



NSW
Skills
Board

NSW SKILLS BOARD

**ANNUAL
REPORT
2020**



NSW Skills Board Annual Report 2020

The Honourable Dr Geoffrey Lee MP
Minister for Skills and Tertiary Education,
Acting Minister for Sport, Multiculturalism, Seniors and Veterans
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 2020 Annual Report of the NSW Skills Board, which covers the work of the Board from 1 July 2019 to 30 June 2020.

Yours sincerely



Philip Marcus Clark AO
Chair



Helen Zimmerman
Member

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Chair's Overview



The NSW Skills Board met formally five times during the 2019-2020 year. In addition, the Board visited the Coffs Coast and Clarence Valley region in October 2019 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 worked closely with the Hon Dr Geoff Lee MP, Minister for Skills and Tertiary Education. The Minister attended Board meetings, established five priorities for the Board and requested that the Board focus on those priorities:

- A renewed co-designed approach to industry and business engagement.
- Better understanding of barriers and enablers for the VET programs delivered to secondary students and school-to-VET pathways.
- Practical implementation of the Education Pathways Data Project.
- Combined university and vocational qualifications that deliver advanced knowledge with work-integrated learning; and
- Understanding and addressing the future skills needs of Greater Western Sydney including the Aerotropolis and Western Parkland City.

The Board has continued to provide the Minister 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 contemporary and 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.

Following the onset of COVID-19, the Board commissioned and completed significant research projects relating to the labour and employment impacts of COVID-19 and potential skilling responses. That was an important and urgent response to the impact of the pandemic which provided the Minister and the Department with data to inform an evidence-based policy response.

Adam Boyton resigned from the Board in October 2019, upon taking up a position as Interim National Skills Commissioner. Professor Denise Bradley AC resigned from the Board in February 2020 due to ill health and later passed away. The Board acknowledges both members' significant service to the Board over their six-year contributions.

Some Board members' terms were due to expire on 30 June 2020. The Minister nominated such Board members for further 6-month terms and those appointments have been approved 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, appearing to read 'P. M. Clark', written in a cursive style.

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 2019-20, the Board mostly consisted of seven part-time members, who are appointed by the Minister for Skills and Tertiary Education. The Deputy Secretary, Skills and Higher Education, in the NSW Department of Education was an ex-officio member. Members have significant experience and expertise in skills and tertiary education, business and industry, indigenous education and employment, government, economics and finance. Adam Boyton resigned from the Board in October 2019, upon taking up a position as Interim National Skills Commissioner. In February 2020, Board member Professor Denise Bradley AC resigned and passed away soon after. The Board acknowledged both Adam and Denise's significant contributions over the years. Some Board members' terms were due to expire on 30 June 2020. The Minister for Skills and Tertiary Education nominated such Board members for short-term reappointment; these appointments were then made by NSW Cabinet.



Philip Marcus Clark AO (Chair)

Philip Clark AO is a member of the JP 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)
- Director, Food Agility Cooperative Research Centres
- Chair, Royal Botanic Gardens and Domain Trust
- Chair of Trustees, NSW Public Purpose Fund
- Chair, University of Wollongong, Early Start Advisory Board
- Member, Charles Sturt University Council
- Member, South Australian Premier's Science and Innovation Council
- Member, NSW Premier's Accelerating R&D Advisory Committee

Phil has Bachelor's degrees in Arts and Law from Sydney University and an MBA from Columbia University. In 2019, he was awarded an Honorary Doctor of Laws from the University of Wollongong.

He was appointed a Member of the Order of Australia (General Division) in 2007 for his contribution to the development of national law firms and encouraging corporate involvement in community programs.

Phil was also appointed an Officer of the Order of Australia (General Division) in 2019 for distinguished service to education, to research and infrastructure investment, and to the not-for-profit sector.



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 was also the Chief Economist at the Business Council of Australia. He started his career at the Federal Treasury and the Department of the Prime Minister and Cabinet.

Adam was also a 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.

Adam resigned from the Board in October 2019 to take the position of National Skills Commissioner.



Denise Bradley AC

Emeritus Professor Denise Bradley AC was 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 had 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 held 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 received Honorary Doctorates from Pukyong University (Korea), the University of South Australia, RMIT University and the University of Western Sydney.

Professor Denise Bradley AC resigned from the Board in February 2020 due to ill health and later passed away. The Board acknowledges her significant service to the Board over her six-year contribution.



Mark Goodsell

Mark Goodsell is Head – NSW, National Director – Manufacturing 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.

In his role at Ai Group, Mark is responsible for pursuing business and industry policy issues with both state and Commonwealth governments, including employment regulation, work health and safety, and workers compensation, regulatory and occupational licensing, state and regional development, innovation, skills formation and vocational education.

Mark is the Chair of the NSW Industry Capability Network (ICN).



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.

In 2020, Kay became a Member of the Telegraph Rural Task Force and the UNSW Riverina Medical School Board.



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.

David's Board positions and recognitions include:

- Board Member of the RUOK Foundation (2016-2018)
- Director (Founder) CEO and Board Member of NASCA (1995-2018)
- Order of Australia medal 2014 for service to Indigenous youth, sporting and employment programs in the 2014 Australia Day honours
- NSW Outstanding Community Service Award 2012 Tribute to David Liddiard by the NSW Legislative Council
- The Gold Harold Award 2010 for services to Aboriginal health and education
- Churchill Fellowship 2009 research on Indigenous minority supplier diversity



Marie Persson

Marie Persson chairs the NSW Skills Board's Industry Reference Group. She was also a member of the National Panel reviewing the AQF.

Marie has broad experience in government policy, education and training reform, organisational development and leadership and management. She has advised

Australian State and Federal governments on national and international issues as well as the governments of China, India, Canada, South America and Germany.

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 Zimmerman has worked in leadership roles in Australian public and private education for over 40 years. From 2005 to 2018 she was a senior executive of Navitas Limited, a global education provider. Prior to joining Navitas Helen was Managing Director of the ACL Group of companies, the largest private provider of English language education in Australia. She was appointed to the NSW Skills Board in December 2018.

At both ACL and Navitas Helen was a leading advocate for international and domestic education policy and regulatory issues across the English language, vocational and higher education sectors. Helen is an experienced board member. She is the current Chair of the Australian Government's Tuition Protection Service, VSL Tuition Protection Fund and HELP Tuition Protection Fund Advisory Boards.

From 2015 to May 2019 Helen served on the Jobs for NSW Board. She was a director, and then Chair of the Australian Business and Community Network, a not-for-profit organisation that connects business with high need schools and learners through mentoring and partnership programs from 2011 to late 2017.

Helen was a member of the NSW Vocational Education and Training Board from 2002 to 2008. She has also been a director of the National ELT Accreditation Scheme, and of English Australia. In 2004 and 2005 Helen served on an industry advisory body, appointed by the then Minister for Education, Science and Training, to advise on strategic issues of national significance facing international education in Australia. From 2015 to March 2018 Helen was a member of the Victorian International Education Ministerial Advisory Roundtable and the NSW International Education Advisory Board.

Helen has served on the boards of a number of peak professional education associations and regulatory bodies. She was a foundation board member of the International Education Association of Australia (IEAA) in 2004, and was President from 2012-2014.

Helen represented IEAA overseas and within Australia taking a strong role on collaboration, partnership and advocacy. She has over many years championed international student voices 'at the table'. 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 is an Honorary Senior Fellow of the LH Martin Institute of the University of Melbourne and a Fellow of the Australian Institute of Company Directors.

Mary Ann O'Loughlin



Mary Ann O'Loughlin was Deputy Secretary, Skills and Higher Education, in the NSW Department of Education during the 2019/2020 financial year. Previously, Mary Ann has held a number of senior executive positions in education and social policy in the public and private sectors. This includes the Commonwealth Department of Industry, Innovation & Science, the NSW Department of Premier & Cabinet, KPMG, the COAG Reform Council, and the Department of Prime Minister

and Cabinet. Mary Ann was also Senior Adviser (Social Policy) to the former Prime Minister, the Hon Paul Keating MP.

Meetings of the Board

There were five meetings of the Board in 2019-2020.

Table 1: Members' Attendance at Board Meetings

Member	Meetings eligible to attend	Meetings attended
Philip Clark AO	5	5
Adam Boyton	2	2
Denise Bradley AC	3	1
Mark Goodsell	5	5
Kay Hull AM	5	5
David Liddiard OAM	5	4
Mary Ann O'Loughlin AM	5	4
Marie Persson	5	4
Helen Zimmerman	5	5

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.

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 June 2020 meeting.

A Memorandum of Understanding (MOU) exists between the Board and each of the Department of Planning, Industry and Environment and the Department of Education 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 2019-20, the Board continued to be supported by a Secretariat in the Skills Policy, Enablers and Analytics Branch within the NSW Department of Education.

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 2019-20, the Committee considered and initiated a range of proposals and made recommendations to the Board that included a greater focus on applied research. Membership of the Research Committee at 30 June 2020 was as follows:

- Helen Zimmerman – Chair
- Mark Goodsell – Member
- Mary Ann O'Loughlin AM – 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.

Professor Denise Bradley AC was Chair of the Provider Reference Group until her retirement from the Board, when Philip Marcus Clark was appointed Chair of the Group.

Membership of the Provider Reference Group at 30 June 2020 was as follows:

- from TAFE NSW: Steffen Faurby (Managing Director) and Nigel Bailey (General Manager, Strategy and Policy)
- from the Independent Tertiary Education Council Australia: Les Wells (Manager, State

Government Policy)

- from VERTO: Ron Maxwell (CEO of VERTO)
- from Community Colleges Australia: Don Perlgut (CEO)
- from WEA Illawarra: David Fuller (Chair, Board of Directors)
- from Enterprise Registered Training Organisation Association (ERTO): Nilay Gencturk (RTO and Learning Manager)

The Provider Reference Group met on 31 October 2019, 5 March 2020 and 25 June 2020 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 2020 comprised:

- Timothy Burt, Policy Manager, Workforce Skills at Business NSW
- Rachel Edwards, Training and Capability 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, Executive General Manager, People Learning & Culture, Aruma
- Stavros Yallouridis, CEO, Motor Traders' Association of NSW (represented by Phillip Cue, Senior Manager – Training Compliance and Trainer Coordination)
- Susan Scowcroft, Executive Director, NSW Community Services and Health Industry Training Advisory Body (ITAB)
- Jenny Sharp, Human Resources Manager, Newcrest Mining
- David Bare, NSW Regional Executive Director, Housing Industry Association (represented by Aaron Scott, NSW Commercial Manager and Carolyn Sheehan, Program Manager NSW Apprenticeship Compact)
- Andrew Ryan, Players' Transition Manager, National Rugby League

The Industry Reference Group met on 17 October 2019, 5 December 2019 and 9 April 2020.

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

The 2019-2020 Year in Review

In 2019-20, the Board initially 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.

The five-yearly statutory review of the *Skills Board Act 2013* was conducted in 2019-20. This was an independent review undertaken by the Nous Management Consultancy Group. It determined that the Act remains valid, appropriate and relevant for the next five years and that it provides the breadth of functions and flexibility needed to secure the Government's objectives.

Mid-way through 2019-20, Minister Lee requested the Board focus on; a renewed co-designed approach to industry and business engagement, better understanding of (barriers and enablers for) the VET programs delivered to secondary students and school-to-VET pathways, practical implementation of the Educational Pathways Data Project, combined university and vocational qualifications that deliver advanced knowledge with work-integrated learning and understanding and addressing the future skills needs of Greater Western Sydney including the Aerotropolis and Western Parkland City.

During 2019-20, the Board also commissioned and completed research projects relating to the labour and employment impacts of COVID-19 and potential skilling responses. That was an important and urgent response to the pandemic which 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 2019-20 are described below.

1. Skills Balance Dashboard

The Skills Balance Dashboard (Dashboard) is a powerful tool that provides a measurement of skills imbalance within and across different occupations over time. It allows identification of occupations where the supply of skills is unable to meet, or is in excess of, the current level of demand for such skills. 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 2019 and 2020

In 2019-20, 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 2019 NSW SOS, approached 96,849 students and achieved a response rate of 22.2 per cent. The survey 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.

3. 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 2019-2020 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 and Skilled. A Tableau visual tool has been created for use within the NSW Department of Education to illustrate how the model can be used to ensure efficient operation of Smart and Skilled.

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

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

This work was also used by the Department to inform the mapping of 'job corridors' to potential new occupations for NSW workers displaced by the impacts of COVID-19.

The project was presented by the University of Sydney's Dr John Buchanan in his "New directions in skills planning" presentation to the 2020 NCVET VET Research "No Frills" conference in July 2020.

4. Behavioural Insights Grants Program

The grant program was launched in December 2019 to invite applications from training providers, VET stakeholders and research organisations to trial behavioural economics-based interventions with RTOs. The aim of the grant is to improve course completion rates and successful transitions to employment. Robust evaluation of the eventual trials should provide the Board with an evidence base for best practice that can be disseminated across the NSW VET sector. Applications for the grant program closed in March 2020. Work on the grant program was paused in April 2020 in light of COVID-19.

5. Educational Pathways Pilot Program Evaluation

In 2020, the Board provided funding for the evaluation of the Educational Pathways Pilot Program (EPPP), which is being conducted by Western Sydney University (WSU). The EPPP is a suite of ten initiatives to improve career pathways, in particular, vocational education and training pathways, and future employment outcomes for secondary school students in NSW. It aims to improve pathways for school students through: (1) enhanced careers advice, (2) greater uptake of

School-based Apprenticeship and Traineeship (SBATs), and (3) support for disadvantaged and disengaged young people.

The EPPP initiatives are being piloted across 24 government schools in two regions: South West Sydney and the NSW North Coast. The external evaluation by WSU looks to provide evidence for improvements or changes to the Program and assess potential for scale-up to additional schools.

6. NSW VET Student Loans Project

This project explored design options for offering income-contingent loans to NSW Smart and Skilled students undertaking Certificate III and IV qualifications and models associated costs and benefits for the design options. Modelling is based on the design of the Higher Education Contribution Scheme (HECS). This project was driven by a need to examine the implications of increasing parity between VET Student Loans and the HECS-HELP scheme, based on the premise that financial arrangements, including the availability of student loans, influence student choice in education and training pathways. Professor Bruce Chapman and Associate Professor Tim Higgins were contracted to develop the loan scheme design options and the financial model. The Centre for International Economics was contracted to develop a cost-benefit model for each of the design options.

7. COVID-19 Labour Impact and Skills Response

Between April and July 2020, the NSW Skills Board commissioned two phases of research from the Boston Consulting Group (BCG) to assess the labour impacts of and potential skilling responses to COVID-19. Phase one analysis focused on the workforce impacts and found that COVID-19 caused significant immediate and enduring longer-term impacts on the labour market in NSW, requiring a comprehensive skills response.

Through assessing insights from the labour impacts analysis, key challenges were recommended for the NSW Government to address.

Smart and Skilled

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

1. Smart and Skilled 2020 Provider Allocations

Smart and Skilled training providers continue to be assessed on organisational capability, regulatory and contract compliance and capacity to offer qualifications in specified regions. During the year, provider allocations were increased in regions affected by the natural disasters of drought and bushfires to encourage regional skill development and employment and assist the recovery of the affected communities.

2. Smart and Skilled Performance Monitoring

Performance monitoring was undertaken by the NSW Department of Education 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 available on the Smart and Skilled website.

3. NSW Skills List

During the 2019-20 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 2020, the Department further developed the new data-driven strategy for evaluating the courses on the NSW Skills List and consulted with a variety of stakeholders on the approach. The Board has continued to provide support through this process. As a result of the consultations, the Board endorsed a number of removals from the Skills List and the creation of a secondary pre-qualified list. The secondary list together with an expedited re-addition process will allow qualifications with variable demand to be quickly re-added to the main list if circumstances change.

4. VET Budget and Funding 2019-20

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

[Life Launcher](#) is a web application that the Board advised the Department on, offering insight to ensure that a number of Board-funded research projects were leveraged in the development. The web application is a holistic one-stop shop career information digital tool aimed at helping high school students achieve their career goals. The Minister for Skills and Tertiary Education Dr Geoff Lee joined the Minister for Education Sarah Mitchell on 30 August 2019 to officially launch the website and Life Launcher is one of the three key digital tools utilised in the Educational Pathways Pilot Program (EPPP), which has the aim of helping the state's most disadvantaged and disengaged students further their education by transforming the way students and parents think about careers.

VET Delivered to Secondary Students (VETSS)

The Board continued its role in allocating a small proportion of VETSS 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.

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.

Smart, Skilled & Hired

The Board continued its oversight and advisory role to the Minister for Skills and Tertiary Education for the Smart, Skilled and Hired (SSH) program. The SSH program is a package of initiatives to support people into employment and actively develop the skills demanded by industry. Funding for the program concluded on 30 June 2020. Across the SSH program there have been significant outcomes delivered for young people and people with disability in NSW. As at 30 June 2020, 6,250 young people had commenced employment. As at 30 June 2020, 1,920 additional people with disability had received support from 25 bespoke program models. The program consists of the following initiatives.

- The **Youth Employment Program** has now reached its conclusion with providers in wind down phase supporting existing participating young people into employment, towards an outcome or into another program where available. Final outcomes for the program are available to be claimed by providers up until 26 February 2021. A final evaluation will commence in March 2021.
- **Youth Employment Innovation Challenge (YEIC)** allocated \$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.
- **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 has supported businesses that participate or want to participate in the disability sector by offering grants and providing small business advisory services. The Department has provided grants to 25 businesses under the Disability Sector Scale-Up program. Each business has delivered a bespoke model, expanding and improving the availability of services under the NDIS to people with disability in NSW. As at 30 June 2020, the businesses funded under this program have collectively provided NDIS supports to an additional 1,920 people with disability, noting that not all businesses received funding to increase their NDIS participant base. Provider contracts under the Making It Our Business program had also been extended to 30 June 2020, which allowed providers to undertake further sector development work, supporting the growth of the Aboriginal disability sector in NSW.
- 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 the 2019-20 financial year, all of the ISLP projects achieved or exceeded their targets. Achievement has been particularly strong against targets for participation by Aboriginal and Torres Strait Islander people

Australian Qualifications Framework (AQF) Review

The Australian Qualifications Framework (AQF) review has been completed. The AQF Review Panel included NSW Skills Board Member, Ms Marie Persson. The final report was released in October 2019. The Review provided advice on the most appropriate future architecture for the AQF. Essential work to progress the recommendations of the AQF Review will be undertaken through the National Cabinet Reform Committee responsible for skills. This work will progress in two stages. Stage 1 will include creating better pathways into and through tertiary education, developing guidelines to improve credit recognition of microcredentials and prior learning, and ensuring the importance of 'soft skills' such as critical thinking and conflict resolution are recognised in the design of the AQF. Stage 2 will focus on architectural changes to the AQF that will need to be considered alongside the implementation of the VET Reform Roadmap.

Skills Board visit to the Coffs Coast and Clarence Valley region

On 21 and 22 October 2019, the Board visited the Coffs Coast and Clarence Valley region in the NSW Mid North Coast 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 and programs are implemented in regional areas and gain a deeper understanding of practical challenges and opportunities that exist.

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

- Training delivery demands physical connectedness to the market and users. Local issues such as public transport remain a salient barrier for students to attend learning or work experience outside of the usual school routine.
- For Aboriginal learners, it is critical that there is access to strong, community-based mentoring, culturally appropriate training and learning settings, and a holistic approach to student wellbeing.
- The success of VETSS program models and SBATs are largely dependent on proactive leadership, investment, and local resource allocation.
- Collocation of education and training institutions requires a shared educative vision and significant aligned effort to realise benefits.
- Some employers express a preference for skills delivered as small, relevant, and targeted skillsets over a full qualification bundle to prepare people for the workplace.

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 2019 NSW Training Awards were held on 12 September 2019 at the Sydney Town Hall. The Board sponsored the NSW Training Awards as a Platinum Partner, including the NSW

Vocational Student of the Year Award, Apprentice of the Year Award, and the Trainee of the Year Award.

The 2019 Vocational Student of the Year was Christian Fritze, who studied a Certificate III in Barbering at Joblink Plus Training. Tamworth-based Christian has found his perfect position at the 2340 Barbershop thanks to his outstanding efforts in completing his Certificate and his 'can do' attitude. Dedicated and enthusiastic Christian has overcome challenges as a visually impaired person by honing his skills through "lots of practice" allowing him to deliver high standard haircut techniques in the workplace.

A born leader and mentor, Christian aims to study his TAE in order to train up-and-coming barbers. Christian has actively represented his community at the Return to Sport Expo, Compassion Bali Missions and he was the winner of the Air Force Cadets Ian Martin Cadet of the Year Award.

The 2019 Apprentice of the Year was Nelson Florimo, who fulfilled a childhood goal by training in carpentry. Naturally drawn towards projects that functionally and aesthetically enhance neighbourhoods, Nelson completed his Certificate III in Carpentry with North Construction & Building and TAFE NSW.

Nelson thrives on designing and creating from a mixture of resources and materials, showing that great things can be achieved with human skills. Motivated to "leave behind a legacy with each building, renovation, extension or development" he is involved in, Nelson radiates pride for his industry. Nelson won TAFE NSW President's Award for his outstanding work (2017) and was named Winner of the Master Builders Association Commercial Apprentice of the Year award (2018).

The 2019 Trainee of the Year was Samuel Heffernan. Wagga Wagga-based 19-year-old Samuel successfully completed his Certificate III in Sport and Recreation offered by TAFE NSW whilst under the guidance provided of the Catholic Education Diocese of Wagga Wagga. With his newfound skills Samuel confidently organised 32 school sporting carnivals for his Diocese and has coached sporting sides representing the Diocese to a high standard.

The traineeship fuelled Samuel's desire to do further study in the education sector cementing his decision to pursue this vocation in the future. Former School Captain of his College, Captain of his local and school football side and a musical performer, Samuel's training has further enhanced his leadership and communication skills.

Financial Statements NSW Skills Board

For the period ended 30 June 2020

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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 the NSW Skills Board (the Board), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020 the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 2020, 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 (including Independence Standards)' (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 2020 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

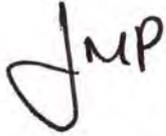
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.

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

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

A handwritten signature in black ink, consisting of the letters 'JMP' in a stylized, cursive font.

Jan-Michael Perez
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

13 October 2020
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 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;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2020 and the financial performance of the NSW Skills Board for the year ended 30 June 2020;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Philip Marcus Clark AO
Chair

Date: 6 October 2020



Ms Helen Zimmerman
Board Member

Date: 6 October 2020

Beginning of the audited financial statements

NSW SKILLS BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Actual 2020 \$000	Actual 2019 \$000
Expenses excluding losses			
Personnel services	2(a)	954	886
Other expenses	2(b)	1,268	1,763
Total expenses excluding losses		2,222	2,649
Revenue			
Investment revenue	3(a)	16	34
Grants and contributions	3(b)	2,200	2,171
Total revenue		2,216	2,205
Net result		(6)	(444)
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(6)	(444)

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	Actual 2020 \$000	Actual 2019 \$000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,934	2,327
Receivables	5	226	22
Total current assets		<u>2,160</u>	<u>2,349</u>
Total assets		<u>2,160</u>	<u>2,349</u>
LIABILITIES			
Current liabilities			
Payables	6	301	484
Total current liabilities		<u>301</u>	<u>484</u>
Total liabilities		<u>301</u>	<u>484</u>
Net assets		<u>1,859</u>	<u>1,865</u>
EQUITY			
Accumulated funds	7	1,859	1,865
Total equity		<u>1,859</u>	<u>1,865</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2019	1,865	1,865
Net result for the year	(6)	(6)
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>(6)</u>	<u>(6)</u>
Balance at 30 June 2020	<u>1,859</u>	<u>1,859</u>
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	<u>(444)</u>	<u>(444)</u>
Balance at 30 June 2019	<u>1,865</u>	<u>1,865</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Actual 2020 \$000	Actual 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(937)	(881)
Suppliers for goods and services		(1,777)	(2,166)
Total payments		<u>(2,714)</u>	<u>(3,047)</u>
Receipts			
Interest received		16	34
Grants and contributions		2,200	2,171
Other		105	115
Total receipts		<u>2,321</u>	<u>2,320</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	<u>(393)</u>	<u>(727)</u>
NET INCREASE/ (DECREASE) IN CASH			
Opening cash and cash equivalents		2,327	3,054
CLOSING CASH AND CASH EQUIVALENTS	4	<u>1,934</u>	<u>2,327</u>

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.

On 1 July 2019 the Board was transferred from the Planning, Industry and Environment cluster to the Education cluster. There is a Memorandum of Understanding (MoU) agreement between the Board and the Department of Education and between the Board and the Department of Planning, Industry and Environment relating to services provided as depicted in Note 2(a) and (b) of the financial statements.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the NSW Skills Board Secretariat on behalf of the Board.

(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 (AAS) (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, which is the Board's presentation and functional 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

Income, expenses and assets are recognised net of the amount of goods and services tax (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 AAS

i. Effective for the first time in FY2019-20

The Board applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-For-Profit Entities*, and AASB 16 *Leases* for the first time. Several other amendments and interpretations also applied for the first time in FY2019-20, but do not have an impact on the financial statements of the Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the Board has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019 and has restated comparatives for the FY2018-19. The Board has used the following transitional practical expedients permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations

The effect of adopting AASB 15 is as follows:

The adoption of AASB 15 did not have an impact on Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flows for the financial year.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the Board has adopted the AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019 and has restated comparatives for FY2018-19. The Board has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the Board to further its objectives, are not restated to their fair value.

The effect of adopting AASB 1058 is as follows:

The adoption of AASB 1058 did not have an impact on Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flows for the financial year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**AASB 16 Leases**

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the Board is the lessor.

Lessee accounting

AASB 16 requires Board to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the entity recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The Board has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

The Board elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The effect of adopting AASB 16 is as follows:

The adoption of AASB 16 did not have an impact on the Statement of Financial Position, Statement of Comprehensive Income or Statement of Cash Flows.

ii. Issued but not yet effective

The following new Australian Accounting Standards have been issued but are not yet effective. NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

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 1059 *Service Concession Arrangements - Grantors*
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-2 *Amendments to Australian Accounting Standards – Implementation of AASB 1059*
- AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform*
- AASB 2019-7 *Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations.*
- AASB 17 *Insurance Contracts*

(g) Going Concern

These financial statements have been prepared on a going concern basis. Covid-19 has not resulted in any material impact on the Board's revenue and expenses. NSW Skills Board receives financial support from the Department of Education. At the date of this report there is no reason not to expect this financial support to continue. The NSW Government has announced that the 2020-21 NSW budget will be delayed from June 2020 until late this year. The delayed 2020-21 NSW budget will not have any impact on Department of Education ability to draw down on the consolidated fund arising from the Treasurer authorising expenses under Section 4.10 of the GSF Act.

2. EXPENSES EXCLUDING LOSSES

	2020 \$'000	2019 \$'000
(a) Personnel services expenses include the following:		
Salaries and wages (including annual leave)	546	491
Superannuation - defined contribution plans	56	51
Payroll tax	40	31
Workers' compensation insurance	16	2
Board member fees and on-costs	296	311
	954	886

Recognition and Measurement**Personnel services**

Personnel services represent the salaries and wages of the Department of Education 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 Education. These costs were incurred by the Department of Education and have been subsequently recharged to the Board as a fee for services rendered when incurred. All related on-costs of these Department of Education employees, such as payroll tax have also been included in this charge.

Board Members fees and on-costs

Board member fees and on-costs include fees for Board member services plus superannuation, payroll tax and departmental on-costs. Board members are not entitled to any leave provisions. During the financial year the Board member fees and on-costs are managed by the Department of Planning, Industry and Environment.

	2020 \$'000	2019 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration – audit of financial statements	24	23
Administration fees*	75	75
Consultancy and other fees	1,101	1,597
Sponsorship	50	50
Travel	14	17
Other operating	4	1
	1,268	1,763

Recognition and Measurement***Administration/Corporate service support charge**

For the year ended 30 June 2020, the Board compensated \$60,000 to the Department of Planning, Industry and Environment and \$15,000 to the Department of Education.

3. REVENUE

Recognition and Measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

	2020 \$'000	2019 \$'000
(a) Investment revenue		
Interest revenue	16	34
	16	34

3. REVENUE (Cont.)

Recognition and Measurement

Investment revenue

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

	2020	2019
	\$'000	\$'000
(b) Grants and other contributions		
Grants – Commonwealth (Projects)	976	976
Grants – Department of Education	1,224	-
Grants – Department of Planning, Industry and Environment	-	1,195
	<u>2,200</u>	<u>2,171</u>

Recognition and Measurement

Grants and contributions

Revenue from grants with sufficiently specific performance obligations is recognised as when the Board satisfies a performance obligation by transferring the promised goods. Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied. Income from grants without sufficient specific performance obligations is recognised when the Board obtains control over the granted assets (e.g. cash).

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 granted assets (e.g. cash).

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

(c) Deemed appropriation

Section 4.7 of the Government Sector Finance (GSF) Act defines deemed appropriation money as government money that the Board (a GSF agency) receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that:

- forms part of the Consolidated Fund; and
- is not appropriated under the authority of an Act

All payments and receipts of the Board's operations fall under the category of deemed appropriations. The statement of cash flows reflect deemed appropriation movement for the Board.

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	1,934	2,327
	<u>1,934</u>	<u>2,327</u>

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

Cash and cash equivalents (per Statement of Financial Position)	1,934	2,327
	<u>1,934</u>	<u>2,327</u>

Refer Note 9 for details regarding credit risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2020	2019
	\$'000	\$'000
CURRENT		
Prepayments	181	-
GST receivable	45	22
	<u>226</u>	<u>22</u>

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

Recognition and Measurement

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

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

Subsequent measurement

The 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.

Impairment

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

The Board recognises a loss allowance based on lifetime ECLs at each reporting date. The Board has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable

6. CURRENT LIABILITIES - PAYABLES

	2020	2019
	\$'000	\$'000
CURRENT		
Payables – Department of Planning, Industry and Environment	-	35
Creditors/Accruals	241	441
Payables – Department of Education	54	-
PAYG tax payable	6	8
	<u>301</u>	<u>484</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

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

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

	2020	2019
	\$'000	\$'000
Net cash used on operating activities	(393)	(727)
Increase / (decrease) in receivables	204	2
Decrease / (increase) in payables	183	281
Net Result	<u>(6)</u>	<u>(444)</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. Compliance with policies is reviewed by the Board on a continuous basis.

(a) Financial instrument categories

Class:	Note	Category	Carrying Amount	
			2020 \$000	2019 \$000
Financial Assets				
Cash and cash equivalents	4	Amortised cost	1,934	2,327
Receivables ¹	5	Amortised cost	-	-
Financial Liabilities				
Payables ²	6	Financial liabilities measured at amortised cost	295	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).

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 Board, 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.

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.

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.

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.

9. FINANCIAL INSTRUMENTS (continued)

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 %	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest Bearing \$'000	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
2020								
Payables	-	295	-	-	295	295	-	-
		295	-	-	295	295	-	-
2019								
Payables	-	476	-	-	476	476	-	-
		476	-	-	476	476	-	-

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 2019. 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. 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:

	2020 \$'000		2019 \$'000	
	-1%	+1%	-1%	+1%
Net Result	(19)	19	(23)	23
Equity	(19)	19	(23)	23

(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 \$307,927 (2019: \$343,291) in respect of the key management personnel services that are provided by a separate management entities, the Department of Planning, Industry and Environment and Department of Education.

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	Provision of grants, accommodation and administrative services.
Department of Planning, Industry and Environment	Provision of 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 (2019: Nil).

12. COMMITMENTS

As at the reporting date there were no commitments outstanding (2019: Nil).

13. EVENTS AFTER THE REPORTING PERIOD

There are no events subsequent to the balance date that affect the financial information disclosed in this financial report.

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:

nswskillsboard.secretariat@det.nsw.edu.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 5.

Management and structure

Refer to Board Members, pages 6-11.

Summary review of operations

Refer to The Year in Review, pages 14-21.

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 14-21.

Research and development

See The Year in Review, pages 14-21.

Human resources

There were six board members at 30 June 2020. There were no exceptional movements in wages, salaries or allowances. At 30 June 2020, the Board's secretariat comprised 6 equivalent full-time employees of the Department of Education, Skills and Higher Education Division, 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	\$123,153.63 \$144,521
Female		2		1	1
Male					2

Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2019-2020 financial year was 0.

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

Consultants

Engagements ≥\$50,000 incl GST

Consultant	Costs \$	Title
The Social Research Centre	\$202,254.48	<i>NSW Student Outcomes Survey of VET Graduates 2019</i>
The Social Research Centre	\$70,205.85	<i>NSW Student Outcomes Survey of VET Graduates 2018</i>
National Centre for Vocational Education Research	\$136,480.30	<i>NSW Student Outcomes Survey of VET Graduates 2019</i>
Centre for International Economics	\$75,400	<i>The development of a HECS-style VET Student Loans scheme</i>
Commonwealth Department of Education and Training	\$82,408.70	<i>Employer and VET Survey Pilot – milestone 4 and 5</i>
Western Sydney University	\$110,000	<i>Educational Pathways Pilot Program Evaluation</i>
Burning Glass International Inc	\$406,780	<i>Skills Balance Dashboard</i>
The Boston Consulting Group	\$326,904.60	<i>COVID-19 Labour Impacts and Skills Response</i>

Engagements <\$50,000 incl GST

Consultant	Total Cost	Title
Nous Group	\$41,500	<i>Review of Skills Board Act</i>

Disability Inclusion Action Plans

The Board adhered to the NSW Government's Disability Policy Framework through the Department of Education'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 in 2019-20.

Consumer response

The Board is open to, responds to and addresses any suggestions or complaints it receives. Any complaints up to 30 June 2020 to the Board are dealt with according to the Department of Education complaints handling policy.

Payment of accounts

All suppliers

Measure	September 2019	December 2019	March 2020	June 2020	Full Year
Invoices due for payment (Number)	6	7	1	6	20
Invoice paid on time (Number)	1	4	1	3	9
Percentage paid on time (%)	16.7%	57.1%	100.0%	50.0%	45.0%
Amount due for payment (\$)	\$263,365.69	\$456,235.86	\$16,637.78	\$677,994.60	\$1,414,233.93
Amount paid on time (\$)	\$20,000	\$208,546.86	\$16,637.78	\$318,090	\$563,274.64
Percentage paid on time (%)	4.4%	45.7%	100.0%	46.9%	39.8%
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 2019	December 2019	March 2020	June 2020	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 2019	\$263,365.69	\$24,200	\$82,408.70	\$0	\$136,757
December 2019	\$456,235.86	\$0	\$44,299	\$0	\$203,390*
March 2020	\$16,637.78	\$0	\$0	\$0	\$0
June 2020	\$677,994.60	\$98,070.50	\$261,834.10	\$0	\$0

* Delays in payments were predominantly due to ongoing complications arising from machinery of government changes that resulted in the Skills Board's financial management taking place across two Departments' systems (Department of Education and Department of Planning, Industry and Environment) for the duration of the financial year.

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 2019	\$0	\$0	\$0	\$0	\$0
December 2019	\$0	\$0	\$0	\$0	\$0
March 2020	\$0	\$0	\$0	\$0	\$0
June 2020	\$0	\$0	\$0	\$0	\$0

Risk management and insurance activities

Insurance policies to 30 June 2020 are the responsibility of Department of Education'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 Education, Skills and Higher Education Division. The Board supports the Department of Education's Workforce Diversity initiatives.

Multicultural Policies and Services Program

The Board supports the Department of Education, Skills and Higher Education Divisions' 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 Education for Board and Secretariat costs and a Commonwealth grant for research activities, as reflected in the financial statements on page 27. The Department of Education and the Board agreed on a Budget of \$1.223 million for Board and Secretariat costs for 2019-20. The Board also received a \$976,000 Commonwealth grant to fund research activities.

Expenditure Area	Function of Budget Area	Total Budget 2019-20
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	\$677,301
Board Members Fees including On Costs	Independent advice to the NSW Government on the vocational education and training (VET) system	\$372,300
Board Meeting Expenses	Board Meeting, Reference Group and Regional Visit expenses	\$25,096
Secure Board Portal Software	Annual Subscription to secure portal for meeting papers and governance	\$15,756
Sponsorship	Support of the NSW Training Awards	\$50,000
Other Expenses	Audit fees, payments to Department under MoU, travel costs, administrative costs	\$113,317

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 2020 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 2019-2020 Financial Year for the NSW Skills Board (Department of Education)

I, Dorothy Rao, 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 2019-2020 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*.

A handwritten signature in black ink that reads "D. Rao". The signature is written in a cursive style with a horizontal line underneath the name.

DOROTHY RAO
A/LEADER
NSW SKILLS BOARD SECRETARIAT

2 October 2020

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