

FAMILY DAY CARE AUSTRALIA

ANNUAL REPORT

2025–2026

Family DAY CARE AUSTRALIA



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1.0 EXECUTIVE REPORTS

1.1 CHIEF EXECUTIVE OFFICER REPORT



The 2025-2026 financial year was one of the most significant periods of policy and regulatory reform the early education and care (ECEC) sector has experienced in recent years. For family day care, that reform has occurred against the backdrop of continued pressure on educator numbers, service viability and administrative burden. As such, for Family Day Care Australia (FDCA), our focus has been on ensuring that reform recognises the strengths and operational realities of our sector through ongoing member consultation, while providing practical support to members managing change. The experience and insights of educators and approved services continue to be vital in shaping our priorities and our engagement with governments.

Child safety and regulatory reform was a major focus of FDCA's advocacy throughout 2025-2026. FDCA engaged extensively with governments, regulators and parliamentary processes to ensure that the family day care perspective was properly understood as significant reforms were developed and implemented. This included substantive submissions and appearances at public hearings for both the Senate inquiry into ECEC quality and safety and the Victorian ECEC parliamentary inquiry. Across these processes, FDCA drew on member experience, sector evidence and the practical realities of home-based education and care to support stronger safeguards and accountability while advocating for reform design and implementation measures that were evidence-based, proportionate and workable within the family day care model.

FDCA's advocacy informed reform related to digital devices, mandatory child safety training, Working with Children Checks, the National Early Childhood Worker Register and expanded regulatory powers. Across these matters, we consistently emphasised the important oversight role of approved services and the need to consider safety, quality, viability and access in parallel, as they are inextricably linked in the family day care context.

Our advocacy contributed to tailored implementation of the new digital-device requirements, recognising the practical realities of home-based care while maintaining strong child-safety safeguards. We also secured family day care-specific arrangements for mandatory child safety training, ensuring the implementation model reflected the sector's dispersed educator structure rather than relying on centre-based closure arrangements.

Securing equitable workforce support remained a major priority throughout the year. Despite extensive engagement with the Australian Government, including detailed modelling and alternative implementation proposals, the June announcement extending the Worker Retention Payment to employed family day care educators left the overwhelming majority of family day care educators outside the practical reach of the program because of the sector's predominant independent contractor model. At year end, the matter remained unresolved. FDCA will continue to pursue an appropriately designed remuneration and workforce-retention mechanism that can genuinely reach family day care educators while also recognising the essential role and viability of approved services.

Our broader funding and viability priorities were set out in FDCA's 2026-2027 Pre-Budget Submission, which called for a coordinated package of measures needed to stabilise the sector and support sustainable growth. Priorities included reform of the Child Care Subsidy (CCS) hourly rate cap, support for non-standard-hours care, targeted supply-side investment, technology enhancements to reduce administrative burden, and tailored recruitment and training pathways. This work was complemented by FDCA's expanding role in the Early Education Service Delivery Prices project, including support for targeted family day care data collection. The project provides an important opportunity to ensure that future funding decisions properly reflect the costs borne by both approved services and educators operating their own businesses.

FDCA continued to represent the sector in the Fair Work Commission's Gender-Based Undervaluation Priority Awards Review. Our advocacy contributed to the Commission not proceeding with the proposed automatic transfer of relevant service employees from the SCHADS Award to the Children's Services Award, with family day care award coverage to be considered separately. Through HumanAbility's national review of the ECEC

Certificate III and Diploma qualification review, we also advocated for contemporary family day care practice and appropriate entry pathways.

FDCA's advocacy also helped secure recognition of venue-based family day care within the Building Early Education Fund, creating an important pathway for family day care to contribute to place-based solutions in communities where conventional centre-based provision may not be viable. While the initial eligibility settings limited the number of family day care services able to participate, the inclusion itself represented an important step towards recognising the role flexible and smaller-scale models can play in improving access.

The Australian Government-funded Family Day Care Capability Trial continued to test practical responses to some of the primary workforce, administrative and access challenges facing our sector. By the end of June, 46 educators had commenced through its recruitment stream, while the Business Process Review identified opportunities to strengthen governance, administration and CCS compliance. The Digital Attendance Verification component of the Trial also demonstrated the potential of new technology to strengthen attendance assurance, while highlighting the importance of integration with existing systems. The extension of key elements of the Trial to December 2026 will enable us to build on this evidence through further work on educator recruitment, governance and compliance capability, and research into venue-based models across Australia.

Supporting members through the transition to Direct Gap Fee Collection was another significant undertaking. FDCA provided practical guidance, templates, case studies and direct assistance to help services adapt their systems, debt-management processes and family communications ahead of the requirement commencing on 1 January 2026. By February, 99 per cent of providers were confirmed as operating under the new model. The project concluded in March, with evaluation indicating stronger financial oversight and clearer accountability across all approved services.

Our National Recruitment Program continued to provide a central entry point for prospective family day care educators, screening applicants and supporting services to identify suitable candidates and progress them through the early stages of recruitment. Targeted activity through our BHP Queensland partnership and the Capability Trial complemented this national work, with a particular focus on building educator supply in communities experiencing limited access to care.

Alongside these major projects and reform activities, day-to-day member support remained central to FDCA's work. Our Sector Support team responded to thousands of phone and email enquiries, providing guidance on regulatory requirements, CCS administration and member resources. The Learning Hub, webinars and regular member communications continued to support professional learning and helped educators and services navigate a year of significant policy and regulatory change. Importantly, these services and interactions also provided a direct and ongoing source of intelligence about the issues affecting members and helped shape FDCA's advocacy and support priorities.

The FDCA 2025 National Conference in Melbourne was a highlight of the year, bringing together 323 attendees to connect, engage in tailored professional development and discuss the defining issues facing the family day care sector, alongside exploring opportunities for a resilient and sustainable future. The Gala Dinner provided a fitting opportunity to celebrate our 2025 Excellence in Family Day Care National Award Winners. With 4,800 nominations and 87 positive media stories reaching more than one million people, the Awards continued to showcase the contribution of educators, coordinators and services to children and families across Australia.

Beyond the Conference, our national promotion activity continued to strengthen the visibility of family day care. National Family Day Care Week saw extensive reach across the country, with 197 registered events. In South Australia, we hosted our Nature Play Picnic with the Department for Education and we were honoured by the attendance of South Australian Senator Marielle Smith. Our national digital advertising campaign generated more than 79,000 website clicks, while the Family Day Care Locator delivered over 11,500 care enquiries to members. Together, these initiatives continued to promote family day care's unique strengths and position our sector as an option of choice for families and early education professionals.

Following extensive member engagement and supported by an expansive evidence base, FDCA launched its new 2026-2029 Strategic Plan in May. The plan sets out our priorities for the next three years and provides a clear framework for how we will continue to represent, support and promote family day care while strengthening FDCA as the national peak body for the sector.

We also continued to invest in the systems and structures underpinning our member services, including preparations for the Discretionary Trust model for FDCA's insurance services, improvements to our customer relationship management and insurance platforms. Ongoing investment in operational resilience and innovation was a high priority to continue to explore how technology can improve our own operations and help reduce the administrative demands on services and educators.

I sincerely thank our Board of Directors for their guidance and expertise throughout the year, and my team for the professionalism, commitment and care they bring to their work. Most importantly, I thank our members for your continued support and engagement. Your dedication to children, families and communities is the foundation of family day care, and the experience you share with FDCA remain essential as we pursue the recognition, investment and practical support our sector needs.

Andrew Paterson
Chief Executive Officer
Family Day Care Australia

1.0 EXECUTIVE REPORTS (CONT)

1.2 BOARD CHAIR REPORT



It is my pleasure to present the Board Chair's Report for the 2025-2026 financial year.

As a Board, our focus remains on strategy, risk and compliance, financial oversight and strong governance. During a period of substantial reform and continuing pressure on the family day care sector, these responsibilities are central to ensuring that FDCA remains well positioned to shape the vision, execute its mission and to serve its membership into the future.

In this financial year the make-up of the Board remained stable, with the only change to the Board occurring due to the nine-year tenure of Tamzin Lee expiring. Tamzin made a valuable contribution to the Board across various committee roles, as Deputy Chair and as Chair in her final year on the Board. I would like to thank Tamzin for the substantial role she played on the Board during her nine years and wish her all the best for the future. The period also saw two new appointments to the Board of Directors in Natalia Edwards and Michael Buggy, both of whom add strong professional specialisations to the Board's skills matrix.

In 2025-2026, our Annual Governance Calendar saw the Board undertake several reviews including our Annual Compliance Resolution, Quarterly Compliance Reviews, Risk Register Review, and Director Fit and Proper Assessment to support effective governance and ensure the Board continues to fulfil its responsibilities with diligence and accountability.

A major focus of the year was the review of FDCA's strategic direction, culminating in the release of the 2026-2029 Strategic Plan in May. Off the back of extensive foundational research, the Board and Management Team came together in February for an intensive strategic planning workshop, equipped with an evidence base that included an external, independent member survey, a public-facing awareness and perception study, an environmental scan, a sector and policy landscape analysis, and comprehensive member data analyses. The output was a revised Vision and Mission, a more detailed set of Objectives, and ultimately, a Strategic Plan that acknowledges the challenges while embracing the opportunities and provides an actionable roadmap for a reinvigorated future for family day care.

Throughout the year, child safety and quality reform demanded significant attention. FDCA was an important and active stakeholder in reform engagement and advocacy; while we supported strengthened safeguards, we remained committed to policy design and implementation that was proportionate and appropriate, recognised the nuances of the home-based model and the critical but complex interaction between approved services and educators. FDCA's contributions to national and Victorian parliamentary inquiries on child safety in ECEC, and engagement on digital devices and mandatory training, demonstrate the value of a national peak body able to bring evidence and practical experience to complex reform processes. Safety, quality, viability and access must be considered together if reform is to deliver lasting outcomes for children and families.

Sector viability remains a pressing strategic concern. The June Worker Retention Payment announcement and the suggestion of the inclusion of family day care, despite two years of detailed engagement, missed the mark for our sector and remains a key advocacy issue. This matter is one of several that reiterates the inequities in workforce support and funding for our sector. FDCA's ongoing work on remuneration, subsidy settings, qualification pathways and premises barriers is therefore critical to the sector's future.

Approval of the Family Day Care Capability Trial extension was an important and positive strategic achievement. The funded work on recruitment, governance and compliance capability, and innovation provides an opportunity to translate the

Trial's evidence into practical support. Recognition of in-venue family day care within the Building Early Education Fund was also significant, although restrictive eligibility constrained participation. These outcomes demonstrate both the progress achieved through sustained advocacy and the further work required to ensure investment is accessible and effective.

Organisational resilience remains essential. During the 2025-2026 financial year, FDCA successfully restructured its insurance program to a Discretionary Trust model after several years of negotiations. This significant shift is founded on strong long-term partnership with underwriters and serves to protect FDCA's capacity to support its members through market leading coverage while providing financial surety going forward.

Financial stewardship requires a careful balance between investment in the membership and the organisation's long-term capacity. I am pleased to note that at year end FDCA's key financial ratios remain strong and our bottom line performance was a modest, better than budget outcome.

I would like to commend Andrew and the FDCA team for their leadership and commitment throughout a demanding year. Their work continues to strengthen the evidence, relationships and practical capability needed to support a sustainable future for family day care.

I also sincerely thank my fellow Directors for the time, expertise and considered judgement they contribute to FDCA. Finally, I thank our members for your engagement, insights and support. These underpin the work of the national peak, and we look forward to continuing to represent, support and promote you in the year ahead.

Sarah Fowler
Director and Board Chair
Family Day Care Australia

1.0 EXECUTIVE REPORTS (CONT)

1.3 DIRECTOR'S REPORT

DIRECTORS - AS AT 30 JUNE 2026

MEETINGS OF DIRECTORS

Number of face-to-face meetings held during financial year:

- 23 October 2025
- 28 February 2026
- 13 June 2026

Number of teleconferences/ videoconferences held during financial year:

- 13 August 2025

CURRENT DIRECTORS



SARAH MARY FOWLER

Director and Chair (appointed Chair from Deputy Chair in 2025)
Qualifications: Graduate of Australian Institute of Company Directors, Bachelor of Business, Diploma of Business (Governance), Diploma of Children's Services, Diploma of Management
Board Meetings: Possible: 4 Attendance: 4
Appointed: 28 October 2017



OLIVIA MOLLER

Director and Deputy Chair (appointed Deputy Chair in 2025)
Qualifications: Diploma Children's Services, Business Management (Frontline Management)
Board Meetings: Possible: 4 Attendance: 4
Appointed: 25 November 2023



EDWARD SAMUEL TIMOTHY BURRELL

Director
Qualifications: Bachelor of Laws, Bachelor of Physical Education
Board Meetings: Possible: 4 Attendance: 3
Appointed: 30 August 2019



ROSIE PUPO

Director
Qualifications: Certificate IV in New Small Business, High-performance Leadership Coach, Certificate IV in Training and Assessment, Associate Diploma of Social Science
Board Meetings: Possible: 4 Attendance: 2
Appointed: 16 April 2021



STEPHANIE JANE HOY

Director
Qualifications: Diploma Early Childhood Education and Care
Board Meetings: Possible: 4 Attendance: 4
Appointed: 23 April 2024



JULIA MORPHETT

Director
Qualifications: Bachelor of Education in Early Childhood
Board Meetings: Possible: 4 Attendance: 4
Appointed: 25 March 2025



NATALIA EDWARDS

Director
Qualifications: Graduate of Australian Institute of Company Directors, CPA, Master of Business Administration, Bachelor of Economics
Board Meetings: Possible: 3 Attendance: 3
Appointed: 19 September 2025



MICHAEL BUGGY

Director
Qualifications: Bachelor of Laws, Bachelor of Arts
Board Meetings: Possible: 2 Attendance: 2
Appointed: 21 January 2026

FORMER DIRECTORS



TAMZIN LEE

Director and Chair (tenure expired 2025)
Qualifications: Bachelor of Laws, Bachelor of International Business
Board Meetings: Possible: 1 Attendance: 1
Appointed: 25 November 2016
Resigned: 23 October 2025

2.0 VISION, MISSION, VALUES

VISION

Family day care is valued and chosen for its unique, high-quality home learning environment.

MISSION

To represent, support and promote family day care as a valued, visible and viable part of Australia's early childhood education and care system, delivering a high-quality, home-based option of choice for children, families and sector professionals.

VALUES

Equity

Equitable access and the removal of barriers to high quality early childhood education for all children. Equity is a core underpinning of FDCA's organisational culture.

Professionalism

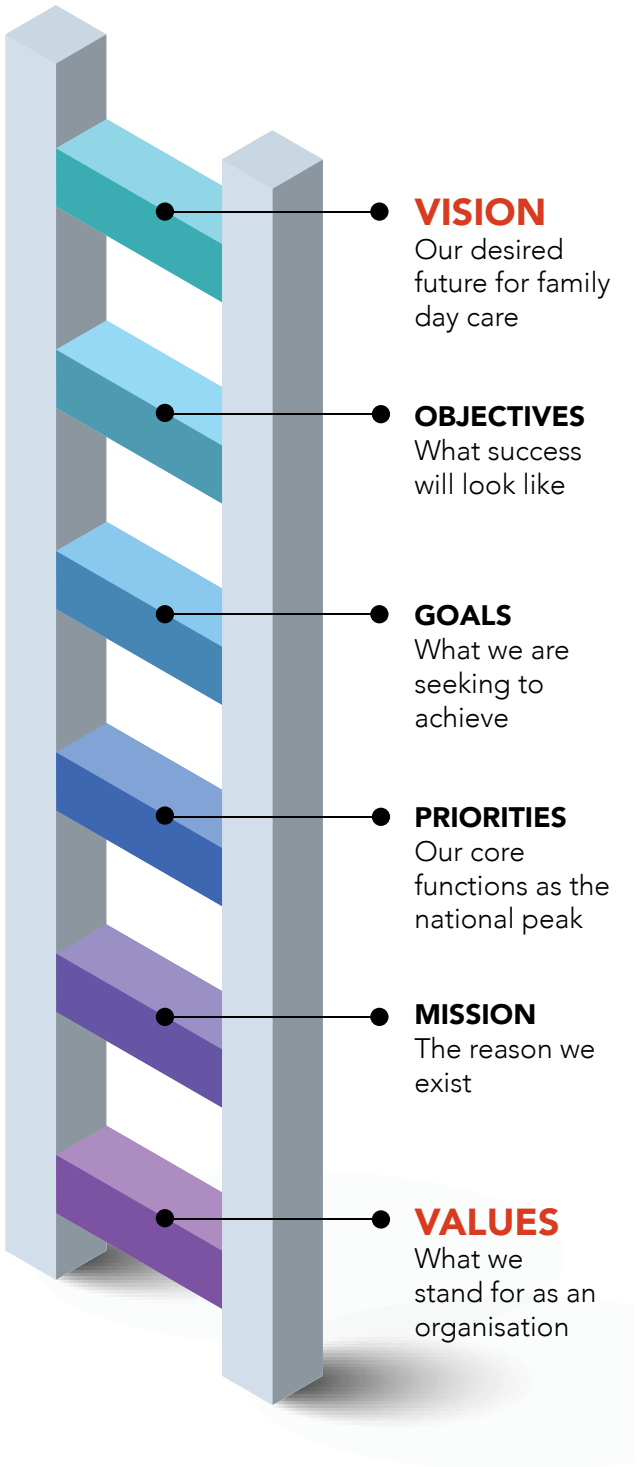
Ongoing improvement in, and recognition of, the sector as professional early childhood educators and administrators. A professional sector needs a highly professional national peak.

Excellence

Excellent outcomes for children in family day care underpins a strong and viable future for family day care. Excellent outcomes from FDCA will support the sector in this objective.

Collaboration

Collaborative partnerships between services, educators, families and children are key underpinnings of quality in family day care. FDCA, the sector and stakeholders are partners in achieving our vision.



3.0 PRIORITIES, GOALS AND OBJECTIVES

Vision	Family day care is valued and chosen for its unique, high-quality home learning environment
Mission	To represent, support and promote family day care as a valued, visible and viable part of Australia's early childhood education and care system, delivering a high-quality, home-based option of choice for children, families and sector professionals.

PRIORITIES

REPRESENT

GOALS

- Provide strong leadership, a united national voice and future directions for family day care through effective, broadly representative, consultative and evidence-based advocacy on key policy issues
- Champion a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care and enables an agile, viable, accessible and growing sector

OBJECTIVES

1. Execute evidence-based proactive and reactive advocacy strategies to shape reform and regulatory settings to be proportionate, risk-based and aligned to the family day care model
2. Strengthen and diversify the educator pipeline through new and innovative entry, training and workforce models
3. Secure structural funding, policy settings and system reform that improve the viability of family day care services and educators
4. Embed family day care as a core, appropriately funded access solution for targeted cohorts

SUPPORT

GOALS

- Support ongoing improvement in pedagogical and operational practice, and outcomes for children in family day care, through research, resources, professional learning opportunities and networks
- Support the sector in the effective and efficient management of, and compliance with, the administrative, business and regulatory requirements of family day care

OBJECTIVES

5. Reduce administrative burden, duplication and inefficiency through the provision of tailored, centralised and scalable governance, business practice and administrative tools and services
6. Increase educator retention by strengthening tailored practical supports, professional development and capability across the educator lifespan

PROMOTE

GOALS

- Raise awareness and position family day care on its unique strengths in delivering high quality early childhood education and care to support long term sector viability and growth through marketing, public relations and strategic media management
- Raise awareness and position family day care as a career of choice for educators and service providers, and support services in the recruitment of professional early childhood educators in areas of need and opportunity

OBJECTIVES

7. Develop and execute collateral, campaigns, events and branding that position the sector as professional, high quality and defined by its core strengths, while also driving demand in areas of need
8. Mobilise families and educators as advocates to strengthen trust and sector reputation
9. Develop tailored educator recruitment programs across educator lifespans and cohorts

ORGANISATION

GOALS

- Ensure sustainable, ongoing and valued services to members through technology, innovation, diversification, organisational capacity, operational efficiency, good governance and strong financial management

OBJECTIVES

10. Strengthen FDCA's financial sustainability and compliance through strategic investment, funds management, revenue diversification and good governance
11. Improve organisational efficiency, scalability and member service capability through technology and systems
12. Enhance FDCA's value proposition through effective communication of, and engagement in FDCA's services, activities and impact
13. Explore and progress opportunities for improved national cohesion in both the family day care model and sector stakeholders

4.0 REPRESENT

FDCA has an unwavering commitment to representing the family day care sector through consultative, evidence based advocacy on key policy issues affecting our members.

FDCA is well-equipped and uniquely positioned to develop and deliver broadly representative policy positions and to provide detailed analysis and support to our membership.

STRATEGIC GOALS:

- Provide strong leadership, a united national voice and future directions for family day care through effective, broadly representative, consultative and evidence based advocacy on key policy issues.
- Champion a political, policy and regulatory environment that embraces the uniqueness, importance and capabilities of family day care and enables an agile, viable, accessible and growing sector.

The 2025-2026 year was marked by significant change across Australia's early childhood education and care system, with major reforms progressing across child safety, workforce, funding, regulation and service delivery. For family day care, many of these reforms carried particular implications because of the sector's distinctive operating model, including the relationship between approved services and predominantly self-employed educators, the home-based nature of care, and the diversity of communities and families the sector supports.

Throughout the year, FDCA's advocacy focused on ensuring that family day care was not treated simply as a version of centre-based care. We worked to ensure that reforms designed for the broader ECEC system were tested against the practical realities of family day care and, where necessary, adapted so that strong policy objectives could be achieved without creating unintended consequences for educators, approved services, children or families.

This work required sustained engagement across multiple fronts. FDCA contributed directly to national and jurisdictional reform processes, parliamentary inquiries, regulatory consultations, workforce and pricing initiatives and formal policy reviews. Importantly, our advocacy was not limited to responding to proposals once they had been developed. In several areas, FDCA put forward practical alternative models and implementation approaches designed specifically for family day care, helping to secure more appropriate outcomes for the sector.

Member experience remained central to this work. Feedback from educators and approved services, targeted consultation, operational evidence and sector data were combined with broader government and independent evidence to inform FDCA's submissions, policy positions and direct engagement with decision-makers.

Across 2025-2026, this approach contributed to several important outcomes, including tailored implementation of major child safety reforms, greater recognition of family day care in national funding and infrastructure settings, continued influence over workforce and industrial-relations processes, and stronger representation of the sector in national pricing and policy discussions. At the same time, significant issues remained unresolved, particularly around workforce remuneration, long-term funding sustainability, administrative burden and sector viability, and these will continue to be key priorities for FDCA.

4.1 ADVOCACY

CHILD SAFETY AND REGULATORY REFORM

Child safety reform was one of the most significant areas of advocacy throughout 2025-2026. FDCA strongly supported measures to improve child safety and strengthen accountability across the ECEC sector, while consistently advocating for reforms to be evidence-based, proportionate and appropriately adapted to the family day care operating model.

This included substantial engagement on the national quality and safety reforms commencing from February 2026, including digital device requirements, mandatory child safety training, Working with Children Check arrangements, the National Early Childhood Worker Register and expanded regulatory powers. FDCA's advocacy focused on ensuring that implementation did not unintentionally apply centre-based assumptions to family day care or create avoidable workforce, viability or access impacts.

A major focus was the application of new digital device restrictions to family day care. FDCA strongly supported the child safety intent of the reforms, but raised concerns that a blanket prohibition on educator-owned devices, or an expectation that educators maintain a separate dedicated device solely for family day care, would be impractical and disproportionate in a home-based operating environment. FDCA developed and consistently advanced a specific service-authorised device model as the preferred family day care solution, under

which an educator-owned device could be used where expressly authorised by the approved service and subject to appropriate safeguards, policies and oversight. This advocacy contributed to tailored outcomes for family day care, including the Victorian Government adopting an approach that permits service-authorised personal devices in family day care, and subsequent clarification in New South Wales that educators may carry personal devices where their use falls within specified exemptions and service controls.

FDCA also engaged closely with the Australian Government on the implementation of mandatory child safety training, particularly the proposed support arrangements for services required to close while training was completed. FDCA raised concerns that a centre-based closure model was not appropriate or workable for family day care and advocated for an alternative mechanism tailored to the sector's dispersed, educator-based operating model. This advocacy resulted in a specific family day care provision in the Child Care Subsidy Amendment (Mandatory Child Safety Training) Minister's Rules 2026, made on 26 February 2026. Under the tailored arrangement, CCS eligibility can be maintained where an individual family day care educator is unavailable for up to five hours between 5.00 pm and midnight to complete mandatory child safety training. The outcome recognised that family day care required a different implementation approach to centre-based services while still supporting completion of the nationally mandated training.

WORKFORCE REMUNERATION

Securing meaningful workforce retention support for family day care educators remained a major advocacy priority throughout 2025-2026.

While a Worker Retention Payment equivalent was announced for family day care in June 2026, the announced arrangement remained based on conventional employment relationships, while the overwhelming majority of family day care educators operate as independent contractors. FDCA consistently argued that this structural difference should shape the policy response, not exclude the sector from workforce support.

Across the year, FDCA worked extensively with the Australian Government and Department of Education on a Worker Retention Payment equivalent mechanism for family day care, including providing modelling on alternative payment methodologies, contractual pass-through arrangements, CCS-based verification, fee controls and integrity mechanisms. FDCA progressively adapted its proposals in response to implementation issues raised through that process. However, on 17 June 2026, the Government announced that the Worker Retention Payment would be extended to family day care services where educators are employees. While this represented formal inclusion of family day care, it did not resolve the central issue because virtually all family day care educators remained outside the practical reach of the program due to their status as independent contractors.

FDCA responded immediately by escalating the issue and proposing a tailored Family Day Care Workforce Retention/Viability Support Program as an alternative pathway. The proposal was designed to recognise the independent contractor model, support both educator retention and approved-service viability, and provide a practical interim response while longer-term settings were considered.

At year end, the issue remained unresolved. FDCA's position remained clear: the structural characteristics of family day care should inform the design of workforce support, not become the reason the workforce is excluded from it. FDCA will continue to pursue an appropriately designed remuneration and workforce-retention mechanism that is capable of reaching the predominant family day care educator workforce, while also recognising the essential role and viability of approved services. Our objective remains a practical, secure and administratively workable outcome that delivers substantively equivalent workforce support without requiring family day care to abandon the legitimate characteristics of its operating model.

FAIR WORK COMMISSION - GENDER-BASED UNDERVALUATION PRIORITY AWARDS REVIEW

FDCA also continued to represent the sector in the Fair Work Commission's Gender-Based Undervaluation Priority Awards Review. A particular concern was the Commission's initial proposal to move family day care service employees currently covered by Schedule D of the SCHADS Award into the Children's Services Award.

FDCA consulted with members and made formal submissions opposing any automatic transfer, arguing that family day care service roles operate within a distinct service and employment context and should not be moved between awards without a proper examination of coverage, classifications and practical consequences.

FDCA's advocacy contributed to an important interim outcome, with the Commission ultimately not proceeding with the proposed transfer as part of the broader Children's Services Award determination. The question of family day care award coverage remained unresolved at year end and will be considered separately. This was an important interim outcome, ensuring that significant changes were not imposed before the family day care context had been properly examined.

WORKFORCE POLICY AND QUALIFICATION REFORM

Workforce policy and qualification reform remained an important focus throughout 2025-2026, particularly as broader national workforce reforms continued to intersect with the distinctive entry, training and operating pathways of family day care educators.

FDCA advocated for workforce settings that recognise family day care educators as early childhood professionals

who also commonly operate independent small businesses. This included continued advocacy for family day care-specific entry and training pathways, including a bespoke traineeship model, to reduce barriers to entering the sector while maintaining appropriate qualification and quality standards.

A key area of work was HumanAbility's review of the ECEC Certificate III and Diploma qualifications. FDCA advocated for contemporary family day care practice to be more clearly reflected in national training products, including stronger recognition of home-based education and care, business and compliance responsibilities, approved venues and the broader operating environment in which family day care educators work.

SERVICE DELIVERY PRICES AND THE CCS HOURLY RATE CAP

Securing fairer and more sustainable funding settings remained a central priority, including continued advocacy for reform of the family day care CCS hourly rate cap.

During the year, FDCA was appointed to the Australian Government's Early Education Service Delivery Prices Sector Reference Group. The project is examining the reasonable cost of delivering safe and quality ECEC across different service types and locations. FDCA's priority has been to ensure that family day care is not assessed through a centre-based costing lens and that both layers of the model are properly understood: the costs incurred by approved services in governance, coordination and compliance, and the costs borne directly by educators operating their own businesses.

FDCA's role subsequently expanded beyond reference-group participation to supporting targeted family day care involvement in the project's detailed data collection. This provides an important opportunity to build a stronger evidence base for future decisions about the CCS hourly rate cap, service viability and broader funding settings.

BUILDING EARLY EDUCATION FUND AND REGIONAL ACCESS

FDCA also continued sustained advocacy to ensure family day care was recognised within the Australian Government's Building Early Education Fund. A significant outcome was the inclusion of venue-based family day care within the Fund's small-scale infrastructure settings, creating a pathway for FDC to form part of place-based responses in communities where conventional centre-based provision may not be viable.

This outcome reflected a broader theme in FDCA's advocacy during the year: improving access requires governments to consider the full range of ECEC service models rather than assuming that additional centre-based places will be the appropriate response in every community. FDCA continued to highlight the particular contribution family day care can make in regional and rural communities, thin markets and for families requiring flexible care.

PARLIAMENTARY INQUIRIES AND FORMAL SUBMISSIONS

FDCA continued to represent family day care through major parliamentary inquiries, government reviews and formal consultation processes during 2025-2026.

In January 2026, FDCA lodged its 2026-27 Pre-Budget Submission with the Australian Government Treasury, calling for a coordinated package of measures to stabilise family day care and create the conditions for sustainable growth. The submission drew together evidence on the sustained decline in educator and approved-service numbers, increasing administrative and regulatory burden, workforce and remuneration pressures, and the structural funding settings affecting sector viability. It argued that no single intervention would be sufficient and that a coordinated response was needed across workforce, funding, technology, service viability and access.

FDCA's recommendations included an equivalent remuneration-support mechanism for family day care educators and service staff, reform of the family day care CCS hourly rate cap, additional support for non-standard-hours care, targeted supply-side funding in underserved markets, investment in technology to reduce administrative burden, educator start-up and service engagement support, a national recruitment program, bespoke family day care training pathways, and measures to better support participation by culturally and linguistically diverse communities. The submission also emphasised the particular role family day care can play in regional and disadvantaged communities, for families requiring flexible and non-standard-hours care, and for culturally and linguistically diverse children and families. It argued that a genuinely accessible ECEC system requires a diverse mix of service models and that family day care should be actively supported as part of that mix.

Another significant focus was the Senate Inquiry into the Quality and Safety of Australia's Early Childhood Education and Care System and the Victorian Parliamentary Inquiry into the Early Childhood Education and Care Sector. FDCA lodged substantive submissions to both inquiries and subsequently appeared at public hearings, providing direct evidence to parliamentarians about the strengths, challenges and regulatory context of family day care.

Our evidence strongly supported effective child safety and quality reform while emphasising that good regulation

must also be proportionate, evidence-based and adapted to different ECEC settings. FDCA highlighted the important co-regulatory role of approved family day care services, the risks of applying centre-based assumptions to home-based care, and the need to consider safety, quality, workforce sustainability, service viability and family access together rather than in isolation.

FDCA also contributed formal submissions and evidence to a range of other national and jurisdictional policy processes during the year. These continued to combine member consultation and operational experience with government data and independent evidence to ensure the family day care perspective was represented through robust policy analysis

NATIONAL REPRESENTATION AND POLICY ENGAGEMENT

FDCA maintained a strong and sustained presence across key national and jurisdictional policy, advisory and reform forums throughout 2025-2026, ensuring that family day care was represented directly in discussions shaping the broader ECEC system.

At the national level, FDCA continued to participate in the Australian Government's Early Childhood Education and Care Reference Group (ECECRG) and the Children's Education and Care National Workforce Strategy Stakeholder Reference Group, alongside dedicated engagement through the Child Safety Working Group. FDCA was also represented on the Australian Education Research Organisation's ECEC Advisory Committee and associated project advisory groups examining early childhood evidence, policy and data. These forums provided important opportunities to contribute a family day care perspective to emerging national policy, research and implementation issues before they progressed to more formal stages.

Specialist representation during the year included the Australian Government's Service Delivery Prices Sector Reference Group, HumanAbility's Early Childhood Education and Care Qualification Review Technical Committee and the Building Early Education Fund Stakeholder Reference Group. At a jurisdictional level, FDCA maintained ongoing participation in the NSW Early Childhood Education Advisory Group and regular Victorian Department of Education forums, alongside direct engagement with state and territory departments and regulators.

FDCA also supported the appointment of a family day care educator representative to the Commonwealth Early Childhood Education and Care Workforce Reference Group, providing an important opportunity for direct educator experience to inform national workforce discussions, complementing FDCA's broader policy advocacy with the lived experience of a practising family day care educator.

Together, these formal roles strengthened FDCA's capacity to contribute early to policy development, bring sector evidence into national decision-making and ensure that family day care was considered across major ECEC reforms rather than only through family day care-specific processes.

CAPABILITY TRIAL EXTENSION AND SECTOR CAPABILITY

During the year, the Australian Government agreed to extend the Family Day Care Capability Trial into 2026, enabling further work in three areas identified through the Trial and wider sector engagement as requiring continued attention: educator recruitment and establishment, governance and compliance capability, and family day care venue models.

The extension is significant not simply because project activity will continue, but because it provides an opportunity to build on evidence already generated and translate it into practical improvements for the broader sector. The additional work will further test approaches to persistent challenges including educator attraction and establishment, administrative and compliance burden, provider governance, and the use of family day care in communities where flexible or smaller-scale delivery models may improve access.

The detailed delivery and outcomes of the Capability Trial are outlined further in the Support section of this Annual Report.

LOOKING AHEAD

The 2025-2026 year reinforced the importance of sustained advocacy across the interconnected settings that influence family day care.

Important gains were achieved, including tailored implementation of major child safety reforms, recognition of family day care within infrastructure investment, continued representation in national workforce and pricing processes, and additional opportunities to build the evidence base for future policy. At the same time, significant challenges remain, particularly workforce retention and remuneration, funding sustainability, administrative burden, regulatory proportionality and continuing pressure on educator and service numbers.

FDCA's approach remains grounded in a simple principle: strong quality, safety and accountability settings are essential, but they must also recognise how family day care actually operates. Policy designed around a different ECEC model can create unintended consequences even where the underlying objective is sound.

FDCA will continue to combine member experience, sector consultation and evidence-based policy analysis to pursue practical reforms that support educators and approved services, strengthen quality and integrity, and preserve access to family day care for children and families across Australia.

5.0 SUPPORT

FDCA is committed to supporting the sector in continuous improvement and in the delivery of quality practice. We do this through the provision of dedicated advice, professional learning and networking opportunities and member resources.

STRATEGIC GOALS:

- Support ongoing improvement in pedagogical and operational practice, and outcomes for children in family day care, through research, resources, professional learning opportunities and networks.
- Support the sector in the effective and efficient management of, and compliance with, the administrative, business and regulatory requirements of family day care.

5.1 CAPABILITY TRIAL

During 2025-2026, FDCA continued delivery of the Australian Government-funded Family Day Care Capability Trial, which aims to strengthen Child Care Subsidy payment integrity and improve access to family day care in communities experiencing unmet demand.

Activities across the Trial's four streams progressed from implementation to evaluation, generating valuable evidence about service governance and compliance, digital attendance verification, educator recruitment and start-up support, and innovative models of family day care delivery.

KEY OUTCOMES:

- **Business process review:** The business process review and final report were completed, bringing together findings on Child Care Subsidy administration, governance and compliance practices within family day care services. The findings informed the next phase of the Trial, where further work will focus on strengthening good governance, administration and compliance across the sector.
- **Digital attendance verification:** The BlueKee digital attendance verification trial concluded in April 2026. Across three participating services, 60 educators used the technology to record more than 19,000 sessions of care involving 392 children and 419 parents and carers. 95% of recorded attendance activity occurred within the designated geofence. A final report captured the outcomes of the trial and provided valuable evidence about the opportunities and practical considerations associated with digital attendance verification in family day care.
- **Educator Recruitment:** Participating services continued to recruit and support new educators in priority regional communities. By the end of June 2026, 46 educators had commenced through the recruitment stream, with eligible educators receiving financial assistance towards the costs of establishing their family day care businesses. Recruitment activity continued to build a pipeline of prospective educators in communities experiencing workforce and child care access challenges.
- **Innovative models:** FDCA worked with services across Australia to document and share approaches designed to address local barriers to family day care delivery. Seven case studies were developed, covering venue-based care, dual-educator arrangements, traineeships, employer partnerships and other locally responsive models. These case studies highlighted the potential benefits of these approaches, as well as the regulatory, financial and operational considerations involved in implementing them.

The Trial has generated valuable evidence about the supports services and educators need to strengthen integrity, build workforce capacity and expand access to family day care. In May 2026, the Australian Government extended elements of the Trial to December 2026, supporting further educator recruitment, a new good governance, administration and compliance project, and national research and mapping focused on venue-based family day care.

5.2 DIRECT GAP FEE COLLECTION TRANSITION SUPPORT

During 2025-2026, FDCA continued supporting the family day care sector to implement Direct Gap Fee Collection, which became mandatory on 1 January 2026.

Building on the consultation, research and resource development undertaken during the previous year, FDCA delivered targeted communications, practical guidance

and direct support to help services transition to the new payment arrangements and respond to implementation challenges.

KEY OUTCOMES:

- By February 2026, 99% of family day care providers were confirmed as operating under a Direct Gap Fee Collection model.
- FDCA continued to expand and promote its dedicated resource suite, providing practical tools and guidance for services, educators and families on implementation, communication, record keeping and debt management.
- The Direct Gap Fee Collection webpage received 2,700 page views from 1,484 unique users, demonstrating continued use of the resources throughout the transition.
- A six-week Stories from the Sector campaign shared practical experiences and lessons from services that had successfully implemented Direct Gap Fee Collection.
- Targeted post-transition support addressed emerging operational issues, including payment monitoring, declined payments, debt recovery and audit readiness.
- End-point evaluation found that 78% of respondents had accessed FDCA's Direct Gap Fee Collection resources and 75% felt confident that their service was audit-ready.

The project concluded in March 2026, having supported a near-universal sector transition to the new requirement. Evaluation findings also indicated that the transition supported stronger financial oversight, clearer accountability and improved visibility of payment processes across the sector.

5.3 NATIONAL RECRUITMENT PROGRAM

In 2021 FDCA launched the National Educator Recruitment Program as a direct result of membership feedback. It aims to support educator recruitment challenges in the sector, and support and promote the role of becoming a family day care educator.

Now in its fourth year of operation, the program continues to grow, deliver consistent results and support other key initiatives addressing workforce challenges.

The program is designed to offer an initial validation and referral process of pre-screened educator applicants to service members, and continues to grow and offer sector support and guidance to those applicants who are interested or enquiring into setting up a family day care. This enables FDCA to maintain a national talent pool of passive and active educators who are looking to enter or return to the family day care sector either now or in the future, and in turn support family day care services who need educators.

The positive impact of the National Recruitment Program, both in supporting services to attract new educators and assisting applicants through the initial recruitment process, has led to its expansion into two targeted initiatives addressing workforce challenges in regional communities.

BHP Queensland – FDCA is now facilitating the recruitment, training and onboarding of new educators in regional BHP mining communities affected by workforce challenges and limited childcare availability.

Capability Trial – FDCA, in partnership with the Commonwealth Government, is providing an opportunity for individuals to access start-up funding in targeted SA2 priority locations to start up a family day care under the FDCA recruitment program.

KEY OUTCOMES:

- 83,330 page views to the careers section of the FDCA website.
- 1,242 applications into the program.
- 610 applicants interviewed for family day care educator positions.
- 170 educators referred to family day care service providers nationally.
- 60 educators placed through the program.

5.0 SUPPORT (CONT.)

5.4 FDCA 2025 NATIONAL CONFERENCE

The FDCA 2025 National Conference was held from 23-25 October 2025 at the Pullman Melbourne Albert Park and had 323 attendees across the duration.

As the premier event on the family day care calendar, the FDCA National Conference brings family day care professionals and experts from the early childhood education and care sector together to connect, access tailored professional development and discuss contemporary family day care issues.

Across the three days of the conference, feedback from delegates, exhibitors and presenters on the ground was overwhelmingly positive, with over 93% of delegates surveyed stating that they were satisfied with the conference.

KEY OUTCOMES:

- Over 320 delegates attended the FDCA 2025 National Conference.
- Over 93% of delegates were satisfied with their conference experience, with over 80% being very satisfied.

6.0 PROMOTE

A vital focus for FDCA remains raising the profile of family day care nationally, and positioning family day care as the option of choice in early childhood education and care. We assist our members in promoting their family day care businesses and in delivering clear and consistent messages about the many and unique benefits of family day care.

This is done through the provision of a range of communications initiatives and events, strategic media management, marketing, member services and resources.

STRATEGIC GOALS:

- Raise awareness and position family day care on its unique strengths in delivering high quality early childhood education and care to support long-term sector viability and growth through marketing, communications and strategic media management.
- Raise awareness and position family day care as a career of choice for educators and service providers, and support services in the recruitment of professional early childhood educators in areas of need and opportunity.

6.1 2025 EXCELLENCE IN FAMILY DAY CARE AWARDS

The 2025 Excellence in Family Day Care Awards once again demonstrated their value in recognising excellence across the family day care sector, while providing valuable opportunities to generate positive media coverage and raise awareness of family day care through strategic media engagement.

The 2025 Awards attracted 4,800 nominations, reflecting the significant impact that family day care educators, coordinators, services and their staff have on children and families across Australia.

The following awards and recognitions were presented as part of the 2025 program:

- 73 x Regional Educator Awards.
- 6 x Star Awards (educators, coordinators and services).
- 12 x National Finalist Awards (educators, coordinators and services).
- 3 x National Winner Awards (educator, coordinator and service).

The Awards culminated in the announcement of the National Award Winners at the FDCA 2025 National Conference Gala Dinner, attended by more than 300 guests.

The 2025 Awards also provided a strong platform for positive media engagement, with the associated media campaign generating 87 positive media stories, reaching an audience of more than 1 million people and achieving an estimated media value exceeding $261,000.

	MEDIUM	VOLUME	REACH	ASR
	Online News	68	1M+	$254,628.78
	Print News	19	278,700	$6,520.96
		87	**1M+**	**$261,149.74**

KEY OUTCOMES:

- 4,800 nominations placed.
- 87 positive media stories published.
- Media campaign reached an audience of more than 1M people, valued at over $261,000.

6.0 PROMOTE (CONT.)

6.2 FAMILY DAY CARE NATIONAL ADVERTISING CAMPAIGN

Throughout 2025-2026, FDCA implemented a national digital advertising campaign as its primary strategy for promoting family day care and supporting its members.

Running from July 2025 to June 2026, the campaign utilised Google Ads and Meta (Facebook and Instagram) to raise awareness of family day care as a preferred early childhood education and care option for families, while also promoting the benefits of a career as a family day care educator.

The campaign generated more than 79,000 clicks to the FDCA website and contributed to 11,571 enquiries through the FDCA Family Day Care Locator, demonstrating its effectiveness in driving engagement and connecting families with family day care services.

KEY OUTCOMES:

- Over 79,000 clicks driven to the FDCA website.
- 11,571 Family Day Care Locator enquiries delivered for members.

6.3 2026 NATIONAL FAMILY DAY CARE WEEK

In 2025-2026 National Family Day Care Week (FDC Week) took place from 4-10 May 2026. This was the fourteenth time that the national celebration has been held.

In the lead-up to the week, FDCA members registered 197 picnics as part of the FDC Week campaign. All members who registered a picnic received a free FDC Week pack to support their celebrations.

One of the highlights of the week was FDCA's Nature Play Picnic, held at Mukanthi Nature Play Space, Morialta Conservation Park in South Australia, with 100 guests registering. The day was held in partnership with the South Australian Department for Education and had activities for children facilitated by Nature Play South Australia. FDCA was also able to secure the attendance of South Australian Labor Senator, Marielle Smith, who participated in a short video address with FDCA CEO Andrew Paterson on the day.

KEY OUTCOMES:

- 197 FDC Week picnics registered by FDCA members.
- Over 100 registrations for FDCA's Nature Play Picnic in South Australia.

6.4 FAMILY DAY CARE LOCATOR

Throughout 2025-2026, FDCA's Family Day Care Locator (the Locator) continued to play an important role in connecting families seeking care with FDCA members.

Provided as a free member benefit, the Locator offers members a valuable opportunity to increase their visibility within their local communities and attract enquiries from families seeking family day care.

During 2025–2026, the Locator generated 11,571 care enquiries for FDCA members, demonstrating its ongoing value in supporting members and connecting families with family day care services.

KEY OUTCOMES:

- 11,571 locator leads generated for FDCA members during 2025-2026.

6.5 FDCA WEBSITE

FDCA's website continues to serve as a vital information resource for the family day care sector, providing members with access to important legislative and regulatory updates, supporting families in their search for quality early childhood education and care, and offering information and guidance to individuals considering a career as a family day care educator.

In 2025-2026, web traffic remained strong, with an average of 20,466 unique visitors accessing the site each month, representing an increase of 13.6% on 2024-2025.

KEY OUTCOMES:

- 20,466 unique visitors per month.

6.6 MEMBER COMMUNICATIONS AND MARKETING SUPPORT

As a membership-based organisation, FDCA continued to deliver a comprehensive communications and marketing program throughout 2025-2026, focused on keeping members informed, engaged and supported. Through a range of targeted communication channels, FDCA ensured members had access to timely and relevant information, alongside practical marketing resources to support their businesses.

Throughout the year, FDCA utilised a diverse mix of communication channels, including regular email bulletins, its weekly *Family Day Care Matters* e-newsletter, social media, digital *JiGSAW* magazine, online webinars and face-to-face engagement opportunities.

Email continued to be FDCA's most effective channel for member communications, with *Family Day Care Matters* and regular member bulletins achieving a combined open rate of more than 61%, demonstrating strong levels of member engagement.

FDCA's *Market My Business Hub* also continued to provide valuable marketing support to members. Offered as an exclusive member benefit at no additional cost, the Hub provides access to customisable digital marketing materials designed to help members promote their family day care businesses. During 2025-2026, the Hub received 148 requests from members, highlighting its ongoing value as a practical marketing resource.

KEY OUTCOMES:

- 46,186 Facebook followers.
- 274 Facebook posts.
- 3,552 Instagram followers.
- Combined email open rate over 61%.

7.0 ORGANISATION

To ensure FDCA meets its objectives as the national peak body for the family day care sector, FDCA strives to enhance organisational capacity and agility.

STRATEGIC GOAL:

- Ensure sustainable, ongoing and valued services to members through technology, innovation, diversification, organisational capacity, operational efficiency, good governance and strong financial management.

7.1 2026-2029 STRATEGIC PLAN

During the period FDCA committed to a comprehensive review of its Strategic Plan to reaffirm or re-establish its strategic direction for the term ahead.

The strategic planning process was informed by a broad evidence base including member consultation, sector and policy analysis, awareness and perception research, membership data and strategic planning workshops.

Importantly, the voice and experience of members were central to the process. Feedback consistently highlighted the increasing pressures facing the sector, including administrative burden, workforce and viability challenges, and the need for stronger recognition of family day care's unique role within the ECEC landscape.

Following the review process, a new Strategic Plan, released in May 2026 outlined a refined Vision and Mission that establishes clear priorities, goals and objectives for FDCA and the sector.

KEY OUTCOMES:

- A member survey conducted to provide significant insights for planning.
- Increased member satisfaction and net promoter scores during the previous Strategic Plan period.
- Administrative burden, workforce/viability challenges and funding inadequacies highlighted by members as key challenges for the sector.
- Development of a new Strategic Plan with a refined Vision and Mission that establishes clear priorities, goals and objectives for FDCA and the sector.

7.2 ORGANISATIONAL CAPACITY AND AGILITY

During 2025-2026, FDCA continued to strengthen its organisational capability, with a focus on long-term resilience, effective governance, secure and fit-for-purpose systems, and improved operational efficiency. These initiatives have supported FDCA's ability to respond to an increasingly complex operating environment while continuing to deliver high-quality services to members and the broader family day care sector.

KEY OUTCOMES:

- Established the governance, financial, operational and administrative frameworks required to support the launch of FDCA's Discretionary Trust in late 2025. This included embedding new responsibilities and processes across insurance operations, financial management, claims oversight and executive governance.
- Continued the enhancement of FDCA's customer relationship management and insurance processing platforms, with a focus on system security, operational efficiency, data integrity and the ongoing improvement of member and staff workflows.

7.3 INSURANCE SERVICES

Traditionally, FDCA has arranged a master insurance policy with insurers providing cover to all members under common terms and conditions. However, ongoing challenges in the insurance market, particularly around the availability and suitability of liability insurance, led FDCA to develop a Discretionary Trust (DT) structure to provide greater flexibility and control over the insurance arrangements, as well as reinvestment potential in risk mitigation in family day care. Under the arrangement, the DT retains a layer of risk to respond to eligible claims, with insurance purchased above this layer to protect members against larger losses. After several years of dedicated work in this space, FDCA launched the DT in late 2025.

KEY OUTCOMES:

- Renewal rate average of 82% for educator Public Liability packages.
- 9,441 total calls handled, an average 787 calls per month.

7.4 NATIONALLY COORDINATED CRIMINAL HISTORY CHECKS

The FDCA Nationally Coordinated Criminal History Checks Service continued to support members over 2025-2026 in providing a streamlined online service tailored specifically to educators, their family members and service staff.

KEY OUTCOMES:

- 2,501 completed Nationally Coordinated Criminal History checks during the 2025-2026 period.
- 1,493 member discounts applied, totalling over $11,000 savings to members.

7.5 INFORMATION TECHNOLOGY

During 2025-2026, FDCA continued to strengthen its Information Technology and Communication (IT&C) capability, with a focus on cyber security, system resilience, operational efficiency and the responsible adoption of emerging technologies. Alongside continued investment in core systems and cloud-based infrastructure, FDCA increased its focus on artificial intelligence (AI), exploring practical applications that can improve internal efficiency, strengthen member services and support the broader family day care sector.

KEY OUTCOMES:

- Maintained maturity level one of the Australian Cyber Security Centre's Essential Eight Maturity Model, supporting FDCA's ongoing focus on cyber security and organisational resilience.
- Undertook member research to better understand the use of AI across the family day care sector and identify opportunities where technology could reduce administrative burden, support programming and documentation, improve communications and assist members to navigate governance and compliance requirements.
- Developed an organisation-wide AI Roadmap to provide a structured approach to the adoption of AI across internal operations, member support and sector-facing initiatives. This was supported by the introduction of internal AI usage guidance, an AI register, acceptable use guidance and escalation processes, with an emphasis on privacy, security, human oversight and responsible use.

8.0 FINANCIAL REPORTS

Please be advised that the following financial information has been extracted from the full Audited Financial Report of FDCA. This information does not represent a Financial Report pursuant to the Corporations Act 2001.

FAMILY DAY CARE AUSTRALIA LIMITED

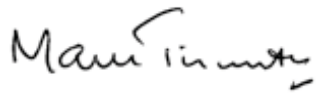
ABN 93 094 436 021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Family Day Care Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there has been:

(i) no contraventions of auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.



MARK TINWORTH
CHARTERED ACCOUNTANT

North Sydney, 27 October 2026

TINWORTH & Co
CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FAMILY DAY CARE AUSTRALIA LIMITED

Opinion
We have audited the attached financial report of Family Day Care Australia Limited ("the company") which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of recognised income and expenditure, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the Directors' Report.

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

1. giving a true and fair view of the company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards, and the Corporations Regulations 2001.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Directors in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon
The directors are responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the financial report
The directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary 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.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members either intend to cease operations, or have no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatements of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.

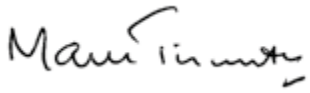
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by members.

- Conclude on the appropriateness of the company's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieved fair representation.

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



MARK TINWORTH
CHARTERED ACCOUNTANT

Dated this on 27 October 2026

FAMILY DAY CARE AUSTRALIA LIMITED

ABN 93 094 436 021

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 27 are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards and;

   (b) give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the year ended on that of the entity.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Sarah Fowler, Board Chair:

Dated this on 27 October 2026

FAMILY DAY CARE AUSTRALIA LIMITED
ABN 93 094 436 021

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue – services & other revenue	2	4,073,098	3,814,882
Other income	2	131,000	137,246
Auditors and accounting expenses	3	(15,100)	(12,350)
Depreciation and amortisation expenses	3	(123,275)	(76,407)
Employee benefits expenses		(2,096,177)	(2,159,609)
Occupancy expenses		(44,689)	(107,641)
Other expenses		(1,943,439)	(1,454,869)
Surplus/ (Deficit) before income tax		(18,582)	141,252
Income tax expenses		-	-
Current year surplus/(deficit)		(18,582)	141,252
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(18,582)	141,252

FAMILY DAY CARE AUSTRALIA LIMITED
ABN 93 094 436 021

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Retained Profits	Total
Balance 1 July 2023	4,695,402	4,695,402
Surplus attributable to members of the company	217,854	217,854
Balance 30 June 2024	4,913,256	4,913,256
Surplus attributable to members of the company	141,252	141,252
Balance 30 June 2025	5,054,508	5,054,508
Deficit attributable to members of the company	(18,582)	(18,582)
Balance 30 June 2026	5,035,926	5,035,926

FAMILY DAY CARE AUSTRALIA LIMITED
ABN 93 094 436 021

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash & cash equivalents	4	4,562,070	4,710,098
Other financial assets	5	12,954	15,265
Other current assets	6	471,794	474,632
Total current assets		5,046,818	5,199,995
Non-current assets			
Property, plant and equipment	7	2,539,423	2,624,024
Total non-current assets		2,539,423	2,624,024
Total assets		7,586,241	7,824,019
Liabilities			
Current liabilities			
Trade and other payables	8	2,062,834	2,261,224
Employee entitlements	9	450,116	460,787
Total current liabilities		2,512,950	2,722,011
Non-current liabilities			
Employee entitlements	9	29,981	40,116
Borrowings	10	7,384	7,384
Total non-current liabilities		37,365	47,500
Total liabilities		2,550,315	2,769,511
Net assets		5,035,926	5,054,508
Equity			
Retained surplus	11	5,035,926	5,054,508
Total equity		5,035,926	5,054,508

FAMILY DAY CARE AUSTRALIA LIMITED
ABN 93 094 436 021

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Cash flow from operating activities			
Receipts from customers and other revenue		4,119,586	5,987,533
Interest received		186,993	116,556
Payments to suppliers and employees		(4,413,816)	(4,541,140)
Interest paid		(2,117)	(982)
Net cash generated from operating activities	12	(109,354)	1,561,967
Cash flow from investing activities			
Payments for property, plant & equipment		(38,674)	(191,447)
Net cash used in investing activities		(38,674)	(191,447)
Net increase/(decrease) in cash held		(148,028)	1,370,520
Cash at beginning of financial year		4,710,098	3,339,578
Cash at the end of the financial year	4	4,562,070	4,710,098

ACKNOWLEDGMENT OF COUNTRY

We at Family Day Care Australia acknowledge the Traditional Custodians of the land on which we live and work, the Darkinjung People, and pay our respects to their Elders past and present. We honour Aboriginal and Torres Strait Islander peoples' continuous connection to Country, and celebrate their traditions and living cultures.

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