



FAMILY DAY CARE AUSTRALIA
Annual Report
2016 - 2017

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1.0 Executive Reports

1.1 Chief Executive Officer Report

Having had the privilege of taking on the role of Chief Executive Officer midway through the 2015-16 financial year, 2016-17 represented an exciting opportunity for the team at Family Day Care Australia (FDCA) to develop and 'own' our first full financial year budget and deliverables, and I am delighted by all that has been achieved!

Following the significant operational deficit of 2015-16, the immediate challenge was to return the organisation to surplus while ensuring the effective and efficient delivery of our Mission. I am especially proud of the fact that in an uncertain environment, we have delivered unprecedented reinvestment into promoting, supporting and representing the membership while delivering an extremely strong bottom line position at year end.

With early childhood education and care entrenched in political and policy debate, FDCA has remained active and engaged in representing the interests of the services, educators, families and children in family day care. Through the introduction of the Child Care Assistance Package legislation into parliament and in ensuring fair and proportionate

regulatory mechanisms under the Family Assistance Law Determinations, our commitment and capacity to develop and deliver informed and broadly representative policy positions has ensured that FDCA has been both visible and highly effective in our advocacy function.

Throughout 2016-17 we have embraced our role in promoting and managing the image and profile of family day care and in positioning the sector as an 'option of choice' in early childhood education and care. Through strategic media engagement and relationships we have been successful in showcasing the many and unique benefits of quality family day care despite at times being in the context of otherwise challenging circumstances.

Furthermore our public relations strategy remains highly effective in promoting and positioning the sector. Engagement in, and exposure through the Excellence in Family Day Care Awards and National Family Day Care Week continues to grow and provide the platform by which we share the stories that make family day care such a vital and valued contributor to the lives and early childhood education and care of children, families and communities across Australia.

Ultimately, it is the quality of the early childhood education and care outcomes that are delivered in family day care that underpins the reputation and growth of the sector. The professionalism, dedication and sustained commitment of so many, is the foundation upon which a collective and collaborative approach to ongoing improvement will ensure a strong and viable future for family day care. FDCA's investment into research, resources and professional learning opportunities throughout 2016-17 has been an important and rewarding contribution to this outcome.

For me personally, the launch of the National Engagement Program (NEP) has been one of FDCA's most exciting and rewarding initiatives of 2016-17. The opportunity to 'take FDCA to its members', to connect, consult and support, and to engage directly with our members is arguably one of our most relevant investments into the delivery of our Mission. Having attended almost all of the 11 member forums throughout the year and having connected personally and professionally with our members across Australia has been a wonderful privilege and an important contributor to stronger linkages between FDCA, our members and sector stakeholders. I look forward to delivering the second round of the NEP in 2017-18, to new content, and to building on the significant momentum already created.

Guided by our Mission, and through the efforts of a highly skilled and extremely dedicated team, 2016-17 has been a wonderfully successful year for the national peak; my management team and staff are central to the outcomes of the organisation.

I am both sincerely grateful for the contribution of our Board of Directors, and well supported by the highly functional Board/Executive culture that has been built.

I would also like to express my sincere appreciation for the ongoing support of our members and for your immeasurable contribution to the hundreds and thousands of children in family day care across Australia. FDCA looks forward to continuing to support, promote and represent you throughout 2017-18.

Andrew Paterson
Chief Executive Officer



1.2 Board Chair Report

The introduction of the Jobs for Families Child Care Assistance Package and the subsequent federal election have seen a vibrant political and policy environment for early childhood education and care and one in which FDCA has been both highly engaged and highly effective as the national peak for family day care.

2016-17 sees FDCA well and truly back on track financially and in great shape in delivering on its Mission as the national peak body for family day care.

As a Director of FDCA for six years, my appointment to the role of Board Chair in October 2016 was a wonderful opportunity and a great privilege; coming amidst a period of significant change and opportunity for FDCA.

In my experience, the organisation's strategic direction is clearer in its intent and more evident in its delivery than ever before. From a governance perspective we are also enjoying an unprecedented evolution in Director engagement and Board/Executive collaboration.

The reestablishment of dedicated committees of the Board following the 2016 Annual

General Meeting has seen Directors engaged across the key governance structures and frameworks of the organisation, leveraging unique skill sets and affording our Chief Executive Officer regular, functional connections with all Directors.

Similarly, the development and launch of the online 'Director Dashboard' has provided a new level of accessibility, transparency and accountability in Board meeting papers, Director actions and resolutions, financial reports, and strategic initiative deliverables.

2016-17 welcomed two new Directors, and with them, new skills and fresh perspective to the Board of FDCA. Sol Ibrahim is an experienced Director and large service provider from Northern NSW. Tamzin Lee is a Board appointed Director and Northern Territory based Barrister whose experience includes working with children and families, including indigenous communities.

My special thanks to Trisha Alston and Jennifer Broadbent who step down from the Board after close to a decade of service to FDCA.

With strong foundations across the governance, strategic, financial and operational functions of the organisation, FDCA is extremely well placed to promote, support and represent the membership as we move forward into 2017-18.

I would like to commend Andrew and his team for the leadership and dedication they have provided and for all that they have achieved for FDCA and its members throughout 2016-17.

Pamela Johns
Director & Chair
Family Day Care Australia

1.3 Directors Report

DIRECTORS – AS AT 30 JUNE 2017

Meetings of Directors

Number of teleconferences held during financial year – 5

Number of face-to-face meetings held during financial year – 4

14 August 2016 26 November 2016 28 January 2017 28 April 2017

Pamela Lorraine Johns

Director & Chair



Qualifications: Diploma Community Services Welfare, Advanced Diploma Community Services Management, Certificate III Children's Services

Board Meetings: Possible: 9 Attendances: 9

Appointed: 27 November 2011

Phillip Gordon Naylor

Director & Deputy Chair



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

Board Meetings: Possible: 9 Attendances: 9

Appointed: 3 May 2016

Patricia Ann Alston

Director & Deputy Chair (stood down as Deputy Chair as of 14 October 2016)



Qualifications: Advanced Diploma Community Sector Management, Advanced Diploma Children's Services, Diploma Children's Services, Diploma Business Management, Certificate IV Training & Assessment

Board Meetings: Possible: 9 Attendances: 7

Appointed: 29 July 2010

Jennifer Kathleen Broadbent

Director



Qualifications: Diploma Children's Services (Early Education and Care), Certificate III Children's Services, Commonwealth Marriage Celebrant, Victorian Justice of the Peace

Board Meetings: Possible: 9 Attendances: 8

Appointed: 13 September 2008

Merrilyn Hannford

Director



Qualifications: Diploma Children's Services
Board Meetings: Possible: 2 Attendances: 2
Appointed: 9 September 2006
Resigned: 14 October 2016

Sol Ibrahim

Director



Qualifications: Diploma of Early Teaching, Bachelor of Social Science, Certificate IV Training & Assessment, New South Wales Justice of the Peace
Board Meetings: Possible: 5 Attendances: 4
Appointed: 26 November 2016

Tamzin Lee

Director



Qualifications: Bachelor of Laws
Bachelors of International Business
Board Meetings: Possible: 5 Attendances: 3
Appointed: 25 November 2016

Lynette Maree Moran

Director & Chair



Qualifications: Certificate IV Business Administration. Diploma Community Services Management
Board Meetings: Possible: 2 Attendances: 2
Appointed: 18 December 2006
Resigned: 14 October 2016

Priscilla Christine Schwanz

Director



Qualifications: Diploma Children's Services
Board Meetings: Possible: 9 Attendances: 7
Appointed: 27 November 2011

2.0 STRATEGY AND MISSION

Mission

To provide national leadership and foster excellence in early childhood education and care, through strong advocacy, research, collaborative networks and sector innovation.

Values

- Equity
- Professionalism
- Excellence
- Collaboration

Strategic Directions

Leadership

Demonstrating national leadership in the early childhood education and care sector

Organisation

Enhancing organisational capacity and agility

Membership

Promoting and supporting members

Children

Fostering strong learning and developmental outcomes for children

Services

Driving service innovation, prosperity and professionalism





3.0 Leadership

FDCA demonstrates national leadership and fosters excellence in early childhood education and care, through strong advocacy, research, collaborative networks and sector innovation. As the not for profit national peak body for family day care, we are here to support, promote and represent the sector in delivering quality outcomes for children.

From lobbying government and partnering with leading academics on groundbreaking research projects to promoting and positioning family day care as the 'option of choice' in early childhood education and care, to sourcing and delivering essential member services, and in connecting and engaging the sector in shared leadership, FDCA is working towards a stronger future for family day care.

Recognised nationally by government sector stakeholders and media as a key opinion leader for early childhood education and care and the authoritative voice on behalf of the family day care sector, FDCA develops the frameworks and structures to engage and connect the sector to facilitate collaboration and a strong united voice.

We are committed to supporting and investing in the membership; FDCA initiates and drives the national agenda on home-based care models.

Strategic Deliverables:

- Recognised nationally by government, sector stakeholders and media as a key opinion leader for early childhood education and care and the key opinion leader for family day care.
- Development of frameworks and structures to engage and connect the sector to facilitate collaboration and a strong united voice.
- Initiating and driving the national agenda on home-based care models.

3.1 Advocacy

Across the 2016-17 financial year, FDCA has prioritised consistent and well-informed advocacy at a national level on behalf of our members, which has been bolstered by both targeted and national consultation mechanisms. Sector-wide consultation through surveys, direct engagement through the National Engagement Program and ongoing liaison with FDCA's Reference Group illustrates our resolute commitment to representing the interests of the FDCA membership.

FDCA engages regularly with the Australian Government, State and Territory Governments and the Australian Children's Education and Care Quality Authority (ACECQA) in order to promote the family day care sector's interests and guarantee that our policy positions are taken into account regarding all major policy and program decisions affecting the family day care sector.

Key Outcomes:

- Through ongoing consultation with the family day care sector, FDCA provided a submission to the Senate Inquiry on the Jobs for Families Child Care Package Bill and was invited to represent the sector at the Senate Inquiry Public Hearing.
- FDCA successfully advocated for fair and proportionate regulatory mechanisms under the Family Assistance Law Determinations through ongoing negotiation and engagement with the Australian Government.

- FDCA participated in the Department of Education and Training's consultation on the implementation and transition processes planned for the Jobs for Families Child Care Package. FDCA continued to provide ongoing representation on the Ministerial Advisory Council for Early Childhood Education and Care.

3.2 Child Care Assistance Package

The Child Care Assistance Package legislation was passed through the House of Representatives and amendments were subsequently proposed in the Senate. On Thursday 23 March 2017, the Senate passed the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016 ('the Bill'). Throughout this process, FDCA continued to actively engage with members, the Australian Government and key stakeholders through a number of means (including a formal submission to the Senate Inquiry and direct engagement with the Minister for Education and Training, Simon Birmingham), in order to ensure that FDCA's key positions were acknowledged. FDCA expressed concerns in relation to the implementation of the Bill as it currently stands, namely that:

- The activity test may lead to disengagement with the early childhood education and care system which will impact most on vulnerable children and, as such, we continue to recommend that there be minimum hours of access to early childhood education and care fee assistance that is not subject to an activity test; and,
- While FDCA supports the overarching intent of the introduction of the Child Care Subsidy (CCS), we maintain that the current cap calculation is inequitable and will disproportionately affect the family day care sector.

Key Outcomes:

- Represented on multiple reference groups relating to the consultation and implementation of the Act and the relevant transitional arrangements required.
- Submission and appearance before the Education and Employment Legislation Committee Senate Inquiry into the Bill.

3.3 Sector Profile Report

In December 2016, FDCA developed the inaugural Family Day Care Sector Profile report for the December 2016 quarter. The report provides information and analysis relating to the general profile of the family day care sector, the location of educators and services by remoteness area and socio-economic disadvantage, educators' age, and services' National Quality Standard quality ratings.

The report highlights the crucial role that family day care plays in the early childhood education and care sector, particularly for Australian families in areas of disadvantage. The June 2017 edition of the quarterly report indicates that despite a decrease in both service and educator numbers over the quarter, family day care continues to retain strong representation in regional and remote areas, with 20.3% of educators and 18.6% of services operating in regional and remote Australia. Additionally, the proportion of educators providing care in inner regional Australia increased to 14.1% this quarter. Family day care also continues to provide much needed early childhood education and care for Australian families in areas of high disadvantage; 19.1% of educators provide family day care in the highest decile on the SEIFA index (representing areas of highest socio-economic

disadvantage) and over half of educators (58.9%) are located in areas ranked in the first five deciles of the SEIFA index.

Key Outcomes:

- 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 early childhood education and care sector stakeholders and notable early childhood education and care academics.
- Three reports published in 2016-17 (December 2016, March 2017 and June 2017).
- Provides FDCA with strong evidence based data for organisational functions and strategy.

3.4 Media Management and Public Relations Strategy

Through professional and strategic media and public relations management, FDCA continues to establish itself as the leading voice for the family day care sector and as a key opinion leader for the early childhood education and care sector more broadly. FDCA's media and public relations strategy entails proactive and reactive media management, advocacy campaign support, national public relations campaign management and grassroots media support.

During 2016-17 FDCA undertook initiatives such as the Excellence in Family Day Care Awards and National Family Day Care Week, as well as provided member media assistance. These initiatives, combined with contributions from the family day care sector, generate positive media coverage across the country.

For the period of 1 July 2016 – 30 June 2017, the number of positive stories directly relating to family day care was 417 with a combined audience of over 4.5 million and total value of close to A\$1 million.



4.0 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 Deliverables:

- Development, implementation and promotion of a new organisational structure.
- Develop and maintain a strong and effective infrastructure, systems and processes.
- Identify, develop and maintain new income streams to support a strong financial base.

4.1 Organisational Capacity and Agility

Throughout 2016-17 FDCA has implemented a number of strategic decisions to ensure organisational capacity and agility remained at an optimum level.

Key Outcomes:

- The implementation of a whole of organisation project management system.
- Scoping of a new human resources information system.
- Continual review of organisational structure to ensure efficient allocation of resources across the functional areas of the organisation.
- The organisation's accounting and financial systems were upgraded to ensure that best practice was being undertaken across FDCA's financial systems.

4.2 Insurance Services

FDCA continues to be the market leader for family day care insurance products for both educators and services. There still remains a number of other competitors in the market, however FDCA continues to be superior in supporting and maintaining the needs of its members.

Key Outcomes:

- Increase in cover on the Public Liability policy from A\$10 million to A\$20 million at no additional cost to the member.
- New online payment portal to allow members to purchase insurance via the FDCA website.
- Customer service review and implementation of service improvement plan.

4.3 Innovation and Technology

FDCA continues to review its technology needs to ensure systems and processes remain efficient, meet member needs and provide the necessary statistical reporting the organisation requires.

Key Outcomes:

- New system developed for the Insurance Services Division has created improved customer service experience by providing instant receipt of documentation by email.
- Pre-launch development of new FDCA website and member relationship management software.
- Development of online insurance renewal system for educator members.
- Engagement of cloud based call centre software.

5.0 Membership

Our members are central to all the decisions that we make. As the not for profit national peak body for family day care, we are here to support, promote and represent our members in delivering quality outcomes for children.

Strategic Deliverables:

- Develop an integrated and consolidated national membership framework.
- Establish a membership benefits model.
- Developing and promoting an integrated reciprocal engagement strategy.

5.1 FDCA 2018 National Conference

In 2016 FDCA formed the Conference Strategy Working Group for the FDCA 2018 National Conference. This group was formed to provide strategic direction and planning support for the conference.

Key Outcomes:

- Formation of Conference Strategy Working Group.
- Delegation of responsibilities for FDCA 2018 National Conference.

5.2 2016 Excellence in Family Day Care Awards

In 2016 the Excellence in Family Day Care Awards again highlighted the wonderful work done by family day care services and educators across Australia, while also generating positive media coverage for the sector.

Key Outcomes:

- National media coverage across a range of platforms.
- Celebration of educator and service excellence across the sector.
- Promotion of the unique benefits of family day care.

RADIO - FM	Volume 5	Audience 8,800	ASR \$3,373
PRINT	Volume 39	Audience 857,641	ASR \$30,003
ONLINE	Volume 60	Audience 5,561	ASR \$69,936
TV	Volume 1	Audience 21,000	ASR \$499
TOTAL	Volume 106	Audience 893,002	ASR \$104,827

5.3 2017 National Family Day Care Week

The 2017 edition of National Family Day Care Week was celebrated from May 1st through to May 7th and saw educators, services and other family day care sector stakeholders celebrate family day care with a variety of activities and events. This edition of National Family Day Care Week also welcomed the first "National Family Day Care Week Picnic in the Park", held at Kambah in the ACT.

Key Outcomes:

- National media coverage across a range of platforms.
- Promotion of the unique benefits of family day care.
- An inclusive event that encouraged educators, services, families and other stakeholders to unite in celebration of the sector.
- Establishment of the "National Family Day Care Week Picnic in the Park".

RADIO - AM	Volume 3	Audience -	ASR \$313
RADIO - FM	Volume 2	Audience -	ASR \$254
PRINT	Volume 21	Audience 266,542	ASR \$17,256
ONLINE	Volume 21	Audience -	ASR \$5,344
TV	Volume 6	Audience 59,000	ASR \$16,541
TOTAL	Volume 53	Audience 325,542	ASR \$39,708

5.4 FDCA Website

Development of the new FDCA website was ongoing throughout 2016-17. Due for release in late 2016, the site faced a variety of challenges due to the nature of FDCA's membership and insurance systems.

The website is slated for release in the first half of 2017-18.

5.5 Member Communications

As a member driven organisation, it is key that FDCA continues to keep our members informed in regards to key sector information as well as member initiatives.

Key Outcomes:

- Four editions of JiGSAW sent to all members in 2016-17.
- Weekly communications to members via our e-newsletter Family Day Care Matters.
- Continued penetration through social media with an increase of 24% in our Facebook following.

5.6 Family Day Care Marketing Resources Hub

In 2016-17 work commenced on the development of the Family Day Care Marketing Resources Hub which was developed in order for FDCA members to have access to a range of marketing resources. As part of the development of the hub, a range of marketing material was developed in consultation with sector stakeholders from across Australia. The Family Day Care Marketing Resources Hub will launch as part of the new FDCA website. Demonstrations of the Family Day Care Marketing Resources Hub were given at 2016-17 FDCA National Engagement Program forums.

Key Outcomes:

- All resources developed for launch with new website.
- Supporting members by providing high quality marketing resources.
- Development of strong and consistent messaging highlighting the unique benefits of family day care.
- Provide members with additional member benefits at no increase to membership cost.

5.7 National Pregnancy, Babies and Children's Expo Roadshow

Throughout 2016-17 FDCA showcased family day care by exhibiting at five major Pregnancy, Babies and Children's Expos. Our presence at the expos continues to raise the awareness of the family day care sector with a specific target market of new and expectant parents.

Key Outcomes:

- Target audience reach of over 71,000 across Australia.
- Continued increase of awareness across the target market.
- Opportunities provided for local services to engage with new and expectant parents in a face-to-face environment.

6.0 Children

As the national peak body for family day care, fostering strong learning and development outcomes for children is at the heart of everything FDCA does.

Strategic Deliverables:

- Initiating and contributing to policy development relating to children.
- Initiating and supporting research in family day care to establish a strong evidence base.
- Promoting and supporting high quality approved service and educator practice.

6.1 International Family Day Care Literature Review

FDCA engaged the University of New South Wales' Social Policy Research Centre to undertake an international comparative policy review on family day care policy and regulations in Australia, New Zealand and the UK, titled 'Comparative Perspectives on Family Day Care: Structure, Regulation and Research Gaps'. This research was designed to assist in identifying research and/or policy gaps in Australian family day care and feed into FDCA's long term research planning and objectives by exploring potential implications for Australian family day care, particularly in relation to accessibility, affordability and flexibility.

Key Outcomes:

- Ongoing leadership in academic research into the family day care sector.
- Development of the FDCA Research Plan 2017-19.

6.2 Visions for Quality: Reflecting on Practice

In March 2017 the FDCA Visions for Quality – Reflecting on Practice was officially launched. The resource focuses on high quality education and care specifically within family day care settings and supports services and educators to reflect on practice and to comply with the National Quality Framework.

Key Outcomes:

- The dissemination of a unique and family day care specific tool, available to all members, which highlights the diversity of good practice and raise educators' awareness of the different ways that they can provide good quality experiences for all children.
- Ongoing promotion of the strengths of family day care which contribute to high quality practice and reinforcement of the importance of critical reflection.
- The provision of a catalyst for improvement in pedagogical and organisational practice.

6.3 Everyone Benefits Campaign

FDCA continues to be an organisational partner in the Early Childhood Australia (ECA) directed "Early Learning: Everyone Benefits" Campaign. The campaign focuses on advocating for adequate investment in and access to quality early childhood education and care programs for Australia's children and aims to deliver broad scale increases in awareness of the significant benefits of quality early childhood programs.

Key Outcomes:

- The ongoing promotion of the importance of early learning across Australia, including the important role of family day care.
- The development of the State of Early Learning in Australia report which provides a high-level snapshot of quality, participation and affordability of early childhood education and care in Australia, and highlights areas of improvement by State/Territory Governments and Commonwealth and shows that the state of early learning in Australia must improve to build Australia's future prosperity.

7.0 Services

FDCA strives to drive service innovation, prosperity and professionalism.

Strategic Deliverables:

- Professionalism: Development of an FDCA program of excellence.
- Innovation: Identify and build relationships to locate and promote innovative thinking and practice.
- Prosperity: To assist services to develop sustainable business models.

7.1 FDCA National Engagement Program

The National Engagement Program was developed by FDCA to connect, consult and support the sector. The program delivered face-to-face service and educator forums in every state and territory across the country, including several regional hubs. Each forum was delivered by FDCA along with a variety of sector specialists.

Free to attend for FDCA members, the forums provided a conduit between the grassroots of the sector and the national peak and offered members the opportunity to inform the work and directions of FDCA; providing a louder voice at the local level.

Key Outcomes:

- Provision of 21 forums for FDCA members across Australia in 2016-17.
- Provided an opportunity for FDCA service and educator members to receive free professional development from internal and external stakeholders.
- Increased engagement between FDCA and the membership.

7.2 FDCA Excellence Fund

The FDCA Excellence Fund was launched in October 2016 to provide small grants to FDCA service and educator members. The fund represents FDCA's ongoing commitment to both reinvesting directly back into our members and the sector, and fostering excellent organisational and pedagogical practice. The Excellence Fund supports the development, delivery and dissemination of sector leading programs created by family day care, for family day care.

Applications were received from a wide range of service and educator members, which represented a unique mix of innovative programs and resources regarding cultural diversity, flexibility and innovations in service delivery. Three grants were awarded to both service and educator members, which included:

- Blue Mountains Family Day Care utilised the Excellence Fund grant to enable the delivery of their innovative program, 'Therapeutic and Inclusive Play Spaces in Family Day Care'. Through this program, Blue Mountains Family Day Care partnered with local National Disability Insurance Scheme (NDIS) providers to provide training for educators in setting up early learning environments in a manner that will support children with additional needs from a therapist's perspective.
- Deidre Knight, having been awarded First Class Honours in 2015 for her research on education for sustainability in South Australian primary schools, has subsequently

focussed on fostering sustainable practices in a family day care environment. Deidre delivered a series of workshops for educators, children and coordinators to encourage a 'heart centred' approach to environmental sustainability in an early childhood education environment.

- Kentish Lifelong Learning and Care delivered a Cultural Heritage Professional Development Seminar at Yarrowonga in the Northern Territory. The seminar was intended to address the lack of early years-based heritage and cultural education programs in the sector, and assist the sector to expand their knowledge and resources regarding cultural heritage programming.

Key Outcomes:

- Fostering innovative organisational and/or pedagogical practice, and hence better learning and developmental outcomes for Australian children.
- Reinvestment of FDCA member-derived revenue directly in the family day care sector.

7.3 Perspectives on Quality in Australian Family Day Care

In July 2016, FDCA engaged ECA in relation to the development of a resource designed to explore the findings of the research undertaken by the University of New South Wales' Social Policy Research Centre which explored the distinctive nature of quality in family day care. The final report, titled 'Perspectives on Quality in Australian Family Day Care' presented numerous practices that demonstrated quality service delivery within family day care. The resource focussed on key themes outlined in the report such as Professional Practice, Flexibility, Autonomy, Relationships, Diversity and Social Support.

The resource represents a further commitment to reinvesting in the FDCA membership and bridging the previous gap in FDCA resource development, and the promotion of high quality family day care practice.

Key Outcomes:

- Promotion of innovative organisational and/or pedagogical practice, which fosters positive developmental outcomes for Australian children.
- An accessible means for deriving practical application for the significant findings outlined in the Perspectives on Quality in Australian Family Day Care report.
- Continuation of FDCA's national leadership in the field of family day care related academic research.

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 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



T R Davidson
Partner

155 The Entrance Road
ERINA NSW

Dated: 20 September, 2017

Family Day Care Australia Limited
ABN 93 094 436 021

**Independent Audit Report to the Members of
Family Day Care Australia Limited**

Report on the Financial Report

Opinion

We have audited the financial report of Family Day Care Australia Limited (the company), which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss and other comprehensive income, statement of changes equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 30 June, 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of 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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Family Day Care Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June, 2017, but does not include the financial report and our auditor's report thereon.

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

Family Day Care Australia Limited ABN 93 094 436 021

Independent Audit Report To The Members Of Family Day Care Australia Limited

Other Information (continued...)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine as necessary to enable the preparation of the 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 related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Family Day Care Australia Limited
ABN 93 094 436 021

**Independent Audit Report To The Members
Of Family Day Care Australia Limited**

Auditor's Responsibilities for the Audit of the Financial Report (continued...)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 achieves fair presentation.

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

FORTUNITY ASSURANCE



T R Davidson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 20 September 2017

Family Day Care Australia Limited
ABN 93 094 436 021

Directors' Declaration

The directors of the company declare that:

1. The financial statements and the notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company;
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



P Johns
Director/(Chair)

Dated at Gosford

20.09.2017

Family Day Care Australia Limited
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Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue – Services & Other Revenue	2	5,573,073	6,246,639
Other Income	2	40,555	387,296
Auditors, legal and other expenses		(21,406)	(39,291)
Depreciation and amortisation expenses	3	(63,579)	(173,762)
Employee benefits expenses		(2,550,531)	(3,215,760)
Lease expenses		(42,397)	(72,667)
Other expenses	3	(2,186,112)	(3,367,224)
Impairment of assets	7	-	(472,077)
Surplus/(Deficit) before income tax		749,603	(706,846)
Income Tax Expense		-	-
Current year Surplus/(Deficit)		749,063	(706,846)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		749,603	(706,846)

Family Day Care Australia Limited
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Statement of Changes in Equity
For The Year Ended 30 June 2017

	Retained Profits	Total
Balance 1 July 2015		
Comprehensive Income	2,945,446	2,945,446
Surplus attributable to members of the company	(706,846)	(706,846)
	2,238,600	2,238,600
Balance 30 June 2016	2,238,600	2,238,600
Surplus attributable to members of the company	749,603	749,603
	2,988,203	2,988,203
Balance 30 June 2017	2,988,203	2,988,203

Family Day Care Australia Limited
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Statement of Financial Position
As At 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash & cash equivalents	4	2,565,376	1,668,856
Other financial assets	5	183,180	650,912
Trade and other receivables	6	90,447	84,652
Total Current Assets		2,839,003	2,404,420
Non-Current Assets			
Property, plant and equipment	7	1,875,190	1,945,966
Other financial assets	5	869	314
Total Non-Current Assets		1,876,059	1,946,280
Total Assets		4,715,062	4,350,700
Liabilities			
Current Liabilities			
Trade and other payables	8	1,172,028	1,179,332
Employee entitlements	9	216,787	162,842
Total Current Liabilities		1,388,815	1,342,174
Non-Current Liabilities			
Employee entitlements	9	110,399	69,926
Borrowings	10	227,645	700,000
Total Non-Current Liabilities		338,044	769,926
Total Liabilities		1,726,859	2,112,100
Net Assets		2,988,203	2,238,600
Equity			
Retained surplus	11	2,988,203	2,238,600
Total Equity		2,988,203	2,238,600

Family Day Care Australia Limited
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Statement of Cash Flows
For The Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from customers and other revenue		5,569,459	6,723,592
Payments to suppliers and employees		(4,712,368)	(6,774,311)
Interest Received		38,374	35,776
Net cash (used in)/provided by operating activities	12(b)	895,465	(14,943)
Cash Flows from Investing Activities			
Proceeds from sale of assets		14,000	-
Payments for property, plant & equipment		(7,767)	(229,144)
Net cash used in investing activities		6,233	(229,144)
Cash Flows from Financing Activities			
Repayments of borrowings		(472,355)	-
Increase in borrowings		-	-
Net cash provided by (used in) financing activities		(472,355)	-
Net Increase/(Decrease) in cash held		429,343	(244,087)
Cash at beginning of financial year		2,320,082	2,564,169
Cash at the end of the financial year	12(a)	2,749,425	2,320,082



Family DAY CARE AUSTRALIA