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### **1.0** EXECUTIVE REPORTS

## 1.1 CHIEF EXECUTIVE OFFICER REPORT

The 2020-21 financial year saw a temporary transition back to a window of a more 'COVID-normal' society, and subsequently for our sector. Yet the impacts of the pandemic lingered well into the period and as a result, responding to the challenges presented by COVID-19 remained a dominant priority in Family Day Care Australia's (FDCA) efforts in representing and supporting our members.

While the shift back to the Child Care Subsidy System brought welcome financial relief, inadequate consideration of the nuances of the family day care model in the accompanying support funding package design, demanded concerted strategic advocacy and intervention from the national peak.

In July 2020, FDCA released to service members the Transition Payment Practice Guidance and Disbursement Tool. The guidance, commissioned by FDCA and funded by the Department of Education, Skills and Employment (DESE), was independently developed in partnership with Deloitte Australia and was designed to assist services to work through the complexities of distributing the Transition Payment Funding. FDCA also engaged legal advice to assist members in navigating the many complexities arising out of the various funding agreements. This work continued throughout the back half of 2020 with the reemergence of the COVID-19 crisis across Victoria.

Off the back of 10 months of sustained advocacy across all levels of government, in September 2020, FDCA was invited to appear as a witness at a public hearing of the Australian Government Senate Select Committee on COVID-19; the only ECEC representative to appear at the hearing.

In detailing the challenges faced by the sector through the Australian Government's funding responses; the inadequate consideration of the family day care model in the funding design was highlighted, as was the inability of the funding structures to support the sector that 'stood-up' in support of families during COVID-19. A spotlight was shone on the many unique strengths of the sector and the vital role played by family day care, both throughout the pandemic, and more broadly, as a vital part of Australia's ECEC landscape.

Beyond our representation of the sector in direct response to the impacts of COVID-19, FDCA maintained regular direct engagement with the Federal Minister for Education and Youth, the Shadow Minister for Early Childhood Education, the Executive levels of the Australian Government Department of Education, Skills and Employment (DESE), the Australian Children's Education and Care Quality Authority (ACECQA) and

state and territory Regulatory Authorities, and in our capacity as a representative on all major national early childhood education and care (ECEC) stakeholder reference groups.

> Andrew Paterson Chief Executive Officer Family Day Care Australia

A key strategic priority for FDCA remains advocacy towards a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care, and towards driving the national agenda for a strong and sustainable family day care sector into the future. Throughout 2020-21, FDCA built on the platform laid by our work on the Sector Viability Strategy throughout the previous year, including formal submissions to government through the 2021 Pre-Budget Submission, a submission in response to the National Quality Framework Review Consultation Regulatory Impact Statement, and ongoing representation on the development of the Children's Education and Care National Workforce Strategy.

Viability pressures remain a focus and, in support of educators particularly, we remained vigilant in our advocacy for equity under the Child Care Subsidy (CCS) fee cap, and for recognition of the additional costs associated with the provision of non-standard hours care. For services, the emerging workforce crisis across the broader early childhood education and care sector has impacted the recruitment of new educators. In response, towards the back end of 2020-21, FDCA began formulating an advocacy strategy targeting specific supports to assist services with educator recruitment, and in doing so, establishing the evidence base to demonstrate the significant alignment between a strong, viable and growing family day care sector, with a number of key priorities of government, namely, economic security and workforce participation for women, and economic growth in regional areas.

In further support of a strong and viable future for family day care, FDCA continued its work in reviewing and strengthening the contractor model that underpins family day care. In late 2020 FDCA engaged Deloitte Australia to examine the operations of the family day care model where educators perform their duties under an independent contractor model. The project identified gaps in requisite knowledge regarding operational practices and legislative obligations within the sector, and recommendations relating to best practice operational models, strategies, policies, and contracts.

Effective advocacy for family day care is underpinned by a strong evidence base, and, by consistently high quality outcomes for the children, families and communities that rely on our sector. Throughout 2020-21 FDCA played a significant role as a steering committee member, industry partner and supporter across a host of research projects seeking to support these objectives.

Additionally, throughout 2020-21 FDCA delivered several projects and initiatives to support the sector in pedagogical and operational practice.

Although COVID-19 prompted a hiatus in the delivery of our National Engagement Program, planning for the 2021 FDCA National Conference ramped up significantly throughout the period. In further recognition of the importance of ongoing professional development FDCA continued to build on the content available to members through the Professional Learning Portal, including the addition of the 'Your Home, Your Business' learning module.

Central to FDCA's work in professional development for our membership, is the Triennial National Conference. During 2020-21 the final conference program was confirmed featuring a high-quality field of keynote speakers and an especially strong registration of delegates from across the sector.

With a view to supporting pedagogical practice, and in assessment and ratings, during the period FDCA undertook the development of a "Critical Reflection Tool" for members. The two-part tool comprised a concise and easy to follow flow chart poster and an accompanying practice guide.

To compliment FDCA's work in supporting quality practice, we have also continued to examine the experiences of family day care services under the Assessment and Ratings (A&R) process. In establishing an evidence base, during the period FDCA engaged ARTD Consultants to undertake an extensive analysis of the A&R process for family day care. From their recommendations FDCA made a formal submission, initially to the NSW Regulatory Authority, outlining a pilot proposal to trial several approaches to make the A&R

process more equitable for family day care. Pleasingly, many of the pilot recommendations have been trialled and are showing positive results for our sector.

FDCA is committed to raising the profile of family day care nationally, and to positioning family day care as both the option of choice in early childhood education and care, and increasingly importantly, as a career of choice.

The Excellence in Family Day Care Awards and national Family Day Care Week remain the central pillars in our public relations efforts and continue to go from strength to strength.

In 2020-21 the Awards program attracted a record 5,600 nominations and achieved close to 100 media stories reaching over 500,000 people nationally. Similarly, National Family Day Care Week was celebrated via 165 picnics and celebrations across the country, including FDCA's own hosted event in South Australia that included special guest the Hon Amanda Rishworth MP, the Shadow Minister for Early Childhood.

In tandem with our public relations initiatives FDCA continues to promote the sector through both television and digital advertising mediums. Throughout October 2020 to January 2021, we placed 799 television advertisements across the WIN Television National Regional Network. Similarly, our digital marketing program saw 78,875 click throughs to the FDCA website, generated a Facebook reach of more than 940,000 and created over 40,000 interactions through Google Search.

Our Educator recruitment Boost initiative was FDCA's first step into working with services directly in the recruitment of educators. Throughout November 2020 to February 2021, the campaign targeted 105 postcodes across Australia in collaboration with 46 participating service members. The campaign reached more than 320,000 people, achieving over 23,000 clicks to the FDCA website and producing over 550 expressions of interest from potential educators.

Operationally, throughout 2020-21, FDCA remained focused on driving organisational agility, efficiency and innovation to ensure long term viability and to maximise

our capacity for sector reinvestment. Ongoing strategic investment in technology continues to enhance our internal system capabilities and in turn, process refinement, management information and ultimately, better outcomes for members.

Despite the many challenges throughout 2020-21, I am extremely proud of all that FDCA has achieved throughout the period. Our strong reinvestment into the sector has delivered highly tangible outcomes for members while maintaining a sound bottom line position. We have advocated strongly throughout the period and have affected positive change for the immediate and longer-term outlook for the sector.

I would like to thank FDCA's Board of Directors for their significant contributions throughout 2020-21; my team and I are incredibly well supported by this dedicated, talented and collegial group of industry and sector professionals. To my team, your professionalism, expertise and dedication to the sector are an ongoing source of support and inspiration.

I am of course, immensely grateful for the support of our members. Your passion and commitment to children and families, and to our sector, has been unwavering, and your engagement with FDCA, as your national peak body, as always, invaluable.

Andrew Paterson Chief Executive Officer Family Day Care Australia

### 1.0 EXECUTIVE REPORTS (CONT.)

### 1.2 BOARD CHAIR REPORT

It is my pleasure to present the Board Chair's Report for the 2020-21 financial year.

The ongoing challenges of COVID-19 throughout the period cannot be understated, nor the significant demands it has placed on our members. Yet amidst the uncertainty our sector has continued to demonstrate immense resilience and an unwavering commitment to children, families and communities.

Naturally, as the national peak body, the dynamic and highly unpredictable external environment has demanded significant agility in the allocation of finite resources, however, a robust strategic and governance framework has provided strong guidance in continuing to represent, support and promote our members, across both the immediate and longer-term horizons.

FDCA remains a highly respected key opinion leader in the early childhood education and care sector. As a representative across all key stakeholder forums, FDCA has been a visible and effective advocate for family day care and throughout 2020-21 our work in representing the sector has been a significant priority.

A notable highlight in this space was FDCA's appearance as a witness at a public hearing of the Australian Government Senate Select Committee on COVID-19; the only ECEC representative to do so. Beyond profiling the disconnect between the Government's COVID-19 funding responses and the family day care model, FDCA took the opportunity to highlight the many unique strengths of the sector, both throughout the pandemic, and as a pivotal cog in Australia's ECEC system, and in our economy.

The broader challenges surrounding the longer-term viability of our sector remain a priority, and as such our strategic objectives remained focused on shaping a political, policy and regulatory environment that embraces the uniqueness, importance, and capabilities of family day care. Sustained and effective engagement across all levels of government has been a feature throughout 2020-21, as have the member-informed and evidence-based submissions made in response to each of the many sector consultations throughout the period.

FDCA continues to advocate strongly for equity under the Child Care Subsidy (CCS) fee cap, and for recognition of the additional costs associated with the provision of non-standard hours care. Amidst an emerging workforce crisis across the early childhood education and care sector overall, FDCA is extending its strategic response in support of educator recruitment and will continue to build on its capacity to support services into the future.

We remain diligent in our oversight of emerging risks and we continue to provide ongoing guidance to the membership in support of the independent contractor relationship between educators and services; cognisant of its foundational importance to the family day care model. In 2020-21 FDCA engaged Deloitte Australia to unpack the family day care model and to make recommendations around best practice operational models, policies, and contracts.

Sarah Fowler Director and Chair Family Day Care Australia Similarly, we remain highly engaged in our oversight of the experiences of family day care services under the Assessment and Ratings (A&R) process. During the period FDCA engaged ARTD Consultants to undertake a 'deep-dive' analysis of the A&R process for family day care and from this work, we made recommendations to regulators to trial several approaches to make the A&R process more equitable for family day care, with NSW seeing many of recommendations piloted with positive early indications from the sector and the regulator.

A highly effective Board and Executive relationship and strong governance infrastructure continue to link strategy and operations and to guide informed, strategic decision making. The Committees of the Board remain central to this infrastructure, enabling the important fiduciary functions of the Board.

Throughout 2020-21 the Board has remained committed to ongoing review and improvement. Several Directors engaged in governance related professional development and the annual Board evaluation program was undertaken. The Advisory Committee framework remained an important consultative mechanism and informed the work of the national peak in response to COVID-19, planning for the Triennial Conference, and in the development of the 'Your Home Your Business' online professional development module for educators.

In May, the Board and Management Team came together to conduct our annual 'Key Initiatives' and budget workshop. This process is the established means by which we embed strategy into operations and ensure the efficient and effective application of resources towards achieving our Mission and Vision.

FDCA achieved another sound bottom line result for the 2020-21 financial year, in line with budget and our strategic target. Amidst a difficult and unpredictable environment, I am very proud of the balance struck between significant investment in the membership and reinvestment in the organisation to ensure a strong and stable financial foundation for the future.

I have greatly enjoyed my term as Chair of the Board, and on behalf of the Board I would like to sincerely thank our Chief Executive Officer, Andrew Paterson and his team for the outstanding service and dedication in carrying out their roles in supporting and representing members and the sector. I know all members will join with me in commending them for a job well done!

I would also like to thank my fellow Directors for their tireless commitment to FDCA and for the unique and individual investment of time and talent that each Director volunteers to our membership.

Finally, on behalf of the Board and staff of FDCA, I would like to thank the membership for its engagement, insights, and support throughout 2020-21; we look forward to representing you throughout the year ahead.

Sarah Fowler Director and Chair Family Day Care Australia

## 1.0 EXECUTIVE REPORTS (CONT.)

### 1.3 DIRECTOR'S REPORT

DIRECTORS - AS AT 30 JUNE 2021

### **MEETINGS OF DIRECTORS**



Number of face-to-face meetings held during financial year – **3**:

- 21 November 2020
- 27 February 2021
- 1 May 2021



Number of teleconferences/videoconferences held during financial year – 1:

• 29 August 2020

### CURRENT DIRECTORS



**SARAH MARY FOWLER** 

Director and Chair (appointed to position of Chair from Deputy Chair in 2020)

Qualifications: Diploma of Business (Governance), Diploma of Children's Services, Diploma of

Management

Board Meetings: Possible: 4 Attendances: 4

Appointed: 28 October 2017



**EDWARD SAMUEL TIMOTHY BURRELL** 

Director and Deputy Chair (appointed Deputy Chair in 2020) Qualifications: Bachelor of Laws, Bachelor of Physical Education

Board Meetings: Possible: 4 Attendances: 4

Appointed: 30 August 2019



PHILLIP GORDON NAYLOR

Director and Chair (Chair tenure expired 2020)

Qualifications: Bachelor of Commerce, Graduate of Australian Institute of Company Directors

Board Meetings: Possible: 4 Attendances: 4

Appointed: 3 May 2016



**TAMZIN LEE** 

Director

Qualifications: Bachelor of Laws, Bachelor of International Business

Board Meetings: Possible: 4 Attendances: 4

Appointed: 25 November 2016



PHILLIPA THERESE HARGRAVE

Director

Qualifications: Diploma of Children's Services, Certificate IV in Leadership and Management

Board Meetings: Possible: 4 Attendances: 4

Appointed: 28 October 2017



**GEORGINA ZADELJ** 

Director

Qualifications: Advanced Diploma in Children's Services, Certificate IV in Teacher Aide Studies, Certificate IV in Workplace Training and Assessment, Certificate III in Forest School Programme

Leadership

Board Meetings: Possible: 4 Attendances: 4

Appointed: 14 June 2019



**MARINA BUULTJENS** 

Director

Qualifications: Diploma in Children's Services Board Meetings: Possible: 3 Attendances: 3

Appointed: 21 November 2020



**ROSIE PUPO** 

Director

Qualifications: Diploma of Children's Services, Certificate IV in Small Business, Certificate IV in

Training and Assessment

Board Meetings: Possible: 1 Attendances: 1

Appointed: 15 April 2021

### FORMER DIRECTORS



PRISCILLA CHRISTINE SCHWANZ

Director

Qualifications: Diploma of Children's Services Board Meetings: Possible: 1 Attendances: 1

Appointed: 27 November 2011 Resigned: 21 November 2020



**FIONA JANE PATTINSON** 

Director

Qualifications: Diploma of Children's Services, Certificate IV in Training and Assessment

Board Meetings: Possible: 3 Attendances: 3

Appointed: 23 November 2019 Resigned: 31 March 2021

### 2.0 VISION, MISSION, VALUES

### VISION

Family day care is the natural choice.

### **MISSION**

To represent, support and promote the family day care sector in delivering high quality early childhood education and care to more Australian children.

#### **ACHIEVING OUR VISION**

- Our Vision requires a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care and that enables a strong, viable and widely accessible sector.
- Our Vision demands consistently high quality outcomes for children in family day care.
- Our Vision requires strong awareness and understanding of the many and unique benefits of family day care for children, families and educators.

Underpinned by our Values and guided by our Mission we will achieve our goals and together we will realise our Vision.

### **VALUES**

### **EQUITY**

Equitable access and the removal of barriers to high quality early childhood education for all children. Equity is a core underpinning of FDCA's organisational culture.

### **PROFESSIONALISM**

Ongoing improvement in, and recognition of, the sector as professional early childhood educators and administrators. A professional sector needs a highly professional national peak.

### **EXCELLENCE**

Excellent outcomes for children in family day care underpins a strong and viable future for family day care. Excellent outcomes from FDCA will support the sector in this objective.

### **COLLABORATION**

Collaborative partnerships between services, educators, families and children are key underpinnings of quality in family day care. FDCA, the sector and stakeholders are partners in achieving our vision.



## **3.0** 2018-2021 STRATEGIC SNAPSHOT

PRIORITIES	GOALS	IMPACTS
REPRESENT	<ul> <li>Provide strong leadership, a united national voice and future directions for family day care through effective, broadly representative, consultative and evidence-based advocacy on key policy issues</li> <li>Champion a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care and enables a strong, viable, accessible and evolving sector</li> </ul>	Positive % of advocacy outcomes for family day care Representation on all key stakeholder reference groups
SUPPORT	<ul> <li>Support ongoing improvement in pedagogical and operational practice and outcomes for children in family day care, through research, resources, professional learning opportunities and professional networks</li> <li>Support the sector in the effective and efficient management of, and compliance with, the administrative, business and regulatory requirements of family day care</li> </ul>	Increase the % of services 'meeting' or 'exceeding' the NQS from 43% to 66% Increase FDCA's Educator and Service Net Promoter Score from +35 and +41 to +50
PROMOTE	<ul> <li>Raise awareness and position family day care on its unique strengths in delivering high quality early childhood education and care to support long term sector viability and growth through marketing, public relations and strategic media management</li> <li>Raise awareness and position family day care as a career of choice to support services in the recruitment of professional early childhood educators in areas of need and opportunity</li> </ul>	Increase FDCA website average monthly 'unique visitors' by 15% to 15,600/month Increase FDCA average monthly locator leads by 20% to 1165/month Establish baseline measures of awareness and perception of users and non-users of family day care and increase by 10%
ORGANISATION	Ensure sustainable, ongoing and valued services to members through innovation, diversification, organisational capacity, operational efficiency, good governance and strong financial management	Increase the % of operating services as members from 81% to 90% Increase the % of satisfied/very satisfied members from 69% (e) and 63% (s) to 75% Achieve annual 5% net surplus and solvency ratio of 10 months Maintain a staff engagement level of more than 4.0.

### **4.0** REPRESENT

FDCA has an unwavering commitment to representing the family day care sector through consultative, evidencebased advocacy on key policy issues affecting our members.

FDCA is well-equipped and uniquely positioned to develop and deliver broadly representative policy positions and to provide detailed analysis and support to our membership.

We do this through:

- Monitoring, analysing and responding to emerging policy issues, trends and data
- Expert knowledge in policy and legislative formulation and review
- Evidence-based submissions to governments and policy decision makers
- Strong government and key stakeholder relationships
- Extensive representation on national industry stakeholder forums
- Comprehensive consultation mechanisms
- Research

### **STRATEGIC GOALS:**

- Provide strong leadership, a united national voice and future directions for family day care through effective, broadly representative, consultative and evidencebased advocacy on key policy issues
- Champion a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care and enables a strong, viable, accessible and evolving sector.

### 4.1 ADVOCACY

Throughout the 2020-21 financial year, FDCA has pursued a multi-pronged advocacy strategy focused on supporting FDCA members to achieve the best possible learning and developmental outcomes for the more than 93,000 children receiving education and care in the family day care sector. Notably, out of necessity, a significant portion of the resources allocated to advocacy initiatives have, by necessity, been directed at supporting the sector through the COVID-19 pandemic.

Across the year, FDCA engaged with and consulted with the FDCA membership on all major policy and program issues primarily through online surveys, due to the fluctuating social restrictions, supplemented by targeted consultation with key stakeholders through FDCA Advisory Committees, which are established on an as needs basis under the FDCA Constitution.

FDCA regularly engages directly with the Federal Minister for Education and Youth, the Shadow Minister for Early Childhood Education, the Executive levels of the Australian Government Department of Education, Skills and Employment (DESE), the Australian Children's Education and Care Quality Authority (ACECQA) and state and territory Regulatory Authorities, and in our capacity as a representative on all major national early childhood education and care (ECEC) stakeholder reference groups, in order to promote the interests of the family day care sector and ensure that our key positions are heard by policy decision makers at all levels of government.

- On 31 January 2021, FDCA provided a Pre-Budget Submission to Treasury in which a strong case for raising the CCS cap rate for family day care to be on par with that of the centre-based care sector and applying an additional loading of 20% to the recalculated CCS fee cap for non-standard hours care was presented
- As part of the 2019 NQF Review process, the Consultation Regulation Impact Statement (CRIS) was released in February 2021 and on in April 2021 FDCA made a formal submission to the CRIS which was informed by national consultation with our members and underpinned by FDCA's strongly held position that we do not support any regulatory changes that will further restrict the viability of the family day care sector or limit the capacity for legitimate growth
- Across the year, FDCA represented the sector as a member of the co-design Stakeholder Reference Group (SRG) for the Children's Education and Care National Workforce Strategy, which is designed to lead the development of a new national 10-year strategy to support the recruitment, retention, sustainability and quality of the children's education and care workforce

### **4.2 RESEARCH**

FDCA leads, supports and acts as an Industry Partner on a number of significant research projects spanning some of Australia's leading universities and top ECEC academics. It is important that the family day care perspective is included in all major ECEC projects as they have the capacity to influence policy decisions and practice, and the unique nature of family day care must be appropriately recognised and better understood.

#### **KEY OUTCOMES:**

- As a steering committee member, FDCA continues
  to support the Queensland University of Technology
  (QUT) Distributive Leadership Project, which is seeking
  to investigate effective leadership in family day care.
  Recognising the unique context of family day care, the
  aim of the Distributed Leadership study is to find out
  more about leadership approaches and strategies that
  enable high quality family day care and make these
  visible within the sector and broader community
- FDCA has committed to acting as an Industry Partner
  in a project being led by Macquarie University which
  seeks to capitalise on learning derived from the
  experience of the early childhood education sector
  during the COVID-19 crisis, to develop a Best Practice
  Model of health communication to be used whenever
  population-level health information needs to be
  communicated rapidly, accurately and effectively to
  families of young children and their educators
- FDCA is one of a number of ECEC Industry Partners in a new research project, being led by the UNSW Social Policy Research Centre and the University of Western Sydney, and funded by an Australian Research Council (ARC) grant, which aims to learn from families what makes it easier to send their children to early education and to learn from services and educators what practices and systems encourage a wide range of families to participate, particularly those from a lowincome background
- FDCA supports an ARC Linkage Project titled
  "Enriching pedagogy and practice of infant-toddler
  educators through Observing, Reflecting and
  Improving Children's Learning (ORICL)" and worked
  with key ECEC stakeholder organisations and
  practitioners to co-design ORICL, which is is a 117item tool infant-toddler education and care settings

that supports educators to observe and reflect on young children's interests and capabilities, and how these are recognised, responded to and promoted, across five domains aligned with the Australian Early Years Learning Framework

## 4.3 SECTOR VIABILITY STRATEGY PHASE TWO

In late 2020 FDCA shifted the focus of the Sector Viability Strategy to focus on broader workforce issues. FDCA established the narrative that, like the broader ECEC sector, family day care faces workforce challenges that are making it increasingly difficult to engage new educators which has seen a sustained decline in educator numbers in recent years. This in turn is impacting supply and ultimately, parent's access to flexible, affordable, high quality early childhood education and care options. However, an adequately supported family day care sector is ideally and uniquely placed to make a significant positive impact against several key objectives of government, these include:

- addressing the ECEC workforce crisis;
- increasing economic security for women;
- enhancing workforce participation (particularly for women); and
- enhancing economic growth in regional areas.

It's evident that the unique sole trader model in family day care means that many existing workforce support programs are not adequately tailored to accommodate support for family day care services in the engagement of new educator sole traders. Similarly, existing government mechanisms to workforce entrants into small business present barriers to a potential family day care educator. However, FDCA contends that a number of government programs could potentially be adjusted to accommodate the sector around gaps in current workforce programs and what adjustments would be required to support family day care to grow and meet Australia's varied ECEC needs.

FDCA has focused on potential adjustments of existing programs for this stage of the strategy, with a view to expand our requests in the lead up to the next federal election. Work in this exceptionally important area will continue into the 2021-22 financial year.

### 4.0 REPRESENT (CONT.)

#### **KEY OUTCOMES:**

- Improved understanding of the family day care model, its strengths and challenges facing the sector across all key policy decision maker stakeholders nationally
- Consistent and positive engagement precedent set across all jurisdictions and key stakeholders
- Establishment of the Assessment and Ratings Pilot, which is being conducted in NSW and will shape positive amendments to the process for family day care across jurisdictions

## 4.4 NSW ASSESSMENT AND RATINGS PILOT

In 2019 FDCA commissioned ARTD Consultants to undertake a comparative analysis of the experiences of family day care services under the Assessment and Ratings (A&R) process, the extent of variability in the practices of assessors and assessment and ratings processes in family day care across jurisdictions, how practices/processes may differ from those undertaken in the long day care sector, and whether practices/processes are appropriately contextualised to the family day care model. The research aimed to identify any discrepancies in regulatory practices undertaken by Regulatory Authorities and/or Authorised Officers (AO) in the assessment processes within and across jurisdictions.

ARTD Consultants made a number of recommendations, citing several ways in which the A&R system may be enhanced to provide a fairer assessment of family day care relative to long day care and to support better outcomes for all stakeholders.

FDCA subsequently built these recommendations into our Sector Viability Brief and, following on from direct advocacy with the NSW regulatory authority (RA) on the recommendations which generated considerable interest, FDCA made a formal submission in late 2020 outlining a pilot proposal to trial a number of approaches to make the A&R process more equitable for family day care.

The proposed key processes were as follows:

- collaboratively identify suitable participants;
- services undertake the existing Self-Assessment for Quality Improvement tool;

- implement a reformed and collaborative educator sample selection process;
- amend the notification process and notification period offered to the sampled educators specifically; and
- AOs conduct video or phone meetings with the sampled educators ahead of the actual assessment and ratings visit.

FDCA expects that the pilot will be completed early next financial year and the formal evaluation finalised. This project represents a significant advocacy win, given it was one of the core recommendations in FDCA's Sector Viability Brief.

#### **KEY OUTCOMES:**

- Phase 1 and 2 of the assessment and ratings pilot completed with preliminary results being consistently positive
- A commitment from the NSW Department of Education to sharing the report with all other jurisdictions with a view to foster improved practice nationally
- An established foundation for reform of the A&R process to more appropriately consider the unique family day care context

### 4.5 FAMILY DAY CARE MODEL REVIEW

In October 2020 FDCA engaged Deloitte Australia to work with FDCA to examine the operations of the family day care model used by most Approved Services whereby most educators perform their duties under an independent contractor model compared to an employee model and analyse the key risks to the business model. The project identified gaps in requisite knowledge regarding operational practices and legislative obligations within the sector, and recommendations relating to best practice operational models/strategies.

Based on the analysis, the report provided a number of findings, as follows:

- There may be ramifications of a legal nature if an employer model was imposed on the sector.
- Educators negotiate their contracts directly with

Approved Services, and therefore the structure and form of agreements is inconsistent.

- The qualitative benefits afforded by family day care do not translate seamlessly to an employee model.
- The imposition of an employee model would likely result in over-all cost increase to families, if the model sought to maintain the qualitative benefits of family day care.

### **KEY OUTCOMES:**

- FDCA developed and disseminated a standardised best practice educator agreement, as this assists providers to engage with educators with appropriate commercial protections, minimise inconsistencies in contractual arrangements and strengthens the model overall
- FDCA has also committed to developing subcontractor guidance which will be rolled out to educators/Approved Services to communicate best practice around relief educators

### 4.6 COVID-19

Beyond the initial challenges posed by the Australian Government's funding response to the COVID-19 pandemic in early 2020, this period represented the second phase of major funding adjustments directed at the early childhood education and care sector as a result of the COVID-19 pandemic, which was essentially the shift back to the Child Care Subsidy System (CCSS), accompanied by a "Transition Payment" funding package, and subsequently by a "Recovery Package" specifically for Victoria as a result of ongoing Stage 3 and 4 restrictions.

FDCA continued to strongly represent the sector through extensive sector consultation in order to establish a robust evidence base to support considered advocacy across the year.

Key issues and events in the timeline are as follows:

 On Tuesday 7 July 2020 FDCA made available to service members the Transition Payment Practice Guidance. The guidance, commissioned by FDCA and funded by the Department of Education, Skills and Employment (DESE), was independently developed in partnership with Deloitte Australia and was designed to assist services work through the complexities of distributing the Transition Payment upon the return to the Child Care Subsidy System (CCSS). The guidance was also accompanied by the Viability Point Disbursement Guidance Tool which is a practical tool designed to assist services in calculating an equitable disbursement model to educators where appropriate.

- On 7 July 2020 and 20 July 2020 FDCA CEO Andrew Paterson met with the Hon Dan Tehan MP, Minister for Education, regarding the transition back to the CCSS to present data from the sector in relation to past, current and potential future attendance and enrolment levels.
- The Transition Payment created significant confusion across the sector and despite ongoing guidance from FDCA, significant gaps remained in the program design and administration. For example:
  - The "intent" of the Transition Payment framework was that services accessing the grant would not receive JobKeeper payments upon return to the CCSS; however, the Coronavirus Economic Response Package (Payments and Benefits) Amendment (ATO) Rules (No. 5) 2020 explicitly addresses JobKeeper ineligibility for "approved services" (their staff and eligible business participants) but continued to allow eligible sole trader educators to claim JobKeeper payments.
  - The Child Care Subsidy Minister's Rules 2017 omitted powers on the matter of educator (sole trader) ineligibility.
  - After the Agreements had been signed, the Transition Payment Guidelines were amended by DESE to include an obligation on services to "take all reasonable steps to ensure that contracted, eligible business participants (i.e. sole traders and independent contractors) that are engaged by the provider to perform services that relate principally to the operation of one or more of the provider's child care services, do not claim Jobkeeper while the provider is in receipt of the grant" from 20 July 2020. In making this amendment, DESE has retrospectively imposed a contractual obligation on services to undertake an action for which they

### 4.0 REPRESENT (CONT.)

had no legislative or practical power to exercise and which appeared to contradict the Coronavirus Economic Response Package (Payments and Benefits) Amendment (ATO) Rules (No. 5) 2020 regarding educator eligibility.

- In response to this issue, FDCA sought external expert legal advice specifically in relation to services' obligations under the Transition Payment grant contract and the extent to which they are enforceable. The advice indicated that amended Guidelines should be complied with to ensure ongoing eligibility. This advice was provided to FDCA members.
- On 2 August 2020, Victorian Premier Daniel Andrews announced a 'state of disaster' and associated Stage 4 lockdown measures for metropolitan Melbourne and Stage 3 in regional Victoria. In particular, under s54Aof the Child Care Subsidy Minister's Rules 2017, up to 31 December 2020, services in Stage 3 or higher areas may waive out-of-pocket fees for COVID-19 absences. However, in early August 2020, an FDCA member contacted FDCA after a denial under s54A(3A) of the Child Care Subsidy Minister's Rules (the Rules) to waive out-of-pocket fees due to receiving a notice to sanction prior to 2 July 2018. However, FDCA reviewed the power under the legislation and provided feedback to DESE that given notice was sent prior to the commencement of the Child Care Package (2 July 2018), this provider should not be precluded from waiving out-of-pocket fees. It was evident that the Department's reason for decision in this matter is not in line with the s54A(3A) of the Rules i.e. the notice they refer to was received prior 2 July. As a result of this engagement, in total 7 providers had their initial refusal to implement a fee waiver overturned.
- On Sunday 20 September the Minister for Education, the Hon Dan Tehan MP, announced the introduction of a Child Care Recovery Package for families and early childhood education and care providers in Victoria. The Child Care Recovery Package included a Recovery Payment of 25 percent of pre-COVID revenue to early childhood services in Victoria, from 28 September 2020 until 31 January 2021; a

fee freeze until 31 January 2021; continuation of the Employment Guarantee; and extension of the relaxation of the activity test to 4 April 2021.

Following three separate submissions to the Australian Government Senate Committee on COVID-19, FDCA's Chief Executive Officer, Andrew Paterson, was invited to appear as a witness before the Committee; the only ECEC representative to appear at the hearing.

In detailing the challenges faced by the sector through the Australian Government's funding responses, FDCA expressed the inadequate consideration of the family day care model in the funding design was highlighted and the inability of the funding structures to support the sector that 'stood-up' in support of families during COVID-19 and the many unique strengths of the sector and the vital role played by family day care throughout the pandemic and more broadly, as a vital part of Australia's ECEC landscape.

Specifically, FDCA called on the Australian Government to improve consultation efforts, create a dedicated Commonwealth family day care policy team, ensure that future funding responses are appropriately tailored for our sector, and make amendments to the CCS fee cap to ensure equitable remuneration across the sector and support the provision of non-standard hours care.

- Development and distribution of the Transition Payment Practice Guidance and the Viability Point Disbursement Guidance Tool
- Representation of the sector by FDCA CEO Andrew Paterson at the Senate Committee on COVID-19 as a witness at the Public Hearing in September 2020
- Inclusion of a clause that services must allocate 80 per cent of their Recovery Payments to wages and payments for employees and educators
- An administrative solution for services in Victoria in relation to the issue of enrolment cessation as a result of enrolled children not having physically attended care for 14 weeks

### 4.7 SECTOR PROFILE REPORT

The Family Day Care Sector Profile report provides information and analysis relating to the general profile of the family day care sector, the number and location of educators and services by remoteness area and socioeconomic disadvantage, educators' age, and services' National Quality Standard (NQS) ratings awarded by ACECQA. The report analyses a number of data sources, including FDCA member data, the ACECQA National Register and data from the Australian Bureau of Statistics, to provide these ongoing insights into the nature of the family day care sector.

This year the Family Day Care Sector Profile also presented an opportunity, through a clear evidence base, to express our ongoing and considerable concern in relation to sustained decrease in educator numbers nationally. We also highlighted the resilience and great commitment to professionalism shown by the sector, despite considerable adversity, in continuing to provide for the diverse and ongoing needs of Australian children and families throughout the crucial points of the COVID-19 pandemic across 2020.

- The increased knowledge of the demographic profile of the family day care sector to key stakeholders across Australia, including the Australian Government, state and territory governments, key ECEC stakeholders and notable ECEC academics
- Two reports published in 2020-21
- Provides FDCA with strong evidence-based data for organisational functions, advocacy initiatives and strategy

### **5.0** SUPPORT

FDCA is committed to supporting the sector in continuous improvement and in the delivery of quality practice.

We do this through the provision of specialist, professional advice, professional learning and networking opportunities and member resources.

### **STRATEGIC GOALS:**

- Support ongoing improvement in pedagogical and operational practice, and outcomes for children in family day care, through research, resources, professional learning opportunities and professional networks.
- Support the sector in the effective and efficient management of, and compliance with, the administrative, business and regulatory requirements of family day care.

# 5.1 NATIONAL ENGAGEMENT PROGRAM

Over the past five years the FDCA National Engagement Program (NEP) has become a very important and popular initiative that has allowed FDCA to connect with members. The NEP has also provided a platform for educator and service members to take advantage of professional development opportunities and network with fellow family day care professionals across the country.

Four NEP forums were scheduled to take place from July – November 2020, however these forums had to be cancelled due to the COVID-19 pandemic.

### **KEY OUTCOMES:**

 NEP forums were cancelled in 2020 due to the COVID-19 pandemic

### **5.2 PROFESSIONAL LEARNING PORTAL**

The FDCA Professional Learning Portal (FDCA PLP), which is an interactive online Learning Management System (LMS) housed on FDCA's Member Zone and available for free to FDCA educator and service members, continued to support members across 2020-21. The FDCA PLP provides access to a number of professional learning resources to assist members improve both pedagogical and operational practice, critically reflect, facilitate continuous improvement opportunities and ultimately

improve learning and developmental outcomes for children in family day care.

#### **KEY OUTCOMES:**

- Provision of free high quality, evidence-based and tailored professional learning tools developed specifically for both educator and service members
- Two new learning resources for members, those being the Visions for Quality learning resource and the Your Home, Your Business learning resource

# 5.3 VISIONS FOR QUALITY ONLINE LEARNING RESOURCE

FDCA launched the Visions for Quality - Reflecting on Practice resource on the FDCA Professional Learning Portal which is a guided critical reflection resource for educators continues to deliver on FDCA's ongoing commitment and core strategic goal of supporting members in their work in delivering the best possible learning and developmental outcomes for children in family day care. The resource represents a shared opportunity to engage in a high quality, evidence-based reflective tool developed specifically for the family day care sector.

The reflection tool consists of 12 videos containing focus family day care educators' work and how that work supports children's learning. The overall aim is to promote good quality education and care services in family day care and in the sector as a whole, and to support services to comply with the National Quality Framework. Each video is accompanied by guidance modules to support the videos and a number of reflective questions.

### **KEY OUTCOMES:**

- A high quality, evidence-based online learning tool for members tailored specifically to the family day care context
- Improved quality pedagogical practice which supports improved learning and developmental outcomes for children

# 5.4 YOUR HOME, YOUR BUSINESS ONLINE LEARNING RESOURCE

To assist services in their educator induction process, and support new educators, FDCA developed and launched

a new online learning resource in March 2021 titled Your Home, Your Business - family day care business essentials, which aims to enhance family day care educators' knowledge and confidence in managing their family day care business. The development of content was informed by FDCA's own research into good practice business administration and guided by advice and input from various sector representatives including members of the Project Advisory Committee, which was especially set up for the project.

There are six modules in this new resource, designed to cover the core elements of running a family day care business. An *Additional Information* resource is also available to supplement the core content for each module.

The Your Home, Your Business resource also reflects one of FDCA's key priorities as an organisation, to support the sector's ongoing improvement in operational practice through research, resources and professional learning opportunities.

### **KEY OUTCOMES:**

- A high quality, evidence-based online learning tool for members tailored specifically to the family day care context
- Improved quality operational practice which supports educators achieve higher levels of competency in financial literacy and business administration

# 5.5 FDCA 2021 NATIONAL CONFERENCE

During 2020-21 preparations for the FDCA 2021 National Conference continued. During this period the final conference program was confirmed and included a high-quality field of keynote speakers. Workshop presenters were selected following a call for abstracts that saw an abundance of strong submissions. This allowed FDCA to develop a conference program that was designed to cater for the entire family day care sector.

This period also saw FDCA finalise all delegate payment plans, which were very popular with members and boosted what was looking to be a large attendance for the conference.

\*It should be noted that after this annual report's reporting period, the conference date was changed to 15-17 September 2022 due to the ongoing impacts of the COVID-19 pandemic.

### **KEY OUTCOMES:**

- Final line up of keynote speakers confirmed
- Conference call for abstracts completed
- Workshop presenters confirmed
- All conference ticket payment plans completed
- Final conference program released

## 5.6 FAMILY DAY CARE CRITICAL REFLECTION RESOURCE

The "Critical Reflection Tool" consists of two key components, the "Critical Reflection in Practice Guide", which has been formatted as a hard copy poster to be mailed out to all members in a poster format (A2 for educators, A1 for services), and a "Critical Reflection in Practice Companion Resource" which is housed online. The poster contains a QR code which members can scan to access the companion resource on their mobile device.

The companion resource is intended to offer practical tips and ideas to help family day care educators to make best use of FDCA's Critical Reflection in Practice guide. The Critical Reflection Tool was launched through dissemination of the Guide with the winter edition of JiGSAW.

FDCA has created the Guide and this companion resource as part of our ongoing commitment to produce practical resources for our members that assist in strengthening pedagogical and operational practice and performance.

- Improved understanding of the of NQS standards or elements relating to critical reflection and how to apply core implementation/improvement strategies in daily practice
- Improved quality pedagogical practice which supports improved learning and developmental outcomes for children
- Support educators and services to improve performance in assessment and ratings process against Quality Area 1

### **6.0 PROMOTE**

FDCA is committed to raising the profile of family day care nationally, and to positioning family day care as the option of choice in early childhood education and care.

We assist our members in promoting their family day care services and in delivering clear and consistent messages about the many and unique benefits of family day care. This is done through the provision of a range of public relations initiatives and events, strategic media management, marketing, member services and resources.

### STRATEGIC GOALS:

- Raise awareness and position family day care on its unique strengths in delivering high quality early childhood education and care to support long term sector viability and growth through marketing, public relations and strategic media management.
- Raise awareness and position family day care as a career of choice to support services in the recruitment of professional early childhood educators in areas of need and opportunity.

## 6.1 2020 EXCELLENCE IN FAMILY DAY CARE AWARDS

The 2020 Excellence in Family Day Care Awards saw an unprecedented level of engagement from the family day care community with over 5,600 nominations placed for coordinators, educators and services combined.

The Excellence in Family Day Care Awards have gone from strength to strength and continue to play a key role in FDCA's public relations strategy. The 2020 Excellence in Family Day Care Awards attracted a large amount of positive media attention for the family day care sector and were responsible for generating 96 traditional media stories being published.

Despite the COVID-19 pandemic, the awards were able to be celebrated with a small awards ceremony held in Canberra in February 2021.

The annual awards program also continues to highlight the wonderful work done in the sector by family day care educators and services across the entire country.

- Record number of nominations placed, over 5,600
- 96 positive media stories published
- Positive media stories reached over 512,000 people and was valued at over \$283,000

	MEDIUM	VOLUME	AUDIENCE	ASR
	TV	4	N/A	N/A
	PRINT	20	512,859	\$42,429
	ONLINE NEWS	72	N/A	\$239,943
7.FI	SOCIAL NETWORKS	249	N/A	N/A
	TOTAL	345	512,859	\$283,372

# 6.2 FAMILY DAY CARE NATIONAL ADVERTISING CAMPAIGN

During 2020-21 FDCA continued to support members and the wider family day care sector with an integrated national advertising campaign.

The year-round campaign saw FDCA invest in both television and digital advertising mediums to increase the awareness of family day care as an option of choice for ECEC for families and early childhood professionals.

FDCA's national regional television campaign took place during the October 2020 to January 2021 period and saw 799 television advertisements placed on the WIN Television National Regional Network.

The national regional television campaign was supported during the entire 2020-21 period with digital advertising campaigns run on both Facebook and Google Ads, which included additional investment during the January-February peak period.

The digital campaigns resulted in over 78,875 clicks to the FDCA website, generated a Facebook reach of more than 940,000 and created over 40,000 interactions through Google Search with individuals looking for child care or pursuing a career in early childhood education and care.

During 2020-21, FDCA also filmed a series of testimonial and promotional videos that will be used to promote family day care to families and potential educators in 2021-22. These videos will also be available for FDCA members to download for free.

### **KEY OUTCOMES:**

- 799 television advertisements placed nationally to promote family day care
- Over 40,000 Google search interactions initiated
- Facebook reach over more than 940,000
- Contributed to the 9,200 leads created for FDCA members via the FDCA Family Day Care Locator
- New promotional videos filmed for members for distribution in 2021-22

### **6.3 EDUCATOR BOOST PROGRAM**

The FDCA Educator Boost Program was a 2020-21 Member Initiative designed to assist FDCA service members with the recruitment of new family day care educators.

The program saw FDCA develop the Family Day Care Demand Data Report which analysed the leads generated from the FDCA Family Day Care Locator and crossed-referenced them against population, current educator numbers, remoteness classification and socio-economic profile. This report allowed FDCA to determine areas of unmet demand for family day care across Australia.

Service members who were able to potentially recruit educators in these areas were invited to participate in the program.

The program saw FDCA boost it's current Facebook and Google Ads recruitment campaigns in these areas of unmet demand, as well as place job advertisements through Seek on behalf of participating services.

The program took place from November 2020 to February 2021, targeted 105 postcodes across Australia and saw 46 FDCA service members take part. The campaign reached an audience of more than 320,000 people, resulted in over 23,000 clicks to the FDCA website and produced 551 expressions of interest from potential educators.

This initiative was FDCA's first step into working with services directly regarding the recruitment of educators and demonstrated a strong demand for this service. This resulted in the development of the FDCA Direct Educator Recruitment Program to be released in 2021-22.

- Publication of the Family Demand Data Report
- Engaged directly with 46 services as program participants
- Targeted recruitment campaigns reached an audience of over 320,000, generated more than 23,000 clicks and generated 551 expressions of interest from potential educators

### 6.0 PROMOTE (CONT.)

# 6.4 2021 NATIONAL FAMILY DAY CARE WEEK

In its ninth year, National Family Day Care Week again provided the opportunity for the family day care sector to unite and celebrate the amazing work done in the community by family day care educators and services across Australia.

During the 2020-21 period, National Family Day Care Week took place from 3-9 May 2021, with FDCA members encouraged to celebrate the week by registering their own National Family Day Care Week picnics.

The week saw over 165 National Family Day Care Week picnics take place, which included FDCA's annual National Family Day Care Week Picnic in the Park. The Picnic in the Park took place in the South Australian suburb of Morphett Vale and attracted local educators, services staff, representatives from the South Australian Department of Education and the Hon Amanda Rishworth MP, the Shadow Minister for Early Childhood.

The week also generated several positive media stories across both traditional media and social media.

### Key Outcomes:

- Over 165 National Family Day Care Week picnics
- Successful FDCA Picnic in the Park event attracting various sector stakeholders
- Positive media coverage across traditional and social media

### 6.5 FAMILY DAY CARE LOCATOR

FDCA's Family Day Care Locator continues to play a key role in generating leads for FDCA educator and service members. A listing on the Locator is included as part of membership for all FDCA educator and service members.

During the 2020-21 period the FDCA Family Day Care Locator was responsible for delivering 9,237 leads to FDCA members.

The 2020-21 period also saw FDCA consult with members to investigate improvements that can be made to the enquiry process. The results of this consultation will see

improvements made to this process that will make it easier for members to manage and respond to locator enquiries.

### **KEY OUTCOMES:**

- 9,237 leads generated for FDCA members
- Consultation with members to improve the locator enquiry management process

## 6.6 MEMBER COMMUNICATIONS AND MARKETING SUPPORT

As a member driven organisation, it is vital that FDCA continues to keep our members informed regarding key sector information as well as member initiatives through regular email bulletins, weekly newsletter and JiGSAW magazine.

FDCA also continues to deliver ongoing support to members via the FDCA Market My Business Hub, along with marketing, advertising, media and communications support.

- Three editions of JiGSAW magazine published during 2020-21
- Communications to members via our weekly e-newsletter Family Day Care Matters (FDCM) with an average open rate of 47.4%
- Regular e-bulletins sent to members regarding relevant and important sector issues
- 361 Market My Business Hub collateral requests completed

### 7.0 ORGANISATION

To ensure FDCA meets its objectives as national peak body of the family day care sector, FDCA strives to enhance organisational capacity and agility.

### **STRATEGIC GOAL:**

 Ensure sustainable, ongoing and valued services to members through innovation, diversification, organisational capacity, operational efficiency, good governance and strong financial management

## 7.1 ORGANISATIONAL CAPACITY AND AGILITY

During 2020-21, FDCA undertook a number of strategic changes to ensure that organisational capacity and agility remained at an optimal level.

### **KEY OUTCOMES:**

- Removal of key person requirement on FDCA's Australian Financial Service License
- Successful transition to remote working arrangements throughout COVID-19 pandemic lockdowns
- Recruitment of a specialised National Recruitment Manager to support services in the sourcing and onboarding of educators in 2021-22

### 7.2 INSURANCE SERVICES

FDCA continued to deliver market-leading insurance programs to its educator and service members.

With FDCA's unique and comprehensive understanding of the risks in a family day care setting our members can rely on FDCA and be assured that premiums are reinvested back into the sector.

### **KEY OUTCOMES:**

- Market leading cover on public liability insurance maintained with no increase in premiums
- Continued to offer a range of other insurance policies tailored to family day care educators, Home and contents, Motor vehicle, Individual personal accident and sickness policies

### 7.3 FDCA NATIONAL POLICE CHECKS

Since its launch in 2018, FDCA's streamlined police check platform has continued to provide an important service to members and the wider family day care sector. With its market leading member price and tailored application process, FDCA's National Police Check service remains very popular with the family day care sector.

During 2020-21 over 2,700 FDCA National Police Checks were processed and allowed over 1,375 FDCA members access the cheapest National Police Checks on the market.

During this period, the service was also upgraded, resulting in an improved user experience for customers.

### **KEY OUTCOMES:**

- Over 2,704 National Police Checks checks completed
- More than 1,375 FDCA members assisted
- 70% of submitted applications returned same day

### 7.4 INFORMATION TECHNOLOGY

Throughout 2020-21 FDCA continued to review and make improvements to its system infrastructure and existing cloud-based systems.

These improvements were particularly important due to the disruption of COVID-19 and the requirement for all staff to work from home. FDCA was able to effectively transition its workers to home work places leveraging the existing infrastructure which ensured FDCA continued to deliver its member services without disruptions.

- FDCA's core member management system and Member Zone are cloud based and were uninterrupted through the challenges of 2020-21
- Ongoing review of FDCA's IT infrastructure with the view for all FDCA's systems to be cloud based by the end of 2021

### **8.0** FINANCIAL REPORTS

Please be advised that the following financial information has been extracted from the full Audited Financial Report of FDCA. This information does not represent a Financial Report pursuant to the Corporations Act 2001.

### **FAMILY DAY CARE AUSTRALIA LIMITED**

#### ABN 93 094 436 021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Family Day Care Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there has been:

- no contraventions of auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

MARK TINWORTH CHARTERED ACCOUNTANT

North Sydney, 12 October 2021

### TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

#### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FAMILY DAY CARE AUSTRALIA LIMITED

#### Opinion

We have audited the attached financial report of Family Day Care Australia Limited ("the company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of recognised income and expenditure, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the Directors' Report.

In our opinion, the accompanying financial report of Family Day Care Australia Limited is in accordance with the Corporations Act 2001. including:

- giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- 2. complying with Australian Accounting Standards, and the Corporations Regulations 2001.

#### **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 Directors in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standard 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 of our opinion.

### Responsibilities of the Directors for the financial report

The directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibility

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.

### WWW.TINWORTH.COM

LEVEL 2, 66 BERRY ST NORTH SYDNEY NSW 2060 | P (02) 9922 4644 | F (02) 9959 3642 | ABN 43 624 513 140

Liability limited by a scheme approved under Professional Standards Legislation

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 misstatements 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 of 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, international 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 board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by members.
- Conclude on the appropriateness of the company's use of 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 company'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 company 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 achieved fair representation.

We communicate with the directors 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 our audit.

MARK TINWORTH
CHARTERED ACCOUNTANT

Man in more

Dated this 12th day of October 2021



### **FAMILY DAY CARE AUSTRALIA LIMITED**

#### ABN 93 094 436 021

### **DIRECTORS' DECLARATION**

The directors of the company declare that:

- The financial statements and notes, as set out on pages 9 to 28 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards and;
  - (b) give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that of the entity.
- 2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Sarah Mary Fowler, Board Chair:

me

Dated this | day of October 2021

### FAMILY DAY CARE AUSTRALIA LIMITED ABN 93 094 436 021

## STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue – services & other revenue	2	3,646,878	4,085,573
Other income	2	292,401	152,270
Auditors, legal and other expenses	3	(13,050)	(12,128)
Depreciation and amortisation expenses	3	(197,607)	(171,938)
Employee benefits expenses		(1,917,096)	(2,133,036)
Occupancy expenses		(36,464)	(49,611)
Other expenses		(1,572,343)	(1,640,823)
Surplus/ (Deficit) before income tax		202,719	230,307
Income tax expenses		-	-
Current year surplus/(deficit)		202,719	230,307
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		202,719	230,307

### FAMILY DAY CARE AUSTRALIA LIMITED ABN 93 094 436 021

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Retained Profits	Total
Balance 1 July 2019	3,898,269	3,898,269
Surplus attributable to members of the company	230,307	230,307
Balance 30 June 2020	4,128,576	4,128,576
Surplus attributable to members of the company	202,719	202,719
Balance 30 June 2021	4,331,295	4,331,295
Surplus attributable to members of the company Balance 30 June 2020 Surplus attributable to members of the company	230,307 4,128,576 202,719	230,307 4,128,576 202,719

### FAMILY DAY CARE AUSTRALIA LIMITED ABN 93 094 436 021

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Assets		•	
Current assets			
Cash & cash equivalents	4	3,015,010	2,512,832
Other financial assets	5	2,400	2,400
Other current assets	6	318,592	244,421
Total current assets		3,336,002	2,759,653
Non-current assets			
Property, plant and equipment	7	2,725,176	2,908,067
Total non-current assets		2,725,176	2,908,067
Total assets		6,061,178	5,667,720
Liabilities			
Current liabilities			
Trade and other payables	8	1,344,096	886,632
Employee entitlements	9	276,179	306,454
Total current liabilities		1,620,275	1,193,086
Non-current liabilities			
Employee entitlements	9	77,224	115,934
Borrowings	10	32,384	230,124
Total non-current liabilities		109,608	346,058
Total liabilities		1,729,883	1,539,144
Net assets		4,331,295	4,128,576
		.,00.,200	.,120,010
Equity			
Retained surplus	11	4,331,295	4,128,576
Total equity		4,331,295	4,128,576

### FAMILY DAY CARE AUSTRALIA LIMITED ABN 93 094 436 021

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities		•	•
Receipts from customers and other revenue		4,461,842	4,416,054
Interest received		1,228	37,348
Payments to suppliers and employees		(3,741,642)	(4,379,623)
Interest paid		(6,794)	(11,024)
Net cash generated from operating activities	12	714,634	62,755
Cash flow from investing activities			
Payments for property, plant & equipment		(14,716)	(231,196)
Net cash used in investing activities		(14,716)	(231,196)
Cash flow from financing activities			
(Repayment) / Proceeds from borrowings		(197,740)	2,479
		(197,740)	2,479
Net increase/(decrease) in cash held		502,178	(165,962)
Cash at beginning of financial year		2,512,832	2,678,794
Cash at the end of the financial year	4	3,015,010	2,512,832

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