ASX Announcement

G8 Education Limited
(ASX:GEM)

27 February 2024

The Manager
Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

I enclose the Investor Presentation for the full year ended 31 December 2023 for G8 Education Limited.

Yours sincerely

Tracey Wood
Chief Legal, Quality & Risk Officer
G8 Education Limited

Authorised for release by G8 Education Limited's Board of Directors.

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2023 FULL YEAR RESULTS

Investor Presentation

27 February 2024

ASX:GEM

G8 Education ltd

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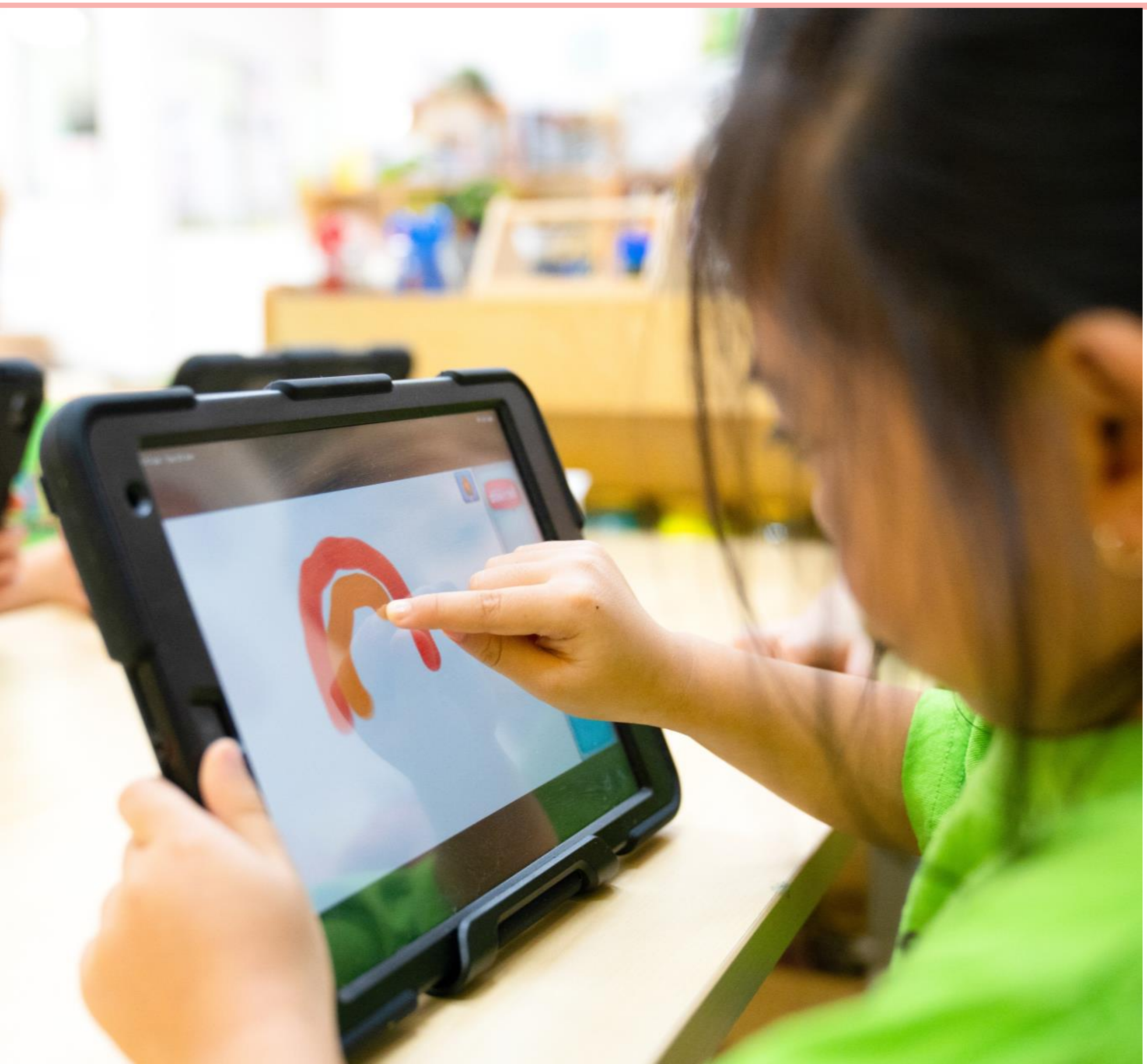
Acknowledgement of country

G8 Education acknowledges the Traditional Owners of the lands on which we operate and pays our respects to Elders past, present and emerging.

We recognise that Aboriginal and Torres Strait Islander peoples have been nurturing and teaching children on these lands for thousands of years.

We are grateful for the opportunity to work, learn and grow connections together as a united community.

AGENDA



SUMMARY & PROGRESS
Pejman Okhovat

FINANCIAL PERFORMANCE
Sharyn Williams

CURRENT TRADING & MEDIUM-TERM OUTLOOK
Pejman Okhovat

Q&A
Pejman Okhovat & Sharyn Williams

APPENDIX

SUMMARY & PROGRESS

G8 Education ltd

KEY MESSAGES

Improved family experience, team retention and operational disciplines reflected in earnings growth

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CONTINUED EARNINGS RECOVERY

- Strong revenue and earnings growth across both halves vs. pcp
- Occupancy remains a key focus with the largest states seeing improvements vs pcp
- Frequency[1] continues to trend higher supporting occupancy
- Proactive network optimisation with 11 centres exited and 3 new added throughout CY23
- Strategic procurement activity along with ongoing cost disciplines delivering benefits

POSITIVE OUTCOMES FROM FOCUS ON TEAM AND FAMILY RELATIONSHIPS

- Centre based focus on consistency of execution
- Improved team retention and vacancy results with no capped centres[2] due to workforce constraints and materially reduced agency usage
- Improvements in families' experience reflected in higher customer retention, higher enrolment conversion rates and improving NPS
- Continued focus on educational program and quality

CASH GENERATION DRIVES LOWER NET DEBT AND SOLID DIVIDEND

- Strong cash generation driven by improved earnings and disciplined cost and capital management
- Capital allocated to enhance shareholder returns by paying dividends, returning capital and reducing net debt
- Balance sheet approach will remain conservative

Creating the foundations for learning for life while placing the child at the heart of everything we do

1. Frequency refers to average bookings per child per week
2. 'Capped' centres is defined as centres that have had enrolment constraints i.e. bookings can not be taken because of team shortages

FINANCIAL OVERVIEW

Solid earnings recovery underpinned by improved operational performance yielding dividend growth

OPERATING

Excludes non-trading[1] items and Kiddo and includes lease interest expense

Revenue $982.0m	↑ 8.7%
Operating Costs $884.8m	↑ 7.5%
EBIT $100.6m	↑ 25.2%
NPAT $63.4m	↑ 33.5%

REPORTED

Statutory

Revenue $983.4m	↑ 9.1%
EBIT $133.1m	↑ 26%
NPAT $56.1m	↑ 53.1%
EPS 6.9c	↑ 56.8%
DPS 4.5c	↑ 50%

GROUP OCCUPANCY

All references to occupancy include all centres

Occupancy 70.4%	↓ 0.2% pts *vs. CY22* ↓ 2.2% pts *vs. CY19*

Current Occupancy - week ended 25 February

66.3% (Spot)	↑ 1.7% pts *vs. PCP*
66.9% (YTD)	↑ 1.2% pts *vs. PCP*

Revenue growth along with cost disciplines drove improved earnings:

- Solid wage and other cost management, including reduced support office costs, reflecting our continued focus on variable cost and procurement savings
- Final dividend of 3c taking total dividend to 4.5c up 50% on pcp reflecting strong earnings, representing 65% of reported NPAT
- Occupancy in CY23 H2 closed the gap to CY22 by December, resulting in a positive start in CY24

Note: All measures are relative to the prior corresponding period unless otherwise stated.
1. Refer to Note 6 of G8 Annual Report for non-trading items.

ENVIRONMENTAL, SOCIAL & GOVERNANCE HIGHLIGHTS

Continued focus on our commitment to driving a sustainable future through ESG

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GOVERNANCE

Risk Management
Reviewed and improved our Enterprise Risk Management Framework

Sustainable earnings
Capital Allocation Framework prioritises between alternative uses of capital

Supply Chain
Implemented a Supplier Portal, Supplier Code of Conduct, and new procure-to-pay software

Mandatory Training
Renewed approach to child safety training and updated information security training

SERVICE QUALITY

Quality Centres
90% of our long day care centres are "meeting" or "exceeding" the NQS, against a National LDC[1] average of **89%**

Reconciliation Action Plan
Our Reflect Reconciliation Action plan was endorsed and published by Reconciliation Australia

Educational Program
93% of centres are "meeting" or "exceeding" NQS Quality Area 1 – Educational program and practice

OUR PEOPLE

Team Retention
12% pts increase in Teacher Retention
3% pts increase in Centre Manager Retention
4% pts increase in overall Team Retention

Study Pathways
30% increase in Study Pathways with over 1,500 team currently enrolled

Leadership Diversity
Over **50%** of our Board and Executive Leadership Team are female

Raised over
$200k in 42K Your Way for the Children's Hospital Foundation

OUR ENVIRONMENT

Emissions
10% reduction in Scope 1 and Scope 2 emissions[2]

Solar Rollout
We installed over 950kW of solar energy powering over 45 centres, with an estimated savings of **$330k** in energy costs pa

Nappy Recycling Pilot
Exploring waste reduction

Paperless initiatives
Over **70%** of investors receive email communications and we have reduced printed Annual Reports[3] by **90%**

1. LDC means long day care
2. Does not include any bottled LPG or consumption met by on-site solar generation
3. Since 2018

BALANCED SCORECARD

A balanced approach on our imperatives delivering improvement in our key KPIs

Strategic focus area	Measure	CY23 (Actual)	Progress CY22 to CY23
Team	Team retention	74%	↑ 4% pts
Family Experience	NPS[1]	44	↑ 12[1]
Quality	% of LDC[2] centres meeting or exceeding National Quality Standard (NQS)	90%	↑ 1% pts
Education & Inclusion	% of centres meeting or exceeding Quality Area 1 of NQS[3]	93%	↑ 1% pts
Operating Model	Occupancy	70.4%	↓ 0.2% pts
Financial Sustainability	EBIT margin[4]	10.2%	↑ 1.3% pts

Note: All measures are relative to CY22 unless otherwise stated.
1. New 'always on NPS measure. CY23 result from inception in June 2023, prior year comparison is June 23 result. 2. LDC means long day care
3. Quality Area 1 – Educational program and practice of NQS. The aim of Quality Area 1 is to ensure that the educational program and practice is stimulating and engaging and enhances children's learning and development. 4. EBIT less lease interest.

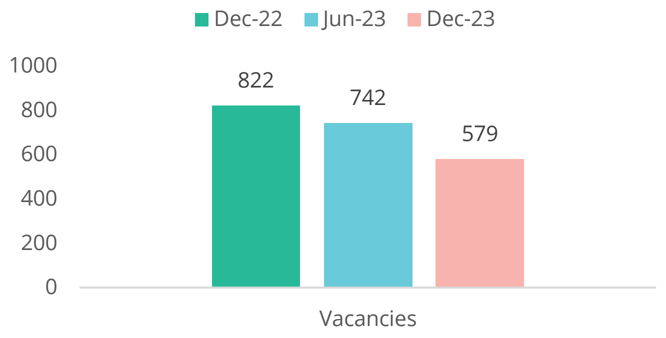
TEAM

Strong focus on our people resulting in significant improvement in team outcomes

ATTRACTING TEAM

- Reduced vacancies resulted in no capped centres due to workforce constraints and lower agency costs
- Time to fill rates decreasing 17% yoy, a further 4% from H1
- Investing in dedicated careers site with capability to develop job ready candidates

G8 vacancies

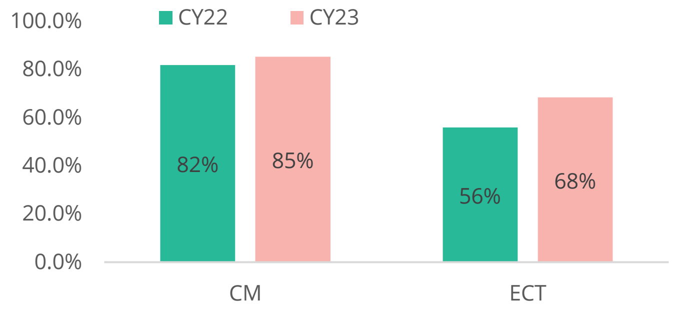


Reduced vacancies continue to deliver benefits

RETAINING TEAM

- Team retention continues to gain positive momentum with Centre Manager and ECT retention improving strongly
- Focus on lead educators to continue to increase retention rates

Centre Manager (CM) and ECT retention

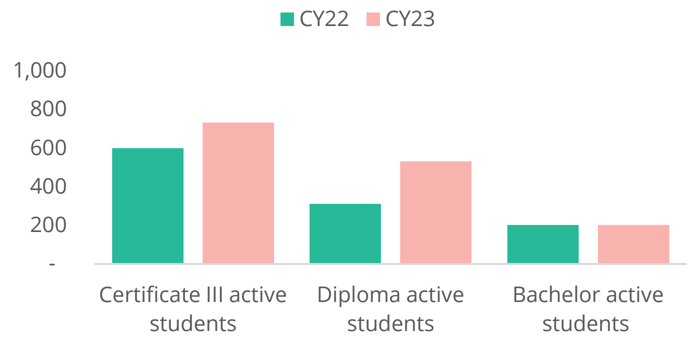


Strong retention outcomes against backdrop of high sector vacancies

GROWING OUR OWN TALENT

- Strengthening early childhood workforce through investment in our team
  - Study pathways participation increased 30% from CY22
  - Increased government funding into professional development

G8 student enrolments



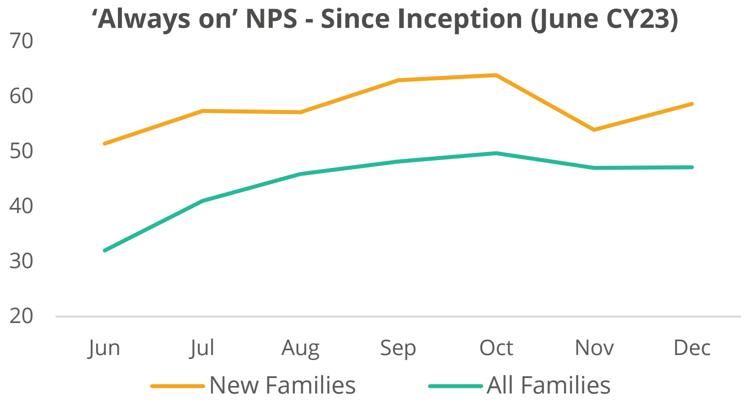
Building talent pipeline from grass-roots to address future projected needs

FAMILY EXPERIENCE

Focus on critical part of our family journeys driving improvements in their experience

NPS

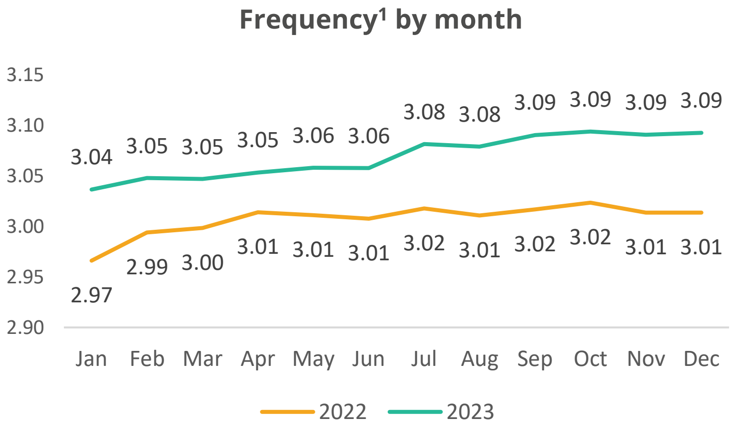
- 'Always on' family NPS survey delivering real time measure of family experience enabling action and remediation plans
- In-house family support team enhanced the enrolment process and improved the family enrolment experience



More robust NPS delving greater insight into the family experience

FREQUENCY[1]

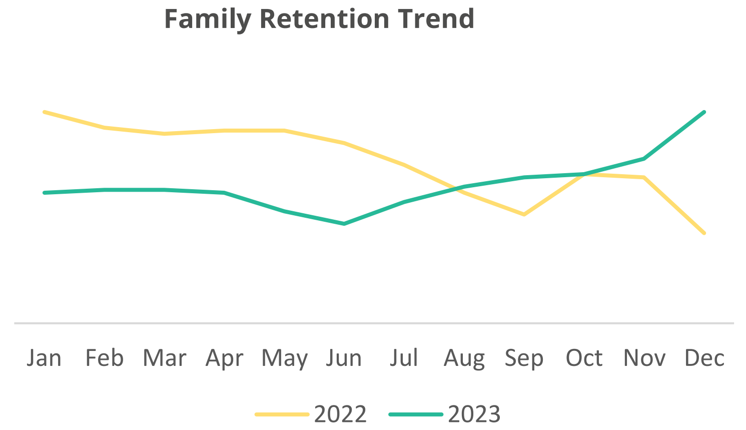
- Proactive support provided for G8 families to benefit from the CCS changes
- Parents continue to optimise their CCS benefits



Continued increase in frequency across CY23

FAMILIES – NEW AND EXISTING

- Improved team retention and development creating a more consistent environment
- Our efforts across quality and educational programs are starting to improve the family experience



Combination of our efforts are starting to improve family retention

1. Frequency refers to average bookings per child per week

QUALITY, EDUCATION & INCLUSION

Delivering better outcomes for children through improved quality, team development and educational programs

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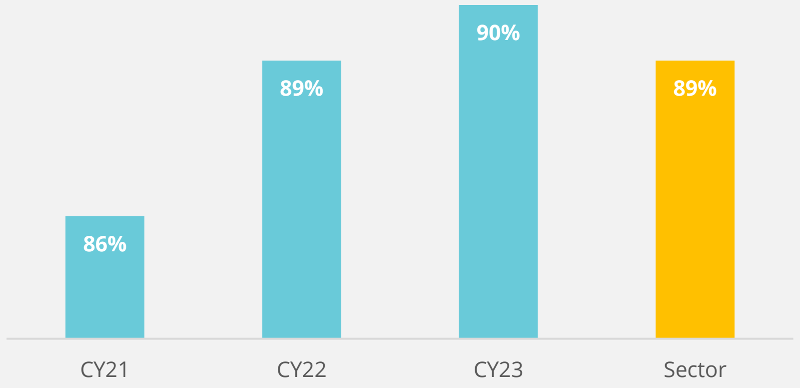
QUALITY

- Another year of improved quality ratings achieving 90% 'meeting/exceeding' centres,[1] now above sector[1]
- G8 ongoing internal quality assurance program will assess all centres annually
- Simplified work routines and operational execution continue to drive focus on improved quality and performance
- Continued child safety program delivered a circa 10% incident rate reduction in top 6 Child Safety focus areas creating high performing, accountable and safety focused centres

G8 meeting/exceeding % vs. sector average[1]



1. For long day care services

EDUCATION & INCLUSION

- Targeted support for our early childhood teachers and educational leaders contributing to improved family experience:
  - Mentoring, communities of practice focusing on updated curriculum frameworks to be implemented in 2024
  - Teach@G8 program to support newly qualified teachers to achieve registration/accreditation and ongoing professional learning for all teachers
- Education Advisory Group comprised of educational thought leaders to provide guidance on innovation and contemporary perspectives
- Promoting inclusive environments through Rhythm and Movement for Self-Regulation (RAMSR) program
- Enhanced kindergarten value proposition focusing on growing our 3-5 year old participation

OPERATING MODEL

Customer retention benefits evident in a positive CY23 closing occupancy rate

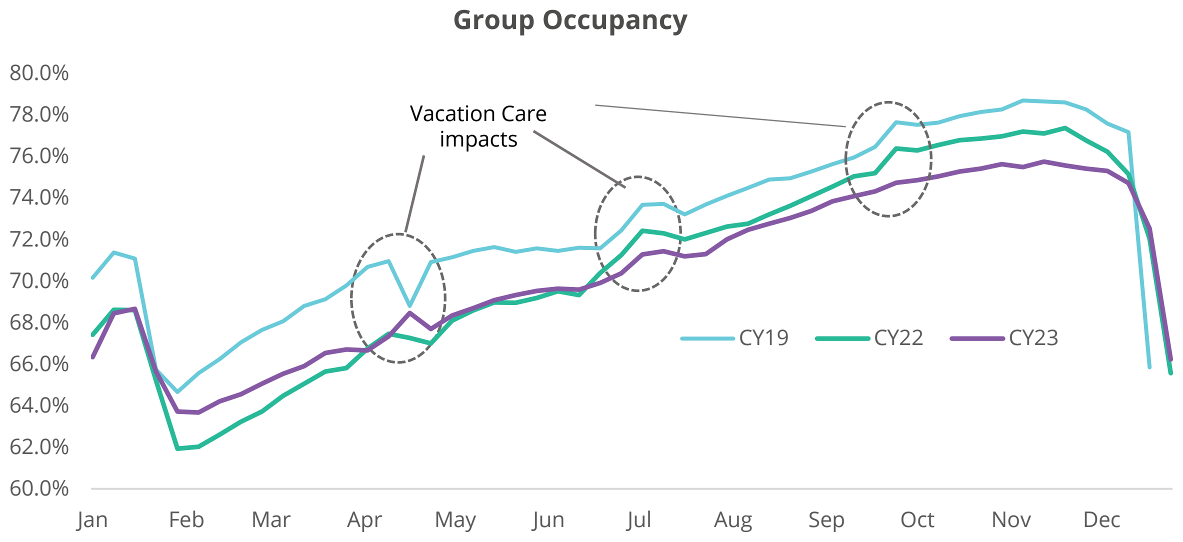
OCCUPANCY

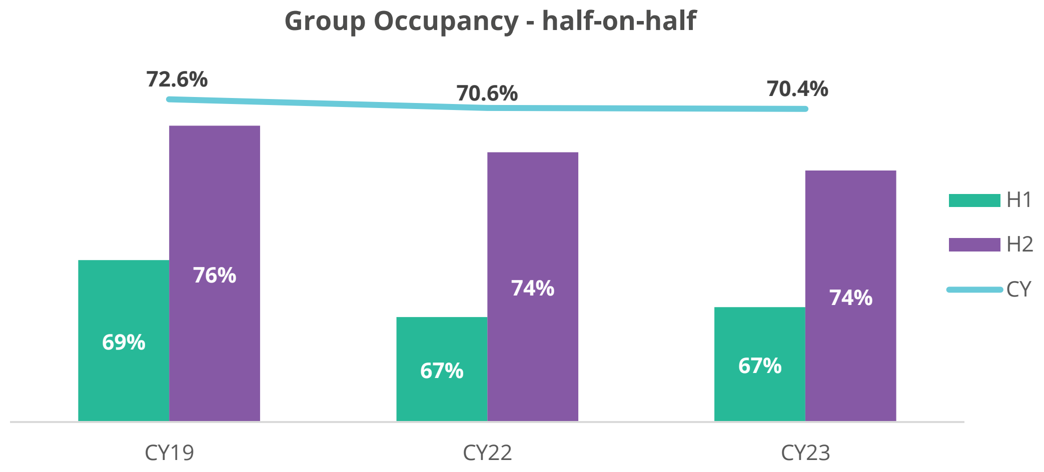
- Occupancy for the year was 70.4%, 0.2% pts below the pcp and 2.2% pts below CY19
- CY23 H2 occupancy benefited from higher frequency as a result of CSS changes and existing families attending more days
- Largest states are performing in line or above CY22 with further opportunity in our smaller states
- No current capped centres[1] due to workforce constraints

OPERATING MODEL

- Progress made on simplifying the 'ways of working' for centre-based teams coupled with the introduction of digital tools
- Positive outcomes from increased contact time for Area Managers with centres focused on operational execution
- Improved workforce planning disciplines through better scheduling and internal casual pooling, resulting in significant agency usage reduction of 2.8% pts vs pcp
- Reduction in vacancies by recruiting team members to forecast demand and prioritising the recruitment pipeline

1. Capped' centres is defined as centres that have had enrolment constraints i.e. bookings can not be taken because of team shortages





FINANCIAL SUSTAINABILITY

Improved operating cashflow and continued network optimisation resulting in strong balance sheet

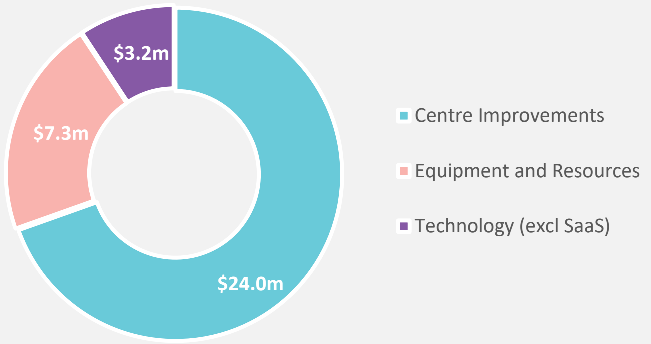
CAPITAL ALLOCATION

- Strong operating cash flow position enabled improved returns to shareholders and lower leverage
- Decrease in capex vs pcp as a results of revised capital allocation framework and benefits of prior year investments

COST MANAGEMENT

- Leveraged strategic procurement initiatives and operational execution to manage cost base in highly inflationary environment
- Continued focus on wage management with wages as a % revenue decreasing on pcp and agency usage reducing by 3.7% pts vs pcp
- Support office costs lower on pcp with inflation offset by efficiencies

Total capex = $34.5m (excl $7.0m SaaS) vs $57.8 (excl $7.3m SaaS) in pcp



NETWORK OPTIMISATION

- Continued network optimisation with exit of 11 centres and launched 3 new centres in CY23
- The divestment of 31 centres announced in Q4 progressing albeit slower than expected due to holiday period and landlord approvals
- Year-to-date 2024 status:
  - 9 centres exited
  - $0.7m statutory EBIT loss and $1.6m pre-AASB16 EBIT loss in CY23, c. 0.5% occupancy impact
  - Further 8 centres have in-principle agreements in place[1]

1. Completion is subject to other conditions.

FINANCIAL PERFORMANCE

GROUP PERFORMANCE

Disciplined cost management and financial controls delivering solid earnings growth

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- Operating and Statutory NPAT growth and margin expansion driven by improved centre performance, well managed Support Office costs and lower net finance costs
- Network support costs down 1.6%:
  - wages down due to annualisation of the CY22 cost out program
  - compliance, cyber and risk related costs higher, offset by insurance savings and cost management
  - higher regulatory costs as a result of multiple ECEC inquiries
- Lower 'other' government subsidies reflect the reduction of the Boosting Apprenticeship Commencement (BAC) subsidy
- Lower net finance costs due to extinguishing the subordinated debt facility in June 2022
- Non-trading items predominantly driven by software development costs (SaaS) , portfolio optimisation, AASB16 carrying value adjustments and provision for historical regulatory and legal matters:
  - SaaS expenses expected to be minimal in CY24 as the HRIS and procurement systems exit the development phase

$m	CY23	CY22	Change
Group revenue	**985.3**	**903.5**	**9.1%**
Centre operating EBIT[2]	162.7	140.0	16.2%
Network support costs[1]	(66.0)	(67.1)	(1.6%)
Other subsidies/incentives	3.9	7.4	(46.9%)
Group operating EBIT[2]	**100.6**	**80.3**	**25.2%**
Group operating EBIT[2] margin	*10.2%*	*8.9%*	
Net finance costs[3]	(10.0)	(13.5)	(26.3%)
Tax[4]	(27.2)	(21.1)	35.2%
Operating NPAT	**63.4**	**45.7**	**33.5%**
Operating NPAT margin	*6.4%*	*5.1%*	
SaaS expense	(4.9)	(5.1)	(2.0%)
Loss on centre exits	(3.9)	(2.9)	(48.7%)
Net restructuring, regulatory and legal costs	(7.4)	(2.0)	n.m.
Net impairment reversal, gains/losses	8.9	0.9	n.m.
Total non-trading items (after tax)	**(7.3)**	**(9.1)**	**(19.8%)**
Reported NPAT	**56.1**	**36.6**	**53.1%**

1. Includes Leor. 2. Operating EBIT (adjusted for leases). 3. Excludes interest expense on lease liabilities. 4. Tax before non-trading items. Refer to note 6 of the G8 Annual Report for tax benefit from non-operating items.

CENTRE PERFORMANCE

Focus on operational execution coupled with cost management delivering improved results

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- Operating and statuary NPAT continued to deliver solid results in H2 with centre margin improving by 1%pt vs pcp driven by:
  - Workforce planning and optimisation driving wages as a % of revenue to decrease by 0.7% vs pcp
  - Agency continuing to trend down in H2
  - Targeted procurement initiatives delivering saving benefits
  - Disciplined management of fee increase to account for significant inflation cost and record wage increase (5.75% July 2023)

Centre performance

$m	CY23	CY22	Change
Group occupancy	70.4%	70.6%	(0.2%)
Revenue	**981.1**	**900.4**	**9.0%**
Employment costs	559.8	520.3	7.6%
Rent Proxy[1]	125.2	119.2	5.0%
Depreciation	29.5	24.7	19.5%
Other	104.0	96.2	7.6%
Centre Expenses	**818.5**	**760.4**	**7.6%**
Centre operating EBIT[2]	**162.7**	**140.0**	**16.2%**
Centre EBIT[2] Margin	*16.6%*	*15.6%*	*1.0%*

Centre costs as a % of centre revenue

%	CY23	CY22	Change
Employment costs	57.1%	57.8%	(0.7%) pts
Rent	12.8%	13.2%	(0.4%) pts
Depreciation	3.0%	2.7%	0.3% pts
Other	10.6%	10.7%	(0.1%) pts

1. Proxy for rent expense comprising lease depreciation, lease interest and outgoings
2. Centre Operating EBIT (adjusted for leases)

CAPITAL ALLOCATION

Strong free cashflow has funded capital investment, increased dividends and reduced net debt

- Final fully franked dividend 4.5c up 50% and representing 65% of reported NPAT
- Balance sheet approach remains conservative as reflected in leverage and gearing ratios
- Improved cash position vs pcp with positive free cashflow and solid cash conversion resulting in reduction in net debt
- Decrease in net interest resulting from restructuring and repayment of subordinate debt in June 2022 with finance cost savings of $3.5m

Operating cash flow
$131m

Strong cash conversion[1] 108%

Capital related outflows
$45m[3]

Dividend Payout ratio 65% NPAT
$28m

Free cash flow
$58m

Investment in growth

Lease surrenders $12m
Software Development $7m

Return excess capital

Share buy-backs $5m

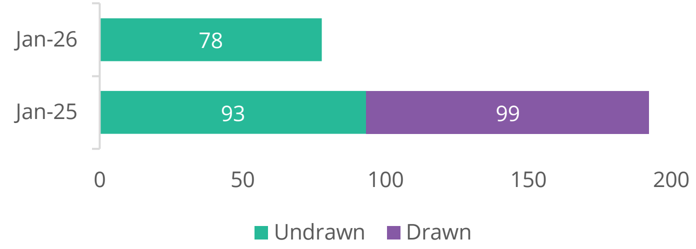
Reduce debt
$31m

Leverage	Fixed cover	Gearing
CY23 0.4x	CY23 1.6	CY23 6%
CY22 0.8x	CY22 1.5	CY22 9%

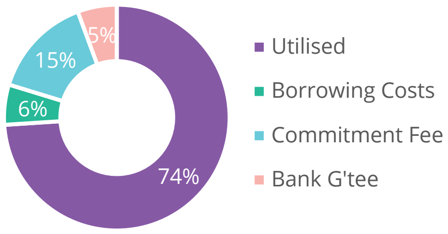
Balance sheet ratios

$M	31 December 2023	31 December 2022
Non-current borrowings	99.0	127.9
Cash and cash equivalents	40.3	37.8
Net Debt[4]	**58.7**	**90.1**
Operating EBITDA[5]	131.7	106.5
Leverage (Net Debt[1]/Operating EBITDA)[5] (x)	**0.4**	**0.8**
Net interest[6]	9.7	10.9
Operating EBITDA[5]/Net Interest[6] (x)	**13.6**	**9.8**
Fixed charge cover (x)	**1.6**	**1.5**
Gearing ratio (%)[7]	**6%**	**9%**

Debt Maturity Profile



CY23 interest expense



1. Cash conversion = (Operating cash flow plus SaaS after lease payments, plus wage remediation and before interest and tax)/Operating EBIT plus depreciation non-leases.
2. Free cashflow = (Operating cash flow after lease payments, interest and tax) less capex and dividends
3. Cash outflow flow relating to capex including payments for purchase of intangible assets, proceeds from the sale of property, payments for property, plant and equipment. See cash flow in appendix.
4. Net Debt excludes lease liabilities and current borrowings for insurance premium funding.
5. Operating EBITDA excludes non-operating items and Kiddo and is after lease interest and depreciation. Refer to Note 7 of 2022 Annual Report for non-operating items.
6. Net interest excludes lease interest and previously capitalised borrowing costs written off due to refinance in CY22
7. Gearing ratio = Net Debt (excludes lease liabilities) / (Net Debt (excludes lease liability) + Equity)

CURRENT TRADING & MEDIUM-TERM OUTLOOK

CURRENT TRADING & OUTLOOK

Encouraging start with an optimistic outlook

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TRADING UPDATE

Better start to the year with continued focus on execution

- Group 'spot' occupancy[1] is 66.3%, 1.7% pts higher than CY23; 66.9% YTD[1] 1.2%pts higher
  - Enrolment and transition program and process refined to drive improved occupancy outcome to start 2024
  - Waitlist process streamlined resulting in improved tour success during E&T program
- Fee increase of 4.5% implemented in January 2024 to mitigate cost inflation
- Capital allocation framework to support strong cashflow:
  - Capex for 2024 estimated $40-$45m
  - Network optimisation ongoing, with 9 centres exited post 31 December 2023
- Group balance sheet remains strong with conservate leverage

OUTLOOK

We remain focused on delivering a 'Fit Core' in a dynamic and challenging environment.

- Demand outlook for the ECEC sector is improving, with momentum slowly building
- Net supply increased by 3.6% yoy
- Government investment in kindergarten will assist with affordability in 3-5 year old cohorts
- Workforce shortages remain a sector challenge, however, attraction and retention strategies are reducing this impact
- Inflation is easing, however, 'cost of living' issues will continue to play a role in our families' affordability
- Regulatory focus on the sector expected to continue through CY24. G8 will continue to advocate for the sector and our team
- G8's near term focus on 'high impact' areas:
  - Operational execution to drive performance
  - Disciplined controls on cost and efficiency
  - Our 6 strategic focus areas to deliver a 'Fit Core'

1. Group spot occupancy for week ending 25 February 2024.

Q&A

APPENDIX

FINANCIAL STATEMENTS

G8 Education ltd

Consolidated Income Statement

$m	CY23	CY22	% change
Continuing operations			
Revenue	983.4	901.2	
Other income	3.6	4.0	
Total	**987.0**	**905.2**	**9.0%**
Expenses			
Employment costs	(603.0)	(561.5)	(7.4%)
Property, utilities and maintenance costs	(50.5)	(51.2)	1.5%
Direct costs	(36.3)	(35.1)	(3.2%)
Software as a service (SaaS) expense	(7.0)	(7.3)	3.8%
Depreciation and amortisation	(103.0)	(95.3)	(8.1%)
Impairment expenses	13.6	-	n.m.
Other expenses	(66.1)	(48.8)	(35.5%)
Finance costs	(53.7)	(52.4)	(2.6%)
Total expenses	**(905.9)**	**(851.5)**	**6.4%**
Income tax benefit/(expense)	(25.0)	(17.1)	46.7%
Reported NPAT	**56.1**	**36.6**	**53.1%**

1. Includes rates, utilities, services, outgoings, cleaning, maintenance, variable rent etc
2. Operating excludes non-operating items and Kiddo and is after lease interest and depreciation
3. Refer to Note 6 of G8 Annual Report for non-trading items.

Balance Sheet

$m	31 December 2023	31 December 2022
ASSETS		
Current assets		
Cash and cash equivalents	40.3	37.8
Trade and other receivables	23.7	22.6
Other current assets	14.4	12.7
Current tax asset	-	11.3
Total current assets	**78.4**	**84.4**
Non-current assets		
Property plant and equipment	138.8	136.3
Right of use assets	528.0	401.8
Deferred tax assets	101.6	102.4
Intangible assets	1,049.4	1,051.6
Investment in an associate	0.8	0.9
Other non-current assets	5.9	6.2
Total non-current assets	**1,824.4**	**1,699.2**
Total assets	**1,902.8**	**1,783.6**
LIABILITIES		
Current liabilities		
Trade and other payables	72.2	73.4
Contract liabilities	11.4	11.3
Current tax liability	13.0	-
Borrowings	1.3	0.9
Lease liabilities	81.3	81.2
Provisions	106.1	85.8
Total current liabilities	**285.3**	**252.6**
Non-current liabilities		
Other payables	-	0.4
Borrowings	99.0	127.9
Lease Liabilities	596.6	503.5
Provisions	16.4	15.8
Total non-current liabilities	**712.0**	**647.6**
Total liabilities	**997.3**	**900.2**
Net assets	**905.5**	**883.4**
EQUITY		
Contributed equity	897.8	1,174.4
Reserves	108.5	73.3
Retained earnings	(100.8)	(364.3)
Total equity	**905.5**	**883.4**

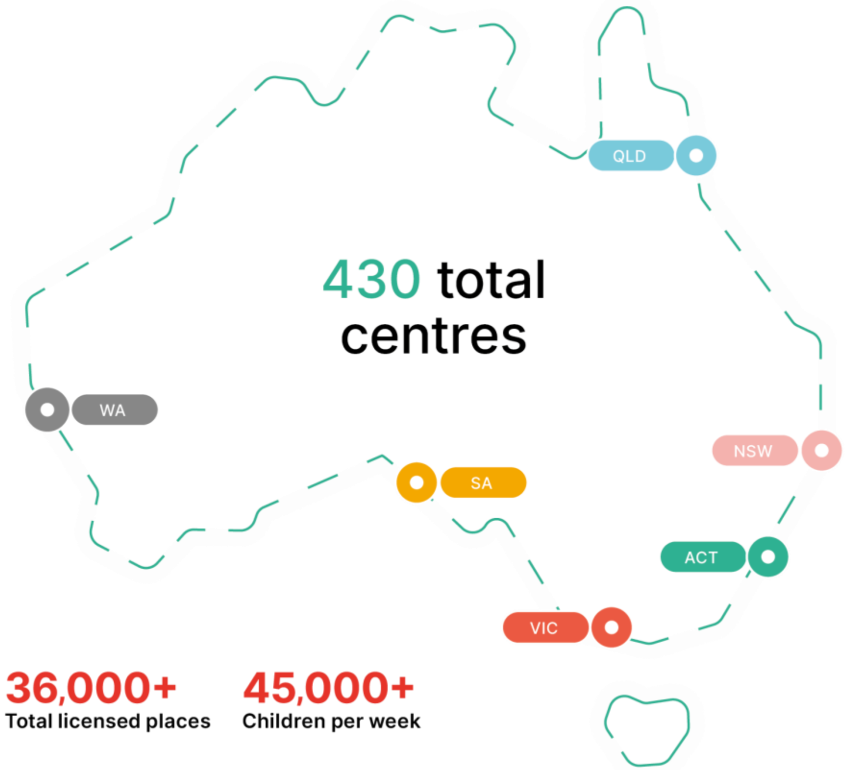
CASH FLOW

Cash flow

$m	CY23	CY22	% change
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	989.9	897.7	10.3%
Payments to suppliers and employees (inclusive of GST)	(740.4)	(707.8)	4.6%
Interest received	1.7	0.4	325.0%
Interest paid (non-leases)	(11.2)	(10.0)	12.0%
Interest paid (leases)	(38.6)	(38.4)	0.5%
Income taxes received / (paid)	0.1	(5.1)	n.m.
Net cash inflows from operating activities	**201.5**	**136.8**	**47.3%**
Cash flows from investing activities			
Payments for contingent consideration	(0.6)	(0.1)	500.0%
Payments for purchase of intangible assets	(0.9)	(1.1)	(18.2%)
Net (payments) / proceeds for divestments	(11.6)	0.2	n.m.
Proceeds from the sale of property, plant and equipment	0.1	0.2	(50.0%)
Payments for property, plant and equipment	(43.7)	(58.5)	(25.3%)
Net cash outflows from investing activities	**(56.7)**	**(59.3)**	**(4.4%)**
Cash flows from financing activities			
Dividends paid	(28.3)	(33.7)	(16.0%)
Principal elements of lease payments	(76.9)	(73.2)	5.2%
Buy back of equity (including transaction costs)	(5.2)	(34.8)	(85.1%)
Payments for purchase of treasury shares	(2.1)	-	-
Net proceeds from borrowings	(29.7)	30.0	n.m.
Borrowing costs paid	(0.1)	(2.1)	(95.2%)
Net cash outflows from financing activities	**(142.3)**	**(113.8)**	**25.0%**
Net increase / (decrease) in cash and cash equivalents	2.5	(36.3)	n.m.
Cash and cash equivalents at the beginning of the financial year	37.8	74.1	(49.0%)
Cash and cash equivalents at the end of the financial year	**40.3**	**37.8**	**6.6%**

NETWORK

G8 Education ltd



36,000+
Total licensed places

45,000+
Children per week

10,000+
Total team members

Queensland
64 centres
1,895 team members

New South Wales
150 centres
3,184 team members

ACT
7 centres
151 team members

Victoria
138 centres
3,538 team members

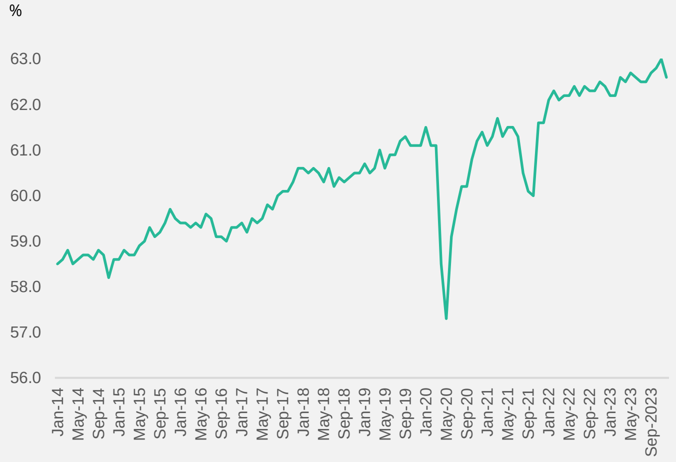
South Australia
26 centres
562 team members

Western Australia
45 centres
1,118 team members

FUNDAMENTALS SUPPORTING DEMAND GROWTH

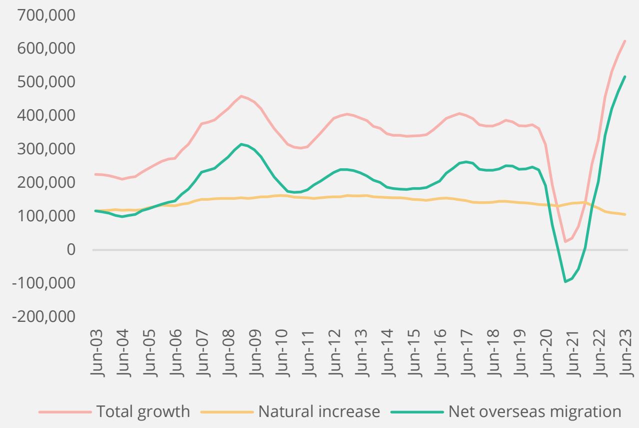
ECEC sector is viewed as critical to the Australian economy and has strong bi-partisan support

Female participation continues to increase



Female employment-to-population ratio
Source: ABS

Net migration continues to recover



Components of annual population change
Source: ABS

Net supply growth trending higher

- Continued investment from Government through fee subsides and professional development grants support family affordability and female workforce participation
- Net migration continues to grow strongly after reopening of borders
- Net supply increased by 3.6% yoy

UPDATE ON KEY ONGOING INQUIRIES/MULTI-EMPLOYER BARGAINING

G8 Education ltd

Government maintains a highly engaged position in trying to provide the best outcome for all stakeholders in the childcare sector

ACCC
Child Care Inquiry

- First Interim Report - July 2023 - Sector observations
- Second Interim Report - September 2023 - 18 findings and 7 draft recommendations
- Final Report – January 2024 Key recommendations/ findings:
  - Current demand-side support (Child Care Subsidy) remain for adequately served markets
  - For under-served and unserved markets, Government to perform a market stewardship role and subsidise the supply of services in these areas
  - Profits are not excessive
  - Not recommending the introduction of direct price controls

Productivity Commission
ECEC Inquiry

- Terms of reference - February 2023
- Initial submissions – May 2023
- Draft report - November 2023 Key recommendations/ findings:
  - Provision of universal ECEC access to all children, supported by the Government funding for thin markets
  - Promoting greater affordability among lower income families
  - Exploring improved governance effectiveness
- Public hearings and draft report submissions by end of February 2024
- Final inquiry report by 30 June 2024

Observations

- Key ACCC and Productivity Commission recommendations are largely aligned
- Resolving workforce shortage is the commanding priority to enabling universal ECEC access
- Current mixed-market critical to the delivery of quality education and care services

Next steps

- G8 will respond to draft Productivity Commission report in February 2024
- G8 will participate in Productivity Commission public hearings in February 2024

Multi-Employer Bargaining

- Application made to the Fair Work Commission (**FWC**) for participation in Multi-Employer Bargaining
- This process facilitates tripartite negotiations between unions, employers and government (as the funder of the increase)
- G8 voluntarily consented to be involved and advocate strongly
- FWC approved authorisation - September 2023
- Negotiations continue with other parties and the unions. Submission provided to Government in January

Observations?

- All parties remain united in requirement for Government funding
- Procedural matters established
- All involved parties have the ambition to keep this simple at this stage
- Government support remains strong publicly

Next steps

- Continue to engage with the Government following their return to the bargaining table on 23 February 2024