



EARLY
LEARNING
ASSOCIATION
AUSTRALIA

*Embracing
Change*

2022 ANNUAL REPORT

CHAIRPERSON AND CEO REPORT



Sue West (L) and David Worland (R).

We delivered real progress against the key elements in year two of the ELAA 2025 strategy

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With hopes of a contrary outcome, 2021/22 continued to be a year of disruption because of the COVID-19 pandemic. With an eye to the future and the changing expectations of staff for flexible work, ELAA implemented a hybrid work model for staff after the cessation of COVID-19 lockdowns. This model leverages ELAA's willingness to embrace change by investing in remote working technologies and from May 2023 will enable ELAA to reduce its ongoing lease overheads by at least 30% annually.

WORKFORCE CHALLENGES

ELAA acknowledges that the experience of our members regarding operations and staffing has been infinitely more complex and disruptive due to chronic workforce shortages resulting from the ongoing impact of COVID-19 and seasonal illness across the sector. We empathise with our members and remain in continuous consultation with government at all levels to develop the solutions required to ensure supply of a highly skilled workforce for the long term.

ELAA 2025 STRATEGY

Pleasingly, we delivered real progress against the key elements in year two of the ELAA 2025 strategy in 2021/22. Strategic initiatives successfully progressed in 2021/22 included:

- implementation of a new technology led office environment for staff, inclusive of a new member CRM (Customer Relationship Management) system, as well as Office 365
- development of a sustainability strategy to ensure ELAA's long term financial viability
- development and initial implementation of ELAA's new advocacy strategy, with a focus on evidence-based and solutions focused on inside track advocacy
- conclusion of a rigorous due diligence process into a potential amalgamation with Community Child Care (CCC).

POTENTIAL AMALGAMATION

On behalf of the ELAA Board, our staff and members, we would like to thank the Board and Executive Director of CCC for their extensive collaboration in considering a potential amalgamation with ELAA. Ultimately, the costs and risks to transition were too significant for the amalgamation to take place, but we remain committed to working with CCC where opportunities arise into the future.

FEDERAL ADVOCACY

2021/22 proved a hugely successful year in terms of ELAA's leadership role advocating for the future of the Early Childhood Education and Care (ECEC) sector. Prior to the May 2022 Federal Election, the ALP announced a \$5.4B increase in child care funding that will start from July 2023. This policy and funding reform will see:

- the maximum child care subsidy lifting to 90% for a family's first child in care
- an increase in childcare subsidy rates for every family with one child in care earning less than \$530,000 in household income
- maintenance of higher child care subsidy rates for additional children.

96% of Australian families will be better off under these reforms, which equates to 1.26 million families.

VICTORIAN ADVOCACY

In Victoria we will see free kindergarten from 2023, with 15 hours of funded kindergarten for three-year-olds. Between 2025 to 2032 funding will scale up to 30 hours of four-year-old kindergarten. Additionally, 50 new government-owned/ government operated centres will be built from 2025 to fill gaps in service provision. In total, these investments represent a \$9B increase in funding to 2032.

Over the next 10 years ELAA will be a key influencer in the implementation of the single biggest reforms in the history of Australia's ECEC sector. These reforms will leave quite some legacy for a more inclusive, better educated, healthier and more productive Australia into the future.

We would like to thank the ELAA Board and its sub-committees, staff, members, and stakeholders for their support of ELAA in 2021/22. A special thank you also to Mr Grant Boyd who stood down from the ELAA Chair role in late 2021/22, after two years holding that position. During that time, Mr Boyd led the ELAA Board through the challenges presented by the COVID-19 pandemic, as well as successfully launching the ELAA 2025 strategy. We look forward to supporting our members, stakeholders, and staff in 2022/23 and beyond.

*Sue West (Chairperson)
David Worland (CEO)*



STRATEGY 2021/22

2021/22 IN REVIEW

Endorsed by the Board in October 2020, the ELAA 2025 strategy is centred around the vision of 'Excellence and Equity in Early Childhood Education and Care (ECEC)'. Developed during the COVID-19 pandemic, the ELAA 2025 strategy is framed using a 'Respond', 'Recover', 'Thrive' lens.

Dubbed Recover – Phase 1, the second year of the strategy (2021/22) focused on preparing ELAA's platform for growth. Acknowledging the continued change in the sector, member needs and ELAA's long-term financial outcomes, a Sustainability and Growth Strategy has defined a clear path that will see us embrace change to strengthen our member value proposition, leverage new technology solutions, reduce operating overheads, and target new business opportunities that play to our strengths.

Advocacy strategy

The development and adoption of an evidence-based advocacy strategy has ensured we can capture insights relating to change in the sector and embrace them in our collaboration and advocacy with members, stakeholders and government. This approach has already had enormous impact in influencing free kindergarten permanently in Victoria. Our advocacy efforts are increasingly evidence based, solutions focused and delivered via inside track relationships with government at all levels.

Digital transformation

The first piece of our digital transformation was completed in 2021/22 with the design, development and implementation of a new customer-relationship management system, SugarCRM. The ELAA team embraced new ways of working and technology led efficiencies, which have strengthened the quality of service, administration and engagement with our members.

Potential amalgamation

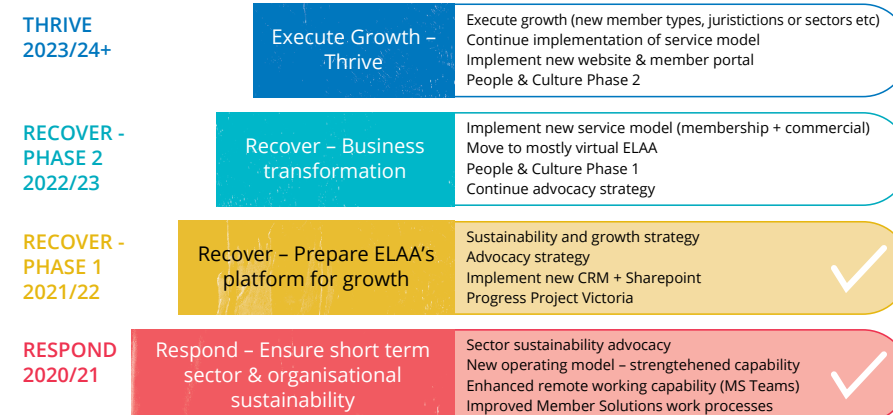
2021/22 also saw ELAA and Community Child Care Association (CCC) undertake a strategic process to determine the suitability of amalgamation. Whilst this process did not lead to amalgamation, it was nonetheless extremely valuable to ELAA as an internal strategic review and process audit.

LOOKING AHEAD

2022/23 will represent Year 3 of the ELAA 2025 strategy and is defined as Recover – Phase 2. Members can look forward to a new service model that delivers clear quality solutions to members and is tailorable depending on the needs of the member. We will continue to implement our Advocacy Strategy, linking to the major sector policy and funding reforms, with a significant focus on the workforce and infrastructure needs of our members. We will achieve these outcomes by leveraging technology and adoption of a hybrid working model, in so doing materially reducing operating overheads.

The path to 2025 is clear and we look forward to collaborating with our members, stakeholders and government to embrace the necessary change needed to ensure the successful execution of our strategy.

ELAA 2025 STRATEGY BUILDING BLOCKS



Adoption of a robust five-year financial model to complement ELAA 2025 strategy

OUR BOARD



SUE WEST – CHAIRPERSON
(FROM JULY 2022)
VICE PRESIDENT
(NOVEMBER 2019 TO JULY 2022)
Appointed: 2015
Expertise: government relations / advocacy, early childhood development / education, and policy and research
Committees: Executive, Finance and Risk, and Governance



AILEEN ASHFORD – DEPUTY CHAIRPERSON
(FROM JULY 2022)
Appointed: November 2020
Expertise: government relations/advocacy, early childhood development / education, organisation strategy and change management, human resources / culture and capability, management, governance, policy and research, fundraising / philanthropy
Committees: Executive and Governance



KRISHNAN RANGASWAMY – TREASURER
Appointed: 2013
Expertise: finance, management, governance, and risk management
Committees: Executive and Finance and Risk



ROSALYN CASEY – SECRETARY
Appointed: 2018
Expertise: marketing / PR, management, and governance
Committee: Executive



GRANT BOYD – PRESIDENT
(NOVEMBER 2019 TO JULY 2022)
Appointed: 2018
Expertise: government relations / advocacy, early childhood development / education, organisation strategy and change management, management, and governance



STACEY FOX
Appointed: 2017
Expertise: early childhood development / education, governance, and policy and research
Committees: Finance and Risk



IAN SANDERS
Appointed: 2018
Expertise: organisation strategy and change management, management, and governance
Committees: Finance and Risk



TRACEY MCKAY
Appointed: 2018
Expertise: government relations / advocacy, early childhood development / education, organisation strategy and change management, management and governance
Committees: Governance



SAMANTHA KOLASA
Re-appointed: November 2020
Expertise: early childhood development / education, organisation strategy and change management, human resources / culture and capability, management, and governance



GEORGIE CHAPMAN
Appointed: June 2020
Expertise: legal / industrial relations
Committees: Governance

EXCELLENCE AND EQUITY

2021/22 IN REVIEW

During 2021/22, ELAA supported Excellence and Equity in Early Childhood Education and Care (ECEC) through a strategic commitment to embracing the multiple changes currently transforming our sector. A major part of this support was the development of key resources and delivery of projects by ELAA. We released several resources to support providers and services to deliver high quality education and care for children and were successful in being awarded multiple contracts with government.

CISS PROJECT

ELAA was awarded funding as part of the Child Information Sharing Scheme (CISS) Capacity Building Grants Program 2021/22 for our project – 'The ABCs of CISS'. Work on this project delivered a resource and tool that supports the ECEC sector and services to feel confident about their role and capability to use the CISS to promote child wellbeing and safety. The project also saw significant member focused communication and a training forum in mid-2022 to ensure timely adoption.

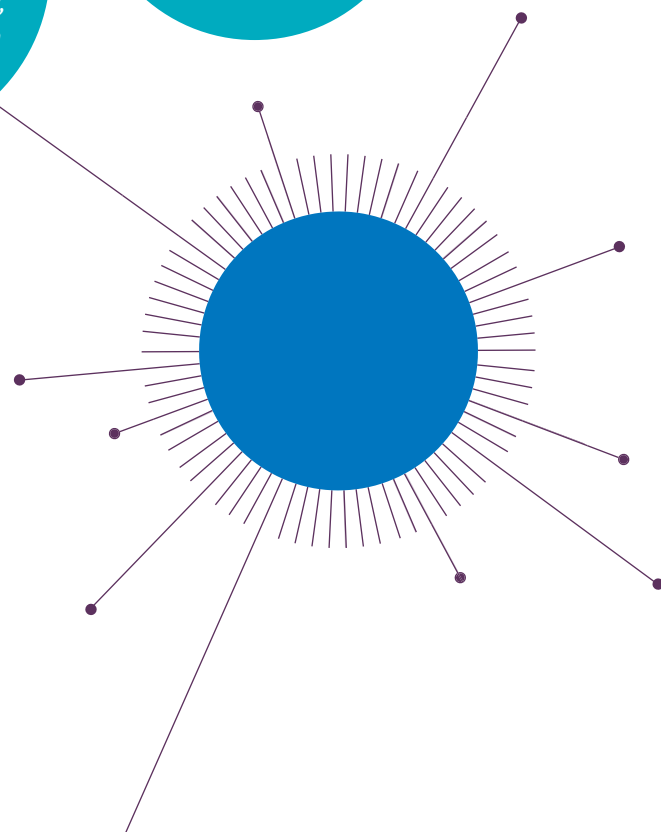
Became an Early Childhood Child Information Sharing Scheme grantee to support members with this important transition

Collaborated with the sector and the Victorian Department of Education and Training (Vic DET) on EYM Transition support resources

Implemented a sustainable, subscription-based model for the continuous review of PolicyWorks Catalogue templates

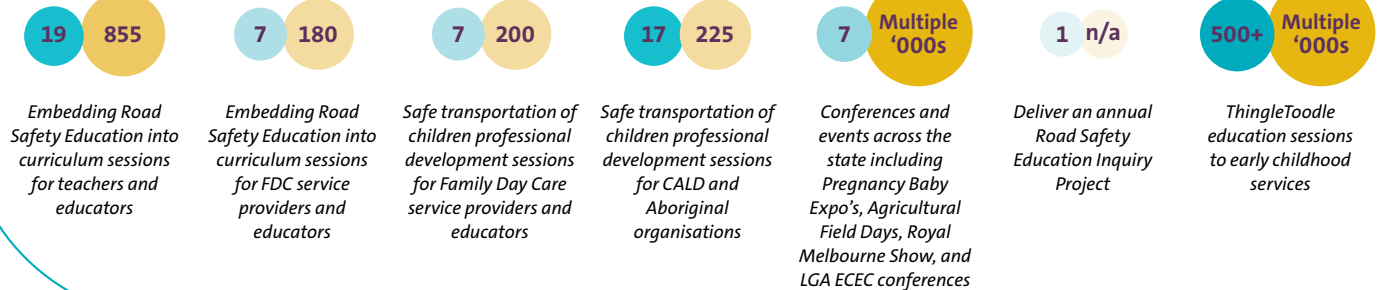
Supported the sector with the implementation of the updated Child Safe Standards

Awarded a fourth consecutive contract for the Starting Out Safely, Road Safety Education Program



ROAD SAFETY EDUCATION DELIVERY IN 2021/22

Sessions Participants



MEMBER RESOURCES

Achievement of Excellence and Equity in Early Childhood Education and Care is directly linked to the policies and procedures services have in place. To support this, we continued the Member Resources Renewal project, and released a further 26 PolicyWorks Catalogue templates. The project continued its partnership with the Advisory Group, providing a forum for sharing of perspectives from stakeholders and users of the PolicyWorks policy templates. The project saw ELAA establish and strengthen its relationship with relevant independent expert organisations including the Victorian Department of Education and Training (Vic DET), Cancer Council Victoria, Asthma Australia, Department of Health, Diabetes Australia, Allergy and Anaphylaxis Australia to name a few.

With the introduction of the PolicyWorks catalogue annual subscription we now have over 400 members easily accessing templates to support their service to have up-to-date policies and procedures that meet legislative, regulatory, and funding requirements.

EYM TRANSITIONS RESOURCES

In partnership with the Vic DET and representatives from the sector, ELAA developed resources to support standalone kindergarten services considering the benefits of transitioning to Early Years Management (EYM). The resources, developed in 2021/22 and due for release in early 2023, provide informative, practical, and evidence-based information to standalone providers to inform them about what steps are involved with transitioning to an EYM.

LEADING BY EXAMPLE

As a peak body to ECEC services, ELAA provides a leadership role to the sector in promoting the safety, health and wellbeing of children, the protection of children and the maintenance of Child Safe Standards and the Reportable Conduct Scheme. This year ELAA undertook a review of its own policies to ensure the new Child Safe Standards were reflected. ELAA's updated *Child Safety and Wellbeing Policy*, and the *Use of Children's Images Policy* reflects our leadership role in the sector. Both describe our commitment to children's safety, health, and wellbeing – including cultural safety.

To support the ECEC sector with the implementation of the Standards, ELAA co-facilitated a forum with the Quality Assessment and Regulation Division (QARD) of Vic DET. The forum guided Victorian ECEC service leaders in what they need to know and do regarding the Standards and where to go for more information. ELAA's PolicyWorks catalogue was also updated across seven policies to comply with the new Standards. This included introducing the Family Violence Support and eSafety policies to the catalogue.

PROFESSIONAL DEVELOPMENT

ELAA has continued to strive towards Excellence and Equity through the delivery of forums and professional training. We delivered over 10 forums, six professional learning sessions and 21 free governance training sessions with an overall attendance in excess of 5000. These sessions play a pivotal role to assist providers to embrace sector change regarding regulatory changes, enhanced practices, and creating better outcomes for children.

ROAD SAFETY EDUCATION

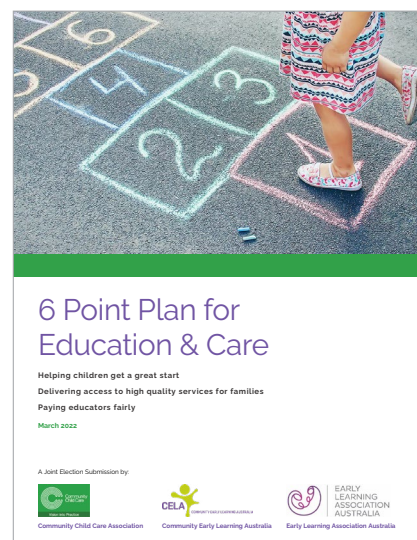
In January, ELAA's Road Safety Education (RSE) team embraced new opportunities with a move to a new funding agreement with the Transport Accident Commission (TAC), a fourth consecutive contract and more than twelve years of delivery. The RSE team saw another busy year, delivering numerous road safety education and professional development sessions to the sector (see graphic above). RSE Project Lead, Zora Marko, and external consultant, Catharine Hydon, co-authored an ECA Everyday Learning resource on road safety education.

LOOKING AHEAD

We continue to strive towards Excellence and Equity in 2022/23 by positioning ourselves to work alongside approved providers, members, stakeholders, and government. ELAA is passionate about the provision of high-quality early education and care to children and will continue to play our key role in this work by providing solutions to members.

With the introduction of the Victorian Government *Best Start Best Life* initiative, ELAA will continue to support members to navigate the immediate and longer-term changes to come as part of this initiative. Every child deserves high quality education and care and ELAA is in a prime position to support our members and the sector. Work on our new service model as part of the ELAA 2025 strategy will ensure we remain steadfast in our focus on Excellence and Equity, whilst meeting the new and changing needs of the sector in a sustainable and technology-driven way.

LEAD AND INFLUENCE



2021/22 IN REVIEW

ELAA responded to rapid changes in our sector and the wider economy during 2021/22 by embracing new ways of leading, including building a coalition with like-minded peak organisations – Community Child Care and Community Early Learning Australia – to increase our collective influence and progress advocacy at a national level. Key joint initiatives during the year included holding a joint federal pre-election forum and producing a 6-point plan for the future of education and care in Australia.

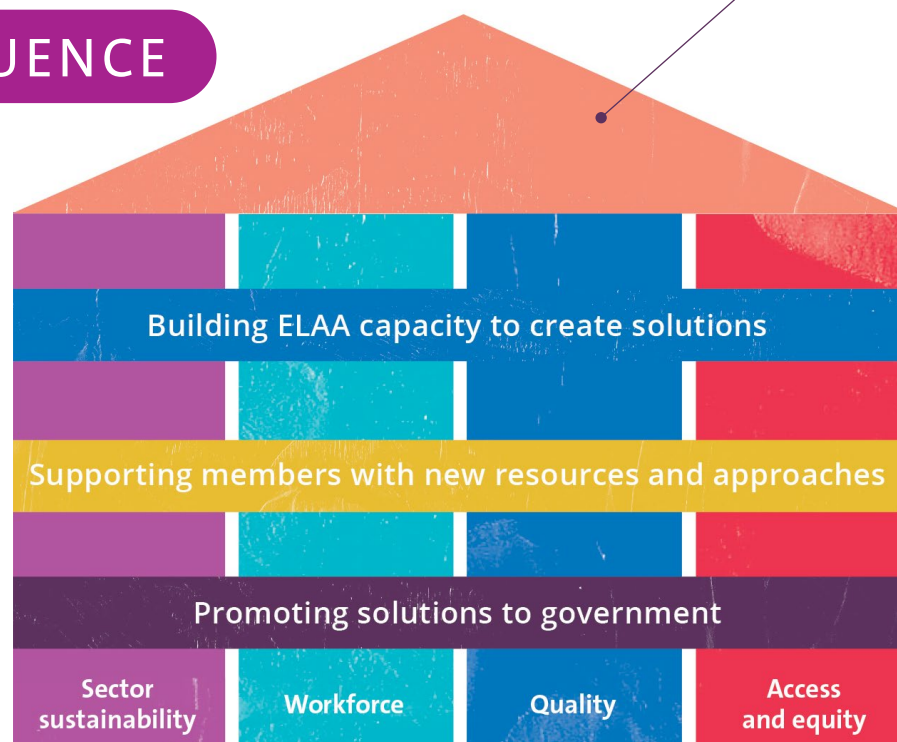
We also influenced key policy announcements, including a ground-breaking announcement by the Victorian Government to invest \$9 billion in Early Childhood Education and Care (ECEC), including ongoing free kindergarten.

One of the key forces of change facing our sector during the year was the growing workforce shortage crisis and the knock-on effects to access and quality for the children attending services plus the issue of sustainability for providers. In response, we produced six submissions targeted at addressing the workforce crisis, advocating for government investment in the not-for-profit community sector and campaigning for incoming governments to focus on access, equity and quality in ECEC.

To secure better wages and conditions for our sector, ELAA led the negotiation of a benchmark enterprise agreement – the Victorian Early Childhood Teachers and Educators Agreement (VECTEA). Under this agreement, and with support from the Victorian Department of Education

and Training (Vic DET) co-funding wage increases, Victorian kindergartens have been supported to attract and retain teachers via the leading industrial agreement for the sector. Our work in this area was spotlighted in a range of policy documents, including in the ACECQA-led National Workforce Strategy which included the VECTEA as an example of industrial relations changes that are possible.

We worked tirelessly to support members and the wider sector through COVID-19 including providing real-time member insights to Vic DET to enhance their capacity to support the sector throughout the pandemic. We also worked towards ensuring the safety of the workforce at the height of the COVID-19 pandemic by successfully advocating on our members' behalf to ensure services received RATs, ventilation units and cleaning grants. We kept members informed regarding how to implement the often-changing COVID-safe settings.



Developing an evidence-based advocacy strategy is a key pillar in ELAA's overall 2025 Strategic Plan

ELAA also continued to embrace change to drive our capacity to advocate, developing an evidence-based advocacy strategy, and building capacity to secure data and insights to inform evidence-based advocacy through tools such as quarterly member Pulse Check surveys.

LOOKING AHEAD

Quality ECEC is no longer a 'nice to have' with state and federal governments acknowledging that ECEC is now high on voter agendas and integral to children's positive life outcomes.

In response, ELAA will continue to lead and influence the community not-for-profit sector. This includes a coordinated approach to federal advocacy to work with and inform the new federal government, and to ensure their ambitious agenda realises benefits for all children in enhancing access to high quality ECEC. ELAA will continue to inform and shape legislative and policy mechanisms including the Productivity Commission terms of reference and legislation to enact the Australian Government's election commitments to increase levels of Child Care Subsidy.

We will continue our evidence-based, solutions focused and inside track advocacy, including building our understanding of the costs of kindergarten through our Early Years Management benchmarking project, and through regular member pulse check surveys. This includes continuing to transform our consultation mechanisms to ensure we are consulting with and reaching our members with relevant information. We value our members' insights and experience and will continue to hold member forums on key issues; build and enhance consultation channels such as EYM groups; and engage members to drive key sector projects.

ELAA will embrace change in 2022/23 as we lead consultation to position our members for success with respect to the implementation of the Victorian Government's transformation agenda. This includes working with the government to ensure the rollout of 30 hours of pre-prep supports service operations and access for children. Linked to this will be our continuing commitment to developing and influencing initiatives to attract and retain the early childhood workforce at all levels.

We have also commenced thinking on how to embrace the opportunities provided by the scale up of three-year-old and four-year-old kindergarten in the next Victorian industrial agreement. We are looking to create an agreement that has superior pay and conditions across the workforce and enables services to best meet the needs of children and families. Looking further ahead we will explore how a cross settings agreement could work with sufficient state and federal government funding support.



Developed an evidence-based advocacy strategy, with numerous key advocacy wins:

- secured ongoing free kindergarten in Victoria
- successfully advocated for COVID-19 related safety measures
- secured additional sessional support funding for services to offset higher pandemic operating costs



Negotiated a landmark enterprise agreement in Victoria including securing government co-funding



QUALITY SOLUTIONS

2021/22 IN REVIEW

During 2021/22, ELAA embraced huge change in the Early Childhood Education and Care (ECEC) sector by actively supporting its members with quality solutions to address changes to government policy and reform announcements in ECEC amid the challenges of the COVID-19 pandemic.

2021 and early 2022 brought considerable change for the sector, in which we supported our members with several comprehensive and well-attended information forums. Our forums included two successful Victorian Early Childhood Teachers and Educators Agreement (VECTEA) implementation sessions with over 400 attendees, enabling members to be fully equipped to manage significant changes to their industrial framework and employee conditions. Further, forums on the implementation of VECTEA teacher capability assessment, flexible funding policy, and COVID-19 issues provided current and timely information to members.

During this period, the COVID-19 pandemic continued to impact operations in ECEC through essential worker requirements, vaccinations and children's participation in education and care. The Victorian Government's Public Health Orders in late 2021 introduced a need for our members to mandate COVID-19 vaccinations in their services. We delivered several well-attended information sessions, including implementing mandatory COVID-19 vaccinations, managing staffing concerns with unvaccinated workers, and applying a mandatory vaccination policy.

We have continued to empower and lead our members with various opportunities for professional development and collaboration, including drop-in support sessions – interactive online sessions enabling our members to learn and resolve operational issues with other participants and our Member Solutions Advisors. Additionally, we delivered twelve free online governance sessions to support service providers with the management and delivery of high-quality kindergarten services. We also continued our successful *Learning Brought to Life* program, which offered new professional development opportunities and resources for members, including sessions on leadership, occupational health and safety, school transition strategies, and the Child Safe Standards.

In July 2021, we introduced our new sector-wide enterprise agreement, the *Victorian Early Childhood Teachers and Educators Agreement 2020* (VECTEA). The agreement covers close to 400 ELAA members, providing above-award salaries and significantly beneficial employment conditions for their teachers and educators in kindergarten programs. We actively supported members with the implementation of their agreement with comprehensive resources, including a *VECTEA 2020 Implementation Guide* and on-hand support from our Member Solutions Advisors during the transition period.

Over the past 12 months, tailored advice has been provided to members through our well-regarded consultancy and partnership programs. Our consultancy program involves ELAA Advisors, partnered consultants, and preferred partners providing specialist support to members. Our consultants have assisted members with their teacher capability assessments (validation), Early Years Management transitions, organisational structure reviews, workplace investigations, employee management, and tailored governance training. In addition, we added three new partnerships to support our members and lower their administrative overheads, including *Hesta Superannuation*, *Rentokil-Initial* (hygiene), and *Make It Cheaper* (energy).



A new Customer Relationship Management system (SugarCRM) implemented



Member forums held on key issues, attended by around 1500 members



Drop-in Support Sessions, focused on a more intimate small group setting for members



Proactive support with the management of COVID-19



Production of a weekly online news bulletin, ELAAvate, introduced to positive feedback



Our consultancy program and partnerships continue to enhance our membership offering and satisfaction.

We have continued to publish quality industrial relations and governance information guides and resources to assist our members. For example, for the 2021/22 year, ELAA published six wage bulletins on current pay rates and allowances for the VECTEA and the modern awards. We published quarterly industrial relations bulletins providing comprehensive advice on critical human resources issues and award interpretation. In addition, frequently asked questions on managing COVID-19 in the workplace and the Victorian

Government's *Best Start Best Life* initiatives were available to members. Our e-News platform was re-branded and re-designed as 'ELAAvate' and frequency increased from fortnightly to weekly. ELAAvate now links to our newly created digital News Portal on the ELAA website which provides members with a vastly improved user experience and fully searchable sector news archive.

In early 2022, we introduced our Customer Relationship Management (CRM) platform, SugarCRM, consolidating and streamlining our members with their advice needs. This system uses a case-management approach to triaging enquiries whereby a single matter is allocated to a Member Solutions Advisor, resulting in personalised and timely advice to members.

LOOKING AHEAD

2022/23 will see the development and implementation of the Victorian Government *Best Start Best Life* reforms, including Free Kindergarten, continued roll-out of three-year-old kindergarten and preparation for 30 hours of Pre-Prep. ELAA will continue to be at the forefront of ensuring our members stay informed. In addition, we will continue to provide forums and drop-in sessions and develop essential and informative resources to empower and assist our members.

Strategic planning for the subsequent VECTEA negotiations in 2024 ensures that we continue to provide quality, considered and innovative solutions in addressing the workforce challenges within the sector. Responding to and embracing change in the wider ECEC sector by providing quality solutions and resources to our members remains a crucial focus for 2022/23 and beyond.

ATTENDANCE AT MEMBER INFORMATION FORUMS

412

VECTEA 2020 Implementation

257

Flexible Funding Policy for Three-Year-Old Kindergarten

240

Understanding the VECTEA Teacher Capability Assessment (Validation)

208

COVID-19 ELAA Member Forum

165

Implementing Mandatory COVID-19 Vaccinations

91

Mandatory COVID-19 Vaccinations - Understanding Your Next Steps

136

Implementing a COVID-19 Mandatory Vaccination Policy

CAPABLE AND SUSTAINABLE



Exceeded membership and partnership growth targets

Achieved an end of year financial result better than the budgeted forecast

Maintained high levels of staff morale and engagement

Consolidated our technology and systems through holistic, cloud-based CRM, Office365 and Sharepoint

Continued to manage impacts of COVID-19 and avoided any disruption to member service

2021/22 IN REVIEW

Ensuring ELAA can deliver on our vision and purpose in a sustainable way for our members and the sector remained a key pillar for us in 2021/22.

2021/22 saw another year of membership growth, with over 644 members and their 1300 services as members of ELAA, an increase of 2% compared to 2020/21. We welcomed a new Early Years Management organisation member, achieved a 100% renewal rate of our other EYM members, and witnessed growth in our community operated and privately operated providers.

We recognised opportunities with new partners in 2021/22, joining forces with three new organisations that are as passionate about early childhood and improving outcomes for children and providers as we are. We continued to work collaboratively with our existing partners to meet the evolving needs of members as they navigated a second year of the COVID-19 pandemic.

Our team continued to meet the challenges and changes posed by the pandemic and the expansion of the Early Childhood Education and Care sector. Key to ELAA's approach was the embracing of new technology in 2021/22, with the design, development and implementation of SugarCRM and full transition to SharePoint for document management. These changes have reduced time spent on manual data entry, consolidated and streamlined operational processes and enabled our team to focus on delivering quality solutions for members and stakeholders. Our technology and software ecosystem has continued to transform, with more integrations reducing the previous impacts of unlinked and siloed systems on efficiency and workloads.

Continued lockdowns and case spikes of COVID-19 in 2021/22 were managed appropriately with no disruption to ELAA services beyond continued utilisation of technology for online delivery of services and training. Our Working from Home Policy was maintained and updated by ELAA management throughout the year as circumstances in the external

environment changed. This provided certainty and confidence to the ELAA team that ensuring staff wellbeing was front of mind for ELAA management and Board.

Staff morale and engagement remained strong in 2021/22, with a result of 7.9 / 10. Management and staff jointly developed a work plan to implement improvement opportunities in response to the results. In other staffing news, our Advocacy and Membership functions were combined in 2021/22, to create a single Advocacy and Member Solutions team. This change has facilitated a more rapid transfer of policy information to members, and member insights and challenges more readily informing advocacy.

The 2021/22 financial results were better than the budgeted forecast which was underpinned by operational cost savings and the achievement of most of the stretch revenue targets set for the year. The revenue targets were set at the start of the year to create a stable basis for the subsequent Sustainability and Growth strategy and ensure a growth mindset and outcomes focus from our team and member value linked activities.

LOOKING AHEAD

ELAA continues to embrace positive change in our workplace through its ongoing commitment to embedding a hybrid working arrangement and maximising the benefits of a smaller physical office presence for both staff and external meetings. While the office at 145 Smith Street Fitzroy has served the organisation well, the financial, operational and staff benefits that will come from embedded flexible work and a smaller lease liability will strengthen our long-term sustainability.

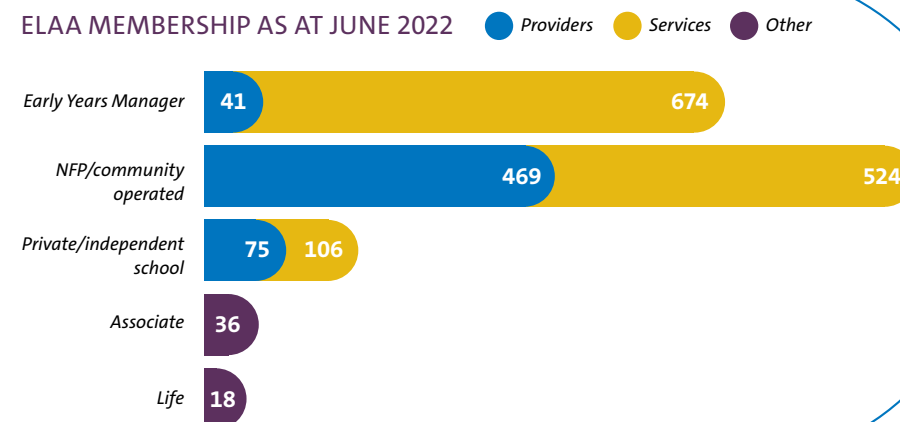
Engagement with staff, planning for the move, and walk throughs of potential office premises have commenced with relocation planned in April 2023. A key focus of this work will be to avoid any service disruption to members and stakeholders.

We have continued to build the capability, growth and development of ELAA's talented and passionate staff. We have also commenced providing mental health and wellbeing centred initiatives for staff. We've partnered with Mind You to deliver a mental health and wellbeing

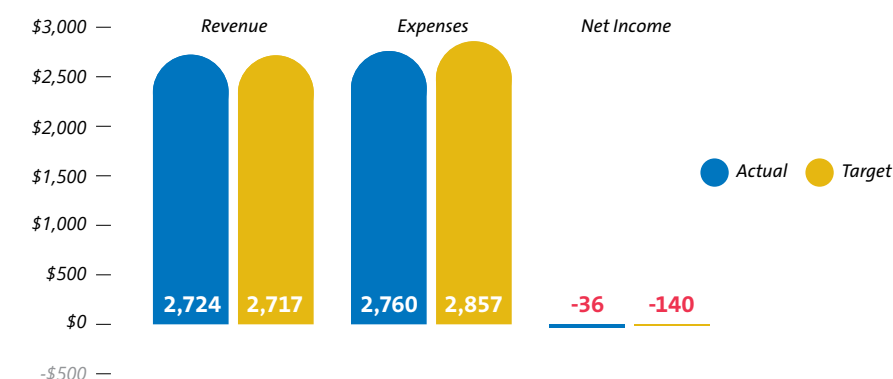
program for our staff and will strengthen our internal culture through activities that centre on connection, collaboration and embodying our values. We will adopt a new people and culture framework focused on improved staff goal attainment and development.

Having successfully implemented several internally centred technology and software solutions, we are looking forward to delivering new technology and digital solutions to our members in the years ahead. Commencing in 2022/23 with work on designing and implementing a new service model that includes clearer member types and value proposition, we will embark on significant transformation of our website and member portal in order to improve how we connect, share, and collaborate with our members. Given the breadth and scope of reform, we are anticipating continued demand on our services and want to ensure we remain capable of meeting the transforming needs of our members in a sustainable way for the long-term.

ELAA MEMBERSHIP AS AT JUNE 2022



YEAR TO DATE PROFIT AND LOSS PERFORMANCE VS TARGET (\$,000)



OUR STAFF

Chief Executive Officer:
David Worland

GOVERNANCE AND OPERATIONS
Business Unit Manger – Governance and Operations: Nancy Saliba

Specialist – Operations:
Johanna Morcom

ADVOCACY AND MEMBER SOLUTIONS
Director – Advocacy and Member Solutions: Megan O'Connell
Specialist – Communications and Marketing: James Gardener

Specialist – Policy and Stakeholder Relations: Noah Hurst

Senior Advisor – Member Solutions:
Katrina Nightingale

Senior Advisor - Member Solutions:
Sharon Rogers

Advisor – Member Solutions/ Consultancy: Lynsey Leong

Senior Advisor – Workplace Relations:
Emma Incerti-Zapedowski

Advisor – Member Solutions:
Kayla Skates

PROJECT DELIVERY

Director – Strategy: Sage Michaels

Specialist – Member Resources Project:
Loredana Dowdle

Manager – Business Development:
Tessa Cerreto

Administration Specialist – Membership and Foundation:
Virginia Sangwan

Manager – Road Safety Education:
Zora Marko

Specialist – Road Safety Education Administrator: Anita Valenzisi

Administration Specialist – Road Safety Education Support:
Christina Martono



The ELAA team

AUDITOR'S REPORT



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

OPINION

The summarised financial statements, which comprise the summarised statement of financial position as at 30 June 2022 and the summarised 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 2022.

In our opinion, the accompanying summarised 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 2022.

SUMMARY FINANCIAL STATEMENTS

The summarised financial statements does not contain all the disclosures required by the Australian Accounting Standards. Reading the summarised 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 summarised 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 10 October 2022.

BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARISED FINANCIAL STATEMENTS

The Board of 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 summarised financial statements are consistent, in all material respects, with (or 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

Champman Wan

Champman Wan
Director

Dated this 10th day of October 2022

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TREASURER'S REPORT

In addition to our strategic and operational approach, the imperative for embracing change extends to the way ELAA manages itself financially. In recent years, ELAA has had to pivot away from the delivery of conferences to ensure positive financial results. This transition has progressed well beyond initial expectations, with organisation revenue increasing by 13% between 2016/17 and 2021/22. A focus on controlling expenses has ensured that expenses have only grown by 6% over the same time.

To ensure ELAA remains financially sustainable for the long term, during 2021/22 we developed a long-term financial sustainability strategy. The strategy was linked to four key financial levers, including:

1. lay a strong financial foundation through a suite of tactical initiatives in 2021/22
2. secure grant revenue aligned to strategic priorities shared by government and ELAA
3. implement a new service model better aligned to the changing needs of members
4. leverage operating efficiencies to reduce organisation lease and on cost overheads.

The financial result of a loss of just \$36K in 2021/22 reflects positively the significant efforts made by the Board and management. A record \$213K in strategic project expenditure was released in 2021/22 to support implementation of the second year of the ELAA 2025 strategy. Whilst ELAA would have been significantly profitable if this investment had not been made, implementation of the ELAA 2025 strategy will ensure that ELAA remains highly valuable to members and stakeholders, whilst also being financially viable for the long term.

Revenue in 2021/22 totaled \$2.724M, representing a 5% decrease on 2020/21 (\$2.869M), mainly driven by the expiry of COVID-19 related support payments. Positively, ELAA experienced growth across most of its core revenue streams in 2021/22, reflective of:

- a 17% increase in membership revenue to \$738K
- a 48% increase in partnership revenue to \$126K
- a 49% increase in professional learning/consulting revenue to \$90K
- a 111% increase in resource

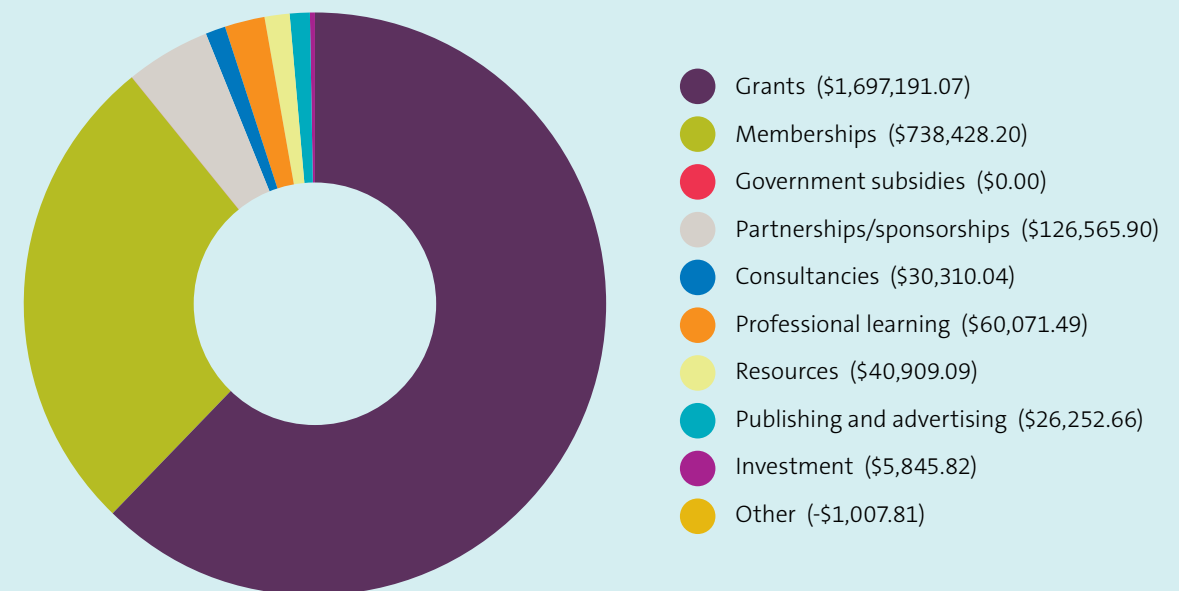
Expenses in 2021/22 totaled \$2.760M, marginally up on 2020/21 (\$2.746M). Staff expenses (\$1.807M total), lease overheads (\$237K) and strategic projects (\$213K) were the largest expenditure items in 2021/22. Pleasingly, expenses linked to administrative overheads reduced in 2021/22 by \$15K, with ELAA's adoption of new technologies and hybrid working options for staff already having a positive impact.

ELAA is well placed financially to meet the opportunities presented by the ELAA 2025 strategy, with a net asset base position as at 30 June 2022 of \$0.973M. The commitment of the Board, leadership team and staff to the successful implementation of the sustainability strategy will see ELAA a going concern long into the future.

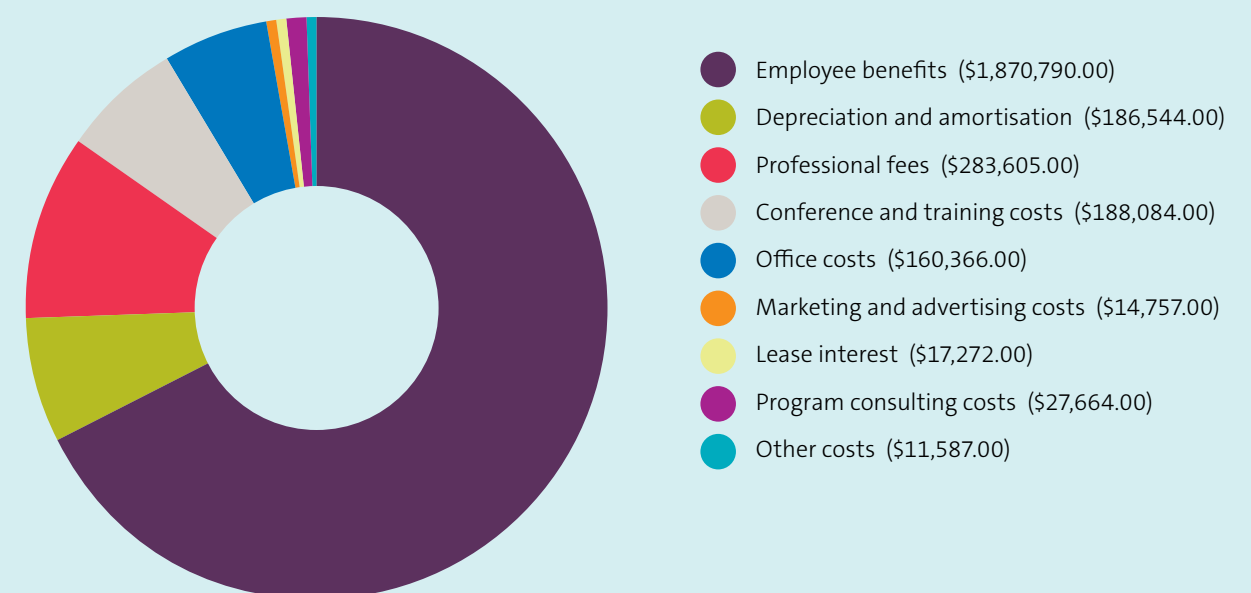


Krishnan Rangaswamy
Treasurer

TOTAL INCOME 2022



TOTAL EXPENDITURE 2022



FINANCIAL STATEMENTS

INCOME AND EXPENDITURE STATEMENT for the year ended 30 June 2022

The Summarised Income and Expenditure Statement and the Statement of Financial Position are summarised from the audited financial statements. Complete copies of the audited financial statements are available on request.

	2022	2021
INCOME	\$	\$
Revenue from operating activities	2,724,566	2,869,694
EXPENDITURE		
Employee benefits expense	(1,870,790)	(1,689,789)
Depreciation and amortisation expense	(186,544)	(179,867)
Professional fees	(283,605)	(142,839)
Conference and training costs	(188,084)	(186,901)
Office expenses	(160,366)	(237,291)
Marketing and advertising costs	(14,757)	(18,428)
Lease interest	(17,272)	(25,355)
Program consulting costs	(27,664)	(261,378)
Other expenses	(11,587)	(4,354)
Total expenses	(2,760,669)	(2,746,202)
Profit/(Loss) before income tax expense	(36,103)	123,492
Income tax expense	-	-
Profit/(Loss) after income tax expense	(36,103)	123,492

STATEMENT OF FINANCIAL POSITION as at 30 June 2022

	2022	2021
ASSETS	\$	\$
Current assets		
Cash and cash equivalents	785,231	886,019
Trade and other receivables	224,671	127,312
Inventories	9,504	10,154
Other financial assets	1,272,995	1,256,884
Other assets	41,786	18,392
Total current assets	2,334,187	2,298,759
Non-current assets		
Property, plant and equipment	13,172	25,269
Intangible assets	38,539	45,919
Right of use assets	134,259	294,929
Total non-current assets	185,970	366,117
Total assets	2,520,157	2,664,876
LIABILITIES		
Current liabilities		
Trade and other payables	199,090	207,119
Lease liability	164,559	180,874
Employee benefits	227,829	220,922
Deferred income	851,346	809,965
Total current liabilities	1,442,824	1,418,880
Non-current liabilities		
Lease liabilities	-	164,559
Employee benefits	103,577	71,578
Total non-current liabilities	103,577	236,137
Total liabilities	1,546,401	1,655,017
Net assets	973,756	1,009,859
MEMBERS' FUNDS		
Retained surplus	973,756	1,009,859
Total members' funds	973,756	1,009,859



ELAA PREFERRED PARTNERS

ELAA would like to thank...

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