

KU 2022



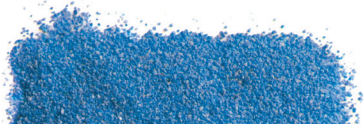







Educational excellence
Thriving professional workforce
Financially sustainable and scalable
Positive social impact

ANNUAL REPORT



Children's Services
Since 1895

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Our Vision

Every young child experiences excellence in early education and care, inspiring learning for life.



Our Purpose

At KU, we nurture and grow children's learning. We partner with families and communities, and value children as citizens who create, think and do.





Values

Childhood

We recognise childhood as a special time in itself; a time for all children to be immersed in secure and trusting environments that allow them to explore, play, discover and learn. We nurture the development of identity, confidence and capability which form the foundations of a lifelong love of learning. We ensure the voices of children contribute to the work that we do and the decisions we make.

Integrity & Relationships

We act with honesty, openness and consistency. Our relationships are respectful, mutual and reciprocal and are built on trust, authenticity and ethical behaviour. We welcome feedback and make decisions that are responsible and fair.

Leadership

We are driven by the passionate pursuit of quality early childhood education and encourage others to share that journey. We lead by example, drawing on our experience and knowledge to shape early childhood education thinking, policy and practice.

Innovation

We have the courage to pursue bold visions of the future. We are committed to continual professional learning and organisational development. We collaborate and explore new ideas and different ways of thinking.

Sustainability

We acknowledge and consider both our heritage and our future. We embrace our responsibilities within the world around us – to our children and communities, our people, our environments and the long term sustainability of our organisation.

Diversity & Inclusion

We recognise that everyone has their own culture, beliefs, values and strengths contributing to our rich and diverse community. We embrace, advocate for, and invest in the rights of all children to access and actively participate in our programs and have a sense of truly belonging.

Chair and CEO Report

As 2022 was the final year of the three-year Strategic Plan (2020-2022) we reflect on meeting the extraordinary challenges that KU faced, along with the immense pride we have in our staff.

Before devastating bushfires, unprecedented flooding and the global pandemic, we gathered, as Boards and Executive teams do, to create a vision, purpose and a set of values that would set KU on the path to success from 2020 to 2022.

There isn't anything that could have fully prepared us for how the last three years have unfolded. So, it's nothing short of phenomenal that in the third year of living with COVID, in 2022 we met many of our goals and we're able to report on so many successes and highlights.

We congratulated KU Macquarie Fields Preschool for achieving the highly regarded ACECQA Excellent Rating in September 2022.

All our services successfully met or exceeded the National Quality Standard in 2022 with 78 % rated as Exceeding compared to a sector benchmark of 26 %.

KU was recognised, for the seventh consecutive year, with an Australian Business Award for Employer of Choice. This accolade recognises KU as putting people at the heart of all we do, and the organisational-wide efforts made in delivering an integrated program that enables every employee to maximise their potential.

As a result, our staff reward us with their loyalty. In 2022 we retained 92 % of our wonderful employees across KU and achieved an excellent staff engagement rate of 88 %.

KU's Employee Value Proposition grew with the introduction of KUPlus – an employee rewards program providing access to exclusive benefits including retail savings, cooking inspiration and wellbeing services offering physical and financial tips.

Our NDIS team successfully completed their first external NDIS audit. This was an extensive process carried out over several days that reviewed all aspects of our NDIS service delivery and supporting documentation including interviews with families using the service.

We opened the doors of two new services for children and families in Victoria; KU Maidstone as a long day care service, and KU Dianella Kindergarten.

Our Early Start Denver Model (ESDM) and Allied Health services in Liverpool surpassed their targets and now host 12 clinic groups and 30 clinic sessions per week for children diagnosed with autism.

While our overall financial results did not meet all targets, this was a result of challenges brought by the pandemic such as low utilisation in our long day care services due to changing family work patterns, the competition of no fees charged in community preschools and kindergartens, along with KU's decision to support families forgoing income by approving fee waivers for families impacted by COVID.

KU's financial position remained strong despite these challenges. The cash position and balance sheet strength reported at the end of the financial year continue to underpin KU's business and long-term objectives.

Three years into the pandemic, staff fatigue and staff shortages were recognised as another major challenge. In 2022, we resumed our face-to-face learnings with the children as our services returned to pre-COVID levels and this contributed to increased levels of staff absenteeism due to sickness from COVID-19, as contact with the community increased.

Although it was a challenge to resource services so they could continue to deliver our high quality programs, our exceptional KU Permanent Relief team and strong cohort of KU Casuals filled gaps, ensuring familiar faces delivered continuity of care to children and families.





When staff are recognised by leading sector bodies, we take immense pride in their commitment to providing high quality early education for children and families. This year, as part of the Early Childhood Australia (ECA) National Conference held in October, KU had six successful submissions for workshop and poster presentations, demonstrating the sector-leading talent that is within KU.

2022 saw a new Commonwealth Government elected, with the introduction of new Cheaper Child Care legislation in 2023 to give more children access to critical early education and to give families affordable choices around their workforce participation.

We also welcomed the historical announcements made in June by the NSW and Victorian governments to fund every child in their year before school for five days per week for little or no cost for families within five years in Victoria and within ten years in NSW. These investments are the most significant investments in early education for decades and signify the importance of governments investing in the early years.

Strong governance is a key factor that distinguishes KU as a high quality provider of early education and care. Every year, our risk framework, management and register are externally assessed. As a result of this audit in 2022, KU achieved 99% compliance and was issued formal certification that it has management and control systems in place to international best standard practices.

Given changing workforce patterns, sadly we farewelled some of our work-based services this year. The Commonwealth Bank of Australia made the difficult decision to close Honeybee, one of three services in Sydney's CBD, while Qantas closed Joey Club services in Brisbane and Melbourne. In addition,



three of KU's out of school hours services in North Sydney were closed – KU Dem School Kids Care, KU Bay Road Kids Care, and KU Grandstand Kids Care. Even though two services on campus at Newcastle University were consolidated into one with the closure of KU Wonnayba, we are pleased to be laying the groundwork for our partnership work in further developing the University's Callaghan Campus early education and care precinct over the coming years.

KU's Aboriginal and Torres Strait Islander Advisory Group continued to provide cultural advice and guidance to KU on a range of issues as we developed a strategic plan to ensure KU's Statement of Commitment to Aboriginal and Torres Strait Islander Peoples lives beyond words on a page and is woven into the fabric of our organisation. You can read more about this further on in this report.

2022 was a big year for our KU Marcia Burgess Foundation in terms of extending programs for lasting social impact and creating back-end systems to enhance reporting and transparency. To support the Foundation, we saw a huge spike in community fundraising led by KU Board Members Janet Verden and Tamara Robinson along with Jane Robinson, KU General Manager, People Services and IT. You'll find an article in this Annual Report highlighting the new programs and the difference they've made because of these and other generous donations.

Two events held towards the end of the year helped us celebrate the incredible achievements of KU as a collective.

Starting with our KU Annual Conference in September – the first we've been able to hold face-to-face since 2019. 370 KU staff attended to hear an insightful keynote address by Catharine Hydon. It challenged us to consider the 'dead ideas' (practices) we will leave behind as a result of COVID-19 and the new and old practices that we will take forward as we continue to live with COVID-19.

Our second event was the much-anticipated finale to our 125 years celebrations – the launch of five short films highlighting KU's rich and diverse history of making a difference in the lives of children, families and communities through our high quality early education and care programs and social impact initiatives.

To sum up, the 2020-2022 Strategic Plan has been implemented over the last three years in the context of the COVID-19 pandemic, and its impact on Australia as a whole cannot be underestimated. Children, families and KU staff have all been impacted in varying degrees and throughout this major challenge, we maintained the provision of our high quality programs, kept children and staff as safe as possible, and experienced lower staff turnover than other early education and care organisations.

Now, we look forward to co-creating the future of KU with our staff as we implement our new 2023-2025 Strategic Plan. One that was created with innovation, collaboration and a spirit of harmony in all we do.

We thank everyone who has been on this journey with us and all those who will be travelling with us as we move forward.

S Whittle
Sema Whittle
Chair, Board of Directors

Christine Legg
Christine Legg
Chief Executive Officer

Where children find their voice

At KU, children find their voice. No matter how big the conversation, they have their say.

As KU children discover their sense of self, they learn to respect others. They're happy with who they are, and interested in who you are. Curious and social, they're ready for the world.



Our place, where we all belong

KU is our place, where we all belong. A safe, calm community of children, parents and educators, where small acts of kindness happen every day.

We explore the world through many cultures and perspectives. KU children learn it's OK to be different, and we can all be different, together.

We deliver,
lead and
inspire
educational
excellence



Recognised excellence in pedagogy

“As a leader in the sector, KU Macquarie Fields Preschool ensures its positive impact reaches beyond its children and families by tailoring its service’s practices to meet the needs of its local community.”

- ACECQA 2022

KU Macquarie Fields Preschool has experienced significant change over the last five years. The preschool is located in South Western Sydney within a richly diverse community with more families from culturally and linguistically varied backgrounds, including an increasing number of Aboriginal and Torres Strait Islander children and families.

In 2022, of the 100 enrolled children, 42 were diagnosed with a range of additional needs and each was funded under the Preschool Disability Inclusion Support Funding.

Director Jackie Staudinger and her team were delighted to be acknowledged in August 2022 when KU Macquarie Fields Preschool was awarded the Excellent rating by the Australian Children’s Education and Care Quality Authority (ACECQA).

“As a leader, I’m honoured to have received this recognition,” said Jackie. “I’m proud to work alongside a team of educators who collaboratively invest skills in exceptional practice.”

At the time, it was only the fifth service in 2022 to receive what is the highest rating a service can achieve under the National Quality Standard, and just one of 38 to hold the rating across the entire country.

Exemplary practice

KU Macquarie Fields demonstrated exemplary practice across three themes, including inclusive partnerships with children and families; collaborative partnerships with professional, community or research organisations; and practice and environments that enhance children’s learning and growth.



An innovative initiative identified by ACECQA was a healthy eating program offering KU Macquarie Fields’ community information about nutrition, food purchasing, budgeting, cooking lessons, recipes and foodbank locations.

The team was also acknowledged for embedding the Marte Meo approach to enable educators and families to support children’s strengths and communication cues. The team held frequent meetings to support pedagogy and dialogue around practice, ethical decision making, and responsive engagement with families.

ACECQA also identified the evidence of rich partnerships between the service, families and professionals that worked to co-design targeted individualised programs for each child. These included focused support by staff in the coordination of, and participation in, meetings with internal and external specialists and inclusion agencies to support each child’s learning and wellbeing.

Inclusive practice in action

Jackie and the team ensures the preschool provides a safe and secure environment which nurtures and further develops each individual child’s sense of “Belonging, Being and Becoming”.

“Families from many diverse cultures across the community access quality early education, opportunities for hope and growth,” says Jackie. “Families are connected and supported

by interagency services. The preschool is committed to providing long lasting social impact by having support services working together, to make a difference to the lives of children and families in their community.”

Educator Kerry Fowler has been at KU Macquarie Fields for a decade. Over the years she’s seen the effort and reward of creating a flexible service, one that is open to change and welcoming diversity.

“At KU Macquarie Fields, we continue to challenge ourselves, reflect how can we do it better, ask ourselves where to next. We are continually listening to our community and identifying what their needs are,” says Kerry.



“Ten years ago, the centre was 20 places with low enrolments and a minimal waiting list. Fast forward now to a thriving service of 40 places with more than 350 children on the waitlist,” she says.

“I personally feel a sense of excitement from our community and the opportunity of servicing all children, from typically developing to those with additional needs. Everyone is ‘One of the Kids’,” Kerry says.

Christine Lee, an Early Childhood Teacher, has spent the past four years at KU Macquarie Fields and speaks on behalf of the team about their drive to deliver excellence to the families.

“KU Macquarie Fields has the X factor, that missing piece,” says Christine. “The camaraderie and professional identity that all the educators have established is palpable.”

“We have a sense of understanding our families’ needs as well as really knowing our children and supporting their learning by providing a holistic approach to each child’s developmental journey,” she says.

“It’s about wanting to learn more. Being present and available and accepting of professional development, then using your knowledge to create an enthusiasm that is shared with your colleagues,” says Christine.

Centre of Influence

KU Macquarie Fields has demonstrated leadership in their community that has impacted the lives and learnings of children, families and stakeholders. A strong commitment to inclusion informs their pedagogical decision making and aspirations to continue to work toward quality improvement, both for their own practice and as a model for the sector.

“As a Centre of Influence, we must continually ask who we are influencing. We need to continue to advocate for children and their families, provide the best model we can to the early childhood sector and dominate in influencing change,” says Christine.

“I believe KU Macquarie Fields sets an example of what possibilities there are for all services. What we do is embedded in practice. It is not just for a sunny day. We are all involved in decision making and share in responsibilities for reflection and planning,” she says.

Nothing’s impossible!

The KU Macquarie Fields team has a strong belief that nothing is impossible. The team loves a challenge. They enjoy finding solutions through new perspectives and seeking expert help. This is the key to being able to be open to accepting every family and child on their own terms, making preschool a culturally safe and inclusive space that is judgement free and promotes respect.

Educator Paula Hind, while proud of the team’s accomplishment, is humble and says this is “just the day-to-day”.

“What we do is not considered out of the ordinary for us and our Excellent rating doesn’t change that. We are simply being responsive to our community’s needs. It’s our ethical responsibility really,” she says.

KU Macquarie Fields’ interactions are always welcoming and has relationships as their foundation. That’s what gives families a strong sense of community and belonging.

Meet Dawn

Dawn says she’s ever thankful for KU Macquarie Fields Director Jackie Staudinger’s smile and caring eyes when she said she’d love to give daughter Hazel (now 10 years old) a place.

What were your first impressions of KU Macquarie Fields?

We lived a five-minute walk away from KU Macquarie Fields, and I’d read many good reviews about them, so when Hazel was three-and-a-half I put her name down. I wasn’t disappointed when she was accepted! From the very start Jackie and the entire team were absolutely lovely and welcoming. As our family grew, I was glad to get a place for Aila as well.

What have been some of the surprising things?

Both my girls were naturally shy and quiet in public. It was wonderful to watch their confidence and belief in themselves growing – it was definitely from being nurtured and encouraged by the amazing KU team.

Their approach to encompassing and including the whole family as part of our children’s learning and development was refreshing. We always played with and alongside our girls and we still do as even as they get older and deal with school situations. Play is an effective way of keeping life in balance.

KU Macquarie Fields met all the curriculum requirements in a preschool setting but did it in a way that was magnificent and relaxed and inclusive of all children and their abilities or difficulties. We also really appreciated the social inclusions and interactions with the local First Nations People to educate the children.

The most surprising thing was how KU became a huge part of our lives – like we were all family. It truly broke all our hearts when we had to say a final farewell when Aila finished preschool in December 2022.

What does their Excellence rating mean to you?

It provides a much-deserved acknowledgment for all that the teachers do and work for in providing a first class, healthy and fun learning environment for children and their families regardless of race, colour, creed, stage of learning or ability.

As a family we have wonderful memories of our times at KU Macquarie Fields, and they deserve the highest praise for all they do.



Innovation in pedagogy

For the past three years, KU's number one strategic priority has been to deliver, lead and inspire educational excellence. Here are three ways our services delivered educational excellence through innovative programs in 2022.



Sustainability: Recycling paper hand towels

Beginning in early 2022, eight KU early education services in Sydney's Northern Suburbs undertook a project to discover how to responsibly manage waste from paper towels and reduce impact on landfill.

A connection was made with Plate to Paddock, an organisation working with businesses to minimise waste. Where waste cannot be avoided, rather than see it being sent to landfill, they assist with either managing it on site, or by redirecting it to charities or farms. They can even transform all kinds of organic waste into healthy soil.

This project started with inspiring talks by Elisabeth, the founder of Plate to Paddock, who visited each of the seven preschools and one long day care service involved.

"The ripple effect extended to spontaneous learning and lots of discussions and ideas about how we can care for country more," says Sam, an educator at KU St Ives Barra Brui Preschool.

The first task required gaining an understanding of how much paper towel waste was being created.



Arts and creativity: Clay work

Maryjane Minshull, Director at KU Peter Pan La Perouse Preschool in Sydney's east, organised an artist in residence program supported by a Quality Learning Environment Grant from the NSW Department of Education.

The preschool worked with Jan Downes, a well-respected teacher and ceramic artist who has been practicing for over 30 years. Jan offered the education team at KU Peter Pan La Perouse a unique opportunity to be co-learners alongside children.

After taking two months to prepare and set up a studio inside the service and install a kiln in an outside shed, educators began to develop skills, techniques, and creativity as they explored ceramics as an integral part of the curriculum.

The team worked together to investigate the potential of clay as a rich medium for children. Workshops were attended during weekends to grow a sound understanding of the care and maintenance of clay, the design of the environment to set the stage for learning, and the many techniques and tools that would give children confidence to engage successfully with clay making.

The children and educators together developed a repertoire of knowledge that included the different types of clay, how to make slabs, coils and slurry, joining methods, printing methods, the use and preparation of glazes and underglaze, firing methods as well as processes for recycling clay.

An audit conducted by teams of children in each service revealed that on average the preschools used 1,200 paper towels each week, while the long day care service used an estimated 4,000 per week. Added up over a year, it represented a significant number.

From there, the children put a system in place to collect the waste.

The Sanitarium Health and Wellbeing Company kindly donated recycled food buckets that were decorated by the children at each KU service specifically for the collection of used paper towels.

Each week, Plate to Paddock transported the waste to their property where it would be broken down in worm farms to create healthy soils – a process that the children found intriguing.

"One child told me, 'The worms eat everything including the dirty paper towel. They are super worms'," says Holly, educator at KU Fox Valley Preschool.

"Overall, the children have shown an increased awareness of their usage of paper towels and continue to work towards lowering it", she says.

The technical problem-solving that is required for complex clay pieces provides stimulating and creative challenges for children as Jan detailed in an interview with The Journal of Australian Ceramics.

“A ball of clay in the hands of a young child invites intuitive exploration. Children love the tactility, immediacy, malleability and responsiveness,” she says.

“Manipulating clay allows children to express themselves and represent the real, three-dimensional world as they experience it,” says Jan.

The team recognised that through clay, children had another language for expressing their thoughts, ideas, and emerging working theories about their world.

Community connection: Children’s agency

In Sydney’s inner-city, the team at KU Ultimo Children’s Centre has a strong commitment to children’s agency and participation in and with the community, as Director Jenny Liu explains.

“Aspirations to introduce the concept of citizenship as part of their belonging to the centre community and cultural identity of the wider local community has informed many pedagogical discussions and experiences in 2022,” she says.

For instance, educators at the service developed a Precipitation Project, which led to reaching out to communities affected by floods early in the year.

The preschool children showed an appreciation for the collective efforts of the local community, and how this can make big a change in the lives of others.

Then there were regular excursions to historic Fig Lane Park where the children had an opportunity to learn about their neighbourhood.

The team also invited visitors to the service so they could give the children a broad exposure to all the different roles within the community.

“We invited the local police and Pyrmont firefighters to the service so we could learn about how community members can keep each other safe,” says Jenny.

“We also had visits from an architect, doctor, clinical psychologist, chef, teacher, editor and more. These visits influenced the children to decide to write to the leader of our community, to share their knowledge about what they had learned,” she says.

The leader was none other than Lord Mayor of the City of Sydney, Councillor Clover Moore, and the children not only sent a card with drawings, but they also invited the mayor to visit the service.

“We were very grateful to get a response from the Office of the Lord Mayor and in early December she visited the children, listening to their ideas and answering their questions about what she does in the community,” says Jenny.



Meet Karen

Karen Wagner is the Director of KU St Ives Barra Brui Preschool on Sydney’s North Shore. The service participated in a project to teach the children about how they could responsibly manage waste from paper towels and reduce impact on landfill.



Why is sustainability in early education so important?

My main interest in sustainable practices has come from wanting to be a good role model for my own children and the children I work with.

Early childhood education has always been my passion and the only career I ever wanted. I began working with KU when I graduated from university in 1986 until 1993 to have my family, and then returned in 2006.

It is important that children begin to gain awareness of environmental sustainability through play. Children are very capable learners and have a very open and positive perspective when trying to do things that are for the ‘good’.

How did the paper towel recycling project start at KU St Ives Barra Brui?

We were selected to be one of KU’s preschools participating in the program by KU’s Sustainability Manager and our Education and Quality Manager. We thought it was a good way to recycle the paper hand towels that are used as the amount really adds up on a daily basis.

The children kick-started the project by decorating buckets where they would collect the used paper towels.

What did the children gain from the experience?

This is the perfect age to introduce learning about sustainable practices, and there are so many things that children can do independently to help the planet such as recycling paper, turning taps off, planting and looking after plants for example.

So, at the end of 2022, we could see that the children involved had a clear understanding of the recycling project. They even began to self-manage the number of towels they were using.

Including gender dysphoria



KU Osborne Park Preschool, in Sydney's Lane Cove, is just one of KU's many services with a strong lens on inclusion and social justice.

But in 2022, the team of 14 educators won KU's highest accolade, the KU Marcia Burgess Award, for their work in creating a safe and inclusive space for a child with gender dysphoria.

The service welcomes 150 children across the week and Lisa Milham, Director, says their motto, "At preschool you can be whoever you want to be", is long standing.

"Our motto is a reminder to staff not to encourage children to assign roles and for children to not let others tell them who they are," says Lisa.

"Children can pretend to be who or whatever they want especially when they're playing, and they can also wear and look however they want," she says.

"So, when Samuel* rocked up to preschool every week for a year in a yellow Wiggle dress, no one batted an eyelid. Sometimes he'd even say, 'I'm a girl!'."

And then Samuel shared that he would like to be called Mia*.

Why is Samuel now called Mia?

Samuel's mum and dad knew their KU community would be an essential support as Mia started on a new life-path, so they introduced Lisa to a specialist at The Gender Centre, which is recognised as a centre of excellence in NSW through an Australian Service Excellence Standards Award Accreditation.

"When a child comes to our service and has different needs, the first thing we do is seek specialist input so we can ensure staff are best positioned to support each child," says Lisa.

"I was very glad to be invited to join the family for a Zoom meeting with The Gender Centre," says Lisa. "The meeting was about making Samuel officially Mia at preschool, and importantly to reassure Mia that her wishes would be respected."

Lisa admits that at first, she and the team were concerned about saying the wrong thing, like using the wrong pronouns. They also worried how they would respond to questions from children and families.

Contemporary thinking and social justice focused approaches to working with children and families fuel KU Osborne Park's commitment to inclusion, responsive relational pedagogy, and the rights of all children.

"The Gender Centre gave us scripts to use in a variety of situations," Lisa says. "One thing that was really helpful was knowing we didn't have to explain anything because we never discuss any child's genitalia at preschool."

"But what made the staff really relieved, was knowing all we had to do was make a commitment to support Mia. It would be okay to make mistakes and apologise – even using humour. We just needed to be role models for the children," she says.

Creating a safe space

Mia's locker, hat and name tag were all updated, and Lisa led a group-time talk with the children explaining how Mia wanted to be Mia.

"I also updated our library with books about diversity and stories with gender neutral characters so Mia could see herself in the pages," says Lisa.

"As educators we took on the responsibility of backing Mia up at all times, so she never felt she had to fight battles on her own," she says.

Lisa also updated the philosophy of the service.

"It already spoke to inclusion, but I wanted the wording to be specific and include that we welcome all diversity be it gender, cultural, religious, neurodiversity or diverse abilities," says Lisa.

Supporting staff

As well as the expertise from The Gender Centre, Lisa reached out to the knowledge bank of KU's Learning and Development team and her Education and Quality Manager.

"We had lots of conversations about diversity in general as well as gender diversity. There are so many great resources out there including presentations from Early Childhood Australia Conferences," says Lisa.

Every time Lisa found an informative article or video, she'd circulate it among her team, so everyone felt comfortable.

The greatest support to all the educators was seeing that now Mia found her identity, she was able to be her authentic self. And she was a totally different person.

"As the specialists confirmed, Mia was totally in the wrong body before. Now she is super confident, more talkative and takes the lead in play. We can all see the growth in her," says Lisa.

"I feel so proud of everyone – the children, families and educators – they all embraced Mia's transition in such a kind way," Lisa says choking back emotion. "There was no push back from anyone."

"And that's the way it should be, everyone should have the opportunity to be whoever they want to be," she says.

That radical kindness, just letting others be themselves, takes zero effort. But it is life changing for the individual who is asking for acceptance and a sense of belonging.

As Lisa says, "Just be kind. It makes no difference to my life how you want to live your life."

**Names changed to protect privacy*

We have a thriving professional workforce



Leaders of tomorrow

The KU leadership model grew out of research commissioned by KU initiated in 2018 into Early Childhood Education Leadership. Four years on, it is future-proofing the organisation.



KU is a values-based organisation. It has a strong culture shaped by the KU Code of Conduct which sets the foundational standards that guide decision-making, actions and a sense of inclusive community. These aren't just words on a page or on the organisation's website; KU's 2022 Employee Engagement Survey indicated 94 % of staff believed we live our values.

The 2022-2024 Leadership Plan was developed with those values in mind and reflects KU's vision for a thriving for purpose organisation, where all staff feel included, engaged and seen.

KU's Leadership Plan is divided into four sections and includes Our People; Leadership, Learning and Development; Governance and Systems; and Sector Leadership.

Our People encompasses everything from recruitment to recognition programs, while Leadership, Learning and Development comprises external leadership growth and secondment opportunities. Governance and Systems incorporates streamlining decision making and sharing knowledge and, finally, Sector Leadership is about furthering KU's quality agenda and the status and standing of the early childhood sector as a vibrant career choice.

Because the strategic plan links to talent and succession planning, targeted leadership and management training programs are fundamental. Not only for our early childhood education professionals, but all of those who are in KU's Central Office and support teams.



Off the back of very unexpected global challenges which have driven significant changes in the way KU operates, investment in leadership will enable employees to deal with future seismic shifts so the organisation can continue delivering exceptional business outcomes as well as the highest standards of practice in early education and care.

After 127 years as a sector leader, this focus on developing skills will ensure KU is positioned to move forward confidently toward another hundred-plus years of social impact.

KU AIM Mini MBA

In 2022, sixteen high-potential managers became the inaugural cohort of participants to undertake the KU Australian Institute of Management (AIM) Mini MBA.

The program consisted of five full-day workshops at KU's Central Office with AIM Faculty Lecturer, Dr Richard Carter, an organisational psychologist, management educator and leadership development consultant.

A variety of topics were covered with an emphasis on familiarisation with tools enabling employees to be better equipped to tackle real-world business challenges. For instance, SWOT analysis to identify strengths, weaknesses, opportunities and threats; Gantt Charts; cost-benefit analysis; break-even analysis; and PESTEL analysis, which reviews opportunities from political, economic, sociocultural, technological, environmental and legal perspectives.

To consolidate the course material, individuals collaborated with their peers in multi-disciplinary teams while working on innovation projects that would have the very real possibility of shaping the future of KU.

Throughout the program, participants received personal one-on-one coaching from Cathy Singleton, an experienced executive leadership coach who specialises in supporting individuals to manage themselves, their teams and their changing environment with grace and skill.

So successful was the program that two cohorts will be selected to undertake the course in 2023. One will be in a hybrid learning environment (mix of face-to-face and online) while the second will be 100 % online to accommodate flexible working arrangements.

Teacher Accreditation update

In 2021, KU launched a pilot project offering Teacher Accreditation support to help teachers navigate the process of accreditation in NSW and registration in Victoria and Queensland.

By the end of that year, an evaluation showed uptake in teachers who were maintaining their Accreditation and, in particular, by teachers at Provisional level who were working towards a Proficient level of Accreditation.

In all, KU supported and was able to congratulate a total of six early education teachers who gained Proficient Accreditation in NSW.

This success gave confidence for the program to be rolled out in earnest from January 2022.

One of the biggest reported benefits is that teachers employed by KU no longer require NESAT to allocate a Teacher Accreditation Supervisor to oversee their work when submitting for evidence for Proficient Teacher. Instead, the role is carried out by one of KU's Teacher Accreditation Supervisors.

In the first year of fully fledged operation, eight teachers gained Proficient Accreditation in NSW, one teacher gained Proficient Registration in Queensland, three teachers gained Proficient Registration in Victoria and 50 teachers were supported to meet maintenance of Accreditation requirements.

Secondary benefits have come to light in the past 12 months including retaining graduate teachers and attracting new staff.

2022 Launch of HALT Certification

The Highly Accomplished and Lead Teacher (HALT) certification is a lengthy process (usually taking 12 to 24 months) which recognises exceedingly effective, innovative, and exemplary teaching practices against the Australian Professional Standards for Teachers.

It's surprising to learn, despite the sector employing many seasoned and consummate professionals, there are no early childhood teachers recognised at HALT levels nationally.

In 2022 KU put the wheels in motion to change that. An expression of interest went out to all KU teachers, offering to support them to achieve HALT certification if it was a milestone they would like to achieve in their career.

But it was more than just wanting to aid loyal employees, KU's HALT certification program contributes to increasing professionalisation in the sector. It's something that KU has long advocated for. By having early childhood teachers recognised for their specialist skills alongside their colleagues in schools, raises the status of the early education sector as a profession.

The HALT network allows certified teachers to create a community of practice with like-minded professionals. The program also enables leaders to collaborate widely with colleagues both within KU and externally and with other areas of education (primary and secondary).

We look forward to future reports announcing KU's HALT certified teachers.



Meet Tyler



Tyler O'Connell is IT Team Leader and Cybersecurity Analyst at KU. He has been recognised as a high-potential employee due to his commitment to the organisation and its values. Tyler was one of 16 managers who participated in the inaugural KU AIM Mini MBA.

What value did you get out of the KU AIM Mini MBA?

The course was a great opportunity to interact with a diverse group of managers from different departments within KU, which gave me an even better operational understanding of our organisation. It was fascinating to observe the unique skill sets each professional brought to the table. Engaging in direct, open and honest communication with the other department managers was very motivating and helpful in building better relationships.

What were the key highlights of the course?

One concept that particularly resonated with me was the importance of keeping an open mind. This was introduced on the first day of the program, and I immediately noticed a positive change in how everyone engaged with the material and interacted with each other.

The course covers a broad range of topics that are applicable directly and indirectly to most roles. I think it is important to know the basics of all types of business processes as it helps you know the right questions to ask when problem solving.

We also received practical advice on achieving work-life balance, which can be especially useful in the context of remote work or work from home.

Now you've completed the course what will you do differently?

One of the things I have tried to do is change my approach to solving complex problems. I make sure to offer all possible solutions to everyone involved and explain the reasoning behind each recommendation. This way, stakeholders can make informed decisions, and we can choose the best solution based on the specific context of the situation.

The highest quality professional learning and development

From its inception in 1895, KU “cherished the idea of training teachers”. This history continues with NESA accrediting five of our bespoke Learning and Development courses.

In 2021, the NSW Education Standards Authority (NESA) announced that professional development programs for teachers would have to meet new, more rigorous criteria, and focus on priority areas in order to be accredited.

“Teachers should know that the courses they are taking are the best available, helping them to enhance their teaching practice to benefit our students’ education,” Minister for Education and Early Childhood Learning, Sarah Mitchell was quoted as saying at the time.

“We are starting with a clean slate so that NESA can guarantee the quality and value of the courses they accredit,” she said.

Four priority areas were identified; Delivery and assessment of NSW Curriculum/Early Years Learning Framework (EYLF); student/child mental health; students/children with disability; and Aboriginal education and supporting Aboriginal students/children.



Critical reflection on practice

Undaunted by the new, stringent standards, not to mention the 43-page application pack, KU prepared a submission for a three-part series that would support our own teachers and educators at no cost and would be offered externally for a fee.

“In February we were thrilled to announce that our course, Critical Reflection on Practice, had received NESA accreditation under the new guidelines,” says Jan Faulkner, KU Learning and Development Program Manager and Presenter.

Jan has more than 35 years’ experience in the early childhood sector as a teacher, service director, manager of children’s services and as a professional learning consultant. She also has first-hand experience in direct service delivery of quality education and care across several service types including long day care, preschool, outside school hours care and family day care.

“The series touches on the importance of critical reflection as it supports educators to think more deeply about their work and to question the impact of their practices on the lives of children and families,” says Jan.

“Completing the course contributes three hours of NESA accredited professional development in the priority area of Delivery and Assessment of NSW Curriculum/EYLF, and addresses standard descriptor 2.1.2 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher Accreditation in NSW,” she says.

By the end of 2022, 88 teachers had completed the course, which was offered as a virtual learning experience, receiving positive feedback.

“Great interaction,” said Lisa Stevens, an early childhood educator. “Felt like a community of learners which is hard to do online!”

Success story

Confident in both their professional education content and now the accreditation process, KU’s Learning and Development team submitted four more applications in 2022.

All courses were accredited, with some being identified for Highly Accomplished and Lead Teachers. And as with Critical Reflection on Practice, all are available to teachers and educators within KU as well as externally across the early childhood education and care sector.

See the additional four accredited courses listed below.

Documentation:

Find the Story Worth Telling

This workshop provides in-depth exploration of the why, what and how of documentation and its relationships to the National Quality Framework Exceeding themes.

Completing this course contributes five hours of NESA accredited professional development in the priority area of Delivery and Assessment of NSW Curriculum/ EYLF addressing standard descriptor 5.1.2 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher Accreditation in NSW.

Guiding Children’s Behaviour in Practice

3-Part Online Series

This series aims to promote and build educators’ knowledge of children’s social and emotional development and develop their capacity to apply this to all children.

Completing this series contributes four and a half hours of NESA accredited professional development in the priority area of student/child mental health addressing standard descriptors 1.1.2 & 4.1.2 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher Accreditation in NSW.

“I have not only learned some valuable strategies and reasonings behind children’s behaviour, I have also thoroughly enjoyed interacting with your professional facilitators who came from a position of knowledge and experience rather than just having ‘read the book.’ Thank you.” - Early Childhood Educator, Leanne Boatfield.

It’s important to note that NESA accredited status is valid only for a two-year period, requiring all five courses to be reviewed, updated, and submitted to the authority again in 2024 if they are to remain among KU’s NESA accredited offerings.

KU’s commitment to high quality professional learning and development contributes to KU’s thriving professional workforce while also supporting the broader early childhood education and care sector as we work to ensure all children have the best start in life.

Who’s Driving the Bus:

Educational Leaders Steering Practice

This workshop examines many aspects of educational leadership including: determining a vision, setting the stage for critical reflection and strategies for guiding the practice of new educators.

Completing this workshop contributes five hours of NESA accredited professional development in the priority area of Delivery and Assessment of NSW Curriculum/EYLF addressing standard descriptors 2.1.3 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher or Highly Accomplished Accreditation in NSW.

Children in Their Community:

Place-Based Pedagogy – Online

This workshop examines children’s identity, belonging to place, and enacting citizenship rights and responsibilities.

Completing this workshop contributes three hours of NESA accredited professional development in the priority area of Delivery and Assessment of NSW Curriculum/ EYLF addressing standard descriptor 2.1.2 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher Accreditation in NSW.

“I didn’t realise KU had easy to access professional learning for non-KU teachers. Now that I know the quality of these workshops, I will attend more. Another reason to want to work for KU with its excellent professional development support.” - Early Childhood Educator, Patricia Tattersfield.

Meet Lauren

Lauren Gardner is an Early Childhood Teacher in the KU Permanent Relief Team. In 2022, she was a recipient of a Making the KU Difference for Children Award, which now sits proudly on her bookshelf.



Describe your approach to teaching.

My job as a teacher is to foster a love of learning that can be carried throughout lifetimes, and to demonstrate that everyone is worthy of participation and has something meaningful to contribute. The relationships we develop during the time that we spend together as a group create a secure and safe environment for discovery and exploration.

You were recognised for helping to spark pedagogical discussion and learning with other educators. Can you tell us more about this?

I was a part of a two-unit preschool with a shared playground and the needs of my group were very diverse. I needed to consider the needs of all of the children, not only of my group, but also the other group in our shared outdoor environment. Some of the children in our groups required particular activities to transition to and we ensured that these were included in the program.

Pedagogical discussion helped me gain insight as to how other educators’ practices assisted children who have had similar needs. The educators I had

the privilege of working with all had diverse experiences in education and had been working with KU for some time. Every educator had a different story and different strategies that worked for them which I was able to tailor to my children’s’ needs with positive results.

How did you feel when you learned you were nominated for a Making the KU Difference award?

I felt very grateful. It is nice to be recognised especially when you have had the privilege of working amongst some truly inspirational and hard-working educators.

What does winning a Making the KU Difference Award mean to you personally?

It is nice to have validation in that you are ‘making a difference’ and that your effort is seen and appreciated. I am also aware that I work within a team and therefore any of my successes are shared. I also love hearing about the practices other educators have implemented and their achievements. It’s a great way of promoting the wonderful practices of other services and professionals.

Making the KU Difference Award Winners



The Annual ‘Making the KU Difference’ Awards acknowledge KU staff who have made a significant contribution to KU, over and above their normal duties. In 2022, we were pleased to recognise multiple winners in some categories and all the winners are featured below.

For making the KU Difference for Children

- Kate Lawrence, KU Mayfield
- Susan James Allan, KU Bradfield Park
- Lauren Gardner, KU Peter Pan Paddington
- Carly Wells, KU Gwynneville

For making the KU Difference for Families

- KU Bulli Team under the leadership of Michelle Lashbrook

For making the KU Difference for Communities

- KU Ashmont Team under the leadership of Eileen Bach

For making the KU Difference by Representing KU

- KU Cheltenham Team under the leadership of Michelle Healey
- Education & Quality Manager Team
- Ashleigh Pengelly, Community Cultural Coordinator
- Business Operations Team under the leadership of Lyndel Seymour

For making the KU Difference for Staff

- Natalie Preston, KU Berowra
- Natasha Martin, KU Mayfield
- Permanent Relief Team under the leadership of Lyla Irving
- Carolyn Wilson, NSW/ACT Inclusion Agency

For making the KU Difference through Innovation

- Bei Bei Liu, KU Bradfield Park; Maree Hoy, KU Bradfield Park; Laure Hislop, Learning and Development Practice Facilitator; Cassandra Mezups, Marketing Project Lead

For making the KU Difference to Quality

- Marianna Georgiadis, KU Liverpool
- Yukiko Moyle, KU Sunbeam

For making the KU Difference through Sustainability

- KU Rushcutters Bay Team under the leadership of Helen Meimaroglou

For making the KU Difference in commitment to Aboriginal and Torres Strait Islander Peoples

- KU Sutherland Team under the leadership of Collette Heslehurst
- Rachel Jones, NSW/ACT Inclusion Agency

For making the KU Difference for Inclusion

- Donna Archibald, Inclusion Support Queensland
- James Wood, KU Dem School Kids Care

The KU Marcia Burgess Award

- KU Osborne Park Team under the leadership of Lisa Milham

Employer of Choice

Seven Years Running!

KU is very proud to have been recognised as an Employer of Choice at The Australian Business Awards 2022. This marks the seventh consecutive year that KU has received this accolade after becoming the first early education provider to win the award in 2016.



The award recognises KU as a high-performing, sector leading organisation that provides a stimulating and supportive workplace. It also recognises KU's outstanding achievements across the areas of Organisational Culture and Leadership; Employee Education, Training and Development; Employee Health, Safety and Satisfaction; Performance Management; and Recognition and Remuneration.

"This award is a celebration of the value and contribution of everyone within KU. I would like to personally extend my thanks to you all for your commitment to living the KU values and making KU a fantastic place to work." – KU Children's Services Chief Executive Officer, Christine Legg



Introducing KU Plus

In partnership with Reward Gateway, a leading employee engagement platform provider in Australia, KU launched KUPlus – a rewards, benefits and wellness program available to all KU employees, whether permanent, fixed term or casual.

The program includes an online wellbeing centre that provides education, support and tools to help KU employees live healthier and happier lives through resources including exercise videos, healthy recipe ideas, mindfulness audio and more.

KUPlus also features a large selection of discounts and cashback opportunities at more than 400 retailers throughout Australia including with food, travel, fashion, events and technology brands.

At KU, employees are encouraged to bring their whole selves to work. By providing tools and resources to help our employees reach their physical, mental and financial wellbeing goals, it benefits them on a personal level. This in turn creates a positive and healthy workforce culture across KU.

Discounts available to KU employees also provide extra savings across everyday and specialty items, with every bit helping with the higher cost of living we've all experienced in recent years.

The launch of KUPlus has been met with positive feedback from many employees from across the organisation, and the program has demonstrated just one more way KU continues to support and reward our employees for their continual excellent work.

We are
financially
sustainable
and
scalable



NSW Sector Capacity Building Program

KU successfully scaled its Sector Capacity Building Program to reach more preschool educators to promote inclusion for children of all abilities in regional, remote, and additional metropolitan areas across NSW.

KU's Sector Capacity Building Program team successfully tendered, as part of the NSW Department of Education funded Disability and Inclusion Program, to expand the regions serviced from three to eight under a new contract spanning 2022/2023 with the potential for a further contract renewal up to June 2025.

The NSW Sector Capacity Building (SCB) Program team builds the capacity of educators to enrol children with a disability or additional needs so that they can participate in quality early childhood education at community preschools on the same basis as their peers.

It's KU's reputation in the sector and solid track record – leading and providing inclusion support along the Eastern Seaboard of Australia – that saw the significant expansion of KU's contact regions in this new contract period.

For four years, KU has been responsible for providing SCB Program support to three small regions in NSW: Sydney Inner West, Penrith and District, and Wollongong and District.

The newly expanded 12-month contract commenced in July 2022 covers Central Coast, Illawarra Shoalhaven, Murrumbidgee, Nepean Blue Mountains, Northern Sydney, South East Sydney, Sydney and Western Sydney.



Speed to scale

In addition to being awarded an expanded contract in 2022, when the NSW Department of Education unexpectedly faced an urgent need to provide short-term assistance in some regional areas, KU was able to respond with only a couple of weeks' notice.

By quickly adapting an existing model, a temporary SCB Program was mobilised to support an additional 51 preschools in the Ballina, Lismore, Forbes and Tamworth regions. Only months earlier, some of the preschools within these regions had been inundated with unprecedented flooding causing widespread trauma to children, families and the educators who work with them.

For three months, each preschool in these regions was offered an Inclusion Consultant visit, face-to-face and virtual training, as well as full access to the KU SCB Inclusion Gateway website where they can find a variety of resources and online professional learning anywhere at any time.

Resources for all

In all, the KU SCB Program supported 402 community preschools across NSW in 2022. This also included a number of mobile preschools across multiple sites.

Resources that KU had developed over time and had been utilised for other NSW preschools enabled the team to scale up support quickly, as Emma Pierce, Manager of the NSW Preschool Inclusion Sector Capacity at KU explains.

"In 2021 we launched a brand-new Inclusion Gateway website where preschools can login and access a wide range of inclusion resources, register for live professional learning, listen to podcasts and view recordings of webinars delivered through the program," says Emma.

"This platform helped support the team to be able to expand quickly to execute the new annual contract as well as provide short-term support with training and tools readily available to use," she says.

The rich content on the website continues to evolve and grow with updated resources, tip sheets, and professional learning materials being added regularly.

"The suite of inclusion resources such as the KU SCB Routine and Transition Reflection tool, Individual Learning Plan templates, and behaviour observation tools have been able to be readily used with an increased number of preschools to build educator capacity," says Emma.

Emma is quick to note when it comes to inclusion, the most important resource is the human one and the capacity of the team of professionals at KU.

"Our team of highly skilled Preschool Inclusion Consultants showed incredible commitment and professionalism. They took on additional hours and travelled great distances to help these regional preschools when they needed it most," Emma says.

Challenges of swift expansion

Expansion at a rapid rate is not achieved without some challenges.

An additional 12 Preschool Inclusion Consultants and an administrative assistant were required to meet the service-delivery needs of the new contract demands at a time when the sector was facing extreme staff shortages.

To meet the recruitment criteria, each successful candidate had to be a highly experienced early childhood teacher with knowledge and skills in supporting educators to include children with disabilities.

Thankfully, KU's reputation as an employer of choice attracted accomplished professionals with prior experience as Directors, Educational Leaders, Lecturers and TAFE teachers.

Another challenge the team faced head-on was the increased demand to support services with a diverse range of strengths and needs. That is, preschools that were experiencing elevated numbers of children presenting with challenging behaviour, who may have experienced trauma, and those who had less experiences outside of their home.

Three years into the pandemic, educators are reporting an increase in challenges with children separating from parents or carers and adjusting to attending preschool having had so few opportunities to engage with their communities.



Success story

The work of the team and the breadth of inclusion-related professional learning materials delivered by KU's SCB Program have received extremely positive feedback.

Many preschools who hadn't previously been supported by KU have commented on the difference in the quality and relevance of support provided.

Elizabeth Brookbanks, Director at Warilla Baptist Preschool, shares her enthusiasm about the difference the KU SCB Program has made.

"Our understanding of inclusion has definitely shifted just with how we've developed our knowledge, held discussions and reflected on it," Elizabeth says.

"We identified gaps and worked on a plan to create environments, relationships and spaces that all children have access to."

"The access that we have had to our KU Inclusion Consultant, and being able to draw on resources, whether it's the KU Inclusion Gateway or just having a consult - that's really helped us propel our practice forward as we work towards more inclusive practice," she says.

Not only is KU building the sector's capacity by enhancing educators' inclusion skills and confidence at the grass roots, but the KU SCB team also had the opportunity to present a paper titled "Beyond quality, learning on the road to inclusion for all" at the Early Childhood Australia National Conference held in Canberra in 2022.

"We were delighted at how well received this workshop was, but more importantly, at the appetite for learning about inclusion readiness and promoting inclusive practice for all children," Emma says.

Meet Cassie

Cassie Oats is the Director of Corowa Preschool Association Incorporated, located on the border of NSW Wiradjuri Country and Yorta Yorta Country in Victoria.



How has the KU Sector Capacity Building Program helped?

For a long time we had been exploring this space on our own, but mid-2022 we started networking with KU in their role as sector capacity builder.

Since our partnership with KU, we feel strongly supported in ensuring our vision and commitment to equity and inclusion has elevated.

Our KU Preschool Inclusion Consultant and the wider team go above and beyond to provide face-to-face support, phone consultations, webinars, training and endless resources.

This builds our team's skills and knowledge and ultimately supports the level of inclusion for all children. Inclusion is something all children have the right to and something we hold in high stead at Corowa Preschool.

What does the future look like in terms of inclusion of all children or children of all abilities?

Networking with the team at KU to critically reflect on the practices and strategies in place ensures each child's individual needs are optimised. Inclusion in early childhood is fundamental and we are extremely grateful to KU for their time, effort and commitment to supporting our vision and philosophy at Corowa Preschool. We hope to maintain this partnership with the skilled team at KU for years to come.

Why is support from KU's Sector Capacity Building Program important?

Our team are highly skilled and motivated to ensure all children have access to the high-quality outcomes through play-based learning. But as a small community preschool, we face many challenges in accessing supports for children, families and staff. Children and their families can face extensive waiting lists to access early intervention. Some families find the process so overwhelming they lose hope and give up. We want more for our families. We want to be able to provide supports that are contextualised to each child's needs.

Financial sustainability through partnerships

Many of KU's accomplishments have been achieved through the respectful, authentic and reciprocal partnerships developed with our stakeholders. In overviewing this work there are several key partnerships that further supported KU's financial sustainability and scalability in 2022.

Wyndham City Council

The City of Wyndham, located in the outer south-western suburbs of Melbourne, is one of the largest and fastest growing municipalities in Australia.

Over the next two decades Wyndham City Council plans to build 19 new kindergartens to meet the expanding needs of the community.

KU's partnership with Wyndham City Council began in 2020 when KU was selected by Council to participate in their approved panel to support the provision of future kindergarten services within the Local Government Area.

In 2021 KU was selected by Council to deliver kindergarten services at their new community centre in Tarneit. KU Dianella Kindergarten officially opened in January 2022 and successfully delivers a high quality, play-based sessional kindergarten program to the children and families at the service.

KU works closely with Council to support the delivery of the service by working with Council's Children's Services team, including the community support and enrolments team, to support families who wish to enrol at the kindergarten.

KU participates in regular meetings run by Council with stakeholders from the community centre. This group shares knowledge, ideas, and resources to regularly review how all services in the centre can best support the local community.

Continuing to build on this successful partnership during 2022, KU was selected to deliver another kindergarten service in Manor Lakes. KU worked closely with Council in the later stages of the design and construction of this new integrated community family centre and kindergarten by supporting the Service Approval process, assisting to equip the kindergarten and in supporting the establishment of a new toy library at the community centre.

The new service, named KU Birnbial Kindergarten, is the second kindergarten KU will deliver in partnership with Council, with the service opening its doors to children and families in February 2023.

KU will continue to partner with Council and the other four Early Years Managers in assisting with the future design and delivery of children's services in the Local Government Area.

KU's positive partnership with the Council was warmly expressed by Megan Bryans, Early Years Partnership Officer at Wyndham City Council.

"You have all shown what collaboration and persistence can achieve and I am so thrilled that KU Birnbial will be opening its doors to children and families, not as originally planned, but to the plan we all so agilely enacted for the benefit of the Wyndham community," she says.

Through the establishment and opening of both KU Dianella and KU Birnbial, KU has strengthened our collaborative partnership with Wyndham City Council, with both services supporting KU's and Council's long-term vision and strategic objectives.

The setting up of these two services also supports KU's financial sustainability and scalability, with KU having the potential to deliver additional services to Wyndham City Council and other councils in the future.



Consultancy partnerships

In 2022, KU delivered specialist childcare consultancy work by partnering with a wide range of clients including Councils, architects, corporate organisations, and a range of early years service operators to deliver 29 consultancy projects across NSW and Victoria.

Two of the larger consultancy clients were Narrabri Shire Council in northwestern NSW and North Sydney Council.

Working in partnership with Families@Work, KU was contracted by Narrabri Shire Council to deliver a childcare needs analysis for the whole of the Narrabri Shire Local Government Area which was in the process of facing significant infrastructure challenges. Based on the outcome of the childcare analysis, KU produced a substantial report outlining Council’s options, and better enabling them to meet the needs of their local communities.

This initial work was followed by a feasibility study offering models for a potential childcare service in the area. These results were then presented to Council.

This project involved a significant amount of time, and this work was undertaken throughout the year.

For many years, KU has partnered with North Sydney Council. This positive and enduring partnership has resulted in the Council regularly requesting consultancy work from KU.

In 2022 these pieces of work included undertaking several reviews of Development Applications for proposed childcare services looking to operate within the Council LGA. KU provided advice on the developments, as well as reviews of current operational services and a proposed new occasional care service.

In addition to these Council projects, KU is also regularly approached to advise on quality practice and compliance for both community based and corporate organisations. These frequent requests reinforce KU’s strong reputation for our commitment to quality and as experts in our field.

KU’s consistent stream of consultancy work from both new and existing clients continues to increase and is just one additional source of income supporting KU’s long-term financial sustainability and wellbeing.



Start Strong Free Preschool Program



The COVID-19 pandemic continued to impact the number of enrolments and the operation of early childhood education and care services in 2022. Government assistance provided support during these challenging times.

Funding assistance from both Commonwealth and State governments, including the NSW Government’s Start Strong Free Preschool program, supported KU and other early childhood providers to continue providing early childhood education and care during these challenging times.

The NSW Government ‘COVID-19 free preschool funding program’, offered in 2021, provided a temporary program designed to support families with cost of living pressures and to assist community preschools to continue providing 600 hours of early childhood education to children in the two years before school.

This program was replaced in 2022 with a fee-relief arrangement called ‘Start Strong Free Preschool’. Through this program, the NSW Department of Education committed to “...ensuring that all children in New South Wales can participate in 600 hours of quality preschool education in the years before school, no matter where they live or what their circumstances are.”

The new Start Strong Free Preschool program encouraged more families in NSW to enrol their three and four-year-old children in community preschool programs for 15 hours or two days per week in most settings.

As a result, KU saw an increase in demand for preschool in NSW.

In 2022, 5,272 children attended a KU preschool in NSW; an increase from the previous year.

While this funding did assist KU and other early childhood providers during a challenging period for the sector, it ultimately supported and benefitted children, families, and communities through increased access to high quality early childhood education and care programs.

In addition, KU welcomes the NSW and Victorian Governments’ plans to fund every child in their year before school for five days per week, for little or no cost for families. This is proposed to be delivered within five years in Victoria and within ten years in NSW.

Sustainability and scalability through technology



Throughout 2022, KU proactively and extensively sought to leverage efficiencies through technology and software to support our financial sustainability and scalability. Here are just two examples.

Storypark Manage

In 2021, after an in-depth review and rigorous due diligence of various Child Care Management Software (CCMS) providers, KU made the decision to migrate from QikKids to Storypark Manage.

Storypark Manage 'powered by Xap', is considered by many to be Australia's most advanced CCMS. The integration of the systems gives KU's families a smoother online experience while streamlining administrative tasks for KU such as waitlist management, as Lyndel Seymour, KU's Manager of Business Operations explains.

"Each child's data is now captured and securely stored digitally so staff have all the necessary documentation at their fingertips, such as birth certificates and immunisation records," she says.

"And it's not just KU employees that benefit, Storypark Manage offers families a superior experience as they transition from waitlist to enrolment," she says.

"It's the automation within Storypark Manage that sets it apart. There is a lot less manual administration involved, particularly when it comes to registering children's attendance," says Lyndel.

Migration of the new CCMS successfully rolled out across all KU long day care services and preschools in 2022 with new kiosks installed in preschools to replace paper sign-in and sign-out sheets.

Families now access iPads to register their children's attendance. Staff can easily check this data and quickly sign children in or out should a parent forget, and they can also note any absentees.

These records are available online and sync directly to Storypark Manage. The digital attendance records are a vital tool in the event of an emergency.

Invoicing is another area that has been streamlined.

"Parents can access all their bookings and manage banking and payment details through the Storypark Manage Guardian portal, making it a more simplified and secure process," says Lyndel.

Cybersecurity

KU is committed to safeguarding the privacy of personal information of children, families and staff in the organisation. We recognise confidentiality as an individual right and a foundation for healthy partnerships with our families and employees.

When put into practice, cybersecurity measures help protect the confidentiality, integrity and availability of computer systems, networks and data, against unauthorised access or cyber-attacks.

Implementing effective cybersecurity measures has become more challenging over time due to the number of devices available per household, and the increasing resourcefulness of attackers.

To stay ahead, KU has been implementing an ongoing and evolving program of KU IT systems penetration testing along with user cybersecurity training including education about phishing and whaling, as Mark Matovina, Manager of Information Technology and Telecommunications at KU explains.

"In 2020, KU was invited to be a foundation member of the Australian Government, Australian Cybersecurity Centre (ACSC) – a network and think tank for cybersecurity awareness and management," says Mark.

"And it's this membership that has provided KU with access to leading research, cybersecurity experts and professional development," he says.

'KU Cybersecurity: Everyone's Responsibility' is the latest bespoke learning module for staff and was developed in 2022 (to be deployed in 2023) in response to ensuring best practice and user vigilance following the Optus data breach.

"To give you an idea of how seriously we take cybersecurity, we have created a Zero Trust design architecture," says Mark. "All of our proactive training campaigns for staff are designed to improve the security of the entire system."

KU's progressive approaches, along with partnerships with industry leaders, supports our ability to be agile and ready to respond not only to changing organisational needs, but also to evolving technologies and methodologies.

We make
a positive
social
impact



Advancing self-determination

KU has an unwavering commitment to elevating Aboriginal and Torres Strait Islander voices. Here are just a few initiatives that reflect the success of localised stories through the engagement, work and decision-making of Aboriginal and Torres Strait Islander Peoples.

KU's Statement of Commitment

KU recognises we have an organisational responsibility to the revitalisation and advancement of the cultures, histories and beliefs of the First Nations Peoples of Australia as determined by them.

KU's Statement of Commitment to Aboriginal and Torres Strait Islander Peoples was created in 2021 in consultation with our Aboriginal and Torres Strait Islander Advisory Group.

Ten principles of action underpin the Statement that strongly advocate for the self-determination of Aboriginal and Torres Strait Islander Peoples and align with KU's organisational vision, purpose and values, through ethical and respectful practices.



We will...

- 1 Actively seek, listen and respond to the voices of Aboriginal and Torres Strait Islander peoples, and advocate for their right to self-determination and equal participation in decision-making.
- 2 Promote the United Nations Declaration of the Rights of Indigenous Peoples.
- 3 Respect, protect and promote the rights, diversity of unique cultures and rich heritages of Aboriginal and Torres Strait Islander peoples, families and communities.
- 4 Listen to the local issues of Aboriginal and Torres Strait Islander peoples and respond to what they fundamentally want for their communities.
- 5 Acknowledge and accept that Aboriginal and Torres Strait Islander families and communities will determine how their children grow up culturally strong.
- 6 Create career pathways and employment opportunities for Aboriginal and Torres Strait Islander employees across all levels of the organisation.
- 7 Establish culturally acceptable, safe and supportive environments for all Aboriginal and Torres Strait Islander peoples who engage with our organisation.
- 8 Facilitate informed cultural dialogue to increase employee capacity to recognise and challenge systemic inequalities.
- 9 Create agency and provide opportunities for all Aboriginal and Torres Strait Islander employees to influence and inform their personal and professional learning experiences.
- 10 Advocate for greater recognition, acceptance and privileging of the cultural knowledges, expertise and skill sets of Aboriginal and Torres Strait Islander peoples.

Mobo Jarjums - Tomorrow's Children

The journey for the Gold Coast Inclusion Support Queensland (ISQ) team on Yugambah Country began some years ago.

It started with knowing that by listening deeply and opening to reflecting on and learning more about Australia's history and culture, they could make a real difference in the lives of educators, children and families.

As the team worked to develop community connections and enrich their appreciation of Australia's cultural heritage, they were introduced to local Aboriginal woman, Billie Musk and local Elder, Uncle Allan Lena who have been invaluable guides on the journey both literally and figuratively.

Over time, a variety of opportunities have been initiated and facilitated by the Gold Coast ISQ team to support educators in connecting with and building capacity to embed Aboriginal and Torres Strait Islander perspectives.

One of these is the Mobo Jarjums networking group. The name means Tomorrow's Children and was chosen by the group in consultation with Uncle Allan and Billie.

Formed with just 10 educators in 2019, today the community of practice continues to grow with over 70 services involved including local organisations and government departments.

In addition, a mentoring program has been established within the Mobo Jarjums group, providing an opportunity for educators to use their increased capacity and knowledge of Aboriginal and Torres Strait Islander cultures and practices, to share and mentor other educators so they too embed Aboriginal and Torres Strait Islander cultures into their services.

Service Director, Pollyanne Webb is grateful for the opportunity to be part of the mentoring program, and says it enabled her to reflect on her own understanding and knowledge of how to embed Aboriginal and Torres Strait practices so she could then support other educators.

"Becoming a mentor for the Mobo Jarjums allowed me to reflect on my own journey and challenges I overcame with moving one step at a time," Pollyanne says. "Each step was not taken alone, but with friends, educators, sector professionals, children, Aunts and Uncles."

"Without the input and guidance of Mobo Jarjums I wouldn't be the Service Manager I am today or have the knowledge to share with my team," says Pollyanne.

Inclusion Support Queensland is funded by the Australian Government through the Inclusion Support Program.

"Without the input and guidance of Mobo Jarjums I wouldn't be the Service Manager I am today or have the knowledge to share with my team."

- Pollyanne Webb,
Service Director



Wiradjuri Language Program

An exciting partnership has been developed with the Wagga Wagga Aboriginal Education Consultative Group (AECG) to deliver a local language program in three KU preschools.

Connections between the Wagga Wagga AECG and KU were established in 2021 through Ashleigh Pengelly, KU's Community Cultural Coordinator – a role funded through the KU Marcia Burgess Foundation.

This collaboration led to KU being invited to participate in a 40-week Wiradjuri Language Program from July 2022, administered and facilitated through the AECG and funded by the NSW Department of Education's Nginganah No More Program.

KU Ashmont, KU Kangaroo and KU Kingfisher were selected to be part of this community led program due to the large number of Aboriginal children enrolled in the preschools.

In a relatively short time, the growth in understanding and use of Wiradjuri Language was evident across all three KU services.

The children's interests were reinforced by their co-learning educators who helped build awareness of the Wiradjuri culture and created culturally respectful experiences and environments together with the local Aboriginal community – the knowledge holders and leaders of this process.

Now, children are sharing the words they have learned with their families to revitalise its broad usage throughout the community.

Christine Harris, Vice President, Wiradjuri Languages, AECG, Wagga Wagga says she is enthusiastic about working with KU's preschools in delivering the program.

"The Community Cultural Coordinator has worked really well with us in coordinating Wiradjuri Language teachers for KU's preschools," says Christine.

"Ash is very respectful of our Elders, who have been part of the language program, and is happy to assist them in any way. Without this role, I don't think the language program would have been successful," Christine says.

Honey Bird community connections

Honey Bird is a KU work-based service dedicated to providing quality early education and care for children of Commonwealth Bank of Australia (CBA) employees, and sits atop a low-rise office block in Eveleigh, an inner southern suburb of Sydney.

In 2020, when families expressed interest in donating Christmas presents to a charity, Rachel Cunningham, Director of the service, began researching the local Aboriginal organisations that support young children, their families and community.

Rachel connected and spoke with the CEO of an organisation that knew families at a local playgroup who would be interested in receiving gifts. From there, the very early stages of a respectful community relationship began.

After some months spent building trust, KU's Aboriginal and Torres Strait Islander Cultural Facilitator was invited to attend the playgroup to meet the families involved.

The purpose of those visits was to gently start to find out if and how KU would be able to support the parents. Those early conversations involved ideas like excursions for the playgroup to visit Honey Bird and Jiwah, an Aboriginal company specialising in cultural landscape and design. But there were even more impactful ideas waiting to evolve.

In 2022 a meeting was held between the playgroup coordinator, the CBA Senior Manager for Indigenous Engagement and Development and one of KU's Education Quality Managers to discuss the possibility of scholarships being offered to local Aboriginal and Torres Strait Islander children to attend Honey Bird.

With CBA representatives on board, the team participated in the playgroup's annual festival. A sponsored activation saw KU and playgroup educators working side-by-side to facilitate children's play on the day.

And when Honeybee, another of KU and CBA's work-based services ceased operating, CBA agreed for surplus resources to be donated to the playgroup and for families to use at home if they were interested.

Now CBA is considering ways to support employment opportunities for young Aboriginal women.

This story, and the relationship that is being fostered, is ongoing.

KU Autism Support Team

KU's Equity, Education and Support Team supports KU services with the inclusion of children with additional needs. In January 2022, the team welcomed three new permanent members, forming an ongoing Autism Support component within the team.



After the KU Marcia Burgess Autism Specific Early Learning and Care Centre, a service providing specialist support for children with Autism Spectrum Disorders (ASD), amalgamated with KU Liverpool Preschool, three Early Start Denver Model (ESDM) Certified Therapists from KU Marcia Burgess ASELCC came together to form the Autism Support Team.

The newly created team consists of Rebecca Harrison, Autism Support Coordinator, and Linda Johnson and Anita Cvijic, Autism Support Facilitators.



Rebecca coordinates the provision of Autism Support in KU services and supports Linda and Anita, while all three provide support and guidance to educators to implement inclusive programs and equitable outcomes for children in KU services who are either diagnosed with ASD or undergoing assessment for ASD.

KU services can request 'Guided Practice' visits on completion of 'One of the Kids' professional learning sessions.

The aim of Guided Practice visits is to strengthen the capacity of educators to deliver a high quality inclusive educational program that is responsive to the individual learning and behaviour support plans of children with ASD.

During these visits, the Autism Support Facilitator will speak with the child's educators, spend time in the play environment observing and interacting with the child, and provide guidance and support directly to educators to implement inclusive programs and individualised strategies to support positive outcomes for the child.

After a visit, the Facilitator will provide a report for the educators documenting discussions, observations, resources and follow up strategies. The Education Support Manager for the service will then provide engagement with the resources and follow up strategies, while the Autism Support Facilitator may provide continued support, such as through ongoing visits.

The 'One of the Kids' training package and associated 'Guided Practice' sessions were implemented in three KU services during research conducted in 2016. The delivery of supports to KU educators has been reviewed, and improved upon since that time and is now delivered by the dedicated team to all KU services.

"It's been exciting to be part of the evolution of the Autism Support Team from its beginning with the research project in 2016 to now. It has been a pleasure for the team and I to walk with educators as they support children with ASD in KU services," says Rebecca Harrison.

In 2022, the team increased the capacity of 208 educators across 31 KU services via the delivery of 'One of the Kids' training. The team also supported 214 children with ASD, or undergoing assessment for ASD, through 'Guided Practice' visits at 53 KU services.

Feedback from KU staff about the training sessions and Guided Practice visits has been overwhelmingly positive, with Kathy Cole-Clarke, Director at KU North Ryde Preschool, commenting:

"This was one of the best professional learning opportunities we have experienced, especially paired with the 'One of the Kids' training. It was practical, directly relatable to the needs of the staff team and the individual children in the service, and provided many helpful strategies that were modelled and then able to be put into practice. Each staff member involved felt more empowered and confident after the training."

The training sessions and Guided Practice visits are changing mindsets, increasing the capacity of educators, reducing staff stress, and enhancing developmental outcomes for children with ASD in the context of play-based inclusive environments.

The team is looking forward to building on their work from 2022 as they continue to engage with educators supporting children with ASD in KU services.





Big Situations

There is increasing evidence that national and world events are having a negative impact on children's life experiences and development, with some children experiencing trauma as a result.

Over the past few years, Australian communities have been impacted by a range of natural disasters coupled with a global pandemic.

To support early childhood educators to include all children while responding to and supporting recovery from these major events and challenges, the NSW/ACT Inclusion Agency developed a new online resource titled 'Big Situations' in 2022.

The resource focuses on five 'big situations': Critical Incidents; Epidemics and Pandemics; Family Violence; Loss and Grief; and Natural Disasters.

The resource was designed to be a starting point for educators to quickly connect with targeted support and resources to enable them to enhance everyone's understanding, wellbeing and resilience when responding to these situations. It includes information relating to:

- Safety
- Tips for responding straightaway
- Things to consider when responding to, or preparing for, a big situation
- Resources for preparing and responding
- Being prepared for unexpected incidents
- Stories for reflection

The resource is not about educators needing to know everything or feeling pressured to resolve or fix big situations. It empowers them by providing access to the supports and resources they need to develop their knowledge, skills and confidence to continue their important work with children, families and communities when big situations happen.

As the NSW/ACT Inclusion Agency provides inclusion support to around 5,500 early childhood education and care services across NSW and the ACT, the resource is available to support educators to provide a positive impact on the wellbeing of thousands of children and families as they experience these challenging events.

The response to the Big Situations resource has been very positive from educators in the sector, with the Australian Government Department of Education also recognising the value of the resource by sharing an article about it within their national News Wrap.



Upcycling staff uniforms

35.5kg

textiles diverted from landfill

124.25kg

greenhouse gases prevented

In 2022 KU partnered with Upparel, leaders in textile recovery and recycling, to repurpose old KU staff uniforms and children's hats.

These items were collected, shredded and made into new materials or repurposed into new products such as construction materials, cushioning, protective packaging, pet beds and more.

By repurposing these items, at the end of the year KU had diverted 35.5kg of textiles from landfill and prevented 124.25kg in greenhouse gases!

We look forward to continuing to upcycle old uniforms and children's hats to reduce our environmental impact.

KU Marcia Burgess Foundation impact

The KU Marcia Burgess Foundation, KU's charitable entity, is supported by individuals, Trusts, Foundations, and corporate organisations alike to achieve even greater inclusive early education outcomes for children, including strengthening KU's collaborations with Aboriginal and Torres Strait Islander communities.



Community Led Program: Wagga Wagga

Located on Wiradjuri Country, in Wagga Wagga at the eastern end of NSW's Riverina region, this program was co-designed with Wiradjuri Elders and the local Aboriginal community. The program supports the National Agreement on Closing the Gap and was established to build trusting relationships and collaborations to improve access to culturally respectful early learning experiences and environments reflective of their culture and ways of life.

Throughout 2022, the KU Marcia Burgess Foundation (the Foundation) received funding support from both Perpetual's Impact Philanthropy Program and James N Kirby Foundation. The important role of the Community Cultural Coordinator continued to strengthen local Aboriginal connections with KU as a high quality early education provider.

While in the process of directly supporting families' entry to early education, the Community Cultural Coordinator identified areas of improvement to KU's preschool enrolment process and pathways of access to KU's Allied Health Service. They have also been able to connect Wiradjuri cultural knowledge holders with KU's preschools as well as support locally led self-determined initiatives.

As the program develops, we have learned it is important to work at a pace suitable to the community, to listen to local voices and learn from them, and deliver meaningful early education services that Aboriginal people want to involve their families.

Aboriginal enrolments across KU's five preschools in Wagga Wagga increased from 61 to 90 children (+47.54%) in the 18 months to December 2022, and with noticeably higher participation in services where Aboriginal educators are employed.

Responding to self-determined, locally led programs

As part of the Community Led Program in Wagga Wagga, a \$10,000 grant from the CommBank Staff Foundation supported an arts-based project at KU Ashmont Preschool and Family Centre.

Working together with the children and their families, Wiradjuri artist Ms Terri O'Brien shared local cultural knowledge, language and cultural meanings of Aboriginal symbols and images to create designed polo shirts for the children and an inter-generational mural for display at KU Ashmont.

Learn about the Wiradjuri Early Language Program on page 57.

Aboriginal Early Languages Program

After a positive pilot program in 2021, generous donations to the Foundation enabled the Dharawal Early Language Program to be extended for 12 months in three KU services on Dharawal Traditional Lands in Sydney's southern suburbs. Through the Gujaga Foundation, the Dharawal Early Language Program was delivered in ANSTO Children's Centre, KU Heathcote Preschool and KU Sutherland Preschool from July 2022.

As KU grows connections with the local Aboriginal peoples, we continue to learn and develop a deeper cultural understanding and respect. As we reflect and create culturally responsive practices, experiences and environments, we hope to welcome more Aboriginal families to participate in KU services and develop an extended Aboriginal Early Languages Program.

Little Buddies Toy Library

When a community need was identified by Wyndham City Council in Victoria, the Foundation donated \$20,000 to support equipment set up costs at the new Little Buddies Toy Library alongside KU's Birnbial Kindergarten in Manor Lakes.

Wyndham is a low socio-economic community with the highest birth rates in Australia. It has the largest Aboriginal population within Greater Melbourne and 41% of the population were born overseas in 162 different countries.

If you're interested in joining with us to deliver programs that have a positive social impact, please email foundation@ku.com.au.

The Foundation proudly supports Wyndham local families' access to educational equipment which they may not ordinarily be able to afford. The well-equipped toy library also helps alleviate social isolation for families and their children.

Allied Health Financial Assistance Program

Introduced as a new Foundation initiative in 2022, this program supports children to achieve their best outcomes with access to early intervention assessments and services provided by KU Allied Health and Early Childhood Intervention Programs, when families are experiencing financial vulnerability.

This program alleviates financial stress for families and any further worries they may experience from not being able to afford allied health supports for children with additional needs. The relief for families is transformational, and the educational and life outcomes for their children markedly improved.



Meet Tom

Tom is dad to Dylan and Ophelia who both attend ANSTO Children's Centre, managed by KU and located at Lucas Heights in Sydney's southern suburbs.

Dylan, a couple of years older than his sister, took part in a program at the service that is reviving the traditional local language.



What was the program you were introduced to?

My son Dylan is in the preschool room at ANSTO. In 2022, we were introduced to the Dharawal Language Program* by the educators.

Living and working in the Sutherland Shire, I was aware of being on Dharawal lands, but I was not aware of specific cultural practices or languages of the Dharawal Peoples.

How did Dylan respond to the program?

It was great to see Dylan so excited about what he had learned as part of the program. And it's been wonderful learning the songs about different body parts in Dharawal words along with all the other words for everyday things around us that Dylan has brought home with him.

How has being involved in the program impacted your family?

I really appreciate that our children get this opportunity to be learning about our local Indigenous culture and Country, especially as my partner and I are immigrants from Europe and do not have the history of learning about these things in our backgrounds.

We are looking forward to Ophelia's participation in the program when she joins the preschool room!

**ANSTO Children's Centre, KU Heathcote Preschool and KU Sutherland Preschool have partnered with the Gujaga Foundation to deliver the Dharawal Language Program. The program is funded through generous donations to the KU Marcia Burgess Foundation.*

Board of Directors and Executive Team



Board of Directors



**Sema Whittle
(formerly Musson)**
B.Bus, M.Mngt, GAICD



Peter Roberts
B.Fin.Admin, Fellow of Institute of
Chartered Accountants (FCA), GAICD,
Graduate Diploma - Securities Institute



Helen Argiris
BCom (Accounting, Finance & Computer
Technology), Fellow of CAANZ, UNSW
Business School Alumni Leader, MAICD



Prof Patricia Eadie
BSpeech Pathology, Grad Dip, PhD,
Fellow of Speech Pathology Australia



Joshua Gilbert
BComm (Accounting),
RG146 Graduate Diploma



Prof Linda Harrison
BSc (Hons), MSc, DipT (EC), MEd, PhD
(Developmental Psychology), MAICD



Elizabeth Hristoforidis
BCom (Marketing), LLB, MLM, GAICD



Tamara Robinson
BCom (Hons)



Janet Verden
BCom (Marketing), GAICD

Executive Team



Christine Legg
Chief Executive Officer



Hayden Hills
Chief Financial Officer



Lesley Bluett
General Manager, Organisational
Development
Appointed 1 June 2022



Karen Dawson
General Manager, Organisational
Development
Resigned 31 May 2022



Natalie Grenfell
General Manager, Inclusion Programs



Jane Robinson
General Manager, People Services & IT



Cherylanne Williams
General Manager, Early Childhood
Education

Snapshot 2022





10,803 children
9,889 families
experienced the KU Difference.

Our Family



126 services
provided early education and care
services directly to children and families.



2,111 staff
helped us make the KU Difference, including
31
Aboriginal and Torres Strait Islander staff.



2,526 members
formed the foundational basis of KU's
constitutional and governance status.

489

children from
refugee and new
migrant families
were welcomed to
Australia through
early childhood
education in KU's
Adult Migrant
English Program
(AMEP) services.

9,603

early childhood
education services
were supported by KU
Inclusion Agency staff.

13,552

funding applications
were assessed by
KU's Inclusion
Development Fund
Manager team.

Our Impact

689

families increased
their child's
engagement with the
community through
KU Family Programs.

794,204

dollars invested by KU, of
its own funds, in socially
impactful programs.

778

children with
additional needs
were included in
KU services assisted
by KU's Equity,
Education and
Support team.

12,212

hours of early
intervention and
allied health
services delivered.

7

early childhood
education University
and TAFE students
supported through
KU's student awards
and professional
learning sponsorships.

370

KU staff attended
KU's Annual
Conference.

23

research
projects that KU
participated in.

267

Aboriginal and
Torres Strait Islander
children accessed
early childhood
education through
KU services.

70,751

dollars raised by the
KU Marcia Burgess
Foundation.

5,825

educators and
support staff
furthered their
professional
development
through KU's
learning and
development
programs.

320

learning and
development sessions
were delivered for
educators and staff
nationally.

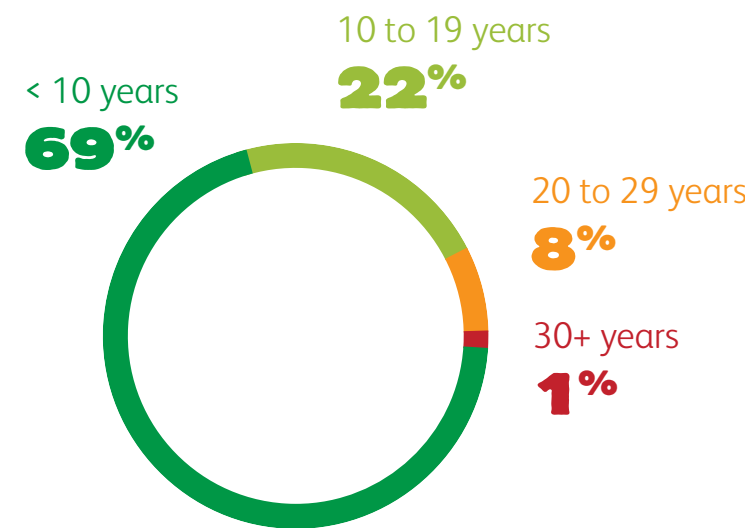


EMPLOYEE NET PROMOTER SCORE

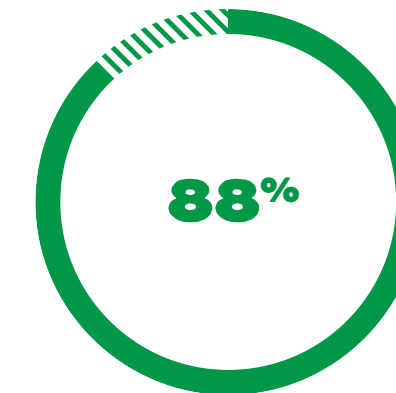


NET PROMOTER SCORE (PARENTS)

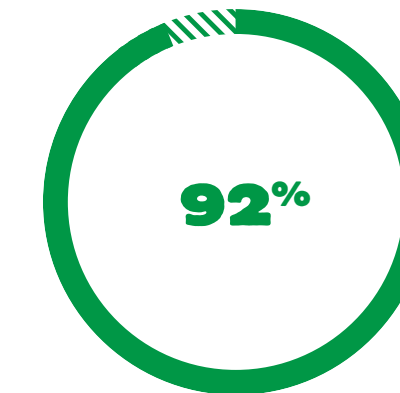
Our Results



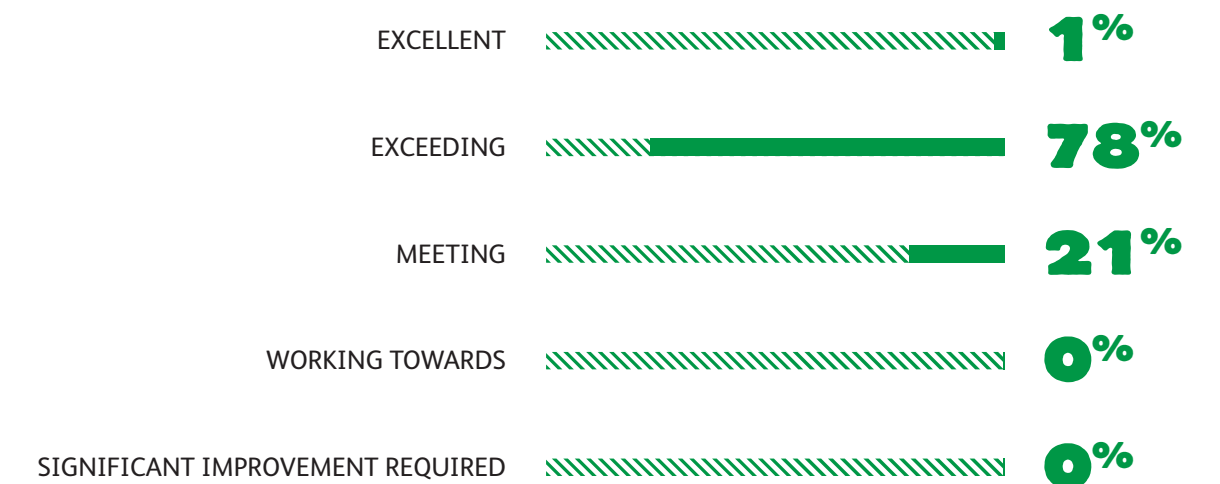
STAFF TENURE



EMPLOYEE ENGAGEMENT RATE



STAFF RETENTION RATES



KU QUALITY (NQS RATINGS)

KU 2022



FINANCIAL REPORT

KU CHILDREN'S SERVICES

PROUDLY A NOT FOR PROFIT ORGANISATION



Children's Services
Since 1895

DIRECTORS’ REPORT

The Directors present their report on KU Children’s Services (the company) for the financial year ended 31 December 2022. The Directors report as follows:

Operating Result and Cash Flow

KU’s finances are overseen by KU’s Board of Directors and KU’s Audit & Risk Management Committee who review the financial reports regularly and provide strategic direction to KU management.

KU is a financially viable organisation with a strong balance sheet and adequate reserves. KU’s long history of responsible financial management confirms KU is financially sound and progressive with a solid balance sheet and cash reserves, enabling it to pursue its strategic objectives. KU has no subsidiary or related organisations.

KU continued to navigate the ongoing COVID-19 pandemic throughout 2022, both organisationally and financially.

At 31 December 2022, KU had a net deficit of (\$1,503,830) (2021: deficit \$3,815,346), total assets of \$98,614,611 (2021: \$100,301,768) and net assets of \$38,201,296 (2021: \$39,705,126).

Short-and Long-Term Objectives of the Company

KU Children’s Services has been operating continually since 1895 and has a strong commitment to the provision of high-quality early education and care, inclusion and social responsibility.

The KU 2021-2022 Strategic Plan guided operations during 2022, which sets out 4 key priorities (see ‘Our Priorities’) for the organisation. Despite the need for agility and responsiveness to the pandemic, KU’s ongoing focus on the key priority areas ensured the organisational objectives continued to be pursued and achieved.

Highlights for the year ended 31 December 2022 are detailed in the 127th Annual Report.

Our Vision

Every young child experiences excellence in early education and care, inspiring learning for life.

Our Purpose

At KU we nurture and grow children’s learning. We partner with families and communities, and value children as citizens who create, think and do.

Our Priorities

1. We deliver, lead and inspire educational excellence
2. We have a thriving professional workforce
3. We are financially sustainable and scalable
4. We make a positive social impact

Principal Activities of the Company

The principal activities of KU during the current year have been the provision of early childhood education and care services. There were no changes to the principal activities during the year.

Performance Measurement

The Annual Report of the Company details the achievements and performance over the past year measured against the strategic goals. KU continued to achieve and perform strongly when measured against these strategic goals. KU’s key performance indicators are utilisation, staff turnover and financial performance of individual services.

Company Limited by Guarantee

The Company is incorporated as a company limited by guarantee. In accordance with the Constitution, every member of the Company undertakes to contribute \$2 to the assets of the Company in the event of it being wound up, while he/she is a member or within one year after he/she ceases to be a member. The Company has 2,526 members (2021: 3,682 members).

Directors

The names of the Directors of the Company who have held office during or since the end of the financial year are:

Director’s Name & Qualifications	Special Responsibilities
Sema Whittle (formerly Musson) B.Bus, M.Mngt, GAICD	Chair of the Board Board Member Chair of People & Remuneration Committee
Peter Roberts B.Fin.Admin, Fellow of Institute of Chartered Accountants (FCA), GAICD, Graduate Diploma - Securities Institute	Deputy Chair of the Board Board Member Chair of Audit & Risk Management Committee Member of People & Remuneration Committee
Helen Argiris BCom (Accounting, Finance & Computer Technology), Fellow of CAANZ, UNSW Business School Alumni Leader, MAICD	Board Member Member of Audit & Risk Management Committee Member of Education Committee
Prof Patricia Eadie BSpeech Pathology, Grad Dip, PhD, Fellow of Speech Pathology Australia	Board Member Member of Education Committee (from 31 May 2022)
Joshua Gilbert BComm (Accounting), RG146 Graduate Diploma	Board Member Member of KU Marcia Burgess Foundation Committee
Prof Linda Harrison BSc (Hons), MSc, DipT (EC), MEd, PhD (Developmental Psychology), MAICD	Board Member Member of Education Committee
Elizabeth Hristoforidis BCom (Marketing), LLB, MLM, GAICD	Board Member Chair of KU Marcia Burgess Foundation Committee Member of People & Remuneration Committee
Tamara Robinson BCom (Hons)	Board Member Member of KU Marcia Burgess Foundation Committee
Janet Verden BCom (Marketing), GAICD	Board Member Chair of the Education Committee Member of Audit & Risk Management Committee

Directors’ Attendance at Board Meetings (1 January to 31 December 2022)

The following table sets out the number of Directors’ meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

	Board of Directors		Audit & Risk Management Committee		Education Committee		People & Remuneration Committee		KU Marcia Burgess Foundation Committee	
	A	B	A	B	A	B	A	B	A	B
Directors										
Sema Whittle (formerly Musson)	11	11					4	4		
Peter Roberts	11	9	4	3			4	3		
Helen Argiris	11	8	4	4	4	3				
Prof Patricia Eadie	11	10			3	3				
Joshua Gilbert	11	9							5	5
Prof. Linda Harrison	11	10			4	4				
Elizabeth Hristoforidis	11	11					4	4	5	5
Tamara Robinson	11	10							5	5
Janet Verden	11	11	4	3	4	4				

- A Number of meetings held during the year while the Director was a member of the Board or Committee.
- B Number of meetings attended by the Director during the year while the Director was a member of the Board or Committee.

The auditors’ independence declaration is included on page 4 of the financial report. Signed in accordance with a resolution of the Directors.

On behalf of the Directors


Sema Whittle
Chair, Board of Directors
Sydney, 20 April 2023


Peter Roberts
Chair, Audit & Risk Management Committee
Sydney, 20 April 2023

Deloitte.

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Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
KU Children's Services
129 York Street
Sydney NSW 2000
Australia

20 April 2023

Dear Board Members

Auditor's Independence Declaration to KU Children's Services

In accordance with Subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of KU Children's Services.

As lead audit partner for the audit of the financial statements of KU Children's Services for the financial year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been 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
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gaile Timperley

Gaile Timperley
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Deloitte.

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Independent Auditor's Report to the Members of KU Children's Services

Opinion

We have audited the financial report of KU Children's Services (the "Entity") which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other 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 the declaration by the Board of Directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- giving a true and fair view of the Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures 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 Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical 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.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2022, 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 we do not express any form of assurance conclusion thereon.

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 regard.

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Responsibilities of the Board of Directors for the Financial Report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the Directors determine is 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 ability of the Entity 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 Entity or to cease operations, or has 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 Entity's internal control.
- 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 Entity'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 Entity 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gaile Timperley

Gaile Timperley
Partner
Chartered Accountants
Sydney, 20 April 2023

Directors' Declaration

The Directors declare that:

- (i) 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; and
- (ii) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and Charitable Fundraising Act 1991, including compliance with accounting standards, and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the Directors made pursuant to S.60.15 of the Australian Charities and Not-for-profits Commission Regulations 2013.

On behalf of the Directors



Sema Whittle
Chair, Board of Directors
Sydney, 20 April 2023



Peter Roberts
Chair, Audit & Risk Management Committee
Sydney, 20 April 2023

Declaration by Board of Directors in Respect of Fundraising Appeals

In the opinion of the Board of Directors:

- (i) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (iii) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with; and
- (iv) the internal controls exercised by the Company are appropriate and effective in accounting for all income received.

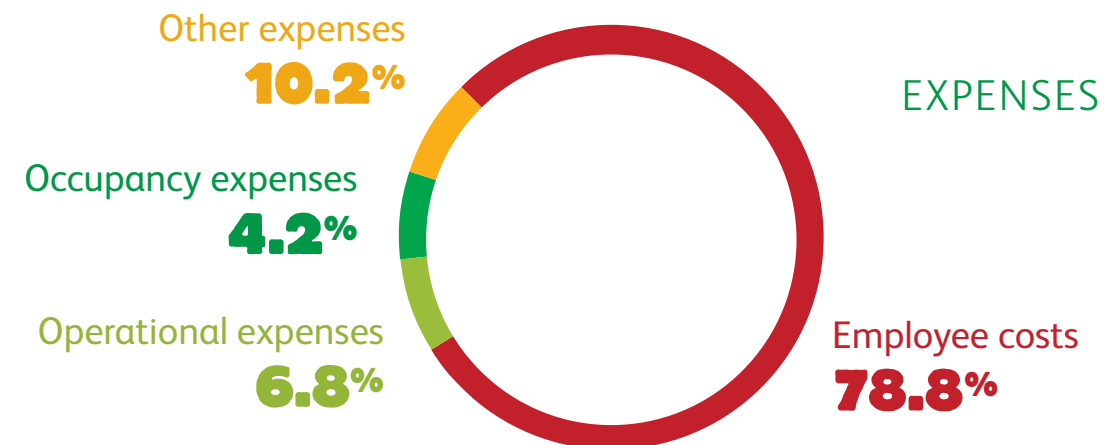
Signed in accordance with a resolution of the Board of Directors.



Sema Whittle
Chair, Board of Directors
Sydney, 20 April 2023



Peter Roberts
Chair, Audit & Risk Management Committee
Sydney, 20 April 2023



Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue from fees	5(i)	57,410,441	55,860,347
Revenue from non-capital government funding	5(ii)	85,537,446	77,709,332
Other revenue	5(iii)	5,658,019	6,530,065
		<u>148,605,906</u>	<u>140,099,744</u>
Employee costs		118,559,073	114,231,652
Operational expenses		10,305,066	10,429,149
Occupancy expenses		6,249,410	4,645,037
Depreciation		2,911,916	2,309,391
Amortisation		2,014,569	3,070,980
Depreciation	5(v)	4,926,485	5,380,371
Administrative expenses		6,125,464	5,817,639
Repairs & maintenance		2,200,211	1,989,407
Marketing expenses		699,691	614,770
Finance costs	5(v)	228,674	327,260
Disposal and asset write-off		-	601,241
Other expenses		1,230,477	928,380
		<u>150,524,551</u>	<u>144,964,906</u>
Deficit from ordinary operations		(1,918,646)	(4,865,162)
Other Income			
Government capital grant funding	5(iv)	414,816	1,049,816
Deficit for the year		<u>(1,503,830)</u>	<u>(3,815,346)</u>
Total comprehensive income for the year		<u>(1,503,830)</u>	<u>(3,815,346)</u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes.

Statement of Financial Position as at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	18(b)	50,019,155	53,389,604
Term deposits	19	2,500,000	500,000
Trade and other receivables	6	1,900,636	464,495
Other assets	7	951,348	1,425,022
Total current assets		55,371,139	55,779,121
Non-current assets			
Right-of-use assets	15	3,276,661	5,123,369
Property, plant and equipment	8	39,966,811	39,399,278
Total non-current assets		43,243,472	44,522,647
Total assets		98,614,611	100,301,768
Liabilities			
Current liabilities			
Trade and other payables	9	15,667,933	14,654,215
Lease liabilities	10(a)	2,479,790	2,521,485
Unearned income	11	17,100,056	16,236,791
Provisions	12	19,619,561	20,172,212
Total current liabilities		54,867,340	53,584,703
Non-current liabilities			
Non-current provisions	12	3,056,036	3,060,884
Lease liabilities	10(b)	2,489,940	3,951,055
Total non-current liabilities		5,545,976	7,011,939
Total liabilities		60,413,316	60,596,642
Net Assets		38,201,296	39,705,126
Equity			
Retained Earnings			
General funds	13	37,163,340	38,665,097
Fundraising reserve	14	1,037,956	1,040,029
Total Retained Earnings		38,201,296	39,705,126

The Statement of Financial Position is to be read in conjunction with the notes.

Statement of Changes in Equity for the Year Ended 31 December 2022

	General Funds \$	Fundraising Reserve \$	Total \$
Balance at 1 January 2021	42,442,541	1,077,931	43,520,472
Deficit for the year	(3,815,346)	-	(3,815,346)
Transfer from/(to) general funds	37,902	(37,902)	-
Balance at 31 December 2021	38,665,097	1,040,029	39,705,126
Balance at 1 January 2022	38,665,097	1,040,029	39,705,126
Deficit for the year	(1,503,830)	-	(1,503,830)
Transfer from/(to) general funds	2,073	(2,073)	-
Balance at 31 December 2022	37,163,340	1,037,956	38,201,296

The Statement of Changes in Equity is to be read in conjunction with the notes.

Statement of Cash Flows for the Year Ended 31 December 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from customers, government bodies and centres	120,299,530	117,192,520
Receipts from brokered programs	27,756,567	28,578,964
Payments to suppliers and employees	(117,913,228)	(115,554,126)
Allocations to recipients of brokered programs	(27,116,405)	(28,347,613)
Net cash generated by operating activities	3,026,464	1,869,745
Cash flows from investing activities		
Payment for property, plant and equipment	(3,473,840)	(9,721,989)
Receipts from government capital grants	984,928	1,180,205
Interest received	492,074	98,095
Finance costs	(29,198)	(28,301)
Investments in term deposits	(2,000,000)	5,000,000
Net cash (utilised in)/generated by investing activities	(4,026,035)	(3,471,990)
Cash flows from financing activities		
Payment of lease liabilities	(2,370,877)	(3,443,404)
Additions to lease liabilities	-	285,094
Movement in leases liabilities	(2,370,877)	(3,158,310)
Net cash (utilised)/generated by financing activities	(2,370,877)	(3,158,310)
Net increase in cash and cash equivalents	(3,370,449)	(4,760,555)
Cash and cash equivalents at the beginning of the financial year	53,389,604	58,150,159
Cash and cash equivalents at the end of the financial period	50,019,155	53,389,604

The Statement of Cash Flows is to be read in conjunction with the notes.

Notes to the Financial Statements for the Year Ended 31 December 2022

1. Corporate information

The financial statements of KU Children's Services (the Company) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 28 March 2023.

The Company is incorporated as a company limited by guarantee. The financial statements are presented in Australian dollars, which is KU Children's Services' functional and presentation currency.

2. Application of new and revised Australian Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2022.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*
- AASB 2021-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2022-1 *Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2021-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> and AASB 2021-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1-Jan-23
AASB 2022-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1-Jan-23
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1-Jan-23

3. Summary of Accounting Policies

Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991.

The entity previously prepared general purpose financial statements under Tier 2-Reduced Disclosure Requirements. There were no transition adjustments other than some limited disclosure changes on the adoption of Australian Accounting Standards –Simplified Disclosures.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars. The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Property, plant and equipment

Land and buildings, leasehold improvements, furniture and office equipment, motor vehicles and computers are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on furniture and office equipment, motor vehicles and computers, including freehold and leasehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The useful life of an asset is determined by Management in line with guidelines as specified in AASB 16 *Property, Plant and Equipment*. The below estimates of useful life per class of asset are provided as a guide only. The actual

estimation and application of the useful life and salvage value of the asset is a reasonable judgement made by Management based on the experience of the entity with similar assets.

The following estimated useful lives are used as a guide in the calculation of depreciation:

- Buildings owned: 33-50 years
- Buildings fixtures and fittings: 5-14 years
- Leasehold improvements: lease term or 10 years
- Furniture and fittings: 5-10 years
- Computers and hardware: 3-5 years
- Motor vehicles: 8-10 years

The Company reviews its estimate of the useful lives of leasehold improvements at each reporting date, based on the period over which an asset is expected to be available for use by the Company. Land is carried at cost and is not depreciated.

b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and rostered days off when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

The Company pays contributions to certain defined contribution plans. Contributions are recognised in profit or loss in the periods during which services are rendered by employees.

c) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

d) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets - Initial recognition and measurement

At initial recognition, financial assets are classified and measured at fair value. Financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The classification of the financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics.

Financial assets subsequently measured at amortised cost

Debt instruments are measured subsequently at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise to on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets designated at fair value through other comprehensive income (FVTOCI)

Debt instruments are subsequently measured at fair value through profit or loss if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- 1) The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- 2) The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3. Summary of Accounting Policies (continued)

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

De-recognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of trade and other receivables

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

e) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

f) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Consolidated Statement of Financial Position.

The Company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

For the concessionary leases, the Company applies the option under AASB 2018-8 to measure the right-of-use-assets at cost on initial recognition.

g) Revenue recognition

The Company recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations
- Capital grants
- Parent fees

Government grants and donations

When the Company receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g., AASB 9, AASB 16, AASB 116 and AASB 138)
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
 - contributions by owners (AASB 1004)
 - a lease liability (AASB 16)
 - a financial instrument (AASB 9)
 - a provision (AASB 137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

Capital grants

For capital grants received under an enforceable agreement where it includes a transfer to enable the Company to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the Company when completed, the Company recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

3. Summary of Accounting Policies (continued)

i) Term deposits

Term deposits comprise investment deposits held with banks with short to medium term maturity periods. The investments are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

j) Income tax

The Company is exempt from income tax under s50-5 of the Income Tax Assessment Act, as it is an income tax exempt charitable entity. As a consequence, there is no income tax attributable to the operating result.

k) General funds and reserves

General Funds

The general funds represent the retained earnings of the Company that are not designated for particular purposes.

Fundraising Reserve

The fundraising reserve arises from the accumulated surpluses generated as a result of the efforts of parents and staff to allow services to purchase toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

l) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

m) Program Reserve

The Program reserve arises from surpluses on the programs that have been allocated to the Company for future liabilities that may arise which the Company will be accountable for.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

o) Unearned income

The liability for unearned income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

p) Comparatives

Comparatives have been realigned where necessary, to agree with current year presentation. There was no change in the profit or net assets.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

4.1 Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on-cost rates; and
- experience of employee departures and period of service including future years in which long service leave is expected to be taken.

4.2 Leasehold improvements

As described at 3(a) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

4.3 Impairment

In assessing impairment, the Company estimates the recoverable amount of each asset based on the depreciable replacement cost in accordance with AASB 136 *Impairment of assets*.

4.4 Impairment of trade and other receivables

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

4.5 Make good provision

Provisions for make good are included, where applicable, using the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises.

4.6 Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties.

Income recognition from grants received by the Company have been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Determining the timing of satisfaction of performance obligations (and therefore whether to use an output or input method to recognise revenue over time) requires particular judgement in the case of grant contracts not directly linked to enrolment numbers. In most cases the best measure of performance obligations being satisfied was determined to be the Input method. As such revenue is recognised on these types of contracts as costs are incurred as this was determined to be the most accurate measure of satisfaction of performance obligations.

4.7 Leases (Company as a lessee)

Concessionary leases

The Company leases various buildings from local councils with significantly below-market terms and conditions principally to enable it to further its objectives.

As outlined in the Company's accounting policy in Note 3 (f), the Company has elected to measure these leases at cost.

5. Deficit for the year

	2022 \$	2021 \$
(i) Revenue from fees		
Parent's fees	57,410,441	55,860,347
(ii) Revenue from non-capital government funding		
Government funding	85,537,446	77,709,332
(iii) Other revenue		
Other revenue from ordinary operations consisted of the following items:		
Management fees	1,821,935	1,883,424
Gross fundraising income	177,623	153,777
Interest income	492,074	98,095
Consultancy fees	902,800	847,260
Sales of publications and courses	69,078	196,500
Sponsor support	1,799,112	2,781,821
Other sundry revenue	395,397	569,188
	<u>5,658,019</u>	<u>6,530,065</u>
(iv) Other income		
Government capital grant funding	414,816	1,049,816
(v) Deficit		
Deficit has been arrived at after charging the following items:		
Depreciation		
Property, plant and equipment	(2,911,915)	(2,309,391)
Right-of-Use Assets	(2,014,569)	(3,070,980)
Total depreciation	<u>(4,926,484)</u>	<u>(5,380,371)</u>
Total depreciation	<u>(4,926,484)</u>	<u>(5,380,371)</u>
Net expected credit losses and bad debts written off	<u>(15,124)</u>	<u>(19,762)</u>
Finance costs		
Interest and finance charges paid/payable	(473)	(656)
Interest on Right-of-Use assets	(228,201)	(326,604)
	<u>(228,674)</u>	<u>(327,260)</u>
Gain/(Loss) on disposal of assets	<u>5,610</u>	<u>(601,241)</u>

REVENUE SOURCES



6. Trade and Other Receivables

	2022 \$	2021 \$
Trade receivables		
Trade receivables	1,754,654	439,336
Allowance for expected credit losses	(41,566)	(61,251)
Accrued income	158,621	(10,000)
	<u>1,871,709</u>	<u>368,084</u>
Other receivables		
Other receivables	28,926	96,410
	<u>1,900,636</u>	<u>464,495</u>
Reconciliation of allowance for expected credit losses		
Balance 1 January	61,251	92,414
(Decrease)/Increase to allowance for expected credit losses	(19,685)	9,995
Impairment recovery	-	(41,158)
Balance 31 December	<u>41,566</u>	<u>61,251</u>

No interest is charged on the trade receivables. The expected credit losses for other receivables is NIL as it relates mainly to interest receivable from banking institutions with low default rates.

7. Other Assets

	2022 \$	2021 \$
Prepayments	951,348	1,425,022
	<u>951,348</u>	<u>1,425,022</u>

8. Property, Plant and Equipment

	Land and buildings \$	Leasehold improvements \$	Furniture and Office equipment \$	Motor Vehicles \$	Make Good \$	Total \$
Gross Carrying Amount						
Balance at 1 January 2021	21,765,740	24,674,328	3,796,186	103,147	1,888,058	52,227,459
Additions	4,949,527	1,559,987	499,915	-	30,000	7,039,429
Assets under construction (WIP)	5,443,925	1,265,073	11,140	-	-	6,720,138
Reverse Assets under construction (WIP) 2020	(3,252,437)	(843,807)	(64,744)	-	-	(4,160,988)
Disposals	924,688	354,785	(96,092)	-	51,400	(1,426,965)
Balance at 31 December 2021	27,982,067	26,300,796	4,146,405	103,147	1,866,658	60,399,073
Additions	5,125,212	2,735,554	1,271,915	-	-	9,132,682
Reverse Assets under construction (WIP) 2021	(5,443,925)	(1,265,073)	(11,140)	-	-	(6,720,138)
Assets under construction (WIP)	818,111	234,384	15,617	-	-	1,068,112
Disposals	-	(1,810)	-	(29,709)	-	(31,519)
As at 31 December 2022	28,481,465	28,003,851	5,422,797	73,438	1,866,658	63,848,210
Accumulated Depreciation						
Balance at 1 January 2021	(2,930,028)	(12,986,076)	(1,919,637)	(103,147)	(1,577,241)	(19,516,129)
Disposals	509,990	232,829	31,506	-	-	774,325
Write-offs	-	-	-	-	51,400	51,400
Depreciation expense	(311,113)	(1,332,064)	(606,787)	-	(59,427)	(2,309,391)
Balance at 31 December 2021	(2,731,151)	(14,085,311)	(2,494,918)	(103,147)	(1,585,268)	(20,999,795)
Disposals	-	754	-	29,709	-	30,463
Depreciation expense	(437,683)	(1,515,502)	(909,889)	-	(48,993)	(2,912,067)
As at 31 December 2022	(3,168,834)	(15,600,059)	(3,404,807)	(73,438)	(1,634,260)	(23,881,399)
Net Book Value						
As at 31 December 2021	25,250,916	12,215,485	1,651,487	-	281,390	39,399,278
As at 31 December 2022	25,312,631	12,403,792	2,017,990	-	232,398	39,966,811

8. Property, Plant and Equipment (continued)

	2022 \$	2021 \$
Depreciation:		
Land and buildings	437,683	311,113
Leasehold improvements	1,515,502	1,332,063
Furniture and office equipment	909,738	606,788
Make Good Asset	48,992	59,427
	2,911,915	2,309,391

9. Trade and Other Payables

	2022 \$	2021 \$
Salary and superannuation accruals	3,053,427	2,768,915
Prepaid centre fees and holding deposits	3,160,539	3,157,211
GST payable	414,638	329,773
Other payables and accruals	4,020,422	2,111,744
Trade payables	2,578,879	3,031,856
WBS & Brokered program surpluses	2,440,028	3,254,716
	15,667,933	14,654,215

10. Lease Liabilities

	2022 \$	2021 \$
(a) Current Liabilities - lease liabilities - right-of use-assets		
Lease Liability	2,479,790	2,521,485
(b) Non-current Liabilities - lease liabilities - right-of use-assets		
Lease Liability	2,489,940	3,951,055
Total lease liabilities (current and non-current) are set out below:		
Current	2,479,790	2,521,485
Non-current	2,489,940	3,951,055
	4,969,730	6,472,540
<i>Reconciliations</i>		
Reconciliations of lease liabilities (current and non-current) at the beginning and end of the financial year are set out below:		
Balance at beginning of year	6,472,540	8,143,411
Additions	639,866	1,473,035
Repayment of lease liabilities	(2,370,877)	(3,470,510)
Interest	228,201	326,604
Balance at end of year	4,969,730	6,472,540

11. Unearned Income

	2022 \$	2021 \$
Prepaid government funding	14,458,724	14,209,210
Prepaid special education income	2,641,332	2,027,581
	17,100,056	16,236,791

12. Provisions

	2022 \$	2021 \$
Current		
Employee Benefits:		
Provision for annual leave and rostered days off	10,258,070	11,010,208
Provision for long service leave	8,221,043	8,021,556
	18,479,113	19,031,764
Provision for Make Good Liability:		
Make Good Liability	1,140,448	1,140,448
	19,619,561	20,172,212
Non-current		
Employee Benefits:		
Provision for long service leave	2,329,866	2,334,714
Provision for Make Good Liability:		
Make Good Liability	726,170	726,170
	3,056,036	3,060,884

13. General Funds

	2022 \$	2021 \$
Balance at beginning of financial year	38,665,097	42,442,541
Net deficit	(1,503,830)	(3,815,346)
Transfers from Fundraising Reserve (note 14)	2,073	37,902
Balance at end of financial year	37,163,340	38,665,097

14. Fundraising Reserve

	2022	2021
	\$	\$
Balance at beginning of financial year	1,040,029	1,077,931
Transfer to general funds	(2,073)	(37,902)
Balance at end of financial year	1,037,956	1,040,029

The fundraising reserve arises from the accumulated efforts of parents and staff to allow services to purchase optional toys and equipment, to assist the service to expand and develop to meet local needs and to allow parents to share in the life of the service and to make a concrete contribution to their children's lives.

15. Non-current assets - right-of-use assets

	2022	2021
	\$	\$
Right-of-use assets	9,495,709	10,285,952
Less: Accumulated depreciation	(6,219,048)	(5,162,583)
Balance at end of financial year	3,276,661	5,123,369

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below.

Balance at beginning of year	5,123,369	6,708,409
Additions	167,861	1,485,940
Depreciation Expense	(2,014,569)	(3,070,980)
Balance at end of year	3,276,661	5,123,369

16. Contingent Liabilities

	2022	2021
	\$	\$
Bank Guarantee 21 January 2014 to Central Coast Regional Development Corporation	4,796	4,796
Bank Guarantee 30 April 2015 to Marrickville Council	15,400	15,400
Bank Guarantee 12 September 2016 to Abalon Properties Pty Ltd	7,400	7,400
Bank Guarantee 12 September 2016 to Kearley Investments Pty Ltd	9,900	9,900
Bank Guarantee 15 May 2018 to Hornsby Shire Council	-	20,196
Bank Guarantee 28 May 2018 to Hornsby Shire Council	-	12,733
Bank Guarantee 28 May 2018 to Hornsby Shire Council	-	21,791
Bank Guarantee 18 May 2020 to Ku-ring-gai Council	262,487	262,488
Bank Guarantee 31 March 2021 to James Tsun-Ming Wong	22,000	22,000
Bank Guarantee 19 June 2021 to Monarch (Sales) Pty Limited	36,300	36,300
	358,283	413,004

17. Economic Dependency

As disclosed at Note 5, a significant source of revenue is government funding. This funding supports programs for early childhood education and care.

18. Related Party Disclosures

a) Directors' compensation

The Directors act in an honorary capacity and receive no compensation for their services (2021: nil).

b) Transactions with Director-related entities

During the year, no amounts were paid to Director-related parties. No amounts are payable to or receivable from Directors or Director related entities at the reporting date. If a Director utilises the services of KU Children's Services they pay the arms length market rates for provision of these services.

c) Key Management Personnel Remuneration

The aggregate compensation of the key executive management personnel of the Company is set out below:

Total compensation	1,950,590	1,725,745
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KU Executive salaries are independently benchmarked regularly by a specialist remuneration consultancy firm, against open market and not for profit sector trends.

19. Note to the Statement of Cash Flows

	2022 \$	2021 \$
(a) Reconciliation of Deficit for the year to Net Cash Flows From Operating Activities		
Deficit for the period	(1,503,828)	(3,815,346)
Depreciation and Amortisation of non-current assets	4,926,485	5,380,371
Interest received	(492,074)	(98,095)
Finance costs	29,198	28,301
Government capital funding	(984,928)	(1,049,816)
Decrease/(Increase) in trade receivables and other assets	(962,467)	470,630
Increase/(Decrease) in trade payables and other liabilities	2,577,187	(456,196)
Increase in provisions	(557,499)	838,655
Gain on disposal of fixed assets	(5,610)	601,241
Make Good Adjustments	-	(30,000)
Net cash generated from operating activities	3,026,464	1,869,745

(b) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and on hand. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2022 \$	2021 \$
Cash and cash equivalents	50,019,155	53,389,604

The cash balances include maturing term deposits with a term of 3 months or less.

20. Term deposits

	2022 \$	2021 \$
Term deposits with a term of more than 3 months	2,500,000	500,000

21. Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991

Under this Act, KU Children's Services holds a single authority to fundraise for KU centres. The authority does not extend to services which KU manages on behalf of another organisation. Preparation of the following information reflects the level of disclosure existing in management systems in use by the organisation.

(a) Statement of Fundraising Income and Expenditure

Detailed income statement for the year ended 31 December 2022

	2022 \$	2021 \$
Raffles	6,222	21,810
Functions	60,160	38,712
Sale of Items	85,964	58,812
Interest	78	69
Donations	25,199	34,375
Gross Proceeds from Fundraising	177,623	153,778
Raffles	(11)	(115)
Functions	(63,813)	(53,441)
Sale of Items	(34,386)	(24,875)
Total Cost of Fundraising	(98,210)	(78,431)
Net Proceeds from Fundraising	79,413	75,347

(b) Accounting Principles and Methods adopted in Fundraising accounts

The fundraising financial statements have been prepared on an accrual basis and in accordance with Australian Accounting Standards as per Note 3.

(c) Application of Fundraising Proceeds in 2022

Opening balance	1,040,029	1,077,930
Net proceeds from fundraising	79,413	75,347
Centre Improvement and Equipment	(81,486)	(113,248)
Total Reserve as at year end	1,037,956	1,040,029

21. Information & Declarations to be Furnished Under the Charitable Fundraising Act 1991 (continued)

(d) Details of Gross Income and Aggregate Expenditure of Appeals Conducted Jointly with Traders

For the purpose of this note all fundraising involving the Sale of Items (e.g. chocolates, sun hats, sunscreen, etc) is deemed to have involved a trader.

	2022	2021
	\$	\$
Gross income received from sale of items	85,964	58,812
Total expenditure incurred	34,386	24,875

(e) Forms of Fundraising Appeals Conducted in 2022

For the purposes of reporting under the requirements of the Charitable Fundraising Act 1991, KU Children’s Services classifies all fundraising activities under five categories; raffles, functions, sale of items, donations and interest.

(f) Key Indicators for Fundraising Activities

Total Cost of Fundraising \$98,210 (2021: \$78,431) divided by Gross Income from Fundraising \$177,623 (2021: \$153,778) equals 55 % (2021: 52 %).

Net Surplus from Fundraising \$79,413 (2021: \$75,347) divided by Gross Income from Fundraising \$177,623 (2021: \$153,778) equals 45 % (2021: 48 %).

22. Additional Company Information

KU Children’s Services is a public company limited by guarantee, incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business

129 York Street
Sydney NSW 2000

23. Government Grant Funding

During the course of the calendar year specific Government Funding that required acquittal reporting included the following Programs:

Program	Funding \$ 31/12/2022	Funding \$ 31/12/2021
Specialised Equipment and Resources for Kindergartens – Queensland Government Department of Education	-	370,000
	30/06/2022	30/06/2021
Inner West Play & Chat – NSW Department of Communities & Justice	406,506	398,725
Newcastle Supported Playgroup – NSW Department of Communities & Justice	154,570	150,433
Marcia Burgess Autism Specific Early Learning & Care Centre – Australian Government Department of Social Services	-	727,500
Inclusion Development Fund Manager – Australian Government Department of Education, Skills and Employment	4,642,512	3,273,071
Inclusion Agency – Australian Government Department of Education, Skills and Employment	23,606,751	26,343,691
Steps to Starting School – The Smith Family	110,207	108,047
COVID-19 Innovation Program – Multicultural NSW	50,000	-
Specialised Equipment and Resources for Kindergartens – Queensland Government Department of Education	-	185,000
KU Starting Points – 1 – Start Strong Pathways Program – NSW Department of Education	155,805	155,805
KU Starting Points – 2 – Start Strong Pathways Program – NSW Department of Education	362,655	362,655