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To the Chief Executive Office for Early Childhood Development

Opinion

I have audited the financial report of the Office for Early Childhood Development for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office for Early Childhood Development as at 30 June 2025, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Senior Management Accountant.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Office for Early Childhood Development. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office for Early Childhood Development for the financial year ended 30 June 2025.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office for Early Childhood Development's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

30 September 2025

OFFICIAL

Office for Early Childhood Development

Financial Statements

For the year ended 30 June 2025

Office for Early Childhood Development
Statement of Certification
for the year ended 30 June 2025

We certify that the

- financial statements of the Office for Early Childhood Development:
 - are in accordance with the accounts and records of the Office for Early Childhood Development;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Office for Early Childhood Development, at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Office for Early Childhood Development for the financial year over financial reporting and preparation of financial statements have been effective.



Kim Little
Chief Executive
29 September 2025



Darren Heppenstall
Senior Management Accountant
29 September 2025

Office for Early Childhood Development
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Appropriation	3.1	31 388	-
Intra-government transfers	3.2	13 585	8 010
Resources received free of charge	3.3	133	21
Recoveries		9	2
Other income	3.4	15	-
Total income		45 130	8 033
Expenses			
Employee related expenses	4.1	14 933	4 042
Supplies and services	4.2	11 819	2 173
Grants and subsidies	4.3	11 471	1 400
Depreciation	5.4	12	2
Other expenses	4.4	15	15
Total expenses		38 250	7 632
Net result		6 880	401
Total comprehensive result		6 880	401

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Office for Early Childhood Development
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.1	12 606	2 755
Receivables	5.2	641	237
Total current assets		13 247	2 992
Non-current assets			
Property plant and equipment	5.3	76	79
Receivables	5.2	9	2
Total non-current assets		85	81
Total assets		13 332	3 073
Current liabilities			
Payables	6.1	1 866	529
Employee related liabilities	6.2	1 662	857
Provisions	6.3	99	25
Total current liabilities		3 627	1 411
Non-current liabilities			
Employee related liabilities	6.2	2 064	1 177
Provisions	6.3	360	84
Total non-current liabilities		2 424	1 261
Total liabilities		6 051	2 672
Net assets		7 281	401
Equity			
Retained earnings		7 281	401
Total equity		7 281	401

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Office for Early Childhood Development
Statement of Changes in Equity
for the year ended 30 June 2025

	Retained earnings \$'000	Total equity \$'000
Balance at 31 August 2023	-	-
Net result for 2023-24	401	401
Total comprehensive result for 2023-24	401	401
Balance at 30 June 2024	401	401
Net result for 2024-25	6 880	6 880
Total comprehensive result for 2024-25	6 880	6 880
Balance at 30 June 2025	7 281	7 281

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Office for Early Childhood Development
Statement of Cash Flows
for the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriation	31 388	-
Intra-government transfers	13 533	8 010
GST recovered from ATO	1 507	284
Other receipts	15	-
Cash outflows		
Employee related payments	(12 891)	(2 465)
Payments for supplies and services	(11 767)	(2 016)
Grants and transfers	(11 907)	(1 530)
Other payments	(18)	(11)
Net cash from operating activities	9 860	2 272
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(9)	(81)
Net cash (used in) investing activities	(9)	(81)
Cash flows from financing activities		
Cash inflows		
Cash received from restructuring activities	-	564
Net cash provided by financing activities	-	564
Net increase in cash and cash equivalents	9 851	2 755
Cash and cash equivalents at the beginning of the reporting period	2 755	-
Cash and cash equivalents at the end of the reporting period	12 606	2 755

5.1

The accompanying notes form part of these financial statements

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1. About the Office for Early Childhood Development

The Office for Early Childhood (the Office) was established on 31 August 2023 as an attached office to the Department for Education, under section 27 of the Public Sector Act 2009 (SA) by proclamation.

On 6 March 2025 the *Office for Early Childhood Development Act 2024* (the Act) came into operation. Under the Act, the Minister for Education, Training and Skills must ensure that there is an *Office for Early Childhood Development*. The Act also provides for the functions of OECD, which are outlined in note 1.2.

OECD does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all of the controlled activities of OECD.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statement issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the department has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

The Office is liable for goods and services tax (GST). GST collections and payments are carried out by the Department for Education on behalf of the Office. GST in relation to the Office is reported in the Department for Education Financial Statements.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Functions and objectives of the Office

The primary function of OECD is to act as a steward of South Australia's early childhood development system, and in particular to reduce the proportion of children in the State who are developmentally vulnerable when starting school.

Additional functions of the OECD as specified in the Act:

- to facilitate, commission and support research relating to early childhood development
- to support and facilitate the development of systems, policies and processes for the secure sharing of data across the early childhood development system
- to support the universal reach of child health and development checks
- to promote a vision of place-based, responsive and connected service delivery, building early childhood education and care as the backbone of a universal early childhood development system
- to promote universal access to 3-and 4-year-old preschool, developing and implementing funding models and connecting preschool providers to the broader early childhood development system
- to develop, implement and fund fit-for-purpose infrastructure and targeted programs and services, including commissioning integrated service hubs, to support the early childhood development of children at increased risk of developmental vulnerability
- to align supports and services with the needs of children by partnering with families, state authorities, non-government organisations and local and Commonwealth governments
- to provide overall strategic direction in relation to government early childhood development services
- to commission or recommission government services, as required
- to promote the recognition of cultural and linguistic diversity of children accessing services within the early childhood development system
- to promote the participation of children with disability in the early childhood development system
- to promote the participation of children in care, children who are in contact with the child protection system and children who are receiving child and family support services in the early childhood development system
- to undertake strategic workforce planning to support early childhood reforms and service provision
- promoting the cultural safety of early childhood education and care services for Aboriginal children
- aligning supports and services with the needs of Aboriginal children by partnering with Aboriginal families and organisations
- supporting measures aimed at implementing national agreements relevant to the early childhood development of Aboriginal children
- promoting Aboriginal data sovereignty in relation to early childhood development data.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2. Key Management Personnel

2.1. Key management personnel

Key management personnel of the Office include the Minister, the Chief Executive and six members of the Executive Team. Total compensation for key management personnel in 2024-25 was \$2.2 million and \$0.3 million in 2023-24.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

Apart from the remuneration for key management personnel, the office did not enter into any transactions with key management personnel or their close family during the reporting period.

3. Income

3.1. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	31 388	-
Total appropriation	31 388	-

In 2023-24, OECD received funding via Intra-government transfers, refer to note 3.2.

Appropriations are recognised on receipt.

3.2. Intra-government Transfers

	2025	2024
	\$'000	\$'000
Contingency funding provided by the Department of Treasury and Finance	12 752	495
Intra-government transfer	833	7 515
Total intra-government transfers	13 585	8 010

In 2023-24, SA Government transfers consist of \$7.5 million for operational funding via the Department for Education.

Intra-government transfers are recognised as income on receipt.

3.3. Resources received free of charge

	2025	2024
	\$'000	\$'000
Services received free of charge - other entities	133	21
Total resources received free of charge	133	21

The Office receives accounting from Shared Services SA and ICT services from Department of Treasury and Finance free of charge. From 1 July 2024, the Office also receives audit services free of charge from the Audit Office of South Australia. Any fees payable as at 30 June 2024 were derecognised and included in other income (note 3.4). A corresponding expense is recognised in the financial statements (see note 4.4).

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.4. Other income

	2025	2024
	\$'000	\$'000
Other income	15	-
Total other income	15	-

Other income is the Audit Office of South Australia fees for 2023-24 payable as at 30 June 2024 that were waived in 2024-25.

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries, wages and leave	12 505	3 401
Superannuation	1 384	294
Payroll tax	676	179
Workers Compensation	355	111
Other employment related expenses	13	57
Total employee related expenses	14 933	4 042

Superannuation

Superannuation employment on-cost charges represent the office's contribution to superannuation plans in respect of current services of current employees.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.1 Employee related expenses (continued)

Employee remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

	2025	2024
	No	No
\$171 001 to \$191 000	1	-
\$191 001 to \$211 000	2	1
\$211 001 to \$231 000	1	-
\$251 001 to \$271 000	1	-
\$271 001 to \$291 000	1	-
\$291 001 to \$311 000	2	-
\$351 001 to \$371 000	1	-
\$471 001 to \$491 000	1	-
Total	10	1

The total remuneration received by those employees for the year was \$2.761 million (\$0.201 million).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the office.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Contractors	6 197	610
Services provided by the Department for Education	1 993	-
Consultants	20	584
Minor works maintenance and equipment	241	246
Recruitment expenses	108	197
Accommodation	562	190
Conference and workshops	111	67
Information technology and communications charges	475	69
Shared Services SA charges	175	21
Vehicle and travelling expenses	225	16
Training expenses	49	15
Marketing	1 192	47
Utilities	22	8
Other supplies and services	449	103
Total supplies and services	11 819	2 173

4.3. Grants and subsidies

	2025	2024
	\$'000	\$'000
Operating grants (non-government)	-	1 000
Grants paid to other organisations	7 148	300
Intra-government transfer	4 323	100
Total grants and subsidies	11 471	1 400

4.4. Other expenses

	2025	2024
	\$'000	\$'000
Auditor's remuneration – Audit Office of South Australia*	15	15
Total other expenses	15	15

* Audit fees paid/payable to the Audit Office of South Australia relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5. Assets

5.1. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer	12 606	2 755
Total cash and cash equivalents	12 606	2 755

Cash is measured at nominal amounts.

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Office does not earn interest on its deposits with the Treasurer.

5.2. Receivables

	2025	2024
	\$'000	\$'000
Current		
Receivables from sale of goods and services	2	-
Prepayments	12	30
GST receivable	627	207
Total current receivables	641	237
Non-current		
Workers' compensation recoveries	9	2
Total non-current receivables	9	2
Total receivables	650	239

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flows.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.3. Property, plant and equipment by asset class

	Plant and equipment	Total
	\$'000	\$'000
Carrying amount at 1 July 2024	79	79
Additions	9	9
Depreciation	(12)	(12)
Carrying amount at 30 June 2025	76	76
Gross carrying amount		
Gross carrying amount	90	90
Accumulated Depreciation	(14)	(14)
Carrying amount at the end of the period	76	76

Property, plant and equipment owned by the Office with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed.

Property, plant and equipment owned by the Office is recorded at fair value.

Depreciation is calculated on a straight-line basis. Plant and equipment depreciation is calculated over the estimated useful life of 7-10 years.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6. Liabilities

6.1. Payables

	2025	2024
	\$'000	\$'000
Current		
Contractual payables	1 859	510
Accrued expenses	7	2
Statutory payables	-	17
Total current payables	1 866	529
Total payables	1 866	529

Creditors and accruals are recognised for all amounts owing but unpaid. Creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of creditors represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

6.2. Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Accrued salaries and wages	384	175
Annual leave	942	485
Long service leave	62	50
Employee on-costs	244	120
Skills and experience retention leave	30	27
Total current employee related liabilities	1 662	857
Non-current		
Long service leave	1 871	1 067
Employee on-costs	193	110
Total non-current employee related liabilities	2 064	1 177
Total employee related liabilities	3 726	2 034

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.2. Employee related liability (continued)

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

Annual leave and sick leave.

The liability for annual leave is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

Salary inflation rate for annual leave is 3.2%.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is 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 period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience over employee departures and periods of services. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of the yield on long term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds remained at 4.25% (2024: 4.25%).

The current portion of employee related liabilities reflects the amount for which the department does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to expected amount of leave to be approved and taken by eligible employees within 12 months.

The actuarial assessment performed by the Department of Treasury and Finance maintained the salary inflation rate at 3.5% (2024: 3.5%) for the long service leave liability.

Employment On-Costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Office contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken as leave has increased to a rate of 44% (2024: 44%) and the average factor for the calculation of employer superannuation cost on-cost increased to a rate of 12% (2024: 11.5%). These rates are used in the employment on-cost calculation.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.3. Provisions

	2025 \$'000	2024 \$'000
Current		
Provision for workers compensation	99	25
Total current provisions	99	25
Non-current		
Provision for workers compensation	360	84
Total non-current provisions	360	84
Total provisions	459	109
Movement in provisions		
Carrying amount at the beginning of the period	109	-
Additional provisions recognised	350	109
Carrying amount at the end of the period	459	109

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

7. Outlook

7.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments to acquire intangible assets

	2025 \$'000	2024 \$'000
Within one year	7 881	-
Later than one year but not longer than five years	2 006	-
Total capital commitments	9 887	-

Other contractual commitments

	2025 \$'000	2024 \$'000
Within one year	7 732	5 311
Later than one year but not longer than five years	6 421	1 238
Total expenditure commitments	14 153	6 549

The majority of other contractual commitments relate to future operations including Child Health and Development Checks and memoranda of administrative arrangements with the Department of Infrastructure and Transport for accommodation.

Office for Early Childhood Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

7.2. Contingent assets and liabilities

The Office is not aware of any contingent assets or liabilities in relation to its activities.

7.3. Events after the reporting period

The Office is not aware of any events after balance date.