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To the Chief Executive Department for Education

Opinion

I have audited the financial report of the Department for Education and the consolidated entity comprising the Department for Education and its controlled entities for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Education and its controlled entities as at 30 June 2026, their financial performance and their cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- Notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2026
- a Statement of Administered Financial Position as at 30 June 2026
- a Statement of Administered Changes in Equity for the year ended 30 June 2026
- a Statement of Administered Cash Flows for the year ended 30 June 2026
- a Schedule of Income and Expenses by administered activities for the year ended 30 June 2026
- a Schedule of Assets and Liabilities by administered activities as at 30 June 2026
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Chief Executive and Executive Director, Finance.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Education and its controlled entities for the financial year ended 30 June 2026.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for Education's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

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

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



Andrew Blaskett
Auditor-General

23 September 2026

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Department for Education

**Financial Statements
for the year ended
30 June 2026**

Department for Education
Certificate of Financial Statements
for the year ended 30 June 2026

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We certify that the:

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



Martin Westwell
Chief Executive
15 September 2026



Anthony Creek
Executive Director, Finance
15 September 2026

Department for Education
Statement of Comprehensive Income
for the year ended 30 June 2026

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		2026	2025	2026	2025
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Income					
Appropriation	3.1	3 576 683	3 442 495	3 576 683	3 442 495
Grants and subsidies	3.2	933 938	937 903	871 423	879 376
Sale of goods and services	3.4	207 953	196 411	33 022	29 214
Intra-government transfers	3.3	20 158	235	20 158	235
Investment income	3.5	25 172	27 320	19 209	20 633
Resources received free of charge	3.6	58 541	15 213	56 822	13 343
Net gain from disposal of non-current assets	4.6	-	-	-	194
Other income	3.7	43 839	48 272	36 168	42 932
Total income		4 866 284	4 667 849	4 613 485	4 428 422
Expenses					
Employee related expenses	4.1	3 344 670	3 230 745	3 269 349	3 165 753
Supplies and services	4.2	972 644	958 898	611 035	596 616
Grants and subsidies	4.3	66 886	66 991	274 894	305 852
Depreciation and amortisation	4.5	202 534	194 955	189 350	181 546
Borrowing costs	4.4	37 892	35 353	37 850	35 276
Cash alignment transfers to Consolidated Account		22 134	57 058	22 134	57 058
Net loss from disposal of non-current assets	4.6	2 483	932	86	-
Other expenses	4.7	17 874	26 641	14 085	22 057
Total expenses		4 667 117	4 571 573	4 418 783	4 364 158
Net result		199 167	96 276	194 702	64 264
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Impairment to revaluation surplus			-		-
Changes in property, plant and equipment asset revaluation surplus	5.6	508 188	465 708	508 188	465 501
Gain/(Loss) on equity instruments designated at fair value through other comprehensive income	5.3	18	72	-	-
Total other comprehensive income		508 206	465 780	508 188	465 501
Total comprehensive result		707 373	562 056	702 890	529 765

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

Department for Education
Statement of Financial Position
as at 30 June 2026

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		2026	2025	2026	2025
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Current assets					
Cash and cash equivalents	5.1	1 613 844	1 430 754	973 893	806 979
Receivables	5.2	82 477	130 877	42 479	99 096
Other financial assets	5.3	55	79	-	-
Inventories	5.4	5 756	5 723	-	-
Non-current assets classified as held for sale	5.5	823	-	823	-
Total current assets		1 702 955	1 567 433	1 017 195	906 075
Non-current assets					
Receivables	5.2	2 080	2 277	10 409	11 221
Other financial assets	5.3	301	282	-	-
Property, plant and equipment	5.6	8 006 859	7 449 943	7 946 306	7 394 662
Right of use assets	5.7	203 290	160 773	202 294	159 630
Intangible assets	5.8	100 994	101 364	100 994	101 364
Total non-current assets		8 313 524	7 714 639	8 260 003	7 666 877
Total assets		10 016 479	9 282 072	9 277 198	8 572 952
Current liabilities					
Payables	6.1	77 729	100 489	147 925	195 137
Other financial liabilities	6.2	22 405	15 729	16 418	10 449
Employee related liabilities	6.3	438 264	403 394	434 824	399 975
Provisions	6.4	28 379	25 529	28 371	25 521
Other non-financial liabilities	6.5	28 899	24 593	27 778	23 843
Total current liabilities		595 676	569 734	655 316	654 925
Non-current liabilities					
Payables	6.1	25 618	21 024	25 618	21 015
Other financial liabilities	6.2	346 516	349 351	345 728	348 381
Employee related liabilities	6.3	534 334	536 973	529 860	532 788
Provisions	6.4	97 712	99 415	97 712	99 415
Other non-financial liabilities	6.5	113 620	109 945	113 582	109 936
Total non-current liabilities		1 117 800	1 116 708	1 112 500	1 111 535
Total liabilities		1 713 476	1 686 442	1 767 816	1 766 460
Net assets		8 303 003	7 595 630	7 509 382	6 806 492
Equity					
Retained earnings		2 995 412	2 793 072	2 202 718	2 004 843
Revaluation surplus		4 548 178	4 043 145	4 547 251	4 042 236
Contributed capital		759 413	759 413	759 413	759 413
Total equity		8 303 003	7 595 630	7 509 382	6 806 492

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

Department for Education
Statement of Changes in Equity
for the year ended 30 June 2026

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Consolidated	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		759 413	3 605 388	2 666 959	7 031 760
Recognition of preschool financial information	8.1	-	-	56 804	56 804
Restated balance at 1 July 2024		759 413	3 605 388	2 723 763	7 088 564
Net result for 2024-25		-	-	96 276	96 276
Gain on revaluation of land	5.6	-	319 473	-	319 473
Gain on revaluation of buildings and improvements	5.6	-	146 235	-	146 235
Gain on revaluation of shares		-	72	-	72
Total comprehensive result for 2024-25		-	465 780	96 276	562 056
Net assets transferred as result of administrative restructure	1.3	-	-	(54 990)	(54 990)
Transfer between equity components		-	(28 023)	28 023	-
Balance at 30 June 2025		759 413	4 043 145	2 793 072	7 595 630
Net result for 2025-26		-	-	199 167	199 167
Gain on revaluation of land	5.6	-	336 746	-	336 746
Gain on revaluation of buildings and improvements	5.6	-	171 442	-	171 442
Gain on revaluation of shares		-	18	-	18
Total comprehensive result for 2025-2026		-	508 206	199 167	707 373
Transfer between equity components		-	(3 173)	3 173	-
Balance at 30 June 2026		759 413	4 548 178	2 995 412	8 303 003

Department	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		759 413	3 604 758	1 967 546	6 331 717
Net result for 2024-25		-	-	64 264	64 264
Gain on revaluation of land	5.6	-	319 266	-	319 266
Gain on revaluation of buildings and improvements	5.6	-	146 235	-	146 235
Total comprehensive result for 2024-25		-	465 501	64 264	529 765
Net assets transferred as result of administrative restructure	1.3	-	-	(54 990)	(54 990)
Transfer between equity components		-	(28 023)	28 023	-
Balance at 30 June 2025		759 413	4 042 236	2 004 843	6 806 492
Adjusted balance at 1 July 2025		759 413	4 042 236	2 004 843	6 806 492
Net result for 2025-26		-	-	194 702	194 702
Gain on revaluation of land	5.6	-	336 746	-	336 746
Gain on revaluation of buildings and improvements	5.6	-	171 442	-	171 442
Total comprehensive result for 2025-2026		-	508 188	194 702	702 890
Transfer between equity components		-	(3 173)	3 173	-
Balance at 30 June 2026		759 413	4 547 251	2 202 718	7 509 382

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

Department for Education
Statement of Cash Flows
for the year ended 30 June 2026

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		2026 Consolidated \$'000	2025 Consolidated \$'000	2026 Department \$'000	2025 Department \$'000
Cash flows from operating activities	Note				
Cash inflows					
Appropriation		3 576 683	3 442 495	3 576 683	3 442 495
Grants and funding		935 039	937 921	872 541	879 588
Sales of goods and services		210 959	193 561	37 308	25 893
Intra-government transfers		20 158	235	20 158	235
Investment income received		25 172	27 320	19 209	20 635
GST recovered from the ATO		77 057	82 716	77 085	82 754
Other receipts		46 444	33 034	37 322	26 406
Cash generated from operations		4 891 512	4 717 282	4 640 306	4 478 006
Cash outflows					
Employee related payments		(3 316 699)	(3 154 847)	(3 241 704)	(3 090 232)
Payments for supplies and services		(1 025 913)	(1 019 740)	(667 083)	(656 323)
Payments of grants and subsidies		(69 658)	(71 410)	(292 323)	(303 426)
Cash alignment transfers to Consolidated Account		(22 134)	(57 058)	(22 134)	(57 058)
Interest paid		(26 187)	(26 064)	(26 145)	(25 987)
Other payments		(14 825)	(13 168)	(12 542)	(11 893)
Cash used in operations		(4 475 416)	(4 342 287)	(4 261 931)	(4 144 919)
Net cash provided by operating activities	7.1	416 096	374 995	378 375	333 087
Cash flows from investing activities					
Cash inflows					
Proceeds from the sale of property, plant and equipment		639	1 986	389	1 642
Proceeds from maturing term deposits		24	-	-	-
Receipt of loan repayments		-	-	978	1 281
Cash generated from investing activities		663	1 986	1 367	2 923
Cash outflows					
Purchase of property, plant and equipment		(208 565)	(237 417)	(187 708)	(220 595)
Purchase of investments		-	(1)	-	-
Loans provided		-	-	(310)	(100)
Cash used in investing activities		(208 565)	(237 418)	(188 018)	(220 695)
Net cash provided by investing activities		(207 902)	(235 432)	(186 651)	(217 772)
Cash flows from financing activities					
Cash outflows					
Repayment of leases		(9 806)	(8 109)	(9 512)	(7 232)
Repayment of borrowings		(15 298)	(15 681)	(15 298)	(15 681)
Cash transferred as a result of restructuring activities		-	(53 843)	-	(53 843)
Cash used by financing activities		(25 104)	(77 633)	(24 810)	(76 756)
Net cash provided by financing activities		(25 104)	(77 633)	(24 810)	(76 756)
Net increase in cash and cash equivalents		183 090	61 930	166 914	38 559
Cash and cash equivalents at the beginning of the reporting period		1 430 754	1 368 824	806 979	768 420
Cash and cash equivalents at the end of the reporting period	5.1	1 613 844	1 430 754	973 893	806 979

The accompanying notes form part of these financial statements.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. About the Department for Education

The Department for Education (the department) is a not-for-profit government department of the state of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements which follows the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Consolidated financial statements

The Consolidated financial statements incorporate the activities of the department and those of government preschools and schools; including governing councils activities such as the operations of canteens, out of school hours care services (including vacation care programs) and aquatic programs.

Historically, financial information for stand-alone government preschools was not centrally available at the time consolidated financial statements were prepared, although this was deemed immaterial. Following implementation of the Education Management System, the department was able to obtain reliable financial information for preschools, allowing these entities to be consolidated into the department's financial statements for the first time during 2025-26. Refer to note 8.1.

In accordance with Australian Accounting Standards, all material transactions between the department and its controlled entities are eliminated when preparing the Consolidated financial report.

Included in the financial activities of the department are transactions that support the operations of preschools and schools including:

- expenses such as salaries and wages, salary related on-costs and some utilities expenses that preschools and schools incur;
- expenses incurred in maintaining preschool and school infrastructure, including land, buildings and major improvements; and
- liabilities recorded in the corporate department's financial systems such as employee related liabilities of preschool and school staff.

Administered items

The department is responsible for managing specific funds on behalf of the government. These funds are administered in an agency capacity, meaning the department does not control how the funds are used but facilitates their transfer to third parties in accordance with established agreements.

The Administered Financial Statements report the income, expenses, assets, and liabilities associated with these funds. The main administered funds recognised as administered items are transactions associated with:

- Ministers salaries
- Ministers payments including payments to non-government schools
- Advocacy bodies
- Family Day Care

For further information refer to note A1.2.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.1. Basis of preparation

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and accounting policy statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the department is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Income, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

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

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

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

1.2. Objectives and programs

The department provides a range of integrated education, training and child development services to benefit children, young people and families. These services improve education and developmental outcomes for children through to transition to adulthood, reflecting the commitment to support every child and student to thrive, prosper and fulfil their potential.

Preschool and school education is at the core of the department, and it recognises that the success of South Australian government preschools and schools depends on mutually-beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations.

The department helps students, businesses, and industry to increase skills and participate in vocational education and training (VET) and provides wellbeing services in collaboration with the Department of Human Services and the Women's and Children's Health Network.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

Programs

In achieving its objectives, the department provides a range of services classified into the following programs:

Early Childhood Services

The department is responsible for the government's investment in universal preschool recognising the importance of the early years in shaping children's development, learning and future educational and economic participation. High-quality preschool strengthens language, cognitive, social and self-regulation skills, supports earlier identification of developmental needs, and helps children enter school ready to benefit from learning.

Universal access to high-quality early childhood services promotes greater equity by reducing the extent to which children's circumstances shape their educational trajectory. Over time, these benefits can contribute to stronger educational outcomes, improved social and economic participation, and reduced need for later remedial support.

The department is working closely with the Office for Early Childhood Development to prepare for the geographic roll out of universal 3-year-old preschool at government sites from 2026.

School Education

The department is responsible for public school education supporting every child and young person to develop the knowledge, capabilities and dispositions they need to participate fully in further learning, work and community life. Schools build strong foundations in literacy and numeracy, deepen disciplinary knowledge, develop valued skills and advance the broader capabilities students need to become effective in the world.

Public education also plays a central role in equity and social cohesion by providing access to high-quality learning regardless of a student's background, location or circumstances. Over time, stronger educational outcomes support higher participation, productivity and wellbeing, while reducing the social and economic costs associated with disengagement and underachievement.

The tables on the following pages present income, expenses, assets and liabilities attributable to each program.

Department for Education
Expenses and income by program
for the year ended 30 June 2026
Consolidated

Income and expenses by program

	Early Childhood Services		School Education		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	256 631	252 173	3 320 052	3 190 322	3 576 683	3 442 495
Grants and funding	41 301	63 115	892 637	874 788	933 938	937 903
Sale of goods and services	14 183	13 948	193 770	182 463	207 953	196 411
Intra-government transfers	1 446	17	18 712	218	20 158	235
Investment income	2 211	2 339	22 961	24 981	25 172	27 320
Resources received free of charge	1 195	1 337	57 346	13 876	58 541	15 213
Net gain from disposal of non-current assets	-	-	-	-	-	-
Other income	5 323	4 483	38 516	43 789	43 839	48 272
Total income	322 290	337 412	4 543 994	4 330 437	4 866 284	4 667 849
Expenses						
Employee related expenses	241 144	231 280	3 103 526	2 999 465	3 344 670	3 230 745
Supplies and services	47 845	45 027	924 799	913 871	972 644	958 898
Grants and subsidies	8 264	12 118	58 622	54 873	66 886	66 991
Depreciation and amortisation	7 253	7 051	195 281	187 904	202 534	194 955
Borrowing costs	2 963	2 767	34 929	32 586	37 892	35 353
Cash alignment transfers to Consolidated Account	1 588	4 180	20 546	52 878	22 134	57 058
Net loss from disposal of non-current assets	74	-	2 409	932	2 483	932
Other expenses	1 166	1 049	16 708	25 592	17 874	26 641
Total expenses	310 297	303 472	4 356 820	4 268 101	4 667 117	4 571 573
Net result	11 993	33 940	187 174	62 336	199 167	96 276

Department for Education
Expenses and income by program
for the year ended 30 June 2026
Department

Incomes and expenses by program

	Early Childhood Services		School Education		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	256 631	252 173	3 320 052	3 190 322	3 576 683	3 442 495
Grants and funding	39 357	61 591	832 066	817 785	871 423	879 376
Sale of goods and services	6 562	6 424	26 460	22 790	33 022	29 214
Intra-government transfers	1 446	17	18 712	218	20 158	235
Investment income	1 361	1 492	17 848	19 141	19 209	20 633
Resources received free of charge	1 095	909	55 727	12 434	56 822	13 343
Net gain from disposal of non-current assets	-	-	-	194	-	194
Other income	4 265	3 294	31 903	39 638	36 168	42 932
Total income	310 717	325 900	4 302 768	4 102 522	4 613 485	4 428 422
Expenses						
Employee related expenses	241 144	231 280	3 028 205	2 934 473	3 269 349	3 165 753
Supplies and services	31 208	28 285	579 827	568 331	611 035	596 616
Grants and subsidies	11 788	24 989	263 106	280 863	274 894	305 852
Depreciation and amortisation	7 146	6 869	182 204	174 677	189 350	181 546
Borrowing costs	2 963	2 767	34 887	32 509	37 850	35 276
Cash alignment transfers to Consolidated Account	1 588	4 180	20 546	52 878	22 134	57 058
Net loss from disposal of non-current assets	-	-	86	-	86	-
Other expenses	872	799	13 213	21 258	14 085	22 057
Total expenses	296 709	299 169	4 122 074	4 064 989	4 418 783	4 364 158
Net result	14 008	26 731	180 694	37 533	194 702	64 264

Department for Education
Assets and liabilities by program
as at 30 June 2026
Consolidated

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Assets and liabilities by program

	Early Childhood Services		School Education		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	127 069	108 805	1 486 775	1 321 949	1 613 844	1 430 754
Receivables	4 333	5 136	80 224	128 018	84 557	133 154
Inventories	31	41	5 725	5 682	5 756	5 723
Other financial assets	-	-	356	361	356	361
Non-current assets classified as held for sale	378	-	445	-	823	-
Property, plant and equipment	318 964	284 621	7 687 895	7 165 322	8 006 859	7 449 943
Right of use assets	12 581	13 127	190 709	147 646	203 290	160 773
Intangible assets	7 928	7 957	93 066	93 407	100 994	101 364
Total assets	471 284	419 687	9 545 195	8 862 385	10 016 479	9 282 072
Liabilities						
Payables	9 748	5 811	93 599	115 702	103 347	121 513
Other financial liabilities	28 582	28 552	340 339	336 528	368 921	365 080
Employee related liabilities	71 154	68 153	901 444	872 214	972 598	940 367
Provisions	9 226	9 085	116 865	115 859	126 091	124 944
Other non-financial liabilities	9 136	8 900	133 383	125 638	142 519	134 538
Total liabilities	127 846	120 501	1 585 630	1 565 941	1 713 476	1 686 442
Net assets	343 438	299 186	7 959 565	7 296 444	8 303 003	7 595 630

Department for Education
Assets and liabilities by program
as at 30 June 2026
Department

OFFICIAL

Assets and liabilities by program

	Early Childhood Services		School Education		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	66 156	45 210	907 737	761 769	973 893	806 979
Receivables	4 244	5 567	48 644	104 750	52 888	110 317
Inventories	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Non-current assets classified as held for sale	378	-	445	-	823	-
Property, plant and equipment	318 481	284 078	7 627 825	7 110 584	7 946 306	7 394 662
Right of use assets	12 581	13 127	189 713	146 503	202 294	159 630
Intangible assets	7 928	7 957	93 066	93 407	100 994	101 364
Total assets	409 768	355 939	8 867 430	8 217 013	9 277 198	8 572 952
Liabilities						
Payables	10 255	6 150	163 288	210 002	173 543	216 152
Other financial liabilities	28 582	28 552	333 564	330 278	362 146	358 830
Employee related liabilities	71 154	68 153	893 530	864 610	964 684	932 763
Provisions	9 226	9 085	116 857	115 851	126 083	124 936
Other non-financial liabilities	9 091	8 805	132 269	124 974	141 360	133 779
Total liabilities	128 308	120 745	1 639 508	1 645 715	1 767 816	1 766 460
Net assets	281 460	235 194	7 227 922	6 571 298	7 509 382	6 806 492

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.3. Changes to the Department

In 2024-25, the resources and functions of Skills SA transferred to the Department of State Development (DSD) as a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2024* dated 27 June 2024. There were \$63 256 000 total assets transferred offset by \$8 266 000 liabilities transferred. This resulted in \$54 990 000 net asset transfer.

1.4. Budget performance

The budget performance table compares the consolidated entity outcomes against budget information presented to Parliament (2025-26 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2026 \$'000	Actual 2026 \$'000	Variance 2026 \$'000
Statement of Comprehensive Income			
Income			
Appropriation	3 645 914	3 576 683	(69 231)
Grants and subsidies	904 433	933 938	29 505
Sale of goods and services	171 816	207 953	36 137
Intra-government transfers	-	20 158	20 158
Investment income	16 975	25 172	8 197
Resources received free of charge	-	58 541	58 541
Other income	60 096	43 839	(16 257)
Total income	4 799 234	4 866 284	67 050
Expenses			
Employee related expenses	3 306 039	3 344 670	38 631
Supplies and services	1 060 313	972 644	(87 669)
Grants and subsidies	60 553	66 886	6 333
Depreciation and amortisation	193 716	202 534	8 818
Borrowing costs	36 200	37 892	1 692
Cash alignment transfers to Consolidated Account	-	22 134	22 134
Net loss from disposal of non-current assets	335	2 483	2 148
Other expenses	5 133	17 874	12 741
Total expenses	4 662 289	4 667 117	4 828
Net result	136 945	199 167	62 222
Other comprehensive income			
Changes in revaluation surplus	-	508 188	508 188
Gain/(Loss) on equity instruments	-	18	18
Total comprehensive result	136 945	707 373	570 428

No explanations are provided for variances as they did not exceed the greater of 10% the original budgeted amount and 5% of original budgeted total investing or operating expenditure.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.4 Budget performance (continued)

		Original budget 2026 \$'000	Actual 2026 \$'000	Variance 2026 \$'000
Investing expenditure summary				
Total new projects		11 180	6 594	(4 586)
Total existing projects	(a)	199 169	158 679	(40 490)
Total annual projects		19 243	25 104	5 861
Total leases	(b)	-	47 971	47 971
Total investing expenditure		229 592	238 348	8 756

- (a) This variance includes the delay of expenditure for the Northern suburbs new secondary school, Plympton International College and Technical Colleges at Mount Gambier, Port Augusta and The Heights.
- (b) This variance reflects new building lease agreements executed during 2025-26 for Tonsley Technical College, Hallett Cove East Primary School and Woodend Primary School.

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- \$184.8 million (2025: \$231 million) expenditure was incurred with the Department for Infrastructure and Transport (DIT) for capital works, building management, employee housing, commercial property services and other accommodation related expenses. As at 30 June 2026, the outstanding balance payable to DIT was approximately \$21.8 million (refer note 6.1).
- \$22.1 million (2025: \$57.1 million) was transferred to the Treasurer's Operating Account in accordance with whole-of-government funding and cash management arrangements.
- \$23.3 million (2025: \$22.7 million) expenditure was incurred with the Department of Human Services for the provision of services supporting children, families and students.
- \$19.5 million (2025: \$20.8 million) of expenditure was incurred with SA Water Corporation for the provision of water and sewerage services across the department's statewide portfolio of schools, preschools and administrative sites.
- \$13.3 million (2025: \$11 million) of expenditure was incurred with the South Australian Government Financing Authority (SAFA) in relation to insurance arrangements.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive and other members of the Senior Executive Group who have responsibility for the strategic direction and management of the department.

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

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee related expenses	4 410	4 457
Post-employment benefits (employer contributed superannuation)	529	516
Total compensation	4 939	4 973

Transactions with key management personnel and other related parties

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2.2. Board and committee members

Members during the 2025-26 financial year were:

Animal Ethics Committee

Mr Graeme Aust
 Mr Joshua Bottrall*
 Ms Margaret Carter
 Ms Holly Crighton*
 Ms Tracey Davies* (retired 8/12/2025)
 Ms Carmel Dineen
 Dr Wendy Hamood
 Mr John Hatch
 Mr Manfred Heide
 Ms Jenna Hoffmann (retired 6/02/2026)
 Ms Sonya Karalus* (retired 6/02/2026)
 Dr Adam O'Connell (retired 16/01/2026)
 Ms Kerry Petersen
 Ms Larissa Tallent*
 Mr Ross Templeman*
 Dr Michelle White

SA Teacher Certification Committee

Mr Adrian Dilger
 Ms Elizabeth Gary-Smith*
 Ms Aleida Mabarrack
 Mrs Belinda Radcliffe*
 Ms Belinda Ramsey*
 Ms Lynda Secombe

Education Audit and Risk Committee

Ms Ruth Blenkiron
 Ms Marina Elliott*
 Ms Natalie Johnston
 Mr Peter Kelly*
 Mr Ben Temperly*
 Mr Elroy Todd

Education Innovation Council

Sir Kevan Collins
 Prof Patricia Eadie
 Prof Alan Reid
 Mr Chris Wardlaw
 Prof Martin Westwell*
 Mr Tom Bentley
 Ms Helen Timperley

Capital Works Governance Committee

Hon Dr Dean Brown AO (retired 24/02/2026)
 Ms Helen Doyle* (retired 30/04/2026)
 Mr Bill Glasgow*
 Ms Deb Aukland* (appointed 25/06/2026)
 Mr James MacDonald* (retired 31/12/2025)
 Mrs Kathryn Neale
 Mr Simon Morony*
 Ms Jasmine Sinodinos*
 Ms Libby Sowry*
 Mr Ben Temperly*
 Mr Carmine Vetere*
 Ms Abigail Parry
 Ms Aislinn Morris
 Mr Cameron Ridley* (appointed 24/02/2026)
 Ms Clare Smith (appointed 25/06/2026)

* These board members are current SA Government employees. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

	2026	2025
	Number of members	Number of members
The number of members whose remuneration received/receivable falls within the following bands:		
\$0	33	37
\$1 - \$19 999	15	17
\$20 000 - \$39 999	2	1
Total number of members	50	55

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2.2 Board and committee Members (continued)

The total remuneration received or receivable by members was \$99 000 (2025: \$114 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

3. Income

3.1. Appropriation

	2026 Consolidated \$'000	2025 Consolidated \$'000	2026 Department \$'000	2025 Department \$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	3 576 683	3 442 495	3 576 683	3 442 495
Total appropriation	3 576 683	3 442 495	3 576 683	3 442 495

Appropriation

Appropriation is recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3.2. Grants and subsidies

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Commonwealth-sourced grants				
National Schools Reform Agreement	-	384 062	-	384 062
Better and Fairer Schools Agreement ¹	806 457	393 831	806 457	393 831
Preschool Reform Agreement	27 813	52 309	27 813	52 309
Schools Upgrade Fund	-	17 121	-	17 121
National Student Wellbeing Program	5 403	5 403	5 403	5 403
Community Childcare Funding*	3 025	4 579	3 025	4 579
Consent and Respectful Relationships	1 074	2 148	1 074	2 148
Rural Care Worker Program*	1 700	1 718	1 700	1 718
Advanced Technology Industry - School Pathways Program	872	1 686	872	1 686
Indigenous Advancement Strategy*	760	1 159	760	1 159
Connected Beginnings*	950	651	950	651
Detainee Minors*	156	304	156	304
Australian Early Development Index*	174	262	174	262
Preschool Reform Agreement - Implementation Plan	850	150	850	150
SA Aboriginal Sports Training Academy*	142	139	142	139
Inspiring Aus Science*	25	23	25	23
Workload Reduction Fund	3 172	-	3 172	-
Child Care Subsidies (CCS)	42 338	40 251	-	-
Other specific commonwealth revenue	12 968	6 436	1	-
Total Commonwealth-sourced grants	907 879	912 232	852 574	865 545
SA Government grants and subsidies				
SA Government grants	20 092	19 251	18 094	13 121
Grants and subsidies revenue	5 242	5 735	30	25
Respite care funding	725	685	725	685
Total SA Government grants and subsidies	26 059	25 671	18 849	13 831
Total grants and subsidies	933 938	937 903	871 423	879 376

Commonwealth sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth sourced grants and funding are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the department unless paid direct to the department.

*These grants were received directly from the Commonwealth by the department, and therefore obligations under the funding arrangements rest with the department representing the state of South Australia's obligations under the grant for accounting purposes.

¹ The Better and Fairer Schools Agreement replaced the National Schools Reform Agreement from 1 January 2025.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3.3. Intra-government transfers

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Contingency funding provided by the Department of Treasury and Finance	20 158	235	20 158	235
Total intra-government transfers	20 158	235	20 158	235

Intra-government transfers are recognised as income on receipt.

3.4. Sales of goods and services

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Student related fees and charges	151 070	142 413	10 131	9 079
Canteen sales	14 739	14 748	-	-
Sales/fee for service revenue	19 997	19 878	523	483
Other user fees and charges	22 147	19 372	22 368	19 652
Total sales of goods and services	207 953	196 411	33 022	29 214

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

All revenue from the sales of goods and services is revenue recognised from contracts with customers.

3.5. Investment income

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Investment income	25 172	27 320	19 209	20 633
Total investment income	25 172	27 320	19 209	20 633

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3.6. Resources received free of charge

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Services received free of charge – other entities	15 977	13 285	15 977	13 266
Property plant and equipment received free of charge	40 950	77	40 845	77
Donations	1 452	1 755	-	-
Services received free of charge – volunteers	162	96	-	-
Total resources received free of charge	58 541	15 213	56 822	13 343

The department received property plant and equipment, donations and services free of charge. Services received free of charge are recognised as income only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Services received free of charge from other entities

The department receives accounting services from Shared Services SA and ICT services from the Department of Treasury and Finance free of charge. The department also receives audit services free of charge from the Audit Office of South Australia.

Donations

Donations are received by preschools and schools from various sources.

Volunteers

The department receives volunteer services at preschools and schools for assistance across a range of functions. The department recognises these services received free of charge when they can be reliably measured and when they would have been purchased if they were not donated. A corresponding expense is also recognised but is not required to be disclosed as a separate line item.

3.7. Other income

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Fundraising income	8 428	8 044	-	-
Commission received	1 269	1 822	7 691	7 709
Recoveries	12 547	10 516	9 725	7 197
Assets recognised for the first time	15 852	1 292	15 852	1 275
Derecognition of right of use vehicles	-	52	-	29
Other income	5 743	26 546	2 900	26 722
Total other income	43 839	48 272	36 168	42 932

Fundraising income is received by preschools and schools from various sources.

Other revenues are recognised as income on receipt.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4. Expenses

4.1. Employee related expenses

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	2 279 955	2 154 546	2 215 447	2 098 481
Annual leave	465 079	462 444	463 657	461 352
Superannuation	339 408	316 180	331 769	310 127
Payroll tax	154 326	148 075	154 326	148 075
Long service leave	62 743	87 283	61 720	86 473
Skills and experience retention leave	14 046	13 353	14 046	13 353
Workers Compensation	22 983	43 264	22 983	43 264
Targeted voluntary separation payments	142	166	142	166
Country incentive leave	41	46	41	46
Board and committee fees	99	114	99	114
Other employee related expenses	5 848	5 274	5 119	4 302
Total employee related expenses	3 344 670	3 230 745	3 269 349	3 165 753

Superannuation

The superannuation expense represents the department's contributions to superannuation plans in respect of services of current employees.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.1 Employee related expenses (continued)

Employee remuneration

	2026	2025	2026	2025
	Consolidated	Consolidated	Consolidated	Consolidated
The number of employees whose remuneration received or receivable falls within the following bands:	Number of executives¹	Number of executives¹	Number of employees²	Number of employees²
\$171 001 to \$177 000*	N/A	-	N/A	222
\$177 001 to \$197 000	17	13	470	359
\$197 001 to \$217 000	18	25	186	140
\$217 001 to \$237 000	23	13	104	79
\$237 001 to \$257 000	16	11	79	63
\$257 001 to \$277 000	19	4	37	6
\$277 001 to \$297 000	1	9	3	12
\$297 001 to \$317 000	5	2	6	3
\$317 001 to \$337 000	4	4	5	5
\$337 001 to \$357 000	3	-	4	1
\$377 001 to \$397 000	-	2	-	2
\$397 001 to \$417 000	2	1	4	1
\$417 001 to \$437 000	1	-	1	-
\$457 001 to \$477 000	-	-	-	1
\$557 001 to \$577 000	-	1	-	1
\$577 001 to \$597 000	1	-	1	-
Total	110	85	900	895

¹ The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2026 and 30 June 2025 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2026 and 2025.

² Includes employees who have retired or resigned during the year.

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

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

The total remuneration received by those employees for the year was \$186.9 million (2025: \$177.9 million).

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.1 Employee related expenses (continued)

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 1 (2025: 2).

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Separation payments	142	166	142	166
Leave paid to those employees	121	28	121	28
Total amount paid	263	194	263	194
Net cost to the department	263	194	263	194

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.2. Supplies and services

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	257 293	262 721	181 435	186 459
Information technology and communication	97 654	93 813	82 389	80 280
Printing, postage and consumables	53 409	59 365	4 128	4 123
Contractors and other outsourced services	64 305	66 445	53 093	54 687
Cleaning	64 660	60 785	8 222	7 247
Utilities	52 944	54 186	52 413	53 584
Student learning materials	57 294	52 046	1 186	885
Vehicle and travelling expenses	42 799	39 407	38 145	36 071
Bus contractors	39 796	35 877	39 825	35 909
Management fees and charges	30 895	29 863	30 899	30 253
Excursions and camps	38 130	33 716	100	83
Accommodation	25 308	21 340	22 310	18 773
Training and development	21 565	21 988	8 706	10 575
Insurance premiums	15 005	11 700	14 498	11 135
Security	18 165	16 589	17 736	15 972
Cost of goods sold	18 157	17 350	-	-
Shared Services SA charges	14 608	14 052	14 608	14 052
Public Private Partnerships Service Fee	15 295	13 988	15 295	13 988
Copyright	4 355	4 235	4 355	4 231
Legal costs	3 750	3 362	3 749	3 361
Consultants	1 463	692	1 463	692
Other supplies and services	35 794	45 378	16 480	14 256
Total supplies and services	972 644	958 898	611 035	596 616

Accommodation

Accommodation expense is primarily for office accommodation and teacher housing provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in AASB 16 *Leases* and accordingly are expensed.

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating lease payments include rental agreements that do not meet the definition of a lease as per AASB 16.

Operating leases includes short term (lease term less than 12 months) and low value leases (lease value less than \$15,000).

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2026	2026	2025	2025
	Consolidated	Consolidated	Consolidated	Consolidated
	Number	\$'000	Number	\$'000
Below \$10 000	7	44	2	11
\$10 000 or above	19	1 419	16	681
Total paid / payable to the consultants engaged	26	1 463	18	692

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.3. Grants and subsidies

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Recurrent grants paid to other organisations	65 140	64 695	65 140	64 690
Recurrent grants paid to schools and units	-	-	206 940	228 603
Recurrent grants paid to preschools	198	133	1 266	10 396
Capital grants paid to other organisations	1 548	2 163	1 548	2 163
Total grants and subsidies	66 886	66 991	274 894	305 852

4.4. Borrowing costs

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities ¹	25 150	24 275	25 108	24 198
Interest expense on financial liabilities ²	12 742	11 078	12 742	11 078
Total borrowing costs	37 892	35 353	37 850	35 276

¹ Relates to the Education Works New School Private Partnership Project and other AASB 16 leases.

² Relates to the SA Schools Private Partnership Project.

The department does not capitalise borrowing costs. For further information refer to note 5.7 and note 9.1.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.5. Depreciation and amortisation

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Depreciation				
<i>Department owned assets</i>				
Buildings and improvements	172 406	165 514	172 154	165 172
Computing, communication, furniture and equipment	13 229	12 392	1 743	1 390
Buses and motor vehicles	3 299	3 208	2 322	2 184
Leasehold improvements	506	976	506	976
Other assets	619	595	449	423
Total department owned depreciation	190 059	182 685	177 174	170 145
<i>Right of use assets</i>				
Right of use buildings	6 256	5 546	5 957	5 271
Right of use vehicles	-	2 211	-	1 617
Total right of use assets depreciation	6 256	7 757	5 957	6 888
Total depreciation	196 315	190 442	183 131	177 033
Amortisation				
Service right for use of equipment	6 219	4 513	6 219	4 513
Total amortisation	6 219	4 513	6 219	4 513
Total depreciation and amortisation	202 534	194 955	189 350	181 546

Useful Life

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	3-170
Leasehold improvements	2-67
Buses and motor vehicles	15-16
Computing, communications, furniture and equipment	1-20
Right of use assets	1-60
Intangible assets	5-6
Other assets	5-10

Review of accounting estimates

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land and buildings	(86)	238	(86)	241
Vehicles, plant and equipment	(2 397)	(1 211)	-	(88)
Non-current assets classified as held for sale	-	41	-	41
Total net loss from disposal of property, plant and equipment	(2 483)	(932)	(86)	194

Gains/losses on disposal of non-current assets are recognised at the date the control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

4.7. Other expenses

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Self insurance claims	6 059	3 705	6 059	3 705
Non-current assets written off	3 039	9 356	2 954	8 510
Allowance for impairment loss on receivables	1 789	4 002	(139)	974
Auditor's remuneration – other	1 483	1 480	1 364	1 354
Emergency Services Levy	1 391	1 385	1 391	1 385
Auditor's remuneration - Audit Office of South Australia *	573	555	573	555
Donated assets	-	3 346	-	3 346
Other expenses	3 540	2 812	1 883	2 228
Total other expenses	17 874	26 641	14 085	22 057

* Includes the fair value of resources received free of charge for audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987* of \$573 000 (2025: \$555 000). No other services were provided by the Audit Office of South Australia.

For further information on the allowance for impairment loss on receivables refer to note 5.2.

Department for Education
Notes to and forming part of the financial statements
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5. Assets

5.1. Cash and cash equivalents

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer				
Operating Account	198 167	157 246	198 167	157 246
Accrual Appropriation Excess Funds	775 044	649 430	775 044	649 430
Total deposits with the Treasurer	973 211	806 676	973 211	806 676
SA School Investment Fund (SASIF)	579 806	562 496	-	-
Cash at bank and on hand	60 827	61 582	682	303
Total cash and cash equivalents in the Statement of Financial Position	1 613 844	1 430 754	973 893	806 979
Total cash and cash equivalents in the Statement of Cash Flows	1 613 844	1 430 754	973 893	806 979

Deposits with the Treasurer

Special deposit accounts and deposit accounts are established under section 8 and 21 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds Account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer.

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

SA School Investment Fund (SASIF)

Represents the amount held in preschool and school SASIF accounts.

Department for Education
Notes to and forming part of the financial statements
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5.2. Receivables

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current receivables				
Contractual receivables				
Receivables from sale of goods and services	56 909	57 229	18 040	24 858
Less impairment loss on receivables	(7 155)	(7 735)	(1 586)	(1 997)
Total contractual receivables	49 754	49 494	16 454	22 861
Statutory receivables				
GST recoverable from the ATO	12 303	16 983	9 651	14 359
Workers compensation receivable	500	468	500	468
Total statutory receivables	12 803	17 451	10 151	14 827
Loan receivables	-	-	817	870
Prepayments	16 946	45 831	12 996	43 167
Accrued revenues	2 974	18 101	2 061	17 371
Total current receivables	82 477	130 877	42 479	99 096
Non-current				
Statutory receivables				
Workers compensation receivable	2 076	2 273	2 076	2 273
Total statutory receivables	2 076	2 273	2 076	2 273
Loan receivables	4	4	8 333	8 948
Total non-current receivables	2 080	2 277	10 409	11 221
Total receivables	84 557	133 154	52 888	110 317

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

Contractual receivables

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

Refer to note 10.2 for further information on risk management.

Department for Education
Notes to and forming part of the financial statements
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5.2. Receivables (continued)

Allowance for impairment loss on contractual receivables

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 735	6 357	1 997	1 280
Increase/(Decrease) in allowance recognised in profit or loss	1 789	4 002	(139)	974
Amounts written off	(2 369)	(2 624)	(272)	(257)
Carrying amount at the end of the period	7 155	7 735	1 586	1 997

All of the above impairment losses are from receivables arising from contracts with customers that are external to SA Government.

Refer to note 10.2 for details of credit risk and the methodology for determining impairment for the department.

Statutory receivables

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

Workers compensations recoveries are related to the interim benefits receivable from employees pursuant to Section 32(3) of Return to Work Act 2014. This receivable is recognised when the relevant employees' claims are rejected.

The net amount of GST is included as a part of statutory receivables.

No impairment loss was recognised in relation to statutory receivables.

5.3. Other financial assets

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	55	79	-	-
Total current investments	55	79	-	-
Non-current				
Shares held in listed securities	301	282	-	-
Total non-current investments	301	282	-	-
Total other financial assets	356	361	-	-

The term deposits are carried at cost and are to be held to their maturity.

The fair value of shares held in listed securities is based on quoted market prices for identical assets or liabilities at balance date.

For further information on risk management refer to note 10.2.

Department for Education
Notes to and forming part of the financial statements
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5.4. Inventories

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Materials at net realisable value	5 756	5 723	-	-
Total inventories	5 756	5 723	-	-

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense.

5.5. Non-current assets classified as held for sale

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land	384	-	384	-
Buildings and improvements	107	-	107	-
Buses	332	-	332	-
Total non-current assets classified as held for sale	823	-	823	-

The department has measured the non-current assets held for sale at fair value less costs to sell because the assets' fair value less costs to sell is lower than its carrying amount. Detail about the department's approach to fair value is set out in note 10.1.

Buses that have reached the end of their useful lives and are no longer economically viable are held for sale at auction.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.6. Property, plant and equipment by asset class

	2026 Consolidated \$'000	2025 Consolidated \$'000	2026 Department \$'000	2025 Department \$'000
Land				
Land	3 087 420	2 732 701	3 086 400	2 731 681
Total land	3 087 420	2 732 701	3 086 400	2 731 681
Buildings and improvements				
Buildings and improvements	12 573 166	11 744 217	12 569 884	11 740 592
Accumulated depreciation	(7 829 627)	(7 293 114)	(7 828 439)	(7 291 873)
Total buildings and improvements	4 743 539	4 451 103	4 741 445	4 448 719
Construction work in progress				
Construction work in progress	78 952	181 517	78 952	181 517
Total construction work in progress	78 952	181 517	78 952	181 517
Leasehold improvements				
Leasehold improvements	41 118	41 118	41 118	41 118
Accumulated depreciation	(35 927)	(35 421)	(35 927)	(35 421)
Total leasehold improvements	5 191	5 697	5 191	5 697
Buses and motor vehicles				
Buses and motor vehicles	68 541	58 328	49 227	40 776
Accumulated depreciation	(33 786)	(33 927)	(22 646)	(22 296)
Total buses and motor vehicles	34 755	24 401	26 581	18 480
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	139 964	129 985	11 115	10 244
Accumulated depreciation	(86 756)	(79 408)	(6 106)	(4 759)
Total computing, communications, furniture and equipment	53 208	50 577	5 009	5 485
Other assets				
Other assets	8 481	8 220	6 027	6 088
Accumulated depreciation	(4 687)	(4 273)	(3 299)	(3 005)
Total other assets	3 794	3 947	2 728	3 083
Total property, plant and equipment	8 006 859	7 449 943	7 946 306	7 394 662

Department for Education
Notes to and forming part of the financial statements
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5.6. Property, plant and equipment by asset class (continued)

Reconciliation 2025-26

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

		Buildings and	Construction	Leasehold	Buses and	Computing, communications, furniture and	Other assets	Total
Department 2025-26	Land	improvements	work in	improvements	motor vehicles	equipment		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2025	2 731 681	4 448 719	181 517	5 697	18 480	5 485	3 083	7 394 662
Additions	10 550	-	145 598	-	10 823	1 104	111	168 186
Disposals	(283)	(192)	-	-	-	-	-	(475)
Assets derecognised	-	(2 826)	-	-	(68)	(43)	(17)	(2 954)
Assets reclassified to assets held for sale	(384)	(107)	-	-	(332)	-	-	(823)
Transfers to/(from) WIP	-	247 957	(248 163)	-	-	206	-	-
Revaluation increment/(decrement)	336 746	171 442	-	-	-	-	-	508 188
Depreciation	-	(172 154)	-	(506)	(2 322)	(1 743)	(449)	(177 174)
Assets recognised for the first time	47	1 980	-	-	-	-	-	2 027
Donated assets to/(from)	8 043	32 802	-	-	-	-	-	40 845
Recognition of government housing	-	13 824	-	-	-	-	-	13 824
Carrying amount at 30 June 2026	3 086 400	4 741 445	78 952	5 191	26 581	5 009	2 728	7 946 306
Gross carrying amount								
Gross carrying amount	3 086 400	12 569 884	78 952	41 118	49 227	11 115	6 027	15 842 723
Accumulated Depreciation	-	(7 828 439)	-	(35 927)	(22 646)	(6 106)	(3 299)	(7 896 417)
Carrying amount	3 086 400	4 741 445	78 952	5 191	26 581	5 009	2 728	7 946 306

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.6. Property, plant and equipment by asset class (continued)

Reconciliation 2024-25

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

						Computing, communications, furniture and equipment	Other assets	Total
Department 2024-25	Land	Buildings and improvements	Construction work in progress	Leasehold improvements	Buses and motor vehicles			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2024	2 420 590	4 409 526	52 542	7 033	18 656	4 628	3 322	6 916 297
Additions	88	237	198 324	-	2 116	2 150	229	203 144
Disposals	(538)	(688)	-	-	(108)	-	-	(1 334)
Assets derecognised	-	(6 220)	(2 230)	-	-	(14)	(45)	(8 509)
Transfers to/(from) WIP	-	67 119	(67 119)	-	-	-	-	-
Transfers between asset classes	(5 250)	(2 689)	-	(360)	-	-	-	(8 299)
Revaluation increment/(decrement)	319 266	146 235	-	-	-	-	-	465 501
Depreciation	-	(165 172)	-	(976)	(2 184)	(1 390)	(423)	(170 145)
Assets recognised for the first time	-	1 241	-	-	-	34	-	1 275
Donated assets	(2 475)	(870)	-	-	-	77	-	(3 268)
Carrying amount at 30 June 2025	2 731 681	4 448 719	181 517	5 697	18 480	5 485	3 083	7 394 662
Gross carrying amount								
Gross carrying amount	2 731 681	11 740 592	181 517	41 118	40 776	10 244	6 088	14 752 016
Accumulated Depreciation	-	(7 291 873)	-	(35 421)	(22 296)	(4 759)	(3 005)	(7 357 354)
Carrying amount	2 731 681	4 448 719	181 517	5 697	18 480	5 485	3 083	7 394 662

Department for Education
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5.6. Property, plant and equipment by asset class (continued)

Property, plant and equipment owned by the department with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed. These assets are recorded at fair value. Details about the department's approach to fair value are set out in note 10.1.

Revaluation and Impairment

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, the asset will be revalued regardless of the timing of the last valuation.

Property, plant and equipment owned by the department are non-cash generating assets that are specialised in nature and held for continual use in delivering services. These assets are not routinely tested for impairment, as they are regularly revalued to fair value.

There are three disused sites that were written down to their fair value less costs of disposal in FY2024-25 and remain impaired as at 30 June 2026.

No additional impairment losses were recognised in 2025-26 (2025: \$2.7 million)

There were no other indications of impairment of property, plant and equipment as at 30 June 2026.

Recognition of Government Housing Financial Information

During 2025-26, the department completed a review of residential properties located within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, Oak Valley and Yalata that support the delivery of education services in remote communities.

The review identified more than 100 residential properties that had not previously been recognised within the department's property, plant and equipment records. Following assessment of ownership, control and accounting recognition requirements, these assets have now been recognised within the department's financial statements.

To support the initial recognition of the properties, the department engaged Valcorp, an independent qualified valuer, to determine the fair value, gross replacement cost, useful lives and accumulated depreciation of the properties as at 30 June 2026. Based on this valuation, building assets with a gross replacement cost of \$78.0 million, accumulated depreciation of \$64.3 million and a net carrying amount of \$13.7 million were recognised within property, plant and equipment.

Department for Education
Notes to and forming part of the financial statements
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5.7. Right of use assets

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Right of use buildings				
Right of use buildings	271 472	222 698	268 985	220 364
Accumulated depreciation	(68 182)	(61 925)	(66 691)	(60 734)
Total right of use buildings	203 290	160 773	202 294	159 630
Total right of use assets	203 290	160 773	202 294	159 630

Right of use assets leased by the department are recorded at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right of use assets. Payments for these leases are expensed (see note 4.2).

The department has the following leases:

- The 'Education Works New Schools Public Private Partnership' lease covers the design and construction of six schools (see notes 6.2 and 9.1).
- The department holds 32 non-cancellable property leases (remaining property lease terms range from 1–49 years) and
- Schools hold 6 non-cancellable leases (remaining property lease terms range from 2-17 years)

From 1 April 2025, motor vehicle leases with SAFA Fleet are no longer accounted for under AASB 16 Leases. Lease payments from this date are expensed, and related right-of-use assets and liabilities were derecognised as at 31 March 2025. The department has no other right of use vehicles.

Lease liabilities are disclosed in note 6.2 and the maturity analysis is disclosed in note 10.2. Leases related expenses and cash flows are disclosed in notes 4.4 and 7.1 respectively.

Impairment

There was no indication of impairment of leased buildings or vehicles as at 30 June 2026. No impairment loss or reversal of impairment loss was recognised in 2025-26.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.7 Right of use assets (continued)

Reconciliation 2025-26

The reconciliation of right of use assets is for the Consolidated entity.

Consolidated 2025-26	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2025	160 773	-	160 773
Additions	48 773	-	48 773
Depreciation	(6 256)	-	(6 256)
Carrying amount at 30 June 2026	203 290	-	203 290

Reconciliation 2024-25

The reconciliation of right of use assets is for the Consolidated entity.

Consolidated 2024-25	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2024	165 652	3 771	169 423
Additions	667	2 424	3 091
Depreciation	(5 546)	(2 211)	(7 757)
Donated assets (to)/from third parties	-	116	116
Remeasurement of leased asset	-	(13)	(13)
Assets derecognised	-	(4 087)	(4 087)
Carrying amount at 30 June 2025	160 773	-	160 773

Department for Education
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5.8. Intangible assets

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

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

The internally developed computer software relates to the department's human resource management system (Valeo).

The service right to use equipment relates to the provision, maintenance and replacement under the Education Works New Schools agreement and the SA Schools Public Private Partnership Project. The service rights are amortised over the remaining periods of the respective agreements. The corresponding finance costs and financial liabilities have been accounted for in note 4.5 and note 6.2 respectively.

Impairment

There were no indications of impairment of intangible assets as at 30 June 2026.

Department for Education
Notes to and forming part of the financial statements
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5.8. Intangible assets (continued)

Reconciliation 2025-26

Consolidated	Internally developed computer software \$'000	Service right for use of equipment \$'000	Purchased software \$'000	Total \$'000
Carrying amount at 1 July 2025	-	101 364	-	101 364
Additions	-	5 849	-	5 849
Amortisation	-	(6 219)	-	(6 219)
Carrying amount at 30 June 2026	-	100 994	-	100 994
Gross carrying amount				
Gross carrying amount	4 354	131 904	139	136 397
Accumulated Amortisation	(4 354)	(30 910)	(139)	(35 403)
Carrying amount	-	100 994	-	100 994

Reconciliation 2024-25

Consolidated	Internally developed computer software \$'000	Service right for use of equipment \$'000	Purchased software \$'000	Total \$'000
Carrying amount at 1 July 2024	198	106 335	-	106 533
Additions	-	1 516	-	1 516
Disposals	-	(1 974)	-	(1 974)
Transfer in from restructure	(198)	-	-	(198)
Amortisation	-	(4 513)	-	(4 513)
Carrying amount at 30 June 2025	-	101 364	-	101 364
Gross carrying amount				
Gross carrying amount	4 354	126 055	139	130 548
Accumulated Amortisation	(4 354)	(24 691)	(139)	(29 184)
Carrying amount	-	101 364	-	101 364

Department for Education
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6. Liabilities

6.1. Payables

	2026 Consolidated \$'000	2025 Consolidated \$'000	2026 Department \$'000	2025 Department \$'000
Current				
Contractual payables	73 232	95 258	61 857	86 848
Recurrent grants payable to schools and preschools	17	2	81 609	103 065
Accrued interest on PPP liability	3 111	3 938	3 111	3 938
Statutory payables	1 369	1 291	1 348	1 286
Total current payables	77 729	100 489	147 925	195 137
Non-current				
Accrued interest on PPP liability	25 618	21 015	25 618	21 015
Contractual payables	-	9	-	-
Total non-current payables	25 618	21 024	25 618	21 015
Total payables	103 347	121 513	173 543	216 152

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is first received.

Statutory payables

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

Accrued interest on PPP liability

Accrued interest on PPP liability relates to the Education Works New Schools Public Private Partnership lease and SA Schools PPP agreement.

Department for Education
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6.2. Other financial Liabilities

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities ²	5 270	1 094	4 978	843
Education Works New Schools PPP lease ¹	5 001	4 470	5 001	4 470
SA Schools PPP borrowings ¹	5 339	5 136	5 339	5 136
Contract Balances	6 795	5 029	1 100	-
Total current financial liabilities	22 405	15 729	16 418	10 449
Non-current				
Lease liabilities ²	10 346	2 841	9 558	1 871
Education Works New Schools PPP lease ¹	137 559	142 560	137 559	142 560
SA Schools PPP borrowings ¹	198 611	203 950	198 611	203 950
Total non-current financial liabilities	346 516	349 351	345 728	348 381
Total other financial liabilities	368 921	365 080	362 146	358 830

¹ These are related to the public private partnership agreements and are interest bearing.

² Other lease liabilities are interest bearing

The department measures financial liabilities including borrowings/debt at historical cost. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

Refer to note 7.1 for cash outflow associated with lease liabilities.

The interest rate implied, based on the total payments due over the life of the Education Works New Schools PPP lease, is 11.26%.

The interest rate implied, based on total payments due over the life of the SA Schools PPP Project Agreement, is 3.87%.

For further information on risk management refer to note 10.2.

Department for Education
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6.3. Employee related liabilities

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	179 424	166 438	177 364	164 619
Accrued salaries and wages	94 360	80 286	93 754	79 812
Long service leave	67 215	66 071	66 762	65 851
Employment on cost	75 006	68 724	74 685	67 818
Skills and experience retention leave	22 237	21 755	22 237	21 755
Country incentive leave	22	120	22	120
Total current employee related liabilities	438 264	403 394	434 824	399 975
Non-current				
Long service leave	467 627	471 053	463 220	466 942
Employment on cost	65 455	64 786	65 388	64 712
Country incentive leave	1 252	1 134	1 252	1 134
Total non-current employee related liabilities	534 334	536 973	529 860	532 788
Total employee related liabilities	972 598	940 367	964 684	932 763

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

Salaries and wages, annual leave, country incentive leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability, SERL and current country incentive liability are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

Salary inflation rate for annual leave and skills and experience retention leave liability increased to 3.5% (2025: 3.2%).

The impact of this change on annual leave and skills and experience retention leave liabilities was immaterial.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government.

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

This increase in the bond yield results in a decrease in the reported long service leave liability.

Department for Education
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for the year ended 30 June 2026

6.3. Employee related liabilities (continued)

The net financial effect of all changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$23.1 million (\$7.5 million) and decrease in the employee related expense (including on-costs) of \$26.3 million (\$8.6 million). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance maintained the salary inflation rate at 3.5% (2025: 3.5%) for the long service leave liability.

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

Employment on-costs liabilities

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

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

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken as leave has increased to a rate of 72% (2025: 70%) and the average factor for the calculation of employer superannuation cost on-cost remained the same at a rate of 12% (2025: 12%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$3.2 million (\$1.04 million) and employee benefits expense of \$3.2 million (\$1.04 million). The impact on future periods is impracticable to estimate.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.4. Provisions

	2026	2026	2026
	Workers		
Consolidated	Compensation	Legal Claims	Other
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	115 721	9 215	-
Reductions arising from payments	(24 009)	(1 227)	-
Reversal of prior provision	-	(663)	-
Additional provision recognised	20 333	6 713	8
Carrying amount at the end of the period	112 045	14 038	8
Current provisions	27 351	1 020	8
Non current provisions	84 694	13 018	-
Total provisions	112 045	14 038	8

	2026	2026	2026
	Workers		
Department	Compensation	Legal Claims	Other
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	115 721	9 215	-
Reductions arising from payments	(24 009)	(1 227)	-
Reversal of prior provision	-	6 713	-
Additional provision recognised	20 333	(663)	-
Carrying amount at the end of the period	112 045	14 038	-
Current provisions	27 351	1 020	-
Non current provisions	84 694	13 018	-
Total provisions	112 045	14 038	-

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The department is responsible for the payment of workers compensation claims.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.5. Other non-financial liabilities

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Deposits	25 903	21 947	25 607	21 672
Other liabilities	920	538	95	63
Equipment service right*	2 076	2 108	2 076	2 108
Total current other liabilities	28 899	24 593	27 778	23 843
Non-current				
Equipment service right*	113 582	109 934	113 582	109 934
Other liabilities	5	7	-	2
Deposits	33	4	-	-
Total non-current other liabilities	113 620	109 945	113 582	109 936
Total other non-financial liabilities	142 519	134 538	141 360	133 779

*The equipment service right relates to the provision, maintenance and replacement of equipment under the PPP agreements. The service right is amortised over the life of the agreement.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. Other disclosures

7.1. Cash flow

Cash Flow Reconciliation	2026 Consolidated \$'000	2025 Consolidated \$'000	2026 Department \$'000	2025 Department \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period				
Cash and cash equivalents disclosed in the Statement of Financial Position	1 613 844	1 430 754	973 893	806 979
Balance as per the Statement of Cash Flows	1 613 844	1 430 754	973 893	806 979
Reconciliation of net cash provided by operating activities to net cost of providing services				
Net cash provided by operating activities	416 096	374 995	378 375	333 087
Add / (less) non-cash items				
Depreciation and amortisation	(202 534)	(194 954)	(189 350)	(181 546)
Bad and doubtful debts	(1 789)	(4 002)	139	(974)
Non-current assets derecognised/written off	(3 039)	(9 356)	(2 954)	(8 510)
Resources received free of charge - expense	(16 139)	(13 381)	(15 977)	(13 266)
Resources received free of charge - income	16 139	13 381	15 977	13 266
Donated assets	-	(3 346)	-	(3 346)
Assets recognised for the first time	15 852	1 292	15 852	1 275
PPE received free of charge	40 950	77	40 845	77
Net (loss)/gain from disposal of non financial assets	(2 483)	(880)	(86)	223
Movement in assets and liabilities				
Increase/(decrease) in receivables	(15 249)	20 005	(25 341)	25 562
Increase/(decrease) in inventories	33	(279)	-	-
(Increase)/decrease in payables	(1 136)	2 959	23 346	(11 471)
(Increase)/decrease in employee related liabilities	(32 309)	(61 463)	(31 983)	(61 086)
(Increase)/decrease in financial liabilities	(9 713)	(8 116)	(9 029)	(7 863)
(Increase)/decrease in provisions	(1 147)	(18 288)	(1 147)	(18 288)
(Increase)/decrease in other liabilities	(4 365)	(2 368)	(3 965)	(2 876)
Net result	199 167	96 276	194 702	64 264

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8. Changes in accounting policy

8.1 Recognition of Preschool Financial Information

During 2025-26, the department changed its accounting policy when preparing its financial statements to include the financial transactions and balances of government preschools.

Historically, financial information for stand-alone government preschools was not centrally available at the time consolidated financial statements were prepared. Following implementation of the Education Management System, the department was able to obtain reliable financial information for preschools, allowing these entities to be consolidated into the department's financial statements.

The department determined that the revised accounting policy provides more reliable, relevant and complete information regarding the financial position, financial performance and cash flows of the consolidated entity.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the change in accounting policy has been applied retrospectively. The cumulative effect of the change resulted in an increase in opening equity of \$56.8 million as at 1 July 2024, primarily reflecting the recognition of cash, receivables and other assets held by preschools.

Comparative information for 2024-25 has been restated to reflect the revised accounting policy. The restatement increased the 2024-25 net result by \$7.2 million.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. Outlook

9.1. Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	120 013	70 194	120 013	70 194
Later than one year but not later than five years	131 099	-	131 099	-
Later than five years	-	-	-	-
Total capital commitments	251 112	70 194	251 112	70 194

The department's commitments to acquire property, plant and equipment are for construction work at new and existing sites.

Other contractual commitments

	2026	2025	2026	2025
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	28 134	23 464	28 134	23 464
Later than one year but not later than five years	92 761	61 389	92 761	61 389
Later than five years	209 480	210 427	209 480	210 427
Total expenditure commitments	330 375	295 280	330 375	295 280

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9.1 Unrecognised commitments (continued)

The department has contractual commitments for future expenditure relating primarily to Public Private Partnership (PPP) agreements and memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation services.

Under the PPP agreements, the Department is required to make periodic payments to private operators over the life of the contracts. These payments relate to the service component of the agreements, which includes:

- Building and equipment maintenance
- Utility management
- Waste management
- Security services
- Grounds and garden maintenance
- Pest control
- Cleaning services
- Caretaker services

These service-related payments are contingent upon the private operators meeting defined performance standards. As such, they are treated as operating expenses and are recognised in the Statement of Comprehensive Income.

9.2. Contingent assets and liabilities

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

The department is not aware of any contingent assets.

The department has undertaken a review of long service leave records and supporting documents and identified that a revision in the long service leave provision may be required for certain employee categories. The department is not able to reliably estimate the total potential amount of the change to the overall liability at the reporting date. Where amounts are able to reliably be identified and measured, they have been recognised as liabilities in line with the measurement and recognition criteria of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

9.3. Impact of standards not yet effective

The department has assessed the impact of new and amended Australian Accounting Standards and Interpretations not yet effective. The department does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

No Australian Accounting Standards have been early adopted.

9.4. Events after the reporting period

The Department is not aware of any events after balance date that relate to controlled activities.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10. Measurement and risk

10.1. Fair value

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation and Impairment

The department conducts an annual assessment of the fair values of buildings and improvements using Gross Current Replacement Cost (GCRC) data from the Strategic Asset Management Information Systems (SAMIS), maintained by the Department for Infrastructure and Transport (DIT). An internal revaluation is undertaken if management determines that the carrying amount materially differs from its fair value.

Property plant and equipment owned by the department are non-cash generating assets that are specialised in nature and held for continual use in delivering services. These assets are not routinely tested for impairment as they are generally revalued to fair value.

However, in specific cases (such as disused sites) disposal costs may be material and impact the recoverable amount. No impairment loss was recognised in 2026 (2025: \$2.7million). The valuations were provided by independent certified practicing valuers and were based on observable data.

There were no other indications of impairment of property plant and equipment as at 30 June 2026.

Fair value hierarchy

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent valuation.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (input other than quoted prices included within level 1) that are observable for the asset either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

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

During 2026, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and level 2 fair value hierarchy levels, and there were no changes in valuation technique.

The department measures all assets at level 3, except for land (\$3.08 billion) which is measured at level 2. Recurring fair value measurements relate to all assets (refer to note 5.6), except for non current assets held for sale which are measured on a non-recurring fair value basis (refer to note 5.5).

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10.1 Fair value (continued)

Land and buildings

The independent valuation of land was undertaken by the Valuer-General as at 30 June 2026.

Buildings and improvements are measured at current replacement cost less accumulated depreciation. Current replacement cost data was sourced from the Strategic Asset Management Information System (SAMIS), maintained by the Department for Infrastructure and Transport (DIT). These costs are based on quantity surveyors' estimates and updated using a relevant building cost index.

Building values are primarily derived using the DIT Strategic Asset Management System (SAMIS) replacement cost data. On a regular cyclical basis, the Department engages an external qualified valuer to undertake valuations of a sample of buildings. The Department compares these valuations with those produced by SAMIS to assess whether the fair values determined within SAMIS are materially reasonable for financial reporting purposes.

The most recent assessments were undertaken as follows:

- Buildings and paved areas: 30 June 2024
- Swimming pools: 30 June 2023

The building valuation data excludes landscaping, infrastructure, pergolas, playground equipment, fencing, some paving, sheds, and outdoor learning areas. These exclusions arise where reliable measurement data or supporting asset information is not available within SAMIS.

Buildings not valued using the SAMIS methodology were assessed using alternative approaches:

- Buildings constructed by the department at sites managed under the Education Works New Schools Public Private Partnership and the SA Schools Public Private Partnership were independently valued by Mr Fred Taormina, B.App.Sc. (Val), A.A.P.I., Certified Practising Valuer of Valcorp Australia Pty Ltd, as at 30 June 2024. These valuations were based on replacement or reproduction cost, adjusted for asset condition and economic and physical obsolescence.
- Buildings constructed by the department that have not yet been added to SAMIS were measured at cost.

As at 30 June 2026, the department identified that the carrying amounts of buildings, paved areas, and swimming pools materially differed from their fair values. To ensure compliance with applicable accounting standards, a management revaluation was undertaken using indexation.

An indexation rate of 5% was applied, based on cost escalation data provided by multiple independent quantity surveyors. This ensured that assets continued to be measured at gross current replacement cost—defined as the estimated cost to replace the asset with a modern equivalent in new condition, offering similar functionality and service potential.

Leasehold improvements

An independent valuation of one leasehold improvement with the largest written down value was performed by Mr Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of Valcorp Australia Pty Ltd as at 30 June 2021. The valuer adopted depreciated replacement cost when valuing the asset as quoted prices in an active liquid market were not available.

Buses and motor vehicles

Buses acquired prior to 30 June 2015 are valued based on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, and residual values as at 30 June 2015. New buses from 1 July 2015 are valued at historical cost.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10.1 Fair value (continued)

Computing, communications, furniture and equipment

All computing, communications, furniture and equipment and other assets which had a fair value at time of acquisition that was less than \$1.5 million have not been revalued in accordance with APS 116.D. The carrying values of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their fair value, except for management assumptions about condition and remaining useful life.

Non-current assets held for sale

In 2025-26, the department had \$823 000 of non-current assets held for sale as at 30 June 2026.

The department has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* because the assets' fair value less costs to sell is lower than its carrying amount.

10.2. Financial instruments

Financial risk management

Risk management is managed by the department and departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

The department is funded principally from appropriation by the SA Government and Commonwealth Government sourced grants. The department works with the Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary processes to meet the expected cash flows.

Credit risk

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

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

Impairment of financial assets

Impairment of financial assets is performed using a two step process.

First, an allowance for impairment loss is recognised when there is objective evidence the receivable is impaired. Then the remaining receivables are assessed for loss allowances using the simplified approach in AASB 9 *Financial Instruments*.

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

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

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10.2 Financial Instruments (continued)

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

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

Loss rates are calculated based on the probability of a receivable progressing through stages to write-off based on the common risk characteristics of the transaction and debtor.

The following tables relate to the department's assessment of credit risk. This provides information about the exposure to the expected credit loss for non-government debtors. Credit risk has been assessed at the school level, however information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Table 1. General receivables debtors (Department only)

\$543 000 was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2026			
Current (not past due)	1 515	0.72%	11
1-30 days past due	3 267	1.67%	55
31-60 days past due	153	2.37%	4
61-90 days past due	254	3.11%	8
More than 90 days past due	3 309	9.41%	311
Loss allowance	8 498		389

Salary overpayments debtors.

\$655 000 was impaired based on objective evidence. There are no expected lifetime losses.

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

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

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 90 days past due.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses.

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

Cash and debt investments

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Department for Education
Notes to and forming part of the financial statements
for the year ended 30 June 2026

10.2 Financial instruments (continued)

Market risk

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks. There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

The following tables are for the department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Maturity analysis of financial instruments (Department only)

		2026	2026 Contractual maturities *			2025
		Carrying				Carrying
		amount/	Within	1-5	More	amount/
		fair value	1 year	years	than	fair value
	Notes	\$'000	\$'000	\$'000	5 years	\$'000
Financial liabilities						
Financial liabilities at amortised cost						
Contractual payables	6.1	172 195	146 577	25 618	-	214 865
Borrowings	6.2	203 950	5 339	23 544	175 067	209 086
Lease liabilities	6.2	168 968	6 178	30 766	132 024	150 002
Total financial liabilities		545 113	158 094	79 928	307 091	573 953

Financial Assets and Liabilities with Fair Value different from Carrying Amounts

The carrying amounts of the Department's financial assets and financial liabilities are considered a reasonable approximation of their fair values. As a result, no material differences between carrying amounts and fair values have been identified, except in relation to lease liabilities.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosure* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

* Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

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Department for Education

Administered Financial Statements

**Financial Statements
for the year ended 30 June 2026**

Department for Education **OFFICIAL**
Statement of Administered Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Administered income			
Appropriation	A3.1	512 902	472 408
Grants and subsidies	A3.2	1 776 763	1 655 228
Intra-government transfers	A3.3	2 627	45
Resources received free of charge		161	166
Other income	A3.4	166	89
Total administered income		2 292 619	2 127 936
Administered expenses			
Employee related expenses	A4.1	7 263	6 819
Supplies and services	A4.2	2 062	1 829
Transfer payments	A4.3	2 207 349	2 061 000
Grants and subsidies	A4.4	75 287	58 004
Depreciation	A5.2	757	741
Total administered expenses		2 292 718	2 128 393
Net result		(99)	(457)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in revaluation surplus		1 457	975
Total other comprehensive income		1 457	975
Total comprehensive result		1 358	518

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

Department for Education **OFFICIAL**
Statement of Administered Financial Position
As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Administered current assets			
Cash and cash equivalents		37 094	35 778
Receivables	A5.1	286	121
Total current assets		37 380	35 899
Administered non-current assets			
Property, plant and equipment	A5.2	27 233	26 533
Total non-current assets		27 233	26 533
Total assets		64 613	62 432
Administered current liabilities			
Payables	A6.1	592	107
Employee related liabilities	A6.2	932	658
Total current liabilities		1 524	765
Administered non-current liabilities			
Employee related liabilities	A6.2	840	776
Total non-current liabilities		840	776
Total liabilities		2 364	1 541
Net assets		62 249	60 891
Administered equity			
Retained earnings		44 358	44 457
Revaluation surplus		17 891	16 434
Total equity		62 249	60 891

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

Department for Education **OFFICIAL**
Statement of Administered Changes in Equity
for the year ended 30 June 2026

		Revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 1 July 2024		15 459	44 914	60 373
Net result for 2024-25		-	(457)	(457)
Gain on revaluation of land, buildings and improvements	A5.2	975	-	975
Total comprehensive result for 2024-25		975	(457)	518
Balance at 30 June 2025		16 434	44 457	60 891
Net result for 2025-26		-	(99)	(99)
Gain on revaluation of land, buildings and improvements	A5.2	1 457	-	1 457
Total comprehensive result for 2025-26		1 457	(99)	1 358
Balance at 30 June 2026		17 891	44 358	62 249

Department for Education
Statement of Administered Cash Flows
for the year ended 30 June 2026

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		2026	2025
		\$'000	\$'000
Cash flows from operating activities	Note		
Cash inflows			
Grants and funding		1 779 156	1 655 273
Appropriation		512 902	472 408
GST (paid)/recovered from the ATO		43 822	41 315
Other receipts		213	325
Cash generated from operations		2 336 093	2 169 321
Cash outflows			
Transfer payments		(2 248 178)	(2 099 230)
Payments of grants and subsidies		(77 619)	(65 631)
Employee related payments		(6 925)	(6 570)
Payments for supplies and services		(2 055)	(1 730)
Cash used in operations		(2 334 777)	(2 173 161)
Net cash provided by operations	A7.1	1 316	(3 840)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	(12)
Cash used in investing activities		-	(12)
Net cash used in investing activities		-	(12)
Net increase in cash and cash equivalents		1 316	(3 852)
Cash and cash equivalents at the beginning of the period		35 778	39 630
Cash and cash equivalents at the end of the period	A7.1	37 094	35 778

The accompanying notes form part of these financial statements.

Department for Education
Schedule of Income and Expenses by Administered Activities
for the year ended 30 June 2026

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Activities - refer note A1.2

	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Administered income										
Appropriation	417	410	504 165	464 199	8 320	7 799	-	-	512 902	472 408
Grants and subsidies	-	-	1 762 501	1 640 046	785	558	13 477	14 624	1 776 763	1 655 228
Intra-government transfers	-	-	2 515	45	112	-	-	-	2 627	45
Resources received free of charge	-	-	157	161	4	5	-	-	161	166
Other income	-	-	5	88	15	-	146	1	166	89
Total administered income	417	410	2 269 343	2 104 539	9 236	8 362	13 623	14 625	2 292 619	2 127 936
Administered expenses										
Employee related expenses	426	415	87	99	6 750	6 305	-	-	7 263	6 819
Supplies and services	-	-	174	235	1 888	1 594	-	-	2 062	1 829
Transfer payments	-	-	2 207 349	2 061 000	-	-	-	-	2 207 349	2 061 000
Grants and subsidies	-	-	62 154	43 056	-	-	13 133	14 948	75 287	58 004
Depreciation	-	-	553	537	204	204	-	-	757	741
Total administered expenses	426	415	2 270 317	2 104 927	8 842	8 103	13 133	14 948	2 292 718	2 128 393
Net result	(9)	(5)	(974)	(388)	394	259	490	(323)	(99)	(457)

Department for Education **OFFICIAL**
Schedule of Assets and Liabilities by Administered Activities
As at 30 June 2026

Activities - refer note A1.2

	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered assets										
Cash and cash equivalents	-	-	33 729	33 825	2 872	1 948	493	5	37 094	35 778
Receivables	-	-	-	43	283	77	3	1	286	121
Property, plant and equipment	-	-	26 864	25 968	369	565	-	-	27 233	26 533
Total assets	-	-	60 593	59 836	3 524	2 590	496	6	64 613	62 432
Administered liabilities										
Payables	-	-	490	-	102	107	-	-	592	107
Employee related liabilities	-	-	18	20	1 754	1 414	-	-	1 772	1 434
Total liabilities	-	-	508	20	1 856	1 521	-	-	2 364	1 541
Net assets	-	-	60 085	59 816	1 668	1 069	496	6	62 249	60 891

A1. About the Administered items for the Department for Education

The Department for Education is responsible for the administration of specific funds or bodies on behalf of the Minister for Education, Training and Skills. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets, liabilities and equity of these funds.

A1.1. Basis of preparation

The basis of preparation for the administered financial statements is the same as the basis outlined in the department's note 1.1. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

A1.2. Administered activities

The main administered funds are:

Ministers salaries

The Minister's salary and allowances are funded by specific legislation.

Ministers payments

Funds are appropriated to the Minister for Education, Training and Skills and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government and Commonwealth Government contributions to the operation of non-government schools, community language schools, organisations and early childhood services
- the State Government contribution to the operation of the South Australia Certificate of Education (SACE) Board of South Australia
- the State Government contribution to the operation of the Education Standards Board
- payments to the Department for Infrastructure and Transport for the purposes of student travel
- payments to Ministerial committees
- payments in relation to Property Plant and Equipment associated with the National Railway Museum and Carclew House.

Advocacy bodies

Operations of the following advocacy bodies are recognised administered items by the department:

- Commissioner for Children and Young People
- Guardian for Children and Young People
- Commissioner for Aboriginal Children and Young People

Family Day Care

This arrangement includes the receipts and payments associated with Commonwealth childcare subsidies relating to family day care and its operations.

A1.3. Budget performance

The budget performance table compares the department's administered items outcomes against budget information presented to Parliament (2025-26 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget ⁽¹⁾ 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Grants and subsidies	1 729 840	1 776 763	46 923
Appropriation	506 133	512 902	6 769
Intra-government transfers	1 389	2 627	1 238
Resources received free of charge	-	161	161
Other income	-	166	166
Total administered income	2 237 362	2 292 619	55 257
Expenses			
Transfer payments	2 152 292	2 207 349	55 057
Grants and subsidies	76 169	75 287	(882)
Employee related expense	7 421	7 263	(158)
Supplies and services	1 473	2 062	589
Depreciation	623	757	134
Other expenses	-	-	-
Total administered expenses	2 237 978	2 292 718	54 740
Net result	(616)	(99)	517
Other comprehensive income			
Changes in revaluation surplus	-	1 457	1 457
Total other comprehensive income	-	1 457	1 457
Total comprehensive result	(616)	1 358	1 974

⁽¹⁾ The budget information presented to Parliament includes the revenue and expenses of the South Australian Certificate of Education Board and the Education Standards Board. These entities do not form part of the department's Administered entity and are therefore excluded from the original budget information.

Explanations are provided for variance where the variances exceeds the greater of 10% the original budgeted amount and 5% of original budgeted total investing or operating expenditure.

A1.4. Significant transactions with government related entities

The department had the following significant administered transactions with government related entities:

- appropriation funding received from the Department of Treasury and Finance (A3.1) of \$513 million for on-passing to support the operation of non-government schools, advocacy bodies and other entities that fall under the Minister's responsibility and the Minister's salary and allowances.
- SACE Board of SA transfer payments of \$18.1 million (2025: \$17.54 million) (A4.3) for recurrent funding.
- Department for Infrastructure and Transport (DIT) of \$33.3 million (2025: \$16.8 million) (A4.2 and A4.4) for student transport concessions.
- History Trust of SA transfer payments of \$7.9 million (2025: \$14.01 million) (A4.3) for recurrent funding.
- Education Standards Board transfer payments of \$8.2 million (2025: \$8 million) (A4.3) for recurrent funding.

A2. Board and committees**A2.1. Key management personnel**

Key management personnel of the administered entities include the Commissioner for Children and Young People, Commissioner for Aboriginal Children & Young People and the Guardian for Children and Young People and their Executive Team. Total compensation for key management personnel was \$1 186 000 in 2025-26 and \$927 000 in 2024-25.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 the Parliamentary Remuneration Act 1990. See administered items for disclosures of the Minister's remuneration paid by the department and recovered from the Consolidated Account.

No related party transactions were identified.

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2026

A2.2. Board and Committee members

Members during the 2025-26 financial year were:

Child Death and Serious Injury Review Committee

Ms Jane Abbey KC
Dr Jemma Anderson*
Ms Mary Awata
Dr Carmela Bastian
Ms Kerry Beck*
Dr Mark Fuller^
Ms Kathryn Jane Moar^
Dr Rhiannon Pilkington
Ms Rosie Thewlis*
Mr Kurt Towers*
Ms Catherine Turnbull* (retired 20/02/2026)
Dr Deidre White^
Dr Amy Keir* (Appointed 1/07/2025)
Ms Judith Lovegrove* (appointed 01/07/2025)
A/Prof Courtney Ryder (appointed 12/06/2026)
Ms Simone Mather* (appointed 12/02/2026)

Child Development Council

Mr Dale Agius*
Prof Sarah Blunden
Prof Sally Brinkman
Ms Mimi Crowe*
Ms Dawn Davis
Dr Michelle Fernando
Ms Tina Hudson (retired 07/03/2026)
Prof Gerry Redmond
Ms Catherine Turner
Dr Victoria Whittington
Ms Shirley Young (retired 28/08/2026)
Ms Caroline Croser-Barlow (appointed 20/08/2025)
Ms Kylie Heneker* (appointed 19/10/2025)
Ms Julie Orchard (retired 3/11/2025)
Ms Christine Thyer (appointed 20/08/2025)

Multicultural Education and Languages Committee

Ms Meredith Beck
Ms Tamia Blackwell (retired 19/02/2026)
Ms Teresa Cimmino (retired 18/02/2026)
Ms Deb Dalwood (retired 19/02/2026)
Ms Kayoko Enomoto
Ms Jacqueline Ferraro
Mr Fida Hussain
Mr Ian Lamb
Ms Sally Letcher*
Ms Truphena Mahindu
Mr Noel Mifsud
Ms Sriyani Mitchell
Mr Rod Nancarrow*
Mr Hussain Razaiat
Ms Samoda Silva
Ms Tamara Stewart-Jones
Mr Abbas Syed
Dr Irene Zinonos
Ms Julie Tarzia (appointed 21/05/2026)
Ms Rita Lindsay (appointed 21/05/2026)
Mr Piero Barazin (appointed 19/02/2026)

* These board members are current SA Government employees. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

^ Part-time government employees who gained approval to receive remuneration for board/committee duties during the financial year

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2026

A2.2 Board and Committee members (continued)

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

	2026	2025
	Number of	Number of
	members	members
\$0	31	22
\$1 - \$19 999	22	28
Total number of members	53	50

The total remuneration received or receivable by members was \$34 000 (2025: \$47 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

A3. Income

A3.1. Appropriation

	2026	2025
	\$'000	\$'000
Revenues from appropriation		
Appropriation from Consolidated Account pursuant to the Appropriation Act	505 712	471 998
Appropriations under other Acts	417	410
Appropriation from Governor's Appropriation Fund	6 773	-
Total appropriation	512 902	472 408

A3.2. Grants and subsidies

	2026	2025
	\$'000	\$'000
Commonwealth-sourced grants		
National School Reform Agreement	-	823 730
Better and Fairer Schools Agreement ¹	1 743 362	810 054
Family Day Care Scheme	13 477	14 624
Disadvantaged Independent School Students	1 530	2 294
National Student Wellbeing Program	2 191	2 191
Consent and Respectful Relationships Education	441	881
Mid-year Reception in SA non-gov schools temporary funding	13 287	-
Workload Reduction Fund	827	-
Total Commonwealth-sourced grants	1 775 115	1 653 774
SA Government grants and subsidies		
Grants from other SA Government departments	470	533
Grants from the Department for Education	1 178	921
Total SA Government grants and subsidies	1 648	1 454
Total grants and subsidies	1 776 763	1 655 228

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Notes to and forming part of the administered financial statements
For the year ended 30 June 2026

¹ The Better and Fairer Schools Agreement replaced the National Schools Reform Agreement from 1 January 2025.

A3.3. Intra-government transfers

	2026	2025
	\$'000	\$'000
Contingency funding provided by the Department of Treasury and Finance	2 627	45
Total Intra-government transfers	2 627	45

A3.4. Other income

	2026	2025
	\$'000	\$'000
Recoveries	131	1
Assets recognised for the first time	-	88
Other	35	-
Total other income	166	89

A4. Expenses

A4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	5 388	4 920
Employment on-costs - superannuation	705	610
Employment on-costs - payroll tax	318	280
Annual leave	584	576
Long service leave	203	357
Board and committee fees	32	42
Skills and experience retention leave	22	19
Workers' compensation	2	2
Other employee related expenses	9	13
Total employee related expenses	7 263	6 819

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For the year ended 30 June 2026

A4.1 Employee related expenses (continued)

Employee remuneration

	2026	2026	2025	2025
The number of employees whose remuneration received or receivable falls within the following bands:	Number of Executives	Number of Employees	Number of Executives	Number of Employees
\$217,001 to \$237,000	1	1	-	-
\$257 001 to \$277 000	2	2	1	1
\$317,001 to \$337,000	1	1	-	-
\$337 001 to \$357 000	-	-	-	1
\$457 001 to \$477 000	-	-	-	1
Total number of executives / employees	4	4	1	3

The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2026 and 30 June 2025 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2026 and 2025.

Remuneration received or due and receivable by the above employees was \$1.08 million (2025: \$1.07 million) which is included in employee related expenses.

A4.2. Supplies and services

	2026 \$'000	2025 \$'000
Accommodation	369	360
Vehicle and travelling expenses	247	140
Other supplies and services	338	253
Printing, postage and consumables	59	201
Minor works, maintenance and equipment	156	137
Advertising, publicity and promotion expenses	120	81
Cleaning	33	33
Contractors and other outsourced services	204	127
Catering	30	19
Sponsorship	70	98
Information technology and communication	179	43
Legal expenses	-	7
Conference expenses	45	99
Training and development	32	53
Management fees and charges	19	12
Shared Services SA charges	161	166
Total supplies and services	2 062	1 829

A4.3. Transfer payments

	2026	2025
	\$'000	\$'000
Non-government schools	2 169 856	2 021 448
SACE Board of South Australia	18 102	17 536
History Trust	7 900	14 014
Education Standards Board	8 206	8 002
Office for Early Childhood Development	3 285	-
Total transfer payments	2 207 349	2 061 000

Transfer payments are payments made to eligible recipients, consistent with legislation or other authority, where the amount transferred is determined by the initial transferring entity. The department is the agent responsible for the transfer process but does not control the amount of funds transferred or the use of the funds by the eligible recipients.

A4.4. Grants and subsidies

	2026	2025
	\$'000	\$'000
Transport concessions	33 156	11 850
Family Day Care subsidies	13 133	14 948
Non-government schools	16 338	15 965
Other organisations	3 020	2 724
Non-government preschools	2 971	5 651
Arts entities	4 266	4 172
Multicultural grants	2 245	2 444
Other SA Government entities	158	250
Total grants and subsidies	75 287	58 004

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2026

A5. Assets

A5.1. Receivables

	2026	2025
	\$'000	\$'000
Current		
Contractual receivables		
Other receivables	238	51
Total contractual receivables	238	51
Statutory receivables		
GST recoverable from ATO	48	70
Total statutory receivables	48	70
Total current receivables	286	121
Total receivables	286	121

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

Contractual receivables

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

Department for Education

Notes to and forming part of the administered financial statements

For the year ended 30 June 2026

A5.2. Property, plant and equipment

2025-26	Land	Buildings and Improvements	Leasehold improvements	Computing, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	14 700	11 243	541	49	-	26 533
Additions	-	-	-	-	-	-
Revaluation increment/(decrement)	780	677	-	-	-	1 457
Subtotal	15 480	11 920	541	49	-	27 990
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(552)	(192)	(13)	-	(757)
Carrying amount at the end of the period	15 480	11 368	349	36	-	27 233
Gross carrying amount						
Gross carrying amount	15 480	48 593	1 330	113	2 132	67 648
Accumulated Depreciation	-	(37 225)	(981)	(77)	(2 132)	(40 415)
Carrying amount	15 480	11 368	349	36	-	27 233

Department for Education

Notes to and forming part of the administered financial statements

For the year ended 30 June 2026

2024-25	Land	Buildings and Improvements	Leasehold improvements	Computing, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	14 120	11 294	735	50	-	26 199
Additions	-	-	-	12	-	12
Revaluation increment/(decrement)	580	395	-	-	-	975
Assets recognised first time	-	88	-	-	-	88
Depreciation	-	(534)	(194)	(13)	-	(741)
Carrying amount at the end of the period	14 700	11 243	541	49	-	26 533
Gross carrying amount						
Gross carrying amount	14 700	45 908	1 330	114	2 132	64 184
Accumulated Depreciation	-	(34 665)	(789)	(65)	(2 132)	(37 651)
Carrying amount at the end of the period	14 700	11 243	541	49	-	26 533

A6. Liabilities

A6.1. Payables

	2026	2025
	\$'000	\$'000
Current		
Contractual payables	592	107
Total current payables	592	107
Total payables	592	107

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received

Contractual payables are normally settled within 15 days from the date the invoice is first received.

A6.2. Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Annual leave	502	384
Long service leave	92	59
Accrued salaries and wages	175	105
Skills and experience retention leave	22	9
Employment on-costs	141	101
Total current employee related liabilities	932	658
Non-current		
Long service leave	736	682
Employment on-costs	104	94
Total non-current employee related liabilities	840	776
Total employee related liabilities	1 772	1 434

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Department for Education
Notes to and forming part of the administered financial statements
For the year ended 30 June 2026

A7. Other disclosures

A7.1. Cash flow

Cash flow reconciliation

	2026	2025
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	37 094	35 778
Balance as per the Statement of Administered Cash Flows	37 094	35 778
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/ (used in) operating activities	1 316	(3 840)
Add / (less) non-cash items		
Depreciation	(757)	(741)
Resources received free of charge	161	166
Shared Services SA charges	(161)	(166)
Assets recognised for the first time	-	88
Movement in assets and liabilities		
(Increase)/decrease in payables	(485)	4 504
Increase/(decrease) in receivables	165	(219)
(Increase)/decrease in employee related liabilities	(338)	(249)
Net result	(99)	(457)

A8. Outlook

A8.1. Unrecognised contractual commitments

Commitments in relation to expenditure commitments contracted for at the reporting date but not recognised as liabilities are payable as follows:

Other contractual commitments	2026	2025
	\$'000	\$'000
Within one year	474	430
Later than one year but not longer than five years	1 404	1 423
Later than five years	358	607
Total expenditure commitments	2 236	2 460

Other contractual commitments relate to the memoranda of administrative arrangements with the Department for Infrastructure and Transport and for accommodation.

A8.2. Events after the reporting period

On 1 July 2026, as part of a Machinery of Government change approved by Cabinet, responsibility for Carclew House, Carclew and other youth performing arts functions (Windmill and Patch Theatre) transferred from the Minister for Education, Skills and Training to the Attorney-General's Department. This included the transfer of administered funding provided to Carclew, Windmill and Patch Theatre.

Following the transfer, the 2026-27 administered appropriation and associated grant funding are to be transferred to the Attorney-General's Department effective from 1 July 2026.

As the Machinery of Government change took effect after the reporting date, it has not resulted in adjustments to the amounts recognised in these administered financial statements for the year ended 30 June 2026.