Government of South Australia

TAFE SA

2025-26 Annual Report

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ISSN:	2202-817X
Date approved by the Board:	14 September 2026
Date presented to Minister:	30 September 2026

To:

The Hon Lucy Hood MP

Minister for Education, Training and Skills

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, *Public Corporations Act 1993* and *TAFE SA Act 2025*, and the requirements of Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of TAFE SA by:

Adam Kilvert

Chief Executive



Date: 29 September 2026 Signature:_____

From the Chair of the Board and the Chief Executive



Ingrid Haythorpe

Chair



Adam Kilvert

Chief Executive

There is much to celebrate in what TAFE SA has achieved over the past year, and our ambition remains clear: to get more South Australians into training, support more of them to complete the training, and ensure the skills they gain lead to meaningful employment aligned with the needs of industry.

Our graduates contribute to industries that are critical to the state's future and South Australia's growing economy. At the same time, our programs create life-changing opportunities for individuals, supporting those facing barriers to education and employment to build skills, confidence and independence.

Demand for TAFE SA training remains strong, with enrolments growing as more South Australians choose TAFE SA to gain new skills, start a career or take the next step in their working lives. More than 51,000 students studied with TAFE SA in 2025-26, including 9,632 students who began their training journey through Fee Free TAFE places. We delivered over 12.6 million hours of training at 30 sites across the state.

This growth reflects TAFE SA's vital role in supporting the skills South Australia needs most. We continue to expand our contribution in trades and apprenticeships, helping build the workforce required for housing, construction, defence, advanced manufacturing and major infrastructure projects. At the same time, TAFE SA remains a trusted provider in areas that matter deeply to our communities, including early childhood education and care, health and community services, hospitality and technology.

While enrolment growth is important, our greatest measure of success is the progress and achievement of our students and apprentices. Every successful graduate represents a skilled worker entering or progressing in the South Australian workforce. Pleasingly, 91 per cent of TAFE SA graduates were satisfied with the

overall quality of their training, and 86 per cent of students were employed or went on to further study after completing their training.

In the past year, TAFE SA expanded opportunities for regional students, with almost 1,000 additional enrolments. Campus upgrades, improved online access and increased course delivery supported this growth. Through the Regional Skills Development Initiative, regional training expanded with 158 additional classes and 611 new enrolments across 14 locations, helping more South Australians learn closer to home.

We also strengthened pathways for young people moving from school into vocational education and further study, including university. Through our work with VET in schools and Technical Colleges, TAFE SA is helping school students gain industry-relevant skills earlier and see vocational education as a meaningful pathway to a long-term career.

We continue to strengthen our partnership with industry. The establishment of the National Security TAFE Centre of Excellence, alongside our Centre of Excellence in Early Childhood Education and Care, positions TAFE SA as a leader in developing innovative training for some of Australia's most important current and emerging workforce needs.

Across our metropolitan and regional campuses, we continue to invest in the facilities, equipment and training capability our students and industries need. The new plumbing and electrical trades training facility at Mount Gambier campus was a standout achievement last year, strengthening access to contemporary, hands-on training in regional South Australia.

We also continue to listen and respond to students, staff, employers, industry and communities about how TAFE SA can deliver training where and how it is needed. TAFE SA's free online AI micro-credential is one example of this responsiveness, giving the community practical access to emerging technology and supporting safe, confident use of artificial intelligence.

None of this is possible without our people. We thank TAFE SA staff across the state for their expertise, commitment and the positive difference they make every day for our students, industries and communities.

Together, we are building a stronger, more responsive and more ambitious TAFE SA, and helping shape the skilled workforce South Australia needs for the future.



Ingrid Haythorpe
Chair



Adam Kilvert
Chief Executive

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Overview: about the agency

TAFE SA is a statutory authority of the Government of South Australia established under the *TAFE SA Act 2025* and is the public provider of Vocational Education and Training (VET) in South Australia.

TAFE SA's status as a registered training organisation, institute of higher education, and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) provider is managed through the national regulators, the Australian Skills Quality Authority (ASQA), and the Tertiary Education Quality and Standards Agency (TEQSA).

It is a requirement of registration with ASQA and TEQSA that TAFE SA demonstrates ongoing compliance with all requirements of the VET Quality Framework, and the Higher Education Standards Framework. Compliance is assessed through regular audits.

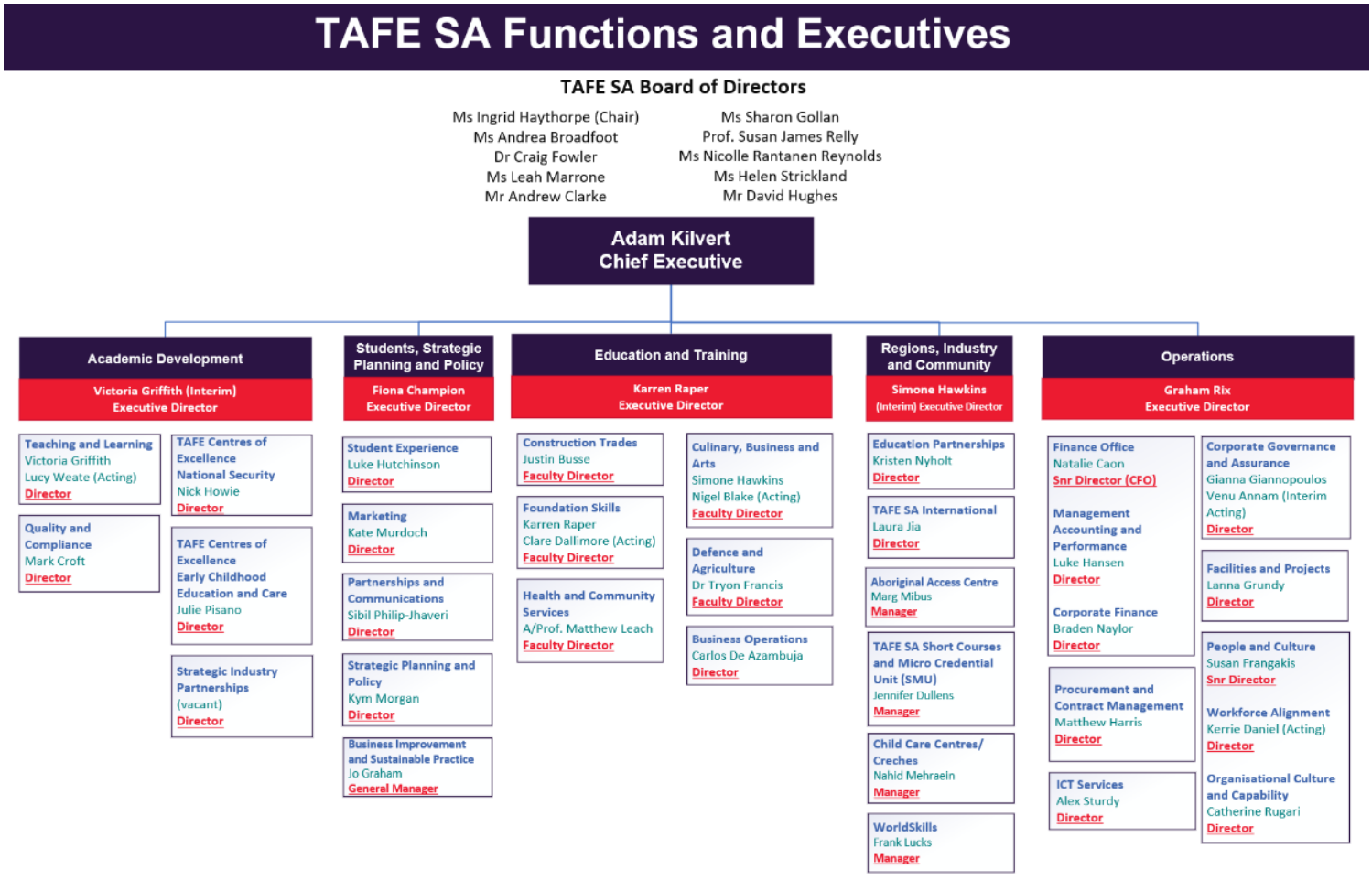
Our strategic focus

Our purpose	Enabling South Australians, local industries and communities to prosper through the delivery of sector leading accessible vocational education, training and support both locally and nationally.
Our vision	A skilled and thriving South Australia where communities have access to quality education, training and support, employers have access to the skilled workforce they need and people are able to gain skills and capabilities to succeed.
Our values	TAFE SA behaviours and practices are guided by the Public Sector Code of Ethics and the Public Sector Values shared across government, encompassing service, professionalism, trust, respect, collaboration and engagement, honesty and integrity, courage and tenacity and sustainability. TAFE SA is also guided by its three core values: • **What we do matters**: We focus on what creates meaningful impact for students, industry and community • **We work as one**: We work as one, shaping locally and delivering together • **We step up**: We take accountability and act with purpose
Our functions, objectives and deliverables	The objectives of TAFE SA as detailed in the TAFE SA Act 2025: (a) to deliver high quality, responsive and industry relevant education and training that responds to the current and future needs of employers, aligns with the strategic priorities of the

	State, and strengthens the State's economic prosperity through the development of a skilled, adaptable workforce; and (b) to ensure equitable access to education and training for all eligible South Australians that assists them to build the skills needed to contribute to the social, cultural, and economic life of their communities both now and in the future; and (c) to operate as an efficient, transparent, innovative and accountable public institution underpinned by strong governance, effective leadership, and a commitment to the public interest and educational excellence.

Our organisational structure

As at 30 June 2026, TAFE SA's organisational structure was as follows:



Changes to the agency

During 2025–26, the *TAFE SA Act 2025* commenced, establishing a new legislative and governance framework for TAFE SA and transitioning the organisation from a statutory corporation to a statutory authority.

TAFE SA also implemented changes to its organisational structure during the year to better align functions with its strategic priorities and strengthen its focus on students, industry and communities.

Our Minister(s)

The Hon Lucy Hood MP is the Minister for Education, Training and Skills, having responsibility for this portfolio from March 2026.

The Hon Blair Boyer MP was the Minister for Education, Training and Skills for the remaining period over the 2025-26 financial year.

Our executive team

Our Executive team as at 30 June 2026



Adam Kilvert

Chief Executive



Fiona Champion

Executive Director, Students, Strategic Planning and Policy



Graham Rix

Executive Director, Operations



Karren Raper

Executive Director, Education and Training



Simone Hawkins

Interim Executive Director, Regions, Industry and Community



Victoria Griffith

Interim Executive Director, Academic Development

Legislation administered by the agency

TAFE SA Act 2025

TAFE SA Regulations 2026

Other related agencies (within the minister's area of responsibility relevant to TAFE SA)

- Department of State Development, including Skills SA
- South Australian Skills Commission
- Department for Education
- Construction Industry Training Board
- Office for Early Childhood Development
- Office for Autism

The agency's performance

Performance at a glance

TAFE SA is committed to implementing a range of activities, strategies, programs and initiatives to achieve its objectives in line with the organisation's purpose, vision and strategic goals.

Highlights for 2025-26 include the following:

- Over **51,000** students studied with TAFE SA in 2025/26. Of that, **8,865** were apprentices and trainees.
- Delivery across **278** courses and qualifications, covering **231** training packages, **39** accredited courses and **8** higher education courses.
- Delivered **12.6m** registered training hours.
- Strong graduate outcomes in the latest National Centre of Vocational Education Research release, including:
    - **91.1%** of graduates are satisfied with the training overall
    - **62.9%** of graduates improved their employment circumstances after training
    - **86.4%** of graduates were employed or in further study after training
- **3.9%** growth in apprentices and trainees studying at TAFE SA compared to 2024-25.
- **2.3%** growth in state-subsidised enrolments across critical industries in government priority sectors, including care, defence and manufacturing, and construction and infrastructure.
- Delivered **158** additional classes across **14** regional locations, enabling an additional **611** enrolments in South Australia through the TAFE SA Regional Skills Development Initiative.
- Delivered Fee Free TAFE training to **9,632** students across the financial year, with 77% of these students being from a priority or disadvantaged cohort.
- Continued to deliver on TAFE SA's Strategic Plan 2023–2033, with the six Priority Plans for 2024–2026 now nearing completion, having guided TAFE SA's key areas of focus and strategic targets over the financial year.
- Delivered on the state government's election commitment to upgrade TAFE SA's Mount Gambier campus, by construction of specialist training facilities to support plumbing and electrical trades and related building disciplines, as well as an expansion of workshops to release pressure on existing automotive and carpentry spaces.

In the 2025-26 financial year, the TAFE SA Board and its committees met a total of 29 times, across a range of locations, including Adelaide, Mount Gambier, Urrbrae and Whyalla. These meetings comprised:

- 8 scheduled Board meetings
- 14 committee meetings:
    - 4 Audit and Risk Committee
    - 4 People and Culture Committee

  - 4 Academic and Quality Committee
  - 2 Higher Education and Academic Board
- 7 extraordinary meetings:
  - 5 Board
  - 1 People and Culture Committee
  - 1 Audit and Risk Committee

A breakdown of the number of meetings attended by each member is provided in the following table:

Board member name	**Position**	**No. of meetings eligible to attend**	**No. of meetings attended**
Ingrid Haythorpe	TAFE SA Board (Chair)	13	13
	Audit and Risk Committee	5	5
Andrea Broadfoot	TAFE SA Board	13	13
	Academic and Quality Committee	4	4
Andrew Clarke	TAFE SA Board	13	11
	Academic and Quality Committee	4	4
Dr Craig Fowler	TAFE SA Board	13	13
	Academic and Quality Committee (Chair)	4	4
	Higher Education Academic Board (Chair)	2	2
Sharon Gollan	TAFE SA Board	13	4
	People and Culture Committee	5	1
David Hughes	TAFE SA Board	13	11
	Audit and Risk Committee (Chair)	5	5
Prof Susan James Relly	TAFE SA Board	13	10
	Academic and Quality Committee	4	2

Leah Marrone	TAFE SA Board People and Culture Committee Audit and Risk Committee	13 5 5	12 5 5
Nicolle Rantanen Reynolds	TAFE SA Board People and Culture Committee (Chair)	13 5	10 5
Helen Strickland	TAFE SA Board Audit and Risk Committee	13 5	11 5

Agency specific objectives and performance

TAFE SA was a statutory corporation of the Government of South Australia established under the *TAFE SA Act 2012* until 28 February 2026 and was directed by the requirements of the TAFE SA's 2025-2026 Ministerial Charter and Performance Statement. As of 1 March 2026, TAFE SA transitioned to a statutory authority with the establishment of the *TAFE SA Act 2025* and is required to meet the objectives of the Ministerial Statement of Priority for TAFE SA. For 2025-2026, TAFE SA's objectives and performance was as follows:

Agency objectives	Indicators	Performance
Deliver TAFE SA's First Nations Priority Plan commitments aligned to the Strategic Plan 2023-2033	*By 2026, the commitment to cultural respect and safety will be evident to First Nations staff and students and they will feel valued and empowered. This will see an early trend emerging of improving outcomes for First Nations students.*	TAFE SA commenced implementation of the Innovate Reconciliation Plan, enhanced cultural safety of the TAFE SA campus network by commencing installation of First Nations art, and continued implementation of the First Nations Cultural Safety Audit recommendations. In 2025–26, TAFE SA delivered 24 face-to-face Cultural Awareness training sessions for staff. Since 2023, the program has delivered 65 face-to-face sessions, contributing to more than 39% of non-casual employees completing face-to-face Cultural Awareness training. This is complemented by the online Aboriginal Cultural Respect Training program. In 2025-26 TAFE SA commenced drafting and consultation for its First Nations workforce recruitment strategy. TAFE SA invested in improving information technology tools and equipment supporting the delivery of education

		services for First Nations TAFE SA students including portable tablet devices, audio-visual equipment, student laptops, and upgrades to wireless infrastructure. Through its Aboriginal Access Centre, TAFE SA has continued to support Aboriginal and Torres Strait islander students across South Australia by delivering an innovative range of programs, assisting with enrolments into a wide range of other TAFE SA programs, and offering tailored support to individual students through its Training Support Officers.
Deliver TAFE SA's Student Success Priority Plan commitments aligned to the Strategic Plan 2023-2033	*By 2026, we will deliver enhanced student experience across the student lifecycle, sustain ongoing connections with our alumni community, and work collaboratively with industry to enhance graduate career outcomes.*	TAFE SA continued to invest in enrolment improvement processes to support a better commencement experience for TAFE SA students. TAFE SA is investing in targeted student support and completion focussed initiatives to improve student progression and completion. As a result, TAFE SA's overall completion rate has increased to 53% over the past 12 months for state-subsidised and Fee For Service (FFS) training qualifications, up from 48% the year before. The completion rate for apprentices has increased to 61%. Overall completion rates are expected to continue to improve in 2026-27 as a result of new investment through the National Skills Agreement (NSA) to support increased completions for students, apprentices and trainees. TAFE SA has continued to host its annual 'Campus Alive' events at each campus to further enhance student engagement and wellbeing. The event allows students to familiarise themselves with their campus, connect with others and learn about support services available to them.
Deliver TAFE SA's Teaching and Learning Priority Plan commitments aligned to the Strategic Plan 2023-2033	*By 2026, we will introduce new courses tailored to emerging industries and we will be leading the nation in key areas of*	TAFE SA commenced development of a 5 year training profile to align with the identified priority industries for the Government. It commissioned the development of four Mobile Training Units to increase TAFE SA delivery in regional South Australia. TAFE SA submitted its application for renewal of registration to the Australian Skills Quality Authority (ASQA). Significant preparatory work

	strength. We will be a trusted and essential partner of industry in South Australia, recognised for our graduate success and will be at the forefront of vocational education and training both locally and nationally.	has occurred to ensure its systems and training delivery is compliant with ASQA standards. TAFE SA developed an AI micro-credential, AI Essentials - Getting Started with Artificial Intelligence, which is a free online course, ensuring the community has access to information about the technology and how to use it safely. TAFE SA secured funding from the Commonwealth to establish a Green Energy Technology Training Academy, which will focus on electric vehicle and green energy technology training through development of training hubs at TAFE SA Whyalla and Tonsley campuses. TAFE SA introduced its Certificate II in Plumbing Pathways to help apprentices prepare for a Plumbing apprenticeship. The course gives school students and job seekers foundational hands-on skills and safety training, whilst providing a strong pathway into a range of specialist plumbing streams. TAFE SA continued its Defence Industry Pathways Program (DIPP) in partnership with Group Training Organisation PEER. DIPP is a 12-month paid traineeship that awards graduates with a Certificate III in Defence Industry pathways. The program provides hands-on training and experience across various sectors of the defence industry, including manufacturing and engineering, computing, logistics, procurement, technical drawing and computer-aided design. TAFE SA has continued delivering training for the five existing South Australian Technical Colleges, as a key delivery partner with the Department for Education. Technical Colleges allow high school students in year 10 to 12 to complete their SACE while simultaneously undertaking practical VET and school-based apprenticeships tailored to the State's priority industries, such as construction, manufacturing and defence.
Deliver TAFE SA's People Priority Plan commitments aligned to the Strategic	*By 2026, we will deliver enhanced support functions that facilitate the*	TAFE SA undertook a strategic workforce planning pilot, with the aim of focusing on enhancing future capacity and capability in priority sectors, to build the state's workforce.

Plan 2023-2033	*delivery of high quality education and training. Our people will feel proud, valued, and supported every day. We are committed to attracting, developing, and retaining our talented workforce as we work together to pursue the best outcomes for our staff, students and our stakeholders.*	TAFE SA progressed Talent Acquisition Strategies, to support workforce attraction, recruitment and retention across the organisation. TAFE SA worked with staff to co-design three core values that underpin TAFE SA's culture – we do what matters; we work as one; and we step up. TAFE SA delivered the Inclusion and Equity Framework, with six employee networks actively supporting inclusion and belonging. Membership of the Inclusion and Equity Community of Practice has grown to over 460 members, reflecting strong organisational engagement. TAFE SA also continues its partnership with Our Watch to advance workplace gender equality.
Deliver TAFE SA's Place-based Priority Plan commitments aligned to the Strategic Plan 2023-2033	*By 2026 we will ensure local communities have access to education and training opportunities that respond to local workforce needs, while also having access to places and spaces that cultivate learning in all its forms*	During 2025–26, TAFE SA's regional engagement resulted in increased education and training delivery to meet local training needs, enabling more people to learn where they live. TAFE SA also developed campuses infrastructure utilisation principles to ensure its campus network is used as efficiently and effectively as possible. TAFE SA delivered 158 additional classes across 14 regional locations, enabling an additional 611 enrolments in South Australia through the TAFE SA Regional Skills Development Initiative. TAFE SA has developed a comprehensive property strategy, which will guide future infrastructure decisions, including targeted investment and improved utilisation.
Deliver TAFE SA's Sustainability Priority Plan commitments aligned to the Strategic Plan 2023-2033	*By 2026 we will implement smart and sustainable practices across our operations, develops training to*	TAFE SA reviewed its fleet policy to support the transition to a greater proportion of hybrid and electric vehicles. TAFE SA undertook a range of initiatives to strengthen its management of climate related risks and opportunities and manage greenhouse gas emissions, delivered a range of awareness and capability activities across the organisation and commenced a structured greenhouse gas

	support our state's shift towards a low emissions economy, and ensures our organisation can be adaptive to the impacts of climate change.	emissions scoping process in the lead up to developing a Carbon Management Plan.
Mount Gambier Election Commitment	*Upgrade facilities and equipment to further increase the enrolment and retention of students and apprenticeships in trades courses at the Mount Gambier TAFE, where there are industry-identified staff storages in the surrounding regions.*	The Mount Gambier upgrade was completed in February 2026. The upgrade included the construction of specialist training facilities to support plumbing, electrical trades and related building disciplines, as well as an expansion of workshops to release pressure on existing automotive and carpentry spaces. The upgrade was completed in February 2026 to align with the opening of the adjacent Department for Education Mt Gambier Technical College.
Housing Skills: New Plumbing Training Facility Election Commitment	*Two new plumbing training sandpits to be built at the Beverley site of Group Training Organisation TAPS.*	TAFE SA has partnered with the Group Training Organisation (GTO) - Trainee and Apprentice Placement Services Inc (TAPS) to commence the process to construct two sandpits to support the delivery of practical training units for plumbing apprentices.

Corporate performance summary

Agency specific non-financial objectives and performance (2025 calendar year) as outlined in the TAFE SA Performance Statement (1 July 2025 to 30 June 2026).

Indicators	Actual (numbers rounded)	Target
% of TAFE SA VET graduates who improved their employment circumstances after training (NCVER publication VET Student outcomes 2025)	62.9%	55.0%
% of TAFE SA VET graduates employed or in further study after training (NCVER publication VET Student outcomes 2025)	86.4%	85.0%
% of TAFE SA VET graduates satisfied with the overall quality of training (NCVER publication VET Student outcomes 2025)	91.1%	90.0%
TAFE SA load pass rate (a measurement of the number of students who pass their assessment) (TAFE SA internal data)	87.5%	84.0%

Employment opportunity programs

TAFE SA's Paid-to-Learn Initiative is a targeted workforce-development strategy aimed at attracting skilled industry practitioners into educator roles through structured support. The initiative:

- Provides a 12-week paid pathway into lecturing
- Delivers a fully funded TAE qualification through Fee-Free TAFE
- Offers mentoring, digital capability uplift, and classroom immersion
- Builds long-term educator capacity in critical shortage areas.

The initial pilot recruited eight industry experts across priority disciplines. All eight:

- Completed the training and development program
- Transitioned successfully into ongoing lecturer roles
- Enabled TAFE SA to stabilise staffing in high-demand delivery areas.

TAFE SA now delivers the Paid-to-Learn Initiative on a rolling basis to support targeted recruitment of lecturer in high demand and competitive markets.

Agency performance management and development systems

Performance management and development system	Performance
TAFE SA Performance and Development System	66.09% of all TAFE SA staff had an approved Performance and Development Plan during this reporting cycle.
MyTime System – for Casual / Hourly Paid Instructors	MyTime was developed and launched in 2025-26 to improve TAFE SA's Time and Attendance management systems for its casual workforce and Hourly Paid Instructors and moving these staff to an automated system. Improvements from the MyTime system included reducing risk of data entry errors resulting in under or over payments, payment at correct rates, improving delegation approval workflows and ensuring legislative compliance to reduce risk of industrial breaches.
ReadySkills Platform	TAFE SA launched the ReadySkills platform in 2025-26, delivered in partnership with ReadyTech. ReadySkills is a web-based digital portal designed to support all stages of an Apprenticeship or Traineeship, keeping administration and information in one place, enabling students, employers, parents/guardians and schools to login anytime to view the students' progress towards gaining a qualification. ReadySkills provides a centralised system for managing training plans, student progression, employer engagement, compliance activities, evidence capture, call-ups and related apprenticeship workflows The platform was introduced to improve compliance and training plan management, provide a single source of truth for all parties, reduce manual administration and paper-based processes, improve visibility of student progression and training outcomes, and support a more consistent, scalable and efficient apprentice and trainee management process across TAFE SA.

Work health, safety and return to work programs

Well-being Continuous Improvement	TAFE SA recognises that employee wellbeing is a critical enabler of a healthy, safe and high-performing workforce. Through a focus on continuous improvement, TAFE SA promotes a psychologically safe and supportive work environment where employees can thrive both personally and professionally. The Wellbeing Program adopts a holistic approach to health and wellbeing, incorporating physical health, mental health, development and growth, rest, nutrition, relationships and financial wellbeing. This broad focus supports the organisation's commitment to enhancing employee wellbeing and fostering positive workplace outcomes. TAFE SA works closely with its Employee Assistance Program (EAP) provider to review utilisation trends and emerging themes, helping to identify opportunities for targeted interventions, preventative strategies and ongoing improvement in employee support services. The Wellbeing Working Group continue to co-design a psychosocial and wellbeing strategy with employees, placing a strong emphasis on psychosocial health and safety, prevention, and the creation of a safe workplace culture. Through these initiatives, TAFE SA remains committed to continuous improvement in wellbeing outcomes and supporting a resilient, engaged and healthy workforce.
Continuous Improvement – WHS Internal Audit	TAFE SA continued to strengthen its Work Health and Safety (WHS) and Injury Management System through a risk-based internal audit program aligned with the principles and requirements of the international standard ISO 45001 Occupational Health and Safety Management Systems. The program provides assurance that key WHS processes remain effective, compliant and capable of supporting continuous improvement. Internal audits are conducted at defined intervals and focus on evaluating compliance with legislative obligations, organisational requirements and recognised industry standards. The audit program also supports the identification of opportunities to enhance safety performance, strengthen risk controls and improve operational effectiveness. Audit priorities are informed by TAFE SA's operational risk profile and consider key organisational processes, findings from external and third-party audits, changes to WHS legislation and regulatory requirements, high-risk activities

	undertaken across the organisation, and the analysis of hazard, incident and injury data. This intelligence-led approach enables TAFE SA to proactively identify emerging risks, monitor the effectiveness of controls and implement targeted improvement initiatives. Through its ongoing internal audit program, TAFE SA continues to promote accountability, strengthen safety governance and drive continuous improvement across the Work Health and Safety and Injury Management System, contributing to safer workplaces and improved outcomes for employees and students.

Workplace injury claims	Current year 2025-26	Past year 2024-25	% Change (+ / -)
Total new workplace injury claims	22	32	-31%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	5.21	6.4	-19%

**number of claimants assessed during the reporting period as having a whole person impairment meeting the relevant threshold under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2025-26	Past year 2024-25	% Change (+ / -)
Number of notifiable incidents (*Work Health and Safety Act 2012, Part 3)*	1	3	-67%
Number of provisional improvement, improvement and prohibition notices (*Work Health and Safety Act 2012 Sections 90, 191 and 195*)	1	0	+100%

Return to work costs**	Current year 2025-26	Past year 2024-25	% Change (+ / -)
Total gross workers compensation expenditure ($)	$1,245,143	$1,999,009	-37.7%
Income support payments – gross ($)	$335,908	$341,605	-1.7%

***before third party recovery*

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-whs-historical-trend

Executive employment in the agency

Executive classification	**Number of executives**
SAES1	27
SAES2	5
Chief Executive	1

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-executive-employment-historical-trend

The Office of the Commissioner for Public Sector Employment has a workforce information page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of TAFE SA. The information is unaudited. Full audited financial statements for 2025-26 are attached to this report.

Statement of comprehensive income	2025-26 Original Budget $000s	2025-26 Actual $000s	Variation $000s	Past year 2024-25 Actual $000s
Total income	366 313	392 374	26 061	375 786
Total expenses	382 306	402 204	19 898	383 435
Net result	**(15 993)**	**(9 830)**	**6 163**	**(7 649)**
Other comprehensive income	-	61 943	61 943	-
Total comprehensive result	**(15 993)**	**52 113**	**68 106**	**(7 649)**

Statement of financial position	2025-26 Original Budget $000s	2025-26 Actual $000s	Variation $000s	Past year 2024-25 Actual $000s
Current assets	132 676	122 861	(9 815)	122 213
Non-current assets	861 877	923 479	61 602	877 933
Total assets	**994 553**	**1 046 340**	**51 787**	**1 000 146**
Current liabilities	47 096	48 463	(1 367)	46 574
Non-current liabilities	63 397	49 196	14 201	48 679
Total liabilities	**110 493**	**97 659**	**12 834**	**95 253**
Net assets	**884 060**	**948 681**	**64 621**	**904 893**
Equity	**884 060**	**948 681**	**64 621**	**904 893**

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below $10,000 each

Consultancies	Purpose	Actual payment
All consultancies below $10,000 each - combined	Various	100,294

Consultancies with a contract value above $10,000 each

Consultancies	Purpose	Actual payment
AUDIT EXPRESS PTY LTD	Educational audit for RTO re-registration.	61,468
COMPUTERS NOW P/L	Windows 11 migration services	49,400
AKTIS PERFORMANCE MANAGEMENT	Assessment and classification of role descriptions	34,145
DIGITAL RESILIENCE	IT Disaster Recovery Testing Services	16,200
DXC TECHNOLOGY AUSTRALIA	Security Assessment and Penetration Testing	29,774
ELEV8 RESILIENCE PTY LTD	ISO 27001 Certification Roadmap	92,470
ELEVATE CONSULTING PARTNERS	Develop Gender-based Violence policy	32,000
FRAGILE TO AGILE(ASIA PAC) P/L	Student Management System Modernisation, Discovery & Analysis project	33,244
IDENTIFLY PTY LTD	Developing Digital Identity Roadmap	87,909
LOBSTERPOT SOLUTIONS PTY LTD	Student Results Portal project	21,600

Consultancies	Purpose	Actual payment
LUCID CONSULTING ENGINEERS SA	Site inspection and preparing feasibility study reports	89,378
M3 PROPERTY AUSTRALIA PTY LTD	Valuation of property	44,650
MERCER CONSULTING (AUST) P/L	Role classification	49,970
MPH ARCHITECTS	Feasibility studies, concept planning and technical advice	64,289
SCYNE ADVISORY PTY LTD	Transformation of Applications & Platforms - various ICT projects	17,430
SERVICEQ	Service Culture Training Program implementation	49,192
SQUARE HOLES	Research & reporting to inform the process from student offer to enrolment	26,500
STEPHEN MANSON	Student retention and completion review and reporting.	15,000
SYSTEM SOLUTIONS ENGINEERING	Site inspection and preparing feasibility study reports	61,275
THE GOOD TROUBLE GROUP PTY LTD	Organisational design advice	30,250
THOMPSON ORGANISATIONS	Educator Capability System design	17,000
TSA RILEY (SA) PTY LTD	Property Strategy Assessment	256,611
Customer Driven Solution	Discovery Planning & Framework Methodology	18,700
Sub Total		**1,198,456**
Total Consultants		**1,298,749**

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-consultants-historical-trend

See also the Consolidated Financial Report of the Department of Treasury and Finance published at the end of each calendar year for the total value of consultancy contracts across the South Australian public sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below $10,000

Contractors	Purpose	Actual payment
All contractors below $10,000 each (combined)	Various	643,086

Contractors with a contract value above $10,000 each

Contractors	Purpose	Actual payment
AKKODIS AUSTRALIA TALENT	Centre of Excellence - National Security project implementation	30,755
AKKODIS AUSTRALIA TALENT	Information Security program implementation	103,046
AKKODIS AUSTRALIA TALENT	Student Information System Modernisation project implementation	274,216
AKKODIS AUSTRALIA TALENT	Student Information System Modernisation project implementation	128,490
AMY MILHINCH	Design Change Leaders Program	14,000
ANIMALS ANONYMOUS PTY LTD	Campus Alive activities	12,922
ANTARES SOLUTIONS PTY LTD	Transformation of Applications & Platforms - various ICT projects	25,500
AUSLAN SERVICES PTY LIMITED	Interpreting & translation services	101,188
AVEC GLOBAL PTY LTD	Customer Insights project implementation	300,000

Contractors	Purpose	Actual payment
AVEC GLOBAL PTY LTD	Early Childhood Education & Care project implementation	120,000
AVEC GLOBAL PTY LTD	Transformation of Applications & Platforms - various ICT projects	54,400
BABY LAMP PTY LTD	Choreography services for students	10,140
CHAMONIX IT MANAGEMENT	Electronic Customer Relationship Management project implementation	168,947
CHOOSE SAFETY PTY LTD	Review APY Lands Risk Register	13,200
COMMERCIAL IT SOLUTIONS	Transformation of Applications & Platforms - various ICT projects	10,005
CORPORATE HEALTH GROUP P/L	Work health services	21,549
DATA 3 LTD	Engineer support for the Information Security program	45,046
DEAF CONNECT	Interpreting & translation services	16,315
DEM MOB	Translation & classroom support	18,720
DEPT OF HOME AFFAIRS	Interpreting & translation services	17,387
DESIGN PEOPLE CREATIVE PTY LTD	Supply and install signage	57,060
DTF OPERATING BANK ACCOUNT	Creation of interface between new time and attendance system and payroll system	30,631
ELECTRIC ROAD AGENCY PTY LTD	Video to support business case	41,800
EXEMPLAR LEARNING	Profiling services	92,210
FAME TRAINING	First aid training	22,318

Contractors	Purpose	Actual payment
FINESSE MODEL AGENCY	Modelling service for various events	43,145
FUTURE ENERGY SKILLS LTD	Delivery of Certificate III in Electrotechnology	52,420
GARRY STEWART	Choreography services for students	12,000
GOODSOIL CONSULTING PTY LTD	Manage upgrade of finance system	45,000
GULANGA GROUP PTY LTD	Human Capital Management - Time and Attendance project implementation	299,378
HAYS SPECIALIST RECRUITMENT	Centre of Excellence - National Security project implementation	49,006
HAYS SPECIALIST RECRUITMENT	Early Childhood Education & Care project implementation	51,477
HAYS SPECIALIST RECRUITMENT	Electronic Customer Relationship Management project implementation	108,723
HEALTHY DREAMING PTY LTD	Workshop/ information session for Aboriginal Youth Check	18,220
HELLOMONDAY PTY LTD	Career essentials coaching	17,640
HUDSON GLOBAL RESOURCES (AUST)	Early Childhood Education & Care project implementation	90,195
HUDSON GLOBAL RESOURCES (AUST)	Electronic Customer Relationship Management project implementation	242,338
HUDSON GLOBAL RESOURCES (AUST)	Implementation of Defence Industry Pathway program	26,061
HUDSON GLOBAL RESOURCES (AUST)	ReadySkills project implementation	161,657
HUDSON GLOBAL RESOURCES (AUST)	Setup core data governance processes	205,876

Contractors	Purpose	Actual payment
HUDSON GLOBAL RESOURCES (AUST)	Smart Forms project implementation	220,099
HUDSON GLOBAL RESOURCES (AUST)	Student Information System Modernisation project implementation	80,471
HYDON CONSULTING PTY LTD	Early Childhood Education & Care project implementation	30,170
INSIDER PUBLISHING PTY LTD	International marketing	14,234
INSIDER PUBLISHING PTY LTD	Producing international student content videos	24,000
INSYNC SOLUTIONS PTY LTD	Transformation of Applications & Platforms - various ICT projects	31,350
IOCANE PTY LTD	Switch refresh implementation project	51,094
IS SA PTY LTD	Manufacture & install printed artwork onto panel	69,625
JOHN PRICE & ASSOCIATES P/L	Assist with preparation for ASQA re-registration audit	14,893
JUAN PHOTOGRAPHY	Photography for TAFE SA photoshoots at various events	61,750
LADY GOWRIE CHILD CENTRE INC	Early Childhood Education & Care project implementation	21,258
LEARNING INFORMATION SYSTEMS	Management of the international admission application services	28,850
MOSAIC AUDIO VISUAL	Install and test vision systems	19,491
MOTIV BRAND DESIGN	Design services for various marketing campaigns	21,593
MTL CONSULTING SERVICES	Create culturally informed and community-driven Unit of Competence	45,500

Contractors	Purpose	Actual payment
OVERLAND ADVISERS PTY LTD	Student Information System Modernisation project implementation	19,463
PAGEUP PEOPLE LIMITED	Human Capital Management - Time and Attendance project implementation	22,029
PAXUS AUSTRALIA PTY LTD	Electronic Customer Relationship Management project implementation	543,350
PAXUS AUSTRALIA PTY LTD	Human Capital Management - Time and Attendance project implementation	433,853
PAXUS AUSTRALIA PTY LTD	ReadySkills project implementation	468,015
PAXUS AUSTRALIA PTY LTD	Review core data governance processes	168,918
PAXUS AUSTRALIA PTY LTD	Smart Forms project implementation	138,473
PAXUS AUSTRALIA PTY LTD	Student Information System Modernisation project implementation	49,892
PHILIP REEDMAN MASTER OF WINE	Wine & Spirit Education Training Level 4 Teaching	14,400
PINI KANYAL	Produce Aboriginal mural art piece	10,000
RANDSTAD PTY LTD	Educator Currency Profiler project implementation	19,382
RANDSTAD PTY LTD	Human Capital Management - Time and Attendance project implementation	298,322
RANDSTAD PTY LTD	Financial Systems Transition Project	47,039
RANDSTAD PTY LTD	ReadySkills project implementation	312,118

Contractors	Purpose	Actual payment
RANDSTAD PTY LTD	Short course support co-ordination	86,178
RANDSTAD PTY LTD	TAFE SA Act project implementation	14,465
RANDSTAD PTY LTD	Smart Forms project implementation	24,062
RANDSTAD PTY LTD	Strategic planning officer for various projects	23,637
RANDSTAD PTY LTD	Student Information System Modernisation project implementation	170,638
RANDSTAD PTY LTD	Transformation of Applications & Platforms - various ICT projects	63,218
RASU FILM AND STILLS P/L	TAFE SA Student Recruitment Films	20,000
READYTECH EWP PTY LTD	Apprentice and Trainee Management System expansion implementation	187,400
READYTECH EWP PTY LTD	ReadySkills project implementation	507,200
RESILIENCE PLANNING PTY LTD	Business Continuity Planning Services	75,600
SAM MITCHELL TRAINING	Mental health and first aid training	12,360
SHOWPONY ADVERTISING	Print management of TAFE SA merchandise	38,530
SIGNLAB	TAFE SA Branded Vehicle Vinyl Wrap	19,740
SKILLS LAB PTY LTD	Instrumentation training	14,550
SQUARE HOLES	Brand Research	16,100
SQUARE HOLES	Target Audience Profiling	74,663

Contractors	Purpose	Actual payment
SUSAN GREY-GARDNER	Lighting designer and supervisor for students	10,000
TALENT INTERNATIONAL (SA) P/L	Electronic Customer Relationship Management project implementation	89,459
TALENT INTERNATIONAL (SA) P/L	Transformation of Applications & Platforms - various ICT projects	158,741
UCI SA P/L	Supply and installation of replacement workstation	44,420
VELG TRAINING PTY LTD	Review of Twenty-seven enterprise units of competency for CoE in ECEC	14,500
VENTIA AUSTRALIA PTY LTD	Student Engagement Hubs Projects	192,929
VISUALCOM	Installation of murals and plaque	15,580
XIAO-XIONG ZHANG	Choreography services for students	10,000
TimeEdit APAC PTY Ltd	Implementation of Educator Competency and Currency System	29,118
Sub Total		**8,345,701**
Total Contractors		**8,988,787**

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-contractors-historical-trend.

The SA Tenders and Contracts website displays details of Government of South Australia-awarded contracts for goods, services and works and across government contracts.

Contracts entered into with SA businesses and non-SA businesses

The following reflects contracts entered into during the financial year and the estimated value over the life of the contract as reported to the Department of Treasury and Finance pursuant to Treasurer's Instructions 18 - *Procurement*. The information is unaudited.

Contracts entered into	**2025-26** **Number of contracts**	**2025-26** **Contract value** **$000s**
With South Australian businesses	34	$ 58,568
With non-South Australian businesses	20	$ 22,607
Total	54	$ 81,174

Note: 'South Australian business' has the same meaning as in Treasurer's Instructions 18 - Procurement.

Risk management

Risk and audit at a glance

The Audit and Risk Committee (ARC) assists the TAFE SA Board in fulfilling its corporate governance responsibilities in relation to financial reporting and control, risk management, the internal control framework and audit processes. The ARC comprises three members of the TAFE SA Board, with regular attendees including the Chief Executive, Executive Director, Operations, Internal Audit, and representatives from the Auditor-General's Department. The Committee met on 5 occasions during 2025-26.

During 2025-26, the ARC focused on the following matters:

- Corporate governance, including:
  - embedding of risk appetite and practices across the organisation and related reporting
  - assurance TAFE SA has over its key risk mitigation strategies (including insurance, information security)
  - oversight of risk management related policies and procedures, including delegations, fraud and corruption, conflicts of interest, and gifts and benefits
  - TAFE SA's performance, including review of the annual financial statements (incorporating valuations) and related financial management compliance.
- Internal audit coverage including:
  - approving the annual internal audit plan
  - considering internal control weaknesses identified within internal audit reports
  - managing actions to be taken to address findings.
- External audit including consideration of internal control weaknesses identified by the Auditor-General and managing actions to be taken to address the findings.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Suspected fraud/corruption	1

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-fraud-historical-trend

Strategies implemented to control and prevent fraud

TAFE SA is committed to maintaining a work environment free of fraud and corrupt behaviour and promotes this behaviour in accordance with the organisation's fraud and corruption policy. Fraud control risks are reviewed as part of operational risk profiles to ensure that processes are in place to adequately manage potential fraud risks.

In addition, TAFE SA periodically undertakes a fraud risk assessment to ensure related risks are adequately captured. Any instances of fraud are treated seriously by the organisation, and where these occur, prompt action is taken to ensure that they are thoroughly investigated, and that those responsible, are held to account.

TAFE SA internal controls to mitigate the risk of fraud include the following:

- ethical conduct awareness training
- conflict of interest training
- delegations
- segregation of duties
- screening processes
- policies and procedures
- access controls
- monthly general ledger reconciliations
- stocktakes of fixed assets and key inventories
- key supplier probity checks.

These strategies collectively strengthen our resilience against fraud risks.

Data for previous years is available at: TAFE SA – Fraud – Historical Trend - Dataset - data.sa.gov.au

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018:*

Zero

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-whistleblowers-historical-trend.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993*, which was repealed by the *Public Interest Disclosure Act 2018* on 1 July 2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
TAFE SA Act 2025	Commencement date of 1 March 2026: Section 27 — requires TAFE SA to prepare an annual report on its operations and submit it to the Minister.

The TAFE SA Act 2025 (SA) establishes TAFE SA as a statutory authority and provides the primary legislative framework for its governance, financial management and reporting obligations.

TAFE SA has complied with the requirements of section 27 of the *TAFE SA Act 2025* in preparing and submitting this annual report to the Minister for presentation to Parliament.

Act or Regulation	Requirement
TAFE SA Act 2025	Sections 30–32 — set out financial provisions including Treasurer guarantees, taxation arrangements and dividend requirements.

TAFE SA is exempt from land tax under section 4 of the *Land Tax Act 1936* (SA) as a State Government entity. TAFE SA was also not required by the Treasurer to make Dividend or Income Tax Equivalents (ITE) payments for 2025-26 financial year, pursuant to Sections 31 and 32 of the *TAFE SA Act 2025*.

Act or Regulation	Requirement
Public Corporations Act 1993 (SA)	Required until 28 February 2026 under the *TAFE Act 2012*, noting the *TAFE Act 2025* commenced on 1 March 2026 and the *Public Corporations Act 1993* (SA) no longer applied as of that date. Section 33(2)(c): set out any approval or exemption given, or determination made by its Minister or the Treasurer under this Act or the corporation's incorporating Act in respect of the corporation or any of its subsidiaries during that financial year or that has effect in respect of that financial year;

TAFE SA is exempt under Section 4 of the *Land Tax Act 1936* as it is a State Government entity. TAFE SA was also not required by the Treasurer to make Dividend or Income Tax Equivalents (ITE) payments for 2025-26 financial year, pursuant to Sections 31 and 32 of the *TAFE SA Act 2025*.

Act or Regulation	Requirement
Public Corporations Act 1993 (SA)	Required until 28 February 2026 under the *TAFE Act 2012*, noting the *TAFE Act 2025* commenced on 1 March 2026 and the *Public Corporations Act 1993* (SA) no longer applied. Section 33(2)(d): set out any disclosure made during that financial year by a director of the corporation or a subsidiary of the corporation of an interest in a matter decided or under consideration by the board of the corporate of subsidiary.

TAFE SA maintains a Register of Interests for Board members in accordance with governance and probity requirements, irrespective of the requirements under the *Public Corporations Act 1993* (SA).

During the reporting period (1 July 2025 until 30 June 2026) 7 disclosures of interest were made by Board members and recorded in the Register of Interests.

Act or Regulation	Requirement
Carers' Recognition Act 2005 (SA)	Requires public authorities to recognise and support carers in policy, program and service delivery.

Reporting required under the *Carers Recognition Act 2005*

TAFE SA supports and encourages staff with carer responsibilities to discuss their circumstances and working arrangement needs with their manager or director. Information on support for working carers, can be found on TAFE SA's intranet.

TAFE SA also promotes the *Carers Recognition Act 2005* and the South Australian Carers Charter by ensuring reference during new employee induction and onboarding.

TAFE SA supports the *Carers Recognition Act 2005* by ensuring employees have access to carers leave provisions as per enterprise agreements.

TAFE SA's human resource policies and practices also have due regard to the principles of the South Australian Carers Charter, including through the provision of flexible working arrangements and leave provisions that support employees with caring responsibilities.

TAFE SA seeks to reflect the principles of the South Australian Carers Charter in the delivery of its services by fostering an inclusive and supportive environment for employees, students and stakeholders with caring responsibilities.

Where relevant, TAFE SA consults with learners, stakeholders and representative groups, including those representing carers, during the development and evaluation of services to help ensure the needs and perspectives of carers are considered."

Reporting required under the *Climate Change and Greenhouse Emissions Reduction Act 2007*

TAFE SA, as a government agency, is subject to the requirements of the Net Zero Emissions for Government Operations Program under the South Australian Government's Climate Ready Government initiative. TAFE SA is committed to supporting the South Australian Government's efforts to address climate-related risks and reduce greenhouse gas emissions. During the reporting period, TAFE SA strengthened its governance arrangements for sustainability and climate-related matters through the establishment of the Sustainability Working Group, the nomination of executive oversight arrangements, and the alignment of sustainability priorities with Board-level strategic objectives, including TAFE SA's sustainability commitments.

TAFE SA continued to build organisational capability through awareness activities, staff engagement forums and sustainability workshops. Staff were also provided access to climate change resources through the South Australian Climate Change Community of Practice. These initiatives supported employee understanding of climate-related risks, opportunities and greenhouse gas emissions reduction requirements.

TAFE SA made further progress in developing the foundations for greenhouse gas emissions management, including:

- identifying relevant Scope 1, Scope 2 and Scope 3 emissions sources;
- establishing baselines and reporting measures;
- identifying potential emissions reduction opportunities; and
- commencing procurement to engage specialist support for the development of a Carbon Management Plan.

TAFE SA has also begun preparatory work to support compliance with future Climate Ready Government requirements. This includes considering the integration of climate-related risk management and greenhouse gas emissions reduction objectives into relevant policies and procedures, and the establishment of a climate risk register to strengthen risk management and reporting.

TAFE SA also complies with a range of other applicable legislation, as detailed though out this report, including but not limited to:

Public Sector Act 2009 (SA)

Work Health and Safety Act 2012 (SA)

Return to Work Act 2014 (SA)

These frameworks support TAFE SA's obligations in relation to governance, workforce management, safety and accountability.

Public complaints

Number of public complaints reported

As a key mechanism to inform service improvement, TAFE SA sought to increase awareness of the complaints and feedback process in 2025-2026. A targeted promotional strategy was implemented over the year, which has seen awareness of the complaints process increase.

In the 2025-2026 financial year there were over 51,000 students undertaking training at TAFE SA and 592 complaints were reported. This represented a 17.46% increase in complaints compared to 504 for the 2024-2025 financial year. The reported complaints in 2025-2026 were across the following categories.

Complaint categories	Sub-categories	Example	Number of complaints 2025-26
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	106
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	12
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	3
Communication	Communication quality	Inadequate, delayed or absent communication with customer	36

Complaint categories	Sub-categories	Example	Number of complaints 2025-26
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	2
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	31
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	41
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	18
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	21
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	114
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	42
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	26

Complaint categories	Sub-categories	Example	Number of complaints 2025-26
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	16
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/premises; poor cleanliness	49
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	75
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	592

Additional metrics	Total
Number of positive feedback comments	53
Number of negative feedback comments	80
Total number of feedback comments	133
% complaints resolved within policy timeframes	71% (< 14 days) 21% (14-28 days) 8% (29 days +)

Data for previous years is available at: https://data.sa.gov.au/data/dataset/tafe-sa-complaints-historical-trend

Service improvements

The Customer Resolution Team at TAFE SA has conducted an extensive education and awareness campaign throughout 2025-2026. This has seen an increase in complaints and feedback, which TAFE SA has been able to use to identify trends, inform investigations into root causes and implement effective service improvements.

Compliance statement

TAFE SA is compliant with Premier and Cabinet Circular 039 (PC039) Complaint Management in the South Australian Public Sector	Yes
TAFE SA has communicated the content of PC039 and the agency's related complaints policies and procedures to employees	Yes

Appendix: Audited financial statements 2025-26

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair
TAFE SA Board
TAFE SA

Opinion

I have audited the financial report of TAFE SA for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of TAFE SA as at 30 June 2026, its financial performance and its cash flows for the 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.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, TAFE SA Board, the Chief Executive and the Executive Director, Operations.

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 TAFE SA. 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 and TAFE SA Board 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 the Australian Accounting Standards, 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 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.

The TAFE SA Board is responsible for overseeing the entity's financial reporting process.

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* and Section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the TAFE SA for the financial year ended 30 June 2026.

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 TAFE SA'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 and the Chair of the TAFE SA Board 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.



Andrew Blaskett
Auditor-General

23 September 2026

TAFE SA

Financial Statements

For the year ended
30 June 2026

TAFE SA
Certification of Financial Statements
for the year ended 30 June 2026

We certify that:

- the financial statements of TAFE SA:
  - are in accordance with the accounts and records of TAFE SA;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position for TAFE SA at the end of the financial year and the result of its operation and cash flows for the financial year.

- internal controls employed by TAFE SA for the financial year over its financial reporting and its preparation of the financial statements have been effective.

Ingrid Haythorpe
Chair, TAFE SA Board
14 September 2026

Adam Kilvert
Chief Executive
14 September 2026

Graham Rix
Executive Director, Operations
14 September 2026

TAFE SA
Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Income			
SA Government subsidy funding	3.1	278 106	266 791
Student and other fees and charges	3.2	100 974	99 761
Grants and subsidies	3.3	5 768	4 603
Resources received free of charge	3.4	4 392	3 139
Intra-government transfers	3.5	-	104
Net gain from disposal of non-current assets	3.6	911	-
Other income		2 223	1 388
Total income		**392 374**	**375 786**
Expenses			
Employee related expenses	4.1	262 669	249 269
Supplies and services	4.2	106 554	99 036
Depreciation and amortisation	5.4, 5.5	32 461	33 553
Grants and subsidies		75	75
Net loss from disposal of non-current assets	3.6	-	182
Borrowing costs		-	31
Other expenses	4.3	445	1 289
Total expenses		**402 204**	**383 435**
Net result		**(9 830)**	**(7 649)**
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus	5.4	61 943	-
Total other comprehensive income		**61 943**	**-**
Total comprehensive result		**52 113**	**(7 649)**

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

TAFE SA
Statement of Financial Position
as at 30 June 2026

	Note	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	5.1	102 774	99 195
Receivables	5.2	11 980	14 033
Inventories	5.6	2 298	1 681
Contract assets	5.3	5 809	7 304
Total current assets		**122 861**	**122 213**
Non-current assets			
Property, plant and equipment	5.4	921 017	872 665
Intangible assets	5.5	2 462	5 268
Total non-current assets		**923 479**	**877 933**
Total assets		**1 046 340**	**1 000 146**
Current liabilities			
Employee related liabilities	6.3	28 418	24 879
Payables	6.1	13 447	14 223
Contract liabilities	6.2	3 950	4 878
Provisions	6.4	2 301	2 285
Other non-financial liabilities		347	309
Total current liabilities		**48 463**	**46 574**
Non-current liabilities			
Employee related liabilities	6.3	40 861	39 584
Provisions	6.4	8 250	9 013
Payables	6.1	85	82
Total non-current liabilities		**49 196**	**48 679**
Total liabilities		**97 659**	**95 253**
Net assets		**948 681**	**904 893**
Equity			
Contributed capital		544 477	552 802
Asset revaluation surplus		376 763	317 445
Retained earnings		27 441	34 646
Total equity		**948 681**	**904 893**

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

TAFE SA
Statement of Changes in Equity
for the year ended 30 June 2026

	Asset revaluation surplus	Retained Earnings	Contributed capital	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**317 445**	**42 295**	**552 802**	**912 542**
Net result for 2024-25	-	(7 649)	-	(7 649)
Total comprehensive result for 2024-25	**-**	**(7 649)**	**-**	**(7 649)**
Balance at 30 June 2025	**317 445**	**34 646**	**552 802**	**904 893**
Net result for 2025-26	-	(9 830)	-	(9 830)
Gain on revaluation of land during 2025-26	11 200	-	-	11 200
Gain on revaluation of building during 2025-26	50 743	-	-	50 743
Total comprehensive result for 2025-26	**61 943**	**(9 830)**	**-**	**52 113**
Transfer between equity components	(2 625)	2 625	-	-
Return of equity	-	-	(8 325)	(8 325)
Balance at 30 June 2026	**376 763**	**27 441**	**544 477**	**948 681**

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

TAFE SA

Statement of Cash Flows

for the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Cash inflows			
SA Government subsidy funding		278 106	266 791
Student and other fees and charges		95 759	102 247
Grants and subsidies		5 262	4 707
GST recovered		11 168	8 907
Other grants and contributions		505	-
Interest received		6	17
Other income		2 200	634
		393 006	**383 303**
Cash outflows			
Employee related liabilities		(258 673)	(242 855)
Supplies and services		(106 668)	(107 996)
Grants and subsidies		(75)	(75)
Interest paid		-	(31)
Other payments		(183)	(228)
		(365 599)	**(351 185)**
Net cash provided by operating activities	7.1	**27 407**	**32 118**
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		56	33
Proceeds from the sale of land held for sale		8 325	-
Cash generated from investing activities		**8 381**	**33**
Cash outflows			
Purchase of property, plant and equipment		(23 884)	(19 636)
Purchase of intangibles		-	(129)
Cash used in investing activities		**(23 884)**	**(19 765)**
Net cash used in investing activities		**(15 503)**	**(19 732)**
Cash flows from financing activities			
Cash outflows			
Return of equity		(8 325)	-
Repayment of leases		-	(406)
Cash used by financing activities		**(8 325)**	**(406)**
Net cash provided by financing activities		**(8 325)**	**(406)**
Net (decrease) / increase in cash and cash equivalents		**3 579**	**11 980**
Cash and cash equivalents at the beginning of the reporting period		99 195	87 215
Cash and cash equivalents at the end of the reporting period	5.1	**102 774**	**99 195**

TAFE SA
Notes to and forming part of the financial statements.
For the year ended 30 June 2026

1. About TAFE SA

TAFE SA is a not-for-profit public authority of the state of South Australia, established pursuant to the TAFE SA Act 2025. TAFE SA is responsible to the Minister for Education, Training and Skills.

The TAFE SA Act 2025 commenced on 1 March 2026 and provides that TAFE SA, as established under the TAFE SA Act 2012, continues in existence as a body corporate. The financial statements therefore present TAFE SA's activities as continuing both before and after 1 March 2026. The TAFE SA Act 2025 also provides that the Board of Directors, Chief Executive and employees appointed under the TAFE SA Act 2012 continue to hold their roles under the TAFE SA Act 2025.

1.1. Objectives and functions

The objectives of TAFE SA are:

- to deliver high quality, responsive and industry relevant education and training that responds to the current and future needs of employers, aligns with the strategic priorities of the State, and strengthens the State's economic prosperity through the development of a skilled, adaptable workforce;
- ensure equitable access to education and training for all eligible South Australians that assists them to build the skills needed to contribute to the social, cultural, and economic life of their communities both now and in the future;
- to operate as an efficient, transparent, innovative and accountable public institution underpinned by strong governance, effective leadership, and a commitment to the public interest and educational excellence.

The functions of TAFE SA are:

- to provide technical and further education in a manner that is efficient, effective and responsive to the needs of industry, students and the general community;
- to provide access to education and training to persons in metropolitan, non-metropolitan, regional and remote areas;
- to engage with Aboriginal and Torres Strait Islander peoples to provide training and education appropriate to address the needs of individuals and their communities;
- to provide education and skills training to persons that, if successfully completed or completed in conjunction with other training—
    a. may result in a person obtaining a qualification that results in, or provides an opportunity for, the employment of that person;
    b. may enable a pathway to further learning or training in the vocational education training or higher education sector;
    c. promotes lifelong learning in the community;
- to undertake or facilitate research in the State that relates to technical and further education for the benefit of the community;
- to provide inclusive and culturally safe services and environments for students on TAFE SA grounds;
- to engage with the vocational education training sector;
- to provide consultancy or other services, for a fee or otherwise, in any area in which staff of TAFE SA have particular expertise developed (whether wholly or partly) in the course of, or incidentally to, the provision of technical and further education;
- to undertake or provide for the development or use, for commercial, community or other purposes, of any intellectual property, product or process created or developed (whether wholly or partly) in the course of, or incidentally to, the provision of technical and further education;
- to develop, make and enforce rules and by-laws relating to the administration or functions of TAFE SA in accordance with this Act;

1.1. Objectives and functions (continued)

- to perform any other function assigned to TAFE SA by the Minister; and
- to perform any other functions conferred on TAFE SA by or under this or any other Act.

TAFE SA has a 25% interest in the South Australian Tertiary Admissions Centre (SATAC):

- SATAC became an incorporated association on 1 July 2017.
- SATAC is an arrangement between the two public South Australian universities, the Minister for Education, Training and Skills (represented by TAFE SA), and Charles Darwin University in the Northern Territory.
- SATAC provides admission services to TAFE SA under a service agreement.
- The interests in this associate are not considered material to TAFE SA's core activities. Consequently, as per AASB 128 Investments in Associates and Joint Ventures, they have not been taken up in the accounts on an equity basis.

1.2. Basis of preparation

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

- Section 23 of the *Public Finance and Audit Act 1987;*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987;* and
- relevant Australian Accounting Standards.

No Australian Accounting Standards have been early adopted.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars $'000.

Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs.

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of reporting period or for which TAFE SA 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.

Significant accounting policies are set out throughout the notes.

TAFE SA is liable for fringe benefits tax (FBT) and goods and services tax (GST). 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.

1.2. Basis of preparation (continued)

The net amount of GST recoverable from, or payable to the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

TAFE SA was not required to pay a dividend or make an Income Tax Equivalent payment for the 2024-25 financial year or the 2025-26 financial year.

1.3. Budget performance

The budget performance table compares TAFE SA's outcomes against budget information presented to Parliament (2025-26 Budget Paper 4). The budget amounts have not been adjusted to reflect subsequent budget revisions or administrative restructures. The budget process is not subject to audit.

		Original budget 2026 $'000	Actual 2026 $'000	Variance 2026 $'000
Statement of Comprehensive Income				
Income				
SA Government subsidy funding		273 303	278 106	4 803
Student and other fees and charges		89 623	100 974	11 351
Grants and subsidies		2 697	5 768	3 071
Resources received free of charge		-	4 392	4 392
Net gain from disposal of non-current assets		-	911	911
Other income		690	2 223	1 533
Total income		**366 313**	**392 374**	**26 061**
Expenses				
Employee related expenses		262 863	262 669	(194)
Supplies and services	(a)	83 334	106 554	23 220
Depreciation and amortisation expense		32 570	32 461	(109)
Grants and subsidies		75	75	-
Other expenses		3 464	445	(3 019)
Total expenses		**382 306**	**402 204**	**19 898**
Net result		**(15 993)**	**(9 830)**	**6 163**
Other comprehensive income				
Changes in revaluation surplus	(b)	-	61 943	61 943
Total other comprehensive income		**-**	**61 943**	**61 943**
Total comprehensive result		**(15 993)**	**52 113**	**68 106**

1.3. Budget performance (continued)

(a) Higher supplies and services expenditure compared to the original budget is attributable to subsequent budget funding to continue the Centre of Excellence in Early Childhood Education and Care and establish the Centre of Excellence in National Security, higher than budgeted student activity approved carryover of specific-purpose and project funding from the previous financial year and increased property maintenance, cleaning and utility costs. This was partially offset by a greater proportion of project expenditure being capitalised than originally assumed in the budget.

(b) An independent valuation of land and building assets was undertaken during the financial year ending 30 June 2026, resulting in an increase in the revaluation surplus. TAFE SA's budget does not include assumed increases in land and building asset values from scheduled asset valuations.

		Original budget 2026 $'000	Actual 2026 $'000	Variance 2026 $'000
Investing expenditure summary				
Total new and existing projects	(c)	4 700	7 459	2 759
Total annual programs		15 568	16 425	857
Total investing expenditure		**20 268**	**23 884**	**3 616**

(c) New and existing investing expenditure was higher than the original budget due to a greater proportion of project expenditure being investing in nature than was assumed in the budget. This related principally to the Mobile Training Units, Green Energy Technology Training Academy and Centre of Excellence – Early Childhood Education and Care projects.

There were no other variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted amount for total expenses.

1.4. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. Noteworthy are transactions with the Department of State Development refer Note 3.1.

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of TAFE SA include the Minister for Education, Training and Skills, the non-executive TAFE SA Board members, the Chief Executive Officer and the members of the Executive Team who have responsibility for the strategic direction and management of TAFE SA.

The compensation disclosed in this note excludes salaries and other benefits received by the Minister for Education, Training and Skills. The Ministers' 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 (DTF)) under section 6 of the *Parliamentary Remuneration Act 1990*.

2.1. Key management personnel (continued)

Compensation	2026 $'000	2025 $'000
Salaries and other short term employee benefits	2 580	1 839
Post-employment benefits	492	837
Other long-term employment benefits	186	-
Total compensation	**3 258**	**2 676**

Transactions with key management personnel and other related parties

Apart from the remuneration for key management personnel, TAFE SA did not have any material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities in 2024-25 or 2025-26.

2.2. Board and committee members

Members during the 2025-26 financial year were:

TAFE SA Board
Ingrid Haythorpe (Chair)
David Hughes
Dr Craig Fowler
Andrea Broadfoot
Leah Marrone
Andrew Clarke
Sharon Gollan
Prof Susan James Relly
Nicolle Rantanen Reynolds
Helen Strickland

People and Culture Committee
Nicolle Rantanen Reynolds (Chair)
Leah Marrone
Sharon Gollan

Academic & Quality Committee
Dr Craig Fowler (Chair)
Andrea Broadfoot
Andrew Clarke
Prof Susan James Relly

Audit & Risk Committee
David Hughes (Chair)
Ingrid Haythorpe
Leah Marrone
Helen Strickland

Higher Education Academic Board
Dr Craig Fowler (Chair)

Board and committee remuneration

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

	2026	2025
$1 - $19 999	-	3
$20 000 - $39 999	-	6
$40 000 - $59 999	9	4
$60 000 - $79 999	-	1
$80 000 - $99 999	1	-
Total number of members	**10**	**14**

The total remuneration received or receivable by members was $509 928 (2025: $492 402). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax. The number of members includes members who commenced or ceased during the financial year.

Unless otherwise disclosed, transactions between members and TAFE SA are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length.

3. Income

3.1. SA Government subsidy funding

	2026 $'000	2025 $'000
Funding for delivery of VET training	225 325	222 176
Funding for VET capital projects	32 662	24 836
Funding for VET policy Initiatives	10 346	6 963
Funding for Fee Free TAFE	9 773	12 816
Total SA government subsidy funding	**278 106**	**266 791**

Grant and subsidy revenue from the Department of State Development is recognised on receipt as the TAFE SA Funding Arrangement allows for the allocation of funding without any withholding of funds associated with student numbers or non-achievement of performance criteria.

3.2. Student and other fees and charges

	2026 $'000	2025 $'000
Sales/fee for service revenue	64 143	64 774
Student enrolment fees and charges	26 511	26 237
Other user fees and charges	10 320	8 750
Total student and other fees and charges	**100 974**	**99 761**

Student and other fees and charges are recognised when performance obligations have been satisfied.

Performance obligations for student enrolment and charges for domestic and international students as well as short courses, are provided over time and inputs are expended evenly over the performance period.

3.3. Grants and subsidies

	2026 $'000	2025 $'000
Commonwealth-sourced grants		
Child Care Fee Relief	3 476	3 462
Destination Australia	694	677
Other specific Commonwealth revenue	798	51
Total Commonwealth-sourced grants	**4 968**	**4 190**
Other grants and subsidies	800	413
Total grants and subsidies	**5 768**	**4 603**

Commonwealth sourced grants and funding are recognised on completion of agreed deliverables and in compliance with all obligations under the agreement.

Grants from South Australian Government entities are recognised upon receipt.

3.4. Resources received free of charge

	2026 $'000	2025 $'000
Services received free of charge - Department of Treasury and Finance (DTF)	3 379	2 248
Services received free of charge - Department of the Premier and Cabinet (DPC)	778	637
Services received free of charge - Audit Office of South Australia	235	254
Total resources received free of charge	**4 392**	**3 139**

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been received free of charge.

Services received free of charge from DTF include Financial Accounting, Taxation, Payroll, Accounts Payable, Accounts Receivable, Centralised IT and Telecommunication services. Services received free of charge from DPC include Marketing and Media monitoring services from the Government Advertising and Insights Hub. Audit Services are received free of charge from the Audit Office of South Australia.

Corresponding expenses for each service are recognised in the financial statements (see note 4.2 and 4.3).

3.5. Intra-government transfers

	2026 $'000	2025 $'000
Transfers received from other SA government entities		
Funding provided by Department of Treasury and Finance	-	104
Total intra-government transfers	**-**	**104**

Intra-government transfer revenue is recognised upon receipt.

3.6. Net gain / (loss) from disposal of non-current assets

	2026 $'000	2025 $'000
Land	1 000	-
Plant and equipment	(89)	(198)
Right of use vehicles	-	16
Total net gain/(loss) from disposal of non-current assets	**911**	**(182)**

Gains or losses on disposal are recognised at the date control of the assets is passed from TAFE SA and determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

4. Expenses

4.1. Employee related expenses

	2026 $'000	2025 $'000
Salaries and wages	183 291	169 668
Annual leave	30 922	28 350
Superannuation	26 266	23 748
Long service leave	6 669	6 323
Workers' compensation	755	6 052
Skills and experience retention leave	1 178	1 183
Targeted voluntary separation payments	558	1 648
Board and committee fees	455	443
Other employee related costs	12 575	11 854
Total employee related expenses	**262 669**	**249 269**

Employment Expenses

TAFE SA's employees are employed under *TAFE SA Act* and *Public Sector Act*. The superannuation employment on-cost charge represents TAFE SA's contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

The number of employees whose remuneration received or receivable falls within the following bands:	2026 Number	2025 Number
$171 001 to $177 000*	N/A	2
$177 001 to $197 000	7	7
$197 001 to $217 000	6	9
$217 001 to $237 000	13	5
$237 001 to $257 000	6	2
$257 001 to $277 000	2	2
$277 001 to $297 000	5	-
$297 001 to $317 000	-	1
$317 001 to $337 000	-	2
$357 001 to $377 000	1	1
$377 001 to $397 000	1	1
$437 001 to $457 000	1	-
$497 001 to $517 000	-	1
Total	**42**	**33**

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

The total remuneration received by these employees for the year was $10.14 million (2025: $7.86 million).

The table includes all employees who received remuneration 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, termination payments, temporary allowances, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

4.1. Employee related expenses (continued)

Targeted voluntary separation packages.

During the reporting period 6 employees accepted a Targeted Voluntary Separation Package (2025: 18 employees).

	2026 $'000	2025 $'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	558	1 648
Leave paid to separated employees	189	344
Net cost to TAFE SA	**747**	**1 992**

4.2. Supplies and services

	2026 $'000	2025 $'000
General administration and consumables	30 489	29 556
Minor works, maintenance and equipment	19 376	17 061
Information technology and communication	15 639	15 605
Fees - contracted services	14 909	12 406
Books, materials and copyright	10 145	10 288
Temp agency costs	4 414	5 032
Shared Services SA	2 372	2 248
Accommodation	1 414	838
Short term leases	1 184	635
Consultants	1 299	1 184
Advertising and insights	778	-
Centralised IT and telecommunication services (OCIO)	653	637
Legal costs	319	532
Other	3 563	3 014
Total supplies and services	**106 554**	**99 036**

4.3. Other expenses

	2026 $'000	2025 $'000
Bad debts written off/ (recovered)	371	707
Impairment loss on receivables	(354)	30
Other*	428	552
Total other expenses	**445**	**1 289**

*Includes audit services received free of charge from the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of $235 000 (2025: $254 000). No other services were provided by the Audit Office of South Australia.

5. Assets

5.1. Cash and cash equivalents

The financial activities of TAFE SA are primarily conducted through an operating account with the Treasurer. All deposits are with the Treasurer.

	2026 $'000	2025 $'000
Deposits with the Treasurer	102 774	99 195
Total cash and cash equivalents	**102 774**	**99 195**

5.2. Receivables

Current	2026 $'000	2025 $'000
Contractual receivables		
Receivables	5 976	8 182
Less impairment loss on receivables	(1 807)	(2 161)
Total contractual receivables	**4 169**	**6 021**
Statutory receivables		
GST receivable	1 466	2 482
Total statutory receivables	**1 466**	**2 482**
Prepayments	6 345	5 530
Total current receivables	**11 980**	**14 033**

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods / services have been provided under a contractual arrangement. Receivables, prepayments, and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the impairment loss on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

TAFE SA has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all contractual receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Impairment loss on contractual receivable

	2026 $'000	2025 $'000
Carrying amount at the beginning of the period	**2 161**	**2 131**
Increase / (decrease) in the allowance recognised in profit or loss	(354)	30
Carrying amount at end of the period	**1 807**	**2 161**

Impairment losses related to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for information on the expected credit loss model.

5.3. Contract Assets

	2026 $'000	2025 $'000
Contract assets	5 809	7 304
Total Contract assets	**5 809**	**7 304**

Contract assets primarily relate to TAFE SA's rights to consideration for work completed but not billed at the reporting date in relation to Adult Migrant English Program and Skills for Education and Employment. Amounts are billed in accordance with agreed upon contractual terms (i.e., periodic intervals). Contract assets are transferred to receivables when the rights become unconditional.

No impairment losses were recognised in relation to contract assets during the year.

5.4. Property, plant and equipment owned or leased by TAFE SA

Property, plant and equipment owned by TAFE SA with a value equal to or in excess of $10 000 is capitalised, otherwise it is expensed. Property plant and equipment owned by TAFE SA is recorded at fair value. Detail about TAFE SA's approach to fair value is set out in note 10.1.

Property, plant and equipment includes $30.7 million of fully depreciated assets still in use.

An independent valuation of TAFE SA's land and building assets was undertaken during the 2025- 26 financial year which resulted in an increase in fair value of $61.94 million.

Depreciation and Amortisation

All non-current assets, not held for sale, with a limited useful life, are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings	10 - 45
Plant and equipment	1 - 40
Library collections	3 - 15
Right-of-use assets	Lease term
Intangibles	5 - 10

The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

5.4. Property, plant and equipment owned and leased by TAFE SA (continued)

Reconciliation 2025-26

The following table shows movement in property, plant and equipment during 2025-26

	Land	Buildings	Plant and equipment	Library Collection	Work in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the period	**220 950**	**629 239**	**13 734**	**433**	**8 309**	**872 665**
Additions	-	-	7 429	-	16 455	**23 884**
Disposals	(7 325)	-	(145)	-	-	**(7 470)**
Depreciation	-	(28 800)	(2 072)	(65)	-	**(30 937)**
Revaluation increment/(decrement)	11 200	50 743	-	-	-	**61 943**
Transfers to/(from) work in progress	-	7 752	1 308	-	(9 060)	**-**
Write offs/Transfers to expense	-	-	-	-	(281)	**(281)**
Transfers between asset classes	-	-	-	-	1 213	**1 213**
Carrying amount at the end of the period	**224 825**	**658 934**	**20 254**	**368**	**16 636**	**921 017**
Gross carrying amount	224 825	661 999	43 198	16 549	16 636	963 207
Accumulated depreciation	-	(3 065)	(22 944)	(16 181)	-	(42 190)
Carrying amount at the end of the period	**224 825**	**658 934**	**20 254**	**368**	**16 636**	**921 017**

5.4. Property, plant and equipment owned and leased by TAFE SA (continued)

Reconciliation 2024-25

The following table shows movement in property, plant and equipment during 2024-25

	Land	Buildings	Plant and equipment	Library Collection	Work in progress	ROU Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the beginning of the period	**220 950**	**647 302**	**8 623**	**498**	**5 687**	**847**	**883 907**
Additions	-	-	6 485	-	13 151	385	**20 021**
Disposals	-	-	(90)	-	-	(820)	**(910)**
Depreciation	-	(28 592)	(1 568)	(65)	-	(412)	**(30 637)**
Transfers to/(from) work in progress	-	10 529	284	-	(10 813)	-	**-**
Transfers between asset classes	-	-	-	-	284	-	**284**
Carrying amount at the end of the period	**220 950**	**629 239**	**13 734**	**433**	**8 309**	**-**	**872 665**
Gross carrying amount	220 950	659 016	37 194	16 549	8 309	-	942 018
Accumulated depreciation	-	(29 777)	(23 460)	(16 116)	-	-	(69 353)
Carrying amount at the end of the period	**220 950**	**629 239**	**13 734**	**433**	**8 309**	**-**	**872 665**

5.4. Property, plant and equipment leased by TAFE SA (continued)

Property, plant and equipment leased by TAFE SA as lessee are measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than $15 000 are not recognised as right-of-use assets.

5.5. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to $10 000.

Intangible assets include $25.77 million of fully amortised assets still in use.

Reconciliation of intangible assets 2025-26

	Intangibles	Intangibles work in progress	Total
	$'000	$'000	$'000
Carrying amount at the beginning of the period	**4 027**	**1 241**	**5 268**
Capitalisations	6	(6)	-
Write off / Transfers to expense	(47)	(22)	(69)
Transfers between asset classes	-	(1 213)	(1 213)
Amortisation	(1 524)	-	(1 524)
Carrying amount at the end of the period	**2 462**	**-**	**2 462**
Gross carrying amount			
Gross carrying amount	31 413	-	31 413
Accumulated amortisation	(28 951)	-	(28 951)
Carrying amount at the end of the period	**2 462**	**-**	**2 462**

Reconciliation of intangible assets 2024-25

	Intangibles	Intangibles work in progress	Total
	$'000	$'000	$'000
Carrying amount at the beginning of the period	**2 368**	**5 971**	**8 339**
Additions	-	129	129
Capitalisations	4 575	(4 575)	-
Transfers between asset classes	-	(284)	(284)
Amortisation	(2 916)	-	(2 916)
Carrying amount at the end of the period	**4 027**	**1 241**	**5 268**
Gross carrying amount			
Gross carrying amount	33 200	1 241	34 441
Accumulated amortisation	(29 173)	-	(29 173)
Carrying amount at the end of the period	**4 027**	**1 241**	**5 268**

5.6. Inventories

	2026 $'000	2025 $'000
Current		
Held for sale	39	43
Current - held for distribution at no or nominal amount		
Held for distribution at no or nominal amount	2 259	1 638
Total current inventories	**2 298**	**1 681**
Total inventories	**2 298**	**1 681**

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost is assigned to low volume inventory items on a specific identification of cost basis.

Cost of all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

5.7. Non-current assets classified as held for sale

	2026 $'000	2025 $'000
Reconciliation for assets held for sale		
Opening balance	**-**	**141**
Disposals	-	(141)
Closing balance	**-**	**-**

During 2024-25 TAFE SA disposed of surplus offshore mining plant and equipment that had previously been used for training delivery at Tonsley Campus.

6. Liabilities

6.1. Payables

	2026 $'000	2025 $'000
Current		
Contractual payables	13 440	14 182
Statutory payable	7	37
Other	-	4
Total current payables	**13 447**	**14 223**
Non-current		
Contractual payables	85	82
Total non-current payables	**85**	**82**
Total payables	**13 532**	**14 305**

Payables are measured at nominal amounts. Payables and accruals are recognised for all amounts owing but unpaid.

Contractual payables

Contractual payables are liabilities that arise from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents as well as statutory fees and charges.

6.2. Contract liabilities

	2026 $'000	2025 $'000
Contract liabilities	3 950	4 878
Total Contract liabilities	**3 950**	**4 878**

Contract liabilities primarily relate to student fees and charges where student courses have not commenced at reporting date and reflect the proportion of fees relating to courses commenced but not completed at reporting date. The remaining performance obligations in relation to contract liabilities are expected to be recognised within the next 12 months.

Revenue totalling $4.657 million was recognised in 2025-26 that was included in contract liabilities at 1 July 2025. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

6.3. Employee related liabilities

	2026 $'000	2025 $'000
Current		
Annual leave	8 831	8 394
Long service leave	4 996	3 942
Accrued salaries and wages	2 113	1 293
Employment on-costs	4 440	4 239
Skills and experience retention leave	1 980	1 972
Non-attendance days	6 058	5 039
Total current employee related liabilities	**28 418**	**24 879**
Non-current		
Long service leave	35 838	34 794
Employment on-costs	5 023	4 790
Total non-current employee related liabilities	**40 861**	**39 584**
Total employee related liabilities	**69 279**	**64 463**

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

Salaries and wages, annual leave, skills and experience retention leave, non-attendance days and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave and skill and experience retention leave liability are expected to be paid within 12 months and is measured at the undiscounted amounts expected to be paid. Non-attendance days are accrued annually for employees engaged under the *TAFE SA Act* but are non-cumulative.

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 3.5% (2025: 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.

AASB 119 Employee related liabilities contains the calculation methodology for long service leave liability.

The expected timing and amount of long service payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government.

6.3. Employee related liabilities (continued)

The discount rate used in measuring the long service leave liability is reflective of the yield on long term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds increased to 4.75% in 2026 (2025: 4%).

The actuarial assessment performed by the DTF kept the salary inflation rate at 3.5% in 2026 (2025: 3.5%) for the long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of $1.7 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using several demographic and financial assumptions – including the long-term discount rate.

Long service leave entitlements for hourly paid instructors (HPIs) have been included in these statements for HPIs who are entitled to long service leave. Long service leave is only updated in CHRIS21 once actual leave requests from HPIs have been manually verified against Human Resource records on a case-by-case basis. The empirical evidence of HPI employees taking long service leave entitlements indicates that the HPI long service leave balance is immaterial.

The liability for long service leave also includes management's estimate of the cost of future payments ($1.18 million) based on interpretation of industrial provisions in the TAFE Act Enterprise Agreement for accrued long service leave liabilities. Management has estimated this cost based on adjustments to leave balances completed during the financial year ending 30 June 2026.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on the average long service leave taken annually over the previous 2 years.

Employment on-costs

Employment on-costs liabilities include payroll tax, Fringe benefits Tax, Pay As You Go Withholding, Return to Work SA levies and superannuation contributions. They are settled when the respective employee related liabilities they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects the amounts of on-cost liabilities recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has changed to 72% in 2026 (2025: 70%). The average factor for the calculation of employer superannuation on-costs remained at 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is impracticable to estimate.

6.4. Provisions

All provisions relate to workers compensation.

	2026 $'000	2025 $'000
Movement in provision for workers compensation		
Carrying amount at the beginning of the period	**11 183**	**7 324**
Additions	2 268	2 718
Payments	(1 079)	(1 783)
Revaluations of prior year accidents	(1 943)	2 924
Carrying amount at the end of the period	**10 429**	**11 183**
Movement in provision for additional compensation		
Carrying amount at the beginning of the period	**115**	**143**
Additions	32	33
Revaluation of prior year accidents	(25)	(61)
Carrying amount at the end of the period	**122**	**115**
Current provisions	2 301	2 285
Non-current provisions	8 250	9 013
Total provisions	**10 551**	**11 298**

TAFE SA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, TAFE SA is responsible for the management and payment of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

7. Other disclosures

7.1. Cash flow

Cash Flow Reconciliation	2026 $'000	2025 $'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	102 774	99 195
Balance as per the Statement of Cash Flows	**102 774**	**99 195**
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	27 407	32 118
Add / (less) non-cash items		
Depreciation and amortisation	(32 461)	(33 553)
Net gain/(loss) from disposal of non-current and other assets	911	(182)
Resources received free of charge - income	4 392	3 139
Resources received free of charge - expense	(4 392)	(3 139)
Assets written off	(47)	-
Movement in assets and liabilities		
Increase in receivables	(2 053)	193
Decrease / (Increase) in payables	470	1 697
(Increase) in employee related liabilities	(4 819)	(3 800)
(Decrease) / Increase in inventories	617	(84)
(Increase) in other liabilities	(35)	(26)
(Decrease) / Increase in contract asset	(1 495)	35
(Increase) in contract liabilities	928	(216)
(Increase) in provisions	747	(3 831)
Net result	**(9 830)**	**(7 649)**

The cash outflows for leases are NIL (2025: $415 000).

8. Changes in accounting policy

TAFE SA's accounting policies remained unchanged during the 2025-26 reporting period.

9. Outlook

9.1. Unrecognised contractual commitments

Commitments include capital, operating and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contractual commitments to acquire property, plant and equipment.

	2026 $'000	2025 $'000
Within one year	1 850	546
Total capital commitments	**1 850**	**546**

TAFE SA's contractual commitments are in relation to improving and maintaining property, plant and equipment at the campuses.

Other contractual commitments

	2026 $'000	2025 $'000
Within one year	21 203	24 295
Later than one year but not later than five years	22 025	5 483
Total other commitments	**43 228**	**29 778**

TAFE SA's other contractual commitments relate to cleaning, security and other maintenance commitments.

9.2. Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed by way of this note and if quantifiable, are measured at nominal value.

TAFE SA is not aware of any contingent assets.

Future liabilities may arise in relation to rectification and remediation training of Aviation Engineering Maintenance students impacted by the Civil Aviation Safety Authority audit in 2017. These liabilities are contingent on student claims being lodged.

TAFE SA insures against known insurable risks with the South Australian Government Financing Authority subject to relevant deductibles. Where liabilities arise, these are initially funded by TAFE SA and then reimbursed under the relevant insurance provisions where appropriate.

9.3. Impact of standards and statements not yet effective

TAFE SA has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on TAFE SA's financial statements.

9.4. Events after the reporting period

There are no identified events after the reporting period.

10. Measurement and risk

10.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than $1.5 million and estimated useful life is greater than three years.

In the normal course of business, revaluation is required at least every 6 years in accordance with APS 116.E. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Certified Practising Valuer m3 Property were engaged to undertake an independent valuation of TAFE SA's land and building assets as at 30 June 2026.

Fair value hierarchy

TAFE SA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly
- Level 3 – not traded in an active market and are derived from unobservable inputs.

TAFE SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2024-25 and 2025-26, TAFE SA had no valuations categorised into level 1, and there were no transfers of assets between level 1 and 2 fair value hierarchy levels.

TAFE SA held all assets as recurring and level 3, except for land ($225 million) which is measured at level 2 following an independent revaluation performed as at 30 June 2026.

10.1. Fair value (continued)

Land and buildings

An independent valuation of land and buildings was undertaken by the Certified Practising Valuer m3 Property as at 30 June 2026.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size, zoning and location.

The fair value of buildings was determined using current replacement cost less accumulated depreciation. The current replacement cost considered the need for ongoing provision of services/utility, specialised nature and restricted use of the assets, their size, age, condition and location.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than $1.5 million or had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

10.2. Financial instruments

Financial risk management

TAFE SA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

TAFE SA's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

TAFE SA is funded principally from Department of State Development. TAFE SA works with DTF and the Department of State Development to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

The liabilities of TAFE SA are guaranteed by the Treasurer pursuant to section 30 of the TAFE SA Act 2025.

Credit risk

No collateral is held as security and no credit enhancements relate to financial assets held by TAFE SA.

The credit risk is spread across a large volume of customers.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. TAFE SA uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

10.2. Financial instruments (continued)

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, TAFE SA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on TAFE SA's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which TAFE SA is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of receivables progressing through stages to write off based on the common risk characteristics of the transactions and debtors.

TAFE SA has adopted the simplified impairment approach under AASB 9 *Financial Instruments* and measured lifetime expected credit losses on all contractual receivables using an allowance matrix as a practical expedient to measure impairment allowance.

The following table provides information about the exposure to credit risk and expected credit loss for non-government debtors.

	Debtor gross carrying amount $'000	Loss %	Lifetime expected losses $'000
Current (not past due)	1 406	20.4%	287
1 to 30 days past due	1 522	23.1%	352
31 to 60 days past due	177	29.5%	52
61 to 90 days past due	157	34.6%	54
More than 90 days past due	2 743	38.7%	1 062
	6 005		**1 807**

Impairment losses relate to receivables arising from contracts with customers that are external to SA government.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and TAFE SA's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within the net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Market risk

TAFE SA does not trade in foreign currency, nor enter into transactions for speculative purposes. TAFE SA manages its risk as per the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

There is no exposure to interest rate risk as TAFE SA does not have interest bearing liabilities.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note. Financial assets and financial liabilities are measured at amortised cost.

TAFE SA measures contractual receivables and payables at amortised cost. Lease liability is measured at present value of future cash flows.