



Annual Report 2025-26



Keystone
TASMANIA



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TASMANIA

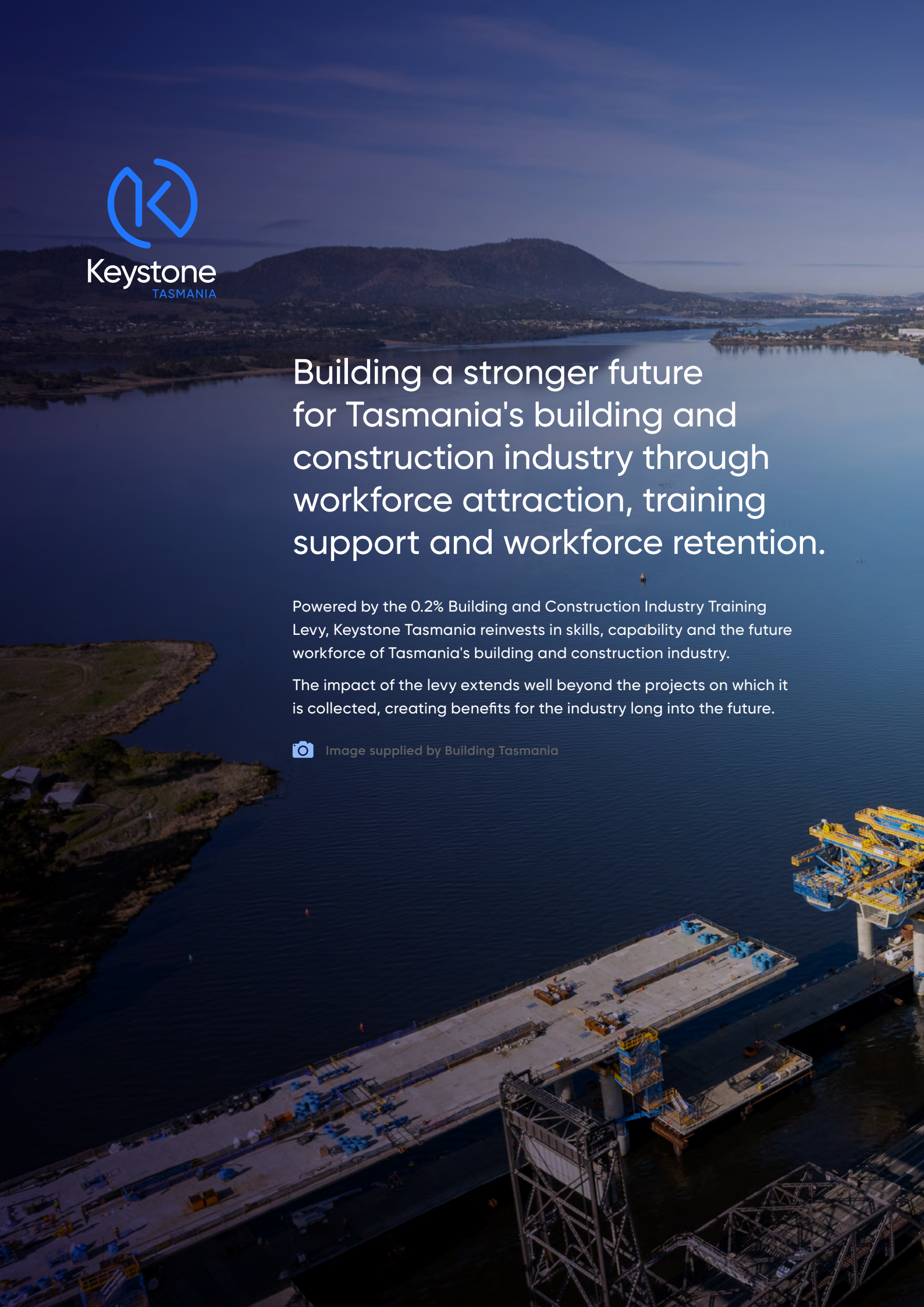
Building a stronger future for Tasmania's building and construction industry through workforce attraction, training support and workforce retention.

Powered by the 0.2% Building and Construction Industry Training Levy, Keystone Tasmania reinvests in skills, capability and the future workforce of Tasmania's building and construction industry.

The impact of the levy extends well beyond the projects on which it is collected, creating benefits for the industry long into the future.



Image supplied by Building Tasmania







We acknowledge the Palawa people as the traditional custodians of the land on which we learn and work. We honour their enduring culture and knowledge as vital to the self-determination, wellbeing and resilience of their communities.

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Supporting Tasmania's Building and Construction Industry

Keystone Tasmania exists to support and advance Tasmania's building and construction industry.

Keystone Tasmania is the trading name of the Tasmanian Building and Construction Industry Training Board, established under the *Building and Construction Industry Training Fund Act 1990* (Tas). The Board, together with the training levy and fund, was established to support quality training and workforce development for Tasmania's building and construction industry.

Our mission

To advance the Tasmanian building and construction industry by investing in workforce attraction, development and retention programs.

Our values

COLLABORATION

INTEGRITY

HUMILITY



 Keystone Tasmania team.

How we work

- We connect with the people in our industry and appreciate their needs
- We exist to serve our industry and we value our relationships
- We listen, we learn, and we take action
- We are objective and impartial
- We are committed to equity and transparency
- Our decisions are based on evidence





Message from the Chair



Keystone Tasmania is well positioned to continue delivering value to Tasmania's building and construction workforce. This year, we recorded a financial surplus and further strengthened our strategic contingency reserve.

The reserve provides financial stability in the face of variable levy revenue and supports Keystone's capacity to invest in priority initiatives over the longer term.

In July 2025, we welcomed Bridget Hiller as Chief Executive Officer and farewelled outgoing CEO Martin Blake. On behalf of the Board, I acknowledge Martin's significant contribution during an important period of financial recovery and organisational renewal. His focus on transparency, accountability and financial discipline helped strengthen Keystone's financial position and relationships with industry.

I also acknowledge Bridget's leadership in implementing the first year of the 2025–2028 Strategic Plan and progressing a number of initiatives across workforce attraction, training support and workforce retention.

A key milestone was the appointment of Keystone Tasmania's first Intern Director with Oliver Burnell appointed on 1 January 2026. Oliver, a builder with Ronald Young + Co Builders, brings a practical industry perspective to Board discussions while gaining experience in governance and Board decision-making.

The Board continued a period of renewal and succession planning during the year. Directors Shona Arnold, David Gates, Kim Barker and

I were reappointed for another term by the Minister, ensuring continuity of leadership and governance. Traycee Di Virgilio retired from the Board in June 2026, after providing a valuable contribution to Keystone for six years.

A recruitment process was undertaken during 2026 to support Board succession and replace Traycee Di Virgilio and Vonette Mead (whose term concludes in August 2026).

Looking ahead, the Board remains focused on maintaining sound governance and financial capacity while Keystone delivers its 2025–2028 Strategic Plan and supports the attraction, development and retention of Tasmania's building and construction workforce.

In closing I would like to acknowledge the support provided to the Board by the Minister for Skills and Jobs, Hon Felix Ellis MP during the year. I would also like to thank our small but dedicated team of staff for the work they do to ensure that Keystone continues to deliver valuable training support to the building and construction industry in Tasmania.

A handwritten signature in black ink that reads "Paul West". The signature is stylized with a large, flowing 'P' and a checkmark-like flourish at the end.

PAUL WEST

Chair, Keystone Tasmania Board

Message from the CEO



This year marked my first as Chief Executive Officer of Keystone Tasmania. It has been a privilege to work with our team, Board Directors and industry stakeholders to support the future workforce needs of Tasmania's building and construction industry.

I acknowledge the contribution of my predecessor, Martin Blake. His financial stewardship, risk management and commitment to transparency supported an important period of organisational renewal and left Keystone with a stronger foundation for the future.

Keystone recorded a financial surplus for the second consecutive year, further strengthening its long-term financial sustainability. While this outcome reflects prudent management, it also highlights the importance of ensuring that levy funds are invested where they will have the greatest impact.

We remain committed to delivering funding support, programs and initiatives that create genuine value for employers, workers and the broader building and construction industry.

An important focus for the coming years will be increasing awareness of the support available through Keystone Tasmania, particularly amongst small and medium-sized businesses.

Delivering on our strategic priorities

2025–26 was the first year of implementing Keystone Tasmania's 2025–2028 Strategic Plan, focused on three key priorities – Workforce Attraction, Training Support and Workforce Retention.

Under Workforce Attraction, Keystone invested in pathways that help young Tasmanians engage with building and construction. This included White Card training for Tasmanian Government secondary school students and continued support for the TasBGAS Building Futures program.

Under Training Support, Keystone funded course rebates across a broad range of training, including Certificate IV qualifications, work health and safety training and traffic management. The Flexi-fund was also established to support emerging training needs and projects not addressed through the Training Plan. I extend my thanks to Director David Gates for his contribution to the assessment process for this program.

Under Workforce Retention, Keystone funded leadership and supervision training and supported mental health initiatives delivered with industry peak bodies. These investments respond to industry feedback about the importance of workplace culture, leadership and wellbeing in retaining skilled workers. I thank Directors Kim Barker and Neil Armstrong for their support in assessing applications under the leadership program.



 Keystone Public Meeting, March 2026.

Meeting the needs of a diverse sector

The year presented both opportunities and challenges for Tasmania's building and construction sector. While there remains a strong pipeline of public and private investment, uncertainty surrounding project commencement dates, coupled with broader economic pressures, created planning challenges for many businesses.

Rising operating costs, ongoing pressure in residential construction and competition for skilled workers continued to impact the industry. Workforce availability remains one of the most significant challenges facing the sector, particularly as major projects proceed concurrently across different regions of Tasmania.

The industry also experienced a period of leadership renewal across several peak bodies. While this required new relationships and partnerships to be established, I have been encouraged by the collaborative approach taken by industry representatives and am grateful for the continued support and engagement of our stakeholders.

Listening to industry

Understanding industry needs remains central to Keystone's work. Industry forums in Launceston and Hobart, the annual training needs survey and ongoing engagement with employers, workers, training providers and peak bodies informed development of the 2026–27 Training Plan and will continue to shape future investment decisions.

Looking ahead

Keystone enters the next year with a stronger financial position and a clear strategic direction. Our focus remains on investing in people, supporting businesses and helping Tasmania's building and construction workforce build the skills, capability and resilience required for future opportunities.

BRIDGET HILLER

Chief Executive Officer, Keystone Tasmania

2025–2028 Strategic Plan

2025–26 was the first year of Keystone Tasmania's 2025–2028 Strategic Plan. The plan focuses investment through three priorities that reflect the workforce needs identified by industry.

MISSION

To advance the Tasmanian building and construction industry by investing in workforce attraction, development and retention programs

LEGISLATED PURPOSE

To improve the quality of training in the Tasmanian building and construction industry

INVESTMENT PRIORITIES

WORKFORCE ATTRACTION

Facilitate efficient investment to maximise new and more diverse entrants into the industry by prioritising:

- Cost-effective prevocational training pathway promotion and coordination in schools
- Improving availability of career and training pathway information

TRAINING SUPPORT

Prioritise investment and promote initiatives that improve the quality of training, including training accessibility and relevance, particularly:

- Investment in training that responds to identified quality, safety, capacity, and regulatory compliance outcomes
- Incentivisation of training quality improvement
- Investment in identified training course availability gaps
- Advocacy to promote improved training outcomes

WORKFORCE RETENTION

Investment in programs with broad industry reach to maximise workforce retention, including:

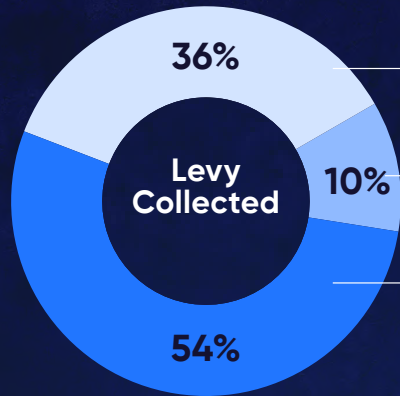
- Enhancing management and leadership quality
- Supporting employee health and wellbeing
- Investing in targeted training for alternate career pathways within the industry
- Lowering barriers to workforce diversity

BUSINESS SUSTAINABILITY PRIORITIES

Maximise industry training investment by maintaining focus on:

- Stakeholder partnerships
- Increasing training levy compliance
- Embracing technological innovation in funding claim management
- Effective management of revenue and training demand volatility

2025-26 HIGHLIGHTS AND RESULTS



Non-residential Sector
\$2.0 million

↑ 12% from last year

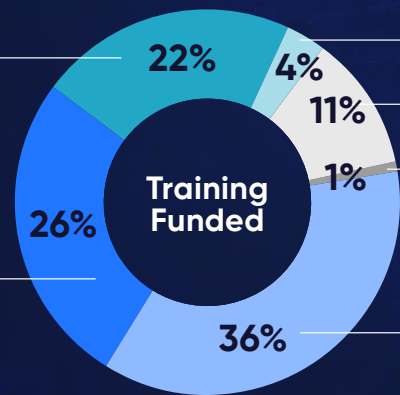
Civil Sector* \$0.6 million

↓ 59% from last year

Residential Sector
\$3.0 million

↑ 26% from last year

TOTAL
\$5.6 million



Civil Sector
\$381,000

Residential Sector
\$465,000

Young People \$61,000

Projects \$201,400

Forums \$16,200

Non-residential Sector
\$641,000

TOTAL
\$1.8 million

424

businesses funded

(includes applications submitted by training providers on behalf of eligible businesses)



272

courses accessed

\$3,996

average funding per business

677

courses offered by 100 training providers

↓ 3.1% from last year

2,040

applications funded

↑ 2% from last year

\$201,400

invested in projects

↓ 32% from last year

233

approved training providers

↑ 3.5% from last year

4,095

participants funded

* Civil sector result in 2025-26 impacted by \$248K refund.

Keystone Tasmania Board

Under the *Building and Construction Industry Training Fund Act 1990* (the Act), the Keystone Tasmania Board (Tasmanian Building and Construction Industry Training Board) is appointed by the Minister and comprises up to nine members. Eight Director positions are currently filled, with one vacancy remaining.

The Board met six times in 2025–26. Disclosure of interests and other provisions relating to meetings of the Board, as outlined in Schedule 5 of the Act, were adhered to.

Board Renewal

During 2025–26, the terms of five Directors expired. Four Directors were reappointed for further terms (Paul West, Shona Arnold, Kim Barker, David Gates), and one Director completed their service on the Board (Traycee Di Virgilio). Vonette Mead completed her service on the Board in August 2026.

Keystone Tasmania recruited two new Directors to succeed those whose terms concluded during the year. These appointments took effect from 1 July 2026 and therefore fall outside the reporting period covered by this Annual Report.

Inaugural Intern Director Appointed

The Board was excited to establish an Intern Director role this year. The objective of this role is to provide governance experience to emerging building and construction industry business leaders. The inaugural Intern Director role was awarded to Oliver Burnell from Ronald Young + Co Builders. Oliver attended his first meeting in January 2026.

Committees

As provided for in the Act (s9A), the Keystone Tasmania Board has an established **Audit and Risk Committee** to advise and assist the Board in the performance and exercise of

its functions under the Act. This committee consists of four members, oversees financial and risk management matters and makes recommendations to the Board.

Director Engagement

Directors are involved in strategic initiatives that support Keystone Tasmania's impact whilst maintaining clear governance boundaries and preserving the Board's strategic role.

This year, Directors' experience and judgement have been utilised as panel members for Keystone Flexi-fund (David Gates) and Workforce Retention programs -leadership and supervision training (Kim Barker and Neil Armstrong).

Farewell

Traycee Di Virgilio completed her second term on the Board in June 2026.

The Board extends its sincere thanks to Traycee for her service on the Keystone Board.

Tracey's valued contribution, leadership and industry expertise have been greatly appreciated throughout her tenure. We thank her for her commitment and dedication and wish her every success in her future endeavours.





Directors



L-R: David Gates; Oliver Burnell (Intern Director); Vonette Mead (Deputy Chair); Neil Armstrong; Shona Arnold (Chair Audit and Risk Committee); Neridene Bracken; Paul West (Chair); Kim Barker (digitally added). Photo: Michael O'Neill.

Pursuant to Section 5 of the *Building and Construction Industry Training Fund Act 1990*, the following Directors have been appointed by the Minister:

Mr Paul West (Chair)

Term commenced Aug 2023 (1st Term). Reappointed August 2026. Board meetings attended: 6 of 6.

Ms Vonette Mead (Deputy Chair)

Term commenced Aug 2023 (3rd Term). Concludes August 2026. Board meetings attended: 6 of 6.

Ms Shona Arnold (Chair of Audit and Risk Committee)

Term commenced June 2023 (1st Term). Reappointed May 2026. Board meetings attended: 5 of 6.

Mrs Traycee Di Virgilio (Member of Audit and Risk Committee)

Term commenced 2023 (2nd Term). Concluded June 2026. Board meetings attended: 5 of 5.

Ms Neridene Bracken (Member of Audit and Risk Committee)

Term commenced November 2024 (2nd Term). Board meetings attended: 6 of 6.

Mr Neil Armstrong

Term commenced November 2024 (2nd Term). Board meetings attended: 6 of 6.

Mr David Gates

Term commenced June 2023 (1st Term). Reappointed June 2026. Board meetings attended: 6 of 6.

Ms Kim Barker (Member of Audit and Risk Committee)

Term commenced June 2023 (1st Term). Reappointed May 2026. Board meetings attended: 6 of 6.

Oliver Burnell (Intern Director)

Appointed January 2026. Board meetings attended: 3 of 3.

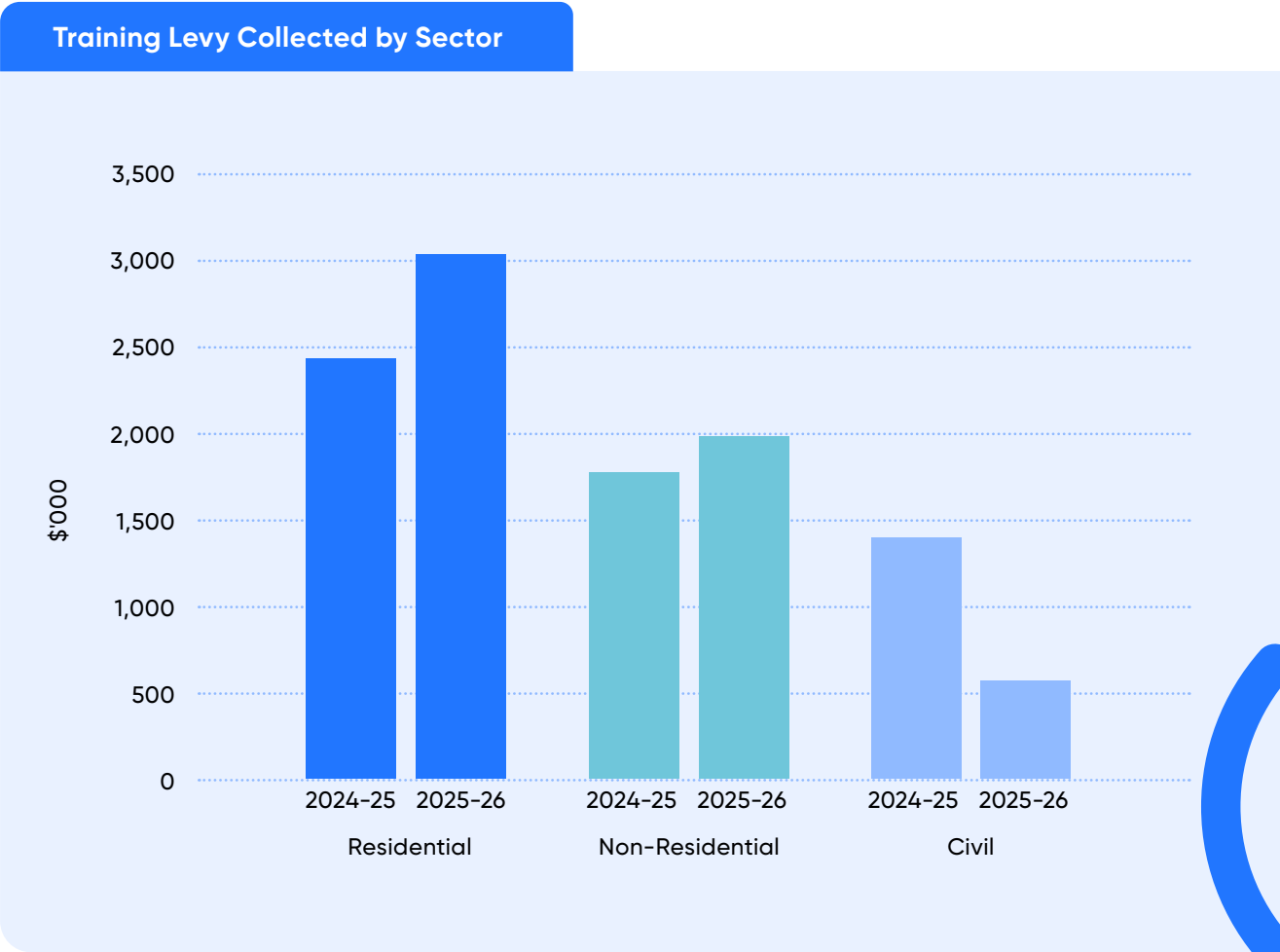
Levy Collection

Keystone Tasmania’s capacity to support training and workforce initiatives is enabled by the *Building and Construction Industry Training Fund Act 1990*, which requires a training levy of 0.2% on construction work valued at more than \$20,000.

Collection occurs in two ways: through local councils as part of the building and plumbing permit process, or directly through Keystone where a project does not require a permit.

Levy collections remained stable in 2025–26 at **\$5,555,829**, compared with **\$5,586,091** in 2024–25.

Local councils collected approximately **80%** of levy revenue on Keystone’s behalf, with the remaining **20% (\$1.12 million)** received through direct payments to Keystone.



Civil sector result in 2025-26 impacted by \$248K refund.

Direct Levy Payments

In 2025–26, 331 direct levy payments were made to Keystone Tasmania.

Where a project does not involve a building or plumbing permit, the training levy is paid directly to Keystone. The project owner is responsible for arranging payment through the Keystone portal.

Businesses incorporate this requirement into their quoting and estimating processes to help ensure levy obligations are identified and paid consistently.

The following examples show how Tasmanian businesses manage direct levy payments in practice.



Andrew Walter Constructions (AWC)

AWC incorporates the training levy into its project commencement process, with payment generally made before or during the first week of a new project. New projects are also reviewed at fortnightly meetings to help ensure levy obligations are not missed.



Hazell Bros

When a new project is awarded, Hazell Bros alerts its project and finance teams that the training levy may apply. The contract is reviewed and, where applicable, payment is lodged through the Keystone portal.



Shaw Contracting

Shaw Contracting processes the training levy once a contract has been formally awarded and executed. Levy obligations are managed through its existing contract administration and finance processes. The Shaw team described the Keystone online portal as "straightforward and relatively easy to navigate."

Keystone continues to strengthen levy awareness and collection processes, with a focus on helping project owners understand their obligations and improving compliance.



Image supplied by Shaw Contracting. Great Eastern Drive.

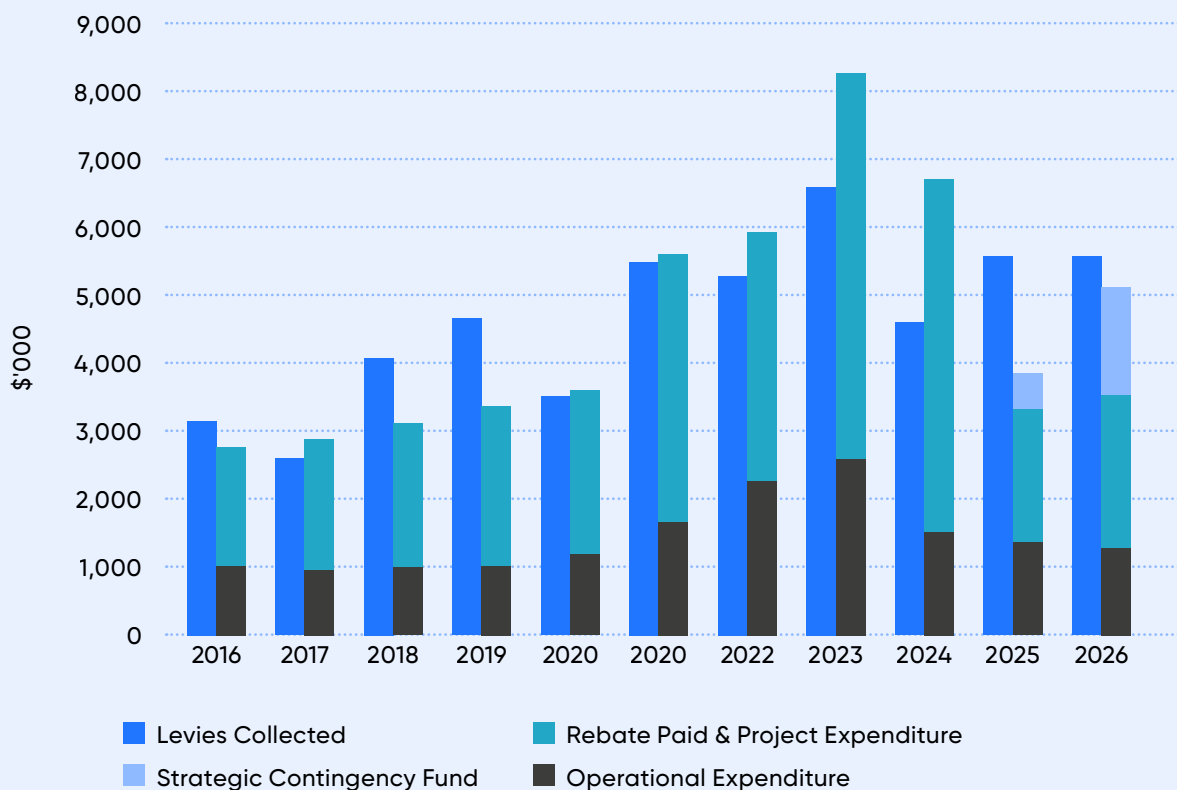


Financial Management

Keystone Tasmania manages variable levy revenue and fluctuating rebate demand through strong internal controls, responsible financial management and investment in the Strategic Contingency Fund. In 2025–26 Keystone Tasmania met its target for the Strategic Contingency Fund to hold a balance of at least \$1.5 million. Keystone also maintains conservative operating expenditure and prioritises training rebates and projects that deliver tangible benefits to industry.



Levy Revenue, Expenditure and Strategic Contingency Fund – Historical Trends





**STRATEGIC PLAN
INVESTMENT PRIORITY:**

WORKFORCE ATTRACTION

Facilitate efficient investment to maximise new and more diverse entrants into the industry by prioritising:

- Cost-effective prevocational training pathway promotion and coordination in schools
- Improving availability of career and training pathway information

Workforce Attraction Budget 2025-26:

\$260,000

Expenditure 2025-26:

\$262,626

The building and construction industry looks forward to a strong pipeline of work in coming years. Tasmanian Government workforce projections expect at least 2,700¹ new workers will be needed in the construction sector by 2028, with particularly high growth in regional areas. Attracting new workers to the industry is a critical part of meeting these needs.

Workforce attraction is a key priority under Keystone Tasmania's 2025–28 Strategic Plan. Supporting young people to transition successfully from school into employment is an important part of this commitment.

In 2026, Keystone funded White Card training for public school students with a genuine interest in construction careers. By helping students obtain this essential entry requirement, the program removed a key barrier to work experience and entry-level employment opportunities.

Keystone also continued its focus on improving the visibility of the industry as a rewarding career choice. In July 2026, we brought together key stakeholders to identify practical actions that will help position Tasmania's building and construction industry as a united, visible and inspiring sector for young people considering their future careers.

1 Skills Tasmania Regional Employment Projections Dashboard

Building Futures Graduate.



Right: Keystone White Card training removes a key barrier for students to do work experience and enter the industry. Testing out the signage are Lynne Carhart and Ruth McArdle from Beacon Foundation and Jana Martin from Keystone.



TasBGAS Building Futures

This project began in 2022, with Keystone funding over a 4-year period. Building Futures provided secondary students across Tasmania with a supported pathway from school into the building and construction industry. Through school-based traineeships, students combined a Certificate II in Construction with practical workplace experience and individual training and mentoring support.

Project results (over 4 years):

- **73** students participated, with
- **53** progressing to apprenticeships in the building and construction industry – a **73%** conversion rate.
- The program achieved an **87%** retention rate, exceeding its 70% target, and
- strengthened connections between schools, students and industry employers.

Project duration:

4 years (2022–2026)

Total Keystone funding (2022–2026):

\$600,000

Keystone funding 2025–26:

\$178,000

Keystone White Cards for School Students

Keystone Tasmania funded White Card training and supported Tasmanian Government secondary school students to obtain their White Cards. This support encourages early engagement with the building and construction industry and removes a key barrier to work experience and future employment opportunities.

Program results:

- **41** schools participated
- **458** students registered for training
- **297** students completed training (more to come in 2026–27)
- **23** students received their White Card (more to come in 2026–27).

Training providers were Master Builders Tasmania, TasTAFE and Tas Building Group (TasBGAS).

The Keystone White Card program will continue in 2026–27, supporting more public students to obtain a White Card, and expanding to also support non-government schools.

Project Duration:

2026–2028

White card program budget 2025–26:

\$145,000

Keystone funding 2025–26:

\$50,321



Industry, education and service provider stakeholders contribute to strengthening career pathways in Tasmania.



Strengthening Career Pathways into Construction

Keystone Tasmania works with industry and education to strengthen the pathways connecting young Tasmanians with careers in building and construction.

Keystone commissioned an independent audit of construction career pathways in Tasmanian schools. It found strong programs and collaboration, but inconsistent access, duplicated effort and opportunities to strengthen connections between schools, industry and employers.

In early July 2026, Keystone brought education, industry, employers, government and training providers together to test the findings and identify practical solutions.

50 people attended the workshop.

Priorities identified included:

- **Stronger coordination** between schools, industry, employers, training providers and government.
- **Earlier career exposure** for young people.
- **More practical experiences** through hands-on industry exposure.
- **Clearer pathways** from school into industry.
- **Ongoing collaboration** between education and industry.

What we heard:

"It's been fantastic to see everyone working together in this way."

Workshop participant





STRATEGIC PLAN
INVESTMENT PRIORITY:

TRAINING SUPPORT

Prioritise investment and promote initiatives that improve the quality of training, including training accessibility and relevance, particularly:

- Investment in training that responds to identified quality, safety, capacity, and regulatory compliance outcomes
- Incentivisation of training quality improvement
- Investment in identified training course availability gaps
- Advocacy to promote improved training outcomes

Keystone Tasmania's training rebates help eligible employers across Tasmania upskill their workforce. This supports productivity, work health and safety, and high-quality work across the building and construction industry.

Keystone supports accredited and non-accredited training, from short courses through to Advanced Diploma qualifications.

In 2025–26, Keystone training rebates covered between 50% and 80% of the out-of-pocket training fee for each eligible participant who successfully completed their training.

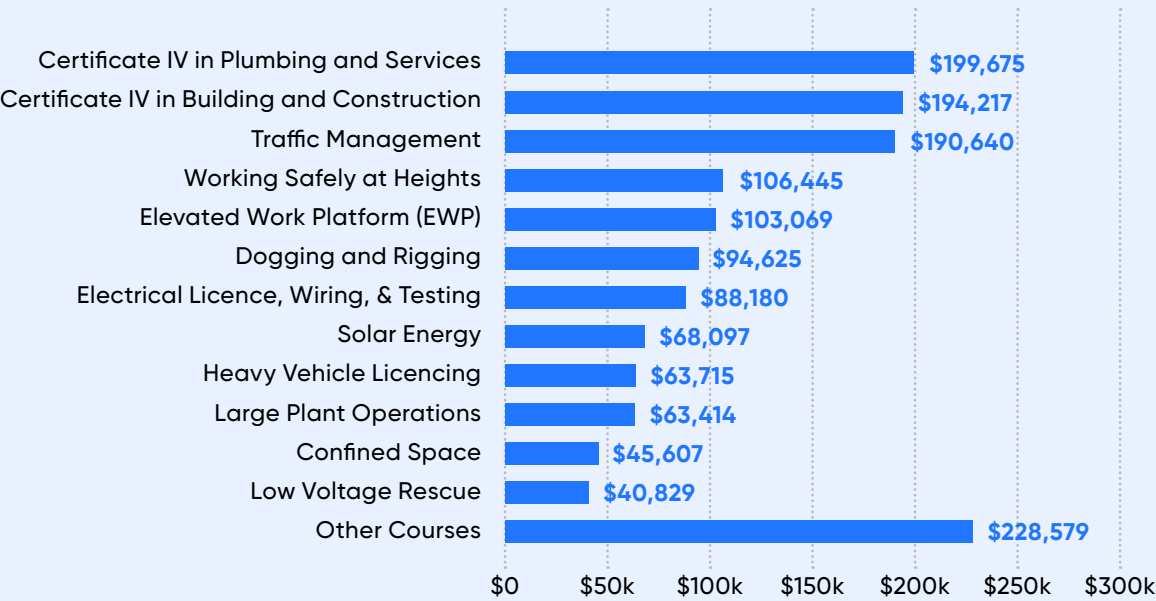
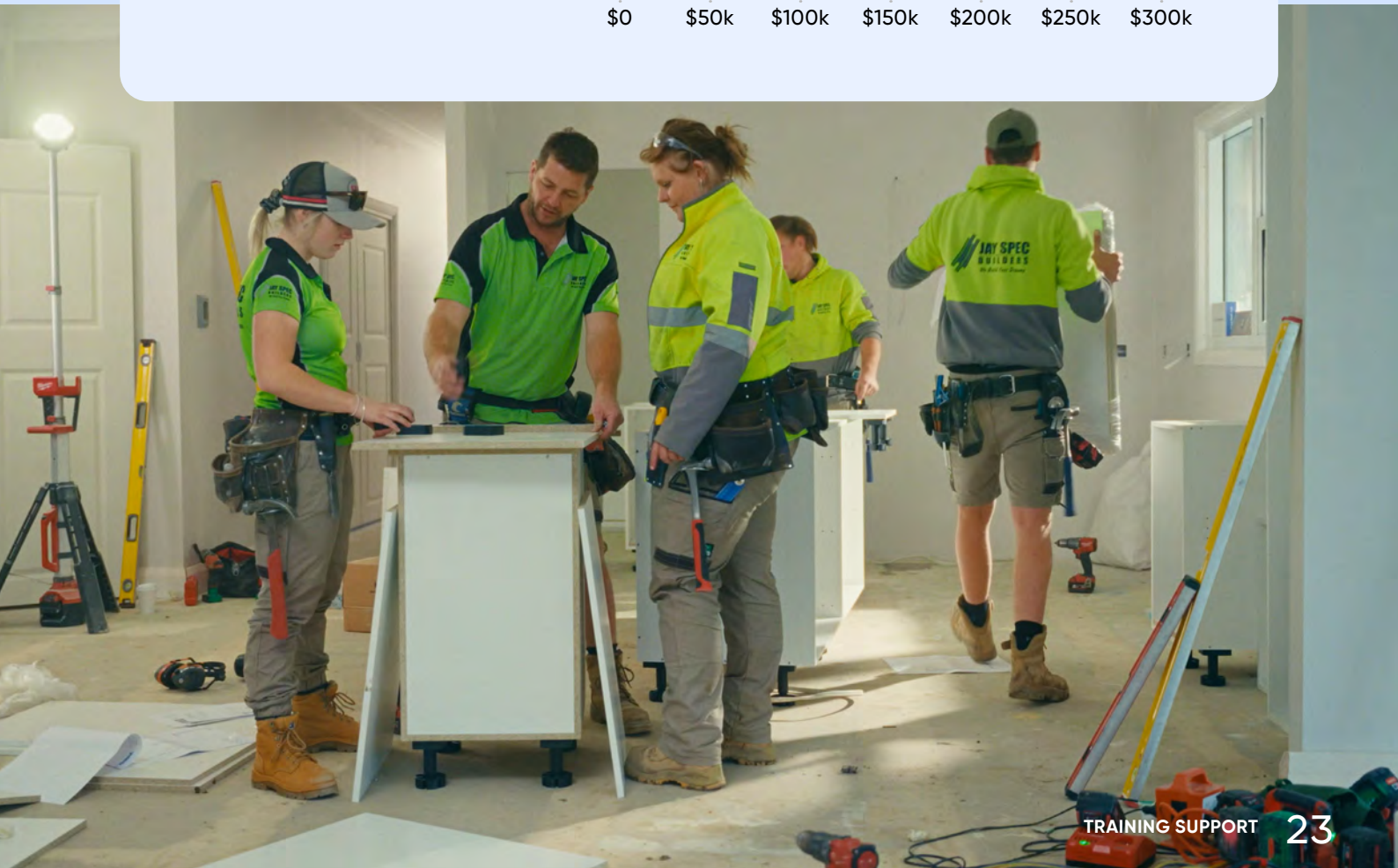
Work health and safety training accounted for **48% of all rebated enrolments**, including short courses such as Working Safely at Heights and Working Safely in Confined Spaces.

Training Rebates 2025-26

In 2025–26, Keystone Tasmania provided \$1.8 million in training funding to eligible businesses across the Tasmanian building and construction industry.

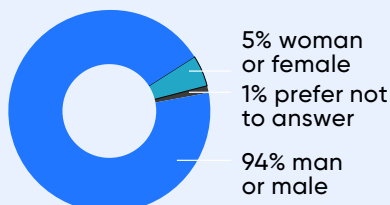
This supported 4,095 enrolments across 272 courses.

Training rebate by course subcategory



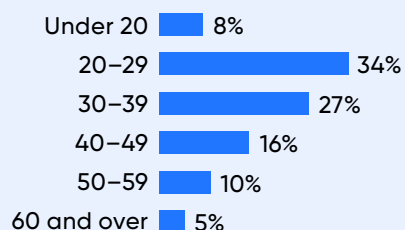
TRAINING REBATES: Reach and Participation

Gender of Participants



Based on 3,824 enrolments where the gender question was answered.

Age of Participants



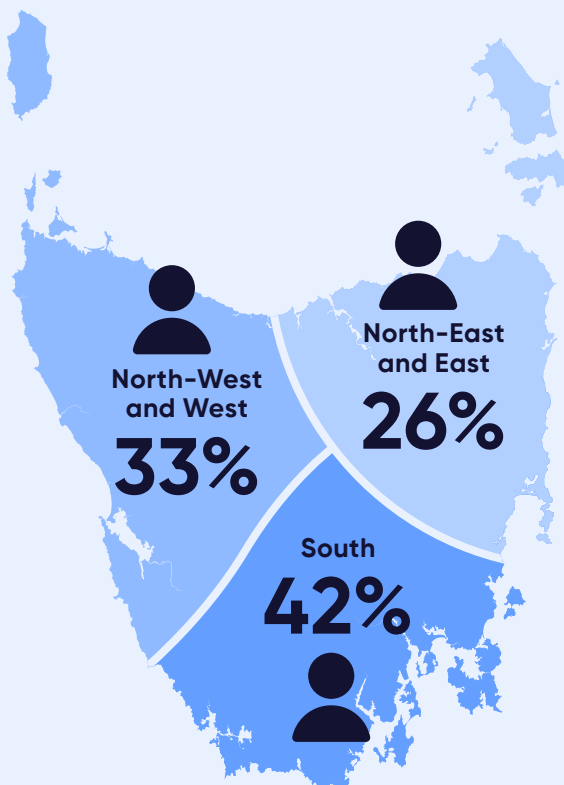
Median age:

32 years – man or male

27 years – female or woman

Based on 3,809 enrolments that provided their date of birth.

Training Rebate Participants by Region



Location data is based on participant postcodes provided with training rebate applications. A total of 3,996 enrolments could be mapped to a region.

Enrolments by Course Category

	Enrolments	% of Enrolments	Rebates Paid	% of Rebates Paid
Work Health and Safety	1,967	48%	\$224,540	15%
High Risk Work	735	18%	\$270,206	18%
Civil Construction	655	16%	\$263,800	18%
VET Qualifications	338	8%	\$479,375	32%
Electrical & Mechanical	242	6%	\$161,840	11%
Vehicle Skills & Licencing	89	2%	\$63,715	4%
Building & Construction	27	1%	\$4,770	0%
Other*	36	1%	\$18,846	1%

*Plumbing & Gas Fitting, Codes and Regulation, and Business Skills

Average training rebate by enrolment **\$363**



Keystone Flexi-fund

In January 2026, Keystone introduced the Keystone Flexi-fund to support short-term projects responding to industry needs outside the annual Training Plan process. The fund supports initiatives addressing demonstrated or emerging training demand; regulatory and technological change; workforce attraction and diversity; productivity improvement; and training system capacity. Eligible organisations can apply throughout the year for funding of between \$5,000 and \$75,000, with applications assessed monthly.

During the year, Keystone approved \$188,181 across ten projects. The approved initiatives span career-entry pathways, practical training, mental health capability, regional industry engagement, business coaching and professional development. Collectively, they demonstrate how the Flexi-fund can support timely, practical responses to changing industry needs and test new approaches that deliver measurable benefits for Tasmania's building and construction workforce.



 Tasmanian Building Group: White Card training.

 HIA Economic Outlook Luncheon, June 2026.



Approved Projects

Successful applicant	Project purpose	Funding approved
Tasmanian Building Group	White Card Training Training for 25 St Virgil's College students interested in building and construction careers.	\$3,000
Lifeline Tasmania	Accidental Counsellor Training Training to help construction workers recognise distress, respond safely and connect workmates with appropriate support.	\$18,700
Lifeline Tasmania	Staying Connected on the Road Development of a mental health program for construction workers who spend time working away from home.	\$1,870
Lifeline Tasmania	Suicide Prevention Forums Three regional forums to inform a coordinated, industry-specific approach to suicide prevention in Tasmania's building and construction sector.	\$5,610
Business and Employment Southeast Tasmania	Traffic Management Training Four place-based White Card and Traffic Management training programs for 40 job seekers across South-East Tasmania, delivered in partnership with Link Resources and Civil Contractors Federation Tasmania.	\$75,000
Master Plumbers Tasmania	Regional Industry Forums Forums in Hobart, Launceston and Devonport for licensed plumbers, gas fitters and roofers, supporting industry connection, information sharing and workforce development across Tasmania.	\$15,000
Association of Professional Builders	Intensive Coaching Program Business coaching and capability development for eligible Tasmanian building businesses.	\$19,295
Master Plumbers Tasmania	Transition into Trades – Construction Entry Pilot Program A co-branded Master Plumbers Association of Tasmania and TasTAFE pilot comprising a seven-week evening training program for at least 15 participants. The program targets people currently employed in another industry or considering a transition into construction.	\$17,606
Brick and Block Careers	Start Strong: Bricklaying Basics A face-to-face, four-day intensive pilot program for 20–30 participants, combining White Card certification, practical bricklaying skills and job-readiness training.	\$27,100
Housing Industry Association	Economic Outlook Luncheon Support for the delivery of the HIA Economic Outlook Luncheon in Hobart, providing professional development opportunities and industry updates for building and construction practitioners.	\$5,000



FLEXI-FUND PROJECT:

Fully Funded Traffic Management Training

Through the Flexi-fund, Keystone approved \$75,000 for Business and Employment Southeast Tasmania (BEST) to create a practical pathway into traffic management and construction employment. The first program commenced in Sorell in May 2026, with three further programs scheduled for Nubeena, Triabunna and Sorell in 2026. Keystone funding will support 40 job seekers across South-East Tasmania to participate in the program.

Delivered in partnership with Link Resources and Civil Contractors Federation Tasmania, the program combines White Card certification with four days of accredited traffic management training and assessment. Participants also receive appropriate personal protective equipment and complete at least 20 hours of industry-supported work placement, providing practical experience, industry connections and the qualifications needed to pursue employment as traffic management controllers.

 Image supplied by Traffic Dynamix.





**STRATEGIC PLAN
INVESTMENT PRIORITY:**

WORKFORCE RETENTION

Investment in programs with broad industry reach to maximise workforce retention, including:

- Enhancing management and leadership quality
- Supporting employee health and wellbeing
- Investing in targeted training for alternate career pathways within the industry
- Lowering barriers to workforce diversity

Retaining skilled workers is just as important as attracting new ones. Supportive workplaces, strong leadership and quality supervision helps apprentices complete their training and helps other workers build lasting careers. Opportunities to upskill or reskill also enable experienced workers to remain in the industry as their roles and circumstances change.

In 2025-26 Keystone Tasmania focused on two main programs to support workforce retention:

- Supporting strong mental health
- Leadership and supervision training

"Helped break down stigma and start conversations."

Mental Health First Aid Participant

Mental Health Training

Mental health remains a critical workforce issue for Tasmania’s building and construction industry. Suicide rates in the industry are higher than in other industries. The industry can be high-pressure, particularly with young workers finding themselves responsible for a team of workers, and taking on high levels of responsibility and financial risk.

In 2025-26, Keystone partnered with industry peak bodies to deliver mental health initiatives tailored to the needs of Tasmania’s building and construction workforce.

Positive feedback and high participation numbers from these initiatives helped inform Keystone’s ongoing approach, with **mental health training rebates now included in the 2026-27 Training Plan**, providing broader access to mental health training and support across the industry.

Total initiative:	(Up to \$25,000 allocated per participating peak body)
\$125,000	

Expenditure 2025-26:	(Funding also occurred in 24-25, 26-27)
\$87,500	

 Images supplied by NECA Tasmania.



Mental Health Support for Electrical Contractors *in partnership with NECA Tasmania*

Targeted mental health awareness and support was delivered across Tasmania for electrical contractors, resulting in positive feedback from both participants and employers.

A key objective was to increase awareness of available support and encourage workers to seek help when needed. TIACS (This Is A Conversation Starter), a free counselling service supporting workers in construction and related industries, delivered the program and reported an increase in contacts to its telehealth service from Tasmania following the program.

Employers also reported examples of workers seeking professional support following toolbox sessions.

Mental Health First Aid *in partnership with Housing Industry Association*

Keystone funding supported the Housing Industry Association to deliver accredited Mental Health First Aid training to 25 participants. The training helped to build their capacity to recognise and respond to mental health challenges.

The results were strong, with 100% of participants reporting increased mental health awareness, greater confidence in having mental health conversations and improved knowledge of available support services. All participants agreed the training was practical and relevant to industry and would recommend it to others.

Leadership and Supervisor Training

Industry has told us that strong leadership and supervision skills are critical to keeping workers engaged and productive and helping people to stay in the industry. Workforce retention was a focus of the Keystone Industry Forum, held in Launceston in November 2025. Employers told us they wanted:

- **Leadership development** focused on building positive workplace cultures, mentoring staff and creating clear development pathways. Leaders should be approachable, foster psychological safety and model respectful, inclusive language and behaviour.
- **Management and supervision training** for new supervisors and team leaders, particularly those responsible for apprentices.
- **Workplace culture programs** that promote respect and inclusion and support workers' mental health and wellbeing.

In response, Keystone established funding for leadership and supervisor training. The funding supports rebates for shorter courses (less than 5 days in total duration) across several areas including:

- Supervision courses suitable for first-time supervisors and team leaders
- Culture and values in a workplace
- Lean principles for construction managers, including the importance of continuous improvement for team engagement and improved productivity.

Activities

- 17 approved training courses
- 10 approved training providers
- 10 businesses completed training

This program will continue to be offered in future years, allowing more participants and organisations to participate.

Budget 2025-26:
\$250,000

Expenditure 2025-26:
\$111,536
(Total approved \$263,468)

Learner Feedback

"The Leadership Essentials training was highly valuable. The live scenarios helped put the theory into practice... It was far more engaging than traditional presentation-style training, and I've been able to apply what I learned in my day-to-day work."

Lauren, Rankin Projects
Master Builders Leadership Essentials Course



INDUSTRY EXAMPLE:

Building capability through leadership training – Kiely Plumbing



Keystone training rebates have supported Kiely Plumbing to invest in skills beyond technical training.

With Keystone support, the business invested in Ben Pangas' Upskilling Leaders course, developing skills in areas including leadership, emotional intelligence, customer service, critical thinking and sales.

Business owner Sam Kiely said this type of adaptive training was particularly important for the business, helping employees develop the range of skills needed to respond effectively to different situations.

"Each team member needs a range of skills so they can adapt as situations arise. Technical skill on its own doesn't cut it."

One employee described the leadership training as "life changing" and the most useful training he had undertaken for understanding himself.

For Kiely Plumbing, the training has supported individual development while giving the team practical tools to strengthen leadership, communication and how they work together.



 Images supplied by Kiely Plumbing.

Collaboration

Keystone Tasmania relies heavily on collaboration with key stakeholders to do its work.

Peak bodies play a critical role in identifying workforce issues, training needs, and industry demand. Throughout the year, they are actively engaged in the development of the training plan and the budget allocations that underpin its delivery.

Key peak bodies include Master Builders Tasmania, Housing Industry Association Tasmania, Master Plumbers Association of Tasmania; Civil Contractors Federation Tasmania; and National Electrical and Communications Association Tasmania. Keystone also works with National Association of Women in Construction (NAWIC), Brick and Block Careers, BuildSkills and other representative bodies.

Keystone Tasmania appreciates the support and ongoing commitment from the Hon Felix Ellis MP, Minister for Skills and Jobs and from Skills Tasmania and Jobs Tasmania.

This year, Keystone worked closely with Department for Education, Children and Young People (DECYP) in developing and delivering the White Card program for Government school students, and welcomed the proactive and collaborative approach from the Department and its Youth Career Facilitators on this project and on other initiatives related to workforce attraction.

Keystone also maintains regular collaboration with Department of Justice, Consumer Building and Occupational Services (CBOS) that informs its approach to funding licence-related training and helps identify quality issues that can be addressed by skill development.

We sincerely thank the individual employers and levy payers who have engaged with us throughout the year. Your honest and constructive feedback helps ensure our programs, services, and investments are aligned with industry needs and deliver meaningful workforce outcomes.

"Master Builders Tasmania works strongly with Keystone Tasmania as a key partner.

We are particularly appreciative of the team's responsiveness to industry needs and the creation of the Flexi-fund was a great example of this.

We recognise the proactive effort of Keystone staff in managing the training fund.

We look forward to continuing to strengthen our relationship with Keystone moving forward to ensure the building and construction industry gets access to the training it needs."

Jenna Cairney, Chief Executive Officer,
Master Builders Tasmania



 **Opposite top: Ben Price – Housing Industry Association Tasmania; Stacey Joseph – Master Plumbers Association of Tasmania; Jenna Cairney – Master Builders Tasmania; Andrew Winch – Civil Contractors Federation Tasmania; Ben Shaw – National Electrical and Communications Association Tasmania; Hon Felix Ellis MP – Minister for Skills and Jobs. Photo: Minister Felix Ellis's Office.**

Below: Bridget Hiller, Keystone; John Furness, DECYP; Andrew Harris, Skills Tasmania. Photo: Mary Lincoln.



Listening to Industry

Engagement with the industry we serve remains a key priority for Keystone Tasmania, helping us respond to current and emerging workforce and skills needs.

Our legislation requires us to convene an industry forum at least once each year. During 2025-26, we listened to industry through two industry forums, held in November 2025 and March 2026, and facilitated a workshop focused on construction career pathways in schools.

We also surveyed industry about their future training needs and heard directly from businesses and individuals throughout the year.

Industry Forum– Launceston, November 2025 – Focus on the future

This industry forum aimed to bring together Tasmania's building and construction industry to discuss future skills, technology and workforce needs.

Held in Launceston on 12 November, the event attracted 87 participants, both in person and online. The program showcased Keystone's performance and progress against the 2025-28 Strategic Plan; examined the opportunities and challenges presented by emerging technologies; featured insights from young people building careers in construction; and engaged participants in a practical workshop exploring strategies to strengthen workforce retention.

The workforce retention workshop identified leadership, workplace culture, mental health and resilience support as critical factors in retaining workforce, which helped shape Keystone's workforce retention funding program.



 Public meeting, November 2025.





Public meeting, March 2026.



Survey of Training Needs – Understanding Industry's Needs

In addition to intelligence from peak bodies, and talking to individual employers, Keystone is always keen to hear from smaller employers in the industry who may not be a member of a peak body, or may not have their voices heard in other forums.

In early 2026, Keystone surveyed employers in building and construction about their current and emerging training and workforce development needs. We received 136 responses, with 58% of responses coming from smaller employers with less than 20 staff.

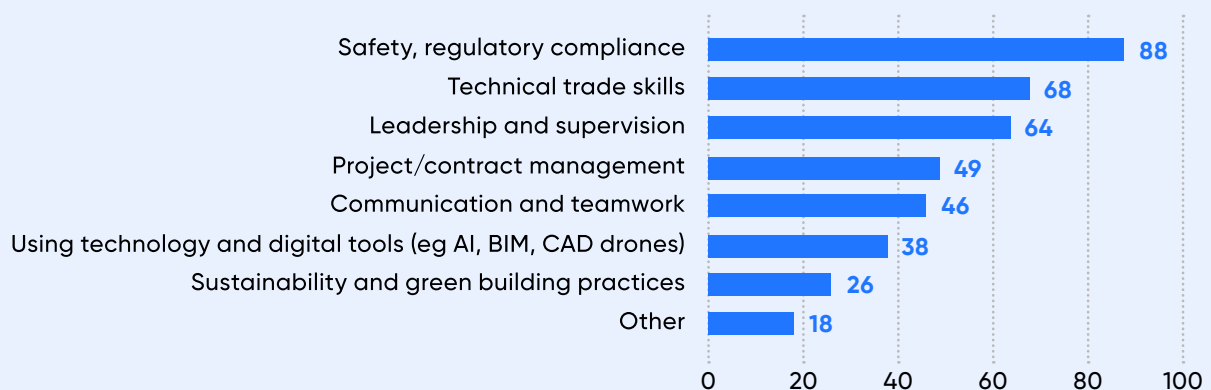
The survey showed:

- The roles requiring the most training support were **tradespeople**, followed by **apprentices** and **site supervisors**
- The top skills needed in the next 12 months related to **safety and regulatory compliance**; followed by **technical and trade skills** and **leadership and supervision** (see chart)
- Many workforces (40%) preferred **blended training delivery** (both face to face and online); and a third (30%) felt that face to face delivery best suited their workforce
- The main barriers preventing employees from attending training were **time constraints**, followed by **cost**, and **finding the right trainer or course**.

Results from this survey were used to inform development of Keystone's 2026–27 Training Plan.

Sample question from survey

What are the top skills your workforce needs to improve in the next 12 months? (select all that apply)



Industry Forum – Hobart, March 2026 – Training plan priorities

This industry forum focused on agreeing priorities for Keystone Tasmania's 2026–27 Training Plan.

Held on 4 March at TasTAFE's Water and Energy Trades (WET) Centre, the forum brought together 49 employers, training providers, industry associations and other stakeholders to discuss workforce challenges, training needs and opportunities for the year ahead.

Participants at the industry forum highlighted priorities including safety, technical skills, leadership, mental health, technology, sustainability and workforce readiness for major projects.

"Keystone is committed to listening to the industry we serve.

We do this through personal conversations, analysing data, sourcing intelligence from peak bodies, and through our training needs survey and industry forums.

We also listen to anyone who contacts Keystone with a complaint, suggestion or a comment. We feed all this into our training plan for the next year."

Bridget Hiller, CEO

National Engagement

Keystone Tasmania values collaboration with equivalent organisations across other States and Territories in Australia. While each jurisdiction differs in size and context, many of the industry's opportunities and challenges are shared.

The National Network of Industry Training

Advisory Boards has focused its work on better understanding the impact of technology on the building and construction industry and on considering key training products for industry. Keystone Tasmania is supporting national research to understand AI integration in the Australian building and construction workforce, which will result in benchmarking for Tasmania as well as providing indications for training and skill needs.

The Australian Federation of Construction

Industry Training Funds (AFCITF) provides an important forum for sharing insights, opportunities and challenges across Australia's states and territories. The group meets at least annually, bringing together Chairs and CEOs from industry training funds across the country. In 2025–26, the meeting was held in Brisbane, providing valuable insights into workforce planning and development in the lead-up to the 2032 Olympic and Paralympic Games, which are expected to drive significant demand for skilled workers across the construction sector.



 Industry forum, March, 2026.

Training Plan and Funding Forecast

The Minister for Skills and Jobs approved Keystone Tasmania's 2026-27 Training Plan in May 2026. The Training Plan 2026-27 continues the work set out in Keystone Tasmania's Strategic Plan 2025-2028. It is based on expected levy income of over \$5 million and plans total investment of \$3.95 million across the priorities of workforce attraction, training support and workforce retention.

The Training Plan:

- Continues funding for White Card Training in schools, including in non-Government schools; and will support a more coordinated approach to careers advice and guidance in schools.
- Increases its training support investment to \$3 million, increases the base training rebate from 50% to 60%; and offers more courses now eligible for funding.
- Continues the Flexi-fund for pilot projects and emerging training needs
- Continues funding for leadership and supervision skills as a key driver of workforce retention and adds further investment to support workforce diversity.

TRAINING PLAN BUDGET

TOTAL ALLOCATION
\$3,950,000

INVESTMENT PRIORITIES

WORKFORCE ATTRACTION

- Trade careers in schools
- White Card training

\$400,000

TRAINING SUPPORT

- Training Rebates + Keystone Flexi Fund for emerging training needs
\$3,000,000*
- Improving quality training outcomes
\$200,000

\$3,200,000

WORKFORCE RETENTION

- Leadership and supervision
- Supporting employee health & wellbeing
- Encouraging workforce diversity

\$350,000

BUSINESS SUSTAINABILITY

- Operational sustainability
- Levy compliance
- Managing training demand



Financial Statements 2025-26

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Keystone Tasmania

Certification of Financial Statements

In the opinion of the CEO and Board of the Tasmanian Building & Construction Industry Training Board (Keystone Tasmania):

The financial statements present a true and fair view of the financial position of the entity and its performance, as represented by the results of the operations and the cash flows, for the year ended 30 June 2026 and comply with Australian Accounting Standards – Simplified Disclosures.

In addition, at the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Signed in accordance with a resolution of Keystone Tasmania.

On behalf of the officers

BRIDGET HILLER

Chief Executive Officer
25 September 2026

PAUL WEST

Chairperson

General information

The financial statements cover Tasmanian Building & Construction Industry Training Board as an individual entity. The financial statements are presented in Australian dollars, which is Tasmanian Building & Construction Industry Training Board's functional and presentation currency.

Tasmanian Building & Construction Industry Training Board is a not-for-profit entity, incorporated in Australia, primarily involved in workforce development funding. Its registered office and principal place of business is:
Level 2, 152 Macquarie Street
Hobart TAS 7000



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Statement of Profit or Loss for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	3	5,555,829	5,586,091
Training investment costs			
Levy commission paid		(28,281)	(25,967)
Training rebates paid		(1,817,163)	(1,701,730)
Workforce retention programs		(111,536)	(19,000)
Quality improvement/training gaps		(56,803)	-
Workforce attraction programs		(262,626)	(250,250)
Levy expenses		(2,990)	(2,990)
Total training investment costs		<u>(2,279,399)</u>	<u>(1,999,937)</u>
Gross surplus		3,276,430	3,586,154
Operating expenses			
Communications		(28,394)	(16,320)
Depreciation & amortisation		(103,102)	(89,680)
General administration		(140,206)	(128,229)
Human resources		(9,503)	(28,470)
Insurance		(17,534)	(16,333)
IT costs		(37,838)	(67,256)
Motor vehicle costs		(7,348)	(14,045)
Salary & wages		(960,944)	(1,023,351)
Total operating expenses		<u>(1,304,869)</u>	<u>(1,383,684)</u>
Other income & expenses			
Grants received		-	150,000
Other income		26,491	1,791
Interest received		178,326	82,003
Profit on disposal		-	16,299
Grant expenditure		-	(79,674)
Total other income & expenses		<u>204,817</u>	<u>170,419</u>
Surplus for the year		<u><u>2,176,378</u></u>	<u><u>2,372,889</u></u>

The above statement of profit or loss should be read in conjunction with the accompanying notes



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Statement of Financial Position as at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	5	4,054,624	2,799,058
Receivables	6	618,041	576,922
Financial assets	7	1,554,858	512,248
Prepayments	8	42,254	21,374
Total current assets		<u>6,269,777</u>	<u>3,909,602</u>
Non-current assets			
Property, plant and equipment	9	73,604	42,810
Intangibles	10	197,126	210,224
Right of use assets	11	3,792	186,092
Total non-current assets		<u>274,522</u>	<u>439,126</u>
Total assets		<u>6,544,299</u>	<u>4,348,728</u>
Liabilities			
Current liabilities			
Trade and other payables	12	92,589	62,947
Employee benefits	13	55,194	51,726
Lease liabilities	14	4,694	56,170
Provisions	15	219,325	11,000
Total current liabilities		<u>371,802</u>	<u>181,843</u>
Non-current liabilities			
Employee benefits	13	11,811	16,033
Lease liabilities	14	-	166,544
Total non-current liabilities		<u>11,811</u>	<u>182,577</u>
Total liabilities		<u>383,613</u>	<u>364,420</u>
Net assets		<u>6,160,686</u>	<u>3,984,308</u>
Equity			
Retained earnings		<u>6,160,686</u>	<u>3,984,308</u>
Total equity		<u>6,160,686</u>	<u>3,984,308</u>

The above statement of financial position should be read in conjunction with the accompanying notes



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

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

	Retained earnings \$	Total Equity \$
Balance at 1 July 2024	1,611,419	1,611,419
Surplus for the year	2,372,889	2,372,889
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,372,889</u>	<u>2,372,889</u>
Balance at 30 June 2025	<u>3,984,308</u>	<u>3,984,308</u>
	Retained earnings \$	Total Equity \$
Balance at 1 July 2025	3,984,308	3,984,308
Surplus for the year	2,176,378	2,176,378
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,176,378</u>	<u>2,176,378</u>
Balance at 30 June 2026	<u>6,160,686</u>	<u>6,160,686</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Statement of Cash Flows for the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		5,535,806	4,803,048
Payments to suppliers and employees		(3,250,077)	(3,271,463)
Interest received		157,230	82,003
Interest and other finance costs paid		(1,368)	(9,089)
Net Cash from operating activities		2,441,591	1,604,499
Cash flows from investing activities			
Payments for term deposits		(1,056,397)	(512,248)
Payments for property, plant and equipment	9	(44,912)	(40,694)
Payments for intangibles	10	(30,315)	-
Proceeds from disposal of property, plant and equipment		-	19,771
Net cash used in investing activities		(1,131,624)	(533,171)
Cash flows from financing activities			
Repayment of lease liabilities		(54,401)	(54,266)
Net cash used in financing activities		(54,401)	(54,266)
Net increase in cash and cash equivalents		1,255,566	1,017,062
Cash and cash equivalents at the beginning of the financial year		2,799,058	1,781,996
Cash and cash equivalents at the end of the financial year	5	<u>4,054,624</u>	<u>2,799,058</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 1. Material accounting policy information

The accounting policies that are material to the entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Tasmanian Building and Construction Industry Training Fund Act 1990 (the Act).

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

These financial statements were authorised for issue by the Board of Directors as of the date of signing.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

The activities of Keystone Tasmania are exempt from income tax under the Income Tax Assessment Act 1997. Keystone Tasmania is subject to Fringe Benefits Tax and Goods and Services Tax.

Insurance

Keystone Tasmania has arranged through its brokers to insure all major insurable risks. The excesses payable under the policies vary depending on each class of insurance held.

Reclassification of comparatives

Comparative figures where appropriate, have been reclassified to be comparable with the figures presented for the current financial year

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Revenue

	2026 \$	2025 \$
Industry training levy	<u>5,555,829</u>	<u>5,586,091</u>



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements

30 June 2026

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2026 \$	2025 \$
<i>Geographical regions</i>		
Australia	<u>5,555,829</u>	<u>5,586,091</u>

Accounting policy for revenue recognition

The entity recognises revenue as follows:

Industry training levy

The industry training levy is payable under the Tasmanian Building and Construction Industry Training Fund Act 1990. The rate of levy is 0.2% on the value of building and construction work as defined in the Act.

The levy is payable before obtaining a building permit or where a building permit is not required, before commencement of the building and construction work. If an approved agency collects the levy on behalf of Keystone Tasmania it is recognised as revenue when collected by the agency.

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 4. Expenses

Significant expenses are grouped in the Statement of profit or loss by function. The same expenses are shown in natural account form.

	2026 \$	2025 \$
Accommodation and travel	12,805	12,626
Accounting and audit expense	31,820	32,045
Amortisation	88,986	84,847
Bank fees and charges	521	915
Board member costs	6,294	7,867
Communications and stakeholder engagement	28,394	16,320
Contractor fees	53,327	32,835
Depreciation	14,116	4,833
Employee health and wellbeing	1,982	3,962
Fringe benefits tax	9,182	11,685
Heat, light and power	640	874
Insurance	17,534	16,333
Lease interest	1,368	9,089
Levy expenses	31,271	28,957
Office expenses	60,408	88,543
Pathways projects	190,000	250,250
Postage, phone, printing and stationery	5,628	6,076
Quality improvement/training gaps	56,803	-
Recruitment	2,714	20,465
Repairs and minor equipment	5,582	9,860
Salaries	835,655	890,312
Staff development	4,807	4,043
Superannuation	116,107	121,354
Training reimbursements	1,817,163	1,701,730
Vehicle expenses	6,896	7,936
Website maintenance	103	864
Workforce attraction programs	72,626	-
Workforce retention programs	111,536	19,000
Total	<u>3,584,268</u>	<u>3,383,621</u>

Note 5. Cash and cash equivalents

	2026 \$	2025 \$
<i>Current assets</i>		
Petty cash	256	161
Cash at bank	304,841	458,876
Term deposits to 3 months	3,174,624	2,230,743
Online saver	574,903	109,278
	<u>4,054,624</u>	<u>2,799,058</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements

30 June 2026

Note 6. Receivables

	2026 \$	2025 \$
<i>Current assets</i>		
Industry training levy receivable	571,394	563,599
GST receivable	25,551	13,194
Other receivables	-	129
Interest receivable	21,096	-
	<u>618,041</u>	<u>576,922</u>

Accounting policy for trade and other receivables

Trade and other receivables are held at amortised cost less life time expected credit losses. Keystone Tasmania's receivables are short-term in nature and as such no discounting is performed for Keystone Tasmania's receivables.

Keystone Tasmania has adopted the simplified approach for all trade and other receivables, given Keystone Tasmania's receivables do not have a significant financing component. Keystone Tasmania's analyses its receivables by customer and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime expected credit losses.

Note 7. Financial assets

	2026 \$	2025 \$
<i>Current assets</i>		
Term deposits	<u>1,554,858</u>	<u>512,248</u>

The term deposits have a maturity term of over 3 months.

Note 8. Prepayments

	2026 \$	2025 \$
<i>Current assets</i>		
Prepayments	17,217	10,124
Rental bond	25,037	11,250
	<u>42,254</u>	<u>21,374</u>

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 9. Property, plant and equipment

	2026 \$	2025 \$
<i>Non-current assets</i>		
Motor vehicles - at cost	34,286	34,286
Less: Accumulated depreciation	(11,587)	(31)
	<u>22,699</u>	<u>34,255</u>
Furniture and equipment - at cost	32,869	31,644
Less: Accumulated depreciation	(25,651)	(23,089)
	<u>7,218</u>	<u>8,555</u>
Work in progress - at cost	43,687	-
	<u><u>73,604</u></u>	<u><u>42,810</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Motor vehicles \$	Furniture and equipment \$	Work in progress \$	Total \$
Balance at 1 July 2025	34,255	8,555	-	42,810
Additions	-	1,225	43,687	44,912
Depreciation expense	(11,556)	(2,562)	-	(14,118)
Balance at 30 June 2026	<u><u>22,699</u></u>	<u><u>7,218</u></u>	<u><u>43,687</u></u>	<u><u>73,604</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Motor vehicles	3 years
Furniture and equipment	3-20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Note 10. Intangibles

	2026 \$	2025 \$
<i>Non-current assets</i>		
Website - at cost	412,573	382,258
Less: Accumulated amortisation	(215,447)	(172,034)
	<u><u>197,126</u></u>	<u><u>210,224</u></u>



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 10. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website \$
Balance at 1 July 2025	210,224
Additions	30,315
Amortisation expense	<u>(43,413)</u>
Balance at 30 June 2026	<u><u>197,126</u></u>

Accounting policy for intangible assets

Website

Significant costs associated with the development of the revenue generating aspects of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8 years.

Note 11. Right of use assets

	2026 \$	2025 \$
<i>Non-current assets</i>		
Buildings - right-of-use	250,247	387,375
Less: Accumulated depreciation	<u>(246,455)</u>	<u>(201,283)</u>
	<u><u>3,792</u></u>	<u><u>186,092</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings \$
Balance at 1 July 2025	186,092
Remeasurement	(136,727)
Depreciation expense	<u>(45,573)</u>
Balance at 30 June 2026	<u><u>3,792</u></u>

Right of use assets relate to building leases for Level 5, 85 Macquarie St, Hobart TAS from 1 August 2024 to 31 July 2026.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements

30 June 2026

Note 12. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	49,445	13,718
PAYG withholding	13,419	16,374
Accrued expense	29,725	32,855
	<u>92,589</u>	<u>62,947</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	42,927	44,785
Superannuation	12,267	6,941
	<u>55,194</u>	<u>51,726</u>
<i>Non-current liabilities</i>		
Long service leave	<u>11,811</u>	<u>16,033</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 14. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Lease liability	<u>4,694</u>	<u>56,170</u>
<i>Non-current liabilities</i>		
Lease liability	<u>-</u>	<u>166,544</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	4,694	56,170
One to five years	-	185,788
	<u>4,694</u>	<u>241,958</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 15. Provisions

	2026 \$	2025 \$
<i>Current liabilities</i>		
Training rebates	<u>219,325</u>	<u>11,000</u>

Training rebates

Under the apprentice incentive programs, Keystone Tasmania has commitments for training fees payable to employers and host employers of apprentices employed under training agreements during 2020 to 2022. This is a signed agreement entered into, and the expected payments could be made up to 30th June 2026. The program is outcome based including continued employment for the term of the apprenticeships and the achievement of predetermined competencies.

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 15. Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Training rebates \$
2026	
Carrying amount at the start of the year	11,000
Additional provisions recognised	219,325
Payments	<u>(11,000)</u>
Carrying amount at the end of the year	<u><u>219,325</u></u>

Accounting policy for provisions

Provisions are recognised when the entity has a present (legal or constructive) obligation as a result of a past event, it is probable the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 16. Remuneration of auditors

The Statements of Keystone Tasmania are audited by the Auditor-General in accordance with the Audit Act 2008. The fee for the Keystone Tasmania's audit is stated below:

	2026 \$	2025 \$
<i>Audit services</i>		
Audit of the financial statements	<u>17,800</u>	<u>16,800</u>

Note 17. Contingent liabilities

As at 30 June 2026, Keystone Tasmania has the following potential obligations that may result in future payments:

	2026 \$	2025 \$
Workforce development projects	-	190,376
FY2026 approvals	-	558,792
FY2027 approvals	657,877	155,025
FY2028 approvals	257,137	-
Flexi-fund projects	<u>19,295</u>	<u>-</u>
	<u><u>934,309</u></u>	<u><u>904,193</u></u>

These amounts represent Flexi-fund projects and training funding commitments that do not yet have a present obligation

The Keystone Tasmania Flexi-fund is a year-round funding program designed to support innovative training initiatives and workforce development projects that fall outside Keystone Tasmania's normal annual training plan. It was launched with the aim of giving the organisation greater flexibility to respond to emerging industry needs.



Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements

30 June 2026

Note 17. Contingent liabilities (continued)

Training rebate applications that are pending course completion are listed above. When collating the data above, the following assumptions have been made:

- all approved applications are claimed in the month following estimated training course completion.
- 100% training completion rate.

Keystone Tasmania will reassess these contingencies if triggering events occur or payment likelihood materially changes.

Note 18. Related parties

AASB 124 Related Party Disclosures requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that Keystone Tasmania's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by Keystone Tasmania. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to Keystone Tasmania's normal activities, are not included in this note.

Vonette Mead is a current director, and her business, Mead Con, received payments as part of normal training reimbursements. Neil Armstong is a current director, and is GM for Gradco, Gradco received payments as part of normal training reimbursements. These transactions were completed on normal commercial terms. Shona Arnold is the Finance & Compliance officer at Stubbs Constructions, Stubbs Constructions received payments as part of normal training reimbursements. Neridene Bracken is the General Manager Corporate Services at Roadways Tasmania. Roadways Tasmania received payments as part of normal training reimbursements, these transactions were completed on normal commercial terms.

No related party transactions were received by Vonette, Shona, Neridene or Neil during the 2026 financial year.

No other Key Management Personnel (KMP) entered into a material contract with Keystone Tasmania since the end of the previous financial period and there were no material contracts involving KMP interests existing at the end of the period.

See below table for disclosure of detail of KMP compensation:

2026	Salary ⁽¹⁾ \$	Allowance ⁽¹⁾ \$	Benefits ⁽¹⁾ \$	Superan- nuation ⁽¹⁾ \$	Redun- dancy ⁽²⁾ \$	LSL & AL movement ⁽²⁾ \$	Total \$
Board Members							
Chairperson (1)	19,938	2,754	-	2,393	-	-	25,085
Directors (7)	78,407	4,897	-	9,295	-	-	92,599
Total Board	98,345	7,651	-	11,688	-	-	117,684
Senior Management							
\$160,000-\$220,000 (2)	186,117	2,872	25,267	22,388	-	(4,479)	232,165
\$120,000-\$160,000 (3)	222,360	615	191	30,389	-	10,566	264,121
Total Senior Management	408,477	3,487	25,458	52,777	-	6,087	496,286

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Notes to the Financial Statements 30 June 2026

Note 18. Related parties (continued)

2025	Salary ⁽¹⁾ \$	Allowance ⁽¹⁾ \$	Benefits ⁽¹⁾ \$	Superan- nuation ⁽¹⁾ \$	Redun- dancy ⁽²⁾ \$	LSL & AL movement ⁽²⁾ \$	Total \$
Board Members							
Chairperson (1)	19,938	2,897	-	2,661	-	-	25,496
Directors (7)	79,283	5,316	-	9,671	-	-	94,270
Total Board	99,221	8,213	-	12,332	-	-	119,766
Senior Management							
\$160,000-\$220,000 (1)	169,268	3,676	16,016	19,751	-	(1,541)	207,170
\$120,000-\$160,000 (1)	144,373	1,162	-	20,934	-	3,329	169,798
\$50,000-\$120,000 (1)	86,781	8	-	12,583	-	2,504	101,876
Total Senior Management	400,422	4,846	16,016	53,268	-	4,292	478,844

⁽¹⁾ Short term employees benefits

⁽²⁾ Post-employment benefits

Note 19. Credit standby arrangements with banks

	2026 \$	2025 \$
Credit card facility	15,000	15,000
Amount utilised	-	-
Total credit standby arrangements with banks	15,000	15,000

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Tasmanian Building & Construction Industry Training Board trading as Keystone Tasmania

Independent Auditor's Report



Independent Auditor's Report

To the Members of Parliament

Tasmanian Building and Construction Industry Training Board T/A Keystone Tasmania

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Tasmanian Building and Construction Industry Training Board T/A Keystone Tasmania (the Board), which comprises the statement of financial position as at 30 June 2026, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the Members of the Board (the Members).

In my opinion, the accompanying financial report:

- (a) gives a true and fair view, the financial position of (the Board) as at 30 June 2026 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Building and Construction Industry Training Fund Act 1990* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with 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 Board) in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Responsibilities of Members for the Financial Report

The Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the financial reporting requirements of the *Building and Construction Industry Training Fund Act 1990* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Members are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board is to be dissolved by an Act of Parliament, or the Members intent to cease operations, or have no realistic alternative but to do so.

The Members are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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 the 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 the financial report.

As part of an audit in accordance with the 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of Member'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 Board'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 my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Members regarding, 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 my audit.

Monique Langridge
Director Financial Audit and Practice Management
Delegate of the Auditor-General

28 September 2026
Hobart



Images: Tasmanian Building
Group: Building Futures.

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