Memberships (\$634,488)
- Government subsidies (\$212,500) (Cashflow, JobKeeper)
- Partnerships/Sponsorship (\$64,277)

TOTAL EXPENDITURE

- Employee benefits (\$1,453,178)
- Depreciation (\$19,931)
- Professional fees (\$82,197)
- Occupancy costs (\$22,962)
- Conference and training costs (\$35,663)
- Office costs (\$117,898)

REVENUE TRENDS

Total revenue in 2019/20 was \$3.11M, up \$760K on 2018/19 (\$2.35M), driven by:

- \$1.28M in State Government provided grant funding
- \$50K increase in membership revenue
- \$212.5K increase in JobKeeper and cash flow funding linked to coronavirus (COVID-19).

EXPENSE TRENDS

Total expenses in 2019/20 were \$2.87M, up \$673K on 2018/19 (\$2.19M), driven by:

- a \$680K increase in consultant expenses, linked to work with Deloitte on a grant funded EYM cost drivers project
- maintenance of staff costs at \$1.3M
- reduction in most other expenditure line items.

BALANCE SHEET POSITION

Being a cash business, ELAA’s balance sheet position has improved in 2019/20, with a net asset base of \$945.4K as at 30 June 2020. This is an improvement on ELAA’s balance sheet position at 30 June 2019, which reflected a net asset position of \$707.5K.

FUTURE VIEW

Looking ahead to 2020/21, ELAA must remain both vigilant in its financial management, as well as actively pursue profitable new revenue aligned to member needs. Strengthening relationships with key funding bodies will be critical to achieving this outcome.

Krishnan Rangaswamy
Treasurer



AUDITOR’S REPORT

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARISED FINANCIAL STATEMENTS TO THE MEMBERS OF EARLY LEARNING ASSOCIATION AUSTRALIA INC.

OPINION

The summary financial statements, which comprise the summary statement of financial position as at 30 June 2020 and the summary income and expenditure statement for the year then ended are derived from the audited financial report of Early Learning Association Australia Inc for the year ended 30 June 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with (or a fair summary of) the audited financial report, on the basis described in Note 1 to the audited financial report of Early Learning Association Australia Inc for the year ended 30 June 2020.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by the Australian Accounting Standards. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial report and the auditor’s report thereon.

The summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

THE AUDITED FINANCIAL REPORT AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial report in our report dated 27 October 2020.

That report also includes an emphasis of matter regarding the basis of accounting.



BOARD OF MANAGEMENT’S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the summary financial statements.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with (or are a fair summary of) the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Geoff S. Parker
Director

Dated at Melbourne Victoria this
27th day of October 2020

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FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT for the year ended 30 June 2020

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.

	2020	2019
INCOME		
Revenue from operating activities	3,109,430	2,348,546
EXPENDITURE		
Employee benefits expense	(1,453,178)	(1,588,252)
Depreciation and amortisation expense	(19,931)	(17,705)
Professional fees	(82,197)	(28,778)
Occupancy costs	(22,962)	(189,641)
Conference and training costs	(35,663)	(295,469)
Office expenses	(117,898)	(183,027)
Marketing and advertising costs	(37,448)	(40,824)
Finance costs	(2,957)	(5,244)
Lease interest	(32,205)	-
Amortisation of lease assets	(160,670)	-
Program consulting costs	(929,941)	(307,850)
Other expenses	(7,730)	(2,636)
Total expenses	(2,902,780)	(2,659,426)
Profit/(Loss) before income tax expense	206,650	(310,880)
Income tax expense	-	-
Profit/(Loss) after income tax expense	206,650	(310,880)

BALANCE SHEET as at 30 June 2020

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	2,108,233	2,977,760
Trade and other receivables	133,612	4,940
Inventories	10,154	10,154
Other assets	14,995	28,485
Total current assets	2,266,994	3,021,339
Non-current assets		
Property, plant and equipment	25,206	40,567
Right of use assets	455,599	-
Total non-current assets	480,805	40,567
Total assets	2,747,799	3,061,906
LIABILITIES		
Current liabilities		
Trade and other payables	128,925	388,250
Lease liability	161,669	-
Employee benefits	179,557	164,096
Deferred income	1,021,962	1,782,550
Total current liabilities	1,492,113	2,334,896
Non-current liabilities		
Employee benefits	23,885	19,467
Lease liabilities	345,434	-
Total non-current liabilities	369,319	19,467
Total liabilities	1,861,432	2,354,363
Net assets	886,367	707,543
MEMBERS' FUNDS		
Retained surplus	886,367	707,543
Total member's funds	886,367	707,543

OUR BOARD



GRANT BOYD – PRESIDENT
Appointed: 2018
Expertise: education, disability, health and community leadership
Committees: Executive, Finance and Risk and Governance



SUE WEST – VICE PRESIDENT
Appointed: 2015
Expertise: early childhood policy, translation of research into practice, workforce development, service improvement and evaluation
Committees: Executive



ROSALYN CASEY – SECRETARY
Appointed: 2018
Expertise: philanthropy, sponsorship and industry and community engagement
Committees: Executive and Governance



KRISHNAN RANGASWAMY – TREASURER
Appointed: 2013
Expertise: financial risk management
Committees: Executive and Finance and Risk



LEE CATH
Appointed: 2012
Expertise: social work, humanitarian law, training/program development/volunteer management (community health sector)
Committees: Governance



STACEY FOX
Appointed: 2017
Expertise: child, youth, and family research and policy
Committees: Finance and Risk



IAN SANDERS
Appointed: 2018
Expertise: finance, business management
Committees: Finance and Risk



TRACEY MCKAY
Appointed: 2018
Expertise: early years management, business management



PAUL O'HALLORAN
Appointed: 2019
Expertise: employment and workplace law
Committees: IR Reference Group
Resigned: March 2020



SAMANTHA KOLASA
Appointed: 2019
Expertise: early childhood, organisation development, human resources, management and governance
Committees: Governance
Resigned: March 2020



JOANNE GEURTS
Appointed: 2010
Expertise: kindergarten management, retail and business management
Committees: Executive, Governance, and Finance and Risk
Resigned: November 2019

OUR STAFF

Like many organisations, ELAA had to rapidly change its operating processes to keep functioning during COVID-19. Our staff responded quickly and professionally to the challenge, quickly adapting to working from home and often improvising to maintain service levels for members. We're proud of the way they stepped up during a critical time for early learning service providers.

"My husband and I set our work stations up in the kids playroom, this meant sharing the space with our three children. Due to COVID, ELAA were unable to deliver our usual face-to-face Governance training sessions. We trialled using Zoom meetings to run the sessions which resulted with our best participation numbers yet."
—Carrie McCluskey, Events Lead



"It's difficult to do Office Admin when not in the office (and with a 3yo in and out of childcare) but ELAA has adapted and delivered amazing results."
— Johanna Morcom, Office Administration Lead



"Zoom, zoom, zoom – who knew we could achieve quality teamwork in the virtual world."
— Luci Tassone, Member Benefits Lead



"COVID-19 has resulted in shorter but more regular meetings with our early years management members. Attendance has increased and with everyone in the online environment it has helped to build relationships."
— Lisa, Advocacy and Grants Lead (pictured with 'Snowpiercer')



"With the advent of working from home we started a daily morning Communications meeting and it has been great for ensuring our messaging to members is timely, relevant and consistent."
— James Gardener, Communications Lead

ELAA PREFERRED PARTNERS AND PROVIDERS

*During 2019/20 ELAA partnered
with the following organisations
that are committed to supporting
ELAA members to manage their
early years services.*



EARLY
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