

Learn Laugh Grow



ECMS 2022 Annual Report

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Our centres and offices sit on the lands of the Wurundjeri, Bunurong and Wadawurrung peoples of the Kulin Nation. We acknowledge them as the traditional owners and pay our respect to their elders, past and present.

Our year in review

2022 kicked off with a dose of déjà vu as we navigated another Covid wave spreading across families, children and teams. This time without Federal Government funding support.

At the same time, a global storm of events conspired to spike inflation and further dampen financial markets.

Wide-spread workforce shortages became the norm. Families wrestled with returning to 'normal', so enrolments were sluggish. Meanwhile, in centres, children were adjusting to learning outside the confines of home.

Amid those challenges, we produced a sustainable financial result, and it became a breakthrough year for our learning culture.

We reset. Launched a clear strategy for our pedagogy and painted a vivid vision for what that looks like in practice.

Both got an overwhelmingly positive response at our October annual all-hands conference, *Creating our Next Chapter*.

Fundamental in the pedagogy uplift, teaching teams and support staff expanded our partnerships with leading sector organisations. Ending the year with good momentum.

We also made a down payment on our future with a significant investment in work, health and safety, and enrolment systems. Backing up teams striving for consistently good learning outcomes.

Thanks to the lifelong learners who work here. The partners we stand alongside. The families and the children we teach and who teach us every day.

Andrew Hume, CEO
Kay Gibbons, Board Chair



Investing in learning and growth paid off

When the early 2022 Covid wave collided with seasonal flu, staff shortages rippled across most industries. People weren't only sick. They were over-stretched and tired, and droves of staff left teaching. Our turnover wasn't immune and rose by 3%, still below the sector average.

Capitalising on our rich pool of educators, we tapped internal capacity to fill those jobs. We encouraged casual staff to apply for open positions. Moved them into permanent roles, which helped cut the time to fill vacancies by 40%.

At the same time, redoubling the belief that our people are among the very best in early years, we continued investing in their learning and growth. It paid off.

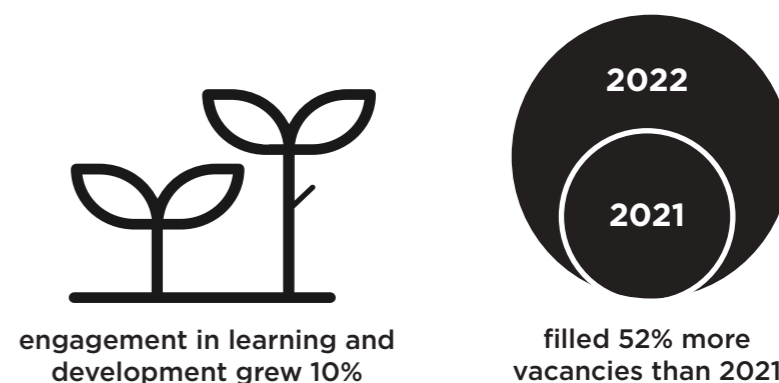
The scores in our engagement surveys learning and development section jumped by 10% and overall by 4%. The result was partly thanks to more leadership support time in services and a generous individual learning allowance for support staff.

A traineeship program partnership with Chisholm opened opportunities for graduating educators to join our Early Learning Centres. We also paved career pathways through the Early Childhood Professional Practice Partnership and Provisionally Registered Teacher programs.

Mindful that pay isn't the only thing people value, we bolstered benefits, including further discounted early learning fees for staff's children.

Finally, a full return to the office meant a comeback for in-person orientation. It's a crucial plank to success. Helping new hires to our 60 services connect as One Team and introducing them to our pedagogy and strategy.

* Total staff April 2023





teaching is a great way to keep learning

Matthea Harvey

On the Annual Conference stage early childhood leaders shared a vivid description about the future

What will children’s and families’ experiences look like in 2025? It was a story crafted from work throughout the year and anchored in our thinking about children’s learning.

Revealing the complete pedagogical framework to all staff was a milestone. It translated how to use vibrant and inclusive interactions and embedded our aim to show consistently good learning outcomes.

Anchoring the framework are three pedagogical positions. Each plays a part in our thinking about measuring interactions beyond the National Quality Standard assessment and ratings.

Speaking of NQS ratings, ours keep improving. For example, all our Kindergartens or Early Learning Centres are meeting or above the National Quality Standard, with 62% of our services rated as ‘exceeding’ the benchmark—over double the national average.

Embracing learning is a hallmark of our purpose at work. 88% of services displayed that enthusiasm by opting into School Readiness Funded Coaching. It sets goals and helps educators grow, rippling into day-to-day practice and bestowing visible benefits on children’s learning.

We shared our coaching approach with the Department of Education in a paper called “The Messy Pool”. The well-received article emphasised the effectiveness of the coach and educator relationship in unlocking where they want to grow their practice.

The pedagogical framework also supported expanding the CLASS tool. Services that used the tool helped show us how to scale it successfully to more centres. Twenty-three services also joined the new Victorian Early Years Learning and Development Assessment tool trial. 2023 promises abundant data-driven insights.

CLASS is in


Using the lens of interactions, CLASS is a data-driven journey of continuous improvement. It helps educators define teaching quality and measure the interactions that matter most for children’s learning outcomes.

100%

All services rated meeting NQS or above



62% services rated exceeding — national average is 27%



**Good partners do what they say.
Are fair and reasonable,
and understand who they are.**

They are all things we strive for. We use them to grow productive relationships that benefit both as a partner of choice alongside local and state governments, with peak bodies and others.

Still, we forge our most meaningful partnerships with families and the community. We can't succeed without them. They are a child's first teacher, and their ongoing involvement is vital. Our services prioritise family and community engagement, and as a result, 72% achieve an exceeding rating in that quality area (QA6) under the National Quality Standards—more than double the national average.

It's our priority to find kindred organisations that take a relationship-oriented approach and seek consistently good learning outcomes at scale. In 2022 our growing reputation cemented and expanded two of those partnerships.

We joined the Monash University and Alannah and Madeline Foundation Steering Committee—which are researching Trauma Informed Practice, and Melbourne University's REEaCh (Research in Effective Education in Early Childhood) advisory board.

A partner mindset also helps us work together better internally, leading to countless lessons. For example, teams investigating incidents made it part of the process to feedback their findings, which fueled and invigorated both systems and pedagogy.

Heartfelt help

The Alannah and Madeline Foundation, (AMF) helps educators understand the challenging behaviours of trauma effected children. Enhancing both the child's and educator's wellbeing.

AMF visits services and alongside practice coaches, they respond to local needs, provide wrap-around support and enrich teaching teams. Showing them how to foster learning that is sensitive to each child's situation.



*The most overwhelming key
to a child's success is
the positive involvement
of parents.*

Jane D Hull



60 locations teaching over 6000 children

The last few years have taught us to hold onto what we stand for and find ways to make it visible in a sector often shaped by outside forces.

New federal leadership put early childhood education policy on the front-lines with more funding for families on the horizon. And the Victorian state government announced they were expanding four-year-old kinder.

Previous policies continued to roll out, including up to 15 hours a week of kinder for three-year-olds. Our teaching teams embraced the new schedule and our average three-year-old attendance doubled to 10 hours weekly. Other age group numbers didn't immediately rebound to pre-pandemic levels as families grappled with returning to 'normal' schedules. Again, a trend mirrored across the country.

Constantly changing dynamics challenge our thinking about which services we manage. Opening, closing and transferring services takes time and resources. Our choices are driven first by the best fit for the community, not growth-for-growth sake. We ask, can we offer the best learning outcomes for that community? Do we have the right experience and connections?

The result is greater clarity in tendering for new services and evaluating those we hold. We take a whole portfolio view, where continuity and access for smaller services sit alongside large community hubs.

We opened Koomail Tardy, a new integrated hub in Wyndham. Cardinia Shire awarded us contracts for Lakeside and Pakenham Springs, and Melton gave us the new kindergarten in Mount Atkinson to manage. Another provider took over Boorondara and we closed Thinking Kids in Melbourne after CSL relocated their offices.

The changes saw our services level at 60 locations teaching over 6000 children across Greater Melbourne from Pakenham to Bacchus Marsh.



A modest surplus in a tough environment

There were financial swings galore in 2022. Across the sector, Long Day-care enrolments were down 7% at the beginning of the year. On the other hand, portfolio changes made us more efficient and helped lift the surplus. Still, due to volatile financial markets, our investments underperformed last year by 600k, a significant factor in our reduced surplus even with the portfolio gains.

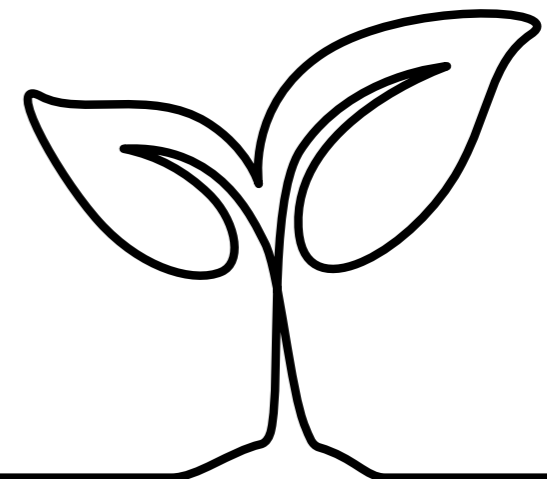
Escalating inflation pushed up Early Learning Centre and support staff salaries. While fee increases helped offset operating headwinds, including the federal government's reduced COVID funding.

Managing the tough conditions well left us with choices about where to invest our money. We elected to tackle the ecosystem that supports our people, children and families. As already shared, we seriously invested in systems and people's learning, and alongside those initiatives, also clarified the most sustainable operating models for our services.

The new operating model helps teams better marry learning outcomes and community needs with the commercial impact of changing sessions and age groups.

Maintaining that balance while growing sustainably is always the goal. It's an outcome that begins and ends with children and learning; includes our people, partners and services; and is shaped by the operating environment—all landing as part of the bottom line. Which was ...

One per cent surplus on 52 million revenue.



Profit or loss for the year ended 31 December 2022

	2022	2021
Revenue	51,600,581	51,017,359
Revenue from investments	1,238,246	116,741
Fair value adjustments to financial assets	(1,851,595)	164,575
Total Revenue	50,987,232	51,298,675
Administration expenses	(4,976,247)	(4,096,269)
Depreciation and amortisation expense	(1,385,5410)	(1,534,722)
Employee benefits expense	(40,485,935)	(38,708,528)
Property expenses	(1,806,023)	(1,905,196)
Other expenses	(1,693,691)	(1,169,207)
Finance costs	(91,285)	(103,008)
Total Expense	50,438,722	47,516,930
Net surplus for the year	548,510	3,781,745
Other comprehensive income	-	-
Total comprehensive income	548,510	3,781,745

Coming off the harshest operating environment many can remember, we remain hopeful about the year ahead. Taking every opportunity to learn, laugh and grow as we go.

Board and Executive

Kay Gibbons
Board Chair

Charlotte Rendle-Short
Deputy Chair

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People and Strategy

Donna Geraeds
Risk and Compliance

Rebecca Hand
Early Childhood Education

Aisha Singh*
Corporate Services

*new appointment 2022

see you next year



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