



NSW
Skills
Board

NSW SKILLS BOARD

ANNUAL

REPORT

2019



NSW Skills Board

Annual Report 2019

The Honourable Dr Geoffrey Lee
Minister for Skills and Tertiary Education
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

In accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984*, it is our pleasure to submit a copy of the 2019 Annual Report of the NSW Skills Board, which covers the work of the Board from 1 July 2018 to 30 June 2019.

Yours sincerely



Philip Marcus Clark AO
Chair



Adam Boyton
Member

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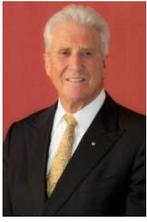
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Chair's Overview



The NSW Skills Board met formally 4 times during the 2018-2019 year. In addition, the Board visited the NSW South Coast in October 2018 to gain further insight into skills and training activity in regional areas. The report which follows provides more information in relation to that visit.

During the year the Board has continued to provide the Minister responsible for Skills with a strategic perspective of the whole VET sector in NSW and to oversee the NSW Government's Smart and Skilled program.

The Board also leads a strong research program which is providing a very valuable evidence base to support NSW Government initiatives and to provide information on VET issues and operations. The research program is detailed in the Report which follows.

After the 2019 State Election, the Hon Dr Geoff Lee MP was appointed as Minister for Skills and Tertiary Education, taking over from the Deputy Premier, the Hon John Barilaro MP.

Following his appointment, Minister Lee has worked closely with the Board and we welcome his involvement.

On behalf of the Board, I wish to thank the Deputy Premier for his unwavering commitment to ensuring that NSW, including regional NSW, has the best VET system in Australia.

In December 2018, Ms Helen Zimmerman joined the Board. Helen is making a valuable contribution as a Board member.

All Board members' terms were due to expire on 30 June 2019. The Minister has nominated all Board members for further terms and those appointments have been confirmed by the NSW Cabinet.

Our Secretariat has again provided excellent support for the Board's activities, for which we are grateful.

Finally, I thank my fellow Board members for their significant contributions during the year, with particular thanks to those Board members who have chaired our Reference Groups and Research Committee so effectively.

A handwritten signature in black ink, which appears to read 'P. M. Clark'. The signature is fluid and cursive.

Philip Marcus Clark AO
Chair
NSW Skills Board

The Role of the Board

The NSW Skills Board was established in 2013 to provide independent advice to the NSW Government on the vocational education and training (VET) system in NSW, and on how best to meet the skills and training needs of NSW industry, employers, regions and the economy. The Board is responsible for overseeing the VET system in NSW.

Aims and Objectives

The Board's functions, as specified in section 6 of the *NSW Skills Board Act 2013*, are:

- (a) to provide the Minister with an independent, strategic perspective on the vocational education and training system in New South Wales
- b) to oversee major reform of the vocational education and training system in New South Wales and its implementation, including reform that maintains the TAFE Commission as the major provider of vocational education and training, accessible across New South Wales
- c) to monitor and advise the Minister on the performance of the vocational education and training system in New South Wales, including financial performance, fiscal sustainability, levels of training activity and the achievement of State priorities
- d) to advise the Minister on the allocation of the State and Commonwealth vocational education and training funding and the New South Wales vocational education and training budget
- e) to collect and analyse labour market intelligence, in particular intelligence on skills shortages and future skills and workforce development needs in New South Wales
- f) to coordinate the development of strategic skills plans that reflect the priorities and directions of the New South Wales Government regarding vocational education and training
- g) to oversee quality assurance in the vocational education and training system in New South Wales
- h) to ensure the availability of accurate consumer information on vocational education and training in New South Wales and appropriate consumer protections
- i) to commission and conduct enquiries and research into any matter relevant to the functions of the Board
- j) to advise on strategies for more effective educational pathways between secondary school, vocational training and higher education in New South Wales
- k) to consult widely with reference groups and other representative bodies and persons in the vocational education and training industry
- l) to investigate and advise the Minister on any matter relating to training, skills development and higher education referred to the Board by the Minister or on its own initiative
- m) such other functions conferred or imposed on it by or under this or any other Act.

Members of the Board and Governance

Board Members

In 2018-19, the Board consisted of eight full-time members, whom are appointed by the Minister for Skills and Tertiary Education. The Deputy Secretary, Skills and Economic Development, in the former NSW Department of Industry was an ex-officio member. Members selected have significant experience and expertise in skills and tertiary education, business and industry, indigenous education and employment, government, economics and finance. In December 2018, Ms Helen Zimmerman joined the Board, filling the vacancy created by the earlier departure of Ms Gemma van Halderen. All Board members' terms were due to expire on 30 June 2019. The Minister for Skills and Tertiary Education nominated all Board members for reappointment; these appointments were then made by NSW Cabinet.



Philip Marcus Clark AO (Chair)

Philip Clark AO is a member of the J P Morgan Advisory Council.

He was Managing Partner and CEO of Minter Ellison and worked with that firm from 1995 until June 2005.

Prior to joining Minter Ellison, Phil was Director and Head of Corporate with ABN Amro Australia and prior to that he was Managing Partner of Mallesons Stephen Jaques for 16 years. Earlier in his career he worked with a Pratt Industries subsidiary and with Shell Australia.

In addition to chairing the NSW Skills Board, Phil now serves on a number of boards and advisory boards, including:

- Member of the JP Morgan Advisory Council
- Chair, Shopping Centres Australasia Property Group (ASX code SCP)
- Chair, Royal Botanic Gardens and Domain Trust
- Chair, University of Wollongong, Early Start Advisory Board.
- Member, Charles Sturt University Council.

In the not-for-profit sector, Phil was a Director of High Resolves Foundation. Phil also served as a Director of the Garvan Foundation from 2005 to 2008, of St James Ethics Centre from 2004 to 2013 and of Australian Indigenous Mentoring Experience Indigenous Corporation (AIME) from 2010 to 2015.

Phil has Bachelor's degrees in Arts and Law from Sydney University and an MBA from Columbia University. He was awarded an Honorary Doctor of Laws from the University of Wollongong.



Adam Boyton

Adam has over 20 years of experience as a policy advisor and economist. He is a former Managing Director at Deutsche Bank, the Bank's Australian Chief Economist and Head of Fixed Income Research. He started his career at the Federal Treasury and the Department of the Prime Minister and Cabinet. Adam is currently the Chief Economist at the Business Council of Australia.

Adam is also member of the Rural Assistance Authority and the NSW Rice Marketing Board; and was formerly a Trustee of the Centennial Park and Moore Park Trust.



Denise Bradley AC

Emeritus Professor Denise Bradley AC is a noted Australian higher education administrator, with specialist interests in educational equity and excellence. She led the Review of Australian Higher Education in 2008 (the Bradley Review).

Professor Bradley served as Vice-Chancellor and President of the University of South Australia from 1997 to 2007. She was Chair of the South Australian Training and Skills Commission between 2008 and 2010 and has been a non-Executive Director of SEEK Limited since 16 February 2010.

Professor Bradley was a member of the TAFE Council of the Commonwealth Tertiary Education Commission, a foundation Director of the Australian Universities Quality Agency (2000–2003) and a member of the Board of Directors of the Business/Higher Education Round Table (1999–2007).

Professor Bradley began her professional career as a teacher in secondary schools and colleges, and was Women's Adviser to the South Australian Education Department from 1977 to 1980.

She has a Bachelor of Arts degree from Sydney University, a Diploma of Education from Adelaide University, a Diploma of Librarianship from the University of NSW, and a Master's degree in Social Administration from Flinders University. She holds Honorary Doctorates from Pukyong University (Korea), the University of South Australia, RMIT University and the University of Western Sydney.



Mark Goodsell

Mark Goodsell is Head - NSW for the Australian Industry Group (Ai Group).

Mark has been with Ai Group since 1985, initially as an industrial relations adviser to the manufacturing, heavy engineering and construction sectors.

Ai Group is a peak industry association in Australia which along with its affiliates represents the interests of more than 60,000 businesses in a range of sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies and airlines.

Ai Group members operate small, medium and large businesses, representing over one million employees across a range of industries.

As Head - NSW, Mark is responsible for pursuing business and industry policy issues with both state and Commonwealth Governments, including employment regulation, WHS and workers compensation, regulatory and occupational licensing, state and regional development, innovation, skills formation and vocational education.



Kay Hull AM

Kay Hull AM is a former Australian politician. She was a National Party member of the Australian House of Representatives from October 1998 to August 2010, representing the Division of Riverina, New South Wales. Kay was the first female NSW National to be elected to Federal Parliament and the first female Nationals Chief Whip.

Kay served on a range of parliamentary committees including: the Economics, Finance and Public Administration Committee; Aboriginal and Torres Strait Islander Affairs Committee; and Legal and Constitutional Affairs Committee. As Chair of the House of Representatives Standing Committee on Family and Community Services, Kay's report, Every Picture Tells a Story, created the initiative for substantial reforms to family law and the child support system.

Kay was appointed by the Australian Government to represent Australia on the International Parliamentary Union/UNAIDS HIV committee based in Geneva from 2008 to 2012.

Before entering Federal Parliament, Kay served on the Wagga Wagga City Council from 1991 to 1998, including five years as Deputy Mayor, and was Chair of the Council of Tourist Associations in NSW from 1995 to 1998. She was also a member of the Board of Tourism NSW from 1995 to 1998, and received the Rod Murdoch Award for Contribution to Tourism in NSW in 1998.

Kay has been a medium enterprise owner operator in the Motor Vehicles Trades and Services sector since 1978. She was awarded the Golden Crow Roll of Honour Award for contribution to the business community of Wagga Wagga in 2010, and received the Freedom of the City of Wagga Wagga in March 2011.

She convened the Parliamentary Cancer Network from 1999 to 2010, and has been a Board member of NSW Can Assist, a not-for-profit organisation from 2010 to 2016 President 2012 to 2016.

In October 2014, Kay was appointed as the Chair of The Australian National Advisory Council on Alcohol and Drugs by the Commonwealth Minister for Health. She was awarded an AM in the 2015 Queens birthday Honours for her contribution to the Parliament of Australia and her leadership in the Riverina. Kay was appointed the Chair of the Rural Industries Research and Development Corporation (AGRIFUTURES Australia) in August 2016 and reappointed in August 2019.



David Liddiard OAM

David Liddiard OAM has devoted himself to youth welfare and development, Indigenous health and education and Indigenous employment and participation for over 30 years.

David was a successful sportsman, playing in the National Rugby League, was the recipient of the Daily M Rookie of the Year in 1983, played in two grand finals for the Parramatta Eels in 1983 and 1984 and won the Premiership in 1983.

In 1995 he founded the National Aboriginal Sporting Chance Academy (NASCA) which provides real opportunities for Indigenous youth in sport and education. Having seen first-hand what opportunities can be opened through sport, David has long promoted sport as a bridge to a brighter future.

David has spearheaded initiatives which provide practical support to business large and small with workplace participation strategies for Indigenous talent. He has worked with programs at both national, state and territory levels, which focus on economic leadership development and has presented at numerous forums, conferences and events.

David has led numerous educators and corporate CEOs on cultural immersion programs to remote Indigenous communities aiming to close the gap between Indigenous and non-Indigenous Australians through interactive cultural experiences and educational activities.



Marie Persson

Marie Persson is currently a member of the NSW Skills Board and chairs its Industry Reference Group. She is also a member of the National Panel reviewing the AQF.

Marie has held senior executive positions in the Australian public sector at state and national levels for over 20 years. From 2005 to 2010 Marie was the head of NSW TAFE and Community Education, the largest education and training provider in Australia, with around 500,000 students and over 10,000 staff.

From 2008 to 2014 Marie was a member of the Federal government's Board of Skills Australia and the Australian Workforce and Productivity Agency, which provided advice to the Australian government on current, emerging and future skills and workforce development needs.

Marie is the recipient of several awards recognising her skills and contributions including the NSW Telstra Business Woman of the Year, the Australian Telstra Community and Government Woman of the year and the International Literacy Year medal. In 2018 Marie received the Australian Lifetime Achievement in VET Award.

Marie has a Masters of Education from the University of NSW, is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management. As a Board member and reviewer, she has brought her policy and leadership skills to the NSW Board of Studies, the YWCA, the NSW TAFE Commission, the University of Melbourne LH Martin Institute of Leadership and Management in Higher Education, as well as the Australian Government's Expert Panel on Australian Apprenticeships. In 2018 Marie was a member of the inaugural Monash Commission established to review the Australian Tertiary sector.

Marie is currently a judge for the NSW Telstra Business Awards.



Helen Zimmerman

Helen has worked in leadership roles in Australian public and private education for 40 years. She was appointed to the NSW Skills Board in December 2018.

Helen is also chair of the Australian Government's Tuition Protection Service Advisory Board, a non-executive director of Catalyst Education Pty Ltd, a member of the ABCN Foundation board, an Honorary Senior Fellow of the LH Martin Institute of the University of Melbourne and chair of Melbourne University's Language Testing Research Centre Advisory Board.

From 2015 to May 2019 Helen served on the Jobs for NSW Board. She is a former President of the International Education Association of Australia, and past board member and chair of the Australian Business and Community Network. From 2015 to March 2018 she was a member of two state government international education advisory boards.

Helen held executive roles with Navitas Ltd, an Australian top 200 Company and global education provider for 13 years until 2018. Prior to joining Navitas she was the Managing Director of the ACL group of companies, the largest private provider of English language education in Australia.

In 2010 Helen was one of five national finalists for the award of Leading CEO for the Advancement of Women. In 2017 she was awarded the International Education Association of Australia's Distinguished Contribution Award for a colleague who has led ground breaking initiatives to improve international education in Australia.

Helen holds a Bachelor of Arts (Asian Studies) Hons from the Australian National University, post-graduate diplomas in Education and Adult Education, and a Diploma in Company Directorship. She is a Fellow of the Australian Institute of Company Directors.



Zoe de Saram PSM

Zoe was appointed to the position of Deputy Secretary, Skills and Economic Development, in the NSW Department of Industry, in July 2017. Zoe left the Department in March 2019.

She is a seasoned leader and policy maker, having operated in a number of different executive roles in the NSW Public Sector, as well as in a NSW Minister's office. She has broad experience in economic, environmental and social policy development, regulation, reform and program delivery, including the delivery of corporate enabling services.

Immediately prior to joining Industry, Zoe was Executive Director, Justice and Community Safety, and Executive Director, Ministerial and Correspondence Services, at the NSW Department of Premier and Cabinet. She was the Executive Director, Policy, Economics and Governance at the Office of Environment and Heritage between 2010 and 2012.

In 2017, Zoe was awarded the Public Service Medal for outstanding service in the management and delivery of support services to the NSW Ministry and the Office of the Leader of the Opposition.

Zoe trained as an agricultural economist and first joined the NSW Public Sector in 1990. She worked briefly in the finance sector before joining the NSW Public Sector.

Meetings of the Board

There were four meetings of the Board in 2018-19.

Table 1: Members' Attendance at Board Meetings

Member	Meetings eligible to attend	Meetings attended
Philip Clark AO	4	4
Adam Boyton	4	4
Denise Bradley AC	4	4
Zoe de Saram PSM	3	3
Mark Goodsell	4	3
Kay Hull AM	4	3
David Liddiard OAM	4	2
Marie Persson	4	4
Helen Zimmerman	3	3

Corporate Governance Structure

The NSW Skills Board's *Code of Conduct for Board Members* outlines the values, principles and standards of behaviour expected of members of the Board, its reference groups and committees.

The NSW Skills Board is a government board, subject to relevant NSW Government guidelines and legislation.

The Code of Conduct has been developed with reference to the ethical framework outlined in the *Government Sector Employment Act 2013*, the NSW Department of Premier and Cabinet's *Conduct Guidelines for Members of NSW Government Boards and Committees (2011)*, and Chapter 8 Model Code of Conduct, of the NSW Public Service Commission's *Personnel Handbook (Version 13.3, 2013)*. This is to ensure best practice and high standards of corporate governance in the conduct of the Board.

As outlined in the *Code of Conduct*, a member must declare interests to the Board, which includes positions and pecuniary interests in corporations, partnerships or other businesses that may be relevant to the activities of the Board. A Personal Interest Declaration form is in place for this purpose. Personal Interest Declaration forms are completed by all members annually and were updated as necessary during the year, and filed by the Board's Secretariat.

The Board adopted the *NSW Skills Board Charter on Work Health and Safety* in February 2018. All Board members and secretariat staff are aware of their duties as officers and workers in accordance with the *NSW Work Health and Safety Act 2011*.

The Board has developed an overarching legislative compliance framework. The framework lists relevant legislation where the Board has some obligation of compliance or accountability. The framework makes transparent the Board's statutory and policy requirements, and provides evidence of the Board's endeavours to meet its obligations and ensure accountability for complying with obligations. The Board has also developed a comprehensive risk register, which includes both strategic and operational risks. The Board reviewed the legislative compliance framework and risk register at its May 2019 meeting.

A Memorandum of Understanding (MOU) exists between the Board and the Department of Industry which establishes agreed areas of cooperation and accountabilities between the parties, and the provision of the annual allocation of funds and resources to the Board.

During 2018-19, the Board continued to be supported by a Secretariat in the Skills Policy, Enablers and Analytics Branch within the former NSW Department of Industry.

The Board has three sub-groups that cover research, provider and industry advice.

1. Research Committee

The Skills Board Research Committee continued to advise the Board on a comprehensive research program related to all aspects of VET and the impact of skills reform on the NSW economy. In 2018-19, the Committee considered and initiated a range of proposals and made recommendations to the Board. Membership of the Research Committee at 30 June 2019 was as follows:

- Adam Boyton – Chair
- Mark Goodsell – Member
- Denise Bradley AC – Member

2. Provider Reference Group

The Provider Reference Group provides advice to the Board on the extent to which skills reform is enabling training organisations to offer responsive, high quality training that meets the needs of learners and industry.

The Chair of the Provider Reference Group is Board member Professor Denise Bradley AC. Membership of the Provider Reference Group at 30 June 2019 was as follows:

- from TAFE NSW: Caralee McLiesh (Managing Director), Nigel Bailey (Operations Manager), Peter Price (Operations General Manager)
- from The Australian Council for Private Education and Training (ACPET, now ITECA): Peter McDonald (Executive Officer), Ron Maxwell (CEO of VERTO)
- from Community Colleges Australia: Don Perlgut (CEO), David Fuller (Chair, Board of Directors)
- from the Enterprise RTO Association: Gabrielle Deschamps (Executive Officer)

The Provider Reference Group met on 27 June 2019, 28 February 2019 and 20 September 2018 to provide advice on emerging issues in the VET system. The Board received reports from these meetings.

3. Industry Reference Group

The Chair of the Industry Reference Group is Board member Marie Persson. Membership at 30 June 2019 comprised:

- Timothy Burt, Policy Manager, Workforce Skills at NSW Business Chamber
- Rachel Edwards, National Talent & Sourcing Manager, BlueScope Steel
- David Castledine, NSW CEO, NSW Civil Contractors Federation
- Brian Seidler, Executive Director, and Craig Donovan, Director of Operations, Master Builders Association NSW
- Kim Parish, Chief People Officer, House with No Steps
- Rod Henderson, CEO, Ampcontrol
- Stavros Yallouridis, CEO, and Phillip Cue, Trainer Assessor, Motor Traders' Association of NSE
- Susan Scowcroft, Executive Director, NSW Community Services and Health Industry Training Advisory Body (ITAB)
- Kate O'Callaghan, General Manager, Southern Cotton
- Jenny Sharp, Principal of Human Resources, Newcrest Mining
- David Bare, Regional Executive, and Aaron Scott, NSW Commercial Manager, Housing Industry Association
- Andrew Ryan, Players' Transition Manager, National Rugby League

The Industry Reference Group met on 13 June 2019, 22 November 2018 and 5 July 2018.

The group provided industry perspectives on training product reforms and various Skills Board research projects. The Board received reports from these meetings.

The 2018-2019 Year in Review

In 2018-19, the Board focused on providing the Minister responsible for Skills with a strategic perspective of the whole Vocational Education and Training (VET) system in NSW. This included monitoring government-funded VET activity in NSW, identifying employment-related and other outcomes from VET, improving the quality of information available for consumers, providing advice on VET participation and support services for students, as well as monitoring the effectiveness of the NSW education and training system in supporting the skills needs of NSW. In addition, the Board maintained its role in overseeing the NSW Government's Smart and Skilled program.

After the 2019 NSW state election, the Hon Dr Geoff Lee MP was appointed as Minister for Skills and Tertiary Education, taking over the Skills portfolio from the Deputy Premier the Hon John Barilaro MP. Following his appointment to the Skills portfolio, Minister Lee encouraged the Board to focus on; training quality and performance, the Infrastructure Skills Legacy Program (ISLP), access to VET in schools and pathways from school; collaboration with the Commonwealth, and industry engagement on skills and workforce development.

During 2018-19, the Board commissioned and completed research projects that have provided the Minister and the Department with data to inform evidence based policy recommendations.

Research Projects of the NSW Skills Board

Under the Skills Board Act 2013, the Board has a mandate to lead a strong research program. One of its functions is to commission and conduct inquiries and research into any matters relevant to the functions of the Board. Several research projects commenced, continued or were completed during the reporting period. The projects active during 2018-19 are described below.

Dissemination and Implementation of Board-funded Research Insights

In May 2019, following endorsement by the Research Committee, the Board approved a Research Dissemination Strategy for directing engagement on research findings to key audiences. The Strategy has been introduced to seize important opportunities for public and targeted engagement on the Board's research findings, and other work commissioned by the Board that is oriented towards policymakers in NSW and around the country. Future plans for the Research Dissemination Strategy include active involvement by the Board, Minister and senior officials to present thought leadership at relevant events and conferences. The Strategy's approach to research dissemination is now being incorporated into research projects from the outset.

1. Skills Shortage/Surplus Dashboard

The Board continued to sponsor the development and updating of the Dashboard as it has contributed real-time insights into the nature and dynamics of emerging skills shortages and surpluses in the NSW labour market. The Department uses the Dashboard data in conjunction with other sources of information to consider how best to address skills imbalances that emerge in the NSW labour market. The Dashboard remains a powerful tool for the Board, enhancing its ability to fulfil its statutory function to identify and analyse labour market dynamics and, in particular, skills shortages, workforce development and future skills needs in NSW.

2. Student Outcomes Survey 2018 and 2019

In 2018-2019, the Board continued to make significant investments into the NSW Student Outcomes Survey (SOS) to build on the previous findings from annual survey results. The survey continued to collect information on VET students' reasons for training, their employment outcomes, (dis)satisfaction with training, and further study outcomes. This work supports the Board's objective to develop robust measures for VET outcomes. The 2018 NSW SOS, which generated over 55,000 responses from NSW students, showed generally high satisfaction with training and with training providers, especially for students who completed their qualification. The survey outcomes will continue to be used as a critical dataset to inform NSW Government priorities and to support Smart and Skilled delivery. Reflecting the Board's ongoing commitment to invest in data, the Board has committed to running the NSW SOS from 2019 in conjunction with the National Centre for Vocational Education Research (NCVER), which runs the national SOS. Survey fieldwork for the 2019 SOS began at the end of May and continued into the second half of the calendar year.

3. National Employer Skills and Training Survey (NESTs), NSW Sample Top-up

The Board continued its collaboration with the former Australian Department of Education and Training in the form of a 'top-up sample' addition to their survey of employer satisfaction with VET undertaken by employees. The top-up sample of 2,500 NSW employers in specific industry sectors was commissioned to provide the Board with data about NSW employers' satisfaction with VET at a greater level of detail. The report of May 2019 uncovered some key insights related to training, recruitment and workforce needs, use of types of training and potential barriers, satisfaction with types of training, and satisfaction with Registered Training Organisations (RTOs). This included findings that attracting, retaining and upskilling staff is secondary to costs and regulatory compliance/change as the most important issue for employers, and that two-thirds of employers not engaging apprentices or trainees reported no barriers to employing apprentices and trainees.

4. Tertiary Pathways & Innovative Apprenticeship Pilots

The Board continued its sponsorship of projects to pilot various pathways to overcome barriers between the VET and higher education systems and demonstrate how integrated pathways can benefit students, employers, industry and institutions. In 2019 the Research Committee endorsed the 'NSW Tertiary Pathways Project: Lessons to Date' (<https://education.nsw.gov.au/public-schools/tertiary-pathways/lessons-learnt-paper>) report prepared by the NSW Department. This outlined the success of the tertiary pathways projects and summarised the key lessons to date. The report highlighted how the pilots have demonstrated that industry, higher education and the VET sectors can work together successfully to deliver both student and employer-focused outcomes across a range of industries and study areas, and identified challenges that could be addressed. The three most recent pathway pilots (Aboriginal Healthcare, Civil Construction Engineering and Management, and Sustainable Agriculture and Food Security) were finalised in June 2019.

5. Collaborative Research Partnership with University of Sydney

Entering its third and final year, the collaborative partnership with the University of Sydney made significant progress in 2018-2019 on all three strands of the project:

Strand 1 was concluded, with the project team continuing to disseminate the lessons learned about capabilities-based qualifications and training systems through academic publications and reports.

Strand 2 developed a predictive demand model to support Smart & Skilled. A Tableau visual tool has been created to illustrate how the model can be used to ensure efficient operation of Smart and Skilled.

Strand 3 has continued to develop a framework to identify and understand the skills required for an adaptive workforce. Part of this involves evidence to support simplifying and reforming the structure of VET qualifications.

Research project outcomes are being used to inform the updating and development of qualifications that are recognised and used by industry.

6. Occupational Clusters and Qualification Rankings

In 2018-19, the Board commissioned Nous Group to conduct research to identify job clusters and pathways which reflect the current labour market based on similarity of skill requirements. Nous was asked to analyse the career trajectories and progression opportunities through jobs, and align VET qualifications which best enable career progression. A key strength of the clustered approach is the capacity to aggregate and disaggregate the data for different audiences and purposes. The project outcomes included:

- Identifying job clusters in the labour market that reflect underlying skills and capabilities;
- Identifying the career pathways that exist within those job clusters;
- Aligning current VET qualifications to job clusters;
- Ranking VET qualifications within job clusters to identify which VET qualifications provide students with the best prospects of launching a career.

The results will be used to assist the operations of Smart and Skilled.

7. Understanding the VET Fee-For-Service Market

The Board identified the need to understand how students' choice of training provider is shaped by the interaction of price (fee levels) with non-price factors (such as mode of delivery, location, and perceptions of provider quality and reputation), to improve the effectiveness of Smart and Skilled policy settings and ensure a successful and contestable VET market. EY Sweeney were engaged to collect price data for qualifications and providers covering a substantial proportion of the Fee-for-Service market. Qualitative approaches were used, including focus groups and interviews with students, employers and training providers, to understand what factors are driving the delivery of VET in NSW. The research provided insight on providers' understanding of the costs of training, on student perceptions of price, and how practicality is a primary driver of student choice in selecting training.

8. Collaboration with the Centre for Education Statistics and Evaluation

In 2016 the Board formed a research collaboration with the Centre for Education Statistics and Evaluation (CESE), within the NSW Department of Education, to better understand the effectiveness of the VET delivered to Secondary Students (VETSS) program in supporting positive outcomes for young people. The CESE collaboration was two-fold; the Board contributed to CESE's Destinations Survey for four years (2016-2019), and funded a dedicated CESE position to analyse VETSS students' outcomes.

In June 2019 the Board communicated the key findings from the CESE collaboration to the NSW Curriculum Review. Although the CESE collaboration has been completed, data from the project will continue to provide value for other projects.

9. Behavioural Insights Grants Program

In 2018 the Board approved the development of a targeted grants program that will seek proposals

from training providers, VET stakeholders and research organisations to trial behavioural economics-based interventions with RTOs. The aim is to improve participation in VET, course completion rates, and successful transitions to employment. During 2019 the Department has developed the grants program which will open in the second half of 2019. Robust evaluation of the eventual trials will provide the Board with an evidence base for best practices that can be disseminated across the NSW VET sector.

10. Consumer Information Insight Project

In 2018 the Board commissioned ACIL Allen for a research project to improve the quality of information available to consumers about VET courses. It focused on developing consumer information templates, covering a range of courses and tailored for target cohorts. Template designs were tested with current VET students and providers, aiming to stress-test that all required information was communicated clearly and effectively. The Board discussed the findings with VET peak bodies; TAFE, NSW Community Colleges Australia and the Australian Council for Private Education and Training (ACPET, now ITECA) to promote and better consumer information standards across the sector.

Smart and Skilled

The Board continued to oversee the Smart and Skilled program from a strategic perspective.

1. Smart and Skilled 2019 Provider Allocations

Smart and Skilled training providers are assessed on organisational capability, regulatory compliance, and capacity to offer qualifications in specified regions. Following the Board's review of the approach to contracting arrangements, financial year allocations commenced on 1 July 2018, having operated previously on a calendar year basis. Financial year contracting was adopted to improve budget forecasting and enable the Department to maximise funding for the market.

2. Smart and Skilled Performance Monitoring

Performance monitoring was undertaken by the former NSW Department of Industry to support training providers in their continuous improvement of training delivery and to ensure providers are meeting their contractual obligations. The Smart and Skilled contract has enforceable sanctions for providers that are found to be non-compliant. In line with the Board's statutory function to oversee quality assurance in VET, the Board reviews Smart and Skilled performance monitoring data at every meeting. Details of terminated providers are publicly available on the Smart and Skilled website.

3. NSW Skills List

During the 2018-19 financial year, the Board endorsed a number of additions to the Skills List. The additional qualifications were proven to support training of the VET workforce and met specific needs in regional and rural NSW. In 2019, the Department developed a new data-driven strategy for evaluating the courses on the NSW Skills List.

4. VET Budget and Funding 2018-19

One of the Board's functions is to advise the Minister for Skills and Tertiary Education on the NSW VET budget. The Board has monitored and advised on NSW Government funding, as well as on the funding the VET system receives from the Commonwealth Government through two mechanisms:

- The National Agreement for Skills and Workforce Development, which provides ongoing funding and sets targets for the national system.
- National Partnership Agreement on the Skilling Australians Fund, which supports the uptake of apprenticeships and traineeships.

Consumer Information

Life Launcher

The VET Consumer Information Tool project aimed to create a web application to help prospective students to progressively research and make informed choices about what qualifications and courses to study. The tool, Life Launcher, is a holistic one-stop shop career information solution. In 2019, the Board worked with the Department on the Life Launcher project, offering insight to ensure that a number of Board-funded research projects were leveraged in the development of Life Launcher.

VET Delivered to Secondary Students (VETSS)

The Board continued its role in allocating funding to the NSW Schools Consortium, comprised of the three school sectors – the NSW Department of Education, the Catholic Education Commission, and the Association of Independent Schools – and the NSW Education Standards Authority. This funding supports improvements in the quality and expands the delivery of school based VET, and supports the development of curricula and resources to target areas of skills shortages.

The Board contributed partial funding for the annual NSW Secondary Students' Post-School Destinations and Expectations Survey delivered by the Centre for Education Statistics and Evaluation (CESE) and funding for additional collaborative research with CESE to inform skills policy. The Board has also contributed funding to the Pathways for the Future Reform Project, which is detailed further below.

VETSS Review

During 2018-19, CESE commissioned a review to identify evidence-based options for informing future directions in NSW government schools for VETSS. This includes assessing the strengths and weaknesses of the current VETSS programs and developing recommendations to improve and align them with 'best possible practice'. Research funded by the Board has been considered as part of this review.

NSW Schools Curriculum Review

On 13 May 2018, the Premier and Minister for Education announced that the NSW Education Standards Authority (NESA) was directed to review the NSW curriculum to ensure it prepares students to contribute to Australian society in the 21st century. The Board has had an ongoing active role as the NSW Government's primary advisory body on VET. The Board is supportive of the review's approach and remains in close consultation with NESA as the Review progresses. Research funded by the Board has been considered as part of this review. The Board also sees the review as significant from a VET perspective not only because VET has a place in the NSW Schools Curriculum, but as the curriculum forms the educational foundations of students that will go on to tertiary education.

Pathways for the Future

Following the Board's advice, in 2017 the Deputy Premier and Minister for Education co-sponsored a research project, the Pathways for the Future Reform Project to analyse the structure, credentials and other policy settings of the NSW education and training systems in supporting young people's transition into meaningful employment. The project gathers and analyses data relating to pathways between secondary education, VET, higher education and employment. The Board informed the design of the project to include a focus on identifying outcomes from VET delivered to secondary students. In addition, the Board has funded a component of the Pathways analysis, and several of its past research projects are directly used to enrich its dataset and maximise effectiveness. By remaining involved in the progress of other significant adjacent projects, and ensuring that prior Board-funded research is being appropriately leveraged, the Board is fulfilling its first research priority to build capability through collaborative partnerships. The Board has also contributed its expertise to support the development, robustness and effectiveness of these projects.

Smart, Skilled & Hired

The Board continued its oversight and advisory role to the Deputy Premier and Minister for Skills and Tertiary Education for the Smart, Skilled and Hired program. The Smart, Skilled and Hired program is a package of initiatives to support people into employment and actively develop the skills demanded by industry. The program consists of the following initiatives:

- The **Youth Employment Program** works closely with local businesses and employers to help young unemployed or underemployed people overcome employment barriers and get them into sustainable jobs. The program targets regions in NSW with high youth unemployment rates.
- **Youth Employment Innovation Challenge (YEIC)** offers \$10 million to fund innovative solutions and ideas that help young people find employment in NSW. The target regions are: New England/North West, North Coast, Central Coast/Hunter, Western Sydney, Illawarra and Southern Highlands/Shoalhaven. The Department has completed commercial negotiations with twelve providers and service provision has commenced.
- **Sticking Together Project - Youth Employment Social Impact Bond** is the Department's first Social Impact Bond (SIB) initiative. The aim is that over a 4-year period the Sticking Together Project (STP) will improve employment outcomes for 870 unemployed and underemployed 18-24 year olds across Sydney city & inner south, Southern Highlands & Shoalhaven and Illawarra. STP utilises an intensive, 60-week coaching model to enhance capabilities of participating young people and their employer(s).
- **Disability Sector Scale-Up** aims to assist businesses, workers and local communities to maximise economic opportunities from the National Disability Insurance Scheme (NDIS) rollout. The program supports individuals and organisations that participate or want to participate in the disability sector by offering business acceleration grants and providing small business advisory services. It has also established Making It Our Business to assist Aboriginal businesses and organisations in maximising the economic opportunities created by the roll out of NDIS.

- Smart, Skilled and Hired provides additional funding to support the **Infrastructure Skills Legacy Program (ISLP)** which aims to increase the number of skilled construction workers and create new pathways to employment across the state. The ISLP continued to deliver against apprenticeship targets. In 2018 all of the ISLP demonstration pilots achieved or exceeded their targets. Achievement has been particularly strong against targets for participation by Aboriginal and Torres Strait Islander people.

Expert Review of Australia's VET System

In November 2018, the Commonwealth Government announced an expert review of Australia's VET system to examine how the system can better deliver for job seekers and employers now and into the future. The review, led by the Hon. Steven Joyce, reported to the Commonwealth in March 2019. The Board recognises the opportunity that the review presents for improving VET in NSW and has provided feedback on key issues, as well as advice to the Department for negotiating its implementation.

Australian Qualifications Framework (AQF) Review

A review of the Australian Qualifications Framework (AQF) was announced in the 2018-19 Commonwealth Government Budget. The AQF identifies criteria for senior secondary school, VET and higher education qualifications across a nationally recognised structure comprising ten levels. The Review aims to position the AQF for the future as a flexible and responsive instrument describing Australian qualifications and reflecting international best practice. The AQF Review Panel included NSW Skills Board Member, Ms Marie Persson. The Board has recognised the significance of the Review and has advised the department on key issues considered pertinent in the discussion papers provided.

Skills Board visit to Far South Coast (Bega and Eden)

On 24 and 25 October 2018, the Board visited Bega and Eden in the NSW Far South Coast region to gain insight on skills and training policy as applied in regional areas. The objective of the visit was to observe how skills and training policy is implemented in regional areas and gain a deeper understanding of practical challenges and opportunities that exist.

The visit uncovered a number of key challenges across local coordination and policy delivery, including:

- The line of advice to government on skill needs across regional perspectives
- Communication between VET stakeholders within the region
- Reliance on the personal qualities, values and attributes of individuals involved for successful management and execution of a program
- The quality of support resources where the learner is, particularly for online and remote learning
- Training delivery demands physical connectedness to the market and users

- Demographic, regional, and economic challenges of regional areas can limit the locally delivered training offering
- Training delivery should be designed around the local employment market

The visit not only revealed potential opportunities for improvement in regional policy application, but also uncovered positive insights. The strong VETSS program models present at Bega and Eden High Schools demonstrated how VETSS can be successful when it is presented as a mainstream option. Board members were able to experience firsthand the NSW Government's active regional agenda to build and capitalise on a highly skilled workforce. In addition, the visit facilitated a conversation among a diverse set of regional stakeholders with similar interests and challenges.

NSW Training Awards

The NSW Training Awards are conducted annually by the Department to recognise outstanding achievement in the vocational education and training sector. The Awards honour and reward the achievements of students, trainers and teachers, training organisations, as well as large and medium employers.

The 2018 NSW Training Awards were held on 12 September 2018 at the Sydney Town Hall. The Board sponsored the NSW Training Awards as a Strategic Partner, including the NSW Aboriginal and Torres Strait Islander Student of the Year Award and the Vocational Student of the Year Award.

The 2018 Aboriginal and Torres Strait Islander Student of the Year was awarded to Tarnisha Winsor, who studied a Certificate II in Business at Public Schools NSW, Tamworth. Tarnisha was a school captain and SRC president, as well as the recipient of the Peter Hilder Memorial Award for an Indigenous VET student, and the Upper Hunter Shire Young Citizen of the Year 2018.

She credits her opportunities, accolades and growing confidence to her school-based traineeship with the council and Certificate II in Business through Tamworth Public Schools. 'I feel overwhelmed by the community's faith in me and the encouragement I've received.'

The 2018 Vocational Student of the Year was Katayoon Karimodini, who studied a Diploma of Community Services at TAFE NSW. Katayoon (Kathy) finished her Diploma in Community Services through TAFE NSW in 2017 with outstanding results. Described as reliable and caring with a great sense of humour, Kathy, an Iranian immigrant now living on the Central Coast, works part-time as a multicultural social support coordinator and volunteers at Northern Women's Health Centre and Wesley Mission.

Her qualification taught her that self-care when dealing with the problems of others is critical. "I learnt that I should recognise my strengths and weaknesses, identify my needs, set a target, make a plan, ask for help and find out all the options," she says. "Then just keep going and never give up."

Financial Statements NSW Skills Board

For the period ended 30 June 2019

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INDEPENDENT AUDITOR'S REPORT

NSW Skills Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of NSW Skills Board (the Board), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

I am independent of the Board in accordance with the requirements of the:

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

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

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

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

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

Other Information

The Board's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chair and a Board member.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board 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 it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



C J Giumelli
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

30 September 2019
SYDNEY

NSW SKILLS BOARD

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of Members of the NSW Skills Board, we state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of the NSW Skills Board for the year ended 30 June 2019;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements materially misleading or inaccurate.



Philip Marcus Clark AO
Chair

26 / 09 / 2019



Adam Boyton
Member

26 / 09 / 2019

Beginning of the audited financial statements

NSW SKILLS BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Actual 2019 \$000	Actual 2018 \$000
Expenses excluding losses			
Operating expenses			
Personnel services	2(a)	886	764
Other operating expenses	2(b)	1,763	1,595
Total expenses excluding losses		2,649	2,359
Revenue			
Investment revenue	3(a)	34	44
Grants and contributions	3(b)	2,171	2,119
Total revenue		2,205	2,163
Net result		(444)	(196)
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(444)	(196)

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	Actual 2019 \$000	Actual 2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,327	3,054
Receivables	5	22	20
Total Current Assets		2,349	3,074
Total Assets		2,349	3,074
LIABILITIES			
Current Liabilities			
Payables	6	484	765
Total Current Liabilities		484	765
Total Liabilities		484	765
Net Assets		1,865	2,309
EQUITY			
Accumulated funds	7	1,865	2,309
Total Equity		1,865	2,309

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2018	2,309	2,309
Net result for the year	(444)	(444)
Total other comprehensive income	-	-
Total comprehensive income for the year	(444)	(444)
Balance at 30 June 2019	1,865	1,865
Balance at 1 July 2017	2,505	2,505
Net result for the year	(196)	(196)
Total other comprehensive income	-	-
Total comprehensive income for the year	(196)	(196)
Balance at 30 June 2018	2,309	2,309

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Actual 2019 \$000	Actual 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(881)	(733)
Suppliers for goods and services		(2,166)	(1,864)
Total payments		(3,047)	(2,597)
Receipts			
Interest received		34	70
Grants and contributions		2,171	2,120
Other		115	174
Total receipts		2,320	2,364
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	(727)	(233)
NET INCREASE/ (DECREASE) IN CASH			
Opening cash and cash equivalents		3,054	3,287
CLOSING CASH AND CASH EQUIVALENTS	4	2,327	3,054

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Reporting entity**

The NSW Skills Board (the Board) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Board was established under the *Skills Board Act 2013*. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Board members on the date the accompanying Statement by Members of the Board was signed.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 (the Act)* and *Public Finance and Audit Regulation 2015*
- and
- the Treasurer's Directions issued under the Act.

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

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of compliance

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

(d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

(e) Comparative information

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

(f) Changes in accounting policies, including new or revised Australian Accounting Standards**i. Effective for the first time in 2018-19**

The Board has adopted AASB 9 *Financial Instruments* (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

The Board applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139).

As the Board's financial assets are limited to loans and receivables and the classification and measurement of financial liabilities under AASB 9 is substantially the same as in AASB 139, there was no difference recognised in accumulated funds and other components of equity in adopting AASB 9.

a) Classification and measurement of financial instruments

On 1 July 2018 (the date of initial application of AASB 9), the Board's management has assessed which business models apply to the financial assets held by the Board and has classified its financial instruments into the appropriate AASB 9 categories. The main effects resulting from this reclassification are as follows:

	Notes	Loans and receivables (L&R)
		\$000
Closing balance 30 June 2018 – AASB 139	5	-
Opening balance 1 July 2018 – AASB 9	5	-
Total impact		-

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Changes in accounting policies, including new or revised Australian Accounting Standards (continued)

i. Effective for the first time in 2018-19 (continued)

a) Classification and measurement of financial instruments (continued)

Under AASB 9, subsequent measurement of debt financial assets is based on assessing the contractual cash flow characteristics of the debt instrument and the Board's business model for managing the instrument.

The assessment of the Board's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Board. The Board continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the Board's financial assets:

- Trade and other receivables classified as 'Loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- The Board has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the Board's financial liabilities.

In summary, upon the adoption of AASB 9, the Board had the following required or elected reclassifications as at 1 July 2018:

	Measurement category		Carrying amount		
	AASB 139	AASB 9	Original \$'000	New \$'000	Difference \$'000
Receivables	L&R	Amortised cost	-	-	-

ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have been issued but are not yet effective. The Board has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the Board.

- AASB 16 *Leases* (1 July 2019)
- AASB 15 *Revenue from Contracts with Customers* - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* (1 July 2019)
- AASB 1058 *Income of Not-for-profit Entities* (1 July 2019)
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* (1 July 2019)

AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. For lessors, the Standard provides accounting requirements that a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts*. The standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

In addition, AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation* provides additional guidance on applying the principles in AASB 15 to not-for-profit entities as well as replacing the requirements in AASB 1004 *Contributions*.

The introduction of AASB 15 and AASB 1058 is not expected to have a material impact on the Board's revenue recognition policies.

2. EXPENSES EXCLUDING LOSSES

	2019	2018
	\$000	\$000
(a) Personnel services expenses include the following:		
Salaries and wages (including annual leave)	491	415
Superannuation	51	29
Payroll tax	31	24
Workers' compensation insurance	2	-
Board member fees and on-costs	311	296
	886	764

Recognition and Measurement**Personnel services**

Personnel services represent the salaries and wages of the Department of Industry employees who were allocated to the Board during the year in line with the Memorandum of Understanding (MoU) agreement between the Board and the Department of Industry. These costs were incurred by the Department of Industry and have been subsequently recharged to the Board as a fee for services rendered when incurred. All related on-costs of these Department of Industry employees, such as payroll tax have also been included in this charge.

Board Members fees and on-costs

Personnel services expenses also include fees for Board member services plus superannuation, payroll tax and departmental on-costs. Board members are not entitled to any leave provisions.

	2019	2018
	\$000	\$000
(b) Other operating expenses include the following:		
Auditor's remuneration – audit of financial statements	23	23
Administration fees	75	75
Contractors and other fees	1,597	1,403
Sponsorship	50	50
Travel	17	25
Other operating	1	19
	1,763	1,595

Recognition and Measurement**Corporate service support charge**

In the year ended 30 June 2019, the Board compensated the Department of Industry the sum of \$75,000 for corporate services.

3. REVENUE**Recognition and Measurement**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

	2019	2018
	\$000	\$000
(a) Investment revenue		
Interest revenue	34	44
	34	44

Recognition and Measurement**Investment revenue**

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

	2019	2018
	\$000	\$000
(b) Grants and contributions		
Grants – Commonwealth (Projects)	976	976
Grants – Department of Industry	1,195	1,143
	2,171	2,119

Grants and contributions

Project funds represent income received from the Commonwealth. The Commonwealth funds are allocated by the NSW Minister for Skills to the Board for vocational education and training and research and development projects. These funds are recognised when the Board obtains control over the contribution. The Board is deemed to have assumed control when the grant is received or receivable.

State contribution represents funding received by the Board from the Department of Industry to fund the Board's operating expenses. This funding is recognised when it becomes payable by the Department of Industry as per the MoU agreement.

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2019	2018
	\$000	\$000
Cash at bank and on hand	2,327	3,054
	2,327	3,054

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits.

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

Cash and cash equivalents (per Statement of Financial Position)	2,327	3,054
Cash and cash equivalents (per Statement of Cash Flows)	2,327	3,054

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 9.

5. CURRENT ASSETS - RECEIVABLES

	2019	2018
	\$000	\$000
CURRENT		
GST receivable	22	20
	<u>22</u>	<u>20</u>

Details regarding credit risk of debtors that are neither past due nor impaired, are disclosed in Note 9.

Recognition and Measurement

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

Subsequent measurement under AASB 9 (from 1 July 2018)

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

Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

6. CURRENT LIABILITIES - PAYABLES

	2019	2018
	\$000	\$000
CURRENT		
Payables – Department of Industry	35	31
Creditors	441	727
PAYG tax payable	8	7
	<u>484</u>	<u>765</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 9.

Recognition and Measurement

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

7. EQUITY**Recognition and Measurement****Accumulated funds**

The category 'accumulated funds' includes all current and prior period retained funds.

8. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2019	2018
	\$000	\$000
Net cash used on operating activities	(727)	(233)
Increase / (decrease) in receivables	2	(115)
Decrease / (increase) in payables	281	152
Net Result	<u>(444)</u>	<u>(196)</u>

9. FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks.

(a) Financial instrument categories

i. As at 30 June 2019 under AASB 9

Class:	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	4	N/A	2,327
Receivables ¹	5	Amortised cost	-
Financial Liabilities			
Payables ²	6	Financial liabilities measured at amortised cost	476

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

ii. As at 30 June 2018 under AASB 139 (comparative period)

Class:	Note	Category	Carrying Amount \$'000
Financial Assets			
Cash and cash equivalents	4	N/A	3,054
Receivables ¹	5	Loans and receivables (at amortised cost)	-
Financial Liabilities			
Payables ²	6	Financial liabilities measured at amortised cost	758

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

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

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire.

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

(c) Financial risks**i. Credit risk**

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

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

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

9. FINANCIAL INSTRUMENTS (continued)

(c) Financial risks (continued)

i. Credit risk (continued)

The Board considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Board may also consider a financial asset to be in default when internal or external information indicates that the Board is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Board.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in market risk below.

Trade and other receivables

Collectability of receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. For the current reporting period the Board applies the AASB 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all receivables.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

For the comparative year AASB 139 was applied where debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on receivables.

ii. Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Board may automatically pay the supplier simple interest.

The table below summarises the maturity profile of the Board's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Interest Rate Exposure				Maturity Dates		
		Nominal Amount ¹ \$000	Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-interest Bearing \$000	< 1 year \$000	1 - 5 years \$000	> 5 years \$000
2019								
<i>Payables</i>	-	476	-	-	476	476	-	-
		476	-	-	476	476	-	-
2018								
<i>Payables</i>	-	758	-	-	758	758	-	-
		758	-	-	758	758	-	-

Notes

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Board can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

9. FINANCIAL INSTRUMENTS (continued)**(c) Financial risks (continued)****iii. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board has no exposure to foreign currency risk and does not enter into commodity contracts. The Board has no borrowings or investments.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2018. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Board's interest bearing liabilities. The Board does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income or available-for-sale (until 30 June 2018). Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2019		2018	
	\$'000		\$'000	
	-1%	+1%	-1%	+1%
Net Result	(23)	23	(31)	31
Equity	(23)	23	(31)	31

(d) Fair value measurement**i. Fair value compared to carrying amount**

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

10. RELATED PARTY DISCLOSURE

During the period, the Board incurred \$343,291 (2018: \$432,649) in respect of the key management personnel services that are provided by a separate management entity, the Department of Industry.

During the period, the Board did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the period, the Board entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in normal course of business) in aggregate are a significant portion of the Board's revenue and expenses, and the nature of these significant transactions are detailed below;

Entity	Nature of Transactions
Audit Office of NSW	Provides independent audit services on the Board's financial statements.
Department of Education	Administers the Board's Tertiary Pathway and Post-School Destination projects.
Department of Industry	Provision of grants funding, administrative, secretariat support and operational assistance.

11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Board does not have any contingent liabilities or contingent assets as at balance date (2018: Nil).

12. COMMITMENTS

As at the reporting date there were no commitments outstanding (2018: Nil).

13. EVENTS AFTER REPORTING PERIOD

On 1 July 2019 the Department of Industry was abolished and the new Department of Planning, Industry and Environment was established. All payables to the Department of Industry as at 30 June 2019 are payable to the Department of Planning, Industry and Environment.

In addition, on 1 July 2019 the Board moved to the Department of Education cluster. The Board will negotiate transitional arrangements with the Department of Education and the Department of Planning, Industry and Environment including the services provided by the Department of Industry, as depicted in Note 2 (a) and (b) of these financial statements.

End of the audited financial statements.

Appendix 1: Report of Operations

The following report addresses additional reporting requirements of the *Annual Reports (Statutory Bodies) Act 1984* or the *Annual Reports (Statutory Bodies) Regulation 2015*.

Access

NSW Skills Board
 Level 12, 1 Oxford St, Darlinghurst, NSW, 2010
 Correspondence to the NSW Skills Board should be addressed to the Board at:
nwskillsboard.secretariat@industry.nsw.gov.au
 Telephone: +61 2 9338 6769
 Business Hours: Monday–Friday 9am–5pm

Charter

The Board was established under the *Skills Board Act 2013*, replacing the Board of Vocational Education and Training (BVET). See Role of the Board on page 4.

Management and structure

Refer to Board Members, pages 5-9.

Summary review of operations

Refer to The Year in Review, pages 12-19.

Funds granted to non-government community organisations

No funds were granted to non-government community organisations.

Legal change

No amendments were made to the *Skills Board Act 2013* during the reporting period.

Economic or other factors

There have been no economic factors that have affected achievement of the Board's operational objectives during the year in review.

Management and activities

See The Year in Review, pages 12-19.

Research and development

See The Year in Review, pages 12-19.

Human resources

There were eight board members at 30 June 2019. There were no exceptional movements in wages, salaries or allowances. At 30 June 2019, the Board's secretariat comprised 4.6 equivalent full-time employees of the Department of Industry, Skills and Economic Development who are subject to the personnel and industrial relations policies and practices of the Department of Premier and Cabinet's guidelines.

The number of officers staffing the Secretariat by category is summarised as follows:

Salary Level	\$60,154- \$65,396	\$83,406- \$92,026	\$94,782- \$104,918	\$108,044- \$119,061	\$124,965- \$144,521
Female		1	0.6	1	
Male		1			1

Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2018-2019 financial year was 0.

Band	Female	Male	TRP band (\$)
SE1			\$178,850 - \$255,050

Consultants

Engagements ≥\$50,000

Consultant	Costs \$	Title
Department of Education (Centre for Education Statistics and Evaluation)	\$189,678.00	<i>Collaboration with CESE (Destination and Longitudinal Surveys and Research Manager)</i>
Department of Education (Higher Education Directorate)	\$300,000.00	<i>Tertiary Pathways & Innovative Apprenticeship Pathways</i>
The University of Sydney	\$199,913.30	<i>Collaborative Research Partnership</i>
Commonwealth Department of Education and Training	\$62,414.00	<i>Employer Survey of the VET sector</i>
The Social Research Centre	\$256,258.70	<i>NSW Student Outcomes Survey of VET Graduates 2018</i>
The Social Research Centre	\$75,626.29	<i>NSW Student Outcomes Survey of VET Graduates 2019</i>
ACIL Allen	\$64,007.37	<i>Consumer Information Insights</i>
Ernst & Young	\$170,478.00	<i>VET fee for service</i>
National Centre for Vocational Education Research	\$99,380.00	<i>NSW Student Outcomes Survey of VET Graduates 2018</i>
Nous Group P/L	\$174,161.50	<i>Occupational Clusters</i>

Engagements <\$50,000

Nature	Total Cost	Title
Norton Rose Fulbright	\$13,962.85	<i>Schools Consortium Contract Drafting</i>
National Centre for Vocational Education Research	\$22,000.00	<i>NSW Student Outcomes Survey of VET Graduates 2019</i>

Disability Inclusion Action Plans

The Board adhered to the NSW Government's Disability Policy Framework through the Department of Industry's Disability Inclusion Action Plan.

Land disposal

The Board does not own land or buildings.

Promotion

There were no overseas visits by Board Members or Secretariat staff for 2018-19.

Consumer response

The Board is open to, responds to and addresses any suggestions or complaints it receives. Any complaints up to 30 June 2019 to the Board would be dealt with according to the Department of Industry complaints handling policy.

Payment of accounts

All suppliers

Measure	September 2018	December 2018	March 2019	June 2019	Full Year
Invoices due for payment (Number)	18	22	23	16	79
Invoice paid on time (Number)	18	17	23	16	74
Percentage paid on time (%)	100%	77.27%	100%	100%	93.67
Amount due for payment (\$)	\$886,569	\$806,582	\$709,592	\$463,128	\$2,865,871
Amount paid on time (\$)	\$886,569	\$586,130	\$709,592	\$463,128	\$2,645,419
Percentage paid on time (%)	100%	72.67%	100%	100%	92.3%
Number of payments of interest on overdue accounts (Number)	0	0	0	0	0
Interest paid on late accounts (\$)	\$0	\$0	\$0	\$0	\$0

Small Business

Measure	September 2018	December 2018	March 2019	June 2019	Full Year
Invoices due for payment (Number)	0	0	0	0	0
Invoice paid on time (Number)	0	0	0	0	0
Percentage paid on time (%)	N/A	N/A	N/A	N/A	N/A
Amount due for payment (\$)	\$0	\$0	\$0	\$0	0
Amount paid on time (\$)	\$0	\$0	\$0	\$0	0
Percentage paid on time (%)	N/A	N/A	N/A	N/A	N/A
Number of payments of interest on overdue accounts (Number)	0	0	0	0	0
Interest paid on late accounts (\$)	\$0	\$0	\$0	\$0	0

Time for Payment of accounts

All Suppliers

Quarter	Current Within Date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2018	\$886,569	\$0			
December 2018	\$586,130	\$220,452			
March 2019	\$709,592	\$0			
June 2019	\$463,128	\$0			

Small Business

Quarter	Current Within Date	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	Greater than 90 days overdue
September 2018	\$0	\$0			
December 2018	\$0	\$0			
March 2019	\$0	\$0			
June 2019	\$0	\$0			

Risk management and insurance activities

Insurance policies to 30 June 2019 are the responsibility of Department of Industry's Corporate Services division and are reported through the Department's Annual Report. The Board has a Risk Register, which covers both strategic and operational risks.

Disclosure of controlled entities and subsidiaries

The Board does not control any entities or have any subsidiaries.

Workforce Diversity

The Board does not have direct employees - the Secretariat is staffed by employees of the Department of Industry, Skills and Economic Development. The Board supports the Department of Industry's Workforce Diversity initiatives.

Multicultural Policies and Services Program

The Board supports the Department of Industry, Skills and Economic Development's multicultural policies and initiatives.

Agreements with Multicultural NSW

The Skills Board has not entered any agreement with Multicultural NSW under the Multicultural NSW Act 2000.

Work Health and Safety

There were no injuries or prosecutions under the *Work Health and Safety Act 2011* in the reporting period.

Budgets

The Board received a grant from the Department of Industry for Board and Secretariat costs and a Commonwealth grant for research activities, as reflected in the financial statements on page 25. The Department of Industry and the Board agreed on a Budget of \$1.195 million for Board and Secretariat costs for 2018-19. The Board also received a \$976,000 Commonwealth grant to fund research activities.

Expenditure Area	Function of Budget Area	Total Budget 2018-19
Research Payments	Research Fund from National Agreement for Skills and Workforce Development	\$976,000
Employee related costs	Strategic advice to Board on all aspects of NSW VET system, project management and secretariat activities	\$689,348
Board Members Fees including On Costs	Independent advice to the NSW Government on the vocational education and training (VET) system	\$333,975
Board Meeting Expenses	Board Meeting, Reference Group and Regional Visit Expenses	\$22,123
Secure Board Portal Software	Annual Subscription to secure portal for meeting papers and governance	\$17,010
Sponsorship	Support of the NSW Training Awards	\$50,000
Other Expenses	Audit Fees, Payments to Department under MoU, Travel Costs, Administrative costs	\$114,280

Implementation of Price Determination of Independent Pricing and Regulatory Tribunal (IPART)

The Board is not subject to determinations of the Tribunal.

Government Information (Public Access) Act 2009

The Board does not process applications under the GIPA Act. The Department processes Government Information Public Access Applications made on the NSW Skills Board.

Public Interest Disclosures (PID)

Secretariat staff were notified of responsibilities under s6E (1) (b) of the *Public Interest Disclosure Act 2013*. No Public Interest Disclosures were made during the reporting period.

Public availability of annual reports

The Board's Annual Report and other Board publications and reports are available for viewing and downloading on the Board's website, https://www.training.nsw.gov.au/skills_board/research_publications.html

Printing and distribution requirements

As required by the Department of Premier and Cabinet, costs of production of the 2019 Annual Report have been kept to a minimum by restricted use of photos and graphs and eliminating external production costs.

Privacy management plan

The Board and Departmental staff supporting the work of the Board comply with *the Privacy and Personal Information Protection Act 1998*, which is managed by the Department and reported on in the Department's Annual Report.

Exemption - Risk Management and Internal Audit

The Board has an exemption from the core requirements of the *Internal Audit and Risk Management Policy* (TPP 15-03) by Treasury. The Board satisfied the exemption criteria as a small agency for the reporting period.

ATTESTATION STATEMENT

Digital Information Security Annual Attestation Statement for the 2018-2019 Financial Year for the NSW Skills Board (Department of Industry)

I, Timothy Bayl, am of the opinion that the security controls in place to mitigate risks to the digital information of the NSW Skills Board were adequate. Information security management arrangements in place during the 2018-2019 financial year were consistent with the core elements set out in the *Digital Information Security Policy* of the NSW Public Sector.

There is no agency under the control of the NSW Skills Board which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.



Timothy Bayl
LEADER
NSW SKILLS BOARD SECRETARIAT

8 October 2019

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