

Annual Report 2023

Making every moment count
Purpose | People | Performance



**We're for children,
not for profit.**



About Goodstart

Every moment counts for a child during their formative years – from birth to age five

High quality experiences in those years lay the foundation for life-long learning and development, and that is why we're committed to delivering exceptional and inclusive teaching and learning.

As part of that commitment, our social purpose extends beyond the walls of our early learning and preschool/kindergarten rooms. We continue to invest in ground-breaking research to ensure we know what truly makes the biggest difference for children. Informed by international and local evidence, we champion improved affordability, greater access, and enhanced participation in early learning programs. We strive to ensure that every child, regardless of their circumstances, has the opportunity to thrive.

Since Goodstart was established by four leading charities in 2010, we have been driven by our powerful social purpose – to create life changing impact by ensuring all Australia's children get the best possible start in life.

As a not-for-profit organisation we aim to maximise the potential of each child, empowering our educators, teachers and early learning professionals who truly make the difference, and upholding the highest standards of quality, safety and excellence in all aspects of our work.

Our vision

For Australia's children to have the best possible start in life.

Our purpose

To ensure children have the learning, development and wellbeing outcomes they need for school and life.

Key facts

We're Australia's largest early learning provider and the largest non-government provider of kindergarten and preschool programs.

- 654 early learning centres
- 15,800 employees
- 2,000 teachers
- 61,400 children
- 51,500 families



We're proud that Big Fat Smile is part of the Goodstart family – their centre footprint including child and employee data is detailed on page 45



Learn more about Goodstart and our social purpose.

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Acknowledgement of Country

Goodstart Early Learning acknowledges all Traditional Custodians across Australia and recognises First Nations peoples' continued cultural and spiritual connection to the land, sky and waterways that surround us. We pay our respects to Elders past, present and emerging.

We're supporting recognition of First Nations Australians in the Constitution. This recognition is not just symbolic, it's practical and historic, giving all of us a part in a 65,000 year old story.



Year in review

A message from our Chair

Children are at the centre of everything we do, and our team continues to excel in providing high quality early learning and care for the 61,400 children who attended our centres in the reporting year.

We farewelled our founding CEO, Julia Davison in December 2022. Over the 12 years of her leadership Julia brought vision, business discipline and a constant focus on our organisation's purpose as she took Goodstart on a journey which has lifted practice, training, safety, inclusion and quality. With her guidance, Goodstart advocates for all children and contributes to the nation's policy engagement as part of the community sector. Julia's innovative approach created a dynamic organisational culture and her leadership on issues impacting First Nations children, families and Goodstarters ensured the organisation is deeply focussed on delivering better outcomes. On behalf of the Board, I again thank Julia for the passion and commitment she brought to building a strong foundation for this extraordinary social enterprise.

In March we welcomed our new CEO, Dr Ros Baxter, who continues our focus on children, our team and our quality uplift agenda.

This agenda has been boosted with increased investment in professional learning and study support, with a particular focus during the year on Goodstart's Educational Leaders. On 1 July 2023, we underlined the importance of our staff by awarding most of our educators a salary increase of seven percent.

These investments have reaped rewards, with more than a quarter (26 percent) of our centres achieving ACECQA's Exceeding standard over the reporting year. We are also the only early childhood education and care (ECEC) provider in Australia which currently has three services with an Excellent rating awarded by the national regulator, with Goodstart Clayton joining Tuggerah and Bathurst in this elite group in October 2022.

We continued to work on increasing our impact for those children and families who need us the most. This year our Early Learning Fund provided fee relief to support access to early learning for 1,100 children, who would otherwise miss out. Compared to the sector average, Goodstart proudly supports a significantly higher number of children experiencing vulnerability, and they attend more frequently and access more hours.

Ahead of the Federal Government's \$4.5 billion Child Care Subsidy reforms (effective from 10 July 2023) our team worked hard with government and sector partners to ensure more than 90 percent of our families will be better off notwithstanding our necessary fee increases. In the lead up to the reforms, we communicated directly with current and potential families to make sure families understood how the Child Care Subsidy changes will support affordability for them.

Goodstart's commitment to reconciliation is woven through everything we do. Every one of our centres has now begun their own local Reconciliation Action Plan (RAP) and we are about to embark on our second Stretch RAP. In the past five years 22,000 members of our team have completed the cultural competency training offered by the Arrilla program, with 4,329 completing their training in the reporting period.

As part of our reconciliation commitment, Goodstart is supporting a Yes vote in the referendum on the Voice to Parliament to be held in late 2023. Information sessions about the referendum and the recognition of First Peoples have been held for our team in the second half of the fiscal year.

“We continued to work on increasing our impact for those children and families who need us the most.”

Our focus on safety continues with a special emphasis on helping our centre teams to ensure all children can feel safe, be safe, and are safeguarded from abuse and neglect. As part of this all Centre Directors have undertaken a foundational program 'Safeguarding Children Responsibilities for Nominated Supervisors' to help them improve child safe practices in our centres.

Despite a financially challenging year, we have maintained our focus on our children, our people, and our families. I thank the Board for their ongoing dedication and the expertise they bring as we work to ensure Goodstart continues to be a thriving organisation.

I commend our centre-based teams for focusing where it mattered again this year and thank every member of the Goodstart family for their commitment to our vision and our purpose.



Paul Robertson AO
Chair



Year in review

A message from our CEO

Since commencing as CEO in March 2023, I have learned so much about Goodstart's unwavering commitment to high quality early education and care for all children, and especially to making a difference for those children who need us the most. It's been inspiring to visit our centres and see firsthand the high quality and inclusive teaching and learning our remarkable educators deliver.

Our whole Goodstart team has maintained its focus on what really matters across this year. While Goodstart's quality ratings are much higher than sector averages, we have also set 'stretch' targets for our centres to strive to be the best they can be, and they are rising to that challenge.

To benefit from early learning, children need to attend regularly. Goodstart has been working with our families to explain the importance of attending on multiple consecutive days and tailoring our offer to reflect this. This is particularly important for children experiencing vulnerability, who attend Goodstart centres more frequently, averaging almost a day a week more than the sector average.

Goodstart centres also work closely with our local communities and community services, and we are deeply committed to ensuring support for First Nations children, who attend our centres in higher than sector average numbers. We are very proud that every Goodstart centre is registered for their centre Reconciliation Action Plan with Narraguannawali.

This year saw Goodstart increase our social impact still further, with a robust external review confirming we deliver a return to society of \$5.60 for every \$1 we invest, and a social dividend of \$382 million. Goodstart continues to support a higher proportion of children who may be vulnerable than the sector average, including children with a disability or developmental delay, First Nations children, and children living in families with a low-income, or living in a regional or remote community.

These are very exciting times for the early learning sector, with sector reform at the top of federal and state government agendas. In July 2023, the federal government's \$4.5 billion Child Care Subsidy (CCS) reforms took effect, reducing out-of-pocket costs for more than 90 percent of families. Also this year, the New South Wales and Victorian Governments rolled out major new initiatives towards a universal preschool offer. Queensland, South Australia, Tasmania and both territories also commenced reforms to improve access to preschool.

Goodstart has leveraged our analytical capacity to make thoughtful submissions to more than a dozen reviews and inquiries in the past year. The Productivity Commission Inquiry into Early Childhood Education and Care (ECEC) reports next year in response to the Prime Minister's call for universal quality, affordable ECEC for all children, and our sector will continue to be a major focus over coming years.

Notwithstanding these achievements, it has been a tough year for the early childhood education and care sector and Goodstart has not been immune. Our financial performance has been hampered by a range of factors, including the long tail of the COVID-19 pandemic, which severely disrupted our peak enrolment period at the beginning of 2022. A tight labour market with severe workforce shortages in some parts of the nation has meant we have had to limit our offerings in some centres, spend more to replace staff in the face of stronger competition from other human services sectors, and increase our use of costly temporary labour to fill vacancies and meet families' needs. Community-wide cost of living pressures impacted affordability for families ahead of the Government's Child Care Subsidy reforms taking effect in July. These pressures also saw unprecedented increases in key cost areas like rent, utilities, and groceries. It has become increasingly expensive to maintain our centres well, due to significant price escalations in building materials and trades. We have also faced increased competition with record-high numbers of new centres opening, including in communities which are already well-served with quality providers. In a similar vein, we have seen increased competition from sessional kindergarten/preschool providers following increasing interest in this sector from state governments.

"I thank Goodstart's senior and centre leadership teams and pay special tribute to our Goodstarters for their extraordinary efforts over the course of a very challenging year."

This year Goodstart also took major steps to redress these disparities in our sector which reflect the historic undervaluing of early childhood educators compared to comparable staff in schools. On 1 July 2023, we provided an historic seven per cent wage increase to most of our educators' wages, who are now paid more than five percent above the award. We launched our 'Grow our Own' strategy, aiming to recruit 800 new trainees. We supported more than 350 educators to upskill to become teachers, and our migration program has doubled. While staff vacancy rates continued to rise across the sector, our vacancies have begun to stabilise and our most recent Goodstarter survey has shown positive results including that our people would recommend us an employer to family and friends.

Alongside our sector colleagues, we have also been advocating for a funded wage increase for our sector, similar to what the federal government provided for the aged care sector.

Our management team has also been working with our Centre Directors through our centre-led initiative (which ensures centre leaders are ready and able to make decisions at a local level) to improve our bottom line and service delivery, with a strong focus on containing costs, managing labour effectively and converting our strong enquiries pipeline into enrolments.

I want to pay tribute to Goodstart's founding CEO Julia Davison, whose term concluded in December 2022. Julia is a champion for children and for Goodstart, and she left a significant legacy. I also want to thank Jeff Harvie who took on the role of Interim CEO until my arrival.

I thank our government funding partners who have supported our work across Australia and for their ongoing interest in doing more for our very youngest Australians.



I thank Goodstart's senior and centre leadership teams and pay special tribute to our Goodstarters for their extraordinary efforts over the course of a very challenging year. Through my visits to many centres over the last three months, I have watched the life changing work you do to deliver on our vision of giving children the best possible start in life. This vision remains the focus of everything that we do.

Most significantly, I thank our families for their ongoing support for Goodstart and entrusting us with the learning and care of their children. Goodstart will never forget that you are the reason we are here, and why we work to harness this window of opportunity to maximise the potential of every child.

Dr Ros Baxter
CEO

2023

Our Impact in numbers

For every \$1 invested in our social purpose \$5.60 is returned benefiting children, families and communities – representing an improvement on our 2022 impact

Our social dividend
\$382m*
 Up from \$337M in 2022

Nearly one third of Goodstart centres support children living in regional and rural areas.
 Close to one quarter of Goodstart centres are in low socio-economic areas (SEIFA 1-2).

Our scale and reach
654 centres
61,400 children
51,500 families

→ Improving early learning access

\$11.7M invested in social inclusion programs
31,000+ families accessed home learning support via Goodstart at Home

\$4.2m contributed to support access and affordability
29,800+ children who attended our regional and rural centres

\$3.7m contributed to support children with additional needs
1,269 supported by Inclusion Development Funding

1,106 vulnerable children supported by the Early Learning Fund
6,609 children supported with Additional Child Care Support (ACCS) funding

→ Building a strong base for children's learning

With 98% of our centres Meeting or Exceeding the National Quality Standard we're above the sector average
\$7.6M invested in quality improvement programs, research and evidence
 38 Goodstart centre's ratings lifted from Meeting to Exceeding

324K families accessed Goodstart's First Five Years parenting website
Study support 350 Goodstarters supported with their teaching bachelor's degree
Certificate III and Diplomas 594+ Goodstart employees supported
800 new trainees welcomed to Goodstart

\$23m in training and development. **Up 21% from FY22**

Goodstart Clayton awarded rare Excellent rating, joining Tuggerah and Bathurst

→ Research and advocacy to improve child outcomes and create social change



\$2.2m invested in impact beyond Goodstart - advocacy and strategic research

6 major research partnerships and collaborations

to improve Australia's evidence base and deliver better child outcomes



Supporter of 6+ peak bodies and grass roots campaigns

seeking reform including Thrive by Five and The Parenthood

17+ government submissions

to shape and improve policy commitments and outcomes for children

68+ state and federal politician centre visits to demonstrate early learning impact



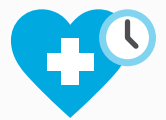
Our Social Return on Investment \$1 = \$5.60

All quality early learning in Australia delivers a social and economic benefit, and at Goodstart we deliver even more for children, families and our community.

[Read about our Social Impact Study on page 27](#)

→ Creating a sense of belonging for all Australia's children

\$54.2M invested in our social purpose
Up 14.5% on FY22



181 children supported with allied health services in-centre under the National Disability Insurance Scheme



7.1% of children identify as Aboriginal and Torres Strait Islander children

8% or 7,500+ children identified with a disability or developmental delay

22.3% of children are living in low-income families

100 children benefited from 1:1 Intensive Individual Support Plans

*Learn more about Goodstart's Social Dividend on page 26.

Purpose

Delivering inclusive, high-quality teaching and learning, ensuring access and participation for all children including those experiencing vulnerability, and investing in what makes the biggest difference for children in their first five years, are all part of a day's work at Goodstart and a vital part of making every moment count during every child's early years. We're always driven by our purpose to ensure children have the learning, development and wellbeing outcomes they need for school and life, helping deliver on our vision.

Purpose

We're for exceptional teaching and learning

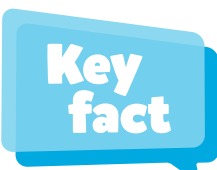
Our continued focus on quality improvement across the Goodstart network is reaping rewards, with over 98 percent of centres assessed as Meeting the National Quality Standard (well above the sector average). More than a quarter of those centres are Exceeding with three setting a new sector benchmark, achieving an Excellent rating.

Our Teaching and Learning team of 45 professionals, offers an expert advisory service to centre teams, providing support during assessment and rating and intensive support for centres where required. Implementing the revised Early Years Learning Framework has been a particular focus for the Teaching and Learning team in recent months.

Educational Leaders play a crucial role in promoting practice uplift in our centres, and Goodstart offers all Educational Leaders additional non-contact time in line with the Australian Children's Education and Care Quality Authority (ACECQA) Educational Leader requirements. This year, we held our first ever national conference for Educational Leaders, launching 15 modules on pedagogical leadership developed by international thought leader Professor Iram Siraj and the Goodstart team.

We continue to support our 2,000 Early Childhood Teachers with a dedicated Teacher Professional Program that provides mentoring support for both new graduates and established teachers and delivers a range of in-house professional development opportunities. More than 350 Goodstart educators are currently being supported to upskill to teaching qualifications.

Goodstart also launched a new Birth to Three Practice Framework this year. Its development was led by Sheila Degotardi, Professor of Early Childhood Education and



Educational Leaders are crucial to the quality of teaching and learning and are supported with up to 10 hours of non-contact time.

Director of the Centre for Research in Early Childhood Education (Macquarie University). Many of our educators contributed to the development of the new framework to ensure that the tools and resources are of practical use to their peers.

The Framework focuses on building strong relationships and interactions, developing communication and language skills, and physical and cognitive development.

Another major investment this year for our youngest children has been the rostering of at least two educators in every nursery room to enhance the safety and the quality of learning and care of babies, as well as ensuring more intensive supervision of sleep time.

We continue to focus on the quality of outdoor learning with our Let's Go Outside program and encourage centres to provide free flow early learning between indoor and outdoor learning spaces.

Goodstart is Australia's largest non-government provider of kindergarten/preschool programs and is grateful for the support our preschool programs receive from state and territory governments. These funds have been reinvested into programs to support our teachers, with wages equivalent to school rates, and to resource our programs with the best equipment to support learning. Goodstart's preschool programs are underpinned by the Goodstart 3-5 Years Practice Guide, which shares the thinking of leading Australian and international experts on what works best for children aged 3-5. Our programs are delivered by fully qualified early childhood teachers supported by our Teaching and Learning expert team with world-class learning resources and professional development. Our programs emphasise inclusion, with additional support from our inclusion team to ensure each child is given every opportunity to learn and develop. We also work closely with local schools to make sure that our children have a successful transition to school.

Excellent Goodstart Centre Profiles

Celebrations for Goodstart Clayton, one of 3 Goodstart centres to be rated Excellent.

In October 2022 Goodstart Clayton became just the 36th service in Australia to be rated as Excellent by the Australian Children's Education and Care Quality Authority (ACECQA).

Goodstart Clayton joined our Bathurst and Tuggerah centres in gaining an Excellent rating in the last two years, making Goodstart the only Australian provider with three services holding the coveted rating.

Clayton was awarded the rating for its pioneering approach to setting 'best practice' in their everyday delivery of early learning, delivering excellent outcomes for children, families, and the community. [Read more](#)

Profile: Goodstart Tuggerah

Awarded the Excellent rating in January 2021, Goodstart Tuggerah was recognised for its exceptional practice, outstanding commitment to inclusive partnerships, workplace culture and community involvement. [Learn more](#)

Profile: Goodstart Bathurst

One of many initiatives at Goodstart Bathurst that earned it an Excellent rating, is its partnership with the Bathurst Local Aboriginal Land Council and its CEO, a partnership which has led to enriching learning experiences including a Bush Kindy Program with access to a site by the local Wiradjuri people, to a weekly Playgroup NSW to increase early learning and support services. [Learn more](#)



Spotlight

Goodstart teachers gain valuable Early Years Learning Framework (EYLF) revision insights.

Goodstart's 2023 Teacher Conference allowed our teachers to explore leading evidence-based practices and gain valuable insights from sector experts who were directly involved in the revision of the EYLF.

Professor Lennie Barblett AM explained the purpose, process, and reasoning behind the revisions to the Early Years Learning Framework, offering teachers a deeper understanding of its significance.

The conference also featured respected national and international speakers who shared evidence-based contemporary knowledge and practice. Notable sector experts

included Dr Jane Page OAM, and Dr Kate Highfield, who discussed leading evidence-based practices. [Read more](#)

Goodstart hosts first national Educational Leaders Conference.

More than 1,200 Educational Leaders and Centre Directors from across Goodstart gathered in Melbourne (and online) for Goodstart's Educational Leader conference 'Leading Together'. Designed to inspire and empower Goodstart's resident pedagogues to lead together for improved child outcomes, the conference featured renowned international pedagogical leaders and researchers, including Professor Sir Kevan Collins, Professor Iram Siraj OBE and Professor Jane Bertrand.

Goodstart is investing in every centre to ensure it is equipped with pedagogical knowledge for evidenced-based teaching. [Read more](#)

Sector engagement: embracing technology in teaching.

Hundreds of Goodstarters and more than 200 sector educators and teachers joined Goodstart's General Manager of Pedagogy and Practice, Sue Robb, and Board member and renowned education leader, Sir Kevan Collins, to discuss the role of technology in early learning, and evidence-informed strategies to support teaching and extend children's learning.

Strategic goals highlights:

Exceptional Quality

We're for making our practice world class; with our focus on delivering 'best practice' and discovering 'next practice'

✓ **98%**

Goodstart centres Meeting or Exceeding the National Quality Standard.

✓ **\$2.2M**

Invested in impact beyond Goodstart - advocacy and strategic research.

✓ Birth to Three Framework launches

Developed by educators and world leading experts.

✓ Sector recognition

2022 HESTA Early Childhood Education & Care Awards - Goodstart Glenfield Park won the Advancing Pedagogy & Practice category.

Early years expert reflection: Goodstart's practice journey



Iram Siraj, Professor of Child Development and Education at Oxford University has directed several internationally significant studies on early learning. She has been visiting Goodstart centres since 2012, most recently as a keynote speaker at our first Educational Leaders Conference this year.

After the conference, Iram reflected on Goodstart's quality journey and its future ambitions in the support of all Australia's children.

“Process quality, which is about the implementation of an appropriate curriculum and high-quality interactions between adults and children takes a long time to improve and embed. This journey is now beginning to show fruit as Goodstart continues to invest in educators’ intentional and relational pedagogy for children from birth to three years old and from three to six years old.

After a decade of work, Goodstart is beginning to systematically ratchet-up quality to the level of gaining some NQS Excellent centres.

The Clayton centre I visited this year left a strong impression as one of the best centres I have seen in Australia. What was amazing was how they’d achieved their excellence. They were using the three Quality Ratings Scales (QRS) as the foundation of their work, raising staff confidence and knowledge about what constitutes great child development and how to achieve it in practice while respecting diversity and inclusion. They took time to learn and implement high-quality adult guided pedagogy and excellent, play and experiential routines through their continuous provision. The staff understood, respected, and valued their families and children. Staff were all articulate about the aims of the centre and what they wanted the children to learn and how they wanted this to happen, truly impressive, committed and professional.

Educators need to use the various Goodstart initiatives to impact learning for children and families as their core activity. This means a sound understanding of pedagogical leadership, a well-defined curriculum aligned with the EYLF and NQS – using their own professional knowledge and Goodstart’s tools such as the QRS, the Birth to Three Framework and the 15 learning lectures provided as online modules which provide rich evidence-based learning for the staff in the comfort of their own centre.

They need to create a ‘community of learners’ among the staff. This leadership needs to come from the Centre Directors and the Educational Leader to support centre-based practice. The best and more highly qualified educators should be with the children and supporting their learning rather than just managing others, especially the learning of children who face special or particular challenges such as early developmental delay or trauma.

Empower your staff to empower the children and families, both through the centre activities and continuous support for the home learning environment.

Goodstart is unique with a workforce of over 15,000 educators. It hasn’t always prioritised process quality but now this is one of the main drivers and if Goodstart can show Australia how to lift practice through workforce development, conditions, and child development it can act as a unique model of quality assurance for millions of children and families.”



Inclusion for Everyone: empowering children to thrive

Our commitment to fostering inclusion is at the core of our vision to provide exceptional teaching, learning and support to all children, regardless of their background or abilities.

Every child deserves the opportunity to thrive and by providing inclusive and nurturing environments, Goodstart's impact on children experiencing vulnerability surged this year.

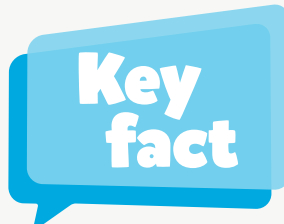
On average, vulnerable children now attend nearly four days at their Goodstart centres, almost a day more than the sector average. We continue to support a higher proportion of children who may be vulnerable, including those from Indigenous backgrounds, families on a low-income, or living in regional and remote areas. 37 percent of children attending Goodstart centres are likely to be experiencing vulnerability, up from 20 percent in 2017/18.

Vulnerable children benefit greatly from access to early learning, and Goodstart is leading the sector in increasing rates of access and participation through the ongoing provision of the Additional Child Care Subsidy (ACCS), and support and inclusion focused programs to remove barriers for children's attendance. More than 6,609 children received ACCS support this past year, with 5,470 receiving ACCS (Child Wellbeing), and a further 1,269 receiving support under the Inclusion Development Fund for an additional Educator.

The Early Learning Fund, delivered in partnership with The Benevolent Society, Uniting (NSW/ACT) and Goodstart, supported more than 1,100 children experiencing vulnerability with fee relief, removing cost barriers for families. This included 165 children at risk of abuse or neglect who urgently needed support after their ACCS (Wellbeing) ran out, and all other forms of government support had been exhausted. An evaluation report published in December 2022 delivered valuable insights about cost and non-cost barriers families experiencing vulnerability face, and Goodstart is using these insights to advocate to government for systemic change.

Thanks to our partnership with The Smith Family (TSF), all children accessing the Early Learning Fund were offered ongoing support for education costs through the TSF Learning for Life program at eligible partner schools. A new partnership has also been established with the Australian Red Cross to provide access to the children of trafficked people in NSW, SA and Vic.

Children experiencing vulnerability attend Goodstart centres more frequently and for more hours than the sector average for all children



To support the diverse needs of all children and families, Goodstart continues to support and invest in professional development and intensive support programs. This past year, we invested \$11.7 million in our social inclusion programs as part of Goodstart's overall targeted social purpose investment of \$54.2 million.

Additionally, Goodstart supported 100 children who required intensive support due to their experiences of trauma and/or complex circumstances relating to the impacts of disability on their learning development and wellbeing. The 100 children, up from 61 last year, benefited from an evidence-based 12-week Intensive Individual Support Plan.

Forty-five of our centres successfully piloted the delivery of allied health services under the National Disability Insurance Scheme (NDIS) from July to December 2022, leading to an expansion in 2023. As at June 2023, 59 centres have provided essential allied health services for 181 children in their centres, providing speech pathology, occupational therapy, social work, and psychology with costs partially met by the NDIS with Goodstart's social targeted purpose investments covering the gaps. As part of the approach, we are engaging with governments

to build the case for a more financially sustainable approach to the provision of allied health services for children in need.

This year, our highly successful Inclusion Helpdesk expanded to become a broader Practice and Inclusion Helpdesk, providing a single point of contact for our centres. The helpdesk has provided dedicated support to over 83 percent of our centres, managing more than 2,640 enquiries to ensure centre teams can support every child's learning, development, and wellbeing.

We also provided 176 Centre Directors working in highly vulnerable communities with a professional supervision program supporting their resilience, wellbeing, and professional growth.

Our commitment to inclusive practices remained strong, with 81 centres completing our Family Connections Program in December 2022, totalling 600 centres that have now completed the program. A further 214 centres participated in the Inclusive Practices Program selecting from six topic streams this year, upskilling educators and teachers to support children with diverse needs.

In focus: Workplace diversity

We're investing in pathways and support networks, so that our workforce continues to reflect the diversity of our local communities. Dedicated communities of practice involving employees representing diverse cohorts including First Nations employees, male educators, LGBTQIA+ and diverse abilities meet regularly. They provide dedicated spaces for connection, sharing experiences and collaborating for impact to continue our development as an inclusive organisation for our employees as well as children and families.

367+ Goodstarters identify as First Nations (up 13% from 2022)

9% of trainees identify as First Nations

426+ male educators (up 10% from 2022)

30% of Goodstarters identify as Culturally and Linguistically Diverse (CALD)



Purpose

- ✓ Goodstart centres support a higher proportion of children most at risk and developmentally vulnerable children than the sector as a whole
- ✓ We also support a higher proportion of children in rural and regional communities than the sector as a whole
- ✓ A higher proportion of Aboriginal and Torres Strait Islander children attend our centres than the sector as a whole

Key facts



How Goodstart Ringwood adapted to be 'truly' inclusive

Goodstart Ringwood embraces and celebrates every child, and along the way it demonstrates that everyone benefits from inclusion.

Roxanna has achondroplasia and despite her mum's initial concerns about her daughter 'fitting in', the Ringwood centre team adapted their early learning environments to ensure Roxanna could fully participate in all learning experiences and experience a strong sense of belonging. This involved lowering the furniture in the three-year-old room and other learning spaces. At the same time, Roxanna's participation has assisted other children to learn about disability and difference and has also contributed to Roxanna's positive self-image.

Watch Roxanna's story [here](#)

Fee-relief and allied health support transforms lives of single parent of twins

Natasha, a single parent of three, including twins, who faces additional challenges as two of her children were diagnosed with Aarskog-Scott syndrome, has found life-changing support at her Goodstart centre.

With the access provided by the Early Learning Fund, Natasha's twins are attending two days of early learning, while her four-year-old is supported with occupational therapy in-centre.

The fee-relief, removal of financial stress, and access to allied health in-centre has been a boost for the entire family and helped to inspire Natasha to pursue further studies.

Hear their story [here](#)



1 in 5 women experience domestic violence: Goodstart parent

Elizabeth*, who had experienced domestic violence, says her Goodstart centre was a safe haven that not only provided early learning to her two children, but security, safety, and social and emotional support.

"Changing day-care was scary for me. It is rare for individuals, organisations, and institutions to be aware and recognise coercive control and abuse.

On meeting the Centre Director and the educators, I knew it was a nurturing environment with shared values, and that both my girls would flourish. Whilst remaining child focused, I felt there was compassion and patience for myself and the situation, and I didn't doubt that we were safe with Goodstart.

Goodstart and particularly our Centre Director understands and embodies the notion that supporting parents supports the children and the whole family.

Along the way, the children have had times where they have been exposed to more stress than they should have, whether it is different home environments, managing different expectations of caregivers or seeing their caregivers under stress. At Goodstart, they have had a safe, nurturing, understanding and supportive environment that has remained consistent throughout this.

I feel like the support I have been given throughout our time has helped me be a better parent, support my daughters better, and weather the storm a lot more intact."

**Name has been changed to protect the individual's identity.*

Professional supervision building resilience

Professional supervision at Goodstart is a game-changer as it empowers Centre Directors to support educators, children, and families while enhancing their own wellbeing and resilience. With qualified psychologists and counsellors implementing trauma-informed approaches, centre leaders benefit from professional supervision by building self-efficacy – their own self-belief – and a strong professional identity.

Building on past evaluation, a research paper by Dr. Sandie Wong from Macquarie University published in May 2023, found Goodstart's professional supervision project had a positive impact on participants in the wake of a natural disaster.

Centre Director: "I found that through having clinical supervision, I could come up with strategies to navigate difficult situations with my team."

Making inclusion tangible: A Centre Director reflection

"What I value about Goodstart is its support and commitment to inclusion for families – assisting our team to confidently and better meet the diverse needs of our families and unique complexities of our community. We're proud of our inclusive early learning environment and Goodstart's investment in our professional development, targeted approaches and in-centre initiatives, has been key."

Strategic goals highlights:

Inclusion for Everyone

We're a place of opportunity where all children, families and Goodstarters feel safe to belong.



Our partnership expanded beyond offering interest free loans for families experiencing hardship, to giving victim-survivors of domestic and family violence access to our partners' Financial Independence Hub.



Learn today, change tomorrow.
Children receiving support from the Early Learning Fund are eligible to receive ongoing education support via the Learning for Life program at eligible partner schools.



Under a new partnership, the Early Learning Fund is supporting access for children of trafficked people in NSW, Vic and SA.

In focus: Our Reconciliation progress and impact

We're deeply committed to ensuring the next generation of children grow up with a strong connection to, and understanding of Aboriginal and Torres Strait Islander culture, people, and Australia's true history.

All Goodstart centres are now on their own Reconciliation Action Plan (RAP) journey with Reconciliation Australia's Narragunnawali: Reconciliation in Education. Our commitment to reconciliation is visible across more than 654 communities, while 41 percent of centres have published their RAP commitments. Goodstart Shailer Park is one of these centres, after starting their journey more than seven years ago. They were one of six education facilities nationwide that received a judging commendation as part of the 2023 Narragunnawali Reconciliation in Education Awards.

Fostering knowledge building and collaboration for reconciliation impact remains a high priority with our successful Community of Practice (CoP) learning circles continuing this year. More than 47 new centres joined the CoP, taking overall participation in the program to over 110 centres. More than 50 centres are part of our Alumni CoP learning circles. State RAP committees increased the frequency of their meetings and their influence, and have been spearheading initiatives including increased completion rates of cultural competency training. More than 4,329 Goodstarters completed training this year, up from 3,000 the year prior.

As an organisation, Goodstart's Stretch RAP (2021-2023) has come to an end, but our reconciliation vision remains strong, and even more ambitious than before. Working groups have been established to steer our future RAP for 2024 and beyond.

Building on the momentum driven by the 2022 National Reconciliation Week theme of 'Be Brave, Make Change' - Goodstarters have continued to challenge themselves, reflect and listen deeply to our First Nations peers, Knowledge Holders and Elders including Aunty Flo Watson, Ama Rose (Aunty McRose Elu), William Tilmouth and Mick Gooda who have helped guide our organisation's reconciliation journey and are regular, special guests to our learning circles.

Goodstart is also proud to have joined 70 other RAP partner organisations, in responding to the Uluru Statement from the Heart and actively showing our support for First Nations recognition in the Constitution and a Voice to Parliament.



Goodstart supports a Yes vote [Read our full media statement here](#)

Goodstart continues its ambitious seven percent First Nations employment strategy. We continue to focus on creating a deadly workplace for First Nations employees, and have appointed a First Nations Talent Acquisition Specialist.

Deadly Goodstarter profile: Corrine Ferraro

Corrine is a proud Ballardong Noongar woman, and her family are from Northam WA. Corrine, Centre Director of Goodstart Stratton, received recognition in March for her deadly work progressing reconciliation and supporting culturally inclusive learning environments embracing our rich First Nations history and culture. Corrine was named Outstanding Indigenous Educator winner at the Early Childhood Learning & Development Sector Awards and featured at 2023 WA National Reconciliation Week breakfast sharing the centre's reconciliation journey.



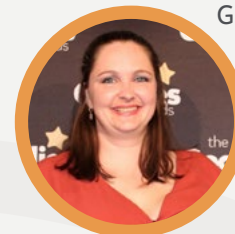
Corrine speaking at the 2023 WA National Reconciliation Week breakfast.



Raising our voices for Reconciliation

Our head office Goodstart team responded to Reconciliation Australia's call for singers across the country to come together in song for National Reconciliation Week 2023 to perform From Little Things Big Things Grow by Paul Kelly and Kev Carmody. Check out our video [here](#).

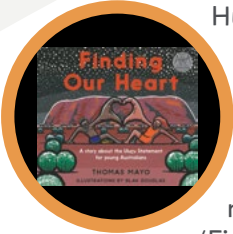
Centre profile: Goodstart Bakewell



Goodstart Bakewell identified the need for First Nations children in their care to connect with Aboriginal and Torres Strait Islander culture and community. They connected with Elders and asked what they could do, and in working with the local

Traditional Owner organisation, a Nanna program was created. The Elders come to their centre once a month to share knowledge and engage with the children. The program's ripple effect has seen the centre grow to full capacity, with 29 percent of children identifying as First Nations, and many of the children now greeting each other in two different Aboriginal languages.

Finding Our Heart book - has found our heart



Hundreds of Goodstarters and children across the nation joined a live stream of our CEO Ros Baxter reading the book, 'Finding our Heart', during 2023 National Reconciliation

Week. Finding our Heart is a touching children's story about the Uluru Statement from the Heart - written by Thomas Mayo, a Kaurareg Aboriginal and Kalkalgal, Erubamle Torres Strait Islander man and a leading advocate in the campaign for a constitutionally enshrined Voice to Parliament.

More than 700 Goodstart and Big Fat Smile early learning centres received multiple copies of the Finding Our Heart book thanks to generous donors including Australian Unity. Thank you. The book has paved the way for truly meaningfully and enriching literacy experiences about reconciliation, Uluru and places of significance, and Aboriginal and Torres Strait Islander art, culture, and history.

Key highlights

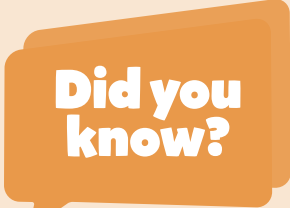
Underpinning our organisation's reconciliation progress this year, has been amplifying our First Nations Voices, increased cultural knowledge and understanding among Goodstarters, deeper critical reflection, and drawing on Elders and other knowledge holders, who continue to help positively shape our journey. We thank our First Nations Goodstarters - their voices provide strong cultural guidance and leadership, supporting and teaching us to authentically consider and weave Indigenous perspectives into our work.

- 100%** All Goodstart centres are on their reconciliation journey with Narragunnawali with a draft or published reconciliation action plan (RAP)
- 41%** Of centres have published their centre-based RAP
- Stretch RAP** 2021 - 2023 RAP completed and new draft Stretch RAP underway
- 85%** Of Goodstarters have now completed the Arrilla Cultural Competency training
- 9%** First Nations trainees
- 7.1%** Of children attending Goodstart centres identify as First Nations children (6,700)
- 367+ up 13% from 2022** First Nations educators, teachers and early learning professionals
- 40** Yarning circles meeting regularly
- 1 of 70** RAP partners in Australia who have visibly demonstrated their support for the Yes campaign
- 10** First Nations Goodstarters and non-Indigenous Goodstarters attended the ECA Reconciliation Symposium
- \$1M** Invested in reconciliation activities and programs
- \$1.1M** Monies spent with Aboriginal and Torres Strait Islander-owned businesses
- 10** Educator secondments in our cultural immersion program
- 97 centres** Participated in our Community of Practice to support practice sharing, collaboration and reconciliation progress and impact

In focus: Goodstarters are the beating heart of their community

As the true champions of social change, Goodstarters make a difference to the lives of thousands of children and their families every day of the week. With the work Goodstarters do going well beyond the centre fence.

Our centres get behind many great causes to enrich local communities and use the experience to help very young children to understand the value of respect, kindness and gratitude by getting them actively involved too.



Many Goodstart centres have dedicated community pantries for families in need to access essential goods or have partnerships in place to support food relief.



CENTRE SPOTLIGHTS

Parafield ensuring support where it is needed most – FoodBank, Share the Dignity, Hutt Street Centre and Blanket Salisbury with Love, all receive support from the team at Goodstart Parafield Gardens in South Australia. The centre is deeply committed to supporting women and families experiencing vulnerability to ensure they have essential goods, food relief and warm blankets for safety and security. Some centre families also rely on the vital support of FoodBank, making for a special partnership for the centre team knowing some of the children in their care are beneficiaries.

Kingaroy a voice leading South Burnett future outlook – At the Under Eights Week 2023, Goodstart Kingaroy, part of the South Burnett Partnership for Kids Community Working Group, collected children’s voices about what is important to them. The children’s voices are helping to shape a larger community consultation the centre is leading with government, education departments and community agencies. The project aims to generate better school and life outcomes for children in their regional community.

Shailer Park is one of the many Goodstart centres getting behind the Cancer Council – The Brisbane centre cooked up a storm for their annual participation in Australia’s Biggest Morning Tea to help raise funds for cancer research, support and prevention. Educators have rallied behind this important cause for the past 10 years, as one close to their hearts – affecting close family and those in their wider community. The centre raised nearly \$1,000 which the Cancer Council says will pay for an analysis of two gene samples for a research project.

Toy exchange at a time of giving – It was ‘out with the old and in with the used’ for Christmas at Goodstart Calala, New South Wales. The team established a toy library exchange for families and community members. The centre was proud to have Bunnings donate and build their toy storage shed for the toy library. Just like Calala, hundreds of other Goodstart centres have dedicated spaces for donations; swaps, book exchange and community pantries to help families in need.

Ngala sleep program – Goodstart Banksia Grove, Western Australia, understands the experiences of new parents, and the heightened importance of support and sleep – for both parents and infants – for thriving children and families. The team raised money for Ngala’s residential parenting service so that families can continue to access this vital service which fosters connection with parents and young children in a safe and nurturing environment.

Havafeed; much more than food – Grocery bills can be a cause of stress for low-income families and those experiencing vulnerability, especially with the rising cost-of-living. Goodstart Varsity Lakes, Queensland, supports the not-for-profit Havafeed, to help provide food to people experiencing homelessness or vulnerability, by running a monthly donation drive where both centre families and Goodstarters donate.



FEATURE | \$260K+ raised

Workplace giving grows at Goodstart for children’s early learning access

Not only do our people change lives through their professional practice, they also dig deep into their own pockets, to make sure no child misses the opportunity to gain access to early learning.

In the past year, \$260,000 was donated by our team via our workplace giving program Giving at Goodstart. Eligible children are gifted fee-relief by the Early Learning Fund for two days each week in the two years before school. Goodstarters have now donated more than \$770,000 to the Early Learning Fund since workplace giving began in late 2018.



Doing good together: Good360 and Goodstart

Thanks to our partnership with the charity Good360, Goodstart was able to give \$165K worth of surplus goods to people experiencing hardship in the reporting year.

The goods were matched to the needs of six charities including Dignity, which empowers people who are at risk of or experiencing homelessness, and Vinnies NSW to support people experiencing disadvantage and hardship.

“Our partnership is incredibly important for Good360, our charity members, and disadvantaged schools. Together we have been able

to distribute educational materials, toys, and cleaning supplies to people in need, turning unused resources into opportunities that provide hope and dignity in challenging times. Working together we multiply impact and transform communities.”

Alison Covington AM, Founder & Managing Director, Good360 Australia

Resource Centre and its Baya Gawi Buga Yani Jandu Yani U early learning centre, about ways we could help. Goodstart gifted vouchers that were distributed to locally impacted residents and families to support with groceries and in time, purchase of new home items.

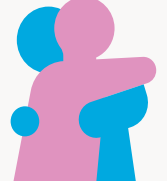
Supporting the Fitzroy Crossing community

After the devastating 2023 flooding in Fitzroy Crossing, in the Kimberley region of Western Australia, Goodstart reached out to our partner, the Marninkwarntikura Women’s



\$14,000+

110+ Goodstart centres got behind National Pyjama Day, raising money for children in foster care



\$5,000+

Goodstart Redland Bay rallied together to raise funds for a centre family whose mum was diagnosed with Stage 3 breast cancer



\$1,173+

Goodstart Conway Court Traralgon raised funds for an Indigenous Literacy Program

Impact Beyond Goodstart

Since inception, Goodstart has been focused on elevating the importance of the early years with a view to improving outcomes for all of Australia’s children. This year, more than any other, we are pleased to report that early learning has truly taken the centre stage of the national dialogue with unprecedented investment and focus.



With a Prime Minister making early learning the centrepiece of his policy agenda, several states making significant multi-billion-dollar commitments and investments to expand access to preschool in the two years before school, and a Royal Commission into 3-year-old preschool and the first 1,000 days – Goodstart has drawn on our unique size, scale and partnerships to ensure we make the most of this unprecedented time in our sector’s history.

Our work with partners, researchers and the sector has helped underpin the following significant reviews which will collectively chart a reform pathway for our sector for the next decade and deliver on our ultimate ambition for every child in Australia to have access to high quality inclusive early learning:

- The Productivity Commission Inquiry into Early Childhood Education and Care (ECEC) – which is charting a path to a universal ECEC system
- ACCC Childcare Inquiry – focused on understanding fees, profits and educator wages
- South Australian Royal Commission – to consider how to deliver preschool for 3-year-olds and improve services for children and families in the first 1000 days
- National Early Years Strategy to support a whole of government early childhood development system, including early learning, the NDIS and other family supports
- A National Vision for ECEC – commissioned out of National Cabinet, this is an ambitious joint commitment for better child outcomes by strengthening coordination between Commonwealth, state and territory investment and policy
- NSW Government \$5B investment to double access to preschool, extend access for 3-year-olds and support the workforce through the Child Care and Equal Opportunity Fund and an Independent Pricing and Regulation Review into ECEC to ensure affordability and access
- Victoria \$5B investment to support doubling children’s access to preschool
- Queensland Government \$645M investment to make Kindergarten free for every Queensland family from 1 January 2024, taking their total investment to \$2B over four years
- Reviews and funding commitments in the ACT, Tasmania, and NT focused on increasing participation in early learning and preschool
- Inclusion Support Program Review to ensure all Australia’s children, including those with a disability and additional needs, can access early learning and get the support they need

- A Migration System for Australia’s Future to support ECEC aspirations and workforce needs

These focused reform activities have also seen Goodstart contribute to an unprecedented range of parliamentary inquiries including:

- Senate Inquiry into the Cheaper Childcare Bill – which delivered improved affordability for families as well as the first ever universal entitlement to CCS for Aboriginal and Torres Strait Islander children
- Senate Inquiry into the Secure Jobs Better Pay Bill – to promote early learning benefits and ensuring ECEC workforce issues and opportunities are considered
- Senate Inquiry into Work and Care – removing barriers to workforce participation and children’s participation in early learning
- Ministerial Roundtables on Workforce – to drive action to support the ECEC workforce
- Workforce Australia (Parents Next) – a blueprint for government reform to both turn the dial on women’s workforce participation and deliver great outcomes for children.

We thank our campaign advocacy partners for their ongoing support including Early Childhood Australia, the Early Learning and Care Council, Thrive by Five, The Parenthood, Centre for Policy Development, The Front Project, Evidence for Learning and our syndicate members.

Our partnerships with research organisations have been crucial to our success in influence and particularly in understanding what works for children and families facing vulnerability. Goodstart acknowledges our research partners including, but not limited to: the Life Course Centre, University of South Australia (BetterStart Research Group), Macquarie University, University of Wollongong and Queensland University of Technology.

Purpose

“I’m very proud of our early learning policy, it was the centrepiece of my first Budget Reply... that then fed into our first Budget. Early learning is so important for children. We know that 90 per cent of human brain development occurs in the first 5 years. So those early learning skills, both in terms of education but also socialisation, learning to cooperate, learning to share, all of those skills will make these young Australians better equipped for the rest of their lives. But investment in childcare isn’t just about assisting the young Australians themselves, it’s also good for our economy. It boosts productivity and it boosts workforce participation. It is economic reform that is absolutely vital.”

Prime Minister Anthony Albanese.



Goodstart Tweed Heads enjoyed a visit by the Prime Minister Anthony Albanese and Federal Member for Richmond Justine Elliot ahead of CCS changes.

Social Impact Study

Last year, Goodstart became the first large early learning provider in Australia to measure the impact of quality early learning and the social and economic value that we create for children, families, our community, and our nation. We thank Social Ventures Australia for conducting the social impact study for another year and using their bespoke Social Return on Investment (SROI) modelling to provide an updated ratio. We can report that, for every \$1 targeted to our social purpose investments, Goodstart creates \$5.60 in social and economic value (an increase from \$5.50 last year).

One of the most valuable things about this study is that it will allow us to continue to track our progress, change course or invest more into programs we know are making a difference in the lives of children. We know that increased attendances, including by children experiencing vulnerability in comparison to the rest of the sector, has meant an increase in Goodstart’s social impact.

Goodstart’s Social Impact Study shows we’re making a difference to Australia’s children. Measuring our impact helps us shape an even stronger future Goodstart and will allow us to share more of our work and impact with governments, our people, our sector, and philanthropic partners.

Impact beyond Goodstart underway in the Torres Strait

With the support of the Paul Ramsey Foundation, our Goodstart team partnered with the Ngurupai (Horn Island) community in the Torres Strait with a shared goal to improve early childhood outcomes for Aboriginal and Torres Strait Islander children. Through a co-design process, which included establishing the Ngurupai Early Childhood Advisory Group, the strength and aspirations of the Ngurupai community have come to the fore. A roadmap is now underway to sustainably increase children’s access to early learning and strengthen home-based learning opportunities.



About Goodstart’s Social Dividend

Applying the social return on investment ratio estimated from Goodstart’s 2021 data, it is estimated that a value of \$382M has been delivered through Goodstart’s investment into social impact programs in 2023. This estimated social dividend represents the total social and economic value of the activities delivered for children, families, government and the broader community. It assumes that the short and medium term outcomes resulting from the 2023 activity are comparable to those from 2021 and that the longer term value of these outcomes also holds constant. Further detail can be requested by emailing our team via: research@goodstart.org.au



Purpose

IN BRIEF:
Goodstart supports leading research

Longitudinal Study exploration
- Goodstart is exploring an opportunity with the Australian Research Council Centre of Excellence for the Digital Child to support the Australian Children of the Digital Age (ACODA) Longitudinal Study. The results of the study will identify potential problems and unmet possibilities associated with digital technologies in early childhood.

OriCLE - Australian Research Council
- Goodstart is a partner organisation for the Australian Research Council project: Enriching pedagogy and practice of infant-toddler educators. This research supports our Birth to 3 Practice Framework, and is funded by the Australian Government.

South Australia Data Linkage - The world-class research partnership with the BetterStart Research Group (University of Adelaide) was highlighted in the South Australia Royal Commission Interim Report in April as a potential leverage point for research focussed on vulnerable children and child outcomes.



International experts gather to talk future of technology

Goodstart held a three-day conference with international early learning and technology experts to map the future use of technology to assist children, educators and families.

The conference was chaired by Goodstart Board member, Professor Sir Kevan Collins and included academics Professor Ted Melhuish (University of Oxford), Professor Paul Leseman (University of Utrecht), Professor Susan Danby and Associate Professor Lennie Barblett from the Centre of Excellence for the Digital Child, Associate Professor

Steven Howard (University of Wollongong) and Senior Lecturer, Dr Kate Highfield from the Australian Catholic University.

They were joined by key education and technology leaders including Microsoft's Education Chief Technology Officer, Serena Sacks-Mandel, colleagues from Microsoft's Asia Pacific offices and PWC's key education and policy experts, and well known educational curriculum leader, Dr Phil Lambert among others.

Since 2014 Goodstart has been bringing leading experts and thinkers together to collaborate on advocacy for early learning, measurement of children's developmental progress, research and child outcomes.

[Read more](#)



Strategic goals highlights:
Impact Beyond Goodstart
We will create an unstoppable force for change in the early years ecosystem.

✓ **Campaign partners**
We're partners of Minderoo Foundation's Thrive by Five campaign and The Parenthood to build broader community support and understanding of the importance of early learning.

✓ **\$2.2M**
Invested in impact beyond Goodstart - advocacy and strategic research.

✓ **68+**
Number of federal and state politicians from all major parties who have visited our centres. Giving centre teams and educators an opportunity to engage and demonstrate the importance of early learning and ongoing investment in children as well as the importance of the early learning workforce.

✓ **15,000+**
Our dedicated campaign website Smart Start continues to be an active online community.

✓ **17+**
Government submissions and inquiries to help influence better outcomes for early learning and Australia's children.



People

Our exceptional educators, teachers and early learning professionals are at the heart of Goodstart, transforming children's lives with passion and care, and truly do make the Goodstart difference.

Supporting our people in making a difference

Our people are the key to providing quality early learning and as a not for profit, Goodstart reinvests in their professional development to ensure they are the best that they can be.

Our Employee Value Proposition is anchored by the phrase ‘you make the difference.’ From informal ‘thank-you’ campaigns to improving working conditions, we are focused on creating an ‘Amazing Goodstarter Experience’, which puts our people front and centre. We aim to provide a healthy work life balance, security and support, safe, inclusive, and welcoming environments, and personal and career opportunities through defined career pathways.

Above award wages and conditions

Seven percent wage increase for most educators from 1 July 2023, additional programming time, paid parental leave, personal wellbeing days and generous childcare discounts

Leading professional development

Access to live webinars and on demand professional development through our interactive learning hub with resources developed with some of the world’s experts in early learning

Professional network of support

A 45-strong team of teaching and learning experts to support teachers and educators to be the best they can be

Dedicated social inclusion team

To help educators support children experiencing vulnerability or with difficult behaviours

Additional above-ratio staffing

Where it’s needed, such as in nursery rooms or centres in particularly complex communities

Dedicated health and safety team

To support our network of centres in keeping children, families and educators safe, healthy and well

New workforce management system

To support centres to build more flexible rosters responsive to educator and teacher needs

Voices surveys

Quarterly surveys to capture the voices of our people to see how we’re going and what we can improve to shape a stronger Goodstart

Community of practice (CoP)

We’re investing in pathways and support networks for First Nations employees, male educators, LGBTQIA+ and diverse abilities employees

Wellbeing

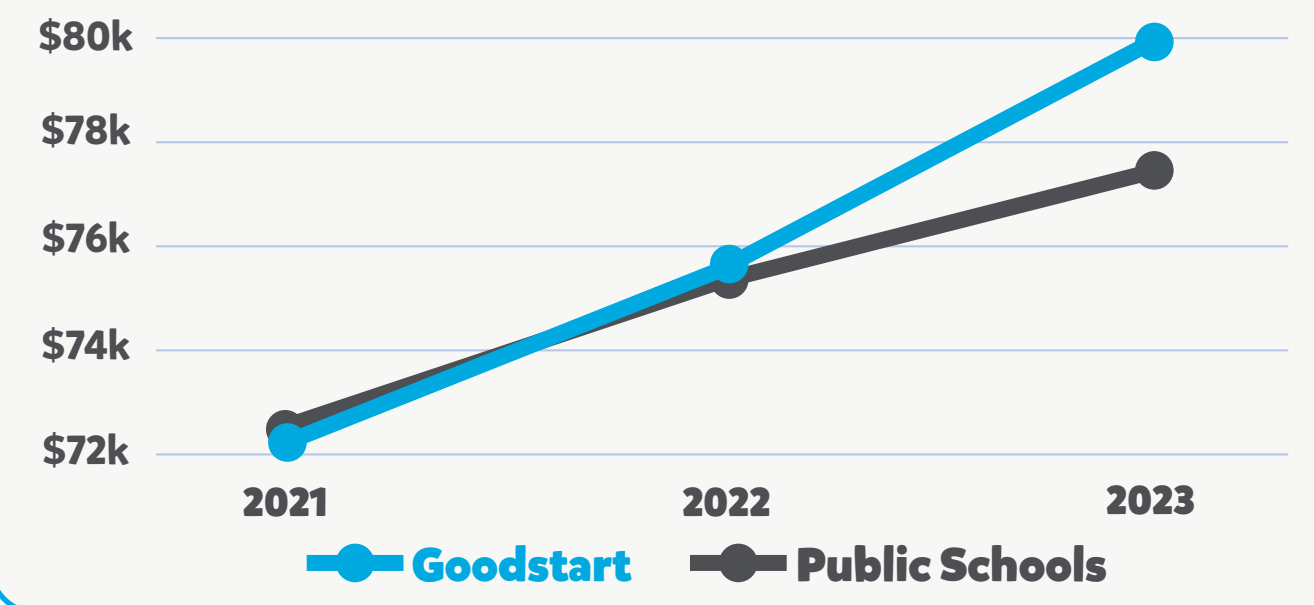
A wellbeing support program, access to 24/7 free independent counselling, two wellbeing days a year for Goodstarters, discounted private health care and discounted gym memberships, and more

The last year has been particularly challenging with severe shortages of teachers and educators impacting many centres. Goodstart has been actively advocating to governments to invest more to recognise, value and support the early childhood workforce, while also recognising that employers need to play their part.

We have worked to increase the pipeline of teachers and educators by offering 800 traineeships, doubling our migration program, supporting 350 educators to upgrade to teaching qualifications, and welcoming 5,700 new employees over the year.

In 2021, Goodstart aligned wage rates for most teachers to rates paid in public schools. Since that time, our teachers’ wages have moved ahead, with starting salaries an average of \$2,500 per annum higher than those in public schools.

Goodstart teacher starting salaries vs State Schools



	2021	2022	2023
Public Schools	\$72,520	\$75,309	\$77,445
Goodstart	\$72,230	\$75,560	\$79,952

Starting salaries per annum

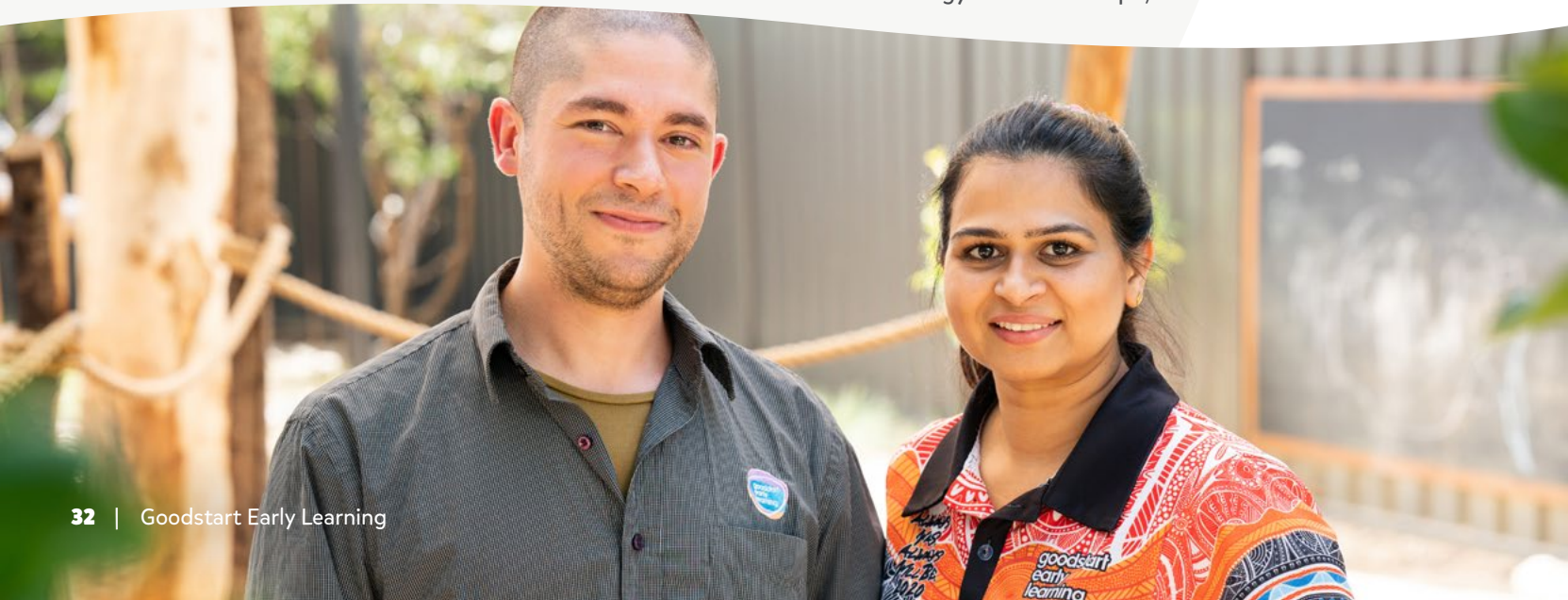
Educators wage rates have again moved higher than the award, from 2.7 percent above award rates in 2020 to 5.25 percent above award rates today. Diploma qualified educators at Goodstart are paid \$3,100 more per annum than the award rate paid by most providers across the sector, having received a 7 percent wage rise in July 2023 after a 5.6 percent wage rise in 2022.

The National Reference Group (NRG) is key to our new centre-led way of working. Open to centre based Goodstarters across the nation, it provides a regular and meaningful collaboration space for team members who hold a variety of roles.

The NRG brings centre and CSO-based Goodstarters together to discuss, test, design, brainstorm and critique work and initiatives before implementation in centres. The NRG gives Goodstarters a direct opportunity to create change on important issues and drives real engagement.

Centre-led giving centre leaders the power to make decisions

We are a centre-led organisation. In simple terms we have given our in-centre leaders the power to make decisions about what is best for children, for their team and for the communities they are a part of. This centre-led way of working puts our Centre Directors in the driver’s seat.



Goodstarter Voices

2023 Voices survey

We continue to receive strong response rates of nearly half (45 percent) of Goodstarters sharing their feedback about their experiences, across all roles and states.

A net positive promoter score was achieved for how likely Goodstarters are to recommend Goodstart as a place to work to a friend or colleague. Some other insights include:

Our major national recognition program

Our 2022 Goodstart Goodies Awards attracted over 650 nominations, recognising best practice across Goodstart centres and individual Goodstarters. Awards functions were held at five state-based events and at the National Goodies Awards.

Largest pay rise in Goodstart's history

Goodstart educators received a seven percent pay rise in July 2023, with an additional 0.5 percent increase in superannuation.

What our people say

Support

"I feel beyond grateful to belong to a team and organisation that support, inspire and challenge me every day to give my all to children and their families." - **Assistant Director**

"I have a very clear structure of knowing what I need to do, and a huge supportive network to guide and support me. Timing wise (up to 10 hours of non-contact time) Goodstart is quite generous compared to other settings and organisations." - **Educational Leader**

Flexibility

"Goodstart has always accommodated my family's needs. When my children were little, I was able to work split shifts. And if I ever need a day off, it's not an issue. I know Goodstart considers my health and wellbeing as important as the children's." - **Teacher**

Centre culture

"I love teaching...I've had a long career and a beautiful centre to work at." - **Teacher**

"Culture is incredibly important to us and ensuring team members at all times are fully supported is our highest priority. Our strong centre culture has undeniably been the platform to achieving our Exceeding rating." - **Centre Director**

"Our team is so deeply passionate and dedicated to providing high quality care and high-quality education for our children." - **Teacher and Educational Leader**

On the job training experience

"Goodstart has been very supportive of my career growth. I get lots of one-on-one support, and it's great to feel part of a team." - **Trainee**

"I have enrolled in our VET Program to upskill from my Certificate qualification to a Diploma. This means I can realise my aspiration to become a Senior Educator and eventually a Centre Director one day!" - **Educator**

"Thank you for the ongoing support and passion. I am very appreciative of the dedication from Goodstart to ensure new Centre Directors are provided with up-to-date training and knowledge to carry out our role" - **Centre Director**



Video: Our Educational Leaders share why Goodstart is a great place to work.

Higher education programs and partnerships

In the 2022/23 financial year we have supported the qualification upskill journey of over 350 educators studying towards their teaching qualifications to become Early Childhood Teachers. This includes 85 of our Diploma qualified educators being provided with access to accelerated Bachelor qualifications, through our partnership with Higher Education providers (ACU and UoW) and ELACCA, to grow our own pipeline of teachers. In addition, we have also supported an additional 265 Goodstarters studying their teaching degree through a Higher Education provider of their choice through our THRIVE scholarship program, providing access to support options of paid placement time, study time and study bonus payments.

ELACCA (Early Learning and Care Council of Australia) From the Ground Up Leadership Program

A national six-month leadership program designed by academics to grow leadership skills among early childhood educators, has helped strengthen the leadership skills of emerging and experienced centre leaders - and positively impact on their colleagues, as well as the children and families they work with. 67 Goodstarters have participated to date, with an additional seven centre leaders participating in the alumni program, From the Ground Up +, in 2023. The positive impacts for participants included a number of Goodstart centre leaders enrolling in higher education courses to continue their leadership learning and development.



Strategic goals highlights:

Amazing Goodstarter Experience

Goodstarters are supported to grow, thrive and have a real voice, so that they can be their best to deliver the absolute best child outcomes.

✓ 91%

are committed (and believe their leaders are also committed) to Reconciliation with Australia's First Nations people and see this reflected in their work.

✓ 91%

believe Goodstart delivers better outcomes for children and families through their services.

✓ 86%

of Goodstarters feel comfortable talking about their background and cultural experiences in the team.

✓ 85%

feel that they have an open and honest communication with their Centre Director or leader.

✓ 4

Dedicated Community of Practice groups supporting employee diversity.

People spotlight

Sector recognition: Child Australia's Early Childhood Learning and Development Sector Awards

Goodstarters make the difference every day to children and families, and they are receiving sector recognition. Among 24 finalists, Goodstarters featured prominently at the inaugural Early Childhood and Development Sector Awards in Western Australia, with six finalists named and two Goodstarters claiming overall category wins.

- **Jessica Wilson**
(Goodstart Wonthella)
Rising Star finalist
- **Rachael Baker**
(Goodstart Riverside Gardens)
Rising Star finalist and named overall winner
- **Corrine Bell**
(Goodstart Stratton)
Outstanding Indigenous Educator finalist and named overall winner
- **Melisa Butcher**
(Goodstart Banksia Grove)
Outstanding Early Childhood Teacher finalist
- **Regina VanHeythuysen**
Outstanding Child Allied Health Practitioner finalist
- **Goodstart Girrawheen**
Excellence In Innovative and Sustainable Practice finalist

Goodstart Goodies Award winner profiles

Goodstarter of the Year

A much-loved teacher for more than 20 years at Goodstart Berowra, Margaret Ferrier was a very popular winner of this year's Goodstarter of the Year award. At 69 years young, Margaret is a highly valued team member with an unrelenting passion for and dedication to children. Through her love of art, design and literacy, Margaret has inspired children to learn through self-expression and creativity – often producing props for plays and storytelling. Goodstart Berowra Centre Director, Karen Wallis, said that Margaret's reputation extends beyond Goodstart into local schools and even onto TV. "Margaret's ability to capture the attention of, and involve every child is something that you simply cannot explain properly in words, and just watching her at work is incredible to behold."



Goodstart Centre Team of the Year

The Goodstart Port Macquarie centre philosophy ensures that everyone's voices are heard, and focus is given to what matters most to the team. This has been vital as they've worked to improve their centre culture and in their journey to Exceeding. As part of their commitment to improving centre culture, they focused on embedding practices that would ensure team members always felt fully supported and valued – that has created a community full of support, collaboration and mutual respect. They have developed a wonderful little "brag book" to celebrate great practice and team member achievements, and a 'You said, we did' board highlighting collaborative decisions between educators and their primary partners, our families. Their work on improving culture has enabled them to achieve a high standard of safety, quality educational programs and practices as well as developing amazing relationships with children, families, and communities.



Performance

Our performance creates social impact. Existing only for children, we're driven day in and day out to achieve the very best outcomes for children. The stakes are high as we know the early years affect a child's life-long learning and future life opportunities.

We're delivering for Australia's children.



A thriving organisation; focused on child outcomes

A social enterprise working for Australia’s children, the results of our Social Impact Study show that we deliver significant social and economic outcomes for children, families, communities, and our nation.

Over the past year, our strategic goals kept our Goodstart team focused where it matters – on children – delivering on our vision and purpose, while adapting and charting our course for a stronger, thriving future.

Goodstart, along with the rest of the early childhood education and care sector, faced many operational challenges in the past year. In 2022, our enrolment pipeline was severely disrupted by COVID-19 and, while we finished this year with higher occupancy than we had in 2022, it is not yet back to pre-COVID levels. Several factors contribute to this. Workforce shortages impact our ability to offer places to all families that need them. Many local markets are oversupplied, with the number of new centres increasing at twice the rate of children enrolled over the past three years. Cost-of-living pressures and changes to work patterns have also changed demand.

In response to the tight labour market, we improved wages and conditions for employees, with educators enjoying wage increases of 13 percent over two years, and expanded our traineeship program.

Inflationary pressures across the economy have impacted our rent and property costs, as well as consumables such as nappies, health and hygiene supplies, and toys and teaching resources.

Despite these significant cost pressures, we kept our fee increase to an average of 3.5% in this financial year, and proactively managed expenses including realising \$3.5 million in savings at our head office.

The cost of being inclusive has also grown, with more children presenting with additional needs and challenges. Our investment in our inclusion programs and support increased 19 percent in the past year, contributing to the rise to \$54 million in our social purpose investment.

We continue to invest in our centres, opening new centres at Rosanna in Victoria, Charles Darwin University in the Northern Territory and Horningsea Park in New South Wales. Ten centres were closed for extensive refurbishment, many of them damaged in the 2022 floods, and Goodstart exited 10 centres mainly due to lease expiries.

We remain optimistic that 2024 will yield operational rewards due to our unwavering focus on our purpose and continuous investments in our people, practice and quality uplift and enhanced child outcomes.



We’re delivering for Australia’s children

Quality



Then

When the National Quality Standard was first introduced, 50 percent of Goodstart centres were Meeting the standard.

Now

98 percent of Goodstart centres are Meeting or Exceeding the National Quality Standard. Goodstart is the only Australian provider with three Excellent rated centres.

Social Impact



Then

Goodstart’s founders created Australia’s largest not-for-profit early learning provider from the previous profit-run organisation, delivering and reinvesting profit into improving outcomes for Australia’s children.

Now

\$382M - Goodstart’s 2023 Social Dividend benefiting Australia’s children, families and community.

Strategic goals highlights

✓ Thriving organisation

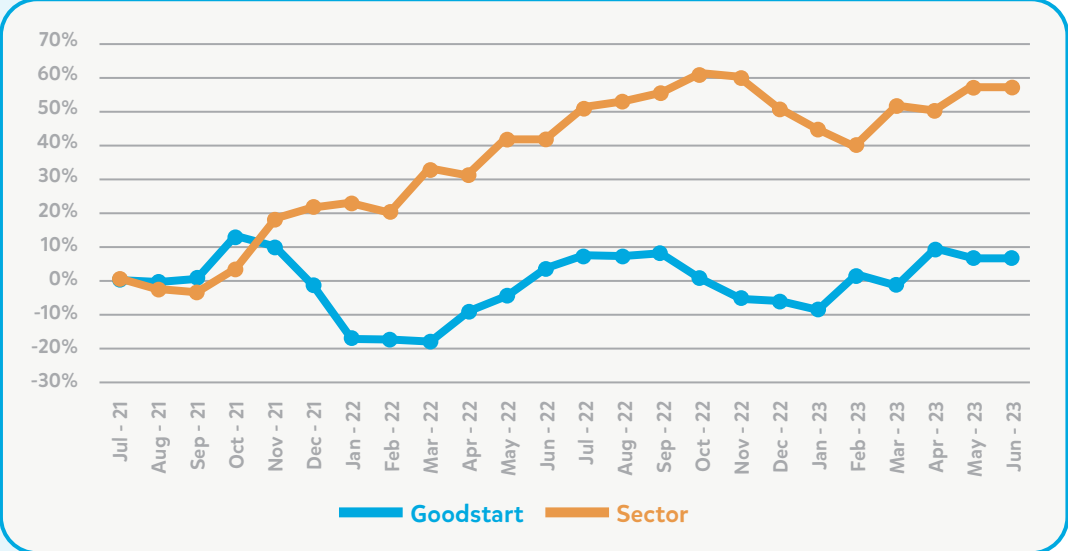
We're an organisation focused on performance to ensure ongoing reinvestment back into improving children's outcomes in and beyond Goodstart.

People performance

In a tough labour market, Goodstart is outperforming the sector, reflecting our investment in our people and above-award wages and conditions.

While staff vacancies are higher than in previous years, our vacancies are growing at a much slower rate than those being experienced by the rest of the sector.

Growth in monthly vacancies since July 2021



Source: Australian Government Jobs and Skills Australia Internet Vacancy Index; Goodstart data.

Our quality performance



Goodstart's quality ratings exceed the sector average, the result of our ongoing commitment and investment in quality investment

	Exceeding	Meeting	Working Towards
Goodstart	26%	72%	2%
Rest of the Long Day Care Sector	21%	67%	12%

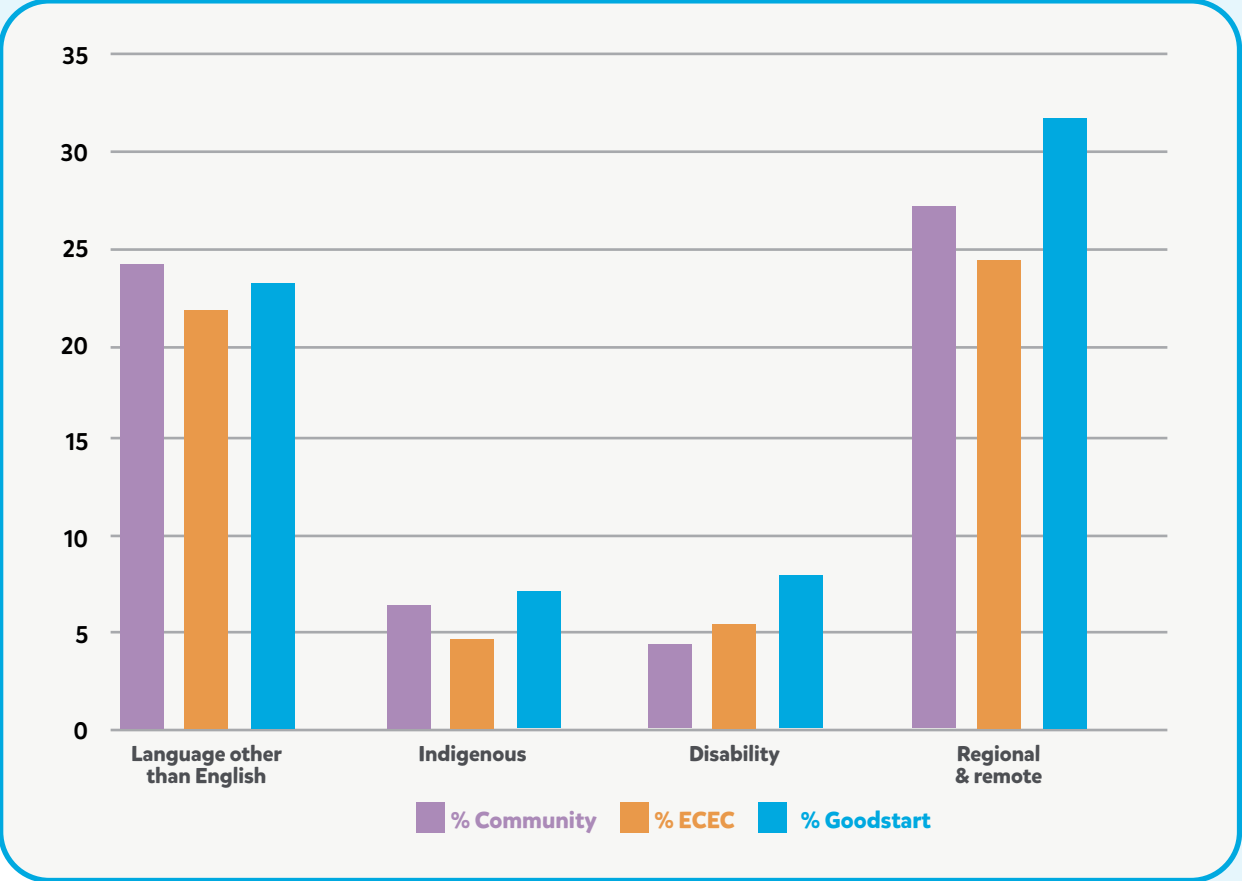
Source: ACECQA National Register 2023



Inclusion performance

Goodstart supports a higher proportion of children experiencing vulnerability than the sector, supported by a 19 percent increase in investments in inclusion programs to meet the ever-increasing and diverse needs of all children and families.

Making a difference for children experiencing vulnerability



Goodstart current performance compared to the most recently publicly available data. Source: Productivity Commission (2023) Report on Government Services table 3A.11



Operational performance

Consolidated statement of profit or loss for the year ended 30 June 2023

Financial performance was impacted by significant workforce shortages, increases in inflationary pressures on operating costs including wages and rents, and increasing competition in key markets. Demand remains soft as families continue to face community-wide cost of living pressures.

	2023	2022
	\$000	\$000
Revenue from early learning centres	1,258,524	1,197,045
Government grants	63,106	57,624
Other income	9,054	3,358
Total revenue	1,330,684	1,258,027
Employee costs	992,749	920,874
Rent and property expenses	94,977	81,716
Depreciation expense of right of use assets	87,036	86,045
Centre consumables	63,246	58,759
Depreciation and amortisation	43,138	40,914
Other expenses	51,142	52,625
Total expenses*	1,332,288	1,240,933
Net finance cost	238	1,899
Interest expense on application of AASB 16 leases	83,439	80,916
Net (deficit) / surplus for the year	(85,281)	(65,721)
Total comprehensive (loss) / income for the year	(85,281)	(65,721)

*Targeted social purpose investments included in expenses and presented in the table below.

Our targeted social purpose investments

	2023	2022
Targeted Social Purpose Investments*	54,213	47,325
Quality improvement - Professional development	23,059	18,998
Quality improvement - Programs	7,665	7,576
Inclusion - Programs	11,773	9,559
Inclusion - Access and affordability	4,234	4,282
Inclusion - In support for children with additional needs	4,156	3,000
Reconciliation	1,093	1,223
Impact beyond Goodstart - Evidence & advocacy	2,232	2,686

Big Fat Smile

Big Fat Smile merged with the Goodstart Early Learning Group in June 2020 – both maintaining separate brand identities. Both organisations share a deep commitment to children’s learning, development and wellbeing. We collaborate to leverage their combined strengths, enhance operational efficiencies, amplify our impact on children, and explore future growth and innovation.

Big Fat Smile is integral to the Illawarra and surrounding communities. With 656 employees including casuals, Big Fat Smile operates 39 services including long day care, term only preschools and outside school hours care. 3,551 Children from 2,793 families attend Big Fat Smile services. Big Fat Smiles’ results are consolidated into the Goodstart group financial statements.

Key Highlights

Big Fat Smile’s formal commitment towards reconciliation began in January 2023 with the endorsement of a Reflect Reconciliation Action Plan by Reconciliation Australia. Big Fat Smile is committed to strengthening relationships between Aboriginal and Torres Strait Islander peoples and non-Indigenous peoples, for the benefit of all Australians, but especially for the children. Their vision toward equity and unity with the First Nations people across the Dharawal, Dharug, Gundungurra, Ngunnawal, and Yuin Lands has begun, reflecting a culturally safe and inclusive organisation for children, families, educators, teachers, staff, and communities.

Quality

Big Fat Smile is proud to acknowledge Bellambi Point Community Preschool which is rated as ‘Excellent’ by the Australian Children’s Education & Care Quality Authority (ACECQA). 75 percent of Big Fat Smile’s long day care and preschool are rated as ‘Exceeding’ the National Quality Standard, with all services meeting the standard.



Strategic goals highlights

✓ Personalised Family Experience

We value our families for who they are and what they bring



Continuous improvement is crucial to our ongoing practice uplift journey

3,000+ family compliments

In our first survey in 2023, more than 3,000 compliments received from our families about their positive experiences with their centre teams at their local Goodstart centre.

Delivering above and beyond family expectations

Goodstart centres are consistently above the national average across all Quality Areas, including our partnerships with families and communities (QA6), leadership and service management (QA7) and staffing arrangements (QA4).

Goodstart's First Five Years

324,441+

Ensuring Australia's families can access high quality parenting advice, Goodstart continues to invest in the First Five Years website that delivers regular evidence-based content by experts. More than 324,441 families accessed this content last year, and a further 37,848 accessed the Goodstart parenting blog.

What we offer our families

9 hour sessions

Helping families minimise out-of-pocket costs with flexible sessions
Multiple day discounts

10 hour sessions

Food and nappy service a part of our offering

All day sessions

We don't charge fees for public holidays



Goodstart at Home

31,000

families accessed our online learning resources, doubling in usage since 2021



Helping families to make the most of CCS changes

Thousands upon thousands of conversations and engagement with families took place in the lead up to the 10 July 2023 implementation of the Federal Government's \$4.5 billion Child Care Subsidy reform.

Goodstart Centre Directors and centre leadership teams worked to explain the positive changes for families provided by the Federal Government's reforms.

Key fact

1.1M Australian families

Utilised Goodstart's child care subsidy (CCS) estimator over April to June 2023 to assess their CCS eligibility under the CCS reforms.

More than 90 percent of Goodstart's families are better off as a result of the changes.



In focus: Safety, health and wellbeing

Goodstart continues to strengthen its safety performance across the network focusing on safeguarding children, reducing risks, improving reporting and compliance and providing training and development opportunities.

Our safety commitment underpins everything we do at Goodstart and we work hard to share our specialist skills and knowledge with the sector, championing improvements for children and educators everywhere.

A key initiative delivered in 2022 was the Safeguarding Children Responsibilities for Nominated Supervisors, which helps our centre teams to ensure all children can feel safe, be safe, and are safeguarded from abuse and neglect.

- All Centre Directors successfully engaged in the program to ensure foundational knowledge and improve child safe practices in their centres. As part of the Nominated Supervisor program, 100 percent of centres completed a self-assessment and developed a child safe action plan to meet and exceed the National Principles for Child Safe Organisations and state-based Child Safe Standards.

We have embedded our network of Safety Champions and created new dashboards to provide local learnings and improve compliance and performance. We have also established a Safety Champion community of practice to ensure we continue to make positive cultural change and feed data and analysis into our governance and assurance frameworks.

- 97 percent of centres across our network have a Safety Champion working within the team, receiving ongoing training and coaching in their role and completing assurance checks around critical child safety risks.

Our child safety performance continues to be among the best in the sector, however, Goodstart is always looking to strengthen existing practices. During the reporting period, we invested in the design and development of a new digital incident reporting platform due for implementation in late 2023. This will enable detailed causal analysis of incidents across our network and ensure centres receive targeted support when they need it.

An Early Intervention program was launched to provide effective support and treatment for employees' physical and psychological injuries. The aim is to improve return to work timeframes and reduce workers compensation claim numbers and duration. This six-month pilot was launched in Victoria and extended across the network in February 2023:

- The pilot resulted in more than a 50 percent reduction in total workers compensation claims.
- Since extending to our entire centre network, we have assisted more than 1,220 employees, including by providing treatment for 449 employees, accessing mental health support for 85 employees and creating 626 suitable duties plans to help employees stay at work in 385 centres.

We have implemented new digital outdoor safety inspections and centre safety inspections as part of our risk management practice. As a result, approximately 600 safety inspections have been completed each month, identifying hazards and areas for improvement.

Following the appointment of a sector-first food safety specialist, Goodstart continues to strengthen its food allergen management. Serious food allergies are rising rapidly in Australian children, and it is critical that our centre teams are equipped with robust processes and tools to identify and support children's safety.

Wellbeing

The early learning sector is a dynamic and challenging environment and Goodstart understands the need to prioritise our approach to mental health and wellbeing. During 2022/23, Goodstart undertook extensive psychosocial risk assessments and gathered data through staff surveys and consultation, which, along with the most recent industry advice, has formed the basis of our new Wellbeing Strategy. This demonstrates Goodstart's commitment to the mental health of individuals and recognises the impact our working environments have on wellbeing. The five key pillars of the strategy include leadership, risk reduction, policy and process, education and training, and support mechanisms.





Annual Financial Report

Goodstart Early Learning Ltd

ABN 69 139 967 794
30 June 2023

**More than early learning,
we deliver social impact.**

Directors' Report for the year ended 30 June 2023.

Directors' Report (continued)

The directors present their report on the consolidated entity (the "Group"), consisting of Goodstart Early Learning Ltd ("Goodstart" or the "Company") and the entities it controlled for the financial year ended 30 June 2023 and the auditor's report thereon.

A Directors

The directors of the company at any time during or since the end of the financial year are set out below:



Paul Robertson AO *B Comm; FCPA*

Goodstart Chair, Non-executive Director. Member, Finance, Audit and Risk Committee. Chair, People and Culture Committee. Member, Quality and Social Purpose Committee, Member, Safety, Health and Wellbeing Committee. **Appointed 1 December 2019**

Paul Robertson has extensive experience as a Non-Executive Director and Chair in a wide variety of commercial and not for profit organisations across Australia. He is the immediate past Chair of Social Ventures Australia, St Vincent's Health Australia and Alzheimer's Australia (NSW). He was also a Director of Dementia Australia, Sydney Theatre Company Foundation and Telco Together Foundation. He is currently Chair of Tonic Media Network, SIPfHER Precinct Council, Grace Papers, Kinela, Able Foods and Founder and Director of the Financial Markets Foundation for Children. Paul has broad experience in finance including 27 years as Global Treasurer and Executive Director at Macquarie Bank.

He was made an Officer of the Order of Australia in 2018 for distinguished service to the community through ethical leadership and management of, and philanthropic contributions to, health, social enterprise, research, education and arts organisations.



Natalie Walker *BA (Psych); LLB*

Non-executive Deputy Chair. Member, Quality and Social Purpose Committee. Member, People and Culture Committee, Member, Safety, Health and Wellbeing Committee. **Appointed 1 December 2018**

Natalie Walker is the founder and managing director, of Inside Policy, a privately-held boutique public consultancy and data analytics firm that advises government, corporates and not-for-profits on a range of social and economic policy matters. She is a committed advocate for reconciliation and was previously the chief executive officer of Supply Nation, a start-up greenfields company focused on increasing the participation of Indigenous business in the supply chain of Australia's largest companies. Ms Walker has held roles at KPMG Australia, the Australian Human Rights Commission and in the Queensland Government.



Ros Baxter *PhD; LLB; BSW; BA*

Director and Chief Executive Officer. **Appointed 20 March 2023**

Ros Baxter is a leading Australian education executive who has spent the last 25 years working and partnering around the idea that early intervention and education are the keys to addressing intergenerational disadvantage. Since starting her career as a frontline social worker in child protection, Ros has worked across government and with partners in the community and research sectors to maximise understanding, investment and effective interventions for children and families. Before joining Goodstart, Ros was the Deputy Secretary for the Australian Government Department of Education and former First Assistant Secretary, Social Policy Division, of the Department of the Prime Minister and Cabinet.

With a strong background in public policy as both a leader and policy analyst, in addition to consultancy experience, Ros brings a deep understanding of issues affecting children, families and the sector, benefitting Goodstart's vision and purpose and ongoing focus to deliver on our strategic goals. In designing solutions, Ros is an advocate of partnering closely with families, educators and early learning services who know and understand children the best. With four children of her own, she believes that every person is different and differently capable, and that everyone has the right to a great start in life.



Julia Davison *BSc (Hons); MPA; MAICD*

Director and Chief Executive Officer. **Appointed 29 June 2011 Resigned 23 December 2022**

Julia Davison was Goodstart's Chief Executive Officer from February 2011 to December 2022. Julia has led the development of Goodstart's strategy and its transformation over the last 11 years and has extensive senior management experience in the human services sector in Australia and the UK. Between 1999 and 2004 she was CEO at Flinders Medical Centre, a large teaching hospital in Adelaide. From 2004 to 2010 Julia was CEO of WorkCover SA. Julia is a member of the Cape York Education Board and has held a number of non-executive roles including Chair of Catherine House, a not-for-profit working to solve women's homelessness, Director of Territory Insurance Office, NT and Director of Business SA. She has a strong interest in public policy and has a Masters degree from the Harvard Kennedy School.



Lynelle Briggs AO *B Econ; GAICD*

Non-executive Director. Chair, Safety, Health and Wellbeing Committee. Member, Finance, Audit and Risk Committee. Member, Quality and Social Purpose Committee (from 1 November 2022). **Appointed 15 December 2015**

Lynelle Briggs was a Commissioner on the Royal Commission into Aged Care Quality and Safety. She is currently an Independent Director with Maritime Super, and independent member of the Government's Aid Governance Board. Lynelle is also conducting a review for the Australian Government of how to reduce politicisation of government board appointments. She was Chairperson of NSW's Planning Assessment Commission and Independent Chairperson of the General Insurance Code Governance Committee. Prior to joining Goodstart, Lynelle was a Councillor with the Royal Australian College of General Practitioners and a non-executive director with the Australian Rail Track Corporation. Lynelle is a former Australian Public Service Commissioner and former chief executive of Medicare Australia. She has extensive experience in the Australian Public Service, working in a wide range of fields, including social security, health and community services, transport, external territories, employment and labour market support and veterans' affairs. Lynelle became an Officer in the General Division of the Order of Australia in 2013 for distinguished service to public administration, particularly through leadership in the development of public service performance and professionalism.



Philip Coffey *BEc (Hons); GAICD; SF Finsia*

Non-executive Director. Member, Finance, Audit and Risk Committee. Member, Quality and Social Purpose Committee (from 1 November 2022). Member, Safety, Health and Wellbeing Committee (from 1 November 2022). **Appointed 6 December 2021**

Phil Coffey is a highly regarded senior executive leader who has deep financial services experience. For over 20 years, Phil worked at Westpac Banking Corporation including three years as the deputy CEO of Westpac Group. Prior to this role, Phil held a number of executive positions including Chief Financial Officer and Group Executive, Westpac Institutional Bank. A passion for education led to Phil's involvement in the Westpac Scholars program and his appointment as the inaugural Chair. Phil has over 30 years of senior executive experience - from leading significant investment decisions, large technology projects to mergers and acquisitions. Phil began his career at the Reserve Bank of Australia and he has also held executive positions at Citibank. Phil is serving on two boards in addition to Goodstart; Macquarie Group Limited and LendLease. He recently retired from the Board of Clean Energy Finance Corporation.



Professor Sir Kevan Collins *Ed.D*

Non-executive Director. Member, Quality and Social Purpose Committee. Member, People and Culture Committee. Member, Safety, Health and Wellbeing Committee (from 1 November 2022). **Appointed 1 December 2018**

Kevan has had a long career in education and public service. After stepping down from full time work as the Chief Executive at the Education Endowment Foundation (EEF), he now supports a range of UK and international child and youth focused organisations. Prior to joining the EEF in 2011 as its first CEO he was Chief Executive and Director of Children's Services in the London Borough of Tower Hamlets. Kevan is now a Board member of the EEF. Kevan started his career teaching in east London. He went on to lead schools in Yorkshire and London and became the National Director of the Primary National Strategy in 2002. Kevan is a Board member at the Youth Endowment Fund, Executive Vice Chair at Learning by Questions and sits on the Board of Cognita schools. Kevan is also a Board member of the Australian Education Research Organisation. Kevan completed his doctorate in 2001 and is a visiting professor at the University College London Institute of Education. He was knighted for his services to education in 2015.



Chris Harrop *MBA (Hons); B Comm (Hons)*

Non-executive Director. Chair, Finance, Audit and Risk Committee. Member Quality and Social Purpose Committee (from 1 November 2022). Member Safety, Health and Wellbeing Committee (from 1 November 2022). **Appointed 1 January 2019**

Chris Harrop is an Advisory Partner in the Sydney office of Bain & Company where he has worked for over 30 years in the US, UK and Australia. Bain is a global strategy consulting firm with over 14,000 staff across 65 offices in 40 countries. Chris has specialised in the services sector and on projects addressing corporate strategy, customer experience improvement and broad-based transformational change. Chris formerly served on Bain's global Board of Directors, is a Non-executive Director at Social Ventures Australia and was a long-serving board member of the Australian Brandenburg Orchestra. He is a cofounder of Restacking the Odds, a not-for-profit partnership between Bain, SVA and MCRI working to address inter-generational disadvantage in Australia, and is a strategic advisor to For Purpose Investment Partners. Chris earned an MBA with Honours from IMD in Lausanne, Switzerland, and a Bachelor of Commerce with First Class Honours in Marketing from Otago University in New Zealand.



June McLoughlin AM *M.Ed*

Non-executive Director. Chair, Quality and Social Purpose Committee. Member, Safety, Health and Wellbeing Committee. **Appointed 15 December 2015**

June McLoughlin is the Executive Director Services at Our Place, a Colman Foundation Initiative. June has extensive experience in both policy and service development, research and practice in the early childhood, family support and children's services fields, which has given her a broad and deep understanding of issues relevant to the needs of parents and their children. June has managed many state and national projects designed to refocus early years services to provide more integrated support for families with young children with a particular interest in vulnerable children.

In 2023, June became a Member in the Order of Australia for significant service to child advocacy and early learning.

B Company Secretaries

Lois Aumuller FGIA was appointed to the position of Company Secretary on 23 August 2011. Lois is a corporate governance professional with over 25 years' experience gained through company secretarial and governance administration positions in not-for-profit, publicly listed and government owned organisations both in Australia and the United Kingdom.

Gavin Bartlett LLB was appointed to the position of Company Secretary on 28 May 2010. Gavin is a solicitor admitted to the Supreme Court in Queensland and Victoria and to the High Court of Australia, and has over 20 years' experience in legal practice, both in private practice and in managing in-house legal teams across Australia and New Zealand.

C Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year ended 30 June 2023 were:

	Board of Directors		Finance, Audit and Risk Committee*		People and Culture Committee**		Quality and Social Purpose Committee****		Safety Health and Wellbeing Committee*****	
	A	B	A	B	A	B	A	B	A	B
R Baxter***	1	1	-	-	-	-	-	-	-	-
L Briggs	4	3	4	3	-	-	3	2	5	4
P Coffey	4	4	4	4	-	-	3	3	3	3
K Collins	4	4	-	-	3	2	4	4	3	3
J Davison*****	2	2	-	-	-	-	-	-	-	-
C Harrop	4	4	4	4	-	-	3	3	3	3
J McLoughlin	4	4	-	-	-	-	4	3	5	4
P Robertson	4	4	4	4	3	3	4	4	5	5
N Walker	4	4	-	-	3	3	4	4	5	5

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 Audit and Risk Committee was renamed the Finance, Audit and Risk Committee with effect from 1 November 2022.

****** The Remuneration and Nominations Committee was renamed the People and Culture Committee with effect from 1 November 2022.

******* R Baxter joined the Board on 20 March 2023.

******** L Briggs, P Coffey and C Harrop joined the Quality and Social Purpose Committee on 1 November 2022.

********* P Coffey, K Collins and C Harrop joined the Safety, Health and Wellbeing Committee on 1 November 2022.

********* J Davison resigned from the Board on 23 December 2022.

The Executive Director (CEO) attends the Finance, Audit and Risk Committee, People and Culture Committee, Quality and Social Purpose Committee, and the Safety Health and Wellbeing Committee at the invitation of those Committees.

R Koczkar attended the September 2022 and November 2022 Finance, Audit and Risk Committee meetings as an external adviser.

There are no management representatives appointed as members of any Board Committee.

D Principal activities

Goodstart is a not-for-profit company incorporated on 13 October 2009. The principal activity of the Company is the provision of early learning and childcare services in a manner consistent with the achievement of our company objectives. There were no significant changes in the nature of the activities of the Company during the year.

E Operating performance

In the year ended 30 June 2023, a net deficit of \$85.3 million (2022: net deficit of \$65.7 million) was reported and net liabilities of \$20.8 million (2022: net assets of \$64.5 million).

F Company objectives

Goodstart has set eight strategic priorities that will drive the strategic direction of the organisation. They are:

Exceptional Quality

Our practice will be world class: we will deliver 'best practice', and discover 'next practice'. Through this, we will create enjoyable learning experiences for each child that prepares them to take on the world, now and into the future.

Inclusion for Everyone

We will be a place of opportunity where all children, families and Goodstarters feel safe to belong. This means we will think differently and do more to create opportunities for those children, families and Goodstarters who may be experiencing exclusion. Through this, everyone at Goodstart will be able to thrive.

Impact beyond Goodstart

We will create an unstoppable force for change in the early years ecosystem. We will build indisputable evidence of what works for children in the first five years, and we will rally our network of Goodstarters, families and communities to work with others to ensure that all Australia's children have the best start in life.

Amazing Goodstarter Experience

We will be known as a place to learn, grow and have a real voice. People will flourish when they become a Goodstarter, so that together we can make the difference for children and families, in each local community and across our whole Goodstart community.

Personalised Family Experience

We will value our families for who they are and what they bring. From this base, we will work with them in partnership to realise their aspirations for their children - including by supporting family life and enhancing learning and development at home - as part of a rich, seamless Goodstart experience.

Thriving Organisation

We will be a financially thriving organisation that reinvests to improve children's outcomes in and beyond Goodstart. We will be agile, innovative and responsive to challenges and opportunities now and in the future. We will be the best at getting better.

These are underpinned by our safety aspirations, and reconciliation is weaved through everything we do.

Safety

Children, families and Goodstarters will be physically, emotionally and culturally safe at Goodstart. We will all be proactive about promoting wellbeing, preventing harm, and speaking out on matters of safety. Safety will underpin everything that we do.

Reconciliation

We will deepen our reconciliation journey. As Goodstarters, we will engage with reconciliation on both personal and professional levels, creating the conditions that support Aboriginal and Torres Strait Islander social justice, equality and equity. Through this, we will grow a society that values and recognises Aboriginal and Torres Strait Islander cultures and heritage as a proud part of a shared identity.

Details of achievements and activities undertaken during the 2022/23 year are included on pages 8 to 49.

G Measurement of performance

Goodstart is committed to measuring its impact on children's lives. The following key performance indicators have been developed and are continually refined for each of Goodstart's Strategic priorities:

1. Exceptional Quality

- Percentage of centres exceeding the National Quality Standards
- Percentage of centres operating at Environmental Rating Scale of 6 or 7
- Percentage of centres achieving at least a score of 5 across 22 Environmental Rating Scale items
- Percentage of children improving above expectations

2. Inclusion for Everyone

- Percentage of vulnerable children accessing adequate early learning in the 2 years before school
- Percentage of all Goodstart children accessing adequate early learning in the 2 years before school
- Percentage of Goodstarters agreeing that Goodstart as a workplace is inclusive and diverse
- Number of children excluded
- Percentage of vulnerable children improving above expectations

3. Impact Beyond Goodstart

- Percentage of community support for 2 years of early learning
- Government investment in early learning (% of GDP)
- Evidence index
- Early years ecosystem index

4. Amazing Goodstarter Experience

- Employee initiated turnover
- Employee net promoter score
- Growth and development index
- Investment in learning and development

5. Personalised Family Experience

- Net promoter score (current and exited families)
- Children who left Goodstart before they were eligible for school as a percentage of all children who left

6. Thriving Organisation

- Percentage of booked occupancy (excluding new centres)
- Operating margin

7. Safety

- Child medical injuries per 10k attendances
- Lost time injury frequency rate
- Rate of child exits within 8 weeks of a notification of harm

8. Reconciliation

- Percentage of children identifying as Aboriginal and / or Torres Strait Islander
- Percentage of Goodstarters identifying as Aboriginal and / or Torres Strait Islander
- Percentage of Goodstarters who completed cultural competence training
- Percentage commitment of Goodstarters to reconciliation

These key performance indicators are measured at a centre, state or national level, as applicable and are reported to the Board on a quarterly basis.

H Members' liability

In the event of the Company being wound up, its Constitution states each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. At 30 June 2023, there were four members of Goodstart (The Benevolent Society, Brotherhood of St Laurence, Mission Australia and Social Ventures Australia Limited). The total of these guarantees was \$400 as at 30 June 2023 (2022: \$400).

I Lead auditor's independence declaration

KPMG is Goodstart's external auditor and its independence declaration is set out on page 58. This forms part of the Directors' Report for the financial year ended 30 June 2023.

J Rounding off

The Group is of a kind referred to in ASIC Corporation (Rounding in Financial/Directors' Report) Instrument 2016/191 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

K Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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



Paul Robertson
Chair

Dated at Brisbane this 26 September 2023



**Auditor's Independence
Declaration under subdivision
60-C section 60-40 of Australian
Charities and Not-for-profits
Commission Act 2012**

**To the Directors of Goodstart
Early Learning Ltd**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

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

KPMG
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Tracey Barker
Partner

Brisbane
26 September 2023

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Financial Statements

Goodstart Early Learning Ltd

ABN 69 139 967 794
30 June 2023



Goodstart Early Learning Ltd
Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

		2023	2022
	Note	\$000	\$000
Revenue from early learning centres	5a	1,258,524	1,197,045
Government grants	6	63,106	57,624
Other income	7	9,054	3,358
Total revenue		1,330,684	1,258,027
Employee costs	8	992,749	920,874
Property expenses	9	94,977	81,716
Depreciation of right of use assets	16a	87,036	86,045
Catering and consumables expenses		63,246	58,759
Depreciation and amortisation of property, plant & equipment and intangibles	14 & 15	43,138	40,914
Technology and communication expenses		21,938	23,512
Net impairment loss	14, 15 & 16a	1,404	4,368
Consulting and professional costs		5,905	6,612
Marketing expenses		5,917	6,493
Travel and motor vehicle expenses		3,022	2,451
Other expenses	10	12,956	9,189
Total expenses		1,332,288	1,240,933
Operating (deficit) / surplus		(1,604)	17,094
Finance income	11	3,396	416
Finance costs	11	(87,073)	(83,231)
Net finance (cost)	11	(83,677)	(82,815)
Net (deficit) for the year		(85,281)	(65,721)
Total comprehensive (loss) for the year		(85,281)	(65,721)

The notes on pages 65 to 91 are an integral part of these consolidated financial statements.

Goodstart Early Learning Ltd
Consolidated statement of financial position

As at 30 June 2023

	Note	2023	2022
		\$000	\$000
Assets			
Current assets			
Cash and cash equivalents	12	79,938	101,787
Trade and other receivables	13	51,571	45,689
Inventories		977	460
Financial assets	17	44,300	5,699
Total current assets		176,786	153,635
Non-current assets			
Deposits and security bonds		1,001	999
Property, plant and equipment	14	308,270	307,730
Right of use assets	16a	1,679,580	1,698,073
Intangible assets	15	-	539
Total non-current assets		1,988,851	2,007,341
Total assets		2,165,637	2,160,976
Liabilities			
Current liabilities			
Trade and other payables	18	90,049	65,373
Loans and borrowings	19	11	17
Lease liabilities	16b	34,513	34,159
Employee benefits	20	103,295	98,097
Provisions	21	13,858	13,867
Contract liabilities	5b	24,359	25,039
Total current liabilities		266,085	236,552
Non-current liabilities			
Loans and borrowings	19	47,295	13,462
Lease liabilities	16b	1,838,429	1,808,779
Employee benefits	20	11,960	11,710
Provisions	21	22,658	25,982
Total non-current liabilities		1,920,342	1,859,933
Total liabilities		2,186,427	2,096,485
Net (liabilities) / assets		(20,790)	64,491
Equity			
Accumulated (deficit) / surplus		(20,790)	64,491
Total equity		(20,790)	64,491

The notes on pages 65 to 91 are an integral part of these consolidated financial statements.

Goodstart Early Learning Ltd
Consolidated statement of cash flows

For the year ended 30 June 2023

Note	2023	2022
	\$000	\$000
Cash flows from operating activities		
Cash receipts from parents and guardians	455,606	421,829
Cash receipts from grants and government funding	876,895	840,138
Cash receipts from other income	5,332	2,779
Cash paid to suppliers and employees	(1,187,615)	(1,138,519)
Net cash from operating activities	150,218	126,227
Cash flows from investing activities		
Proceeds from sale of plant and equipment	75	696
Purchase of plant & equipment and intangible assets	(50,661)	(54,978)
Proceeds from / (Payments) to term deposits	(38,601)	80,000
Interest received	3,396	416
Acquisition of centres	-	(3,100)
Net cash (used) / from investing activities	(85,791)	23,034
Cash flows from financing activities		
Proceeds from borrowings, net of borrowing costs	34,761	-
Payments of lease liabilities	16d (34,996)	(33,040)
Interest paid	(86,041)	(83,572)
Net cash used in financing activities	(86,276)	(116,612)
Net (decrease) / increase in cash and cash equivalents	(21,849)	32,649
Cash and cash equivalents at 1 July	101,787	69,138
Cash and cash equivalents at 30 June	12 79,938	101,787

The notes on pages 65 to 91 are an integral part of these consolidated financial statements.

Goodstart Early Learning Ltd
Consolidated statement of changes in equity

For the year ended 30 June 2023

	Accumulated Surplus / (deficit)	Total Equity
	\$000	\$000
Balance at 1 July 2021	130,212	130,212
Total comprehensive income for the year		
Net deficit for the year	(65,721)	(65,721)
Balance at 30 June 2022	64,491	64,491
Total comprehensive income for the year		
Net deficit for the year	(85,281)	(85,281)
Balance at 30 June 2023	(20,790)	(20,790)

The notes on pages 65 to 91 are an integral part of these consolidated financial statements.

Index of notes to the consolidated financial statements for the year ended 30 June 2023

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1 Reporting entity

Goodstart Early Learning Ltd (the "Company"), a not-for-profit entity, is a company limited by guarantee. The consolidated financial statements of the Company as at, and for the year ended 30 June 2023, comprise the Company and its subsidiaries (together referred to as the "Group").

Goodstart Early Learning Ltd is domiciled in Australia and its registered office is at 43 Metroplex Avenue, Murarrie, QLD. The Group is primarily involved in the provision of early learning and childcare services.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 September 2023. Details of the Group's accounting policies, including changes during the year, are included in note 3.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

In preparing these consolidated financial statements management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(i) – Property, plant & equipment, (ii) depreciation (iii) impairment
- Note 3(j) – Impairment of non-financial assets
- Note 3(m) – Right of use assets - depreciation
- Note 16(e) – Leases (e) extensions, options and new leases
- Note 21 – Provisions

2 Basis of preparation (continued)

(e) Going concern

These consolidated financial statements have been prepared on the basis that the Group is a going concern and is able to realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of issuing the consolidated financial statements.

The Group has a consolidated net liability position of \$20.8 million (2022: net assets \$64.5 million) due to net deficits for the years ended 30 June 2022 and 30 June 2023 eroding the accumulated surplus. The Group generated net cash from operating activities of \$150.2 million (2022: \$126.3 million).

The Group has prepared a cash flow forecast which demonstrates that the Group has sufficient cash to pay its liabilities when they fall due.

Cash and cash equivalents and other financial assets (including restricted cash and term deposits) as at 30 June 2023 is \$124.2 million (2022: \$107.5 million). The Group has a debt facility of \$80 million with a term of three years, expiring on 31 May 2026. As at 30 June 2023, the Group had drawn down \$35 million with \$45 million still available to be drawn under the facility.

Current liabilities exceed current assets by \$89.3 million (2022: \$82.9 million). This is mainly due to \$103.3 million (2022: \$98.1 million) in employee benefits being recorded within current liabilities. These employee benefits are not expected to be paid in a lump sum at any point during the next 12 months. In addition, current lease liabilities of \$34.5 million (2022: \$34.2 million) have been recognised with the corresponding right of use asset recognised as a non-current asset.

For these reasons, it is the opinion of the Directors that the Group will generate sufficient cash flow from its operations and have sufficient banking facilities available to continue its operations and fulfil all of its financial obligations as and when they fall due.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss.

Where the initial accounting for a business combination is determined only provisionally by the first reporting date after acquisition date, the business combination is accounted for using those provisional values. Any subsequent adjustments to those provisional values are recognised within 12 months of the acquisition date and are applied effective from the acquisition date.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated in preparing the consolidated financial statements. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the financial statements of Goodstart Early Learning Ltd (the parent entity).

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable as specified in a contract with a customer. Amounts disclosed as revenue are net of discounts, refunds and amounts collected on behalf of third parties.

The Group recognises revenue when it transfers control over a service to a customer and specific criteria have been met about the nature and timing of the satisfaction of performance obligations for each of the Group's activities as described below:

i) Revenue from early learning centres

Fee subsidies paid by the government (Child Care Subsidy and Additional Child Care Subsidy) or fees paid by parents and guardians are recognised as revenue at a point in time when the early learning service is provided (as the performance obligation is satisfied).

ii) Contract liabilities

Revenues received in advance from parents, guardians and the government are recognised as a contract liability and classified as a current liability (as the performance obligation is yet to be satisfied).

iii) Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all performance obligations associated with the grant as follows:

- Where the agreement is enforceable and contains sufficiently specific performance obligations, the grant revenue is initially recognised as a contract liability with revenue recognised over time as the service is provided; and
- Where the agreement is not enforceable and there are no specific performance obligations, the grant revenue is recognised on receipt as the recognition criteria has been satisfied.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and short term deposits with original terms of 90 days or less. Restricted cash and call deposits are pledged as cash security for the Group's rental guarantees provided by our financier in favour of landlords of properties from which the Group operates its early learning centres, and WorkCover authorities in states where the Group has entered into retro-paid loss premium arrangements.

3 Significant accounting policies (continued)

(d) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis where applicable. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Group has applied AASB 9 Financial Instrument's simplified approach to measuring expected credit losses whereby the loss allowance is measured at an amount equal to lifetime expected credit losses. The Group assesses expected credit losses based on the Group's historic credit loss experience, current market conditions as well as forward looking estimates at the end of each reporting period.

The Group assesses impairment of receivables on a collective basis, by grouping together receivables with similar risk characteristics and uses historical trends of the probability of default. Debts which are known to be uncollectible are written off immediately.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The carrying amount of the receivable is deemed to reflect fair value.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(f) Financial assets

Term Deposits

Bank term deposits greater than three months to maturity on origination are those term deposits that do not meet the Group's accounting policy in relation to cash and cash equivalents as set out in note 3(c). Bank term deposits are initially recognised at fair value. Subsequent to initial recognition the bank term deposits are measured at amortised cost using the effective interest method. The carrying amount of the term deposits is deemed to reflect fair value.

(g) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities are capitalised, offset against the liability and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the contractual obligations are discharged, are cancelled, or expire.

3 Significant accounting policies (continued)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amount of trade and other payables is deemed to reflect fair value.

(i) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment include land, buildings, plant and equipment, leasehold improvements, computer equipment and motor vehicles. Also included are building improvements and operating rights that represent economic benefits arising from the use of tangible assets as a result of a business combination. These are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed as they are incurred.

Leasehold operating rights are recognised as part of the right of use assets.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income / other expenses in profit or loss.

ii) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives, and is recognised in profit or loss. Land is not depreciated.

In the case of leasehold improvements, expected useful lives are determined by the estimated useful lives or over the term of the lease, if shorter.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	40 years
Motor vehicles	4 - 7 years
Plant and equipment	3 - 10 years
Building improvements and operating rights	10 years
Leasehold improvements	Lower of lease life or 7 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iii) Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to note 3(j) for further information.

3 Significant accounting policies (continued)

(j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the non-financial asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (cash-generating units).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(k) Intangible assets

i) Other intangibles

Other intangibles are identifiable assets that represent the economic benefits arising from the rights and obligations of a contractual obligation.

Amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

ii) Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised as software. Costs capitalised include external direct costs of materials and services plus direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over 3-5 years.

Software as a Service (SaaS) are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. A right to receive future access to the supplier's software does not, at the contract commencement date, give the Group the power to obtain the future economic benefits flowing from the software itself and to restrict other's access to those benefits. As such the Group does not receive a software intangible asset at the contract commencement date.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition and recognition criteria for an intangible asset are recognised as intangible software assets. Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

3 Significant accounting policies (continued)

(k) Intangible assets (continued)

iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iv) Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to note 3(j).

(l) Inventories

Inventories relate to staff uniforms and children's welcome packs for distribution. These are measured at the lower of cost and current replacement cost. Any write down in the value of inventory due to obsolescence is booked as an expense when the inventory becomes obsolete. Current replacement cost is the cost the Group would incur to acquire or replace inventories held for distribution at balance date.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease component as a single lease component.

i) Right of use assets

The Group recognises right of use assets at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date over the shorter of useful life of the underlying asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group also recognises leasehold operating rights that arise as part of the transfer of the lease in a centre acquisition. Leasehold operating rights are subsequently depreciated using the straight-line method from the commencement date over the shorter of useful life of the underlying asset or the end of the lease term.

3 Significant accounting policies (continued)

(m) Leases (continued)

ii) Lease liabilities

The Group recognises a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise an extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets and lease liabilities separately in the statement of financial position.

iii) Short term leases and leases of low value assets

The Group has elected not to recognise right of use assets and lease liabilities for short term leases. The Group does not have any leases of low value assets.

Lease payments on short term leases are recognised as an expense on a straight-line basis over the lease term.

iv) Peppercorn leases

The Group has elected to measure the right of use assets arising from its 'peppercorn' leases at cost which is based on the associated lease liability.

v) COVID-19 related rent concessions

The Group has applied COVID-19 Related Rent Concessions - Amendment to AASB 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

3 Significant accounting policies (continued)

(m) Leases (continued)

vi) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(n) Employee benefits

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled wholly within 12 months after the end of the reporting period and accumulating rostered days off and time off in lieu are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed as the related service is provided.

All short-term employee benefits are presented as current liabilities.

ii) Long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled wholly within 12 months after the end of the reporting period are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting date, plus related on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bond rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Defined contributions plans

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

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

3 Significant accounting policies (continued)

(o) Provisions (continued)

i) Lease obligation provisions

Make good provisions

Costs required to restore certain leased premises to their original condition at the end of the respective lease terms as set out in the lease agreements are recognised as a provision in the consolidated financial statements. The provision has been calculated as the present value of the estimated future costs. These costs are capitalised as part of the cost of right of use assets and are amortised over the shorter of the term of the lease and the useful life of the assets.

Mid-lease repair and maintenance provisions

Estimated costs required to repair and maintain leasehold improvements where the Group is required by the lessor to repair areas identified and notified in accordance with the lease agreement are recognised as a provision in the consolidated financial statements. The provision has been calculated as an estimate of future costs. All other repairs and maintenance costs are expensed when incurred.

ii) Onerous contracts provision

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises any impairment loss on relevant assets associated with that contract.

(p) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities and unwinding of discounts on provisions. Borrowing costs are recognised in profit or loss using the effective interest method.

(q) Income tax

The Group (excluding GS Admin Services No.1 Pty Ltd) is a charitable institution for the purposes of Australian Taxation Legislation and is therefore exempt from income tax. The Group as a charitable institution has access to charity concessions under the income tax, FBT and GST laws. A charitable institution is defined by the Australian Taxation Office. Goodstart Early Years Pty Ltd (a subsidiary of the Company) is endorsed as Deductible Gift Recipient (DGR).

4 Auditors' remuneration

	2023	2022
<i>in whole dollars of AUD</i>	\$	\$
Audit and review services		
Auditors of the Group – KPMG	315,060	295,760
- Audit and review of financial statements – Group	315,060	295,760
Assurance services		
Auditors of the Group – KPMG	89,538	5,597
- Other services	89,538	5,597

Other services include analysis on information technology benchmarking and cyber maturity.

5 Revenue

	2023	2022
	\$000	\$000

(a) Revenue from early learning centres

Fees from parents and guardians	452,684	426,579
Government funding – fee subsidies	805,840	750,518
Government funding – care relief subsidies	-	19,948
Total revenue from early learning centres	1,258,524	1,197,045

(b) Contract liabilities

Contract liabilities	24,359	25,039
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Contract liabilities represents the fair value of that portion of the consideration received in respect of care relief subsidies and parent fees received in advance for which the performance obligation has not yet been satisfied.

Goodstart Early Learning Ltd
Notes to the consolidated financial statements for the year ended 30 June 2023

6 Government grants	2023	2022
	\$000	\$000
Recovered special needs funding	11,598	10,807
Recovered trainees funding	1,997	1,096
Kindergarten and associated funding	34,011	26,666
State and Federal other funding	15,500	19,055
Total government grants	63,106	57,624

7 Other income		
Insurance recoveries	515	736
Gain on surrender / termination of leases	3,612	1,262
Gain on remeasurement of leases	1,274	-
Sublease income	363	509
Net gain on disposal of property, plant and equipment	-	321
Other income	3,290	530
Total other income	9,054	3,358

8 Employee costs		
Wages and salaries	887,889	830,170
Other associated personnel expenses	24,710	18,135
Contributions to defined contribution plans	80,150	72,569
Total employee costs	992,749	920,874

9 Property expenses		
Rental expenses*	13,135	10,449
Repairs and maintenance	44,892	36,397
Other direct property expenses	36,950	34,870
Total rent and other property expenses	94,977	81,716

* Variable lease payments such as centre performance turnover (as contained in the lease agreements) are included as rental expenses in profit or loss.

Goodstart Early Learning Ltd
Notes to the consolidated financial statements for the year ended 30 June 2023

10 Other expenses	<i>Note</i>	2023	2022
		\$000	\$000
Net loss on disposal of property, plant and equipment		164	-
Insurance premiums expense		5,363	4,153
Bank charges		357	352
Impairment loss on trade receivables	13a	1,670	640
Other expenses		5,402	4,044
Total other expenses		12,956	9,189

11 Finance income and finance costs		
Interest income on bank deposits		416
Total finance income		3,396
Interest expense on financial liabilities measured at amortised cost		(2,871)
Interest expense on lease liabilities	16c	(80,916)
Unwinding of discount of make good & mid-lease provisions	21	382
Changes in discount rates of mid-lease provisions		174
Total finance costs		(87,073)
Net finance costs recognised in profit or loss		(83,677)

12 Cash and cash equivalents		
Cash and cash equivalents	69,938	71,787
Short term deposits	10,000	30,000
Total cash and cash equivalents	79,938	101,787

The Group has \$50.95 million (2022: \$30.95 million) in short term deposits and term deposits (note 17) that have been pledged as security for the Group's guarantees provided by our financier as set out in note 23.

The Group also have \$0.51 million (2022: \$0.73 million held in trust) in the Early Learning Fund - Grant Agreement receivable on behalf of families. Further details are set out in note 24.

Goodstart Early Learning Ltd

Notes to the consolidated financial statements for the year ended 30 June 2023

13 Trade and other receivables

	Note	2023 \$000	2022 \$000
Trade receivables		34,725	34,660
Allowance for impairment of receivables	(note (a) below)	(7,118)	(5,479)
Trade receivables net		27,607	29,181
Prepayments		12,670	9,864
Goods and services tax (GST) recoverable		3,909	3,606
Other receivables		7,385	3,038
Total trade and other receivables		51,571	45,689

(a) Impaired trade receivables

As at 30 June 2023 current trade receivables of the Group were assessed for impairment. The allowance for expected credit losses recognised at reporting date was \$7.1 million (2022: \$5.5 million).

Movements in the allowance for expected credit losses of receivables are as follows:

Balance at 1 July	5,479	5,164
Receivables written off during the year as uncollectible	(31)	(325)
Allowance for impairment recognised during the year	1,670	640
Balance at 30 June	7,118	5,479

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

Goodstart Early Learning Ltd

Notes to the consolidated financial statements for the year ended 30 June 2023

14 Property, plant and equipment

	2023 \$000						
	Land & buildings	Building improvements & operating rights	Leasehold improvements	Plant & equipment	Motor vehicles	Work in progress	Total
Year ended 30 June 2023							
Opening net book amount	135,880	21,011	82,139	30,787	245	37,668	307,730
Additions	18	975	18,510	9,097	-	25,012	53,612
Transfers from work in progress property, plant & equipment	22	671	13,434	2,388	-	(16,515)	-
Transfers from work in progress to other assets	-	-	-	-	-	(9,011)	(9,011)
Disposals	(93)	(57)	(52)	(37)	-	-	(239)
Net impairment loss	-	-	(557)	-	-	(706)	(1,263)
Depreciation expense	(1,195)	(3,939)	(23,041)	(14,139)	(245)	-	(42,559)
Closing net book amount	134,632	18,661	90,433	28,096	-	36,448	308,270
Year ended 30 June 2023							
Cost	140,737	37,392	242,214	130,666	62	36,448	587,519
Accumulated depreciation & impairment losses	(6,105)	(18,731)	(151,781)	(102,570)	(62)	-	(279,249)
Net book amount	134,632	18,661	90,433	28,096	-	36,448	308,270
	2022 \$000						
	Land & buildings	Building improvements & operating rights	Leasehold improvements	Plant and equipment	Motor vehicles	Work in progress	Total
Year ended 30 June 2022							
Cost	140,845	36,535	218,218	121,705	590	37,668	555,561
Accumulated depreciation & impairment losses	(4,965)	(15,524)	(136,079)	(90,918)	(345)	-	(247,831)
Net book amount	135,880	21,011	82,139	30,787	245	37,668	307,730

Security

Refer to note 19 for information on non-current assets pledged as security by the Group.

15 Intangible assets

	2023		
	\$000		
	Software	Work in progress	Total
Year ended 30 June 2023			
Opening net book amount	431	108	539
Other acquisitions	40	-	40
Transfers	108	(108)	-
Amortisation charge	(579)	-	(579)
Closing net book amount	-	-	-
Year ended 30 June 2022			
Cost	-	-	-
Accumulated amortisation and impairment	-	-	-
Net book amount	-	-	-
In the current year, software has been fully depreciated and disposed off.			
	2022		
	\$000		
	Software	Work in progress	Total
Year ended 30 June 2022			
Cost	22,563	108	22,671
Accumulated amortisation and impairment	(22,132)	-	(22,132)
Net book amount	431	108	539

16 Right of use assets and lease liabilities

The Group leases 649 (2022: 662) premises. The leases typically run for a period of 20 years, then have one to three options. Each option enables the Group to renew the leases for a further 5 to 20 years. Leases provide for contingent payments, including escalation based on fixed dollar or percentage increases, as contained in the lease agreement.

The Group leases 183 (2022: 233) motor vehicles under fully maintained lease contracts. All leases are for a term of 48-96 months, commencing on delivery of the vehicle.

16 Right of use assets and lease liabilities (continued)

(a) Right of use assets

Set out below are the carrying amounts of right-of-use assets and movements during the year:

	Note	2023		
		\$000		
		Leased property	Leased vehicles	Total
Balance at 1 July 2022				
		1,696,197	1,876	1,698,073
Remeasurement of right of use assets	16e	19,766	-	19,766
Additions to right of use assets		70,655	692	71,347
Disposal of right of use assets		(21,959)	(470)	(22,429)
Depreciation charge for the year		(85,869)	(1,167)	(87,036)
Net impairment loss		(141)	-	(141)
Balance at 30 June 2023		1,678,649	931	1,679,580
As at 30 June 2023				
Cost		2,029,112	7,102	2,036,214
Accumulated depreciation & impairment		(350,463)	(6,171)	(356,634)
As at 30 June 2023		1,678,649	931	1,679,580
		2022		
		\$000		
		Leased property	Leased vehicles	Total
Year ended 30 June 2022				
Cost		1,960,651	6,880	1,967,531
Accumulated depreciation & impairment		(264,454)	(5,004)	(269,458)
As at 30 June 2022		1,696,197	1,876	1,698,073

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities during the year:

	2023	2022
	\$000	\$000
Current lease liabilities	34,513	34,159
Non-current lease liabilities	1,838,429	1,808,779
Total lease liabilities	1,872,942	1,842,938

16 Right of use assets and lease liabilities (continued) 2023
\$000 2022
\$000

(c) Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

Interest expense on lease liabilities	83,439	80,916
Depreciation on right of use assets	87,036	86,045
Income from sub-leasing right of use assets presented in 'other revenue'	(363)	(509)
Expenses relating to short-term leases	2,000	360
Variable lease payments not included in the measurement of lease liabilities	852	338
Gain on surrender / termination of leases	(3,612)	(1,262)
Gain on remeasurement of leases	(1,274)	-
Total amount recognised in profit or loss	168,078	165,888

(d) Amounts recognised in the statement of cash flows

Cash outflow for leases – payments of interest	(83,439)	(80,916)
Cash outflow for leases – payments of principal	(34,996)	(33,040)
Total cash outflow for leases	(118,435)	(113,956)

The Group has classified the principal portion of lease payments and the interest portion of lease payments within financing activities.

Lease payments for variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

(e) Extensions, options and new leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

Currently all lease options are deemed to be reasonably certain to be exercised by the Group unless the lease is deemed to be an onerous contract or there is a significant event or change in circumstances that affects its ability to exercise the options to renew.

During the year, the Group transitioned with a new in-house lease system to manage the current lease portfolio, previously being outsourced. The transition to the in-house system was recognised as a lease remeasurement due to differences in methodology and resulted in an increase in right of use asset of \$19 million, an increase in lease liability of \$17.7 million and a resultant impact on profit or loss of \$1.3 million. This has been reflected as a change in estimate and applied prospectively.

Some property leases contain contracts not yet commenced to which the Group is committed.

The Group has estimated that the potential future lease payments for leases not yet commenced, would result in an increase in lease liability of \$0.07 million (2022: \$2.6 million).

16 Right of use assets and lease liabilities (continued)

(f) Rent concessions

In the previous year, the Group received rent concessions from its landlords for a number of its early learning centre leases as a result of the severe impact of the COVID-19 pandemic. The Group applied the practical expedient for COVID-19 related rent concessions consistently to eligible rent concessions relating to its early learning centre leases.

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19 related rent concessions is Nil million (2022: \$0.5 million).

(g) Future lease payments

The total of future lease payments, including those lease payments that are not included in the measurement of the lease liability, are disclosed for each of the following periods.

	2023 \$000	2022 \$000
Less than one year	34,513	34,159
One to five years	126,762	126,821
More than five years	1,711,667	1,681,958
	1,872,942	1,842,938

17 Financial assets

Current

Term deposits	44,300	5,699
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The term deposits have greater than three months and less than one year to maturity, and carry a weighted average fixed interest rate of 4.74% (2022: 0.94%). Due to their short-term nature their carrying value is assumed to approximate their fair value.

The Group has \$50.95 million (2022: \$30.95 million) in short term deposits and term deposits (note 12) that have been pledged as security for the Group's guarantees provided by our financier as set out in note 23.

18 Trade and other payables

Current

Other trade payables	29,709	17,828
Accrued expenses	60,340	47,545
Total trade and other payables	90,049	65,373

19 Loans and borrowings

2023
\$000

2022
\$000

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

Current

Unsecured loans from related entities

Deeply subordinated loan from founders ⁽¹⁾	11	17
Total unsecured loans from related entities	11	17

Non-current

Secured loans

Secured facility bank loan	35,000	-
Less capitalised borrowing costs	(1,167)	-
Total secured loans	33,833	-

Unsecured loans from related entities

Deeply subordinated loan from founders (incl. capitalised interest) ⁽²⁾	13,462	13,462
Total unsecured loans from related entities	13,462	13,462
Total non-current loans and borrowings	47,295	13,462

Total loans and borrowings	47,306	13,479
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Further details on loans from related entities are set out in note 24.

⁽¹⁾ This amount represents interest accrued to balance date.

⁽²⁾ Fixed interest rate, with the ability of interest to be capitalised

19 Loans and borrowings (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans are as follows:

30 June 2023				
\$000				
	Nominal interest rate	Year of maturity	Utilised Facility	Total Facility
Secured loans				
Secured facility bank loan ⁽¹⁾	6.22%	2026	35,000	80,000
Total secured loans			35,000	80,000

Unsecured loans from related entities

Deeply subordinated loan from founders ⁽²⁾	15%	2030	10,000	10,000
Total unsecured loans from related entities			10,000	10,000

30 June 2022				
\$000				
	Nominal interest rate	Year of maturity	Utilised Facility	Total Facility
Secured loans				
Secured facility bank loan ⁽³⁾				
Tranche A	3.41%	2022	-	100,000
Tranche B	3.46%	2022	-	2,400
Total secured loans			-	102,400

Unsecured loans from related entities

Deeply subordinated loan from founders ⁽²⁾	15%	2030	10,000	10,000
Total unsecured loans from related entities			10,000	10,000

⁽¹⁾ Variable interest rate, revolving facility

⁽²⁾ Fixed interest rate, with the ability of interest to be capitalised

⁽³⁾ Variable interest rate, amortising facility

Terms and conditions of secured borrowings

Covenants include leverage ratio, interest cover ratio, and other requirements that are customary to these types of facilities.

19 Loans and borrowings (continued)

Terms and conditions of secured borrowings (continued)

Assets pledged as security

The facility bank loan and bank guarantee facility of the Group is secured by:

- a fixed and floating charge over all assets and undertakings of the guarantor Group;
- real property mortgage over freehold property; and
- a mortgage or fixed charge over all rights in respect of any loans made between the Group.

The carrying amounts of assets pledged as security for the bank guarantee facility are:

	2023	2022
	\$000	\$000
Current		
<i>Fixed and Floating charge</i>		
Cash and cash equivalents	72,073	95,469
Trade and other receivables	49,586	43,977
Inventories	977	460
Financial assets	40,000	-
Total current assets pledged as security	162,636	139,906
Non-current		
<i>Mortgage</i>		
Freehold land and buildings	133,794	135,050
<i>Fixed and Floating charge</i>		
Property, plant and equipment	170,647	168,880
Intangibles	-	539
Total non-current assets pledged as security	304,441	304,469
Total assets pledged as security	467,077	444,375

20 Employee benefits

Current

Employee leave entitlements	103,295	98,097
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Non-current

Employee leave entitlements	11,960	11,710
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21 Provisions

	2023	
	\$000	
	Lease obligation provisions	Total
At 1 July 2022	39,849	39,849
Provisions made during the year	1,425	1,425
Provisions utilised during the year	(4,683)	(4,683)
Provisions reversed during the year	(283)	(283)
Unwinding of discount	208	208
Balance as at 30 June 2023	36,516	36,516
Current	13,858	13,858
Non-current	22,658	22,658
Total provisions	36,516	36,516
	2022	
	\$000	
	Lease obligation provisions	Total
At 1 July 2021	49,842	49,842
Provisions made during the year	7,379	7,379
Provisions utilised during the year	(2,845)	(2,845)
Provisions reversed during the year	(14,145)	(14,145)
Unwinding of discount	(382)	(382)
Balance as at 30 June 2022	39,849	39,849
Current	13,867	13,867
Non-current	25,982	25,982
Total provisions	39,849	39,849

Lease obligation provisions

Lease obligation provisions comprise of both provisions for make good and mid-lease repairs & maintenance provisions.

a) Make good provisions

Provisions are made for the make-good and end of lease redecoration in respect of restoring leased premises to their required condition when the premises are vacated either due to closure or relocation. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements and reinstate the leased premises to the required end of lease conditions including redecoration. This provision amounts to \$22.6 million as at 30 June 2023 (2022: \$24.0 million). The Group has estimated the provision based on data in relation to current prices available and discounted to their present value. These estimates may vary from actual costs incurred as a result of conditions existing at the date the premises are vacated.

21 Provisions (continued)

Lease obligation provisions (continued)

a) Make good provisions (continued)

The provision has been calculated using a discount rate of 4.29% being the 20-year bond yield rate (2022: 3.91% based on 20-year bond yield rate). This is a rate that most closely approximates the remaining life of the leases for the calculation of the present value of future cash flows. The increase in the discount rate has decreased the provision by \$1.4 million (2022: \$9.1 million decreased).

Any other lease and repairs and maintenance obligations that are contractually required more frequently are included in the mid-lease repairs and maintenance provision. This approach gives a more reasonable approximation of the timing of any lease obligation to be performed and is based on historical experience.

b) Mid-lease repairs and maintenance provisions

Provision is made for the repair and maintenance of leasehold improvements where the Group is required by the lessor to repair areas identified and notified in accordance with the lease agreements throughout the lease term. Management has estimated the provision based on recent invoices received and history of costs to rectify. This provision amounts to \$13.9 million as at 30 June 2023 (2022: \$15.8 million).

The provision has been calculated using a discount rate of 4.03% (2022: 3.23%), being the 3-year bond yield rate. This is a rate that most closely approximates the remaining years to carry out any due mid-lease repair and maintenance and redecoration obligations. The increase in the discount rate has decreased the provision by \$0.1 million (2022: \$0.2 million decreased).

During the previous year, the Group renegotiated a number of leases which removed make good and mid-lease repairs & maintenance obligations. The impact was a reversal of \$13.7 million. The remaining reversal of \$0.4 million related to the termination of lease contracts due to centre closures.

22 Commitments	2023	2022
	\$000	\$000

a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as either assets or liabilities is as follows:

Contracted but not yet provided for and payable:		
Property, plant and equipment	9,864	9,596

b) Contractual commitments

Expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Contracted but not yet provided for and payable:		
Commitments for medium-term service contracts	20,333	16,129

The Group has entered into contracts for the management of the maintenance of the network of centres and the supply of technology and communication services. These contracts will give rise to annual expenses of \$16.8 million for the next year (2022: \$7.7 million).

23 Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required.

a) Guarantees

	2023	2022
	\$000	\$000
Bank guarantees issued in support of various rental arrangements	46,947	47,295
Total guarantees	46,947	47,295

Total amount of the bank guarantee facility is \$60.0 million as at 30 June 2023 (2022: \$55.0 million). Refer to security disclosed in note 19.

b) Other contingent liabilities

Unless otherwise disclosed in the financial statements, the Group has no other material contingent liabilities.

24 Related parties

Key management personnel compensation

	2023	2022
<i>in whole dollars of AUD</i>	\$	\$
Directors' fees	615,149	636,149
Executive and Executive Director's remuneration	4,196,939	4,124,260
Total amount paid or payable to key management personnel	4,812,088	4,760,409

Parent and subsidiaries information

Company	Country of incorporation	Ownership interest	Ownership interest
		2023	2022
		%	%
Parent entity			
Goodstart Early Learning Ltd	Australia	Parent	Parent
Subsidiaries			
GS Admin Services No.1 Pty Limited	Australia	100%	100%
Goodstart Early Years Limited *	Australia	100%	100%
Big Fat Smile Group Ltd	Australia	100%	100%

* Formerly Mission Australia Early Learning Limited.

24 Related parties (continued)

(a) Related party information

The Group has been formed by the following founding members with the following voting rights:

Mission Australia	25%
Benevolent Society	25%
Brotherhood of St Laurence	25%
Social Ventures Australia	25%

In the event of the Company being wound up, its Constitution states each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. The total of these guarantees was \$400 as at 30 June 2023 (2022: \$400).

(b) Outstanding balances and transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:
in whole dollars of AUD

1) Unsecured loans from parties with significant influence over Goodstart Early Learning Ltd	2023	2022
	\$	\$
i) Deeply subordinated loan from founders		
Balance at 1 July	13,479,031	13,484,564
Interest charged	2,013,833	2,013,832
Interest paid	(2,019,365)	(2,019,365)
Balance at 30 June	13,473,499	13,479,031
The terms and conditions of each category are set out in note 19.		
2) Other related party transactions	2023	2022
	\$	\$
i) Transaction values		
Founding members – purchase of goods and services	375,255	247,230
Founding members – funding paid under auspice agreement *	261,019	219,040
Founding members – funding / (refunds) for services received	18,200	18,200
Founding members – funding received under auspice agreement *	80,000	1,684,797
ii) Balance outstanding		
Founding members – other receivables / (refunds) **	(260)	2,021
Founding members – other payables **	920,053	494,839

* Goodstart has entered into the Early Learning Fund - Grant Agreement (ELF) with the Paul Ramsay Foundation and Uniting NSW ACT (Uniting). The ELF is a scholarship program that supports 3 to 5 year old children and their families to access and participate in quality early learning. The arrangement is facilitated by an auspice agreement with the Benevolent Society who primarily distribute the funds from the Paul Ramsay Foundation to Goodstart and Uniting. Also included in the distributions to the ELF are third party donations as well as monies from Goodstart employees as part of our workplace giving program.

** The payment terms and conditions are consistent with the accounting policies for trade receivables (note 3(e)) and trade payables (note 3(h)). These amounts are receivable/due as a result of transactions with related parties in the normal course of business.

25 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

26 Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023	2022
	\$000	\$000
a) Balance Sheet		
Current assets	166,771	144,040
Total assets	2,136,062	2,131,662
Current liabilities	256,080	225,696
Total liabilities	2,158,245	2,068,075
<i>Equity</i>		
Accumulated (deficit) / surplus	(22,183)	63,587
b) Total comprehensive income		
(Deficit) / surplus for the year	(85,774)	(65,993)
Total comprehensive loss	(85,774)	(65,993)
c) Contingent liabilities of the parent entity		
Rent guarantees	46,947	47,295
Total contingent liabilities of the parent entity	46,947	47,295
d) Commitments of the parent entity		
Capital commitments for the acquisition of property, plant and equipment	9,724	9,596
Commitments for medium-term service contracts	20,069	16,129
Total commitments of the parent entity	29,793	25,725

Goodstart Early Learning Ltd Directors' declaration

In the opinion of the directors of Goodstart Early Learning Ltd ("the Company"):

- a. the Company is not publicly accountable;
- b. the consolidated financial statements and notes that are set out on pages 60 to 91 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Brisbane 26 day of September 2023



Paul Robertson
Director



Independent Auditor's Report To the members of Goodstart Early Learning Ltd

Opinion

We have audited the **Financial Report**, of Goodstart Early Learning Ltd (the Company).

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2023;
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies; and
- iv. Directors' declaration.

The Group consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Goodstart Early Learning Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures Framework and the ACNC and ACNCR;

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- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf
This description forms part of our Auditor's Report.



KPMG



Tracey Barker
Partner

Brisbane
26 September 2023

Behind Goodstart

Goodstart was created by a partnership of organisations who saw the potential of early learning to transform Australia. They wanted to address one of the key sources of many future problems – poor early childhood experiences.

It made perfect sense for these groups to pool their energy and investment in early learning to fix the root cause of so many social problems.

The Benevolent Society

Formed in 1813, The Benevolent Society is Australia's first charity. It is a not-for-profit and non-religious organisation that helps people, families and communities achieve positive change through support and education.

Mission Australia

Mission Australia is a non-denominational Christian community service organisation that aims to reduce homelessness and strengthen communities across Australia. It works to help people secure jobs, receive an education, find housing and develop important life skills.

The Brotherhood of St Laurence

The Brotherhood is a not-for-profit organisation that works to alleviate and prevent poverty through research, services and advocacy. It is a non-government, community-based organisation that supports people experiencing disadvantage at all stages of life to build a better future for themselves and their families.

Social Ventures Australia

Social Ventures Australia is a non-profit organisation established to improve the lives of people in need. It focuses on keys to overcoming disadvantage including great education, sustainable jobs, stable housing and appropriate health, disability and community services.

Goodstart would like to acknowledge the funding and support by provided Governments and organisations including:

- Australian Federal Government
- Australian Capital Territory Government
- New South Wales Government
- Northern Territory Government
- Queensland Government
- South Australia Government
- Tasmania Government
- Victoria Government
- Western Australia Government
- Paul Ramsay Foundation
- Charter Hall
- Employers Mutual Limited
- The Australian council for Education Research Limited
- Landcare Australia
- The Foundation of Graduates in Early Childhood Studies
- Australian Unity Limited
- National Indigenous Australian Agency
- Woolworths
- ACT for Kids – Qld
- City of Cockburn
- The Buckner Group
- Bupa
- Coles for Business
- Kids Gourmet Food Pty Ltd
- Logan City Council
- Modern Teaching Aids Pty Ltd
- Winc Australia Pty Ltd
- XAP Technologies
- Reconciliation South Australia
- National Australia Bank
- Good360
- Bunnings
- Goodstarters are also acknowledged for providing support for the Early Learning Fund via Giving@Goodstart



goodstart.org.au