

# NSW Family Day Care Association Annual Report 2020 - 2021



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#### About Us

NSW Family Day Care Association Inc. was established in 1976 with the aim to promote and support all aspects of Family Day Care within the community.

- We promote the well-being of children and encourage the discussion and exchange of ideas relating to children and their needs
- We inform and support those involved in Family Day Care
- We coordinate and act on problems specific to Family Day Care in NSW
- We act as a body on research, education, publicity and submissions relating to the Family Day Care sector
- We disseminate information relating to Family Day Care
- We act as an advisory body
- We liaise with Government and non-government organisations

We aim to achieve our objectives via these main areas:

- 1. Research
- 2. Information and Advice
- 3. Advocacy
- 4. Education and Training
- 5. Consultation



#### Our Structure

NSW Family Day Care Association consists of several business arms:

- NSW In-Home Childcare Services and brokerage
- PEAK Training
- In Home Care Support Agency NSW and SA

#### **NSW In Home Care for Early Childhood**

In Home Care is a special type of education and care for families that are excluded from centre based care or Family Day Care because of the family's specific needs. In Home Care provides an educator to care for children in the children's own home for families:

- who work non-standard hours
- who are geographically isolated from other types of childcare
- with challenging or complex needs (such as disability or serious illness of family member)



Providing early education and care for a family in their own home under the In Home Care program is a wonderfully rewarding experience. Educators receive the support of a local service provider to ensure they are aware of what is required of them under the program guidelines and to ensure they get professional development and support as needed. NSW In Home Care for Early Childhood matches the right educator to the right family and then support that educator during their time with the family.

NSW In Home Care for Early Childhood operates in the Sydney, Central Coast, Illawarra areas and the ACT. NSW In Home Care for Early Childhood also works as a brokerage and contracts approved service providers NSW wide.

#### **PEAK Training**

PEAK Training is NSW Family Day
Care Association's own Registered
Training Organisation (RTO
number 90869). PEAK Training



offers nationally accredited and recognized training qualifications, as well as short courses for all service types in early childhood education and care.

Courses can be completed via face to face classes, live webinars, on demand webinars or online learning and include a wide range of topics for both service staff and educators.

#### PEAK Training offers:

- · Nationally endorsed and recognised qualifications
- Specialist Family Day Care trainers
- Current industry knowledge and practices
- Highly qualified and dedicated professional trainers
- Flexible learning approaches
- Networking opportunities
- Funding and individualised payment plans
- Quality ongoing student support
- Family Day Care specific telephone advice
- Support and resources to members and Family Day Care services nationwide

#### Accredited Courses

- Certificate III in Early Childhood Education and Care (CHC30113)
- Diploma of Early Childhood Education and Care (CHC50113)
- Identify and Respond to Children and Young People at Risk (CHCPRT001)
- Participate in Work Health and Safety (HLTWHS001)

#### Professional Development

- Child Protection (Refresher)
- Healthy Eating and Safe Food Handling
- Movement and Play
- Maximising QIPs and Self Assessment

- Striving for Exceeding
- Supporting Educational Leaders
- Exploring Risky Play
- FDC Business Development for Educators
- Guiding Children's Behaviour to Attain Self-regulation
- QIP: The 'Who, How & When' webinar series
- Sustainability in Early Childhood Settings
- Supporting Inclusion of Children with Additional Needs
- Work, Health and Safety (Refresher)

All courses reflect current industry practice and new courses are added to reflect this. PEAK Training's courses equip learners with the skills and knowledge required to experience the joy of working within the children's services industry.

#### **In Home Care Support Agency**

The role of the In Home Care Support
Agency is to support families needing In
Home Care and the services which
provide it. Our In Home Care Support
Agency supports families and services in
NSW and South Australia.



#### Our role is to:

- determine which families are eligible for In Home Care
- match families to service providers that have educators available
- advocate for families
- develop Family Management Plans and review them each quarter
- work with services to ensure In Home Care is high quality and monitor it to ensure it is focused on educating and care for children
- provide professional development and support for educators
- promote the In Home Care program so that families who need it, know about it

The In Home Care Support Agency is funded by the Australian Government Department of Education and Training.

## President's Report

On behalf of the Board of Management, it is my pleasure to present this report for the NSW Family Day Care Association for the year ending 30th June 2021.

Sincerely, I would like to thank everyone who has contributed to the amazing outcomes and achievements of this Association.

Another challenging year with lockdown restrictions, new requirements and overall, the need to change our practices (again!) to a new way of life living with a pandemic. Given the challenges that everyone has faced, it continues to astound me how much we just get back up, dust ourselves off and get done what is needed.

We have been able to accomplish many amazing outcomes and to name a few:

- Highly respected advocacy with various National and State government, local councils, advisory groups.
- Regional Forums for the Association Members fully funded three hours of professional development sessions and a motivation keynote speaker's presentation.
- Sector Development funded project 'PD in your pocket'. Record number of attendances – reaching over 1000 educator registrations for each topic.
   Receiving overwhelming positive feedback on sessions being delivered
- Quality Rating Initiative an array of resources to assist services with the Assessment and Rating process.
- Norfolk Island Project advocating and supporting the island's early childhood educator and care services under the National Quality Framework and allowing families to access the Child Care Subsidy.
- Working Towards to Meeting project an initiative to support our members
  who currently have that rating to improve their quality rating from 'working
  towards' to 'meeting' the national quality standard.

Participation on external positions on many well-respected committees. The
Association continues to support their members and sector by keeping us up
to date with the various changes and barriers, by frequent communications.

For more of our outstanding achievements, please refer to this Annual Report for further details of our accomplishments.

Our sector continues to work hard to provide a valuable service for our community, families, and children. Our team – staff, members and board all play an extremely integral part in this Association, and together we continue to strive for quality. A huge thank you to the whole Association team, for their passion and enthusiasm in their daily roles over the past year. Their ability and willingness to bend, twist and drive positive change is admired.

Our State Meetings have become very reliant on the digital platform, whilst a big change from our normal practices, we have had the opportunity to meet more of our member services team whilst experiencing many positives through increased participation and attendance at our meetings.

I congratulate Anita Jovanovski for her work as CEO in steering the Association through the maze of this year and even most importantly her leadership role in supporting the members, staff and community.

As a Board of Management our vision continues to be focused on providing a strong foundation for our members and assisting any challenges that lay ahead. Onwards and upwards moving forward!

I would also like to thank our 2020/2021 Board of Management members: Janet Coleman, Kristine Eldridge, Patricia Marson and Peter Monger. Your time, input and wisdom are very much appreciated and respected.

Kellie McNamara President

### Treasurer's Report

The financial statements for year ending 30 June 2021 have been audited by Vishal Modi, Director - Nexia Sydney Audit Pty Ltd. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Board (AASB) and the Australian Charities and Non-for-profits Commission Act 2012.

The Statement of Financial Position for the NSWFDCA as at 30 June 2021 shows a surplus for the year. This year's surplus is consistent with the previous financial year.

Member services continue to support their Association, which is vital to ensure the continuation of advocacy work promoted across all levels of government and the ECEC sector.

The Association continues to successfully operate the In Home Care Support Agency for both New South Wales and South Australia. The surplus generated by the In Home Care Support Agency significantly contributes to the overall surplus reported by the Association for the financial year.

NSW In Home Care for Early Childhood also generated a surplus again this year despite the challenges related to Covid-19.

PEAK Training recorded an expected deficit for the financial year, which was exasperated by service delivery disruptions resulting from Covid-19 restrictions. The Board of management recognise the 'big picture' benefit of having our own RTO, to provide support to the membership and when applying for tender opportunities.

The Association has an ongoing commitment to pursue grants and funding opportunities to support the delivery of projects, programs and training specifically designed for the Early Childhood Education and Care sector. This commitment

proposes to support the professional development of our membership and the broader Family Day Care community

The NSWFDC Association is in a healthy financial position, despite the challenges of Covid-19. As a result, all member services will receive free membership for the 2021-2022 financial year.

Thank you to Anita Jovanovski and the Association's accounts team for accurately maintaining and monitoring the accounts of the Association.

Janet Coleman Treasurer



## Chief Executive Officer's Report

The 2020-2021 financial year was a year that was still dominated by Covid-19 on a global scale. And while Australia managed to keep case numbers at a manageable level, local lockdowns could not be avoided. I feel very proud of the Family Day Care sector, which adapted so quickly and has been so innovative while keeping children, families, communities and each other safe and healthy. Online home visits, virtual storytime, wellbeing packs and many more local initiatives kept the Family Day Care community connected, optimistic and resilient during difficult times.

With the Covid-19 pandemic continuing to influence the global stage and in Australia and NSW, I stayed an active and communicative leader. I successfully advocated for the Family Day Care sector in NSW and communicated extensively with members via e-newsletters, resources, surveys, and fact sheets.

The team and I are committed to support and assist our members. Ensuring the best outcomes for children, families, educators, service providers, their staff and the communities we work in. This is accomplished daily through our resource creation, various projects, direct service provision, advocacy, recognised vocational and professional training, research, information dissemination, consultation, mentoring and collaborative networking opportunities.

Here are some of the resources and projects that have benefitted members and have extended the profile of Family Day Care and the broader Early Education and Care sector.

#### • Regional Forums for Members

These members-only regional forums consist of pre-recorded mini-keynotes and professional development sessions, plus a main keynote by inspirational speaker Lucy Bloom. Regions can organise their own event(s) and pick from the smorgasbord of professional development options.

#### PD in your pocket

The Sector Development Project 'PD in your pocket' kicked off in February 2021, after a quick preparation time. The project delivers Family Day Care specific professional development for educators. The resources can be accessed via live webinars, podcasts or videos with experts in the field. PD in your pocket will have nine live webinars on the third Tuesday of every month, from February 2021 onwards.

#### Quality Ratings Initiative

From January 2021, each Family Day Care service and each Family Day Care educator in NSW has to display the quality ratings poster as part of the NSW Government's Quality Ratings Initiative. NSW Family Day Care Association has released resources to assist with this process, to make sure the Family Day Care sector is complying with this new requirement from the NSW Department of Education. Resources include a webinar, information brochure, videos for educator, services and families, as well as a booklet series.

#### Norfolk Island Project

After a successful tender, there has been some interesting work for me on Norfolk Island. This project for the Australian Government Department of Infrastructure, Transport, Cities and Regional Development is organised around bringing the island's early childhood education and care services under the National Quality Framework and allowing families access to the Child Care Subsidy.

#### "Working Towards to Meeting" Project

Members only project: 6 steps to move from Working Towards to Meeting the National Quality Standard for FDC services in NSW. I was keen for all Family Day Care services in NSW to improve their quality, especially our members. With approved membership funds I prepared this resource and accompanying videos to help services prepare to move from Working Towards to Meeting the National Quality Standard. In 2020 FDC services could request to be re-

rated by the Department, which can be free of charge. These resources are to help members to successfully meet the NQS during this process.

#### Corporate partnerships

The Association is continuing a partnership with My Life My Super in 2020-2021, as well as rekindling a connection with Marsh Advantage Insurance.

#### Reconciliation Action Plan

This financial year I steered the organisation's RAP Working Group to continued committed to our RAP. Our RAP includes many practical and actionable items that I keep track off in regular RAP group meetings. The Association's RAP also applies to all our members and member services and educators can use our RAP as a starting point for their own journey towards reconciliation.

I participated by invitation-only on various Australian Government NSW Government, local councils and sector working groups to be the expert on Family Day Care and In Home Care. This enabled me to have access to and disseminate the most current information to support best practice within the sector. I continue to undertake high levels of communication with both Ministers and Departmental heads. I also participated in Australian and State Government advisory groups, representation of our sector on the Executive of Early Childhood Australia, other key committees and forums ensure that the Association has a high profile within the early childhood community.

My external positions successfully held during 2020-2021 included:

- Australian Government Early Childhood Education and Care Reference Group
- NSW Government Early Childhood Education and Care Advisory Group
- Executive member on NSW Committee of Early Childhood Australia (ECA)
- Executive on the NSW Children's Week Committee
- Member on National Children's Week Council

- Member of NSW ITAB Working Group (Industry Training Advisory Board)
- Education and Care Sector Development Program Panel (NSW Government)
- Wollongong University Governance Committee Prevention Research Support Program
- NSW Department of Health

It is vital that the Association continues to maintain, strengthen and grow our professional partnerships moving forward; this enables the Association to hold our high profile within the Family Day Care sector and the broader NSW Early Childhood Education and Care sector.

I would like to acknowledge and thank the Association's Board of Management throughout 2020-2021: Kellie McNamara, Patricia Marson, Peter Monger, Janet Coleman and Kristine Eldridge. Your support, guidance and governance are truly appreciated.

Lastly a big thanks to the dedicated managers, team leaders, executive team and all staff at the Association office. Also, a very deserving thanks to our members, trainers and consultants for the expert Family Day Care support and assistance they provide to Family Day Care and the broader NSW Early Childhood Education and Care sector.

Anita Jovanovski CEO



## NSW In Home Care for Early Childhood Report

NSW In Home Care has had an interesting journey in 2020 and 2021.

This year saw NSW In Home Care (NSWIHC) undergo several transitional changes in the way we operate that has streamlined our practices and outputs, with the first of its changes being our service logo which was amended to reflect what we do as a service within the In Home Care sector.

We have moved to paperless transactions with educators and have converted most of our forms as fillable PDF's and reviewed and uploaded our policies and procedures online through our new website for easy access for families and educators: www.nswihc.org.au. This is part of our IHC Program taking part in being environmentally sustainable as a service.

The implementation and process of introducing superannuation and tax payment for educators. Which included the reviewing and amending all educators, families and services documentation, agreements and systems to align with the introduction of superannuation and tax payment.

The team and I were working on updating the following Agreements in consultation with HR legal lawyers:

- 1. Educator Service Agreement
- 2. Parent Guardian Service Agreement
- 3. Educator -Parent- Guardian Agreement

We have also slightly increased our fees for families to ensure that we remain financially viable yet still affordable in comparison to other In Home Care Service providers.

We applied for CCCF 3 funding round.

Towards the end of 2020 lockdown, we had the opportunity to once again conduct as many face to face home visits with educators and families, connecting with them and ensuring they were feeling reassured that our service was there to support both families and educators alike. While at the same time, still maintaining and checking that the compliance with educators and families was adhered to, as per the specifications of the In Home Care National Guidelines.

Later throughout the year the team have implemented virtual home visits due to Covid-19 with families and educators, consequently with the undertaking of these virtual communication styles we have been able to stay abreast with the family and educator individual supports and needs. During any lockdown, we are engaging with the vulnerable families and educators to ensure that they are coping, by making sure that we can inform them of other connecting programs and resources if they are struggling, of feeling isolated or alone.

NSW In Home Care made available online training sessions for educators on programming. The session was very successful and feedback from the session was that educators want more practical online training to extend on their own idea sharing with staff and team members, with question-and-answer periods. We have also started running virtual playgroups with art and craft experiences that educators love to tap into to watch live and pre-recorded activities for children.

I would like to thank the NSW In Home Care team for their hard work and dedication in this unprecedented year!

Maria Fazio Manager

# PEAK Training Report

#### **Accredited Training**

CHCPRT001 – Identify and respond to children and young people at risk. This is still a popular unit with the online, self-paced course and fee for service training, however due to COVID-19 there have been less face-to-face training sessions.

HLTWHS001 – Provide work health and safety has continued to be a regularly accessed unit with some online and face-to-face training in the first half of 2021.

The new Certificate III and Diploma were released on training.gov.au in June, and we are planning to seek approval from ASQA to have them both on scope.

#### Compliance

Post audit, PEAK Training has current, up-to-date training materials and a new learning platform for the Certificate III, Diploma and the two individual accredited units.

PEAK Training moved to a new online learning platform in the 2020-2021 financial year. The new learning platform, MyECC is a more user-friendly platform for our students and staff. MyECC provides the students with more training as do the trainers and assessors – we provide one-on-one training via Zoom to introduce the students to new units before they commence study on this unit.

We have reviewed our Policy on Student Work Placement to ensure that both Certificate III and Diploma students who work in FDC meet the requirements of the assessments and have high-quality experiences. They may be required to attend part of their work placement in a LDC or Pre-school service to complete some of these tasks.

Some students cannot currently attend work placement due to the COVID-19 lockdown restrictions and some FDC educators have less or no children attending so

are also unable to complete workplace tasks. When lockdown is lifted the team will work with students to complete workplace tasks.

#### **Professional Development**

Throughout the last financial year both live and on-demand recorded webinars have been the preferred PD training method due to COVID-19 restrictions. New topic 'Movement & Play' was introduced to the 2021 half yearly training calendar, with a good response.

Due to the current COVID restrictions there has been a movement away from fee for service face to face training towards service specific live webinars. These are either delivered on a specified date and time to a private services' group of educators (the session can be projected onto a screen for a small socially distanced group to watch together) or links can be forwarded to individual educators' home devices and email addresses. These private live webinar sessions are particularly applicable at the present time as they can be delivered in the privacy of educators' homes or to a service venue where a small group of educators can safely get together to learn and share information.

Our Professional development training packages are being continually updated to ensure sector currency as well as reflect student feedback. As such the training calendar for the second half of 2021 includes such sessions as 'Work Health & Safety' (both refresher and accredited training) and 'Striving for Exceeding' as well as 'Maximising QIP's & Self- Assessment.' All had good participation in the first half of 2021 and will no doubt remain popular.

#### **FDC Support**

**Quality Ratings Initiative** – In the first half of 2021 we developed and delivered a raft of resources to assist FDC services and educators to comply with the NSW Department of Education's requirement to inform and display all NSW FDC services quality ratings. This project is now near completion with the final 3 booklets waiting for final approval from the Department.

PD in Your Pocket – This State Government Sector Development funded project for FDC has been incredibly successful with up to 1,000 registering for live webinars. Large numbers are taking up other learning options via recorded sessions with expert interviews, podcasts and suggested further readings. Commencing with the topic of 'Play Based Learning' in February 2021 followed by 'Critical Reflection' in March, 'Self-regulation' in April, 'Practices' in May, and 'Visual Art' in June, all have been heavily attended. With the final 5 topics to be delivered July – November 2021. The final task for this project is to deliver an on-line half day conference specifically for FDC on Saturday 20<sup>th</sup> November 2021.

All resources for this project are available at nswfdc.org.au/pdinyourpocket

Regional Conference - It was collectively decided at the State Meeting in February, this year's annual conference will look a little different. In lieu of one big conference in Sydney, the Association will provide a more cost-effective alternative for member services. From June 2021 to June 2022, each Region will have fully funded access to 3 hours of pre-recorded professional development sessions, plus a pre-recorded motivational keynote speaker presentation. This project has now been finalised with the information booklet sent to all members to discuss at their next regional meetings.

I would like to thank the PEAK Training team for their hard work and dedication in this unprecedented year!



Wendy Thompson
Team Leader

# In Home Care Support Agency Report

2020 -2021 has seen the significant growth. The IHCSA has seen many families, children in NSW and South Australia, come through IHC Support Agency. All milestones reporting requirement under funding agreement were met within required timeframe including Indigenous Participation Plan.

Post Covid-19 in 2020 saw services continue to receive financial support for themselves and educators up until the end of September 2020. Services reported the return of most families and new families increased at the beginning of 2021 but not all educators returned at this point. The recruitment of educators continues to be challenge for most services. We have observed IHC services change their minimum hours policies to support educators in their hours of work and to ensure retention of educators. The In Home Care Support Agency continued to support families and IHC Services through Covid-19 and the implications caused by this.

The Support Agency also continues its advocacy role for families. We received referrals from a number of agencies; social welfare agencies, child protection agencies and NDIS. Our families with complex and challenging needs often require more support than only In Home Care, and the Family & Service Facilitators work closely with the families, their IHC Provider and their support service to ensure families continue to receive help. The Support Agency has service provider meetings every 2-4 weeks to discuss current families, as well as support services with questions and issues. 176 IHC Service Provider meetings took place over the past year. We also meet with all IHC Service providers, as a large group, at least twice a year to discuss topics relevant to all services. We disseminated information in regular newsletters and updated on Covid 19 relevant information.

An important aspect of our role at the IHC Support Agency is to provide resources or training opportunities, for educators, families and IHC services to use. Through surveys and Service Provider meetings we can gain an understanding of what resources could assist the program. This year, an Educator Diary was created,

tailored to an IHC educator to assist with their programming and planning. All IHC services were provided with a copy and its available for services and educators to purchase through our website. An Educator Wellbeing webinar was also developed after COVID as service providers reported that would support their educators, this also is available on our website.

The development of a suite of specialised professional development for IHC educators via webinar, hand out, fact sheets and resources included:

- Programming for IHC Educators
- Guiding Children's Behaviour
- Supporting Autism
- Programming for Complex Needs
- Educator Wellbeing
- Educator's Programming Diary

The IHC brochure was updated and amended to increase awareness of the program for IHC service provision and the IHC support agency.

To promote the IHC program to families and potential IHC educators, we have organised an advertising campaign through Facebook. A cinematographer was sourced to create two videos that will be advertised through Facebook. IHC Service Providers will have a copy of the educator advert, to use for promotion through their marketing avenues.

The IHC Support Agency continues to champion the organisations Reconciliation Action Plan (RAP). In early 2021 we reviewed our current plan – Reflect RAP. We realised that we had achieved the goals in the RAP and embedded practices that are automatic now. Staff now actively look for ways that are more inclusive of Indigenous businesses. After discussions and encouragement from Reconciliation Australia we have started the process to develop our Innovate RAP. This will take the rest of 2021 to develop, and we hope to start 2022 with our new RAP.

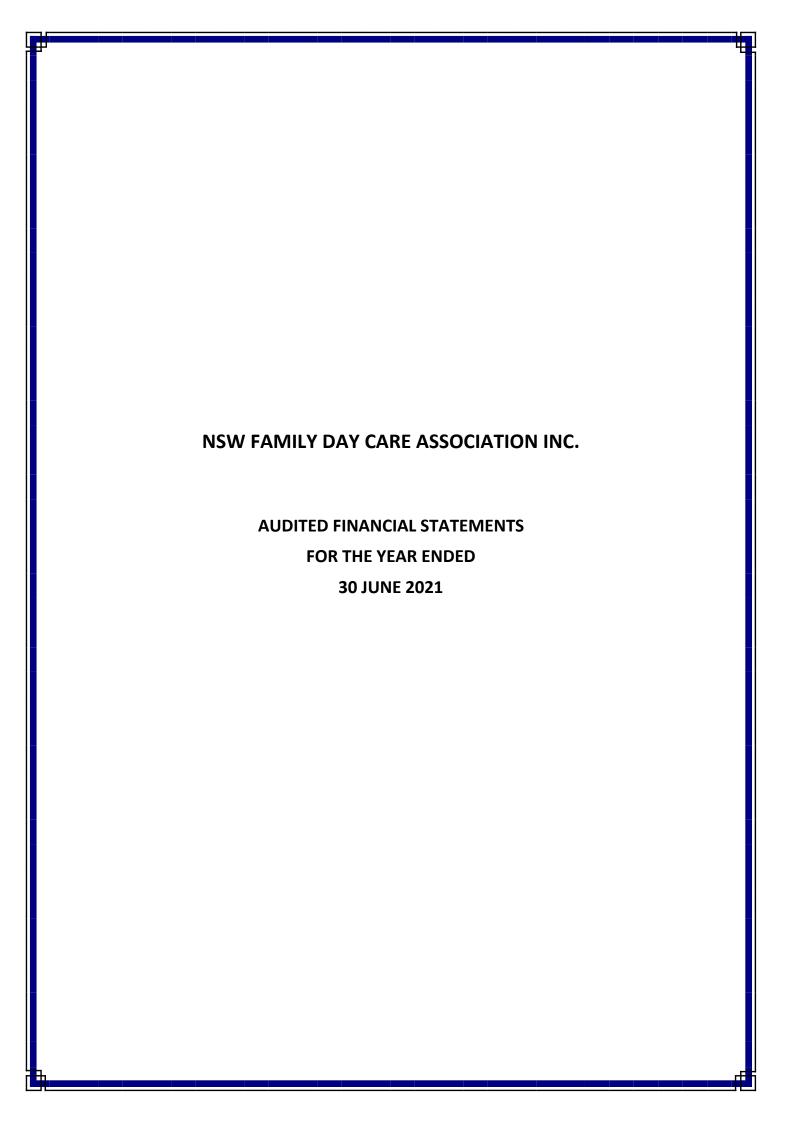
Our Indigenous Procurement Plan (IPP) obligations have been met over the past year. We have sourced Indigenous certified business for our computer and office needs, as well as cleaners and resources for our Service Providers. Our plan to resource IHC Service Providers with Indigenous resource kits started but due to lockdowns and businesses closed during this period, has delayed some of the stock. We are hoping that we will be able to send out later in the year.

In the next financial year, the IHC Support Agency plans to investigate more innovative ways to continue supporting families, service providers and educators. I would like to thank the IHC Support Agency team for all their hard work and dedication this year and we're ready to tackle whatever the next year may bring!

Vicki Saarinsen Manager



# Appendix



#### **Certificate by Members of the Committee**

I, Kellie McNamara of 13 Del Mar Drive Copacabana 2251 and I, Janet Coleman of 92 Combine Street Coffs Harbour NSW 2450 certify that:

- (a) We are members of the committee of NSW Family Day Care Association Incorporated.
- (b) We attended the annual general meeting of the association held on 5 November 2021.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this 5<sup>th</sup> day of November 2021

Kelne' Mulamara

J. a. Coleman

**Kellie McNamara** 

President

Janet Coleman

Treasurer



#### **Nexia Sydney Audit Pty Ltd**

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#### **Auditor's Independence Declaration**

#### To the committee members of NSW Family Day Care Association Incorporated

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of NSW Family Day Care Association Incorporated for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit

Yours sincerely,

**Nexia Sydney Audit Pty Ltd** 

Vishal Modi Director

Dated in Sydney, this 29th day of October 2021

The financial statements cover NSW Family Day Care Association Inc. as an individual entity. NSW Family Day Care Association Inc. is an association Incorporated in New South Wales under the Associations Incorporation Act 2009 and is a registered charity under Australian Charities and Not-for-profits Commission Act 2012.

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Preparation**

NSW Family Day Care Association Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Non-for-profits Commission Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **Accounting Policies**

#### (a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

#### (b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are Included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate

Leasehold improvements 10%

Furniture & Fittings 10% - 33% Computer Equipment & Software 30% - 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are Included in the Statement of Comprehensive Income. When revalued assets are sold, amounts Included in the revaluation relating to that asset are transferred to retained earnings.

#### (c) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### (d) Lease

At inception of a contract, the association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of the useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under residual value guarantee. The exercise price of purchase options for which the association is reasonably certain to exercise and incorporate the association's expectations of lease extension.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expenses in the statement of comprehensive income.

#### (e) Financial instruments

Financial assets and financial liabilities are recognised when NSW Family Day Care Association Inc. becomes a party to the contractual provisions of the instrument.

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and NSW Family Day Care Association Inc.'s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, NSW Family Day Care Association Inc. initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NSW Family Day Care Association Inc.'s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that NSW Family Day Care Association Inc. commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### Financial assets at amortised cost

NSW Family Day Care Association Inc. measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NSW Family Day Care Association Inc.'s financial assets at amortised cost includes trade receivables.

#### Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- NSW Family Day Care Association Inc. has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a. NSW Family Day Care Association Inc. has transferred substantially all the risks and rewards of the asset, or
  - b. NSW Family Day Care Association Inc. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When NSW Family Day Care Association Inc. has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, NSW Family Day Care Association Inc. continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

#### Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there are an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Impairment**

#### (i) Trade receivables

For trade receivables that do not have a significant financing component, NSW Family Day Care Association Inc. applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, NSW Family Day Care Association Inc. does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. NSW Family Day Care Association Inc. has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### NSW Family Day Care Association Inc. ABN 97 377 365 755

## Notes to the Financial Statements for the year ended 30 June 2021

#### (ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, NSW Family Day Care Association Inc. recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that NSW Family Day Care Association Inc. expects to receive, discounted at an approximation of the original effective interest rate.

#### ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

NSW Family Day Care Association Inc. considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NSW Family Day Care Association Inc. may also consider a financial asset to be in default when internal or external information indicates that NSW Family Day Care Association Inc.is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Financial liabilities**

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

NSW Family Day Care Association Inc.'s financial liabilities include trade and other payables.

#### **Subsequent measurement**

#### Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### (f) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

#### (g) Employee Provisions

#### **Short-term employee benefits**

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

#### Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the (undiscounted) value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

#### (h) Cash and Cash Equivalents

Cash and cash equivalents Include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### (i) Revenue and Other Income

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative standalone selling price of each distinct good or service to be delivered; and recognises revenue

#### NSW Family Day Care Association Inc. ABN 97 377 365 755

## Notes to the Financial Statements for the year ended 30 June 2021

when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### Rendering of services

Revenue in relation to the rendering of services is recognised upon delivery of the service to customers

#### Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

#### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

#### (j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST Incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated Inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows Included in receipts from customers or payments to suppliers.

#### (k) Comparative Figures

Comparatives are consistent with prior years, unless stated otherwise.

#### (I) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (m) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period

#### (n) Key Estimates

#### *Impairment*

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which Incorporate various key assumptions.

#### Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

#### (o) Critical Accounting Estimates and Judgements

The Board of Management evaluates estimates and judgements Incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

#### (p) New or amended Accounting Standards and Interpretations adopted

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no significant impact on adoption of the new or amended Accounting Standards and Interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

# NSW Family Day Care Association Inc. ABN 97 377 365 755 Statement by Management Committee for the year ended 30 June 2021

In accordance with a resolution of the management committee of NSW Family Day Care Association Inc., the members of the management committee declare that:

- 1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. comply with Australian Accounting Standards Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of NSW Family Day Care Association Inc. as at 30 June 2021 and of its performance for the year ended on that date.
- 2. There are reasonable grounds to believe that the NSW Family Day Care Association Inc. will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

**Kellie McNamara** 

President

Janet Coleman

Treasurer

Dated this 29th day of October 2021

J. a. Coleman

Keene Mulamara



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# **Independent Auditor's Report to the Members of NSW Family Day Care Association Incorporated**

#### Report on the Audit of the Financial Report

#### **Opinion**

We have audited the accompanying financial report of NSW Family Day Care Association Incorporated (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory notes, and the statement by management committee.

In our opinion, the accompanying financial report of NSW Family Day Care Association Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year ended; and
- b) complying with Australian Accounting Standards Reduced Disclosure Requirements, Associations Incorporation Act (NSW) 2009 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility of Those Charged With Governance for the Financial Report

The committee members 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, the ACNC Act and the *Associations Incorporation Act (NSW) 2009*. The committees' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the entity'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 committee either intends 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 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or
  error, design and perform audit procedures responsive to those risks, and obtain audit evidence that
  is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material
  misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
  collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committees.
- Conclude on the appropriateness of the committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

**Nexia Sydney Audit Pty Ltd** 

Vishal Modi Director

Dated in Sydney, this 29th day of October 2021

#### Contact

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