TAFE NSW

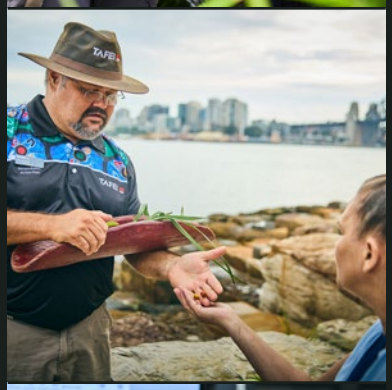
NSW













Annual Report 2025–2026



In the spirit of reconciliation, TAFE NSW acknowledges Aboriginal and Torres Strait Islander Peoples as the Traditional Custodians of Country throughout Australia, and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander Peoples today.

Letter to the Minister

The Hon. Steve Whan MP
Minister for Skills, TAFE and Tertiary Education
52 Martin Place
Sydney NSW 2000

Dear Minister

I submit TAFE NSW's 2025-26 annual report for your presentation to the Parliament.

The annual report was prepared in accordance with Division 7.3 of the Government Sector Finance Act 2018 and Treasurer's Direction TD25-05 Annual reporting information requirements.

TAFE NSW has self-assessed as a group 1 agency under TPG25-10 Framework for Financial and Annual Reporting and has prepared the annual report in accordance with TPG25-10a Group 1 – Annual Report.

The annual report includes TAFE NSW's activities, achievements and financial statements for the period 1 July 2025 to 30 June 2026.

Yours sincerely



Chloe Read
Managing Director, TAFE NSW



Message from the Managing Director

Every student has a story. At TAFE NSW, we are proud to help shape those stories.

For more than 140 years, TAFE NSW has helped people build brighter futures through education and training. As the state's trusted public provider of vocational education and training, our purpose is simple: to help people build better futures for themselves while delivering the skilled workforce and communities that NSW needs.

Throughout the year, I have been inspired by the determination, resilience and achievements of our students. From people starting their first career to those changing direction later in life, their journeys remind us why access to quality education and training matters and why TAFE NSW continues to play such an important role in communities across NSW.

I see the determination of our students reflected in the teachers and support staff who dedicate themselves to teaching and learning, and to ensuring TAFE NSW continues to be a place where life changing opportunities are made real. TAFE NSW is here to provide skills that work for students, for industry, for communities and for the future of New South Wales, and our expert staff across the state make that possible.

That purpose is brought to life through more than 315,000 enrolments in nationally recognised qualifications, reaching over 1.25 million enrolments in microcredentials and microskills, and a network of over 150 learning locations serving metropolitan, regional and remote communities across NSW.

Throughout 2025-26, we remained focused on helping students succeed. We improved access to education through expanded student support services, a more streamlined enrolment experience and expanded opportunities for students to build confidence, gain new skills and achieve their goals. We know careers are changing and that many people will learn, retrain and adapt throughout their working lives. Whether someone is starting out, changing direction or building new expertise, we are proud to support their journey.

We also continued to strengthen the connection between education and employment. Working closely with employers, industry partners and government, we delivered training closely aligned to workforce demand and emerging industries. Through initiatives such as Fee-Free TAFE, apprenticeships and traineeships, the National TAFE Centres of Excellence, and the Energy Futures Skills Centre, we are helping students develop the skills needed for the jobs of today and tomorrow while addressing workforce needs across NSW.





Our commitment to local communities remained central to our work. Through programs such as TAFE Connects, Mobile Training Units and the Adult Migrant English Program, we continued to ensure access to training and education in metropolitan, regional, rural and remote communities. We also formed partnerships with Aboriginal organisations and community leaders to support Closing the Gap priorities and create meaningful education and employment pathways for Aboriginal students across the state.

The TAFE NSW Charter guided our work throughout the year. It reinforces our commitment to supporting lifelong learning, responding to industry needs, supporting communities and leading through quality and innovation. These responsibilities shape our decisions every day and help ensure we continue delivering lasting value for NSW.

Innovation remained a key focus during the year. We continued to invest in new technologies, modern learning environments and contemporary teaching approaches that ensure educational quality and improve the student experience. We also achieved significant regulatory and educational milestones, including maximum-period seven-year re-registration with the Australian Skills Quality Authority and the granting of Self-Accrediting Authority in selected higher education fields. These achievements reflect the strength of our quality systems and our commitment to continuous improvement.

I am especially proud that TAFE NSW was recognised as the 2025 NSW Large Training Provider of the Year before going on to receive silver at the Australian Training Awards. These achievements belong to our teachers, support staff, industry partners and communities, whose dedication helps create life-changing outcomes for students every day.

As we look to the future, we remain focused on leading the vocational education and training sector through quality, innovation and strong industry connections. Most importantly, we remain focused on our students. Their ambition, resilience and success continue to inspire us every day.

As workforce needs evolve and industries change, TAFE NSW will continue delivering **skills that work**: creating opportunities for individuals, supporting business and industry, strengthening communities and helping build a stronger future for NSW.

I thank our students, employees, industry partners, advisory Board members and communities for their contribution throughout the year. Together, we are opening doors, creating opportunities and helping thousands of students realise their potential.



Chloe Read
Managing Director, TAFE NSW

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Overview

About us

TAFE NSW is established under the *Technical and Further Education Commission Act 1990 (NSW)* (TAFE Act).

TAFE NSW is one of Australia's leading providers of vocational education and training. We help people gain the skills they need to get a job, change careers, grow in their current role or continue learning throughout life.

Each year, hundreds of thousands of students choose TAFE NSW to gain the practical skills, confidence and qualifications that open doors to new opportunities. From school leavers and apprentices to career changers and people returning to study, we support students at every stage of their education and career journey.

TAFE NSW offers education and training across a wide range of industry sectors, including nationally recognised vocational qualifications, higher education degrees, microskills, microcredentials and short courses.

TAFE NSW delivers **skills that work**. By working closely with industry, employers and communities, we make sure our training stays relevant and prepares students for real jobs and real opportunities.

We also work across the tertiary education sector to create pathways to further study, supporting students to move between vocational education and training into higher education and university degrees.

With campuses, specialist training facilities and flexible online learning options across NSW, we provide high-quality education that is accessible to people from all backgrounds and locations.

As the public provider of vocational education and training, we play an important role in helping students achieve their goals, supporting local communities and building the skilled workforce NSW needs for the future. Through vocational and higher education pathways, we help students develop the skills and knowledge needed to succeed.

315K
total enrolments

3.4K
higher education enrolments

22.1K
apprenticeship approvals

137.4K
completions





Our purpose

TAFE NSW creates opportunities through education and training. We help students from all backgrounds to build the skills, confidence and qualifications they need to succeed in work and life. TAFE NSW delivers skills that support NSW priorities and the needs of communities across the state.

Our vision

To be the leading provider of lifelong learning, meeting the evolving needs of industry and students in communities across NSW.

Our values

Integrity

We do the right thing. We act with honesty, transparency and accountability, and we follow through on our commitments.

Customer focus

We put our customers at the centre of everything we do. We listen, respond to their needs and focus on delivering the best possible outcomes.

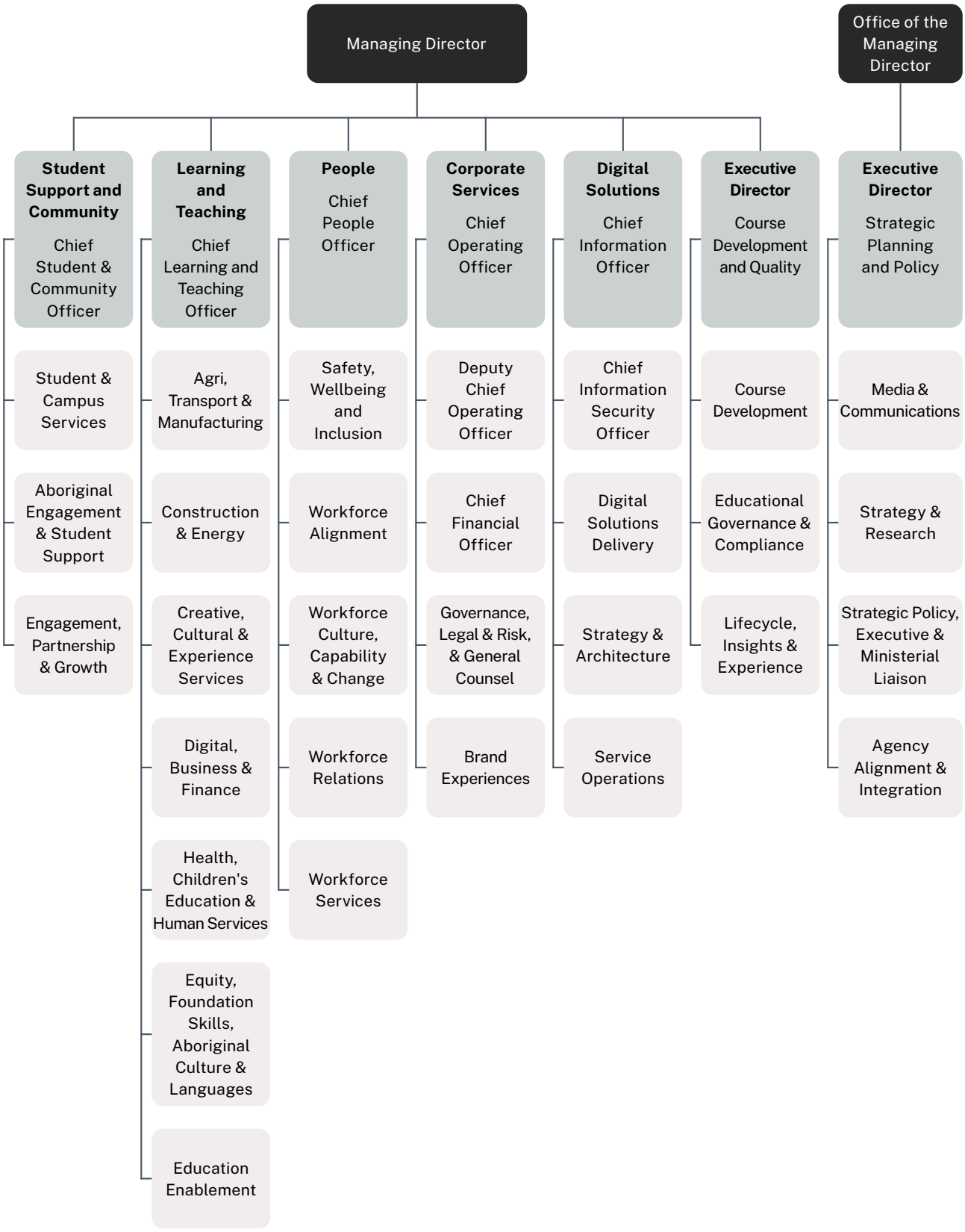
Collaboration

We work together to achieve shared goals. We value different perspectives, build strong partnerships and support each other to deliver the best outcomes for students and communities.

Excellence

We aim for the highest standards in everything we do. We continually look for better ways of working and strive to deliver outstanding education, training and student outcomes.

Organisational structure







Principal officers

Senior executive	Position title	Functional responsibilities
Chloe Read	Managing Director	The Managing Director has statutory responsibility for leading TAFE NSW and managing its operations in accordance with the *Technical and Further Education Commission Act 1990*. The role provides strategic leadership to deliver the NSW Government's priorities for vocational education and training, oversees organisational performance and leads the Executive Leadership Team. The Managing Director is also a member of the TAFE Advisory Board.
Jason Darney	Chief Operating Officer to 30/01/2026	The Chief Operating Officer leads the Corporate Services Group and is responsible for finance, procurement, infrastructure, governance, legal and risk.
Susannah Le Bron	Chief Operating Officer from 29/01/2026	
Mark Hawkins	Chief Learning and Teaching Officer	The Chief Learning and Teaching Officer leads the Learning and Teaching Group and is responsible for the delivery of industry-aligned education and training across NSW. The role oversees educational planning, course delivery, teaching excellence and student outcomes, ensuring training meets the needs of students, industry and communities.
Julie Tickle	Chief People Officer	The Chief People Officer leads workforce planning, capability development, organisational culture, workplace relations, work health and safety, wellbeing, diversity and inclusion, and employee experience.





Senior executive	Position title	Functional responsibilities
Fiona Rankin	Chief Information Officer	The Chief Information Officer leads TAFE NSW's technology and digital functions. The role is responsible for the delivery, security and performance of information technology systems and digital services that support students, employees and organisational operations.
Kerryn Meredith-Sotiris	Chief Product and Quality Officer from 01/07/2025 to 18/01/2026 Executive Director Course Development and Quality from 19/01/2026	The Executive Director Course Development and Quality leads educational governance and compliance at TAFE NSW. The role ensures course offerings remain relevant, innovative and aligned to industry, student and community needs, while meeting regulatory and quality requirements.
Alison McGaffin Jason Darney	Chief Student and Community Officer to 01/03/2026 Chief Student and Community Officer from 02/03/2026	The Chief Student and Community Officer leads the Student Support and Community Group and is responsible for student services, campus operations, community engagement, Aboriginal engagement and partnerships that support student success and strengthen TAFE NSW's connection with communities across the state.
Celia Murphy	Executive Director Strategic Planning & Policy	The Executive Director Strategic Planning and Policy leads policy, research, planning, ministerial services, media and corporate communications, business enablement functions and enterprise-wide strategic initiatives.

Strategy

Strategic Plan

The TAFE NSW Strategic Plan sets out our key directions and the actions we will take to achieve them. It is reviewed regularly to make sure it continues to meet the changing needs of students, employers, industries and communities across NSW.

The plan supports the commitments outlined in the TAFE NSW Charter and focuses on helping more people gain the skills, qualifications and confidence they need to succeed in work and life.

Key priorities include:

- Delivering training that meets industry demand, workforce needs and government priorities.
  - Building the skills needed to support NSW's economy and key industries.
  - Providing high-quality, up-to-date training that prepares students for real jobs.
  - Supporting and developing a skilled, engaged and future-ready workforce.
- Improving student participation, engagement, course completion and employment outcomes.
  - Expanding access to lifelong learning opportunities, particularly for students who may face barriers to education and training.
  - Investing in technology, digital systems and learning environments that enhance the student experience
- Supporting regional and local communities through strong campus networks and local engagement.
  - Working closely with employers, industry, Aboriginal communities, local communities and education partners.

Strategic objectives

The TAFE NSW Strategic Plan 2025 Update outlines how we will deliver positive outcomes for students, industry, communities and government.

Our goals describe the impact we want to achieve, while our enablers are the foundations that help us deliver on those goals.

Our goals



Accelerating skills in priority areas to meet workforce and industry needs across NSW.



Leading quality education that equips students with the skills and knowledge they need to succeed.



Delivering engaging learning experiences that support student participation, achievement and success.



Partnering for greater educational impact through strong relationships with industry, employers, communities and education partners.



Building a skilled, engaged and thriving team to support excellent outcomes for students and communities.

Our enablers



Unified teams and streamlined operations that make it easier to work together and deliver quality services.



Modern digital ecosystems and a connected campus network that support contemporary teaching, learning and student services.

Together, these goals and enablers help ensure we can respond to changing skills needs, provide high-quality and inclusive education, support stronger communities and contribute to the future prosperity of NSW. Our focus remains on helping students gain the skills, qualifications and confidence they need to achieve their goals and succeed in a changing world.

Measuring progress

We track performance to understand what's working, identify areas for improvement and ensure we are delivering positive outcomes for students, industry and communities.

We measure progress using a range of information, including:

- Student enrolments and participation.
- Course completion rates.
- Graduate employment and further study outcomes.
- Student satisfaction.
- Employer satisfaction with training.
- Feedback from communities, industry and stakeholders.
- Workforce engagement and capability measures.

We pay particular attention to outcomes such as:

- Students gaining employment, further study opportunities or personal development benefits.
- Students applying their new skills in the workplace.
- Employers being satisfied with the quality and relevance of training.

We collect information through student systems, surveys, workforce reporting and national data collections. We also use feedback from students, employers, industry partners and employees to help guide continuous improvement.

Performance results are regularly reviewed by leadership and governance groups to ensure resources, programs and services are delivering the greatest benefit for students and communities.

Investing in what matters

We invest our people, technology and facilities to support the goals of the Strategic Plan.

This helps ensure our resources are directed towards the areas that will have the biggest impact on student success, workforce development and community outcomes.

Investment decisions support initiatives such as:

- Improving educational quality.
- Enhancing student support and success.
- Building workforce capability.
- Strengthening Aboriginal outcomes.
- Promoting diversity, equity and inclusion.
- Modernising digital systems and technology.
- Improving operational effectiveness and sustainability.

By regularly monitoring performance and community needs, we can respond to changing priorities and continue delivering high-quality education and training across NSW.

Ultimately, our focus is on helping students succeed, supporting industry with skilled workers, and strengthening the communities we serve.





Operations and performance

Our year in review

Throughout 2025-26, we continued to deliver on our Charter by supporting students, responding to industry needs, strengthening communities and driving quality and innovation across vocational education and training.

Supporting student success remained at the centre of our work. We improved access to education through a more streamlined enrolment experience, expanded student support services and created new pathways into higher education through initiatives such as the Suburban University Study Hub at Macquarie Fields. Students also benefited from new and upgraded learning facilities, including TAFE NSW Bankstown City and Kingscliff.

Working closely with employers, industry partners and government, we helped address skills shortages and prepare students for emerging industries. Key achievements included the launch of the National Construction Centre of Excellence, continued growth of the National Centres of Excellence and the opening of the Energy Futures Skills Centre in Wollongong.

Across metropolitan, regional and remote NSW, we continued to strengthen communities through education and training. Mobile Training Units expanded access to skills development in regional and remote areas, while partnerships with Aboriginal organisations, industry and community groups created pathways into education, training and employment.

Quality and innovation remained a key focus throughout the year. TAFE NSW was named the 2025 NSW Large Training Provider of the Year and achieved maximum-period seven-year re-registration as a Registered Training Organisation and ESOS provider with no conditions. We secured Self-Accrediting Authority in selected higher education fields, providing greater flexibility to develop and deliver courses that respond to future skills needs.

We also strengthened our commitment to inclusion and belonging through the launch of new Disability Inclusion, Multicultural, LGBTIQA+ and Reconciliation action plans. During the year, we surpassed 3% Aboriginal employment and celebrated 15 years of the Indigenous Police Recruitment Our Way Delivery (IPROWD) program.

These achievements reflect the dedication of our students, teachers, staff, industry partners and communities. Together, we continue to create opportunities, build skills and support stronger outcomes for individuals, industries and communities across NSW.





Delivering skills, pathways and opportunity across NSW

TAFE NSW helps people across NSW gain the skills, qualifications and confidence they need to build successful careers and contribute to their communities.

As both a vocational education and higher education provider, we offer a wide range of qualifications and study options, including short courses, microskills, microcredentials, certificates, diplomas, degrees, apprenticeships and traineeships. These programs are designed in partnership with industry to ensure students develop job-ready skills that meet workforce needs across NSW.

Students can choose how they learn. Training is delivered on campus, online, through virtual classrooms and in workplaces. Flexible study options allow students to study full-time, part-time or at their own pace, helping them balance study with work, family and other commitments.

Supporting students through every stage

We support students throughout their education journey. School students can explore career pathways through TAFE-delivered Vocational Education and Training (TVET) courses and School-based Apprenticeships and Traineeships (SBATs), gaining industry experience and nationally recognised qualifications while completing school.

After school, students can continue their education journey through pre-apprenticeships, apprenticeships, traineeships, higher education qualifications and further training opportunities.

Student success is supported through academic learning assistance, study skills support, career counselling and personalised guidance from teachers and support staff. Additional support is available for students living with disability and those who speak English as an additional language.

TAFE NSW Charter

The TAFE NSW Charter sets out our role as the state's leading public provider of vocational education and training. During 2025-26, we continued to make strong progress against our Charter commitments, investing in student success, responding to industry needs, supporting local communities and driving quality and innovation across our services.

Supporting students' lifelong learning needs and career aspirations

Every student's journey is unique. Whether they are leaving school, changing careers, returning to study or building new skills for work, we are committed to helping students succeed.

During 2025-26, we continued to improve the student experience from enrolment through to graduation. More than 100 courses were developed or updated to ensure students have access to training that reflects current industry practice and prepares them for the jobs of today and tomorrow.

Find Your Fit – helping students choose the right course

One year after its launch, Find Your Fit continued to help students understand their readiness for study and connect with the right support before they enrol.

During 2025-26, students used Find Your Fit more than 159,000 times and completed over 72,000 surveys. Around half of all surveys were completed in less than one minute and 96% completed within five minutes, making it a simple and accessible tool for students exploring their study options.

Analysis of more than 91,000 enrolments identified 72,000 students as ready to study and a further 19,500 who may benefit from additional assessment or support. This enabled earlier intervention and more personalised support, helping students start their learning journey with confidence.

Find Your Fit also provides a consistent way to assess student readiness, including language, literacy, numeracy and digital skills. The tool's accessibility and inclusive design were recognised by the Australian Disability Clearinghouse on Education and Training and have attracted interest from other training providers.

We continued to enhance Find Your Fit during the year through improved reporting and new features designed to support student participation and success.

Improved enrolment process

We made it easier for students to access education and support through a more accessible and streamlined enrolment process, helping them start their studies with confidence.

Since launching in October 2025, more than 200,000 students have used the new system. It provides clearer information and simpler processes, allowing students to create or verify their Unique Student Identifier, upload documents and view course fees.

Enrolling students can now see the status and progress of their application through the Student Hub. Students can also see the subsidies and other financial support they may be eligible for, including Fee-Free TAFE. This gives them greater clarity about study costs and helps them make informed decisions before enrolling. Students with disability can identify their support needs during enrolment and be referred directly to the Disability Support team.

Enhanced virtual orientation

We continued to enhance our virtual orientation program, helping students feel informed, connected and ready for study before classes began.

More than 18,000 students accessed the program during 2025-26, representing a 132% increase on the previous year. New features, including student hosts, live polls and question-and-answer sessions, created more opportunities for students to participate and connect.

To improve accessibility, live sessions were delivered before each semester and supported by on-demand recordings that students could access at any time. More than 6,700 students attended live sessions, while a further 11,300 accessed the recordings.

Student feedback showed the program helped students feel welcome, understand available support services and prepare for a successful start to their studies.

The statewide program helps students feel informed, connected and ready for study by introducing them to TAFE NSW systems, services and support before classes begin.

Student wellbeing framework

Student wellbeing remained a key priority. We began developing a Student Wellbeing Framework to strengthen support for students throughout their learning journey. In March 2026, staff from across TAFE NSW helped shape the framework through a dedicated workshop. More than 2,700 students were then consulted, sharing valuable feedback about their experiences and wellbeing needs. Their insights are helping to shape the framework that will provide a more consistent approach to student wellbeing across TAFE NSW and make it easier for students to understand and access available support services.

HALT partnership

Through our partnership with Hope Assistance Local Tradies (HALT), more than 3,700 apprentices and trades students participated in the Mental Health Toolbox for Tradies program. The program helped students build skills and confidence to recognise mental health challenges, support their peers and access help when needed.

Following the sessions, students reported a 32% increase in awareness of support services, a 17% increase in confidence to recognise and respond to mental health concerns, and an 18% increase in confidence to have supportive conversations.

Reading Writing Hotline

We continued to deliver the Reading Writing Hotline, a national service funded by the Australian Government through the Department of Employment and Workplace Relations. The service helps people improve their literacy and numeracy skills and connect with education and training opportunities.

During 2025-26, the Hotline received 2,655 calls and email enquiries from people seeking assistance with reading, writing and numeracy. We also undertook 6,368 follow-up communications, providing information, referrals and support to help individuals access learning opportunities and achieve their goals.

Through the Reading Writing Hotline, TAFE NSW continues to support lifelong learning by helping people build the foundational skills needed for work, study and everyday life.

Women in Trades

We contribute to the NSW Government's goal of increasing women's participation in trade and non-traditional occupations. During 2025-26, a range of initiatives helped expand opportunities for women and gender-diverse students, strengthen industry connections and create pathways into high-demand trade sectors.

In June 2026, 30 women graduated from the Breaking Barriers for Women in Manufacturing program. Delivered in partnership with the Australian Manufacturing Workers' Union and supported by Australian Government funding, the program introduced participants to manufacturing, engineering, robotics and sustainable technologies through hands-on learning, industry engagement and mentoring.

We continued delivering the federally funded EmpowerHER Pathways Program, supporting women undertaking a Certificate II in Civil Construction. The program helped participants develop practical skills and confidence for entry-level roles in the construction industry.

Through its partnership with the Department of Education's Regional Industry Education Partnerships team, we led Girls Can Too programs across metropolitan and regional NSW. The program gives female high school students the opportunity to explore trade careers through practical, hands-on learning experiences and industry networking opportunities.

Together, these initiatives helped build confidence, expand career opportunities and create pathways for more women to pursue careers in manufacturing, construction and other trade sectors. They also supported workforce diversification and helped address future skills needs across NSW.





Jobs Connect Festival

We launched the Jobs Connect Festival in August 2025 during National Skills Week to help students build job-ready skills, connect with employers and explore career opportunities through Jobs Connect, our free employability service.

The week-long festival reached 12,751 students both online and on campus and connected them with more than 100 employers. Through job expos, industry panels, workshops and networking events, students developed practical skills in areas such as interview preparation, resume writing and professional networking. Targeted sessions also connected Aboriginal students and students with disability with industry role models and employers.

Students from disciplines including film and TV, multimedia, photography, hospitality, music and broadcasting contributed to the delivery of the festival, gaining valuable practical experience as part of their studies.

The festival strengthened connections between students and employers while helping students prepare for their next career step. Festival workshops and resources remained available through the Student Hub, giving students ongoing access to career advice and employment support.

Enhanced student and employee safety and wellbeing

We piloted a Student Conduct and Discipline Hub to strengthen the management of student conduct matters and support safer learning environments across TAFE NSW.

The Hub provided a more consistent and coordinated approach to managing behavioural and safety concerns, helping us respond more effectively when issues arose. By bringing processes and support resources together, the Hub improved decision-making and ensured students received timely and appropriate support.

The initiative also helped create safer and more inclusive learning environments through earlier intervention and clearer pathways for managing student conduct matters. Students with diverse needs were supported through fair and appropriate case management, helping them access the assistance needed to participate successfully in their studies.





More responsive customer experience

We improved the customer complaints experience through a simpler and more transparent process that helped customers access support more quickly and stay informed throughout the complaints process.

Working with the NSW Behavioural Insights Unit, we reviewed and streamlined the complaints process to improve accessibility, communication and transparency. Updates to the complaints webpage and online form helped direct enquiries to the right team sooner and provided customers with clearer information about expected timeframes and case progress.

These improvements created a more responsive customer experience and made it easier for customers to access support and understand the status of their complaint.

Building on this work, we identified opportunities to further improve the management of learning and teaching complaints. A pilot commencing in July 2026 will test new approaches to improve complaint resolution, strengthen case ownership and deliver more consistent outcomes for customers.

Suburban University Study Hub at Macquarie Fields

Since opening in July 2025, the Suburban University Study Hub at Macquarie Fields, funded by the Australian Government's Suburban University Study Hub program, has helped more than 280 university and TAFE NSW students access higher education closer to home.

Located at TAFE NSW Macquarie Fields, the Hub provides students with academic support, technology, study spaces and other resources to help them succeed in their studies. It supports students across a wide range of disciplines, including health, education, engineering and social sciences.

The Hub also strengthens pathways into higher education by providing guidance and transition support. Since opening, 13 students have graduated and others have secured places at universities including Western Sydney University and the University of Technology Sydney.

In March 2026, the Hub hosted a Higher Education Fair attended by more than 100 students from six local high schools. The event helped students explore tertiary education options, learn about career pathways and connect with higher education providers.





Aligning vocational education and training with industry needs and Government priorities

More than 224,950 enrolments were made in priority industry training during 2025-26, helping students build skills for jobs in areas of workforce demand, with 72.9% enrolled in full qualifications and 27.1% in short courses.

NSW Government 1,000 Apprenticeships and Traineeships Program

We continued to support the NSW Government's 1,000 Apprenticeships and Traineeships Program through partnerships with the NSW Department of Education and the Office of Local Government.

As at 30 June 2026, all positions in the program had been filled, with 1,044 apprentices and trainees participating statewide. TAFE NSW was the training organisation for 575 of these students, including 276 apprentices and 299 trainees. This represented 64.5% of apprentices and 48.5% of trainees in the program, highlighting our leading role in helping students gain qualifications while learning on the job.

Students benefit most when the skills they develop in the classroom reflect the needs of industry and employers. Throughout the year, we continued to work closely with industry partners, universities and government to ensure our training remains relevant, practical and responsive.

Fee-Free TAFE

Fee-Free TAFE continues to help more people access training and gain qualifications in areas of workforce demand. Since January 2023, more than 149,000 enrolments have been supported through Fee-Free TAFE in NSW.

Fee-Free courses are aligned to priority industries, including healthcare, early childhood education and care, information technology and construction, helping address skills shortages across NSW.

Popular Fee-Free courses include:

- Certificate III in Early Childhood Education and Care
- Certificate III in Individual Support
- Certificate III in School Based Education Support
- Certificate III in Information Technology
- Certificate IV in Community Services
- Certificate IV in Building and Construction
- Certificate IV in Training and Assessment
- Diploma of Nursing
- Diploma of Community Services
- Diploma of Information Technology
- Diploma of Counselling

In March 2025, the Australian Government passed the Free TAFE Act, making Fee-Free TAFE a permanent part of the vocational education and training system. From January 2027, the Act will provide ongoing funding for 100,000 Fee-Free TAFE places across the country each year.

National Centres of Excellence building skills for the future

We continued to prepare students and workers for the jobs of the future through our National Centres of Excellence in Digital, Construction and Manufacturing.

Originally established as Institutes of Applied Technology, the Digital and Construction centres brought together TAFE NSW, industry and university partners to create innovative and flexible training pathways. Since 2022, students have completed more than 600,000 enrolments in microskills and microcredentials, building skills in areas of growing workforce demand.

In 2026, the centres became National Centres of Excellence under the National Skills Agreement, reflecting their important role in addressing Australia's future workforce needs.

The **Institute of Applied Technology – Digital National Centre of Excellence** is focused on developing skills in emerging technologies and building Australia's digital workforce.

The **Construction National Centre of Excellence** supports workforce capability in housing delivery, modern construction methods, digital skills and sustainable building practices.

The **Manufacturing Centres of Excellence** help workers gain skills for advanced manufacturing, net zero and heavy industries through microskills, microcredentials and higher apprenticeships.

To support future growth, we commenced upgrades at Wetherill Park, Newcastle and Wollongong. These purpose-built facilities will provide state-of-the-art learning environments and are expected to be operational from 2028.

Working closely with industry, universities and government, the National Centres of Excellence are helping ensure students develop the skills needed for Australia's future workforce.

Strengthening pathways to higher education

We continued to strengthen partnerships with leading universities, creating more flexible education pathways and making it easier for students to move between vocational and higher education.

Key initiatives included:

- partnering with the University of New South Wales to co-design industry-aligned pathways that support smoother transitions from study to employment
- launching the Single Enrolment Package with Western Sydney University and the Connected Pathways Program with Charles Sturt University, making it easier for students to receive credit for their qualifications and continue their studies
- expanding collaboration with university partners through the Manufacturing Centres of Excellence to develop future-focused training and skills pathways
- partnering with the University of Newcastle to co-design and deliver a new Higher Apprenticeship model focused on net zero, renewable and sustainable manufacturing.

These partnerships are helping students move more easily between vocational and higher education, providing greater choice and more flexible pathways to achieve their career goals.

Case study: Co-design of a Higher Apprenticeship model with the University of Newcastle

Through the Manufacturing Centres of Excellence, TAFE NSW partnered with the University of Newcastle to co-design a new Higher Apprenticeship model focused on developing the advanced skills needed for the transition to net zero manufacturing.

A key outcome of the partnership was the development of the Diploma of Renewable, Sustainable and Circular Manufacturing Management through the ASQA Delegation of Course Accreditation Pilot. The qualification combines technical, leadership and project management capabilities in areas such as renewable energy, sustainability, circular economy principles and innovation.

The diploma will help prepare students for emerging careers in advanced manufacturing and support Australia's transition to a cleaner, more sustainable economy.





Microskills supporting industry and workforce needs

We expanded our microskills offering, helping students and workers gain the skills needed for jobs in priority industries and emerging sectors. During the year, we reached 1.25 million microskill enrolments.

Microskills are short, practical online courses that help people build new skills, stay up to date with industry changes or explore new career opportunities. Developed with industry and government partners, they are designed to respond quickly to workforce needs and skills shortages.

During the year, we developed 26 new microskills, including training in non-urban water meter installation and food waste sustainability. These courses were created in partnership with government agencies to support industry needs and NSW Government priorities.

Demand for training in emerging industries remained strong. More than 12,300 people across Australia enrolled in the Response to Electric Vehicle Incident microskill, helping build skills for the growing electric vehicle sector. We also expanded access to learning by translating selected construction microskills into Korean, Arabic and Vietnamese.

By providing flexible and industry-focused training, we are helping students and workers build job-ready skills while supporting the workforce needs of NSW now and into the future.

Addressing regional, local and community needs

Strengthening communities through education and training

We continued to play a vital role in strengthening communities across the state by delivering accessible, inclusive and locally responsive education and training programs that address workforce, social and economic needs.

Access to training was expanded through Mobile Training Units, which delivered industry-relevant skills and qualifications directly to eight regional and remote communities, helping overcome barriers to education and support local workforce needs.

We also continued to support inclusive communities through the Adult Migrant English Program (AMEP), providing English language education to refugees and migrants and helping them participate in employment, further education and community life.

Together, these initiatives improved access to education, supported workforce participation and helped create stronger and more resilient communities.





Case study: Building skills for the clean energy future in the Illawarra

TAFE NSW Wollongong helped prepare students for emerging careers in the clean energy sector through the launch of the Energy Futures Skills Centre.

Developed in partnership with the University of Wollongong and supported by the Australian and NSW Governments, the centre provides training in renewable energy, wind, solar and electric vehicle technologies.

A $2.5 million mobile training fleet enables TAFE NSW to deliver hands-on training directly to schools, Renewable Energy Zones and regional communities, helping expand access to education and support future workforce needs.

By connecting students with industry-relevant skills and training opportunities, the Energy Futures Skills Centre is helping build the workforce needed to support the Illawarra's transition to a cleaner and more sustainable economy.

Case study: Supporting the Hunter wine industry for 30 years

In April 2026, TAFE NSW Kurri Kurri celebrated 30 years of viticulture and winemaking training, marking an important contribution to the Hunter region's wine industry.

Through hands-on learning at the campus winery, students have gained practical skills in viticulture and winemaking while building connections with industry. Since 1995, the program has helped prepare graduates for careers in one of the Hunter's signature industries and supported local workforce needs.

Student-produced wines have received national and international recognition, highlighting the quality of the training and the skills developed by TAFE NSW students.

TAFE Connects community engagement

We continued to work closely with communities across NSW to understand local priorities and explore how education and training can better support them.

Through our TAFE Connects program, community members, employers, industry representatives and local stakeholders participated in workshops and engagement activities that identified local challenges, opportunities and skills needs. These insights help inform training delivery and strengthen our ability to respond to community and workforce priorities.

We also worked with communities across NSW to help more people access education, training and employment opportunities. Multicultural coordinators partnered with community groups, schools and government agencies to support refugee, migrant and culturally diverse communities. Through information sessions, community events, school-to-TAFE tours and employment expos, participants were connected with pathways into study, skills training and work.

In April 2026, for example, we partnered with the NSW Department of Communities and Justice to deliver the Community and Government Expo at TAFE NSW Granville. The event connected 800 students with 195 stakeholders from 65 organisations, providing access to education, employment and support services while strengthening local partnerships.

These activities helped build stronger community connections and create pathways into education, training and employment.

Stronger partnerships with Aboriginal organisations

We strengthened partnerships with Aboriginal organisations and peak bodies to support Closing the Gap priorities and create stronger pathways into education, training and employment.

In March 2026, TAFE NSW and the NSW Aboriginal Education Consultative Group (AECG) signed a Partnership Agreement to strengthen opportunities for Aboriginal students and communities across NSW. Developed in partnership with AECG, the agreement supports shared priorities.

Early outcomes included stronger connections between schools, communities and TAFE NSW, helping support the development of education and training opportunities that respond to local needs and aspirations. Community Connectors also gained greater access to our facilities and resources, strengthening engagement with Aboriginal communities.

In April 2026, TAFE NSW signed a Memorandum of Understanding with the Murdi Paaki Regional Assembly to improve education, training and employment outcomes for Aboriginal communities across Western and Far Western NSW. The partnership supports increased participation in learning, employment and economic activity while recognising and strengthening the cultures, identities and aspirations of local communities.

Together, these partnerships are helping create stronger opportunities for Aboriginal students and communities across NSW.

Aboriginal employment pathway programs

We continued to support Aboriginal and/or Torres Strait Islander students through culturally safe education and employment pathways that respond to community aspirations and local workforce needs. In 2025, more than 35,000 Aboriginal and/or Torres Strait Islander students enrolled in TAFE NSW courses.

Working with government, industry and community partners, we delivered programs that helped students build skills, confidence and connections to employment and further study opportunities.

Programs delivered during the year included:

- **Indigenous Police Recruitment Our Way Delivery (IPROWD)**, delivered in partnership with NSW Police and the Australian Federal Police
- **Indigenous Fire and Rescue Employment Strategy (IFARES)**, delivered with Fire and Rescue NSW
- **Diploma of Practice Management**, delivered with Joint Colleges Training Services to support Aboriginal Medical Services
- a pilot **Certificate III in Information Technology**, delivered in partnership with Yirigaa
- the **Building Skills for Better Futures program**, delivered with the Murdi Paaki Regional Assembly and Aboriginal Housing Office
- the **Moree Construction Pathway Program**, delivered with local agencies and employers
- the **Hospitality Pathways Program**, delivered with the National Indigenous Culinary Institute.

These initiatives created opportunities for Aboriginal students to gain job-ready skills, pursue further education and connect with meaningful employment pathways while supporting the aspirations of local communities.

IPROWD and IFARES: creating pathways into emergency services

Through partnerships with government agencies, industry and community organisations, we continued to deliver culturally responsive programs that help Aboriginal and/or Torres Strait Islander students build skills, confidence and employment opportunities. Programs such as IPROWD and IFARES create pathways into frontline services while strengthening connections to culture, community and Country.

The **Indigenous Police Recruitment Our Way Delivery (IPROWD)** program supports students pursuing careers in policing and justice. Delivered in partnership with the NSW Police Force and Australian Federal Police, the program combines vocational training with culturally informed support and engagement with local police, Elders and community members. Students complete the Certificate III in Vocational and Study Pathways for Aboriginal and/or Torres Strait Islander People while developing the skills and confidence needed for future careers.

During 2025-26, IPROWD was delivered in Redfern, Dubbo, Kurri Kurri and Nowra. Forty-nine students commenced the program and 33 graduated during the year, with the remaining students expected to graduate in 2026-27. This represents a 67% completion rate. Since the program began in 2008, more than 1,200 students have graduated, with around 95% progressing to employment, further study or careers in policing, justice and community services.

The **Indigenous Fire and Rescue Employment Strategy (IFARES)** provides a culturally safe pathway into emergency services. Delivered in partnership with Fire and Rescue NSW, the program combines practical fitness training, simulated emergency scenarios, career readiness activities and personalised mentoring. Participants are paired with Aboriginal mentors from Fire and Rescue NSW and supported by Aboriginal educators throughout the program.

Together, these programs are helping Aboriginal and/or Torres Strait Islander students develop job-ready skills, pursue meaningful careers and contribute to stronger outcomes for their communities.





Case study: Creating a culturally safe healthcare workforce in the Riverina

TAFE NSW Wagga Wagga helped address local workforce needs by delivering the Certificate IV in Aboriginal and Torres Strait Islander Primary Health Care Practice for the first time in several years.

The program responded to demand for Aboriginal health workers across the Riverina and helped strengthen the region's culturally safe healthcare workforce. Fourteen students graduated, completing 500 hours of practical placement across hospitals and community care services while balancing study, work and family commitments.

Several graduates have already secured roles in local health services, bringing valuable cultural knowledge and community connections to the healthcare sector.

By creating pathways into meaningful careers, the program is helping build a skilled workforce that can support better health outcomes for Aboriginal communities across the region.

Case study: Building local skills in the Central West

TAFE NSW worked with industry partners to deliver engineering and electrical apprenticeships in Lithgow and Mudgee, helping address critical skills shortages across the Central West.

The region continues to experience strong demand for skilled workers, driven by major infrastructure projects, mining, construction activity and the transition to emerging industries.

Through the Lithgow and Mudgee Skills Centre Program, we partnered with local employers to train 28 new apprentices in engineering and electrical trades. The program was designed to meet workforce priorities identified in the Central West Local Jobs Plan and help build the skilled workforce needed to support the region's future growth.

By training apprentices close to where they live and work, the program created local employment opportunities while helping industry access the skilled workers it needs.

Benchmarking quality and innovation

Continuous improvement

We continued to strengthen our education and training delivery to meet changing workforce needs and support the future skills requirements of NSW.

In early 2026, we implemented the second phase of our operating model following consultation with employees and informed by feedback from the People Matter Employee Survey, TAFE Connects and the NSW VET Review.

As part of these changes, TAFE Digital was integrated into the Learning and Teaching Group, creating a more connected approach to educational delivery across the organisation. The Product and Quality Group was also reshaped to form the Course Development and Quality branch, strengthening the focus on course quality, self-assurance and continuous improvement.

These changes have improved collaboration across TAFE NSW and strengthened alignment between course development, teaching delivery and student needs. The new structure also supports faster course development, clearer accountability and a stronger focus on ensuring training remains relevant, high quality and responsive to industry demand.

AI and emerging technology

We continued to explore how technology can improve learning, teaching and student outcomes while maintaining high standards of educational quality, academic integrity and responsible innovation.

In September 2025, we established an organisation-wide Artificial Intelligence (AI) Taskforce to develop a coordinated and strategic approach to AI adoption. The Taskforce brought together more than 120 employees from across learning and teaching, course development, governance, quality assurance, digital services and corporate functions to examine opportunities, risks and emerging AI use cases across the organisation.

The Taskforce developed a series of recommendations to support ethical, effective and future-focused AI adoption at TAFE NSW, including governance arrangements, staff guidance, capability uplift initiatives and priority AI use cases. The proposed framework was underpinned by principles focused on responsible use, transparency, accountability and building AI capability for both employees and students.

Teachers and staff participated in professional learning focused on AI literacy, ethics, privacy and practical applications in learning, teaching and business operations. Students and staff were also supported through guidance materials, training opportunities and communities of practice.

We considered how AI can support course development, learning design, resource creation and administrative efficiency, without reducing human responsibility for decision-making, assessment and student outcomes.

To support workforce readiness, we continued to offer microskills in Artificial Intelligence and Generative AI, helping students develop skills in emerging technologies.

Using artificial intelligence to support quality and innovation

AI-enabled assessment development

During 2025-26, we continued to explore how AI can enhance teaching and learning outcomes by supporting the development of high-quality assessment materials.

We developed the Knowledge Assessment AI Assistant to help curriculum and assessment designers create knowledge assessments more efficiently and consistently. The tool identifies key knowledge requirements within units of competency and generates assessment questions aligned with approved templates, standards and course requirements.

By reducing the time spent on repetitive development tasks, the AI Assistant allows designers to focus more on educational design, quality assurance and the student learning experience. This helps improve the consistency, quality and speed of assessment development, supporting better educational outcomes for students.

LLND AI Agent

We also developed the Language, Literacy, Numeracy and Digital (LLND) AI Agent to support course and scope analysis.

The tool analyses units of competency against national literacy, numeracy and digital capability frameworks, helping employees prepare evidence-based assessments for review and validation. Designed and tested by a TAFE NSW LLND specialist, the AI Agent reduced a process that previously took one to two days to approximately 15 minutes.

Following successful testing across 15 Add to Scope applications, the LLND AI Agent was adopted as a business-as-usual tool. It is helping employees work more efficiently while supporting consistent and informed decision-making in course development and scope management.

Future Skills Organisation partnership

Through the Institute of Applied Technology Digital, TAFE NSW partnered with the Future Skills Organisation (FSO) to help meet Australia's growing demand for digital and emerging technology skills.

Together, we delivered the Training Product Trial and Digital Knowledge Exchange projects, which are designed to accelerate the development of training solutions that respond to changing industry needs.

TAFE NSW led the design, development and pilot delivery of learning and assessment resources for 15 units of competency across areas including artificial intelligence, cyber security and digital capability. The project also developed flexible, modular learning products and pilot programs for face-to-face, online and hybrid delivery.

Through the Digital Knowledge Exchange project, we contributed to the development of a national framework for digital skills training. By incorporating digital capability, artificial intelligence and cyber security into flexible learning products, the initiative supports faster workforce upskilling and helps students build skills in areas of growing demand.

By combining our education expertise with FSO's workforce insights, the partnership is helping ensure training remains relevant, responsive and aligned to Australia's future skills needs.

Quality and regulatory excellence

Recognition of quality and performance

During 2025-26, TAFE NSW achieved significant regulatory outcomes that recognised the strength of its quality, governance and compliance systems.

We successfully renewed our Registered Training Organisation (RTO) and Education Services for Overseas Students (ESOS) registrations with the Australian Skills Quality Authority (ASQA) for the maximum seven-year period, with no conditions. The renewal reflected ASQA's confidence in TAFE NSW as a quality vocational education and training provider and confirmed the effectiveness of its governance, compliance and quality assurance processes.

We also maintained our registration with the Tertiary Education Quality and Standards Agency (TEQSA), further demonstrating its commitment to delivering high-quality vocational and higher education programs.

Strengthening higher education capability

A major milestone during the year was the granting of Self-Accrediting Authority by TEQSA.

This authority enables TAFE NSW to accredit and reaccredit its own higher education courses at AQF Levels 5 to 8 in Information Technology, Education, Management and Commerce, and Creative Arts. The approval recognises the strength of our academic governance and quality systems and provides greater flexibility to respond to changing industry, workforce and student needs.

By reducing the need for external accreditation processes, we can develop and update courses more quickly while maintaining high standards of academic quality and student outcomes.

Building a stronger self-assurance framework

We progressed our approach to quality and continuous improvement through the Delegation of Course Accreditation Pilot (DOCAP) and preparation for the 2025 Standards for Registered Training Organisations.

Through DOCAP, we demonstrated our ability to design, develop and quality assure accredited courses through a robust self-assurance framework. The pilot supported the development of the Diploma of Renewable, Sustainable and Circular Manufacturing Management and established stronger governance, industry engagement and quality review processes.

We also began aligning our Educational Quality Framework and Self-Assurance Model with the 2025 RTO Standards. Early work focused on reviewing quality and compliance processes, validating assurance mechanisms and developing an integrated monitoring framework. These changes will support a more consistent, evidence-based approach to quality management and continuous improvement across the organisation.

Building specialist teaching capability

We expanded teaching capability through the Adult Literacy and Numeracy Teaching (ALaNT) Program and the Diploma of Adult Education, helping educators develop specialist skills and respond to the changing needs of students.

Supported through the National Skills Agreement, these programs help address workforce shortages in adult literacy and numeracy education while building teaching capability across TAFE NSW.

During 2025-26, 46 teachers and education support staff enrolled in the ALaNT Program, building specialist expertise in literacy, numeracy and vocational education. Participants represented five faculties and 32 campuses across NSW.

The Diploma of Adult Education continued to support current and aspiring educational leaders to strengthen their expertise in teaching, mentoring, educational design and leadership. This year, 109 new participants commenced the program, while earlier cohorts progressed through the qualification, with 57 graduating and a further 38 continued their studies.

In addition, we introduced an Instructional and Assessment Design microcredential, with 40 participants enrolling during its first year.

Together, these programs are helping build a skilled and capable teaching workforce, ensuring students continue to receive high-quality education and training across NSW.

Strengthening industry-connected teaching

We launched the Industry Accelerator initiative to help teachers build their understanding of current industry practices and strengthen connections with employers.

The program provides teachers with opportunities to undertake industry placements in priority skills areas, helping ensure training remains aligned with evolving workforce needs and that students develop job-ready skills.

Following a pilot involving 34 advanced manufacturing teachers, the program expanded in June 2026 to include 50 teachers from digital, business and finance disciplines. Participants undertake up to 10 days in industry and share what they learn through professional development activities and communities of practice across TAFE NSW.

Supported by $2.8 million through the National Skills Agreement, the initiative is helping strengthen teaching capability, deepen industry engagement and ensure students benefit from contemporary, industry-informed training.

Building a stronger Aboriginal teaching workforce

A key achievement during the year was the 90% completion rate achieved by Aboriginal participants in the Paid to Learn teacher training program. The program supports experienced industry professionals to transition into teaching roles, helping grow Aboriginal representation within the teaching workforce and strengthen our cultural capability.

Case study: Award-winning course redesign

TAFE NSW received a Gold Australian Good Design Award in 2025 for its innovative redesign of the Certificate III in Business, one of the organisation's highest-enrolment courses.

The project brought together the Course Design team and the Digital, Business and Finance Faculty to create a more engaging and effective learning experience for students. Using a human-centred approach, the redesign was informed by feedback from students and teachers, classroom observations, and collaboration with industry partners.

The redesigned course streamlined learning and assessment activities, making it easier for students to navigate their studies while enabling teachers to provide more targeted support.

The project delivered improvements in student satisfaction and created a scalable approach to course design that can be applied across TAFE NSW. By bringing together teaching, design and industry expertise, the initiative is helping ensure training remains relevant, student-centred and aligned with workforce needs.

Infrastructure program

During 2025-26, we continued to invest in modern learning environments that help students develop the skills needed for work and further study.

Across NSW, campuses, specialist training facilities and industry-standard equipment were upgraded to provide students with access to contemporary learning spaces and technologies. These investments help ensure training reflects current industry practice and gives students hands-on experience in environments that mirror real workplaces.

From health and engineering to manufacturing, renewable energy and skilled trades, infrastructure projects supported high-quality training in priority industries and improved access to education in metropolitan, regional and remote communities.

By modernising facilities and equipment, we are creating better learning experiences for students and helping build the skilled workforce NSW needs for the future.

Case study: Investing in the future of skills on the Central Coast

During 2025-26, the NSW Government announced a $38.3 million investment to strengthen vocational education and training across the Central Coast.

The four-year program will modernise facilities and optimise training delivery across our campuses at Gosford, Ourimbah and Wyong. By upgrading learning environments and making better use of specialist facilities and equipment, the investment will improve the student experience and support high-quality, industry-relevant training.

The project will strengthen training in priority industries including health, engineering and manufacturing, helping students develop the skills needed for current and future jobs.

By aligning training infrastructure with workforce demand, the investment will help ensure Central Coast students continue to have access to local education pathways and career opportunities close to home.

Case study: Advancing maritime training in the Hunter

TAFE NSW strengthened maritime training in the Hunter through a $5.2 million NSW Government investment in new maritime simulator facilities at TAFE NSW Newcastle.

The advanced simulation suite provides students with realistic, industry-standard training environments that replicate different ship bridges and real-world operating conditions. Students can develop their skills in vessel manoeuvring, rough weather and emergency response scenarios before entering the workforce.

By providing access to contemporary training technology, TAFE NSW is helping prepare the next generation of maritime professionals while supporting workforce needs across the region and the broader maritime sector.

Case study: Purpose-built training facilities at TAFE NSW Kingscliff

During 2025-26, students began training in two new purpose-built facilities at TAFE NSW Kingscliff.

The new facilities provide students with access to contemporary learning environments, industry-standard equipment and enhanced opportunities for practical, hands-on learning across a range of study areas, including construction, electrotechnology, aviation, animal studies, horticulture and creative industries.

Designed to reflect real workplace environments, the facilities help students develop job-ready skills using the tools, technologies and equipment they are likely to encounter in industry.

By expanding access to high-quality training on the North Coast, the investment is helping prepare students for employment and further study while supporting the workforce needs of growing industries across the region.



Table 1: New and ongoing major works, 2025-26.

Project description	Location	Expenditure 1 July 2025 to 30 June 2026 ($'000 excl. GST)	Total cost to date ($'000 excl. GST)	Start (calendar year)	Completion date (actual or estimated)	Details of any significant delays or amendments
Bankstown Relocation	Bankstown, Padstow, Lidcombe	$82,962	$84,727	2025	September 2026	
Northern Rivers Reconstruction	Lismore, Wollongbar, Casino, Ballina	$302	$1,479	2024	June 2028	Works restarted following flood claim agreement in June 2026
Central Coast Delivery Approach	Gosford, Ourimbah, Wyong	$716	$716	2026	December 2028	
Orange Campus Modernisation & Trades Expansion	Orange	$573	$573	2025	April 2029	
Hornsby Carpentry & Electrotechnology Upgrade	Hornsby	$1,331	$1,331	2025	May 2027	
Coffs Harbour Delivery Approach	Coffs Harbour	$759	$25,236	2022	June 2027	
Kingswood Skills Relocation	Kingswood	$1,541	$1,541	2025	June 2026	
Muswellbrook Redevelopment Stage 3	Muswellbrook	$4,736	$4,736	2025	January 2027	

Project description	Location	Expenditure 1 July 2025 to 30 June 2026 ($'000 excl. GST)	Total cost to date ($'000 excl. GST)	Start (calendar year)	Completion date (actual or estimated)	Details of any significant delays or amendments
Moruya Nursing Facility & Student Amenity	Moruya	$1,646	$1,646	2025	June 2027	
Manufacturing Centres of Excellence	Tighes Hill, Wollongong, Wetherill Park	$5,928	$8,128	2024	May 2028	
St Leonards LED Wall	St Leonards	$3,003	$3,192	2024	April 2026	
Wollongong Grinding Room Upgrade	Wollongong	$143	$143	2025	January 2027	
Electric Vehicle Charging Stations	Various	$3,151	$3,749	2023	July 2026	
Primary Industries Centre –Agricultural Vehicle Shed	Wagga Wagga	$2,462	$2,462	2025	September 2026	
Covered Outdoor Learning Area and Grinding Room	Wetherill Park	$233	$233	2024	June 2026	
St George Creative Services	Petersham	$118	$118	2025	May 2027	
Asset Renewal Program	Various	$130,163	$444,808	2022	June 2029	
Digital Access Foundation	Various	$37,518	$110,429	2023	June 2029	
Wollongong Electrotechnology Upgrade	Wollongong	$794	$794	2025	June 2026	
Renewable Energy Training Facility - Wollongong Campus	Wollongong	$335	$1,645	2023	June 2026	

Management and accountability

Leadership and governance

The TAFE NSW management structure is determined by sections 11 to 14 of the *Technical and Further Education Commission Act 1990 (NSW)* (TAFE Act).

TAFE NSW Advisory Board

The TAFE Commission Board (TAFE NSW Board) is an advisory board established under the TAFE Act. The Minister appoints members of the TAFE NSW Board under section 11 of the TAFE Act.

The TAFE NSW Board bring extensive experience across industry, education, and community service, reinforcing TAFE NSW's commitment to delivering strong and sustainable outcomes.

The functions of the TAFE NSW Board are set out in section 12 of the TAFE Act. They include reviewing and making recommendations to the Minister on:

- policies related to the technical and further education services provided by TAFE NSW
- the efficiency and effectiveness of the operation and management of technical and further education services provided by TAFE NSW
- the relationship between TAFE NSW and other education sectors, including schools, higher education, and adult and community education.

Table 2: TAFE NSW Board members, 1 July 2025 to 30 June 2026.

Board member	Term of appointment	Positions held	Qualifications
Danny O'Connor	1 April 2021 to 31 December 2029	Chair	Graduate, Australian Institute of Company Directors Global Health Leadership Graduate, University of California, Berkeley Master of Social Policy, University of NSW Pharmacology postgraduate studies Bachelor of Social Studies (Honours), University of Sydney
Chloe Read	From 21 January 2025	Ex-Officio, Managing Director	Masters of Computing Masters of Ancient History and Classical Archaeology
Katrina Troughton	1 April 2021 - 31 December 2029	Deputy Chair	BSC/BComm with majors in Physiology, Pharmacology and Economics, Auckland University Diploma in Health Economics, University of Tromsø, Norway Diploma in Direct Marketing, NZ Direct Marketing Association Company Directors Course – Graduate of the Australian Institute of Company Directors course

Board member	Term of appointment	Positions held	Qualifications
Alison Mirams	1 June 2021 - 31 December 2029	Member	Graduate Diploma in Urban Estate Management, University of Technology Sydney Bachelor of Building (Construction Economics), University of Technology Sydney
Murat Dizdar	28 August 2023 - 27 August 2027	Ex-Officio, Department of Education	Bachelor of Education (Secondary Humanities) Adjunct Professor in the School of Education at Western Sydney University Australian Council of Educational Leaders (ACEL) NSW Fellowship ACEL National Fellowship Nanga Mai Department of Education NSW AECG Inc Partnership Award
Megan Callinan	20 May 2024 - 19 May 2028	Member	Executive Program for Nonprofit Leaders, Stanford University Master in Business Administration, Charles Sturt University Post Graduate Certificate in Management, Macquarie University Post Graduate Diploma in Education, Charles Sturt University Bachelor of Social Science, Charles Sturt University Australian Institute of Company, Directors Course, GAICD
Kurt Fearnley	20 May 2024 - 19 May 2028	Member	Bachelor of Education/Bachelor of Human Movement, Charles Sturt University Honorary Doctorate, Griffith University
Mary Ann O'Loughlin	20 May 2024 - 19 May 2028	Member	Bachelor of Arts (First Class Honours), University of Sydney Graduate Diploma in Economics, University of New England Graduate Member of the Company Directors Course (GAICD) National Fellow of the Institute of Public Administration Australia

Board member	Term of appointment	Positions held	Qualifications
Eva Hanly	20 May 2024 - 19 May 2028	Member	AICD Company Directors Course Australian Graduate School of Management Masters of Business Administration (with Distinction) UNSW, Double Degree in Civil/ Environmental Engineering (Honours) BA (International Relations / Public Policy)
Jason Ardler	11 August 2025 - 10 August 2028	Member	Bachelor of Economics (with Merit), University of NSW Global Alumni, Commonwealth Study Conference Leading Executives, NSW Leadership Academy Executive Certificate in Public Policy, Kennedy School, Harvard University
Fiona Braybrooks	1 January 2026 - 31 December 2027	Ex-Officio, TAFE NSW Teacher	Masters of Speech Pathology, Charles Sturt University TAEASS502 Design and Develop Assessment Tools (unit), TAFE NSW Masters in Applied Linguistics, Monash University TAE40110 Certificate IV in Training and Assessment, TIME Education and Training Graduate Diploma in English Language Teaching and Community Development, University of Canberra Bachelor of Arts / Bachelor of Science in Psychology, University of Canberra
Stuart McKinder	1 August 2023 - 31 December 2025	Ex-Officio, TAFE NSW Teacher	Certificate III in Metal Fabrication and Welding, TAE40116 Certificate III in Metal Fabrication and Welding Trade Certificate IV in Engineering Advanced Trades Industrial Engineering Certificate Numerous Training and Assessment Certificates Numerous Workplace Health and Safety Certificates

Board member	Term of appointment	Positions held	Qualifications
Adam Liaw	19 July 2021 - 18 July 2025	Member	Graduate Diploma in Legal Practice, Law Society of South Australia Bachelor of Laws (Honours), The University of Adelaide Bachelor of Science (Jurisprudence), The University of Adelaide South Australian Certificate of Education, Prince Alfred College
Dr Geoffrey Newcombe	19 July 2021 - 18 July 2025	Member	Company Directors Course, Australian Institute of Company Directors PhD in Financial Management in Education Master of Education Administration, University of NSW Professional upgrade program: Accrual, Accounting/Business Information Systems, Mitchell College Bathurst Diploma of Education, University of NSW Bachelor of Science, University of NSW

Table 3: TAFE NSW Board members' attendance from 1 July 2025 to 30 June 2026.

Board member	Eligible to attend	Attended
Danny O'Connor (Chair)	6	6
Chloe Read	6	6
Katrina Troughton	6	5
Alison Mirams	6	6
Murat Dizdar	6	3
Megan Callinan	6	5
Kurt Fearnley	6	6
Mary Ann O'Loughlin	6	5
Eva Hanly	6	6
Jason Ardler	6	5
Fiona Braybrooks	3	2
Stuart McKinder	3	3
Adam Liaw	0	0
Dr Geoffrey Newcombe	0	0

Note: Under clause 11, Schedule 1 of the TAFE Act, the quorum for a TAFE NSW Board meeting is seven members.



Senior executives

Table 4: The Managing Director and senior executives directly reporting to the Managing Director as of 30 June 2025 and 2026.

	2025		2026	
Band	Female	Male	Female	Male
Band 4 or equivalent	N/A	N/A	N/A	N/A
Band 3 or equivalent	2	1	2	1
Band 2 or equivalent	5	N/A	4	1
Band 1 or equivalent	N/A	N/A	N/A	N/A
Total	7	1	6	2

Table 5: Average remuneration by Band, including the Managing Director and senior executives directly reporting to the Managing Director, as of 30 June 2025 and 2026.

Band	Range	2025	Range	2026
Band 4 or equivalent	N/A	N/A	N/A	N/A
Band 3 or equivalent	361,301 - 509,250	419,120	373,951-527,050	$446,262
Band 2 or equivalent	287,201 - 361,300	336,141	297,251-373,950	$348,741
Band 1 or equivalent	N/A	N/A	N/A	N/A





Our people

A skilled and dedicated workforce is essential to delivering positive outcomes for students, industry and communities.

As of 30 June 2026, TAFE NSW employed 11,230 full-time equivalent employees, including 5,964 teachers who deliver training and support students across the state.

Building a stable and sustainable workforce remained a key priority throughout the year. We continued to move eligible casual employees into permanent roles in line with the Australian Government's Closing Loopholes reforms. These efforts provided greater job security for employees and strengthened our ability to deliver high-quality education and training across the state.

During the year, 687 employees moved into permanent employment, including 552 teachers. Teaching staff made up 80% of all conversions, helping to provide greater continuity in classrooms and learning environments. A more stable workforce supports the retention of experienced employees and ensures students benefit from high-quality learning experiences and support.

Table 6: Number of full-time equivalent employees, 2023-2026.

Service group	2023	2024	2025	2026
Teachers	5,992	6,299	6,122	5,963
Support services, including educational support	4,849	5,448	5,238	5,266
Total	10,841	11,747	11,360	11,229





Table 7: Number of full-time equivalent teachers by employment type, 2023-2026.

Service group	2023	2024	2025	2026
Permanent full-time	2,972	3,436	4,244	4,246
Permanent part-time	124	202	1,062	1,256
Temporary full-time	343	331	67	57
Temporary part-time	40	53	28	31
Casual	2,514	2,278	722	373
Total	5,993	6,300	6,123	5,963

Notes: Full-time equivalent includes all permanent, temporary, and casual employees active during the census period, which occurs in the last month in the financial year (June month average of hours worked and paid). Due to rounding, the figures may not add up to the totals shown.

Table 8: Total headcount of active employees, 2023-2026.

Service group	2023	2024	2025	2026
Teachers	8,458	8,822	8,257	7,819
Support services, including educational support	5,591	6,400	6,203	6,041
Total	13,835	15,002	14,294	13,760

Note: Due to staff being concurrently employed, figures do not add up to the totals shown.

Service group categories:

- Teachers – includes head teachers, teachers, assessors, education support officers, and disability teacher consultants.
- Support services – includes specialised disability support, class support, librarians, student services – as well as other support functions such as facilities management, finance, human resources, IT and legal.

Consultants

Table 9: Consultants engaged costing equal to or greater than $50,000, 2025-26.

Name of consultant	Project title	Purpose of consultancy	Spend in financial year ($) incl. GST
NorthPoint Consulting Group Pty Ltd	Strategic assessment and business case demonstrating the feasibility of transitioning to Managed Services (Devices EUC)	Management Services	$372,952
NorthPoint Consulting Group Pty Ltd	Assess End User Computing (EUC) readiness for managed services and define a clear target operating model	Management Services	$94,023
Sekuro Operations Pty Ltd	Zero Trust Architecture roadmap, implementation plan and business case for strategy review and refresh	Management Services	$219,296

There were no consultants costing less than $50,000 engaged by TAFE NSW during 2025-26.

International travel

The following table lists the international travel by employees during 2025-26.

Table 10: Number and purpose of international visits, 2025-26.

Purpose of visit	Description	Number of visits
Conferences and professional development	Attended and/or presented at conferences or participated in study tours (includes international competitions, such as WorldSkills)	10
Educational exports	Managed partnerships, contracts, programs, quality assurance, or assessment of students	13
Exchange programs	Involved in a professional or teacher exchange program	0
International student recruitment	Recruited inbound full-fee-paying international students to TAFE NSW	15
Marketing development and client engagement	International marketing purposes, development of business relationships, or engagement with clients	3
Professional scholarship programs	Staff members awarded scholarships to further their professional skills and knowledge	0
Student excursions	Staff members accompanied students on excursions to increase cultural understanding or attend commemoration ceremonies	0

Personnel services

During the year, TAFE NSW provided specialist organisational design, change management and program management services to SafeWork NSW through the Expert Advisory Network.

From January to June 2026, teams within the Workforce Culture, Capability and Change department delivered the SafeWork Operating Model Design project. The project was primarily led by the Organisational Design and Change Team and the Program Management Team.

Key activities included:

- facilitating workshops and discovery sessions with executive leaders and stakeholders to shape the program of work
- providing project management expertise to support the establishment of a new Psychosocial Advisory Service
- supporting project delivery through planning, coordination, issue resolution and progress monitoring.

The project resulted in a clear future-state operating model and implementation roadmap to help SafeWork NSW align its structure, governance and workforce capabilities to support its strategic priorities.

Legislation and legal change

The Minister for Skills, TAFE and Tertiary Education is responsible for administering the legislation that applies to TAFE NSW:

- *Technical and Further Education Commission Act 1990* (NSW)
- *Technical Education Trust Funds Act 1967* (NSW)

There were no legislative changes or judicial decisions during 2025-26 that had a material impact on TAFE NSW's operation.

Privacy and personal information

We are committed to protecting the personal information of our students, employees, service providers and other stakeholders.

Personal and health information is managed in line with the *Privacy and Personal Information Protection Act 1998 (NSW)* (PPIP Act), the *Health Records and Information Privacy Act 2002 (NSW)* (HRIP Act) and, where applicable, the *Privacy Act 1988 (Cth)*. Our Privacy Policy and Privacy Management Plan outline how personal and health information is collected, used, stored and protected, including processes for managing data breaches. These documents are available on the TAFE NSW website.

Privacy internal reviews

During 2025-26, TAFE NSW received four applications for internal review under section 53 of the PPIP Act.

External reviews by NSW Civil and Administrative Tribunal

During 2025-26, two applications were made to the NSW Civil and Administrative Tribunal (NCAT) for administrative review under section 55 of the PPIP Act.

Privacy training

All our employees are required to complete mandatory privacy training as part of their core annual learning program. The training covers the appropriate collection, use, storage and disclosure of personal information, as well as recognising and responding to privacy breaches and protecting information throughout its lifecycle.

Privacy awareness was also reinforced through leader-led toolbox talks in June 2026. Led by senior leaders, these sessions explored how to manage personal information appropriately, identify privacy risks, respond to potential breaches and strengthen accountability across the organisation.

More than 3,200 employees attended across six sessions, which provided practical guidance, organisational updates and opportunities to discuss privacy challenges and share insights to support good privacy practices.

PO Box 707
Broadway NSW 2007
tafensw.edu.au

Cyber Security Annual Attestation Statement for the 2025-26 Financial Year for TAFE NSW

In accordance with the requirements of the NSW Government Cyber Security Policy (CSP), I, Chloe Read, Managing Director of TAFE NSW, am of the opinion that TAFE NSW has completed an assurance assessment and is managing cyber security risks in a manner consistent with the mandatory requirements set out in the CSP.

TAFE NSW continues to strengthen its cyber risk management processes and operational practices to ensure effective protection of information and services. Risks to the information assets and systems of TAFE NSW have been identified, assessed, and are being managed within the resource capacity of the organisation. TAFE NSW currently has high rated residual risks that exceed the agency's risk appetite, and these will be reported in accordance with the requirements of the NSW Cyber Security Policy.

Robust governance arrangements are in place to oversee cyber security maturity and uplift initiatives, including the implementation of the ACSC Essential Eight. Internal and external audits have been conducted to provide assurance on the effectiveness of controls, system integrity, and the adequacy of processes. Improvement opportunities identified through these reviews are actively addressed through established governance channels.

TAFE NSW maintains an appropriately designed and tested Cyber Incident Response Plan. This plan has been exercised both logically and technically during the reporting period, ensuring alignment with business continuity planning and providing coverage across technical, operational, and executive domains.

Further, TAFE NSW operates an Information Security Management System (ISMS) certified against ISO/IEC 27001:2022, reflecting the organisation's commitment to best practice in information security management.

To support continuous improvement of cyber security governance and resilience, TAFE NSW has undertaken the following actions:

- The Audit and Risk Committee (ARC) receives regular reports on cyber security posture and risk management.
- The Executive Leadership Team (ELT) maintains oversight of cyber security across Information Technology, Operational Technology, and Internet of Things (IoT) environments.
- The Chief Information Security Officer (CISO) provides regular updates to the ARC and ELT on compliance with the NSW CSP, the management of emerging risks, and progress against remediation plans.
- Cyber security culture uplift initiatives continue to be delivered across the organisation, engaging partners, staff, executives and students.
- Compliance with the Payment Card Industry Data Security Standard (PCI DSS) has been strengthened through enhanced controls and improved processes for handling cardholder data.
- Regular daily backups, cyber security response exercises, and disaster recovery testing are conducted to maintain and enhance cyber resilience.

- A multi-year program is in progress to reduce data security risk and further strengthen protective capabilities.

I confirm that TAFE NSW remains committed to continuous improvement in cyber security governance, resilience, and compliance with the NSW Government Cyber Security Policy.

Yours sincerely



Chloe Read
Managing Director
TAFE NSW

Proactive release of information

We are committed to being open, transparent and accountable. By making information easy to access, we help students, industry, communities and stakeholders stay informed about our services, decisions and performance.

Throughout the year, we proactively published a wide range of information on our website. This included strategic plans, annual reports, policies, governance information and updates on our services and operations. Information was also made available to help students, employers and industry partners better understand and engage with TAFE NSW programs and training opportunities.

Making information publicly available supports the objectives of the *Government Information (Public Access) Act 2009* (GIPA Act). It improves access to government information, reduces the need for formal information requests and helps build public trust in our work.

During 2025-26, TAFE NSW received 121 formal access applications under section 9 of the GIPA Act. This figure:

- includes 12 applications that were later withdrawn;
- includes three applications that remained open as at 30 June 2026 and were carried forward into the 2026-27 reporting period; and
- excludes 40 applications that were found to be invalid.

One application was refused in full under section 60(1)(e) of the GIPA Act.

TAFE NSW also responded to 62 requests for information through the informal release pathway under section 8 of the GIPA Act.

Table 11: Number of access applications by type of applicant and outcome, 2025-26.

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refusal to deal with application	Refusal to confirm or deny whether information is held	Withdrawn	Invalid
Media	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0
Private sector business	9	1	1	0	0	0	0	2	2
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	66	18	0	3	0	0	0	4	29
Members of the public (other)	2	2	1	2	0	1	0	6	9
Total	77	21	2	5	0	1	0	12	40

Note: More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 12.

Table 12: Number of access applications by type of application and outcome, 2025-26.

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refusal to deal with application	Refusal to confirm or deny whether information is held	Withdrawn	Invalid
Personal information applications*	76	19	2	3	0	0	0	12	38
Access applications (other than personal information applications)	0	0	0	2	0	0	0	0	1
Access applications that are partly personal information applications and partly other	1	2	0	0	0	1	0	0	1
Total	77	21	2	5	0	1	0	12	40

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 of GIPA) about the applicant (the applicant being an individual).

Table 13: Invalid applications, 2025-26.

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the GIPA Act)	40
Application is for excluded information of the agency (section 43 of the GIPA Act)	0
Application contravenes restraint order (section 110 of the GIPA Act)	0
Total number of invalid applications received	91
Invalid applications that subsequently became valid applications	51

Table 14: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, 2025-26.

	No. of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Excluded information	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (Authorised Transactions) Act 2015 (NSW)	0
Information about authorised transaction under Land and Property Information NSW (Authorised Transaction) Act 2016 (NSW)	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table 15.

Table 15: Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act.

	Number of occasions applicant not successful
Responsible and effective government (1)	0
Law enforcement and security (2)	0
Individual rights, judicial processes and natural justice (3)	21
Business interests of agencies and other persons (4)	0
Environment, culture, economy and general matters (5)	0
Secrecy provisions (6)	0
Exempt documents under interstate Freedom of Information legislation (7)	0

Table 16: Timeliness, 2025-26.

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	97
Decided after 35 days (by agreement with applicant)	6
Not decided within timeframe (deemed refusal)	3
Total	106

Table 17: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome), 2025-26.

	Decision varied	Decision upheld	Total
Internal review			0
Review by Information Commissioner*			0
Internal review following recommendation under section 93 of the GIPA Act			0
Review by NSW Civil and Administrative Tribunal			0
Total			0

* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision maker.

Table 18: Applications for review under Part 5 of the GIPA Act (by type of applicant), 2025-26.

	No. of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of the access application relates (see section 54 of the GIPA Act)	0

Table 19: Applications transferred to other agencies under Division 2 of Part 4 of the GIPA Act (by type of transfer), 2025-26.

	No. of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0





Public Interest Disclosures Act 2022 (NSW)

TAFE NSW is committed to building a culture where employees feel confident to speak up about wrongdoing and know their concerns will be taken seriously. During the year, we continued to strengthen awareness of employee responsibilities and reporting pathways under the *Public Interest Disclosures Act 2022 (NSW)*.

We maintain a Public Interest Disclosure Internal Reporting Policy and Public Interest Disclosure Reporting to support the reporting and management of public interest disclosures.

To support a strong culture of integrity and accountability, we:

- launched our first Integrity Week in September 2025 to promote a culture of speaking up and listening up
- provided training delivered by the NSW Independent Commission Against Corruption (ICAC)
- promoted the NSW Ombudsman's Public Interest Disclosure Awareness Week and shared resources across the organisation
- encouraged leaders and teams to participate in the NSW Public Service Commission's Values Week 2025
- trained around 1,350 employees as Public Interest Disclosure Officers to receive and manage public interest disclosures
- achieved 93% completion of mandatory fraud and corruption prevention training, which includes information on making and handling public interest disclosures
- launched a strategic integrity communications campaign to increase awareness of speaking up responsibilities and promote a culture of integrity.

These activities helped strengthen understanding of reporting obligations, build employee confidence in reporting processes and support a workplace culture based on integrity, accountability and trust.

In line with the *Public Interest Disclosures Act 2022*, TAFE NSW reports information about voluntary public interest disclosures (PIDs) received and how they were managed to the NSW Ombudsman each year. TAFE NSW also reports on actions taken to encourage a workplace culture where staff feel supported to make public interest disclosures.





Risk management and insurance activities

Risk management

Effective risk management helps us deliver high-quality education and training while supporting the needs of students, industry and communities.

We maintain an enterprise-wide risk management policy to identify, assess and manage risks across the organisation. The policy is aligned with recognised industry standards and NSW Government requirements and is integrated into key business processes.

Throughout the year, risk registers were regularly reviewed and updated across areas including information security, financial sustainability, asset management, safety and wellbeing, and major change programs. Key enterprise risks were monitored by the Executive Leadership Team, with independent oversight provided by the Audit and Risk Committee.

We continued to strengthen our approach to risk management by:

- increasing risk awareness across the organisation
- improving risk reporting to support transparency and accountability
- embedding risk assessment tools into projects, procurement, compliance activities, operations and strategic decision-making.

This approach helps us make informed decisions, respond to emerging challenges and support the long-term success of the organisation.

During 2025-26, we also refreshed our Risk Appetite Statement to strengthen its approach to managing climate-related risks and support climate resilience and adaptation across the organisation.

Insurance

TAFE NSW is a member of the NSW Treasury Managed Fund Scheme that provides a broad range of insurance cover for NSW Government agencies.

The Treasury Managed Fund provides broad protection for asset and liability exposures including:

- workers compensation claims for TAFE NSW employees in accordance with NSW legislation
- loss or damage to buildings, equipment, contents and motor vehicles
- liability risks, including public liability, product liability and professional indemnity
- other activities, including volunteer programs, student work placements and work experience, and international travel.

This coverage helps protect our people, assets and operations, supporting the continued delivery of services to students and communities across NSW.

Internal Audit and Risk Management Attestation Statement for the 2025–26 Financial Year for the NSW Technical and Further Education Commission

I, Chloe Read, am of the opinion that the NSW Technical and Further Education Commission has internal audit and risk management processes in operation that are compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		Compliant or Non–Compliant
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2018	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	Efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations have been established and maintained	Compliant
3.2	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The independent chair and members of the Audit and Risk Committee are:

- Independent Chair, Loretta Di Mento, appointed July 2024, term expires June 2027 (appointed Member July 2021)
- Independent Member, Malcolm Clinch, appointed March 2024, term expires February 2027
- Independent Member, Sally Pearce, appointed March 2024, term expires February 2027



Chloe Read
Managing Director
NSW Technical and Further Education Commission
2 September 2026

DOC26/40519





Sustainability

TAFE NSW Sustainability Strategy 2030

We are committed to reducing our environmental impact and supporting a more sustainable future for students, industry and communities.

To mark World Environment Day 2026, we launched its Environmental Sustainability Action Plan 2026-2030, setting out a roadmap to reduce emissions, strengthen climate resilience and embed sustainability across operations and learning environments.

During the year, we continued to deliver initiatives that improve energy efficiency and reduce resource use. These included energy-efficient lighting upgrades, the installation of solar photovoltaic systems, and a new remote monitoring system to track energy and water consumption across campuses.

We also launched a Food Waste Sustainability Microskill, funded by the NSW Environment Protection Authority (EPA), to help hospitality and food handling professionals reduce food waste and prepare for the NSW Government's Food Organics and Garden Organics (FOGO) requirements. A FOGO pilot program was also completed at the Ultimo, Ryde and Wollongbar campuses.

Our commitment to sustainability was recognised through the Creating Impact Award at the Green Gown Awards Australasia 2025 for its Sustainability Library Hub Pilot Project, which transformed library spaces across eight campuses into hubs for environmental learning and engagement.

Climate-related financial disclosures

We continued to strengthen our response to climate change during 2025-26 by improving climate risk management, embedding sustainability into planning and decision-making, and progressing actions to reduce emissions and build organisational resilience.

Key climate-related risks include extreme weather events, impacts to campus operations and infrastructure, rising operating costs, and changing workforce and training needs. We have adopted emissions reduction targets aligned with NSW Government policy, including a 50% reduction in emissions by 2030, 70% by 2035 and net zero emissions by 2050. During the year, we reduced our direct and energy related greenhouse gas emissions (Scope 1 and 2) by 36% compared with its 2018-19 baseline.

Further information is provided in the Climate-related Financial Disclosures Report 2025-26 found in the appendices at the back of this document. The report outlines our governance, risk management approach, strategy, climate-related risks and opportunities, and progress against emissions reduction targets.

Our diverse workforce

Building a diverse, inclusive and culturally safe workplace helps TAFE NSW better reflect and support the communities it serves.

During 2025-26, we strengthened our approach to diversity and inclusion by embedding initiatives across business units and assigning responsibility for delivery to executive leaders. More than 150 diversity and inclusion actions were incorporated into business planning, strengthening accountability and supporting long-term organisational change.

Gender equity

The TAFE NSW Gender Equity Action Plan 2025-2028 supports the NSW Government's commitment to gender equity and aims to remove gender-based barriers for people of all genders.

Women represented almost 63% of our workforce during the year and a small proportion of employees chose other gender or preferred not to say.

Key initiatives included:

- **International Women's Day** was marked with a virtual all-staff event themed Balance the Scales, which explored practical ways to advance gender equity, inclusion and belonging across TAFE NSW and the communities we serve.
- **Leadership capability development** was delivered in partnership with Our Watch including a Respect Week session, a prevention workshop and participation in a national community of practice to strengthen understanding of the prevention of gender-based violence.
- **The Women@Work employee network** was established to support connection, mentoring and career development opportunities for women across the organisation.

Aboriginal and Torres Strait Islander employees

We achieved an important milestone in 2025-26, with Aboriginal employees representing more than 3% of the workforce.

The Aboriginal Employment Strategy continued to support the recruitment, retention and career development of Aboriginal employees. During the year, seven Aboriginal industry professionals joined the Paid to Learn program, bringing the total number of Aboriginal teacher trainees recruited through the program to 43 over the past four years.

We also strengthened our approach to Aboriginal employment by tailoring recruitment activities and employment targets to local community and workforce needs across NSW. This helped ensure opportunities were relevant to the diverse Aboriginal communities we serve.

Promoting career opportunities through Aboriginal-focused channels increased awareness of employment pathways at TAFE NSW and contributed to a rise in candidate interest and applications of up to 40%.

Aboriginal employment initiatives were further embedded into recruitment processes across the organisation, supported by improved reporting and performance monitoring. Together, these efforts are helping to build a stronger, more sustainable and culturally inclusive workforce that reflects the communities we serve.

Case study: Paid to Learn contribution to Aboriginal employment

The Paid to Learn program is also strengthening the diversity of our teaching workforce, helping to create a more inclusive and representative organisation. Of the two cohorts who completed the program during the year, those who identified as Aboriginal and/or Torres Strait Islander achieved a completion rate of 80%. These graduates - eight of the 73 scholars overall (11%) - will teach at seven TAFE NSW campuses across the state.

This strong result demonstrates that centring Aboriginal ways of working improves outcomes, strengthens systems, and sets Aboriginal excellence as the standard. The Paid to Learn Project Team has carefully incorporated culturally responsive support into the training over time, through close collaboration with our Aboriginal Employment Team. This year's participants were connected to Aboriginal-identified support services and received cultural, professional, and peer support through regular yarning circles and initiatives that promoted wellbeing and learning success. The program also supported scholars participating in local training and professional development days, to assist their work in community upon graduation.

The success of initiatives such as Paid to Learn has contributed to Aboriginal and/or Torres Strait Islander representation across our workforce surpassing 3% in 2025–26. This figure has more than doubled over the past five years.

Innovate Reconciliation Action Plan

During National Reconciliation Week, we launched our Innovate Reconciliation Action Plan 2026-2028. The plan builds on previous reconciliation efforts and provides a clear framework for strengthening relationships, creating opportunities and supporting culturally safe learning and working environments.

The plan was shaped through extensive consultation with employees across the organisation. Almost 200 employees participated in workshops and feedback sessions, helping to ensure the plan reflects a broad range of perspectives and experiences.

The Innovate Reconciliation Action Plan 2026-2028 supports our broader commitments, including Closing the Gap. It focuses on respecting culture and Country, supporting Aboriginal-led decision-making, strengthening community partnerships, improving employment and procurement opportunities, and helping more Aboriginal and/or Torres Strait Islander students succeed.

The launch formed part of the 2026 Gili Awards, which celebrated the achievements of Aboriginal students, employees and community partners. Now in its 36th year, the awards continue to recognise excellence and contribution across TAFE NSW communities.

To mark National Reconciliation Week, we also hosted a virtual all-staff event attended by more than 1,200 employees. Guided by the theme All In, the event encouraged employees to play an active role in advancing reconciliation and building a more inclusive future for all.

Closing the Gap Action Plan

We continued to implement our Closing the Gap Action Plan 2025-2028, moving from planning into action during 2025-26. The focus was on turning commitments into practical initiatives that support better outcomes for Aboriginal and Torres Strait Islander peoples across education, employment and community partnerships.

Key achievements included finalising the NSW Aboriginal Education Consultative Group (AECG) Partnership Agreement, progressing joint plans for the Aboriginal Student Voice Symposium, strengthening accountability for Closing the Gap outcomes across the organisation, and expanding collaboration with Aboriginal Affairs NSW on Truth and Healing initiatives.

Closing the Gap remained a shared responsibility across TAFE NSW, with leaders across the organisation working together to embed priorities into planning, decision-making and initiatives that support better outcomes for Aboriginal peoples.

We also continued our work on Truth and Healing in partnership with Aboriginal Affairs NSW. Throughout the year, opportunities were identified to strengthen cultural knowledge and recordkeeping practices, improve community access to TAFE NSW facilities, and further support culturally informed approaches to decision-making, employee wellbeing and workplace practices.

These initiatives reflect our ongoing commitment to working in partnership with Aboriginal and Torres Strait Islander communities to create meaningful and lasting change.

Employees with disability

As part of Disability Pride Month, we launched our Disability Inclusion Action Plan 2025-2029, setting out a roadmap to create a more accessible, inclusive and welcoming organisation for students, employees and communities.

The plan was developed through consultation with students, employees and community members, ensuring people with lived experience helped shape future priorities and actions. More than 75 people participated in workshops and consultation activities, with at least half sharing their lived experience of disability. The plan supports our commitment to providing inclusive learning and employment opportunities and delivering a culture where everyone feels valued and able to participate fully.

With 4.3% of employees and 16% of students identifying as living with disability, we recognise the importance of creating accessible and inclusive learning and working environments that enable everyone to succeed.

Key initiatives during the year included:

- expanding the TAFE NSW image library to include more representation of people with disability. New images featuring students, employees and community members are now used across websites, recruitment materials, social media and other communications.
- participating in the public sector Disability Data Uplift and 2026 Workforce Census Campaign. As a result, recorded disability representation in the workforce increased from 2.7% in April to 4.3% in June, bringing us closer to the NSW public sector target of 5.6%.
- delivering initiatives such as Disability Pride Month events and accessibility roundtables, which helped build awareness, strengthen inclusion and support more accessible ways of working across the organisation.

These initiatives reflect our ongoing commitment to creating an environment where people with disability feel supported, respected and empowered to achieve their goals.

Culturally and linguistically diverse employees

In September 2025, we launched our Multicultural Plan 2025-2028, reaffirming our commitment to creating an organisation that reflects, values and supports the cultural diversity of the communities we serve.

The plan provides a framework for strengthening inclusion and participation across TAFE NSW and supports fair and positive outcomes for students and employees from multicultural backgrounds. In 2025-26, 23% of students and 13.6% of employees identified as being from culturally and linguistically diverse backgrounds, including 19% of leaders.

Developed through consultation with stakeholders across the organisation, the plan focuses on advancing inclusive education, equitable employment opportunities and culturally responsive practices. By building cultural capability and promoting greater understanding of multicultural perspectives, we are helping create an environment where people from all backgrounds feel valued, respected and able to thrive.

Key initiatives during the year included:

- launching the Multicultural Plan through an all-staff event attended by more than 1,600 employees, highlighting practical ways to strengthen inclusion and remove barriers for culturally and linguistically diverse communities
- delivering five virtual cultural safety sessions to more than 2,700 employees, creating opportunities to learn, share perspectives and build cultural understanding across the organisation
- developing the Everyone Belongs campaign, including campus posters and student orientation materials, to promote inclusion and a sense of belonging
- marking Refugee Week with a virtual event attended by more than 800 employees, where migrant and refugee students, employees and guest speakers shared their experiences and perspectives.

These initiatives are helping to build a more inclusive workplace and learning environment where diversity is valued and everyone has the opportunity to succeed.

LGBTIQA+ employees

We are committed to creating an inclusive environment where LGBTIQA+ students and employees feel safe, respected and supported.

In 2025-26, we launched our first LGBTIQA+ Action Plan 2026-2028. Developed in consultation with employees, students and community members, the plan provides a clear roadmap to strengthen inclusion and ensure everyone can participate fully and equitably in work and learning.

The plan focuses on four key areas:

- **Equality and Safety** - creating inclusive policies, systems and spaces
- **Visible, Thriving Communities** - ensuring LGBTIQA+ voices are heard through training, engagement and feedback opportunities
- **Equitable and Accessible Services** - improving access to inclusive processes, services and support
- **Pride and Culture** - celebrating diversity through representation, allyship, events and community connection.

The plan was informed by consultation activities that brought together students, employees, leaders and employee network representatives to share experiences, identify barriers and highlight opportunities to strengthen inclusion across TAFE NSW.

A key milestone during the year was our participation in the Sydney Mardi Gras Parade, where more than 40 students and employees marched alongside the Bloomin' Pride float, designed and built by students completing the Certificate III, Certificate IV and Diploma in Live Production and Technical Services. We also participated in the Sydney Mardi Gras Fair Day, helping to celebrate diversity, strengthen community connections and showcase the talent of our students.

These initiatives reflect our ongoing commitment to ensuring a culture of belonging where people of all sexual orientations, gender identities and sex characteristics feel valued, respected and empowered to succeed.

Table 20: Trends in the representation of workforce diversity groups, 2022-2026.

Workforce diversity group	Target	2022-23	2023-24	2024-25	2025-26
Female employees	50.0%	62.8%	62.3%	62.6%	62.5%
Aboriginal and Torres Strait Islander peoples	3.0%	2.2%	2.4%	2.8%	3.1%
People whose first language spoken as a child was not English	23.2%	10.4%	10.0%	10.2%	13.6%
People with disability	5.6%	2.4%	2.3%	2.5%	4.3%
People with disability requiring work-related adjustment	N/A	1%	1%	1%	1.7%

Table 21: Trends in the distribution of workforce diversity groups, 2022-2026.

Workforce diversity group	Target	2022	2023	2024	2025	2026
Female employees	100	91	91	92	92	94
Aboriginal and Torres Strait Islander peoples	100	98	100	99	99	98
People whose first language spoken as a child was not English	100	93	98	100	100	99
People with disability	100	97	102	102	101	101
People with disability requiring work-related adjustment	100	97	102	102	102	100

Source: NSW Public Sector Workforce Profile as of 30 June each year.

Notes:

- Data on the reported numbers of employees who are Aboriginal, whose first language spoken as a child was not English, or who have disability was obtained by self-disclosure, therefore may be an underrepresentation of the actual number.
- A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
- The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.





Workplace health and safety

The health, safety and wellbeing of students, employees, contractors and visitors remained a priority throughout 2025-26. Through our Work Health and Safety Improvement Plan, we continued to strengthen safety culture, risk management, compliance and wellbeing across the organisation.

Our workplace health and safety framework supported the identification and management of risks through hazard and incident reporting, workplace inspections, risk assessments, injury management and return to work programs, emergency preparedness activities, and employee training.

During the year, we recorded a reduction in total reported incidents compared with the previous year, while continuing to promote the reporting of workplace hazards and incidents. Physical hazards remained the most commonly reported category, with sharp tools and objects the leading cause of injury. Work pressure remained the most significant psychosocial hazard reported by employees.

We strengthened our management of workplace exposure risks through the Workplace Exposures Program, which focused on reviewing controls and improving oversight of exposure risks across the organisation.

The management of plant and equipment risks was also enhanced through improved governance, stronger asset oversight and organisation-wide risk assessments. These initiatives supported safer learning and working environments across TAFE NSW campuses.

Further work was undertaken to strengthen the management of psychosocial risks, including initiatives focused on workload pressures, exposure to traumatic events, role conflict and organisational change.

Employee wellbeing

We continued to invest in employee wellbeing through initiatives designed to support resilience, performance, connection and psychological safety. In recognition of these efforts, our wellbeing program received the 2025 Australian HR Award for Best Health and Wellbeing Program.

From Semester 1 2026, a series of virtual Staff Toolbox Talks provided practical information and resources on important workplace topics. More than 2,700 employees attended cultural safety sessions in Term 1, while privacy-focused sessions in Term 2 attracted more than 3,200 participants. The sessions gave leaders an opportunity to share information and resources, while employees could ask questions, share insights and build confidence, helping strengthen collaboration, trust and accountability across TAFE NSW.

The annual Wellbeing Support Days program, which incorporated R U OK? Day activities, attracted more than 4,300 attendances across 62 wellbeing sessions. Participants reported strong outcomes, with 96% saying the program had a positive impact on their wellbeing and workplace performance.

The Wellbeing Wednesday program delivered 27 interactive sessions focused on mental, physical, social and spiritual wellbeing. Participation increased by 15% to 4,425 attendees, with 99% reporting they could apply what they learned to improve their wellbeing and performance at work.

We also continued our Move and Fun program, delivering 235 online sessions that encouraged movement, connection and self-care. Membership increased by 24% to 827 employees.

New initiatives included the Resilience Blueprint program, which provided practical strategies to help employees manage stress, build resilience and prevent burnout. The program reached 365 employees, with 96% reporting increased confidence in managing stress and maintaining wellbeing.

The Gearing Up for Team Performance program supported leaders to better manage workload pressures and psychosocial risks within their teams. More than 200 leaders participated and reported increased confidence in supporting team wellbeing and performance.

We also delivered a month-long domestic and family violence awareness campaign in November 2025, with more than 650 participants attending specialist sessions and leadership training – a 77% increase from the previous year.

To further support mental health and psychological safety, 93 targeted training sessions were delivered to more than 1,500 employees. Programs included Mental Health First Aid, Accidental Counsellor and Leading Psychosocial Safety, helping employees and leaders build the skills and confidence to support wellbeing in the workplace.

Table 22: Number of prosecutions and notifiable incidents to SafeWork NSW under the *WHS Act*, 2025 and 2026.

	2024-25	2025-26
Total number of prosecutions under the WHS Act	0	0
Total number of notifiable incidents to SafeWork NSW under the WHS Act	69	84

Table 23: Number and type of reportable workers compensation claims, 2025 and 2026.

	2024-25	2025-26
Total number of reportable claims	347	319
• Physical claims	224	218
• Psychological claims	123	101





Modern slavery statement

We are committed to protecting human rights and promoting ethical business practices across our operations and supply chains.

During 2025-26, we continued to strengthen our approach to identifying, assessing and managing modern slavery risks in line with the *Modern Slavery Act 2018 (NSW)*. This work supports responsible procurement practices and helps ensure the goods and services we purchase are sourced ethically.

During the year, we procured more than $650 million in goods and services across a range of categories, including information technology, construction, facilities management and teaching resources. Procurement categories were assessed for modern slavery risk, with additional due diligence applied to higher-risk areas.

Key initiatives included:

- **Strengthening procurement processes** by enhancing documentation and assessment processes to improve the identification and management of modern slavery risks throughout the procurement lifecycle.
- **Improving supply chain oversight** through continued engagement with suppliers and enhancements to procurement systems that support the monitoring and reporting of modern slavery risks.
- **Building capability and awareness** by delivering targeted training and guidance to employees involved in procurement and contract management activities.
- **Strengthening governance** through the establishment of a dedicated Social Procurement Manager role to provide specialist advice and support responsible procurement practices.
- **Working collaboratively** with NSW Government agencies, suppliers and industry partners to strengthen approaches to addressing modern slavery risks.

We also continued to contribute to whole-of-government efforts to address modern slavery through participation in the NSW Government Modern Slavery Taskforce.

During the reporting period, the NSW Anti-slavery Commissioner did not raise any significant modern slavery concerns directly with TAFE NSW.

We remain committed to continuously improving our approach to identifying, preventing and addressing modern slavery risks across its operations and supply chains.

Further information on our approach to identifying, preventing and addressing modern slavery risks can be found at tafensw.edu.au.

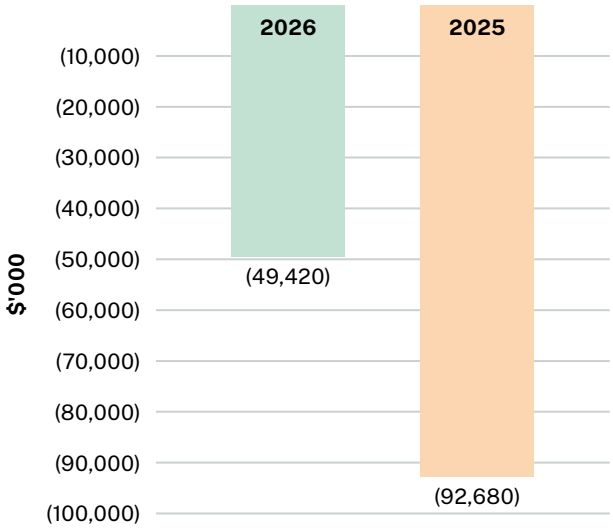
Financial performance

TAFE NSW recorded a net deficit of $49.4 million for the year ended 30 June 2026, compared with a net deficit of $92.7 million in 2024–25.

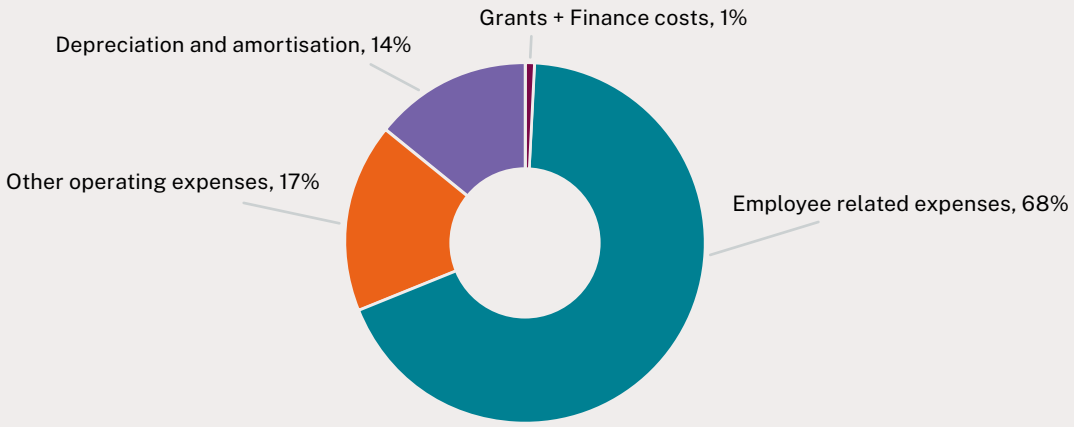
The improved result was mainly due to revenue growth of $215.6 million. This included higher operational and capital funding, as well as insurance recoveries recognised during the year. The increase in revenue was partly offset by higher employee-related expenses, depreciation and amortisation, and losses from asset divestments and impairments.

Total revenue increased by 9.7% to $2.43 billion. Total expenses, excluding losses, increased by 5.1% to $2.42 billion. Revenue therefore grew at a faster rate than operating expenses during the year.

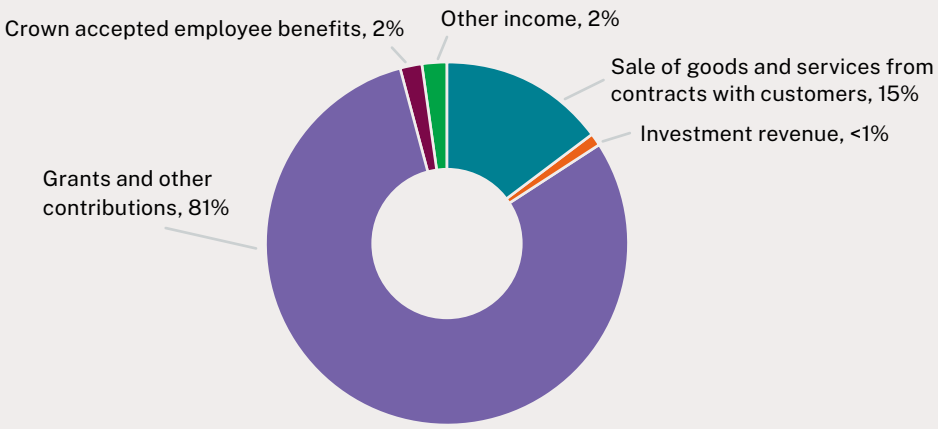
Net Result Comparison



FY26 Expense Composition



FY26 Revenue Composition



Significant transaction – Bankstown transfer to Health Administration Corporation

During 2025–26, TAFE NSW transferred land to the Health Administration Corporation for the development of Bankstown Hospital. The transfer resulted in a $22.1 million non-cash grant expense. TAFE NSW also recorded a $49.5 million loss on the divestment of buildings at the Bankstown site.

Together, these transactions reduced TAFE NSW's 2025–26 financial result by approximately $71.6 million.

Revenue

Total revenue was $2.43 billion in 2025-26, an increase of $215.6 million from 2024–25. The increase was mainly due to a $164.6 million increase in grants and other contributions, reflecting higher capital grant revenue, operational base funding and targeted priority funding.

Grants and other contributions remained TAFE NSW's main source of revenue. They totalled $1.96 billion in 2025-26 and represented 81% of total revenue.

The remaining 19% of revenue, approximately $470 million, came from the sale of goods and services, investment revenue, Crown-accepted employee benefits and other revenue.

Expenses

Total expenses, excluding losses, were $2.42 billion in 2025–26, an increase of $117.2 million from 2024–25. Employee-related expenses remained TAFE NSW's largest expense at $1.65 billion, representing approximately 68% of total expenses. The increase from 2024-25 was mainly due to Enterprise Agreement salary increases, higher employee on-costs and the conversion of casual teachers to permanent positions.

Other operating expenses, grants and subsidies, and finance costs totalled $432 million, representing 18% of total expenses. These included costs for training delivery, facilities management, information technology and corporate support, which support TAFE NSW's statewide operations.

This category also included the $22.1 million non-cash grant expense from the transfer of land to the Health Administration Corporation for the development of Bankstown Hospital.

Depreciation and amortisation expenses totalled $337 million and represented approximately 14% of total expenses. These expenses reflect the cost, over time, of TAFE NSW's extensive portfolio of property, plant and equipment used to deliver training services.

Financial position

At 30 June 2026, TAFE NSW had net assets of $6.18 billion, comprising total assets of $6.67 billion and total liabilities of $497 million.

Property, plant and equipment remained TAFE NSW's largest asset category, with a carrying value of $5.85 billion. This represented approximately 87% of total assets and reflects TAFE NSW's extensive network of campuses, training facilities and supporting infrastructure across NSW.

INDEPENDENT AUDITOR'S REPORT

Technical and Further Education Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying consolidated financial statements of Technical and Further Education Commission (the Commission), which comprise the Statement by the Managing Director, the Statement of Consolidated Comprehensive Income for the year ended 30 June 2026, the Consolidated Statement of Financial Position as at 30 June 2026, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Commission and the consolidated entity.

My opinion should be read in conjunction with the rest of this report.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's responsibilities for the audit of the financial statements' section of my report.

I am independent of the Commission and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | mail@audit.nsw.gov.au | audit.nsw.gov.au

Managing director's responsibilities for the financial statements

The managing director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The managing director's responsibility also includes such internal control as the managing director determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the managing director is responsible for assessing the ability of the Commission and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf . The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Commission and the consolidated entity carried out their activities effectively, efficiently and economically
- on the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Furqan Yousuf
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2026
SYDNEY



Technical and Further Education Commission

Consolidated Annual Financial Statements

for the year ended 30 June 2026

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Technical and Further Education Commission
Statement by the Managing Director of the Technical and Further Education Commission
for the year ended 30 June 2026

Pursuant to Division 7.2 of the *Government Sector Finance Act 2018*, I state that:

1 The accompanying consolidated financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Act 2018* and regulation, Australian Accounting Standards and NSW Treasury publications;

2 The consolidated financial statements exhibit a true and fair view of the financial position and financial performance of the Commission; and

3 I am not aware of any circumstances, which would render any particulars included in the consolidated financial statements to be misleading or inaccurate.



Chloe Read

Managing Director

Date: 28 September 2026

Technical and Further Education Commission
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2026

	Notes	Actual Consolidated Entity 2026 $'000	Budget Consolidated Entity 2026 $'000	Actual Consolidated Entity 2025 $'000	Actual Parent Entity 2026 $'000	Actual Parent Entity 2025 $'000
Expenses excluding losses						
Operating expenses						
Employee related expenses	2(a)	1,650,060	1,609,372	1,596,704	1,631,116	1,573,839
Personnel services expenses	2(b)	-	-	-	18,944	22,865
Other operating expenses	2(c)	408,827	513,401	398,180	408,827	398,180
Depreciation and amortisation	2(d)	336,564	336,473	305,990	336,564	305,990
Grants and subsidies	2(e)	22,100	-	-	22,100	-
Finance costs	2(f)	1,234	543	665	1,234	665
Total expenses excluding losses		**2,418,785**	**2,459,789**	**2,301,539**	**2,418,785**	**2,301,539**
Revenue						
Sale of goods and services from contracts with customers	3(a)	365,490	515,890	359,105	365,490	359,105
Investment revenue	3(b)	7,540	7	6,543	7,540	6,543
Grants and other contributions	3(c)	1,959,194	1,961,605	1,794,627	1,959,194	1,794,627
Acceptance by the Crown of employee benefits and other liabilities	3(d)	53,738	53,246	50,164	53,738	50,164
Other income	3(e)	43,401	3,870	3,299	43,401	3,299
Total revenue		**2,429,363**	**2,534,618**	**2,213,738**	**2,429,363**	**2,213,738**
Operating Result		**10,578**	**74,829**	**(87,801)**	**10,578**	**(87,801)**
Gains / (losses) on disposal	4	(49,425)	8,900	220	(49,425)	220
Other gains / (losses)	5	(10,573)	(1,577)	(5,099)	(10,573)	(5,099)
Net result	21	**(49,420)**	**82,152**	**(92,680)**	**(49,420)**	**(92,680)**
Other Comprehensive Income						
Items that will not be reclassified to net result in subsequent periods						
Net changes in revaluation surplus of property, plant and equipment	10	-	-	192,908	-	192,908
Items that may be reclassified to net result in subsequent periods						
Net change in revaluation surplus for assets disposed	10	(22,731)	-	(1,673)	(22,731)	(1,673)
Net change in revaluation surplus for assets-held-for-sale	13	(12,831)	-	-	(12,831)	-
Total other comprehensive income		**(35,562)**	**-**	**191,235**	**(35,562)**	**191,235**
TOTAL COMPREHENSIVE INCOME		**(84,982)**	**82,152**	**98,555**	**(84,982)**	**98,555**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Financial Position
as at 30 June 2026

	Notes	Actual Consolidated Entity 2026 $'000	Budget Consolidated Entity 2026 $'000	Actual Consolidated Entity 2025 $'000	Actual Parent Entity 2026 $'000	Actual Parent Entity 2025 $'000
ASSETS						
Current assets						
Cash and cash equivalents	6	301,882	206,340	250,914	301,882	250,914
Receivables	7	144,287	79,592	102,688	144,287	102,688
Contract assets	8	70,418	110,018	76,626	70,418	76,626
Restricted assets	9	5,488	4,994	5,194	5,488	5,194
		522,075	**400,944**	**435,422**	**522,075**	**435,422**
Non-current assets held-for-sale	13	88,505	1,052	1,051	88,505	1,051
Total Current Assets		**610,580**	**401,996**	**436,473**	**610,580**	**436,473**
Non-Current Assets						
Receivables	7	2,044	2,221	2,614	2,044	2,614
Property, plant and equipment						
Land	10	1,649,785	1,760,781	1,760,781	1,649,785	1,760,781
Buildings	10	3,986,360	4,097,536	4,137,269	3,986,360	4,137,269
Plant and Equipment	10	218,187	137,158	187,567	218,187	187,567
Total property, plant and equipment		**5,854,332**	**5,995,475**	**6,085,617**	**5,854,332**	**6,085,617**
Right-of-use assets	11	39,409	21,428	20,491	39,409	20,491
Intangible assets	12	170,652	176,361	160,937	170,652	160,937
Other financial assets	14	175	175	175	175	175
Total Non-Current Assets		**6,066,612**	**6,195,660**	**6,269,834**	**6,066,612**	**6,269,834**
Total Assets		**6,677,192**	**6,597,656**	**6,706,307**	**6,677,192**	**6,706,307**
LIABILITIES						
Current Liabilities						
Payables	16	153,235	108,175	154,329	153,235	154,329
Provisions	17	152,653	132,847	143,171	152,653	143,171
Contract liabilities	8	147,545	77,036	120,568	147,545	120,568
Lease liabilities	18	5,807	5,538	3,175	5,807	3,175
Total Current Liabilities		**459,240**	**323,596**	**421,243**	**459,240**	**421,243**
Non-Current Liabilities						
Provisions	17	7,132	5,732	5,109	7,132	5,109
Lease liabilities	18	30,460	8,599	14,613	30,460	14,613
Total Non-Current Liabilities		**37,592**	**14,331**	**19,722**	**37,592**	**19,722**
Total Liabilities		**496,832**	**337,927**	**440,965**	**496,832**	**440,965**
Net Assets		**6,180,360**	**6,259,729**	**6,265,342**	**6,180,360**	**6,265,342**
EQUITY						
Reserves		4,576,707	4,647,910	4,696,248	4,576,707	4,696,248
Accumulated funds		1,603,653	1,611,819	1,569,094	1,603,653	1,569,094
Total equity		**6,180,360**	**6,259,729**	**6,265,342**	**6,180,360**	**6,265,342**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Changes in Equity
for the year ended 30 June 2026

Consolidated and Parent	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2025		**1,569,094**	**4,696,248**	**6,265,342**
Net result for the year		**(49,420)**	**-**	**(49,420)**
Other comprehensive income				
Transfers to / (from) reserves to accumulated funds		83,979	(83,979)	-
Amounts recognised in equity relating to non-current assets disposed	10	-	(22,731)	(22,731)
Amounts recognised in equity relating to non-current assets held-for-sale	13	-	(12,831)	(12,831)
Total other comprehensive income		**83,979**	**(119,541)**	**(35,562)**
Total comprehensive income for the year		**34,559**	**(119,541)**	**(84,982)**
Balance at 30 June 2026		**1,603,653**	**4,576,707**	**6,180,360**
Balance at 1 July 2024		**1,660,113**	**4,506,674**	**6,166,787**
Net result for the year		**(92,680)**	**-**	**(92,680)**
Other comprehensive income				
Net changes in revaluation surplus of property, plant and equipment	10	-	192,908	192,908
Transfers to / (from) reserves to accumulated funds		1,661	(1,661)	-
Amounts recognised in equity relating to non-current assets disposed	10	-	(1,673)	(1,673)
Total other comprehensive income		**1,661**	**189,574**	**191,235**
Total comprehensive income for the year		**(91,019)**	**189,574**	**98,555**
Balance at 30 June 2025		**1,569,094**	**4,696,248**	**6,265,342**

The accompanying notes form part of these financial statements.

Technical and Further Education Commission
Consolidated Statement of Cash Flows
for the year 30 June 2026

	Notes	Actual Consolidated Entity 2026 $'000	Budget Consolidated Entity 2026 $'000	Actual Consolidated Entity 2025 $'000	Actual Parent Entity 2026 $'000	Actual Parent Entity 2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(1,591,184)	(1,556,126)	(1,538,151)	(1,571,834)	(1,514,316)
Personnel services		-	-	-	(19,165)	(23,893)
Other operating expenses		(480,972)	(513,401)	(449,753)	(481,157)	(449,695)
Finance costs		(1,234)	(543)	(665)	(1,234)	(665)
Total Payments		**(2,073,390)**	**(2,070,070)**	**(1,988,569)**	**(2,073,390)**	**(1,988,569)**
Receipts						
Sale of goods and services		367,214	515,890	364,995	367,214	364,995
Interest received		211	7	206	211	206
Grants and contributions		1,996,801	1,961,605	1,892,761	1,996,801	1,892,761
Other operating receipts		80,144	3,870	67,766	80,144	67,766
Total Receipts		**2,444,370**	**2,481,372**	**2,325,728**	**2,444,370**	**2,325,728**
NET CASH FLOWS FROM OPERATING ACTIVITIES	21	**370,980**	**411,302**	**337,159**	**370,980**	**337,159**
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		77	47,100	1,007	77	1,007
Purchases of property, plant and equipment		(289,829)	(344,964)	(185,107)	(289,829)	(185,107)
Purchases of intangible assets		(23,631)	(3,600)	(21,753)	(23,631)	(21,753)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(313,383)**	**(301,464)**	**(205,853)**	**(313,383)**	**(205,853)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of borrowings and advances		(6,629)	(4,923)	(3,312)	(6,629)	(3,312)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(6,629)**	**(4,923)**	**(3,312)**	**(6,629)**	**(3,312)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**50,968**	**104,915**	**127,994**	**50,968**	**127,994**
Opening cash and cash equivalents		250,914	101,425	122,920	250,914	122,920
CLOSING CASH AND CASH EQUIVALENTS	6	**301,882**	**206,340**	**250,914**	**301,882**	**250,914**

The accompanying notes form part of these financial statements.

Cash balances at the beginning and end of reporting periods are attributable to the NSW Government as owner, forming part of the Consolidated Fund under the deemed appropriations provision of the *Government Sector Finance Act 2018* section 4.7.

1. Statement of Material Accounting Policy Information

(a) *Reporting entity*

The Technical and Further Education Commission ("Commission" or the "Parent entity"), is a NSW government entity and is controlled by the State of New South Wales which is the ultimate parent. The Commission is responsible for the provision of technical and further education within NSW and is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The *Government Sector Finance Act 2018* (GSF Act) section 2.4(1)(i) lists the Commission as a GSF Agency and a Statutory Body representing the Crown in the right of the State of New South Wales (Crown). The Commission charges fees for services, which under Section 4.7 of the GSF Act fall under the deemed appropriation provision. As a representative of the Crown, cash balances at the beginning and end of reporting periods are considered deemed appropriations attributable to the NSW Government as owner.

The Commission as a reporting entity, consolidates all entities under its control, namely the TAFE Commission (Senior Executives) Staff Agency ("the Agency"). The Agency provides personnel services to the Commission for employees contracted under Public Services Senior Executive (PSSE) arrangements. In the process of preparing the consolidated financial statements for the Commission, which consist of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies. In the notes to the financial statements, where the values of the parent entity are the same as the consolidated financial values, they have been combined and do not appear as separate columns. Where this is the case, the disclosure will state, 'Consolidated and Parent'.

The Commission is comprised of a single service group.

These financial statements for the year ended 30 June 2026 have been authorised for issue by the Managing Director on 28 September 2026.

(b) *Basis of preparation*

The Commission's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the GSF Act; and
- Treasurer's Directions issued under the GSF Act.

The financial statements have been prepared on a going concern basis which assumes that payment of liabilities will be met, as and when they fall due, without any intention or necessity to liquidate assets or otherwise wind-up operations. In preparing the financial statements, the Managing Director has assessed the ability of the Commission to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting except where operations will be dissolved by an act of parliament or otherwise cease.

The Commission receives its funding under a Funding Deed arrangement with the NSW Department of Education (DoE) which receives appropriations from the Consolidated Fund. DoE appropriates funds from the Consolidated Fund for the entities it is administratively responsible for, including the Commission, refer to Note 1(c) for more information. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year.

Property, plant and equipment, assets (or disposal groups) held-for-sale and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

1. Statement of Material Accounting Policy Information (continued)

(b) ***Basis of preparation (continued)***

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Commission's presentation and functional currency.

(c) ***Statement of compliance***

The Appropriation Act 2025 (*Appropriations Act*) (and the subsequent variations, if applicable) appropriates the sum of $24.5b to the Minister for Education and Early Learning out of the Consolidated Fund for the services of the DoE for the year 2025–26. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the DoE and entities that it is administratively responsible for, including the Commission.

The lead Minister for the Commission, being the Minister for Education and Early Learning, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Commission receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Commission. These deemed appropriations are taken to have been given for the services of the DoE.

A summary of compliance is disclosed in the financial statements of the Annual Report of the DoE. It has been prepared by aggregating the spending authorities of the Minister for Education and Early Learning for the services of the DoE. It reflects the status at the point in time this disclosure statement is being made. The Commission's spending authority and expenditure is included in the summary of compliance.

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) ***Comparative information***

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(e) ***Changes in accounting policy, including new or revised AAS***

(i) Effective for the first time in the year ended 30 June 2026

The accounting policies applied in 2025-26 are consistent with those of the previous financial year. The following new or revised AAS applicable for the first time in 2025-26 had a nil impact to the Commission:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*
- AASB 2024-4 *Amendments – Effective Date of Amendments to AASB 10 & AASB 128*
- AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*

1. Statement of Material Accounting Policy Information (continued)

(e) ***Changes in accounting policy, including new or revised AAS (continued)***

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS have not been applied and are not yet effective.

- AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18)
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* (AASB 2024-2)

AASB 18 will replace AASB 101 *Presentation of Financial Statements*. AASB 18 sets out requirements for the presentation and disclosure of information in the financial statements. The Commission will undertake a detailed assessment of the impact of AASB 18 before it is adopted for the financial year ending 30 June 2029.

AASB 2024-2 amends AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments*. AASB 2024-2 sets out amendments to classification and measurement of financial instruments. The Commission will undertake a detailed assessment of the possible impact of AASB 2024-2 before the period of initial application for the financial year ending 30 June 2027.

(f) ***Impact of Climate-related matters on financial statements***

In preparing these financial statements, the Commission considered NSW Treasury's '*Guidance on how to reflect the effects of climate-related matters in financial statements*' when assessing the impact of climate-related matters on the recognition, measurement, presentation and disclosure of amounts reported in the financial statements.

The assessment considered the climate-related physical risks and opportunities disclosed in the Annual Report. Climate-related physical risks, including more frequent and severe extreme weather events, disruption to the delivery of education and training services, or impacts to health, safety and wellbeing of staff, learners and communities. Climate-related matters were considered in the assessment of property, plant and equipment, including physical risks such as flooding and bushfire, and extreme weather events which have been considered in the fair value assessment of relevant assets. The Commission was impacted by the 2022 Northern NSW floods, which has resulted in the impairment of the Lismore campus (refer to Note 10). The Commission has the opportunity to strengthen the resilience, efficiency and long-term value of its campus network through strategic investment in sustainable and climate-resilient infrastructure.

Management assessed whether climate-related matters had impacted the recognition, measurement, presentation or disclosure of amounts reported in the financial statements, including property, plant and equipment and impairment assessments. Based on information available as at 30 June 2026, management's assessment did not identify any climate-related matters that were considered material to the financial statements for the year ended 30 June 2026.

While climate-related matters may influence future operating costs, capital investment requirements and asset management activities, the Commission does not expect climate-related matters to result in a material financial impact during the 2026–27 financial year.

The Commission will continue to monitor climate-related developments and reassess the potential financial reporting impacts annually.

1. Statement of Material Accounting Policy Information (continued)

(f) ***Impact of Climate-related matters on financial statements (continued)***

The assessment primarily considered the following financial statement line items:

Revaluation of property, plant and equipment

During the 2022–23 comprehensive valuation, the Commission's external valuation provider, Acumentis Property Valuers, considered climate-related physical risks as part of its fair value assessment of land and buildings. As part of the valuation process, Acumentis assessed site-specific characteristics and utilised local planning tools, available hazard information and site inspections to evaluate factors that may affect the fair value of assets. This included consideration of flood risk, bushfire risk, coastal inundation, subsidence, environmental issues and other relevant planning constraints where applicable.

Climate-related physical risks associated with individual campuses, including assets located in areas with increased flood and bushfire exposure, were therefore considered in the fair value assessment. Management concluded that climate-related matters did not result in a material adjustment to the fair value assessment as at 30 June 2026 (refer to Note 10).

Impairment of non-financial assets

The Commission considered whether climate-related matters had resulted in indications of impairment for property, plant and equipment at 30 June 2026. No material impairment events attributable to climate-related matters were identified during the reporting period.

In 2021–22, the Commission was materially impacted by heavy rains and resultant flooding in NSW, which led to the impairment of the Lismore campus. The Lismore campus remains impaired as at 30 June 2026 and the Commission has disclosed the impairment in relation to this matter in Note 10.

During 2025–26, there was no material financial impact from climate-related events. However, a material transaction was recognised in the current year that related to a prior climate-related event. A settlement was formally finalised in relation to the insurance recovery arising from the 2021–22 Lismore flood event, with a total recovery value of $44.3 million. Prior to 2025–26, TAFE NSW had received insurance proceeds of $6.8 million. Following confirmation of the settlement, the remaining $37.5 million was recognised as insurance recovery revenue in 2025–26, together with the corresponding receivable as at 30 June 2026 (refer to Notes 3(e) and 7).

Other operating costs

The Commission is committed to the long-term sustainability of its operations and has established governance arrangements, including dedicated steering committees and working groups, to support the management of climate-related risks and opportunities and implementation of climate-related initiatives.

The Commission considered whether climate-related matters had materially impacted operating expenditure recognised during the reporting period, including repairs and maintenance, salary and wages, utilities and other operating costs. Based on information available at 30 June 2026, expenditure arising from climate-related matters has not had a material impact on the Commission’s operating result during the reporting period.

Transition risk

The Commission considered potential transition-related matters, including evolving climate-related legislation, reporting obligations, emissions reduction initiatives and changes in government policy. Climate-related changes may impact industry expectations, training demand and learner needs, creating risks to the Commission’s ability to adapt and respond effectively, including maintaining community confidence in its preparedness, resilience and support during extreme weather events. These transition risk initiatives have not resulted in a material impact to the financial statements for the year ended 30 June 2026.

2. Expenses Excluding Losses

(a) *Employee related expenses*

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Salaries and wages (including annual leave) [a]	1,296,010	1,276,051	1,281,152	1,258,750
Superannuation - defined benefit plans	2,816	3,366	2,816	3,366
Superannuation - defined contribution plans	161,322	149,216	159,606	147,096
Long service leave	50,802	46,684	50,906	45,544
Workers' compensation insurance	36,642	35,247	36,271	34,896
Payroll tax and fringe benefit tax	84,959	79,935	84,097	78,851
Redundancy / Other	17,509	6,205	16,268	5,336
Total employee related expenses	**1,650,060**	**1,596,704**	**1,631,116**	**1,573,839**

[a] For both the consolidated and parent entity, an amount of $10.5m of employee-related expenses were capitalised during the year (2025: $10.8m) and are therefore excluded from the balances above.

(b) *Personnel services expenses*

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Personnel services	-	-	18,944	22,865
Total personnel services expenses	**-**	**-**	**18,944**	**22,865**

Material accounting policy information

The Commission received personnel services from the Staff Agency for employees contracted under Public Service Senior Executive (PSSE) arrangements. Under these arrangements, liabilities at year end are stated as liabilities to the Agency.

2. Expenses Excluding Losses (continued)

(c) ***Other operating expenses include the following:***

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Auditor's remuneration - audit of the financial statements [(a)]	1,091	1,065
Advertising	13,282	13,808
Cleaning	45,155	42,331
Consultants	624	218
Contractors	19,954	21,950
Course development fees	2,659	8,378
Expense relating to short-term leases	416	539
Insurance	15,918	14,838
Maintenance [(b)]	107,369	99,268
Minor stores, provisions, plant and computing	38,639	36,673
Printing	6,320	8,871
Service expenses	93,011	89,770
Subscriptions	4,429	3,699
Teaching resources	8,075	7,384
Telecommunications and internet	6,672	7,198
Travel	6,128	4,991
Utilities	24,040	23,818
Variable lease payments, not included in lease liabilities	3,484	3,393
Other operating expenses	11,561	9,988
Total other operating expenses	**408,827**	**398,180**

[(a)] Total audit fees for the year per the Annual Engagement Plan are $1.091m (2025: $1.065m) excluding GST. Audit Office of NSW has not provided any non-audit services for 2025-26 and 2024-25.

[(b)] Reconciliation of total maintenance expense

	Consolidated 2026 $'000	**Consolidated 2025 $'000**	**Parent 2026 $'000**	**Parent 2025 $'000**
Maintenance expense - contracted labour and other (non-employee related), as above	107,369	99,268	107,369	99,268
Employee related maintenance expense [(a)]	26,658	24,572	26,373	24,292
Total maintenance expense	**134,027**	**123,840**	**133,742**	**123,560**

[(a)] This balance consists of employees who have been classified as providing maintenance services for the consolidated and parent entity and the expense is included in employee related expenses in Note 2(a).

2. Expenses Excluding Losses (continued)

(c) ***Other operating expenses (continued)***

Material accounting policy information

Maintenance

Maintenance relates to contracted labour, infrastructure, communication technology maintenance and other (non-employee related) expenses. Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated in accordance with capitalisation thresholds (refer to Note 10 for more details).

Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

Lease expense

The Commission recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e., where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at $10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

(d) ***Depreciation and amortisation expense***

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Depreciation		
Buildings and improvements	277,439	259,028
Plant and equipment	48,710	41,676
Right of use assets - buildings	3,412	1,238
Right of use assets - plant and equipment	2,778	2,503
	332,339	**304,445**
Amortisation		
Intangibles	4,225	1,545
	4,225	**1,545**
Total depreciation and amortisation expense	**336,564**	**305,990**

Refer to Note 10, 11 and 12 for recognition and measurement policies on depreciation and amortisation.

2. Expenses Excluding Losses (continued)

(e) *Grants and subsidies*

Consolidated and Parent	2026	2025
	$'000	$'000
Grant to Health Administration Corporation [(a)]	22,100	-
Total grants and subsidies	**22,100**	**-**

[(a)] Non-cash grant expense for the transfer of land at fair value of $22.1m (2025: nil) to Health Administration Corporation for the development of Bankstown Hospital.

(f) *Finance Costs*

Consolidated and Parent	2026	2025
	$'000	$'000
Interest expense from lease liabilities	1,234	665
Total finance costs	**1,234**	**665**

Material accounting policy information

Finance costs consist of interest from lease liabilities. Costs are recognised as expenses in the period in which they are incurred, in accordance with the NSW Treasury Mandate to not-for-profit NSW General Government Sector (GGS) entities. Refer to Note 11 for recognition and measurement policies on lease interest charges.

3. Revenue

Material accounting policy information

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities,* dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) *Sale of goods and services from contracts with customers*

Consolidated and Parent	2026 $'000	2025 $'000
Sale of goods		
Course projects and materials	7,687	7,458
	7,687	**7,458**
Rendering of services		
Commercial	233,631	234,323
International student fees	58,239	52,322
Domestic student fees	40,635	38,366
Other	25,298	26,636
	357,803	**351,647**
Total sale of goods and rendering of services	**365,490**	**359,105**

Material accounting policy information

Sale of goods

Revenue from the sale of goods is recognised when the Commission satisfies a performance obligation by transferring the promised goods. Course projects and materials are distinct from course delivery services as the student can benefit from these readily available goods separate from participation in units of competency. The Commission typically satisfies its performance obligations when control of course projects and materials are transferred to students at the point of purchase. Significant judgements are not required in this instance. The payments are typically due at the point of purchase.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of services

The Commission is the leading provider of vocational education and training in Australia. The Commission typically satisfies its performance obligations by upskilling students through participation in units of competency over a course delivery period. Revenue is recognised progressively, in line with course delivery. No element of financing is deemed present as payments are due when service is provided.

Commercial

Revenue from commercial contracts is recognised when the Commission satisfies performance obligations by transferring promised services to the customer. Payment terms are specified in the contracts, with funds held as contract liabilities until performance obligations are met. The Commission applies significant judgement in assessing when the customer obtains control of services over the contract duration, and revenue is measured at the transaction price under the agreed contract less values the Commission has assessed for variable price considerations.

3. Revenue (continued)

Material accounting policy information (continued)

Domestic and international student fees

Revenue from domestic and international students is recognised progressively as the Commission satisfies the performance obligations by delivering units of competency and the student gains control of the promised services. Fees are typically due on enrolment and are recognised as contract liabilities until satisfaction of performance obligations. The Commission applies significant judgement in measuring revenue and assesses attrition factors including withdrawals, credit transfers, and potential refunds.

Other

Revenue from other services is typically recognised upon receipt when the Commission obtains control over the cash asset, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Other services include childcare centres where fees are typically paid in advance and, due to the short timeframe of the customer receiving the promised service, revenue is recognised upon receipt.

Refer to Note 8 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Commission expects to recognise the unsatisfied portion as revenue.

(b) *Investment revenue*

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Interest income	211	206
Rental income	7,329	6,337
Total investment revenue	**7,540**	**6,543**

Material accounting policy information

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of restricted assets.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

3. Revenue (continued)

(c) ***Grants and other contributions***

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity				
Asset contributions	275,617	164,897	275,617	164,897
	275,617	**164,897**	**275,617**	**164,897**
Other grants with sufficiently specific performance obligations				
Entitlement subsidy	468,028	507,112	468,028	507,112
Targeted priority	361,637	358,025	361,637	358,025
Other public sector agencies	40,384	32,094	40,384	32,094
	870,049	**897,231**	**870,049**	**897,231**
Grants without sufficiently specific performance obligations				
Operational based funding	617,289	550,184	617,289	550,184
Community service obligation	161,379	159,815	161,379	159,815
National fee free funding	20,450	9,400	20,450	9,400
Commonwealth government	3,417	3,399	3,417	3,399
Other public sector agencies	10,925	9,682	10,925	8,688
Personnel Services	-	-	-	994
	813,460	**732,480**	**813,460**	**732,480**
Donations				
Donations and industry contributions	68	19	68	19
	68	**19**	**68**	**19**
Total grants and other contributions	**1,959,194**	**1,794,627**	**1,959,194**	**1,794,627**

Material accounting policy information

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Commission is recognised when the Commission satisfies its obligations under the transfer. The Commission satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. Income is recognised based on the construction plan and performance against the plan.

Revenue from grants with sufficiently specific performance obligations is recognised when the Commission satisfies a performance obligation by transferring the promised services. The primary service that the Commission promises to transfer is to train a student in a course which is made up of units of competency. The Commission typically satisfies its performance obligations as it delivers training to the student on a straight-line basis over the course duration start and end dates. The payments are typically due when a student meets specific delivery milestones. This varies monthly based on student enrolments and delivery plans.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

3. Revenue (continued)

(c) Grants and other contributions (continued)

Material accounting policy information (continued)

Refer to Note 8 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the Commission obtains control over the granted assets (e.g. cash).

(d) *Acceptance by the Crown of employee benefits and other liabilities*

The following liabilities and / or expenses have been assumed by the Crown or other government entities:

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Superannuation - defined benefit	2,763	3,271	2,650	3,161
Superannuation on annual leave - defined benefit	22	32	22	32
Long service leave	50,803	46,683	50,907	45,543
Payroll tax - defined benefit	150	178	144	172
Personnel services assumed by the Crown	-	-	15	1,256
Total acceptance by the Crown of employee benefits and other liabilities	**53,738**	**50,164**	**53,738**	**50,164**

(e) *Other Income*

Consolidated and Parent	**2026 $'000**	**2025 $'000**
Insurance recovery [(a)]	43,378	3,299
Other income	23	-
Total other income	**43,401**	**3,299**

[(a)] During the year, the Commission and icare reached a settlement agreement in relation to the insurance claim arising from material flood damage at the Lismore Campus in 2021-22. In 2024-25, the potential insurance recovery amount and timing was uncertain and was therefore disclosed as a contingent asset. The 2025-26 insurance recovery recognises the Lismore insurance settlement agreement of $37.5m. The related receivable has been recognised in 'Other receivables'. Refer to Note 7.

4. Gains / (losses) on disposal

Consolidated and Parent	**2026**	**2025**
Gains / (losses) on disposal of property, plant and equipment	**$'000**	**$'000**
Proceeds from disposal	77	1,005
Written down value of assets disposed [(a)]	(49,502)	(785)
Net gains / (losses) on disposal of property, plant and equipment	**(49,425)**	**220**

[(a)] The written down value of assets disposed includes the derecognition of buildings at the Bankstown site with a depreciated replacement cost of $49.5m, as the assets are not expected to provide future economic benefits or service potential to Health Administration Corporation. Refer to Note 10.

5. Other gains / (losses)

Consolidated and Parent	2026	2025
	$'000	$'000
(Increase) in expected credit losses	(2,032)	(6,842)
Recovered receivables previously impaired	1,497	1,786
Impairment losses on buildings	(220)	-
Impairment losses on intangibles [(a)]	(9,691)	-
Impairment losses on plant and equipment	(127)	(43)
Total other gains / (losses)	**(10,573)**	**(5,099)**

[(a)] During 2025-26, the Commission conducted a review of intangible assets under construction and identified $9.6m in costs that did not meet the recognition criteria for intangible assets and were subsequently impaired. Refer to Note 12.

Material accounting policy information

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the Commission from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Trade receivables from contracts with customers and contract assets – Note 7 and 8
- Property, plant and equipment – Note 10
- Leases – Note 11
- Intangible assets – Note 12

6. Cash and Cash Equivalents

Consolidated and Parent	2026	2025
	$'000	$'000
Cash at bank and on hand	301,882	250,914
Total cash and cash equivalents	**301,882**	**250,914**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft. Cash at bank and on hand is exclusive of any restricted cash held by the Commission, refer to Note 9 for disclosure on restricted assets.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Consolidated and Parent	2026	2025
	$'000	$'000
Cash and cash equivalents (per statement of financial position)	301,882	250,914
Closing cash and cash equivalents (per statement of cash flows)	**301,882**	**250,914**

Details regarding credit risk and market risk arising from financial assets are disclosed in Note 26.

7. Current / Non-Current Assets – Receivables

Consolidated and Parent	2026 $'000	2025 $'000
Current:		
Trade receivables from contracts with customers	10,139	26,361
Student receivables	45,019	31,113
Other receivables [(a)]	62,965	21,504
Prepayments	29,451	25,873
	147,574	**104,851**
Less: Allowance for expected credit losses:		
- Trade receivables from contracts with customers	(3,287)	(2,163)
Total expected credit losses	**(3,287)**	**(2,163)**
Total current receivables	**144,287**	**102,688**

[(a)] 'Other receivables' include an insurance receivable recognised in relation to the Lismore flood insurance settlement. Refer to Note 3(e).

	2026 $'000	2025 $'000
Movements in Allowance for expected credit losses:		
Balance at 1 July	(2,163)	(2,534)
Amounts written off during the year	815	7,308
Amounts recovered during the year	(1,497)	(1,786)
(Increase) in allowance recognised in net result	(442)	(5,151)
Balance at 30 June	**(3,287)**	**(2,163)**

	2026 $'000	2025 $'000
Non-Current		
Prepayments	2,044	2,614
Total non-current receivables	**2,044**	**2,614**

Details regarding credit risk, liquidity risk and market risk arising from financial assets that are either past due or impaired are disclosed in Note 26.

7. Current / Non-Current Assets – Receivables (continued)

Material accounting policy information

The Commission recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Commission holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Commission recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Commission expects to receive, discounted at the original effective interest rate.

For trade receivables from contracts with customers, the Commission applies a simplified approach in calculating ECLs. The Commission recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a provision matrix based on its historical credit loss experience for trade receivables from contracts with customers, adjusted for forward-looking factors specific to the receivable.

8. Contract Assets and Liabilities

Consolidated and Parent	2026 $'000	2025 $'000
Contract assets - current	135,733	131,552
Less: variable price consideration	(65,315)	(54,926)
	70,418	**76,626**
Contract liabilities - current	138,117	111,453
Contract liabilities for Smart and Skilled Refunds - current	9,428	9,115
	147,545	**120,568**
Contract receivables (included in Note 7)	**108,907**	**55,589**

Material accounting policy information

Contract assets relate to the Commission's right to consideration in exchange for courses delivered but not billed at the reporting date in respect of Entitlement Revenue. The balance of contract assets at 30 June 2026 was impacted by the Commission's eligibility for Entitlement Revenue following a student's satisfactory achievement of set milestones within the subsidised course, held to a yearly predetermined funding cap. On satisfaction of students meeting specified milestones in subsidised courses, performance obligations are reported to the DoE and recognised as a receivable.

The variable price consideration methodology used by the Commission is calculated at a cohort and faculty level. As populations within cohorts and faculties change, this gives rise to fluctuations in the expected value of the promised consideration on a yearly basis.

The net contract asset balance has remained relatively stable year-on-year. During the year, the Commission continued to satisfy performance obligations under the Smart and Skilled Entitlement Subsidy contract, resulting in the recognition of receivables as milestones were achieved and reported to the DoE. The impact of pricing variability considerations increased during the year, primarily due to additional provisioning recognised for outstanding withdrawal processing at the reporting date.

As of 30 June 2026, the transaction price allocated to the remaining performance obligations from contracts with customers is $454.4m (2025: $459m). The transaction price allocated to the remaining performance obligations relates to Smart and Skilled Entitlement Revenue, of which 61% is expected to be recognised as revenue in the 2026-27 financial year, 26% in the 2027-28 financial year and 13% beyond the 2027-28 financial year.

Contract liabilities relate to the Commission's consideration received in advance from customers in respect of sale of goods and services from contracts with customers, capital funding received in advance of capital expenditure, and refunds in relation to Smart and Skilled Entitlement grants.

The balance of contract liabilities for the sale of goods and services from contracts with customers at 30 June 2026 was impacted by the variable consideration of student fees. The Commission performed an analysis of historical information to ensure a sound basis for estimating the future variations in student fees 'expected value'. Historical refund rates have been used to comply with AASB 15 para 55 requirements to recognise a provision for 'refund liability' or 'contract liability'.

The expected variation on contract liability is factored into the progressive recognition of revenue as a student's training progresses thought their course enrolment. The contract liability will fluctuate year-on-year as a result of ongoing review of historical refund rates and takes into consideration variations to performance obligations following renewal of funding contracts.

The net contract liability balance has increased year-on-year because the Commission received capital grants to construct recognisable non-financial assets and receipts for service revenue contracts with performance obligations yet to be performed (refer Note 3(a)).

Revenue recognised in 2025-26 financial year that was included in the contract liability balance at the beginning of the year was $49.7m. No revenue was recognised in the current reporting period that related to performance obligations in a prior year.

9. Restricted Assets

Consolidated and Parent	2026	2025
	$'000	$'000
Prize funds	239	173
Student Benefits Program	5,249	5,021
Total restricted assets	**5,488**	**5,194**

Material accounting policy information

Restricted assets are held in a high interest bank account. The restricted assets represent donations held by the Commission for student prize awards with interest earned used to fund awards. Donations are recognised upon receipt of cash.

10. Property, Plant and Equipment

(a) Total property, plant and equipment

Consolidated and Parent	Land	Buildings	Plant and equipment	Total
	$'000	$'000	$'000	$'000
At 1 July 2024 - fair value				
Gross carrying amount	1,756,485	9,419,091	398,483	11,574,059
Accumulated depreciation and impairment	-	(5,345,287)	(217,963)	(5,563,250)
Net carrying amount	**1,756,485**	**4,073,804**	**180,520**	**6,010,809**
Year ended 30 June 2025				
Net carrying amount at beginning of year	1,756,485	4,073,804	180,520	6,010,809
Purchase of assets	-	136,317	48,790	185,107
Disposals	(438)	(325)	(67)	(830)
Net change in revaluation surplus for assets disposed	-	(1,673)	-	(1,673)
Net revaluation increments	4,734	188,174	-	192,908
Depreciation expense	-	(259,028)	(41,676)	(300,704)
Net carrying amount at end of year	**1,760,781**	**4,137,269**	**187,567**	**6,085,617**
At 30 June 2025 - fair value				
Gross carrying amount	1,760,781	9,898,112	444,158	12,103,051
Accumulated depreciation and impairment	-	(5,760,843)	(256,591)	(6,017,434)
Net carrying amount	**1,760,781**	**4,137,269**	**187,567**	**6,085,617**

10. Property, Plant and Equipment (continued)

(a) Total property, plant and equipment (continued)

Consolidated and Parent	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2025 - fair value				
Gross carrying amount	1,760,781	9,898,112	444,158	12,103,051
Accumulated depreciation and impairment	-	(5,760,843)	(256,591)	(6,017,434)
Net carrying amount	**1,760,781**	**4,137,269**	**187,567**	**6,085,617**
Year ended 30 June 2026				
Net carrying amount at beginning of year	1,760,781	4,137,269	187,567	6,085,617
Purchase of assets	-	210,371	79,458	289,829
Reclassification to assets held for sale	(58,527)	(28,927)	-	(87,454)
Transfer to Health Administration Corporation [(a)]	(22,100)	-	-	(22,100)
Write-backs / (write-offs) [(b)]	-	(49,721)	(128)	(49,849)
Amounts recognised in equity relating to non-current assets held-for-sale	(10,048)	(2,783)	-	(12,831)
Net change in revaluation surplus for assets disposed	(20,321)	(2,410)	-	(22,731)
Depreciation expense	-	(277,439)	(48,710)	(326,149)
Net carrying amount at end of year	**1,649,785**	**3,986,360**	**218,187**	**5,854,332**
At 30 June 2026 - fair value				
Gross carrying amount	1,649,785	9,833,358	516,974	12,000,117
Accumulated depreciation and impairment	-	(5,846,998)	(298,787)	(6,145,785)
Net carrying amount	**1,649,785**	**3,986,360**	**218,187**	**5,854,332**

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 15.

[(a)] Transfer of land at fair value of $22.1m to Health Administration Corporation via grant arrangement for the development of Bankstown Hospital. Refer to Note 2(e).

[(b)] The write-off balance includes the derecognition of buildings at the Bankstown site with a depreciated replacement cost of $49.5m, as the assets are not expected to provide future economic benefits or service potential to Health Administration Corporation. Refer to Note 4.

10. Property, Plant and Equipment (continued)

(b) Property, plant and equipment held and used by the Commission

Consolidated and Parent	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2024 - fair value				
Gross carrying amount	1,709,852	9,207,430	398,483	11,315,765
Accumulated depreciation and impairment	-	(5,206,622)	(217,963)	(5,424,585)
Net carrying amount	**1,709,852**	**4,000,808**	**180,520**	**5,891,180**
Year ended 30 June 2025				
Net carrying amount at beginning of year	1,709,852	4,000,808	180,520	5,891,180
Purchase of assets	-	133,650	48,790	182,440
Disposals	(438)	(325)	(67)	(830)
Assets transferred out of operating lease arrangements	-	2,769	-	2,769
Net change in revaluation surplus for assets disposed	-	(1,673)	-	(1,673)
Net revaluation increments	5,068	191,888	-	196,956
Depreciation expense	-	(254,181)	(41,676)	(295,857)
Net carrying amount at end of year	**1,714,482**	**4,072,936**	**187,567**	**5,974,985**
At 30 June 2025 - fair value				
Gross carrying amount	1,714,482	9,713,145	444,158	11,871,785
Accumulated depreciation and impairment	-	(5,640,209)	(256,591)	(5,896,800)
Net carrying amount	**1,714,482**	**4,072,936**	**187,567**	**5,974,985**

10. Property, Plant and Equipment (continued)

(b) Property, plant and equipment held and used by the Commission (continued)

Consolidated and Parent	Land $'000	Buildings $'000	Plant and equipment $'000	Total $'000
At 1 July 2025 - fair value				
Gross carrying amount	1,714,482	9,713,145	444,158	11,871,785
Accumulated depreciation and impairment	-	(5,640,209)	(256,591)	(5,896,800)
Net carrying amount	**1,714,482**	**4,072,936**	**187,567**	**5,974,985**
Year ended 30 June 2026				
Net carrying amount at beginning of year	1,714,482	4,072,936	187,567	5,974,985
Purchase of assets	-	207,913	79,458	287,371
Reclassification to assets held for sale	(16,883)	(8,273)	-	(25,156)
Transfer to Health Administration Corporation [(a)]	(22,100)	-	-	(22,100)
Write-backs / (write-offs) [(b)]	-	(49,721)	(128)	(49,849)
Assets transferred out of operating lease arrangements	-	3,701	-	3,701
Assets transferred to an operating lease arrangement	-	(1,502)	-	(1,502)
Amounts recognised in equity relating to non-current assets held-for-sale	(10,048)	(2,783)	-	(12,831)
Net change in revaluation surplus for assets disposed	(20,321)	(2,410)	-	(22,731)
Depreciation expense	-	(272,965)	(48,710)	(321,675)
Net carrying amount at end of year	**1,645,130**	**3,946,896**	**218,187**	**5,810,213**
At 30 June 2026 - fair value				
Gross carrying amount	1,645,130	9,701,662	516,974	11,863,766
Accumulated depreciation and impairment	-	(5,754,766)	(298,787)	(6,053,553)
Net carrying amount	**1,645,130**	**3,946,896**	**218,187**	**5,810,213**

[(a)] Transfer of land at fair value of $22.1m to Health Administration Corporation via grant arrangement for the development of Bankstown Hospital. Refer to Note 2(e).

[(b)] The write-off balance includes the derecognition of buildings at the Bankstown site with a depreciated replacement cost of $49.5m, as the assets are not expected to provide future economic benefits or service potential to Health Administration Corporation. Refer to Note 4.

10. Property, Plant and Equipment (continued)

(c) Property, plant and equipment where the Commission is lessor under operating leases

Consolidated and Parent	Land $'000	Buildings $'000	Total $'000
At 1 July 2024 - fair value			
Gross carrying amount	46,633	211,661	258,294
Accumulated depreciation and impairment	-	(138,665)	(138,665)
Net carrying amount	**46,633**	**72,996**	**119,629**
Year ended 30 June 2025			
Net carrying amount at beginning of year	46,633	72,996	119,629
Purchase of assets	-	2,667	2,667
Assets transferred out of operating lease arrangements	-	(2,769)	(2,769)
Net revaluation decrements	(334)	(3,714)	(4,048)
Depreciation expense	-	(4,847)	(4,847)
Net carrying amount at end of year	**46,299**	**64,333**	**110,632**
At 30 June 2025 - fair value			
Gross carrying amount	46,299	184,967	231,266
Accumulated depreciation and impairment	-	(120,634)	(120,634)
Net carrying amount	**46,299**	**64,333**	**110,632**

Consolidated and Parent	Land $'000	Buildings $'000	Total $'000
At 1 July 2025 - fair value			
Gross carrying amount	46,299	184,967	231,266
Accumulated depreciation and impairment	-	(120,634)	(120,634)
Net carrying amount	**46,299**	**64,333**	**110,632**
Year ended 30 June 2026			
Net carrying amount at beginning of year	46,299	64,333	110,632
Purchase of assets	-	2,458	2,458
Reclassification to assets held for sale	(41,644)	(20,654)	(62,298)
Assets transferred to an operating lease arrangement	-	1,502	1,502
Assets transferred out of operating lease arrangements	-	(3,701)	(3,701)
Depreciation expense	-	(4,474)	(4,474)
Net carrying amount at end of year	**4,655**	**39,464**	**44,119**
At 30 June 2026 - fair value			
Gross carrying amount	4,655	131,696	136,351
Accumulated depreciation and impairment	-	(92,232)	(92,232)
Net carrying amount	**4,655**	**39,464**	**44,119**

10. Property, Plant and Equipment (continued)

Material accounting policy information

Acquisition of property, plant and equipment
Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid, or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e., the deferred payment amount is effectively discounted over the period of credit.

Capitalisation threshold
Property, plant and equipment costing $10,000 and above individually (or forming part of a network costing more than $10,000) are capitalised. The threshold for intangibles is $50,000. Capitalisation thresholds remain unchanged from prior year.

Revaluation of property, plant and equipment
Physical non-current assets are valued in accordance with Policy and Guidelines Paper, TPG25-11 *Valuation of Physical Non-Current Assets at Fair Value* (TPG25-11). TPG25-11 adopts fair value in accordance with AASB *13 Fair Value Measurement* (AASB 13) and AASB *116 Property, Plant and Equipment* (AASB 116).

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and considers the characteristics of the asset being measured, including any socio-political restrictions imposed by government such as zoning and heritage restrictions. In most cases, after considering these considerations, the highest and best use is the existing use.

For non-financial assets of not-for-profit public sector entities that are not held primarily for their ability to generate net cash inflows, there is a rebuttable assumption that current use is highest and best use, unless the asset is classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or it is highly probably the asset will be used for an alternative purpose to its current use (AASB 13, Aus29.1 and Aus29.2).

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer Note 15 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The Commission conducts a comprehensive revaluation at least every five years for land, buildings and infrastructure assets. The last comprehensive revaluation for land and buildings was completed for 30 June 2023 and was based on an independent assessment performed by valuation experts, Acumentis Property Valuers (Acumentis).

Interim revaluations are conducted between comprehensive revaluations where management's assessment indicates an asset's fair value may differ materially from its carrying amount. In the current year, an interim indices valuation was completed by Acumentis for land and buildings, which indicated the carrying amount of land and buildings is reported within acceptable fair value range for the year ending 30 June 2026. As a result, management has not recognised any fair value movements for land and buildings, in respect of the interim indices valuation, for the year ended 30 June 2026.

Management applied a rebuttable assumption that the cost of assets approximates their fair value for assets under construction.

10. Property, Plant and Equipment (continued)

Material accounting policy information (continued)

Revaluation of property, plant and equipment (continued)
The Commission holds some land and operates campuses in flood and bushfire prone areas. Acumentis have considered the impact of flood and bushfire status while assessing the fair value of these assets.

Non-specialised assets with short, useful lives are measured at depreciated historical cost, as an approximation for fair value. The Commission has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

When applicable, revaluation increments are recognised in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that they offset an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise. The Commission has two classes related to the asset revaluation reserves being land and buildings.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end.

Impairment of property, plant and equipment
As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment arises in the circumstances such as where the costs of disposal are material.

The Commission assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the asset revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

10. Property, Plant and Equipment (continued)

Material accounting policy information (continued)

Impairment of property, plant and equipment (continued)
The Commission have not experienced any material impairment events to property, plant and equipment in 2024-25 or 2025-26.

In 2021-22, the Commission was materially impacted by the heavy rains and resultant flooding in NSW, which led to the impairment of the Lismore campus ($9.9m). Lismore remains impaired at 30 June 2026 and the Commission has recognised a receivable and insurance recovery income, in 2025-26, of $37.5m in Notes 7 and 3(e) respectively.

Depreciation of property, plant and equipment
Depreciation is provided for on a straight-line basis to write off the depreciable amount of each asset as it is consumed over its useful life by the Commission. Land is not a depreciable asset.

All material identifiable components of assets are depreciated separately over their useful lives and have not changed since 2024-25. These are listed below:

Asset	Useful life range
Buildings	12 to 70 years
Leasehold Improvements	Term of the lease
Plant and Equipment	3 to 43 years

Right-of-Use Assets acquired by lessees
AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Commission has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 11.

11. Leases

(a) The Commission as a Lessee

The Commission leases various properties and motor vehicles. Lease contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Commission does not provide residual value guarantees in relation to leases.

Extension and termination options are included in several property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the Commission and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of $0.15m (2025: decrease in recognised lease liabilities and right-of-use assets of $0.12m).

AASB 16 requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Commission has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of $10,000 or less when new and comprise mainly of plant and equipment leases.

Right-of-use assets under leases
The following tables present right-of-use assets that do not meet the definition of investment property.

Consolidated and Parent	Buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2025	14,244	6,247	20,491
Additions [(a)]	22,131	3,123	25,254
Depreciation expense	(3,412)	(2,778)	(6,190)
Retirements	-	(146)	(146)
Balance at 30 June 2026	**32,963**	**6,446**	**39,409**

Consolidated and Parent	Buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2024	12,386	4,069	16,455
Additions	3,096	4,803	7,899
Depreciation expense	(1,238)	(2,503)	(3,741)
Retirements	-	(122)	(122)
Balance at 30 June 2025	**14,244**	**6,247**	**20,491**

[(a)] During 2025-26, the Commission entered new property leases in Bankstown to support ongoing campus operations following the transfer of the Bankstown campus site. Refer to Note 2(f) and Note 11(b).

11. Leases (continued)

(a) The Commission as a Lessee (continued)

Lease liabilities
The following table presents liabilities under leases

Consolidated and Parent	2026	2025
	$'000	$'000
Balance at 1 July	17,788	13,323
Additions [a]	23,468	7,900
Retirements	(148)	(124)
Interest expenses	1,235	665
Payments	(6,076)	(3,976)
Balance at 30 June	**36,267**	**17,788**

[a] During 2025-26, the Commission entered new property leases in Bankstown to support ongoing campus operations following the transfer of the Bankstown campus site. Refer to Note 2(f) and Note 11(a).

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Commission is the lessee:

Consolidated and Parent	2026	2025
	$'000	$'000
Depreciation expense of right-of-use assets	6,190	3,741
Interest expense on lease liabilities	1,234	665
Expense relating to short-term leases	416	539
Variable lease payments, not included in the measurement of lease liabilities	3,484	3,393
Total amount recognised in the statement of comprehensive income	**11,324**	**8,338**

The Commission had total cash outflows for leases of $6.08m during the year (2025: $3.98m).

Material accounting policy information

The Commission assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Commission recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The Commission recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii. below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The useful lives of the right-of-use assets have not changed since 2024-25. These are listed below:

Asset	Useful life range
Buildings	12 to 70 years
Plant and Equipment	3 to 43 years

11. Leases (continued)

(a) The Commission as a Lessee (continued)

Material accounting policy information (continued)

i. Right-of-use assets (continued)

If ownership of the leased asset transfers to the Commission at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The Commission assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

Refer to the accounting policies in property, plant and equipment in Note 10.

ii. Lease liabilities

At the commencement date of the lease, the Commission recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of purchase options reasonably certain to be exercised by the Commission; and
- payments of penalties for terminating the lease, if the lease term reflects the Commission exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Commission's leases, the lessee's incremental borrowing rate is used, being the rate that the Commission would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Commission's lease liabilities are included at Note 18.

11. Leases (continued)

(a) The Commission as a Lessee (continued)

Material accounting policy information (continued)

iii. Short-term leases and leases of low-value assets

The Commission applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable the Commission to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the entity to further its objectives is the same as normal right-of-use assets. They are measured at cost and subject to impairment. They are not subject to revaluation.

(b) The Commission as a Lessor

The Commission's land and properties are leased to tenants under operating leases with rentals payable monthly. Lease contracts for some contracts include Consumer Price Index increases, but there are no other variable lease payments that depend on an index or rate.

Although the Commission is exposed to changes in the residual value at the end of current leases, the Commission typically enters new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Exceptions about the future residual values are reflected in the fair value of the properties.

Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June are, as follows:

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Within one year	3,355	3,679
One to two years	2,087	2,455
Two to three years	1,726	1,773
Three to four years	1,444	1,571
Four to five years	840	1,092
Later than five years	752	585
Total (excluding GST)	**10,204**	**11,155**

Material accounting policy information – lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

12. Intangible Assets

Consolidated and Parent	Software	Total
Year ended 30 June 2025	**$'000**	**$'000**
Net carrying amount at beginning of year	140,729	140,729
Additions (from internal development)	21,753	21,753
Amortisation (recognised in "depreciation and amortisation")	(1,545)	(1,545)
Net carrying amount at end of year	**160,937**	**160,937**

Consolidated and Parent	Software	Total
At 1 July 2025	**$'000**	**$'000**
Cost (gross carrying amount)	213,633	213,633
Accumulated amortisation and impairment	(52,696)	(52,696)
Net carrying amount	**160,937**	**160,937**
Year ended 30 June 2026		
Net carrying amount at beginning of year	160,937	160,937
Additions (from internal development)	23,631	23,631
Impairment losses [(a)]	(9,691)	(9,691)
Amortisation (recognised in "depreciation and amortisation")	(4,225)	(4,225)
Net carrying amount at end of year	**170,652**	**170,652**
At 30 June 2026		
Cost (gross carrying amount)	209,063	209,063
Accumulated amortisation and impairment	(38,411)	(38,411)
Net carrying amount	**170,652**	**170,652**

[(a)] During 2025-26, the Commission conducted a review of intangible assets under construction and identified $9.6m in costs that did not meet the recognition criteria for intangible assets and were subsequently impaired. Refer to Note 5.

12. Intangible Assets (continued)

Material accounting policy information

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost principally to enable the entity to further its objectives, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite and the expected useful lives for the below categories of intangible assets have not changed since 2025 [(a)]. These are listed below.

Asset	Useful life range
Software	2 to 15 years [(a)]

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The Commission's intangible assets are amortised using the straight-line method.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than the asset's carrying amount, the carrying amount is reduced to recoverable amount, and the reduction is recognised as an impairment loss.

[(a)] During 2025-26, the Commission identified that the useful life range for Software assets of 3 to 10 years, as disclosed in 2024-25 did not accurately reflect the appropriate useful life range and this has now been updated to 2 to 15 years. There is no quantitative impact on the prior period's financial position, financial performance, or cash flows.

13. Non-current assets held-for-sale

Consolidated and Parent	**2026**	**2025**
Assets held-for-sale	**$'000**	**$'000**
Land	59,978	1,051
Buildings	28,527	-
Total assets held for sale	**88,505**	**1,051**

Amounts recognised in other comprehensive income relating to assets held-for sale	**2026**	**2025**
	$'000	**$'000**
Net change in revaluation surplus of non-current assets held-for-sale	(12,831)	-
	(12,831)	**-**

Assets held for sale comprise properties located at Tamworth and Albury, which were classified as held for sale in the prior year, and additional properties located at Thurgoona, Nirimba, Cowra, Grenfell, Miller, Bathurst, Kogarah, Chullora and Quirindi, which were classified as held for sale during 2025–26. Indicators of impairment were identified for five sites and prior to the classification to assets held for sale which resulted in a $12.8m reduction in the asset revaluation surplus during the year.

Further details regarding fair value measurement are disclosed in Note 15.

13. Non-current assets held-for-sale (continued)

Material accounting policy information

The Commission classifies non-current assets as held-for-sale, where the carrying amounts will be recovered principally through a sale transaction, not through continuing use. Non-current assets held-for-sale are recognised at the lower of their carrying amount and fair value less costs of disposal.

These assets are not depreciated / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

Refer to Note 15 for valuation techniques and inputs used for subsequent measurement of fair value of Non-current Assets Held-for-Sale after its initial recognition in accordance with AASB 13 *Fair Value Measurement*.

14. Other Financial Assets

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Shares	175	175
Total financial assets at fair value	**175**	**175**

Material accounting policy information

One parcel of shares is held as a joint investment in Coffs Harbour Technology Park with DoE and Southern Cross University. Shares are recognised at cost which is deemed fair value.

15. Fair Value Measurement of Non-Financial Assets

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. These inputs are categorised under AASB 13 as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets/liabilities that the Commission can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Commission recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) ***Fair value hierarchy***

Consolidated and Parent 30 June 2026	**Note**	**Level 1 Fair Value $'000**	**Level 2 Fair Value $'000**	**Level 3 Fair Value $'000**	**Total Fair Value $'000**
Land	10	-	1,590,731	59,054	1,649,785
Buildings	10	-	5,856	3,980,504	3,986,360
Non-current assets held for sale	13	-	88,506	-	88,506
Carrying value as at 30 June 2026		**-**	**1,685,093**	**4,039,558**	**5,724,651**

Consolidated and Parent 30 June 2025	**Note**	**Level 1 Fair Value $'000**	**Level 2 Fair Value $'000**	**Level 3 Fair Value $'000**	**Total Fair Value $'000**
Land	10	-	1,701,727	59,054	1,760,781
Buildings	10	-	5,798	4,131,471	4,137,269
Non-current assets held for sale	13	-	1,051	-	1,051
Carrying value as at 30 June 2025		**-**	**1,708,576**	**4,190,525**	**5,899,101**

15. Fair Value Measurement of Non-Financial Assets (continued)

(b) *Reconciliation of recurring Level 3 fair value measurements*

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Consolidated and Parent

	Land $'000	Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair value as at 1 July 2025	59,054	4,131,471	4,190,525
Additions	-	210,313	210,313
Impairment losses [(a)]	-	(49,721)	(49,721)
Transfer to non-current assets held-for-sale	-	(31,710)	(31,710)
Net change in revaluation surplus for assets disposed	-	(2,410)	(2,410)
Depreciation	-	(277,439)	(277,439)
Fair value as at 30 June 2026	**59,054**	**3,980,504**	**4,039,558**

Consolidated and Parent

	Land $'000	Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair value as at 1 July 2024	57,593	4,067,672	4,125,265
Additions	-	136,269	136,269
Disposals	-	(325)	(325)
Net change in revaluation surplus for assets disposed	-	(1,673)	(1,673)
Revaluation increments recognised in Other comprehensive income	23	188,556	188,579
Depreciation	-	(259,028)	(259,028)
Transfer from Level 2 to Level 3	1,438	-	1,438
Fair value as at 30 June 2025	**59,054**	**4,131,471**	**4,190,525**

[(a)] Derecognition of buildings at the Bankstown site with a depreciated replacement cost of $49.5m, as the assets are not expected to provide future economic benefits or service potential to Health Administration Corporation.

15. Fair Value Measurement of Non-Financial Assets (continued)

(c) ***Valuation techniques***

i. Land

Land valuations are stated at fair value using a Comparative Market Value basis, adjusted for restrictions and applied to each site area. In the current year, the Commission engaged Acumentis to conduct an interim valuation which confirmed current book value appropriately represents fair value. Due consideration is given to the inclusion in the valuation or otherwise, of land and buildings that are "shared" (i.e., where the legal title is in another entity's name, but the Commission wholly or partially utilises the asset in the ordinary course of business). The 2023 comprehensive land valuation was completed by independent valuation experts, Acumentis. The comprehensive revaluation comprised of full site inspections, title searches, map, zoning, topography and restriction searches and recent comparable property sales. Consideration is given to locality, and general market and socio-economic factors and overlaid with the specialised professional valuer's opinion to arrive at a determination of fair value.

ii. Buildings

All building assets are stated at fair value using the Current Replacement Cost method except for buildings at one site where the market approach has been assessed as the most appropriate valuation technique as described below. In the current year, the Commission engaged Acumentis to conduct an interim valuation for buildings which confirmed current book value appropriately represents fair value.

The 2023 comprehensive building valuation was completed by independent valuation experts, Acumentis. The comprehensive revaluation for buildings valued at Current Replacement Cost comprised of full site inspections, component price inputs sourced from an independent quantity surveyor, project management costs and regional construction costs. To determine Optimised Replacement Costs consideration was given to valuer's assessment of remaining useful life, condition assessment, recent site improvements and asset maintenance programs. The Commission separately restated Gross Replacement Cost and Accumulated Depreciation for assets valued using the Current Replacement Cost method.

Where the market approach to revaluation of buildings was considered most appropriate, the valuer performed the comprehensive revaluation in accordance with the market approach described for Land, and tested for appropriate outcome using the income approach, arriving at a market value in line with the income approach after reviewing rental income for like assets in the area. In line with AASB 13 requirements, the Commission reported the net replacement cost for assets held at market fair value.

iii. Plant and equipment

TPG25-11 requires the revaluation of plant and equipment to be undertaken at least every five years. Given plant and equipment is primarily made up of furniture and fixtures and IT equipment, the Commission has deemed the fair value of plant and equipment to approximate the written down value. Plant and equipment are examples of recurring fair value measurements. Plant and equipment measured using depreciated historical cost as an approximation of fair value do not require fair value hierarchy disclosures.

iv. Non-current Assets Held-for-Sale

AASB 13 requires disclosure of the valuation techniques and inputs used for subsequent measurement of fair value of Non-current Assets Held-for-Sale after its initial recognition. The subsequent measurement of these assets is based on the same techniques and inputs used for fair valuation of Land and Building, as appropriate.

16. Current Liabilities – Payables

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Accrued salaries, wages and on-costs	60,863	65,595	60,397	65,055
Creditors	71,157	70,557	71,157	70,551
Group, payroll and fringe benefits tax	6,166	6,226	6,112	6,138
Personnel services	-	-	520	634
Other	15,049	11,951	15,049	11,951
Total current payables	**153,235**	**154,329**	**153,235**	**154,329**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 26.

Material accounting policy information

Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

17. Current / Non-Current Liabilities – Provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Current				
Employee benefits and related on-costs: [a]				
Annual leave	77,792	76,141	76,686	74,727
On-costs annual leave	24,787	23,080	24,583	22,825
On-costs long service leave	43,078	40,849	42,627	40,288
Parental leave	2,771	2,840	2,700	2,840
	148,428	**142,910**	**146,596**	**140,680**
Other Provisions:				
Provision for restructure	4,163	211	3,974	211
Provision for make good	62	50	62	50
Provision for personnel services	-	-	2,021	2,230
	4,225	**261**	**6,057**	**2,491**
Total current provisions	**152,653**	**143,171**	**152,653**	**143,171**
Non-current				
Employee benefits and related on-costs: [a]				
On-costs long service leave	4,787	4,539	4,737	4,477
	4,787	**4,539**	**4,737**	**4,477**
Other Provisions:				
Provision for make good	2,345	570	2,345	570
Provision for personnel services	-	-	50	62
	2,345	**570**	**2,395**	**632**
Total non-current provisions	**7,132**	**5,109**	**7,132**	**5,109**
Total provisions	**159,785**	**148,280**	**159,785**	**148,280**

[a] It is estimated that the provision for annual leave and on-costs for annual leave and long service leave is expected to be settled in the following periods:

Expected to be settled within 12 months	89,064	83,216	88,026	81,943
Expected to be settled after 12 months	61,380	61,393	60,607	60,374
	150,444	**144,609**	**148,633**	**142,317**

17. Current / Non-Current Liabilities – Provisions (continued)

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Aggregate employee benefits and related on-costs				
Provisions - current	148,428	142,910	146,596	140,680
Provisions - non-current	4,787	4,539	4,737	4,477
Accrued salaries, wages and on-costs (Note 16)	60,863	65,595	60,397	65,055
Total aggregate employee benefits and related on-costs	**214,078**	**213,044**	**211,730**	**210,212**

Movements in provisions (other than employee benefits and personnel services)

Movement in other provisions during the financial year, other than employee benefits and personnel services, are set out below:

Consolidated	**Provisions for Restructure $'000**	**Provisions for Make good $'000**	**Total $'000**
Balance at 1 July 2025	211	620	831
Additional provisions recognised	16,394	1,787	18,181
Amount used	(12,442)	-	(12,442)
Balance at 30 June 2026	**4,163**	**2,407**	**6,570**

Parent	**Provisions for Restructure $'000**	**Provisions for Make good $'000**	**Total $'000**
Balance at 1 July 2025	211	620	831
Additional provisions recognised	15,638	1,787	17,425
Amount used	(11,875)	-	(11,875)
Balance at 30 June 2026	**3,974**	**2,407**	**6,381**

Material accounting policy information

Employee benefits and related on-costs

i. Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% (2025: 8.4%) of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Commission has assessed the actuarial advice based on the Commission's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Commission does not expect to settle the liability within 12 months as the Commission does not have the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

17. Current / Non-Current Liabilities – Provisions (continued)

Material accounting policy information (continued)

Employee benefits and related on-costs (continued)

ii. Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. The Commission accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in TPG25-09. The expense for certain superannuation schemes (i.e., Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e., State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii. Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

iv. Parental leave

The Commission recognises a provision for paid parental leave in accordance with AASB 119 *Employee Benefits*. The Commission recognises a provision once an employee has provided the required notice to access paid parental leave. Consideration is given to certain factors including expected future wage and salary levels and historical leave usage.

Other provisions

Provisions are recognised when: the Commission has a present legal or constructive obligation because of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Commission expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

The make good provision relates to leases and recognises the Commission's obligations to dismantle, remove and restore items of property, plant and equipment on the leased properties to its original condition at the conclusion of the lease. The amount of the provision is the best estimate of the expenditure required to settle the present obligations discounted to reflect the present value of such expenditures.

Any provisions for restructuring are recognised only when the Commission has a detailed formal plan, and the Commission has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

The personnel services provision relates to obligations for leave, related oncosts and other entitlements for employees of the Agency. The provision follows the same recognition and measurement principles as that of the Commission.

18. Current / Non-Current Liabilities – Lease Liabilities

Consolidated and Parent	2026 $'000	2025 $'000
Current		
Lease liability (see Note 11)	5,807	3,175
Total current lease liability	**5,807**	**3,175**
Non-Current		
Lease liability (see Note 11)	30,460	14,613
Total non-current lease liability	**30,460**	**14,613**
Total lease liabilities	**36,267**	**17,788**

19. Commitments

Consolidated and Parent	2026 $'000	2025 $'000
Capital Commitments		
Aggregate capital expenditure contracted for at balance date and not provided for:		
Within one year	72,644	33,691
Later than one year and not later than five years	34,891	-
Total (including GST)	**107,535**	**33,691**

20. Contingent Liabilities and Contingent Assets

(a) ***Contingent liabilities***

Legal matters
There are no known cases where the Commission could be liable for material compensation payments relating to matters, which are the subject of litigation that are not covered by the NSW Treasury Managed Fund and icare Treasury Managed Fund.

(b) ***Contingent assets***

The Commission has not identified any contingent assets for the year ending 30 June 2026.

21. Reconciliation of Cash Flows from Operating Activities to Net Result

Reconciliation of cash flows from operating activities to the net result as reported in the Consolidated Statement of Comprehensive Income as follows:

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
Net cash used on operating activities	370,980	337,159
Depreciation and amortisation	(336,564)	(305,990)
Allowance for impairment and write-offs	(10,038)	(43)
(Increase) in provisions	(11,505)	(8,453)
Increase / (decrease) in receivables	41,029	(85,604)
(Decrease) / increase in contract assets	(6,208)	1,459
(Increase) in contract liabilities	(26,977)	(24,536)
Increase in restricted assets	294	206
Decrease / (increase) in payables	1,094	(7,098)
Net (loss) / gain on sale of property, plant and equipment	(49,425)	220
Grant to Health Administration Corporation [(a)]	(22,100)	-
Net result	**(49,420)**	**(92,680)**

[(a)] Non-cash grant expense for the transfer of land at fair value of $22.1m (2025: nil) to Health Administration Corporation for the development of Bankstown Hospital.

22. Non-Cash Financing and Investing Activities

	Consolidated 2026 $'000	**Consolidated 2025 $'000**	**Parent 2026 $'000**	**Parent 2025 $'000**
Liabilities and expenses assumed by the Crown [(a)]	(53,738)	(50,164)	(53,723)	(48,908)
	(53,738)	**(50,164)**	**(53,723)**	**(48,908)**

[(a)] The Crown assumes the long service leave liability of the Commission.

23. Related Party Disclosures

(a) *Key Management Personnel*

The Commission's key management personnel compensation is as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000	Parent 2026 $'000	Parent 2025 $'000
Short-term employee benefits	2,776	2,538	2,393	1,759
Post-employment benefits	266	187	236	157
Separation benefits	240	402	240	31
Total remuneration	**3,282**	**3,127**	**2,869**	**1,947**

Key management personnel compensation
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission.

Compensation is aggregated by the following categories:

- short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, allowances, bonuses (if payable within twelve months of the end of the financial year) and non-monetary benefits (such as, cars and free or subsidised goods or services);
- post-employment benefits such as compulsory superannuation contributions;
- other long-term benefits such as long service leave or sabbatical leave, jubilee or other long service benefits, long-term disability benefits and, if not payable wholly within twelve months of the end of the financial year, profit-sharing, bonuses and deferred compensation; and
- separation benefits.

Key management personnel compensation disclosed above excludes the Minister for Skills, TAFE and Tertiary Education. Ministerial compensation is paid by the NSW Legislature, not the Commission. Key management personnel compensation also excludes long service leave, which is assumed by the Crown.

Other than the key management personnel compensation noted above, there were no material related party transactions with key management personnel.

During the year, the Commission as a consolidated entity incurred $0.4m (2025: $1.2m) in respect of the key management personnel services that are provided by a separate management entity, the Staff Agency.

23. Related Party Disclosures (continued)

(b) ***Transactions with Government Related Entities during the financial year***

During the year, the Commission entered into the following individually significant arm's length transactions with other entities that are controlled by the NSW Government:

- TAFE-delivered Vocational Education and Training (TVET) course fee revenue totalling $59.2m (2025: $59.7m) and recurrent grant and entitlement revenue of $1.94bn (2025: $1.78bn) from the Department of Education, of which $2.1m is the net contract asset (2025: $21.5m) and $3.9m (2025: $19.5m) was accrued revenue at year end.
- Corporate services fees of $20.7m (2025: nil) were incurred to the Department of Education for cleaning services.

The Commission paid payroll tax and fee for debt collection services to Revenue NSW; received audit services from the Audit Office of NSW; obtained insurance services from NSW Self Insurance Corporation, icare and Construction Risks Insurance Fund (CRIF); water, sewerage and drainage services from Sydney Water, Essential Energy, Water NSW and Hunter Water Corporation; servers from Department of Customer Service; long service leave and redundancy reimbursements from the Crown; transferred land to Health Administration Corporation for construction of Bankstown Hospital; security deposit to NSW Land and Housing Corporation; administrative services to the Technical Education Trust Funds; and secondments and leave transfers to and from various NSW Government Agencies.

24. Budget Review

The Commission's net loss result of $49m is a $131m unfavourable variation against the original budgeted net surplus result of $82m. The major factors contributing to this variation are outlined below:

- Total revenue was $105m (or 4%) unfavourable to budgeted revenue. This was primarily due to lower commercial revenue and lower student fees due to NSW Fee Free Funding, partially offset by the insurance claim recovery for the Lismore flooding that occurred in 2021-22.
- Loss on disposal of assets was $58m unfavourable to budget primarily due to the derecognition of Bankstown buildings.
- Other gains were $9m unfavourable to budget primarily due to impairment of intangible assets.
- Employee related expenses were $41m (or 3%) unfavourable to budget primarily due to higher superannuation contributions and redundancy expenses.
- Other Operating expenses were $105m (or 20%) favourable to budget primarily due to lower spending on repairs and maintenance of infrastructure, contractors, computer expenses, and course development fees.
- Grants and subsidies expenses were $22m unfavourable to budget primarily due to the transfer of land at fair value to Health Administration Corporation for the development of Bankstown Hospital accounted for as a non-cash grant expense.

The Commission's total net assets were $79m (or 1%) lower than the budget. The major factor contributing to this movement was the derecognition of Bankstown buildings at depreciated replacement cost and the transfer of Bankstown land at fair value to Health Administration Corporation for the development of Bankstown Hospital.

The Commission's net cash flows from operating activities are a net inflow of $371m compared to a budgeted cash inflow of $411m. This is mainly due to lower commercial and student revenue and higher employee related expenses, partially offset by lower operating expenses.

25. Trust Funds

The Commission holds monies in a trustee capacity for the Technical Education Trust Fund. The trustee is charged with the administration of the Trust Funds including the investment of trust monies and the awarding of prizes to students undertaking courses of studies conducted by the Commission. As the Commission performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of the Commission's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust account:

Consolidated and Parent	**2026**	**2025**
	$'000	**$'000**
(a) Barry Raymund Roberts Memorial		
Cash / investment at the beginning of the financial year	132	126
Add: Receipts	5	6
Less: Expenditure	(8)	-
Cash / investment at the end of the financial year	**129**	**132**
(b) Coachbuilders War Memorial Bursary Trust		
Cash / investment at the beginning of the financial year	34	32
Add: Receipts	1	2
Cash / investment at the end of the financial year	**35**	**34**
(c) Mary Ellen Roberts Memorial		
Cash / investment at the beginning of the financial year	10	10
Cash / investment at the end of the financial year	**10**	**10**
(d) Noel Chettle Memorial Art Prize		
Cash / investment at the beginning of the financial year	44	44
Add: Receipts	2	3
Less: Expenditure	-	(3)
Cash / investment at the end of the financial year	**46**	**44**
(e) Oliver Shaul Scholarship Trust		
Cash / investment at the beginning of the financial year	312	308
Add: Receipts	13	14
Less: Expenditure	(11)	(10)
Cash / investment at the end of the financial year	**314**	**312**
(f) William and Elizabeth Cuthbertson Memorial		
Cash / investment at the beginning of the financial year	20	19
Add: Receipts	1	1
Cash / investment at the end of the financial year	**21**	**20**

26. Financial Instruments

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Managing Director has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee and internal auditors on a regular basis.

(a) *Financial instrument categories*

			Carrying Amount Consolidated 2026 $'000	Carrying Amount Consolidated 2025 $'000	Carrying Amount Parent 2026 $'000	Carrying Amount Parent 2025 $'000
Financial Assets	**Note**	**Category**				
Class:						
Cash and cash equivalents	6	N/A	301,882	250,914	301,882	250,914
Receivables [(a)]	7	Amortised Cost	89,945	41,858	89,945	41,858
Other financial assets	9 & 14	Amortised Cost	5,663	5,369	5,663	5,369
Financial Liabilities						
Class:						
Payables [(b)]	16	Financial liabilities measured at amortised cost	81,415	82,509	82,049	83,143
Lease liabilities	18	Financial liabilities measured at amortised cost	36,267	17,788	36,267	17,788

(a) Excludes statutory receivables and prepayments (i.e., not within scope of AASB 7 *Financial Instruments: Disclosures* (AASB 7)).

(b) Excludes statutory payables and contract liabilities (i.e., not within scope of AASB 7).

The Commission determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) *Derecognition of financial assets and financial liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Commission transfers its rights to receive cash flows from the asset; and either:

- the Commission has transferred substantially all the risk and rewards of the asset; or
- the Commission has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Commission's continuing involvement in the asset. In that case, the Commission also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Commission has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

26. Financial Instruments (continued)

(c) *Offsetting financial instruments*

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) *Financial risks*

i. Credit risk

Credit risk arises when there is the possibility of the Commission's debtors defaulting on their contractual obligations, resulting in financial loss to the Commission. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Commission, including cash, receivables and authority deposits. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Credit risk associated with the Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts.

The Commission applies the AASB 9 *Financial instruments* simplified approach to measuring expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking factors, including macroeconomic and inflationary factors affecting the ability of the customers to settle the receivables. The Commission has identified historical collectability rates to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors. ECLs are applied at each receivable stage and adjusted accordingly throughout the receivable lifecycle based on changes in historical loss rates and forward-looking factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 365 days past due.

26. Financial Instruments (continued)

(d) ***Financial risks (continued)***

i. Credit risk (continued)

Receivables – trade receivables (continued)

The loss allowance for trade receivables as at 30 June 2026 and 2025 was determined as follows:

Consolidated and Parent			**30 June 2026**			
			$'000			
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	0.67%	11.47%	16.77%	17.06%	22.59%	3.53%
Estimated total gross carrying amount at default	78,558	2,920	2,498	1,465	7,791	93,232
Expected credit loss	(523)	(335)	(419)	(250)	(1,760)	(3,287)

			30 June 2025			
			$'000			
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	1.07%	7.53%	16.37%	26.60%	12.37%	4.91%
Estimated total gross carrying amount at default	29,261	3,492	1,118	1,045	9,105	44,021
Expected credit loss	(313)	(263)	(183)	(278)	(1,126)	(2,163)

Note: The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8 and the contract assets total in Note 8.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2026 and 2025. Most of the Commission's trade debtors have a good credit rating.

ii. Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility using an operating bank account and a credit card facility. The Commission is bound by NSW Treasury banking requirements.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TPG25-04 *NSW Government Faster Payment Terms Policy* (TPG25-04). For registered small business suppliers, in-scope NSW Government agencies must pay within 5 business days of receiving a correctly rendered invoice, unless an exclusion or policy limit applies. Where payment terms are not otherwise specified, in-scope agencies must still pay registered small business suppliers within 5 business days of receiving a correctly rendered invoice, in line with TPG25-04. For suppliers that are not registered small businesses, payment timeframes are as set out in the contract or relevant procurement arrangements (TPG25-04 does not prescribe a default 30-day term).

The table below summarises the maturity profile of the Commission's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

26. Financial Instruments (continued)

(d) ***Financial risks (continued)***

ii. Liquidity risk (continued)

Maturity analysis and interest rate exposure of financial liabilities

Consolidated			Interest Rate Exposure			Maturity Dates		
	Weighted average effective Int. Rate	Nominal Amount [a] $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000	< 1 yr $'000	1 - 5 yrs $'000	> 5 yrs $'000
2026								
Payables:								
Creditors	-	81,415	-	-	81,415	81,415	-	-
Lease Liabilities	4.52%	36,267	36,267	-	-	5,807	23,128	7,332
2025								
Payables:								
Creditors	-	82,509	-	-	82,509	82,509	-	-
Lease Liabilities	4.27%	17,787	17,787	-	-	3,124	6,811	7,852

Parent			Interest Rate Exposure			Maturity Dates		
	Weighted average effective Int. Rate	Nominal Amount [a] $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000	< 1 yr $'000	1 - 5 yrs $'000	> 5 yrs $'000
2026								
Payables:								
Creditors	-	82,049	-	-	82,049	82,049	-	-
Lease Liabilities	4.52%	36,267	36,267	-	-	5,807	23,128	7,332
2025								
Payables:								
Creditors	-	83,143	-	-	83,143	83,143	-	-
Lease Liabilities	4.27%	17,787	17,787	-	-	3,124	6,811	7,852

[a] The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Commission can be required to pay. The amounts exclude statutory payables and unearned revenue (i.e. not within scope of AASB 7) and therefore will not reconcile to Note 17. The table includes both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission has no exposure to market risk.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk. A reasonably possible change in risk variable has been determined after considering the economic environment in which the Commission operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2025. The analysis assumes that all other variables remain constant.

26. Financial Instruments (continued)

(d) ***Financial risks (continued)***

iv. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission holds basic financial instruments that have minimal exposure to interest rate risk or other price risk. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Commission's exposure to interest rate risk is set out below.

Consolidated and Parent	**2026**		**2025**	
	-1%	**+1%**	**-1%**	**+1%**
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**
Net Result	(3,074)	3,074	(2,561)	2,561
Equity	(3,074)	3,074	(2,561)	2,561

(e) ***Fair value compared to carrying amount***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

27. Events after the Reporting Period

In the period after the end of financial year and the date of this report, there has been no subsequent event or transaction that is material in nature and is likely to significantly affect the operations or results of the Commission in subsequent financial years.

End of audited financial statements





Compliance index

Heading	Compliance requirement	Basis for, or source of, requirement	Completed*	Page reference
Acknowledgement of Country	Acknowledgement of Country	TPG25-10a	Yes	Preliminary page
Letter of submission	Letter of submission	TPG25-10a	Yes	1
Overview	Enabling legislation	TPG25-10a	Yes	5
Overview	Purpose, vision and values	TPG25-10a	Yes	6
Overview	Organisational structure	TPG25-10a	Yes	7
Overview	Principal officers	TPG25-10a	Yes	8-9
Overview	Functions and services	TPG25-10a	Yes	5, 12-29
Overview	Controlled entities and subsidiaries, other related agencies	TPG25-10a	Yes	70
Overview	Consolidated/combined group	TPG25-10a	Yes	70
Overview	Extensions	TPG25-10a	N/A	70
Overview	Exemptions	TPG25-10a	N/A	-
Strategy	Strategic objectives and outcomes	TPG25-10a	Yes	10-11
Strategy	Current and future strategic plans	TPG25-10a	Yes	10-11
Strategy	Measuring progress	TPG25-10a	Yes	11
Strategy	Strategic resource allocation	TPG25-10a	Yes	11
Operations and performance	Key products and services	TPG25-10a	Yes	12-29
Operations and performance	Service delivery models	TPG25-10a	Yes	13

Heading	Compliance requirement	Basis for, or source of, requirement	Completed*	Page reference
Operations and performance	Summary of programs and operations	TPG25-10a	Yes	12-28
Operations and performance	Performance metrics regarding outcomes	TPG25-10a	Yes	27
Operations and performance	Economic and other factors affecting achievement of operational objectives	TPG25-10a	Yes	5, 10-11
Operations and performance	Use of technology	TPG25-10a	Yes	25-26
Operations and performance	Innovation and improvement	TPG25-10a	Yes	25-28
Operations and performance	Infrastructure program	TPG25-10a	Yes	29-31
Operations and performance	Events arising after the reporting period	TPG25-10a	Yes	117
Operations and performance	IPART determination	*Section 18(4) Independent Pricing and Regulatory Tribunal Act 1992*	N/A	-
Management and accountability	Senior executives	TPG25-10a	Yes	36
Management and accountability	Boards and committees	TPG25-10a	Yes	32-35
Management and accountability	People	TPG25-10a	Yes	37-38
Management and accountability	Consultants	TPG25-10a	Yes	39
Management and accountability	International travel	TPG25-10a	Yes	39
Management and accountability	Personnel services	TPG25-10a	Yes	40
Management and accountability	Legislation administered	TPG25-10a	Yes	40
Management and accountability	Legislative changes	TPG25-10a	Yes	40
Management and accountability	PPIP Act requirements	*Privacy and Personal Information Protection Act 1998*	Yes	40
Management and accountability	GIPA Act requirements	*Government Information (Public Access) Act 2009*	Yes	43-47

Heading	Compliance requirement	Basis for, or source of, requirement	Completed*	Page reference
Management and accountability	Risk management and insurance	TPG25-10a	Yes	48
Management and accountability	Internal audit and risk management policy attestation	TPP20-08	Yes	49
Sustainability	Climate-related financial disclosures	TPG25-10a; TPG24-33	Yes	50, 121-125
Sustainability	Disability inclusion action plans	*Disability Inclusion Act 2014*	Yes	53
Sustainability	Modern Slavery Act 2018 requirements	*Modern Slavery Act 2018*	Yes	58
Sustainability	Work health and safety	TPG25-10a	Yes	56-57
Sustainability	Workforce diversity	TPG25-10a	Yes	51-55
Financial performance	Summary of financial performance	TPG25-10a	Yes	59-60
Financial performance	Annual GSF financial statements	TPG25-10a	Yes	63-117
Financial performance	Controlled entities financial statements	TPG25-10a	No	N/A
Financial performance	Audit report	TPG25-10a	Yes	61-62
Financial performance	Start and finish of audited financial information	TPG25-10a	Yes	61-117
Financial performance	Machinery of government changes	TPG25-10a	N/A	-

Climate-related Financial Disclosure 2025-26

1. Introduction

TAFE NSW's 2025-26 climate-related financial disclosures are prepared in accordance with NSW Treasury's *TPG24-33 Reporting framework for climate-related financial disclosures*.

Climate change may affect TAFE NSW's ability to deliver safe, reliable, and accessible educational services. Climate hazards such as heat, drought, bushfires, storms and flooding can impact asset resilience, operational costs, the safety and wellbeing of staff and students, and infrastructure planning and investment.

This is TAFE NSW's first climate-related financial disclosures report, with TAFE NSW taking important steps to identify and incorporate climate risk and opportunities across the organisation. TAFE NSW will continue to strengthen its approach through a phased program of work focused on enhancing emissions data quality and coverage, governance arrangements, and further integrating climate-related risk and opportunities into strategic planning and enterprise risk management. This work will support future reporting obligations and strengthen alignment with NSW Government expectations and the requirements of TPG24-33.

This disclosure is structured around the 4 pillars of the TPG24-33 framework:

1. Governance
2. Risk management
3. Strategy
4. Metrics and targets

1.1 Scope and organisational context

TAFE NSW is a NSW Government Sector Finance (GSF) agency established under the Technical and Further Education Commission Act 1990 (NSW). The Technical and Further Education Commission, trading as TAFE NSW, is the reporting entity.

TAFE NSW operates more than 150 campuses across metropolitan, regional, and rural NSW. This report covers all campuses under TAFE NSW's operational control across NSW and includes teaching and learning delivery, student support and community engagement, as well as corporate functions such as finance, digital, infrastructure, and procurement. TAFE NSW's climate related financial disclosures cover its operations, assets, and financial exposures as outlined in TPG24 33.

1.2 Materiality considerations

Climate risk and opportunity assessments were undertaken using asset data, Geographic Information System (GIS) climate projections and natural hazard mapping. Since 2023, assessments have been conducted at a portfolio (Group), regional and campus level to identify potential climate-related risks across TAFE NSW operations and assets.

Climate hazards were evaluated based on their likelihood and consequence, considering impacts across the enterprise risk categories of customer outcomes (including impacts to student experience), financial performance, workforce, regulatory compliance, reputation, and safety. Enterprise-level physical and transition climate risk and opportunities were identified and evaluated through stakeholder workshops to determine their potential impact on operations, service delivery, assets, stakeholders and strategic objectives. Identified risks were assessed in accordance with the TAFE NSW Enterprise Risk Management Framework using TAFE NSW's 5 x 5 risk matrix. Risks were evaluated across three time horizons which integrates likelihood and consequence ratings to determine an overall risk rating. The resulting risks and opportunities are further described in *Section 3.1*.

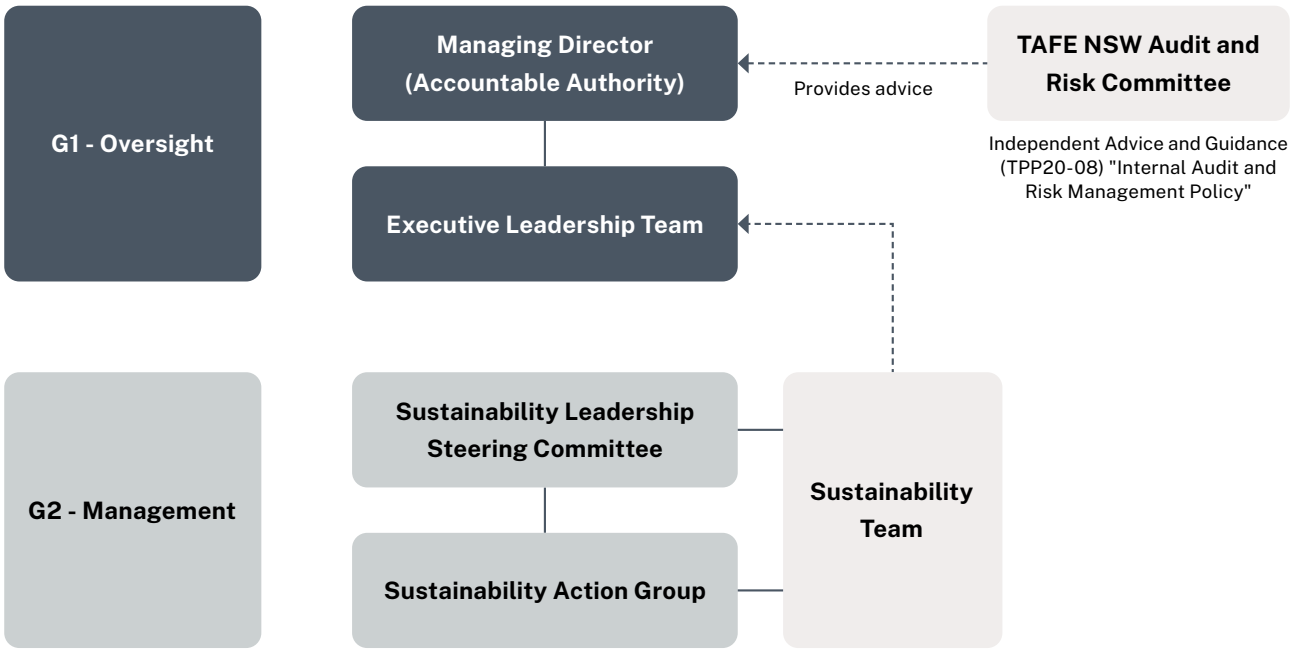
2. Governance

TAFE NSW supports the NSW Government's Net Zero Government Operations Policy which targets a 50% reduction in greenhouse gas emissions by 2030, 70% by 2035, and net zero by 2050 (compared with a FY2018-19 baseline) while building resilience to the impacts of climate change. TAFE NSW is continuing its work to incorporate consideration of climate-related risks and opportunities into its governance, strategic planning and risk management processes. In this report, TAFE NSW outlines progress in identifying and assessing climate-related physical and transition risks, understanding potential impacts on service delivery and organisational objectives, and outlines its approach for enhancements in monitoring climate-related metrics, targets and disclosures over time.

2.1 Roles and responsibilities for climate risk oversight

TAFE NSW's Managing Director has ultimate accountability for climate-related risks and opportunities, supported by the Executive Leadership Team (ELT), which oversees implementation of TAFE NSW's Environmental Sustainability Action Plan 2030 (ESAP 2030), climate-related risk management, and integration of climate considerations into strategic decision-making. The Sustainability Leadership Steering Committee, Sustainability Action Group and Sustainability Team support the coordination, monitoring and reporting of climate-related initiatives, risks and opportunities. The Audit and Risk Committee provides independent advice and guidance to the Managing Director on the effectiveness of TAFE NSW's governance, risk management and control frameworks, including the management of climate-related risks and opportunities.

Figure 1: Roles and responsibilities – oversight and management



2.2 Managing Director

Under the Government Sector Finance Act 2018 and NSW Treasury's TPP20-08 Internal Audit and Risk Management Policy, the Managing Director is the Accountable Authority and holds ultimate responsibility and accountability for TAFE NSW's risk management framework, including climate-related risks and opportunities.

2.3 TAFE NSW Executive Leadership Team (ELT)

The ELT is TAFE NSW's standing executive – decision-making body responsible for supporting the Managing Director in setting the strategic direction. The MD oversees organisational performance, including sustainable operational and financial outcomes. The ELT provides oversight of the implementation of TAFE NSW's ESAP 2030 and the integration of climate-related considerations into organisational governance, planning and decision-making processes.

Climate change is currently captured within the Legislative and Regulatory Compliance enterprise risk category, reflecting the regulatory and reporting obligations.

The ELT oversees climate-related matters through established governance processes which are monitored through regular agenda items, formal reporting and documented discussions. It receives twice yearly sustainability performance reports from the Sustainability Team in relation to ESAP 2030 implementation, including emissions reduction targets and trends, key achievements and emerging risks. The ELT also receives periodic climate-related updates and potential risks.

Through these reporting arrangements, the ELT monitors progress against sustainability objectives and ESAP 2030 commitments, oversees the management of climate-related risks and opportunities, and considers climate-related matters as part of strategic and operational decision-making. Additional reporting on ESAP 2030 implementation is provided as required to support effective oversight and governance.

2.4 Sustainability Leadership Steering Committee (SLSC)

The SLSC comprises senior representatives from across the organisation and supports the implementation of ESAP 2030. The SLSC meets quarterly and monitors progress via key metrics, including greenhouse gas emissions, electricity consumption, fuel use, travel, water consumption and waste generation. These metrics support the achievement of documented targets related to emissions reduction, potable water intensity, waste diversion and fleet electrification.

The SLSC receives twice yearly sustainability performance reports from the Sustainability Team including updates on target achievements and implementation progress, risks, and opportunities with supplementary reporting provided as required. Through these arrangements the SLSC supports organisation-wide coordination of sustainability initiatives and the identification, monitoring and management of climate-related risks and opportunities.

2.5 Sustainability Action Group (SAG)

The SAG reports to the SLSC and brings together stakeholders responsible for delivering ESAP 2030 initiatives. The SAG comprises five working groups, including the *Towards Net Zero* and *Climate Risk and Resilience* working groups. The Climate Risk and Resilience Working Group focuses on strengthening TAFE NSW's climate risk work through emissions reduction initiatives and the identification, assessment and management of climate-related risks and opportunities and resilience measures. Through these arrangements, climate-related initiatives, risks and opportunities are coordinated at the operational level to the SLSC to support oversight and strategic direction.

2.6 Sustainability Team

The Sustainability Team provides strategic guidance and subject matter expertise to support the implementation of ESAP 2030. The team coordinates and supports ESAP 2030 implementation, tracks and monitors progress, and reports performance outcomes to the SLSC and ELT. The team, in collaboration with the Finance team, Secretariat, and the Governance, Legal and Risk team supports the day-to-day integration of climate-related risks and opportunities into organisational planning, governance, reporting and decision-making processes.

2.7 Audit and Risk Committee

The Audit and Risk Committee (ARC) is an independent committee established in accordance with NSW Treasury's TPP20-08 Internal Audit and Risk Management Policy. Its role is to provide independent advice and guidance to the Managing Director on TAFE NSW's governance processes, risk management and control frameworks, and its external accountability obligations.

The ARC comprises three independent members and meets six times a year. As part of its responsibilities, the ARC reviews the adequacy and effectiveness of TAFE NSW's risk management framework and risk culture. This includes seeking assurance from management that material and emerging risks - including climate-related risks - are being identified, assessed and appropriately managed as well as monitoring the effectiveness of associated controls and risk management processes.

Climate-related risk reporting is incorporated into the ARC's annual meeting plan. The ARC receives the Sustainability Performance Report twice a year. The Sustainability Performance Report also includes reporting on the implementation and progress of ESAP 2030. Through these reporting arrangements, the ARC maintains oversight of the management of climate-related risks and opportunities.

2.8 Skills and competence of governance bodies

TAFE NSW's senior executives are appointed in accordance with the *Government Sector Employment Act 2013* and the NSW Public Sector Capability Framework, ensuring they have the appropriate skills, experience and capabilities required to effectively support the Managing Director and fulfil their organisational responsibilities.

Committees involved with overseeing climate-related risks and opportunities include members with expertise in governance, risk management, finance, asset management, infrastructure, sustainability, strategy and educational delivery. This supports informed oversight and decision-making regarding climate-related risks and opportunities.

Specialist climate capability has been supplemented by engaging specialist advisory support to engage stakeholders, facilitate climate risk and opportunities workshops and undertake capability building activities.

During 2026-27, TAFE NSW will further assess climate-related competency requirements and opportunities to strengthen capability and governance.

During the reporting period, senior leaders, including the Chief Operating Officer (COO), Deputy Chief Operating Officer (DCOO), Executive Director Governance Legal and Risk (GLR) and Chief Financial Officer (CFO), attended the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Climate Risk Ready leadership session. The session was designed to support executives in understanding and preparing for obligations under the NSW Climate Change (Net Zero Future) Act 2023 and climate-related financial disclosure requirements.

2.9 Consideration of climate risks and opportunities in decision-making

TAFE NSW is continuing to progress its approach to the identification, assessment and management of climate-related risks and opportunities. Climate-related considerations are incorporated into aspects of organisational planning and reporting, strategic decision-making and risk management processes. However, the next stages include reviewing and enhancing governance arrangements towards a more systematic approach.

TAFE NSW recognises the importance of effective governance in supporting organisational resilience and is committed to progressively enhancing its governance arrangements to ensure climate-related risks and opportunities are appropriately considered in decision-making.

2.10 External governance forums

TAFE NSW participates in a range of NSW Government emissions reduction and climate-related governance and advisory forums. Engagement in these forums facilitates information sharing, collaboration and knowledge exchange on climate-related matters, while providing access to emerging policy developments, regulatory requirements and best-practices. Participation also supports alignment with whole-of-government approaches to climate risk management, adaptation, and emissions reduction initiatives.

2.11 Climate-related targets

The Executive Leadership Team provides oversight in relation to target setting and ongoing tracking of performance. The Sustainability Leadership Steering Committee and Sustainability Action Group, provide management-level monitoring and tracking of climate-related objectives, metrics and performance.

In this reporting period, TAFE NSW launched its ESAP 2030 which was reviewed by the ELT and approved by the Managing Director (discussed further in section 5). The ESAP 2030 is aligned with the whole of government targets and priorities set out by the NSW Government Net Zero Government Operation (NZGO) Policy. Periodic reporting of ESAP 2030 implementation to the ELT provides oversight of progress against the ESAP 2030's emissions targets, which are based on an FY2018-19 baseline:

- 50% reduction by 2030
- 70% reduction by 2035
- Net zero emissions by 2050

TAFE NSW will also work towards a 'systemic' climate risk maturity level by 2030 (NSW Government Climate Risk Ready Guidelines) and improve measurement and reporting of material scope 3 emissions.

Progress of this work is reported quarterly by the Sustainability Team via the Sustainability Action Group to the SLSC. Sustainability performance reports are submitted to the ELT twice per year using an environmental performance dashboard which covers metrics (e.g. Greenhouse gas (GHG) emissions, electricity usage, fuel, travel, water, and waste) that contribute to documented targets (e.g. emissions reduction, reduction in potable water, waste diversion, and fleet electrification).

As this is the first year of reporting, TAFE NSW is focused on establishing the governance and reporting foundations necessary to support meaningful non-emissions-based climate-related targets. TAFE NSW is developing baseline metrics across priority climate-related risk and opportunity areas and will progressively establish monitoring and reporting mechanisms. Progress will be tracked through regular reporting via a revised governance framework in FY2026-27.

3. Risk Management

This section outlines TAFE NSW's processes for identifying, assessing, prioritising, and monitoring climate-related risks.

3.1 Climate change risk and opportunity assessment approach

In 2023 TAFE NSW established a baseline climate risk profile through an enterprise and campus-level climate-related risk and opportunity (CRRO) assessment. The assessment was undertaken via workshops with key stakeholders from across the organisation. This action served to identify, review and evaluate enterprise-level physical climate and transition risks that have strategic and operational implications for TAFE NSW. The foundational methodology for both the campus-level and the enterprise-level assessments was consistent. This 2023 campus-level assessment focused on identifying localised physical risks, whereas the subsequent enterprise-level assessment was expanded to encompass physical risks, transition risks, and climate-related opportunities.

The 2023 campus assessments included 153 sites and incorporated NSW and Australian Regional Climate Modelling (NARCliM) climate projections. Physical risk exposures were consolidated into 15 key portfolio risk statements which were based on commonality of hazard types, impact type (e.g. direct, indirect), and consequence categories.

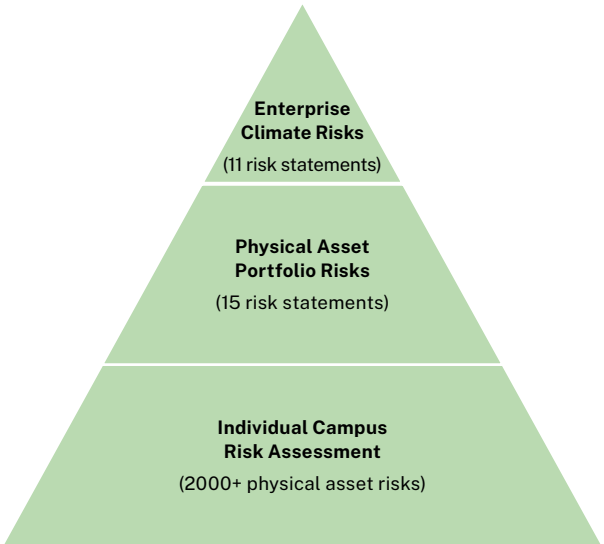
The enterprise physical and transition risks and opportunities faced by TAFE NSW were evaluated across three time horizons: short (current -2030), medium (2030-2050), and long-term (2050+) which are discussed further in section 4.2. The physical and transition risks were considered under two distinct climate scenarios:

- Low emissions future (RCP 2.6) associated with reduced greenhouse gas emissions globally along with dramatically increased policy, economic and regulatory drivers towards the transition to a low-carbon economy.
- High emissions future (RCP 8.5) assumes unabated global emissions, resulting in severe physical impacts, including elevated baseline temperatures and a higher frequency of extreme weather events.

The 2024 Enterprise Climate Assessment resulted in 11 physical and transition risk and opportunity categories to ensure long-term capital and operational alignment (discussed in section 4). The assessment used the same methodology as the campus-level assessment and incorporated the risks and opportunities identified in the campus assessment and consolidated portfolio risk statements. Risks and opportunities were rated at the time across three time horizons following a 5x5 risk matrix in accordance with the enterprise risk management framework. Further work to assess risks in accordance with the enterprise risk management framework will be undertaken to support reporting and monitoring in the FY2026-27 year.

A high-level review of TAFE NSW's enterprise climate change risk profile was carried out in 2026 to ensure it aligned with TAFE NSW's strategy, operations and organisational structure. This review included representatives across the organisation to support verifying and aligning risk ownership, re-evaluate risk ratings, controls, and prioritise risk mitigation actions. Following the review, the enterprise climate change risk profile was presented to the SLSC for noting, and the climate change risks and opportunities were incorporated into Group risk profiles for ongoing monitoring and review. Future enhancements are planned to include embedding targeted climate risk evaluations into ongoing operational risk review cycles, closer monitoring of risks relative to metrics, and reviews of processes to ensure ongoing alignment with the Climate Risk Ready NSW Guide and other applicable frameworks.

Figure 2: Enterprise Climate Risk and Opportunity Structure



3.2 Integration with overall risk management process

The TAFE NSW Enterprise Risk Management (ERM) framework provides the foundational, organisational arrangements and approach to identifying, assessing, managing, treating and monitoring risk in accordance with TAFE NSW Risk Appetite Statement. The ERM framework supports the achievement of TAFE NSW's organisational objectives by considering strategic and operational risks across the organisation. Climate risk is integrated under the governance and compliance pillar of the TAFE NSW Risk Appetite Statement, formally acknowledging climate change as a key risk consideration across operational and strategic domains.

To reflect evolving risk oversight expectations, the TAFE NSW Risk Appetite Statement was updated in June 2026. The revised statement recognises proactive management of climate exposures as an important action in order to support climate change adaption and resilience and to systematically navigate transitional risks and opportunities.

Further evaluation of climate exposures, as part of the risk management process, remains a core focus of our Year 2 roadmap.

To support the delivery of objectives of TAFE NSW's Strategic Plan through active risk management, each TAFE NSW Group has a process of identifying and monitoring risks through documented risk registers which are reviewed on a quarterly basis with specialists in the Audit and Risk Unit. TAFE NSW enterprise and operational risks are reviewed on a quarterly basis, and risk assessments include consideration of internal and external impacts. Enterprise climate change risk monitoring follows the existing quarterly risk reporting cycle. The Audit and Risk team facilitate the review with input from relevant members of TAFE NSW's Senior Executive Leadership Teams. The next step is to ensure change risk management will be further embedded into key processes such as strategic planning, service delivery and financial planning alongside key targets and metrics.

3.3 Monitoring climate-related risks and opportunities

TAFE NSW elevated its climate risk management to Group levels as part of its FY2025-26 review. A review of the existing climate risk and opportunity assessment will be completed in FY2026-27 to address current limitations and opportunities.

4. Strategy

4.1 TAFE NSW's climate-related risks and opportunities

TAFE NSW is subject to a broad range of climate change threats due to its geographic dispersal across NSW. As set out in Section 3, in 2024 an enterprise climate risk assessment identified 11 physical climate and transitional risks and opportunities. They are summarised in the table below:

Climate risk	Type	Time horizon	Potential business model impacts
Inability to meet climate-related changes in industry expectations, training demands, and support of student needs.	Transition	Short-long	Failure to align training products, teacher capability and delivery models with evolving climate-related regulatory requirements, industry and workforce needs may reduce student demand, industry engagement and market competitiveness. This may limit TAFE NSW's ability to support emerging skills requirements associated with the transition to a net zero and climate-resilient economy. Subsequently, this may result in reputational impacts; missed growth opportunities in sectors such as renewable energy, electrification and climate adaptation; and increased future costs associated with updating course materials and workforce capability to meet changing market and regulatory expectations.
Education and training quality compromised, and disruption to operations due to increasing frequency and intensity of climate-related events.	Physical	Short-long	Climate-related disruptions, including extreme weather events, may reduce TAFE NSW's service delivery capacity through campus closures, interruptions to training delivery, damage to learning resources and increased operational costs. This may lead to greater reliance on online and flexible delivery models, reduced student engagement, satisfaction and completion outcomes, and diminished confidence among students, industry partners and communities if service continuity cannot be maintained. This may occur in regions more exposed to severe weather events, impacting TAFE NSW's ability to deliver high-quality and equitable education and training outcomes.

Climate risk	Type	Time horizon	Potential business model impacts
Climate change increases the cost of operations	Transition	Short-long	Climate-related disruptions may reduce enrolments and revenue, while increasing operating, recovery and workforce support costs associated with emergency responses, business continuity requirements and disruption management. Rising insurance, increased energy, maintenance and repair costs - together with increased capital investment requirements for resilient infrastructure, digital learning capabilities, asset adaptation and decarbonisation initiatives - may place pressure on budgets, affect long-term financial planning and require the reallocation of funding from strategic priorities to resilience and recovery activities.
Increased impacts on health, safety and wellbeing of staff, students and communities driven by extreme weather events	Physical	Short-long	Climate-related hazards, including extreme heat and severe weather events, may increase health, safety and wellbeing risks for students, staff and visitors, affecting TAFE NSW's ability to maintain safe learning and working environments. These impacts may reduce workforce availability, student attendance and participation, disrupt educational delivery and campus operations, and increase the need for health, safety and wellbeing controls, support services, and operational expenditure. Failure to effectively manage these risks may affect educational outcomes, service continuity and TAFE NSW's ability to provide equitable access to education and the ability to support community resilience.
Damaged and devalued non-digital assets, and increased repair and maintenance costs due to extreme weather events.	Physical	Short-long	Climate-related hazards may increase costs associated with physical assets through damage to campuses, training equipment, ICT infrastructure and accommodation facilities, resulting in increased maintenance, repair, rebuilding and relocation expenditure. Repeated exposure to extreme weather events may reduce asset availability and shorten the useful life of facilities, while insufficient preparedness, planning or funding may require the reallocation of capital budgets towards asset adaptation, resilience and recovery activities.
Reduced availability or increased cost of water, energy and other resources	Physical	Short-long	Chronic climate hazards, such as drought and temperature increases, may lead to increased operational costs for water and energy demand for cooling purposes.

Climate risk	Type	Time horizon	Potential business model impacts
Compromised ability to be compliant with climate-related regulatory requirements	Transition	Short-long	Evolving climate-related regulatory and disclosure requirements may increase compliance, assurance, governance and reporting costs, requiring additional resources for data collection, audit activities and external expertise. Failure to meet regulatory obligations or disclosure requirements may result in compliance breaches, increased scrutiny, financial costs - including higher insurance premiums - and potential reputational impacts.
TAFE NSW is perceived by the public to be unprepared, and slow to adapt and implement climate resilience strategy.	Transition	Short-long	Failure to demonstrate leadership in climate resilience, preparedness and workforce transition may negatively affect TAFE NSW's reputation and stakeholder confidence. Increasing expectations from students, industry, government and communities for TAFE NSW to support climate adaptation, emergency responses and the development of future workforce capabilities may increase community scrutiny and impact trust, engagement and organisational standing.

The assessment also identified climate-related opportunities summarised in the table below:

Enterprise climate opportunity	Type	Time horizon	Potential business model impacts
Climate change reduces the cost of operations	Transition	Medium-long	Climate impacts may lead to prioritised and strategic investment in climate-resilient infrastructure and result in enhanced campus resilience to extreme weather, reducing disruption, maintenance, and recovery costs. Transition opportunities - such as energy efficiency upgrades, renewable energy, fleet electrification, and digital learning - may reduce operating costs and emissions while improving resource efficiency. Both opportunities can lower operating costs, improve operational resilience, and therefore better support the educational delivery.
TAFE NSW is seen as a trusted and committed organisation by demonstrating a strong, active and effective response	Transition	Short-long	Strong and effective responses and adaptation to climate impacts enhance the reputation and standing of TAFE NSW within its local community and strengthens TAFE NSW's position through the expanded offering of flexible and climate-adaptive educational delivery models.
Climate change leads to new sources of funding	Transition	Short-long	Additional funding opportunities becomes available to TAFE NSW to help support the transition to net zero, a climate resilient economy, and meet skills demand (e.g. Clean Energy Fund, Centres of Excellence)

4.2 Time horizons

TAFE NSW's climate risk was assessed against two scenarios (low emissions RCP 2.6 and high emissions RCP 8.5) across three time horizons. These time horizons align with TAFE NSW's key planning and investment frameworks:

Short-term (Current–2030)

The short-term horizon aligns with TAFE NSW's strategic and operational planning cycles, including the TAFE NSW Strategic Plan, annual budget and business planning, operational risk management, asset maintenance programs and near-term capital works planning. This horizon supports decision-making in relation to current service delivery, campus operations and prioritisation of adaptation measures. The 2030 milestone is also consistent with TAFE NSW ESAP 2030 and the NSW Government's Net Zero Government Operations Policy.

Medium-term (2030-2050)

The medium-term horizon reflects the period over which significant asset renewal, infrastructure upgrades and major capital investment decisions are typically planned and implemented. It supports consideration of climate resilience requirements which are reflected in strategic asset management planning to support campus upgrades, digital infrastructure investments, and asset optimisation activities. This horizon also enables TAFE NSW to assess transitional impacts associated with evolving policy, technology, energy markets and workforce resource and capability requirements.

Long-term (2050+)

The long-term horizon aligns with the long-term asset life of TAFE NSW's built asset portfolio and its associated infrastructure planning. Many campus buildings and major infrastructure assets have operational lives extending beyond 20 years, making consideration of future climate conditions essential for investment and renewal decisions. The 2050 horizon extends beyond the TAFE NSW 20 Year Infrastructure Strategy (2022–2042) and provides a forward-looking view of climate resilience over the expected life of major assets.

4.3 Concentration of risks and opportunities

Historical climate-related events, including the 2019-20 bushfires and the Northern Rivers floods, have highlighted the potential exposure and vulnerability of TAFE NSW's operations, assets and service delivery to a range of climate hazards.

The concentration of physical climate-related risks varies across TAFE NSW Communities due to differences in hazard exposure, asset characteristics and operating environments.

The TAFE NSW campus portfolio is subject to a range of chronic and acute climate hazards, including severe storms, droughts, riverine flooding, sea level rise, bushfires, and heatwaves. Campus-level risk assessments show, at the time of assessment (and acknowledging potential variance over time), that:

- 37% of the risks identified in this assessment were evaluated as low, with 32% as moderate and 29% as high.
- In the short-term, the majority of high risks are associated with the projected increased intensity of bushfires, heatwaves and storm hazards.
- No Very High risks were identified for the short-term; however, in the medium and long-term one very high risk emerges relating to the inundation impacts associated with sea level rise.

The assessment found a great concentration of high physical risk across the North, West and South areas compared to Sydney and Western Sydney. Flooding, sea level rise and severe storms present the greatest risk to campuses and assets in parts of the Northern NSW, while heat, drought and bushfire risks are more pronounced across regional and western locations.

These hazards have the potential to result in asset damage, power outages, increased maintenance and repair costs, service disruptions, reduced asset life, and potential impacts on workforce health, safety and wellbeing.

Risks associated with gradual asset degradation and declining asset performance are concentrated in areas experiencing prolonged exposure to extreme heat and drought, particularly in Western Sydney and regional NSW.

Transitional risks have currently been assessed at an enterprise level and are not considered to be concentrated within a specific geographic area. Similarly, climate-related opportunities are generally statewide and include opportunities to improve resource efficiency, reduce operating costs, strengthen climate resilience, enhance educational offerings and build workforce capability to support a low-carbon and climate-resilient economy.

TAFE NSW will continue to refine its assessment of climate-related risks and opportunities, including further analysis of geographic concentrations, asset-level exposure, business functions and service delivery activities.

The concentration of climate-related risks and opportunities that impact elements of TAFE NSW's business model and are outlined in section 4.1.

4.4 TAFE NSW's response to climate-related risks and opportunities

TAFE NSW manages climate-related risks and opportunities via the ESAP 2030, and its sustainability governance framework. The ESAP 2030 establishes emissions reduction targets and actions that support climate mitigation resilience and adaptation aligned with the TAFE NSW Strategic Plan and its 20 year Infrastructure Strategy.

Initiatives delivered through towards net zero and climate risk and resilience priority action areas are expected to reduce operating costs, improve asset performance and strengthen resilience to climate hazards while supporting educational delivery, and the NSW Government's net zero objectives.

During 2026-27, TAFE NSW will develop a Climate Transition Plan by 1 January 2027 consolidating existing net zero modelling and climate initiatives into a single framework to strengthen the management of climate-related risks and opportunities.

A summary of strategic and operational responses is provided in the table below and will be informed, by and subject to, variation as climate-related risk planning continues:

Climate risks and opportunities	Current response	Future/anticipated response
1. Inability to meet climate-related changes in industry expectations, training demand, and supporting student needs.	**Adaptation and mitigation activities** • The TAFE NSW education planning process considers government priorities, changing industry needs and emerging workforce requirements to ensure training is responsive to current and future skill needs, including those arising due to climate-related changes. • Ongoing review of training products and delivery models to support skills development in sustainability, renewable energy and other sectors supporting the transition to a low-carbon economy. • Availability of flexible and digital learning options to improve accessibility and continuity of educational delivery.	• Continue to identify emerging skill needs for the green economy and align training to demand. • Further embed sustainability and climate-related knowledge and skills across training products and educational delivery. • Continue engagement with government, industry and communities to monitor evolving workforce and learner needs associated with climate change and the net zero transition.

Climate risks and opportunities	Current response	Future/anticipated response
2. Education and training quality compromised, and disruption to operations due to increasing frequency and intensity of climate-related events	**Adaptation and mitigation activities** • Educational delivery planning incorporates flexibility to respond to disruptions from extreme weather events. • Flexible delivery modes, including digital learning capabilities, support continuity of teaching and learning activities. • Enterprise emergency management, business continuity and WHS processes support preparedness and responses to climate-related disruptions. • Collaboration with communities and government agencies supports coordinated responses during emergencies.	• Continue to strengthen business continuity and emergency preparedness arrangements. • Review opportunities to further enhance flexible delivery models and operational resilience during climate-related disruptions. • Continue consideration of climate-related risks in operational and educational planning activities.
3. Climate change impacts increase the cost of operations	**Adaptation and mitigation activities** • Implementation of energy efficiency upgrades, remote monitoring of energy and water, and installation of solar photovoltaic (PV) rooftop solar to improve resource efficiency and reduce operating costs. • Consider investment in energy efficiency initiatives, renewable energy systems, and improved monitoring of energy and water consumption. • Use of building performance data to identify opportunities for operational improvements and cost savings.	• Continue prioritisation and implementation of emissions reduction and resource efficiency initiatives. • Incorporate climate-related risk information into asset, operational and investment planning processes. • Identify opportunities to improve resilience and reduce future climate-related operating costs.
4. Increased impacts on health, safety and wellbeing of staff, students and communities driven by extreme weather events	**Adaptation and mitigation activities** • Climate-related hazards are considered through campus risk assessments, WHS processes, emergency management planning and business continuity arrangements. • Staff are supported through training, awareness programs, flexible work arrangements and wellbeing services aligned to TAFE NSW policy. • Crisis management, emergency communications and technologies, such as the SafeZone App, support preparedness and response activities.	• Continue integrating climate-related considerations into emergency management and business continuity planning processes. • Improve organisational awareness of climate-related risks and impacts to support preparedness and resilience.

Climate risks and opportunities	Current response	Future/anticipated response
5. Damaged and devalued non-digital assets, and increased repair and maintenance costs due to extreme weather events	**Adaptation and mitigation activities** • Application of TAFE NSW's Environmentally Sustainable Design Guidelines to support low-carbon, resilient and efficient infrastructure. • Delivery of energy efficiency/renewable energy and asset improvement initiatives through the ESAP 2030.	• Preventative maintenance programs support asset condition, reliability and preparedness for weather-related impacts. • Continue integrating climate-related considerations into infrastructure planning, asset management and capital investment processes. • Consider the assessment of campuses and assets with higher exposure to climate-related hazards. • Improve understanding of asset vulnerabilities to inform future resilience planning activities.
6. Reduced availability, or increased cost of, water, energy and other resources	**Adaptation and mitigation activities** • Sustainable design requirements consider efficient use of water and energy resources. • Monitoring systems support identification of water leaks, energy inefficiencies and opportunities for improved resource management.	• Assess opportunities to diversify water sources where appropriate and practical. • Continue incorporating resource security considerations into infrastructure and operational planning.
7. Compromised ability to be compliant with climate-related regulatory requirements	**Adaptation and mitigation activities** • Annual legislative compliance reviews support identification and management of regulatory obligations. • Climate-related disclosure and reporting requirements are monitored through the ELT and existing governance and risk processes.	• Continue to monitor emerging climate-related legislation, policy, disclosure and reporting requirements. • Further embed climate-related considerations into governance, risk management and planning processes. • Continue to mature climate-related reporting capabilities and support data management processes.

Climate risks and opportunities	Current response	Future/anticipated response
8. Adverse public perception regarding TAFE NSW's adaptation and resilience readiness	**Adaptation and mitigation activities** • Public reporting, communication and stakeholder engagement activities demonstrate TAFE NSW's commitment to sustainability and climate resilience. • Collaboration with government agencies and local communities supports preparedness and coordinated responses to climate-related events. • Ongoing assessment of climate-related risks informs decision-making and planning activities. • Participate and contribute to government forums in relation to climate risk management, adaptation and resilience planning.	• Continue integrating climate resilience considerations into infrastructure, operational and strategic planning processes. • Continue improving climate-related risk assessments, monitoring and reporting capabilities. • Develop and implement a Climate Transition Plan to support coordinated management of climate-related risks and opportunities.
9. Climate change reduces the cost of operations	**Adaptation and mitigation activities** • Implementation of energy efficiency, renewable energy and water efficiency initiatives. • Remote monitoring and optimisation of energy and water consumption.	• Continue implementing emissions reduction and efficiency initiatives. • Identify further opportunities to improve operational efficiency through infrastructure upgrades and improved asset performance. • Consider opportunities within current processes to integrate climate-related risks and opportunities in investment and planning decisions.
10. TAFE NSW is seen as a trusted and committed organisation by demonstrating strong, active and effective responses in supporting climate resilience	**Adaptation and mitigation activities** • ELT oversight of sustainability and climate-related initiatives. • Public commitment to sustainability through the ESAP 2030. • Partnerships with government, industry and community stakeholders.	• Continue demonstrating leadership through implementation of sustainability and climate resilience initiatives. • Strengthen stakeholder engagement and communication regarding climate-related activities and outcomes.
11. Climate change leads to new sources of funding	**Adaptation and mitigation activities** • Participation in government sustainability programs, networks and communities of practice. • Engagement with industry and government stakeholders on sustainability initiatives.	• Continue monitoring opportunities for external funding that supports emissions reduction, climate resilience and workforce capability initiatives. • Explore partnerships that support climate-related education, infrastructure and community resilience outcomes.

4.5 Resourcing and funding for climate-related activities

TAFE NSW's efforts to address climate-related risks and opportunities include a mix of financial, workforce and data-driven information resources to enable effective planning, risk management, and implementation:

Finance

Climate-related initiatives are primarily funded through existing budget allocations, with access to broader NSW Government mechanisms, such as the Climate Change Fund, where applicable. TAFE NSW has secured funding over the short-term to improve energy efficiency and upgrade or expand training facilities and teacher capability for clean energy occupations to support building renewable infrastructure, including solar, wind, hydrogen and battery storage. To meet future funding requirements related to key climate-related projects aligned to the 20-Year Infrastructure plan, TAFE NSW will need to submit new funding requests to the NSW Government, and access funding available through other relevant State and Commonwealth Government funding programs.

Insurance

The NSW Government Treasury-Managed Fund (TMF) provides insurance coverage for TAFE NSW assets as a NSW Government agency in accordance with the terms of the TMF Statement of Cover.

Human resources

Internal teams, and the Sustainability Leadership Steering Committee, lead climate-related planning and risk management. In FY27, TAFE NSW is planning to review opportunities for specialist resourcing to assist with embedding climate reporting and activities into business processes.

4.6 Climate Transition Plan

TAFE NSW's decarbonisation planning activities during FY2025-26 provide the foundation for the development of TAFE NSW's Climate Transition Plan which is required to be in place by 1 January 2027 in line with the requirements of the Net Zero Government Operations Policy and NSW Government Climate Transition Guidelines.

In the past five years, TAFE NSW has seen increased investment in solar PV, energy efficient equipment upgrades, electrification of fleet and infrastructure, capital refurbishments, and upgrades aligned with NSW Government policy to deliver TAFE NSW emissions reduction and net zero targets.

4.7 Financial impacts

Financial impact 2025-26

There was no material financial impact from climate-related events during 2025–26. However, a material transaction was recognised in the current year that related to a prior climate-related event.

TAFE NSW operate campuses in flood and bushfire-prone areas, and this has been considered in the fair value assessment of land and buildings in the current year.

TAFE NSW was impacted by heavy rains and resultant flooding in the 2022 Northern NSW floods, which led to the impairment of the Lismore campus. The Lismore campus remains impaired as at 30 June 2026. TAFE NSW has recognised a material insurance receivable of $37.5 million in relation to an insurance claim with iCare for the Lismore campus. Details of this climate-related matter have been disclosed in the annual financial statements.

There have been no climate-related transition risks which have created any material additional provisions or contingent liabilities, or that required the re-estimation of existing provisions or contingent liabilities for 2025-26.

Material adjustments to assets and liabilities carrying value amounts reported in TAFE NSW's 2026-27 annual financial statements

TAFE NSW is continuing to refine its assessment for climate-related risks and how these impact assets and liabilities carrying values. Previous climate-related events have indicated potential exposure and vulnerability of TAFE NSW's campus portfolio which is subject to a range of chronic and acute climate hazards, including severe storms, droughts, riverine flooding, sea level rise, bushfires and heatwaves. In the short-term, most high risks are associated with the projected increased intensity of bushfires, heatwaves and storm hazards. This has led to asset impairment and write-offs from infrastructure damage in the past. At the date of this report, TAFE NSW does not anticipate that there will be a material financial adjustment in 2026-27.

Anticipated financial impacts over short and medium terms

TAFE NSW has not yet quantified the extent to which climate-related risks impact its financial position, performance and cash flows in respect to climate-related financial disclosures. TAFE NSW is continuing to refine its assessment for climate-related risks and opportunities and how these are impacted over short and medium terms.

5. Metrics and targets

This section outlines TAFE NSW's approach to measuring, monitoring and reporting its climate-related performance. This includes reporting greenhouse gas emissions (GHG) for the reporting year, progress against key reduction targets, and methodologies used to calculate and disclose emissions data. It also explains how the organisation's approach aligns with the relevant NSW Government climate policies and commitments.

TAFE NSW's GHG emissions cover Scope 1 and 2 emissions. The organisation recognises the importance of understanding its emissions and is working towards meeting the 30 June 2027 requirement under the Net Zero Government Operations Policy to identify its most significant Scope 3 emissions sources and determine appropriate actions to address them. The work will support a more comprehensive understanding of the organisation's emissions profile and inform future emissions reduction management.

5.1 Greenhouse gas emissions metrics

Emissions summary

TAFE NSW reports FY26 greenhouse gas emissions in metric tonnes of carbon dioxide equivalency (tCO_2e) which is compared against baseline data from FY2018-19. The baseline year of FY2018-19 was chosen to align with the guidance in the Net Zero Government Operations Policy. It should be noted that data sources for emissions from fleet petrol fuel and natural gas use during the baseline period have been amended this reporting period to reflect improved data quality and integrity. This is further explained in Section 5.1.6.

A summary of FY2025-26 greenhouse gas emissions associated with TAFE NSW operations is shown in the following table. This inventory is further broken down by an emissions source table in Section 5.1.5. Details on calculation methodologies used are included in Section 5.1.6.

Emissions scope	Baseline year FY2018-19	FY2025-26	Change from baseline year
Scope 1	6,759	5,699	-16%
Scope 2 (location-based)	67,123	41,879	-38%
Total (gross)	73,882	47,577	-36%
Carbon offsets	0	0	0%
Total (Net)	**73,882**	**47,577**	**-36%**

TAFE NSW's combined scope 1 and 2 greenhouse gas emissions have seen a 36% reduction since the FY2018-19 baseline year. Electricity use accounts for most of TAFE NSW's emissions inventory (approximately 89%). Decarbonisation of the NSW electricity grid has seen a 19% reduction in emissions intensity since 2018-19 and, subsequently, has been the main contributor to TAFE NSW's emissions reduction with the remaining primarily attributed to reduced electricity consumption.

Scope 3 emissions have not been included in FY2025-26 emissions reporting, given Scope 3 is a voluntary requirement of the climate-related financial disclosures for this reporting year. TAFE NSW is working on improving its Scope 3 reporting and aims to report its Scope 3 emissions in FY2026-27.

Scope 1 emissions

The table below shows TAFE NSW's Scope 1 emissions for FY2025-26, including its change from baseline and the reasons for this change.

The largest decrease in Scope 1 emissions is from fleet petrol use which has reduced by 37% from the FY2018-19 baseline year. This is a demonstrable result of the fleet transition from Internal Combustion Engine (ICE) vehicles to electric vehicles. Additionally, natural gas use reduced by 17% reflecting a general decrease in energy use by TAFE NSW facilities.

Conversely, refrigerant emissions are estimated to have decreased by 2% based on available data. TAFE NSW is working on improving the quality of asset data to inform refrigerant emissions calculations.

Emissions source	Baseline year FY2018-19	FY2025-26	Change from baseline year
Fleet fuels – Diesel	758	682	-10%
Fleet fuels – Petrol	708	455	-37%
Stationary energy – natural gas	3,732	3,081	-17%
Stationary energy - LPG	349	299	-14%
Refrigerants	1,212	1,193	-2%
Total	**6,759**	**5,710**	**-16%**

Scope 2 emissions (market-based)

TAFE NSW's market-based Scope 2 greenhouse gas emissions for FY2025-26, compared to the FY2018-19 baseline year, are shown below. Emissions reflect renewable electricity procured through the Large-scale Renewable Energy Target (LRET) and include the surrender of Large-scale Generation Certificates (LGCs) via GreenPower and Power Purchase Agreements (PPAs). Location-based Scope 2 emissions are summarised in Section 5.1.1.

Overall, electricity emissions have reduced compared to the baseline from a combination of decarbonation of the NSW grid, coupled with reduced electricity use due to improved energy efficiency, as well as implementation of behind-the-meter renewable energy initiatives.

Parameter	Unit of measure	Baseline year FY2018-19	FY2025-26	Change from baseline year %
Scope 1 emissions	**tCO_2-e**	**6,759**	**5,699**	**-16%**
LGCs purchased or retired (including PPAs and GreenPower)	kWh	5,097,960	4,187,856	-18%
LRET electricity	kWh	14,724,608	12,069,620	-18%
Residual purchased electricity	kWh	65,143,432	53,549,464	-18%
Total market-based Scope 2	**tCO_2-e**	**58,982**	**42,305**	**-28%**
Total Scope 1 + market-based Scope 2	**tCO_2-e**	**65,741**	**48,004**	**-27%**

Emissions boundary

TAFE NSW adopts the operational control approach to most accurately reflect its emissions boundaries. This is consistent with the *NSW Government Greenhouse Gas Emissions Accounting and Reporting Guidelines*. Its emissions boundary includes its campuses, facilities, fleet and activities where the organisation has authority of energy and operational decisions.

TAFE NSW operates as a single entity established, under the *Technical and Further Education Commission Act 1990* (NSW), and therefore no emissions disaggregation is included to address disclosure requirement MT3.

This report covers all campuses identified to be under TAFE NSW's operational control across NSW and includes teaching and learning delivery, student support and community engagement, as well as corporate functions such as finance, digital, infrastructure, and procurement.

Several campuses operate on sites that are not within TAFE NSW's operational control and are therefore not included in this year's emission calculations.

TAFE NSW's FY18-19 baseline emissions boundary and inventory were first established in 2021 as part of the Net Zero Pathway project in collaboration with the DCCEEW Sustainable Government Team. This baseline inventory remains the reference point for tracking emissions reduction performance with amendments made to align with recent policy requirements such as the inclusion of air conditioning refrigerant emissions in 2024 to the baseline and current reporting periods.

Material emissions boundary

TAFE NSW applies materiality thresholds to its GHG emissions inventory, which is a comprehensive account of the organisation's direct (Scope 1) and indirect emissions (Scope 2). This approach is consistent with the *NSW Government Greenhouse Gas Emissions Accounting and Reporting Guidelines*. The thresholds are used to determine the inclusion of emission sources in the Scope 1 and Scope 2 emissions inventory, ensuring alignment with the principles of relevance, completeness, consistency, transparency and accuracy.

TAFE NSW's quantified emissions sources include electricity consumption, natural gas and LPG use, fleet fuel consumption, and refrigerant leakage from HVAC (Heating, Ventilation, and Air Conditioning) systems. Electricity consumption represents the largest source of operational emissions.

Additional emissions sources - including certain mobile fuel combustion and aviation fuel use associated with specialised training and operational activities - are currently not quantified due to data limitations. TAFE NSW will improve data availability and inventory coverage over time.

Emissions measurement and methodology

Approach and calculation

Emissions are calculated in accordance with the *NSW Government Greenhouse Gas Accounting and Reporting Guidelines* which currently require all relevant Scope 1 emissions, and location-based Scope 2 emissions, to be quantified and reported. The Guidelines were selected because they are the required NSW Government methodology that includes an operational control approach to capture the activities over which TAFE NSW can implement operating policies. Emissions have been calculated using a combination of actual consumption data and estimates where actual activity data is unavailable or inaccurate. Actual activity data is preferred because it provides the most representative measure of consumption. Australian National Greenhouse Accounts (NGA) factors are used because they are the applicable Australian emissions factors for the reporting period.

Emissions are generally calculated by multiplying activity data, such as kilowatt hours of electricity, megajoules of natural gas, and litres of fuel by an appropriate emissions factor. Activity data is sourced primarily from whole-of-government utility contracts and internal physical asset data in addition to a small number of non-whole of government utility contracts.

Calculations use emissions factors from the Australian NGA Factors - which include the seven greenhouse gases covered under the Paris Agreement: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). TAFE NSW's Net Zero targets are set using carbon dioxide equivalent emissions.

Where data coverage is limited or unavailable, TAFE NSW has adopted a reasonable estimation method or identified the source as non-quantifiable, as outlined the *NSW Government Greenhouse Gas Accounting and Reporting Guidelines*. Methodologies for estimates may be based on extrapolation for available periods, corresponding seasonal data from a previous year, comparable sites or activities, or relevant industry benchmarks. Assumptions and limitations are disclosed with TAFE NSW progressively addressing data gaps over time as more complete data and improved calculation methods become available.

Inventories are reviewed annually to incorporate new emissions sources, updated factors, organisational changes and improved data, while maintaining consistency for year-to-year comparisons.

Activity data collection

TAFE NSW uses actual activity data to calculate associated greenhouse gas emissions. Estimation methods are adopted where data is partially complete or missing. The table below outlines collection methods, and estimation calculations were adopted, for each reported Scope 1 and 2 emissions sources.

Emissions source	Activity data source	Assumptions and estimations
Electricity	• Whole-of-government contract • Electricity retailer invoices	• Based on monthly whole-of-government contract billing data. • Electricity use from electric vehicle charging at public charging stations is captured through the fleet management system, SG Fleet. • Scope 2 emissions are reported using both the location-based and market-based approaches.
Stationary fuels (natural gas, LPG)	• Whole-of-government contract • Natural gas retailer invoices • Bulk fuel, LPG and solid fuel supplier invoices	• FY2022-23 data was used to estimate the baseline period of natural gas data due to lack of data for FY2018-19. FY2022-23 represents a more complete, representative dataset. • Consists of reticulated natural gas and LPG that is consumed by plant and equipment across the campus portfolio. Data is obtained from whole-of-government contract billing data. • A small number of campuses located near ACT are supplied by a non-whole of government contract. • Generally natural gas data is based on quarterly meter reads by the energy retailer which is often lagging in billing periods by a quarter. This results in annual reporting periods being offset by one quarter consumptions.
Vehicle fuels (petrol, diesel)	• SG Fleet platform fuel transaction data • Fuel card providers	• FY2019-20 data was used to estimate the baseline period fleet petrol use data due to incomplete data for FY2018-19. • Annual fleet fuel use is typically consistent year-to-year (not seasonal), so previous year data was adopted as the baseline. • Fleet fuel consumption is captured through the fleet management system, SG Fleet.
Refrigerants	• Asset register • Mechanical services contractor data	• FY2022-23 data was used to estimate the baseline period due to unavailable refrigerant asset data for FY2018-19. FY2022-23 represents a more complete, representative dataset. • Based on preliminary analysis of available refrigerant type and charge of asset data, TAFE NSW has conservatively assumed R-410A refrigerants used in air conditioning and cooling systems. Emissions estimates use NGA leakage rates and Intergovernmental Panel Climate Change (IPCC) AR6 Global Warming Potential figures.

5.2 Net Zero targets

TAFE NSW's net zero target aligns with the emissions reduction target in the NSW Net Zero Government Policy and commits TAFE NSW to working towards the following, using FY2018-19 as its baseline year:

- 50% reduction by 2030
- 70% reduction by 2035
- Net zero emissions by 2050

TAFE NSW's emissions reduction target is absolute and quantitative, with progress measured using the organisation's gross and net Scope 1 and Scope 2 emissions; applying a market-based approach for Scope 2. The target applies to all operations under TAFE NSW's operational control, whereby TAFE NSW reports 100% of emissions from activities over which it has the authority to introduce and implement operating policies.

5.3 Setting the Net Zero target

TAFE NSW's net zero target was first established in 2023 within its Sustainability Strategy and policy framework. More recently, the target was revised in line with a new Net Zero Government Operations Policy and was included in TAFE NSW's ESAP 2030. The Sustainability Framework, including its net zero targets, is approved by the Managing Director.

The inclusion of this corporate target into the ESAP 2030 will ensure that TAFE NSW monitors and tracks progress against this commitment.

The target is consistent with the NSW Government's emissions reduction target, NSW's legislated climate commitments, and applicable whole-of-government policy requirements. It also supports jurisdictional commitments under the Paris Agreement. The target aligns with the *Climate Change (Net Zero Future) Act 2023*, including NSW's emissions reduction trajectory.

TAFE NSW uses FY2018-19 as its baseline year to align with the *Net Zero Government Operations Policy*, the NSW Government greenhouse gas accounting and reporting guidelines, and relevant annual reporting requirements for climate-related financial disclosures.

5.4 Net Zero pathway

In 2024, TAFE NSW began decarbonisation planning to establish a roadmap for reducing operational greenhouse gas emissions across TAFE NSW campuses and operations. The pathway to net zero is based on the emissions mitigation hierarchy and prioritising emissions reduction actions before the use of offsets.

Prioritised emissions reducing actions include:

- avoiding unnecessary energy consumption
- improving operational efficiency
- increasing renewable electricity and on-site solar generation
- electrifying buildings, fleet and equipment
- reducing waste and improving circular economy outcomes
- managing refrigerants and other residual emissions.

Modelling undertaken by TAFE NSW indicates that emissions reductions of approximately 50% by 2030, 84% by 2035, and 95% by 2050 are achievable, relative to the FY2018-19 baseline, through a combination of operational initiatives and ongoing electricity grid decarbonisation.

The modelling also demonstrates that, while electricity grid decarbonisation will contribute significantly to future emissions reductions, direct operational actions remain essential to achieving interim and long-term targets.

Performance against target

Performance on GHG emissions is tracked through annual GHG emissions reporting, including year-on-year emissions data and trend analysis. These are reported against the NSW Government's *Net Zero Government Operations Policy* (NZGOP) through the NSW Government Sustainable Government Data Platform, TAFE NSW's annual climate-related disclosures, and through other internal governance structures such as the SLSC, and bi-annual performance reporting to the ELT of TAFE NSW.

The following table summarises Scope 1 and 2 performances against established net zero targets.

Year	Target reduction	Target emissions	Actual emissions	Remaining emissions to target
Baseline Year FY2018-19	-	-	65,741	-
FY2025-26	-	-	48,004	-
2030 Target	50%	32,871	-	15,133
2035 Target	70%	19,722	-	28,282
2050 Target	100%	0	-	48,004

As its climate-related disclosure expands over time, TAFE NSW will assess whether additional metrics should be incorporated into future disclosures to support transparency and ensure alignment with long-term transition planning obligations under the NZGO Policy.

Review of target

TAFE NSW seeks to review its net zero target every four years to coincide with the review of its ESAP, as managed by the SSLC. The next review is expected to be in 2030.

Additionally, TAFE NSW may review its target earlier should the following occur:

- Changes in NSW Government legislation, commitments and expectations to ensure alignment with NSW Government requirements.
- Any major new science, regulation, sector-specific requirements (for example, updated guidance from IPCC)
- Any material change in the risk profile associated with achieving targets (including interim targets), whether this be due to early achievement or underperformance (target not being met).
- Equipment, process or technology breakthroughs that significantly alter our emissions-reduction opportunities.

Use of carbon credits and offsets

TAFE NSW has no planned use of carbon offsets to achieve its FY2030 and FY2035 targets. Modelling indicates that by FY2050, approximately 5% of baseline emissions will remain and will need to be offset. Therefore, carbon credits to offset emissions are expected to only play a limited role for residual hard-to-abate emissions approaching FY2050.

Given the likely evolution of carbon markets and standards over this period, the specific type of carbon credits has not yet been defined; however, TAFE NSW intends to use high-quality carbon credits in line with prevailing best practice at the time.

TAFE NSW will adhere to the NSW Government's carbon offsets policy for government agencies as this will inform the organisation's approach.

Other climate-related targets and metrics

TAFE NSW's ESAP 2030 details other climate-related metrics which have been adopted to track our other climate-related targets.

The following sections outline TAFE NSW other climate-related targets and associated metrics, including how the metric is defined, whether it is an absolute measure, whether the metric is validated by a third party, the method used to calculate the metric, and the inputs to the calculation and any significant assumptions made. These targets were established in 2026 as part of the ESAP, and performance against these targets will be tracked for future reporting periods.

Renewable energy target and metrics

Disclosure Requirement	Commentary
Target	20% of electricity needs to be met by renewable energy by 2030.
Target objective	Deliver on-site renewable energy to meet 20% of the campus electricity needs annually from 2030.
Base period of target	Year of reporting.
Metric definition	Percentage
Metric type	A relative measure, expressed as a percentage of total electricity consumption sourced from renewables.
Metric validation	A third party has validated the metrics and it has been incorporated into the ESAP 2030.
Calculation method	• Renewable electricity purchased in kWh/total electricity purchased and consumed in kWh. • Inputs include electricity invoices and onsite solar data.
Significant assumptions	None
Performance against target	Approximately 2% of electricity needs are supplied by on-site renewables.
Review and monitoring	Progress against target is reported annually through: • ESAP 2030 performance report • Reporting through climate-related disclosures. Review of target will be carried out in accordance with the review of TAFE NSW ESAP 2030. The next review is planned for 2030 in line with governance arrangements.

Energy efficiency target and metrics

Disclosure Requirement	Commentary
Target	40% reduction in grid electricity by 2030 from baseline.
Target objective	Invest in resource-efficiency solutions that help lower electricity consumption, carbon emissions and operating (utility) costs while managing demand.
Base period of target	FY2018-19
Metric definition	Percentage
Metric type	A relative measured - expressed as a percentage - reduction from total electricity consumption sourced from the grid.
Metric validation	A third party has validated the metrics and it has been incorporated into TAFE NSW's Net Zero Pathway.
Calculation method	• Electricity purchased in kWh/total electricity purchased and consumed in kWh. • Inputs include electricity invoices.
Significant assumptions	Only grid electricity (non-renewable electricity) applies to this target. Other sources of electricity use are not included in this target.
Performance against target	15% reduction from baseline.
Review and monitoring	Progress against target is reported annually through: • ESAP 2030 performance report • Reporting of NZGOP • Reporting through climate-related disclosures. Review of target will be carried out in accordance with the review of TAFE NSW ESAP2030. The next review is planned for 2030.



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