



NSW
Skills
Board

NSW SKILLS BOARD

**ANNUAL
REPORT
2023**



NSW Skills Board

Annual Report 2023

The Hon. Steven James Robert Whan, MP
Minister for Skills, TAFE and Tertiary Education
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

In accordance with the provisions of the Annual Reports (Statutory Bodies) Act 1984, it is our pleasure to submit a copy of the 2023 Annual Report of the NSW Skills Board, which covers the work of the Board from 1 July 2022 to 30 June 2023.

Yours sincerely



Steven Worrall, Chair NSW Skills Board



Alan Lipman, Member NSW Skills Board

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Chair's overview



The NSW Skills Board plays a key role in providing independent advice to the Minister about the vocational education and training sector and how best to meet the skill needs of NSW.

The Board's Plan included a focus on:

- Identifying priority industries to analyse and develop responses to their skills issues
- Consulting with individual employers at a local level to provide insights about regional, industry or thematic skills issues (these have included regional, foundation skills, tech industry, care industry and construction)
- A focus on improving equity outcomes
- Supporting data and research to improve outcomes.

The priority industries selected by the Board (digital, care and construction sectors), all face major skills shortages and are recognised as priorities at the state and federal level.

For the digital sector and ICT skills, the Board supported an important research report on demand, supply, shortages and potential solutions. The Board established an Industry Working Group with people from industry, training providers, Business NSW, Department of Education, digital peaks and the Digital Skills Organisation to share issues and solutions. This led to the development of a NSW Digital Skills and Workforce Compact (2023-30), outlining six pillars of action. Over 25 compact partners then supported the development of the 2023-25 Action Plan to support implementation of that compact. I am pleased to note that this approach and extent of collaboration has been widely recognised as nation leading.

For the construction sector, the Board established an Industry Working Group, which noted the extent of work by other groups across NSW and identified some areas for focus to be addressed. The report of that group will be completed by the end of 2023.

For the Care Sector, the Board supported an important research report on demand, supply, shortages and potential solutions for the care sector in NSW. The report was shared across relevant NSW agencies and relevant Department of Education work units to shape work to address skills needs. Further work helped to understand the range of programs and extensive developments nationally and will provide advice about actions for NSW. An initial report will be completed by the end of 2023.

As vacancies in the Board were filled, the Board was able to restart its research program in 2023, with proposals submitted for consideration of the Minister. The Board continued to fund improved data through the NSW Student Outcomes Survey.

The Board supported outstanding achievements by students, teachers, training organisations and employers in the vocational education and training sector, as a Platinum Partner of the NSW Training Awards.

I would like to thank all current and former Board members for their significant contributions throughout the year. In particular, I acknowledge the work of outgoing members, Mr Gregory Whitby and Professor Paul Chandler.

**Steven Worrall, Chair
NSW Skills Board**

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 are specified in section 6 of the *NSW Skills Board Act 2013*, and are to:

- a) provide the Minister with an independent, strategic perspective on the vocational education and training system in New South Wales
- b) 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) 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) 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) collect and analyse labour market intelligence, in particular intelligence on skills shortages and future skills and workforce development needs in New South Wales
- f) 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) oversee quality assurance in the vocational education and training system in New South Wales
- h) ensure the availability of accurate consumer information on vocational education and training in New South Wales and appropriate consumer protections
- i) commission and conduct enquiries and research into any matter relevant to the functions of the Board
- j) advise on strategies for more effective educational pathways between secondary school, vocational training and higher education in New South Wales
- k) consult widely with reference groups and other representative bodies and persons in the vocational education and training industry
- l) 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) perform such other functions conferred or imposed on it by or under this or any other Act.

Governance and Board members

Board Members

Members of the NSW Skills Board are appointed by the Minister for Skills and Training and NSW Cabinet. Members have significant experience and expertise in skills and tertiary education, business and industry, indigenous education and employment, government, economics, and finance.

Board members as at 30 June 2023

- Mr Steven Worrall, Chair, Managing Director, Microsoft Australia
- Ms Robyn Delander, CEO of Health & Safety Advisory Service Pty Ltd
- Ms Jillian Kilby, Managing Director, The Stable Group
- Mr Alan Lipman, CEO, Romar Engineering (member from 1 August 2022)
- Ms Annabel Crookes, Executive Board Member at Laing O'Rourke Australia (member from 1 October 2022)
- Mr Arnie Selvarajah, Chartered Accountant, CEO and Executive Director of Bell Direct (member from 1 August 2022)
- Mr Jordan O'Reilly OAM, CEO and Co-founder of Hireup
- Ms Chloe Read, ex-officio, Deputy Secretary, Education and Skills Reform, NSW Department of Education

Former Board members

- Professor Paul Chandler, Honorary Professor UNSW (term of appointment ended 31 December 2022)
- Mr Gregory Whitby AM KSG, Executive Director, Catholic Education Diocese of Parramatta (term of appointment ended 31 December 2022)

Current Board Members

Steven Worrall



Steven Worrall is Managing Director, Microsoft, and is responsible for the overall business in Australia. He ensures that the company meets the needs of its customers and the more than 11,000 partners and independent software vendors that sell or build on the Microsoft platform.

Steven joined Microsoft in March 2014 as Director, Enterprise and Partner Group responsible for driving business growth and building strong customer and partner relationships in the Australian Commercial and Public Sector markets. In this role, Steven worked with organisations to drive innovation and business improvement through the application of technology in many areas, including productivity solutions, mobility and cloud services.

Steven is a passionate advocate for diversity and inclusion with a particular focus on improving Indigenous inclusion and addressing wellbeing and mental health in the workplace. Steven is the founding Chair of Corporate Mental Health Alliance in Australia and the Microsoft Global Indigenous Employee Resource Group Executive Co-Sponsor. Steven is also committed to a sustainable and inclusive future and is a founding member of the Climate Leaders Coalition in Australia.

Steven holds an Honours degree in Electrical Engineering and a Master's in Business Administration. He is a member of the Australian Institute of Company Directors and lives in Sydney with his wife and three children.

Robyn Delander



Robyn is the Owner/CEO of Health & Safety Advisory Service (HSAS) Pty Ltd, a private RTO, with dual campuses located in outer Western Sydney. She has multi-faceted qualifications and expertise in Early Childhood, Primary School & Diverse Needs, together with Applied Science, Work Health & Safety sectors.

HSAS is a niche training provider for a wide range of key infrastructure projects across NSW including: road, tunnel, rail, energy, air and water, namely Sydney Metro, WCX, Parramatta Light Rail, Central and Western Tunnelling Packages, M6 and M12, Sydney Water, TransGrid, Western Sydney Airport and Sydney Gateway.

Robyn was previously employed by TAFE NSW as a faculty teacher and served in various corporate state-wide marketing and training consultancy positions with TAFE Plus, the commercial arm of TAFE NSW. Other educational roles included a range of rural, regional, community-based and outreach programs across early childhood, school age, sport and recreation and the higher education sectors.

Robyn maintains close links with the major infrastructure contractors, their associated subcontractors and state regulators to remain at the forefront of implementing industry best practice training solutions across the breadth of NSW government funded projects.

Jillian Kilby



Jillian Kilby is the Managing Director of The Stable Group, a regional consulting company firmly fixed in its pursuit to leave a legacy of change in regional Australia. She is a Fellow of the Institute of Engineers Australia, an Australian Sir John Monash Scholar and holds an MBA and Public Policy Masters from Stanford University.

In 2018, Jillian founded and self-funded The Exchange, a regionally based social impact organisation focused on community and coworking. Jillian bought and renovated an 1880s iconic post office in Dubbo, an old Cordial Factory in Narrabri and a State Heritage Listed Bank which have been restored and converted into vibrant coworking spaces. She was the 2013 NSW/ACT Rural Woman of The Year.

Jillian holds a number of advisory roles, including as Director of the James Martin Institute for Public Policy, Member of the Council for Women's Economic Opportunity, Chair of the Regional Advisory Panel for the Daily Telegraph Bush Summit, and Member of the NSW Skills Board.

She holds degrees in Civil Engineering (Sydney), Master of Business Administration (Stanford), Master of Public Policy (Stanford) and is a graduate of the Australian Institute of Company Directors.

Arnie Selvarajah



Arnie Selvarajah is a Chartered Accountant and an Executive with multi-industry experience. He is currently the CEO and Executive Director of Bell Direct, Australia's fastest growing online broker utilising innovative technology to create a unique service model.

He has experience in transforming traditional business models to leverage digital opportunities and applying technology to lift customer satisfaction. Arnie was a General Manager for Commonwealth Bank Local Business Banking as he led the NSW and ACT team in transformation of the Local Business Banking unit, encompassing 140 staff and \$105 million in annual revenue.

He was previously CEO and Finance Director of Food Service Associates, and Vice President in Strategy of Bankers Trust Funds Management.

Annabel Crookes



Annabel has more than 22 years' experience in the construction industry and is an experienced director, general counsel, and company secretary.

Over the last 16 years, Annabel has held several leadership positions at Laing O'Rourke Australia. Joining Laing O'Rourke in 2007 as Corporate Counsel, Annabel was the second lawyer to join the in-house Legal team, playing a leading role in developing the organisation's internal Legal capability.

In 2011 Annabel stepped into a broader leadership role as General Manager of Laing O'Rourke's Human Capital and Legal teams and Company Secretary. In 2018 Annabel became the first female member of the Australian Executive Committee and currently leads the Legal, Risk and Company Secretarial functions in Australia. From 1 April 2023 she also took on a role as Director – Delivery for a number of Victorian rail projects. Annabel is an integral member of Laing O'Rourke's executive and works closely with Group representatives to ensure appropriate and industry leading practices are in place.

Annabel was elected as the first female President of the Australian Constructors Association in November 2022 having previously been a Vice President and Director. She is also an executive lead of the Construction Industry Leadership Forum which is a collaboration of NSW, Queensland and Victorian government agencies and industry to create a sustainable and productive construction industry.

Annabel is a graduate of the Australian Institute of Company Directors (2014), completed her MBA at the AGSM (2011), and Bachelor of Laws from UNSW (1998).

She also holds external Directorship roles in the not-for-profit sector.

Alan Lipman



Alan Lipman is the CEO of Romar Engineering. Romar is a Sydney-based manufacturing company with an annual turnover of \$8-10 million and employs 70 staff including 30 engineers.

Romar focus on high value areas including injection moulding, biomedical components, moulding silicon for biomedical applications, 3D printing, and fluid motion controls for the space and defence sectors.

Alan was the Chair of K Care Healthcare Equipment from 2015 to 2017. He was also the Chair of the Consumer Advocacy Panel from 2013 to 2015 for the Australian Energy Market Commission, and Chair of the NSW Smart Meter Task Force from 2012 to 2013.

Jordan O'Reilly



Jordan O'Reilly OAM is the co-founder of Hireup, an online platform that gives Australians with disability the power to find, hire and manage their own personal care support team.

As the leading support platform for people with disability and their families in Australia, Hireup supports 10,000 clients annually and employs a similar number of support workers.

Previously, Jordan co-founded Fighting Chance, an award-winning not-for-profit organisation which creates social enterprise solutions to some of the most pressing challenges in the disability sector. Mr O'Reilly recently served on the Westpac Stakeholder Advisory Council and is an Advisory Board member for the NSW Public Service Commission.

Jordan has been awarded numerous honours for his service to the disability community, including an Order of Australia Medal (OAM), the Westpac Social Change Fellowship, the EY Young Entrepreneur of the Year award, and the Queen's Young Leaders Medal.

Chloe Read



Chloe Read is the Deputy Secretary, Education and Skills Reform. Chloe has a background in public sector education, having worked in this setting for the last 20 years in Tasmania and New South Wales.

She joined the NSW Department of Education in 2014 and has worked in several senior roles.

With experience in policy, project, IT, and leadership roles, across schools and skills Chloe brings business and technical knowledge and is focused on ensuring our schools and services have what they need to support world class education for all learners across the state of NSW.

Former Board members

Gregory Byrne Whitby AM KSG



Greg served as member of the Board from 1 January 2021 to 31 December 2022.

Greg has been Executive Director, Catholic Education Diocese of Parramatta since 2006. The Diocese consists of 80 schools in the Greater Western suburbs of Sydney, 43,000+ students and 5,000+ staff. Greg previously worked as Director of Schools, Catholic Education Office, Diocese of Wollongong (1999-2006). He had responsibility for 29 primary schools and 6 secondary schools where 16,000 students were taught.

Greg is currently the Acting Chair for Catholic Network Australia (CNA). He is also on the

Australian Council for Educational Leaders NSW Branch Board (NSW ACEL); Director for Group Colleges Australia Board (GCA); Board member for the University of Sydney Teacher Education Advisory Board (TEAB). Greg is a Fellow of the Australian Council of Educational Leaders (ACEL); Fellow of the Australian College of Education (ACE); Member of the Australian Institute of Management (AIM); Member of the Australian Institute of Company Directors (AICD) - Apple Distinguished Educator; Fellow of Western Sydney University. Recipient of the AW Jones Oration Medal for Outstanding Australian Educator; recipient of the Papal Knighthood in the Order of St Gregory the Great; recipient of the Sir Harold Wyndham Medal (ACE); recipient of the AM – Member of the General Order of Australia.

Professor Paul Chandler



Emeritus Professor Paul Chandler (UOW), Honorary Professor (UNSW) BSc. (Hons). MEd. MSc (Psych) PhD MIACD.

Bidjigal Man.

Professor Chandler completed his PhD at UNSW in 1993, being the first Aboriginal person to do so. He continued his research under an ARC Fellowship into human cognition and learning and was acknowledged as one of the faculty's most popular lecturers.

Paul went on to serve two terms as Head of the School of Education at UNSW. He remains one Australia's most innovative researchers and his work is widely utilised worldwide. In 2007, Professor Chandler was recognised as one of the top 10 Scientists in Australia. At UNSW he also Chaired the Review that led to the establishment of Nura Gili.

He joined the University of Wollongong (UOW) in 2007 as the first and only Aboriginal Faculty Dean. His team transformed the Faculty of Education into a teaching and research powerhouse (now rated as number one by QILT). As the intellectual vision behind the \$44 million Early Start Project, he moved into the role of the Executive Director of Early Start throughout the planning stages until the project was formally established. He remains the Foundation Chair of Early Start and was recently inducted as "Uncle in Residence" at Woolyungah Indigenous Centre, UOW. Professor Chandler was appointed Pro-Vice Chancellor (Inclusion and Outreach) at UOW, where he spearheaded their

Inaugural Aboriginal Strategy.

He retired from UOW in 2020 and moved into semi-retirement at UNSW and now UOW. His research examines the psychological effects of bushfires on children and the effect of PFAS contamination on cultural practices and teachings at Wreck Bay. He sits on the Advisory panel with the \$300 million ARC Digital Child project. In addition to his work on the NSW Skills Board, he sits on numerous boards that focus on social justice. He consults heavily on First Nations initiatives for many companies.

Board meetings

There were three Board meetings in 2022-2023:

Table 1: Attendance at Board Meetings*

Member	Meetings eligible to attend	Meetings attended
Steven Worrall	3	3
Robyn Delander	3	3
Jillian Kilby	3	3
Arnie Selvarajah	3	3
Annabel Crookes	2	2
Alan Lipman	3	3
Jordan O'Reilly	1	0
Chloe Read	3	2
Paul Chandler	2	2
Greg Whitby AM KSG	2	1

*Note: Board meetings during 2022-2023 were held at a physical location (including some virtual attendees).

Corporate governance structure

The NSW Skills Board's Code of Conduct for Board Members outlines the values, principles and standards of behaviour expected of Board members, its reference groups and committees. The NSW Skills Board is a NSW Government Board and is subject to relevant NSW Government guidelines and legislation.

The Code of Conduct has been developed to ensure best practice and high standards of corporate governance and conduct of the Board. The Code of Conduct was developed with regard to the ethical framework outlined in the Government Sector Employment Act 2013, the NSW Premier's Department's NSW Government Board and Committee Guidelines, and Chapter 8 of the Model Code of Conduct, which is outlined in the NSW Public Service Commission's Personnel Handbook (Version 13.3, 2013).

The Code of Conduct provides that a member must declare interests to the Board, including positions and pecuniary interests in corporations, partnerships or other businesses that may be relevant to the activities of the Board. Personal Interest Declaration forms are completed by all members annually to mitigate risks related to potential interests.

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 the Board's statutory and policy requirements transparent and provides evidence of the Board's endeavours to meet its obligations and ensure accountability for complying with obligations. The Board also maintains risk register, which includes key strategic and operational risks.

A Memorandum of Understanding was established in December 2021 between the Board, the Department of Education, and the NSW Education Standards Authority, 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.

The Board continues to be supported by a Secretariat in the Education and Skills Reform Branch within the NSW Department of Education.

Research Committee

Membership of the Research Committee as at 30 June 2023 was as follows:

- Arnie Selvarajah, Chair
- Alan Lipman (Member)
- Annabel Crookes (Member)

On 13 December 2022, the Skills Board approved the re-establishment of the Skills Board Research Committee, following a pause since March 2022. The re-established Research Committee held its first formal meeting on 7 March 2023, with a second meeting on 16 June 2023. In these meetings, the Research Committee have been progressing the Board's research program to support the Government's skills agenda. The Research Committee also endorsed a set of assessment criteria to provide a clear, consistent and transparent framework for research funding decisions.

Year in review

The Board worked with the Hon Allister Andrew Henskens, SC, Minister for Skills and Training, for the period from the 21 December 2021 to 28 March 2023. The Board then worked with the then Minister for Skills, TAFE and Tertiary Education, the Hon Tim Crakanthorp for the remainder of the financial year.

The ICT and Construction Workforce Industry Working Groups (IWGs) established under the Board's Industry Engagement Plan continued their work. Each IWG invited industry and sector experts and employer groups and representatives to identify and propose solutions to complex skill and workforce related issues facing the sector.

Further, the Board continued to engage directly with individual employers from various industries, including the care sector, finance and professional services sector, and retail and hospitality sectors. The employer consultation sessions helped to identify current and future skills needs, industry workforce issues, as well as potential solutions to identified issues.

Industry Working Groups (IWGs)

The Board's Industry Engagement Plan identified three initial priority industries:

1. Construction Workforce
2. Information and Communications Technology (ICT)
3. Aged Care and Disability Services (AC&DS)

1. Construction Workforce IWG

The Construction Workforce IWG continued in 2022-2023 with meetings held in October 2022 and April 2023. Robyn Delander chaired and Chloe Read, Deputy Secretary, Education and Skills Reform, was the Vice Chair. Membership consisted of a diverse group of employers, government representatives and the relevant industry training advisory bodies.

The Construction Workforce IWG engaged with employers through the formation of seven focus groups who identified potential solutions and actions to address specific skills issues.

The focus groups were:

1. Heavy haulage and vulnerable road users
2. Women in trades
3. Tunnelling
4. Leadership, safety and project management
5. Residential construction skills for small to medium enterprises

6. Engagement with secondary schools, and
7. Electro-technology trades.

Many of the initiatives and ideas recommended by the Focus Groups have been flagged with relevant stakeholders and where appropriate the Board will support future work. A final report on the work of the Construction Workforce IWG, with findings and recommendations, will be submitted to the Board for their consideration.

2. Information and Communications Technology (ICT) IWG

The ICT IWG continued in mid-2022 to discuss the potential for a collaborative program of work between the digital industry, NSW Government, and education and training providers to address the projected digital skills shortage of 85,000 workers by 2030. Ongoing discussion with members of the ICT IWG, as well as consultation with national peak bodies, such as the Digital Skills Organisation and Tech Council of Australia, throughout July and August 2022, resulted in the formation of the 2023-2030 NSW Digital Skills and Workforce Compact in December 2022.

The 2023-2030 NSW Digital Skills and Workforce Compact is an innovative collaboration which harnesses the resources and creativity of government, industry and the education and training sector to meet shared workforce challenges. Partners continued to sign up to the Compact throughout January to May 2023 and as of 22 August 2023, Compact Partners include Accenture, ACFIPS, Australian Computer Society, Australian Information Industry Association, Akkodis, Amazon, Business NSW, Commonwealth Bank Australia, Future Skills Organisation, IAT Digital, ITECA, LinkedIn, Microsoft, National Australia Bank, Salesforce, Seek, TAFE NSW, Tech Council of Australia, Telstra, Westpac Group, Woolworths Group, the NSW Vice Chancellors' Committee (representing all 15 NSW/ACT Universities) and the NSW Government.

The Compact's six pillars of action decided by all partners are:

1. Change the way people think about digital careers
2. Plug the leaks in training and careers
3. Help people move into digital careers
4. Drive diversity in the workforce
5. Make training more responsive to industry needs, and
6. Use government levers to drive digital job growth.

In April 2023, Nous Group was engaged to assist the development of the 2023-2025 Action Plan and Evaluation Framework. Extensive consultations with Compact Partners occurred throughout May-July 2023, beginning with one-on-one consultations with each Compact Partner to assess the scope and scale of existing work. This was followed by an all-day workshop with senior representation from 23 Partners on 7 June 2023, and an additional 8 focus groups with 40-50 attendees per session in late June.

The 2023-2025 Digital Compact Action Plan was released to Compact Partners in early September

2023. Following this, implementation of the work on the 2023-2025 Digital Compact Action Plan will begin.

3. Age Care and Disability Services / Care Economy

The Board identified Aged Care and Disability Services as the third industry it would engage with using an IWG approach. However, operational pressure experienced by the industry in responding to and managing the impact of Covid-19 on its workforce and client base delayed the establishment of this group.

In 2023 under the leadership of Co-Chairs Alan Lipman and Jordan O'Reilly, further scoping of this work commenced. The Secretariat prepared an environmental scan after consulting with a range of stakeholders across government and the community services sector.

The aim of the consultations was to inform the IWG of existing programs to avoid duplication of effort, recognising opportunities to leverage, identify gaps and inform scope.

The Chairs agreed that an Industry Working Group for the Aged Care and Disability Support sectors is not an appropriate mechanism to support skills and training in these sectors. Instead, it was agreed to establish a Care Economy Subcommittee which broadens the scope, with an initial focus on Aged Care and Disability Support.

A State of the Sector Report focusing on Aged Care and Disability will be presented to the Board in late 2023 as a segway to forming a point of view on the Care Economy.

Industry engagement

The Board continued its industry engagement program through targeted employer consultation sessions in February 2023. Board members met virtually with representatives from several employers and industry organisations, which provided the Board with rich insights into skills issues affecting industry at the grassroots level. The aim of the sessions was to better understand employer experience of foundation level skills among employees and job applicants and their views on issues and solutions.

Improving foundation skills for the workforce is an enduring issue for NSW and the Commonwealth. Highlights from the sessions have been shared with relevant department units and can be used to inform the department's programs and policy reform work on foundation skills.

Research projects

Under the *Skills Board Act 2013*, the Board has a mandate to commission and conduct inquiries and research into any matters relevant to the functions of the Board. The projects active during 2022-23 are summarised below.

1. Student Outcomes Survey

In 2022-23, 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, satisfaction levels with training, and further study outcomes. This work supports the Board's objective to ensure work on skills is led by robust data and measures for VET outcomes. 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.

Using the SOS data, the Department of Education has revised the Skills NSW website, which provides a variety of performance indicators for each Smart and Skilled Provider to assist students to select a suitable provider.

The 2023 SOS will be the last SOS funded by the Board. Future versions of the NSW SOS will be funded directly by the Department as it transitions to surveys that use the Qualtrics survey platform. Funding for the NSW SOS was previously approved for the 2022 and 2023 surveys, while the Department transitions towards using the Qualtrics survey platform. This is intended to improve the timeliness of survey data and provide greater flexibility for the Department to deliver surveys to meet specific data needs.

2. Educational Pathways (Data) Project

In 2020, the Board committed funding to update and enhance the capability of the Educational Pathways (Data) Asset. This Data Asset project was initially commissioned in late 2017 by the Department of Premier and Cabinet, the Department of Industry and the Department of Education and aims to build an evidence-base for future policy reform. The 2017-2020 pilot followed the education to employment journey of 3.5 million young people aged 15-24 from 1996-2016. This identifies the most common pathways from education to work and factors that influence employment and earning outcomes.

The expanded and updated 2020 Data Asset Program builds on the pilot and uses background, education and employment data of students and learners from a wider cohort (Year 7 to age 67) in NSW from 1996. The program is designed to provide information that will improve the education system including helping young people make better informed decisions about education-to-employment pathways. The Data Asset will assist the Board by generating statistical insights into the pathways young people take from school and tertiary education to employment.

Smart and Skilled

The Board continued to provide strategic oversight of the Smart and Skilled program.

NSW Skills List

The Board no longer approves individual qualifications to be added or removed from the NSW Skills List. In 2022-23, it endorsed a new approach to adding qualifications to the Skills List. This will be followed with a planned holistic Skills List review process expected in early 2024 – which will include both application-based additions as well as proactively identifying qualifications for addition and removal.

NSW Training Awards

The Board sponsors the NSW Training Awards as a Platinum Partner every year, for 2023 the board champion the Large Training Provider category and the Aboriginal and Torres Strait Islander Student of the Year Award.

[The NSW Training Awards](#) are conducted annually by Training Services NSW within the Department of Education 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.

For organisations, the Awards are the perfect platform to showcase the organisations' commitment to VET. Entering the Awards raises the profile of the organisation and the awareness of the industry to the organisations' dedication to skills for the workforce.

For individuals, the Awards provide a unique opportunity to celebrate their achievements and hard work. Nominating an individual for an award can open many doors and potentially become a stepping stone in their careers.

The 2022 Large Employer of the Year was ECTARC.

ECTARC is a dynamic, community-owned, non-profit Registered Training Organisation (RTO), that specialises in early childhood training and professional development.

As a leading RTO, with a vision of enriching futures for children, families, students and communities, ECTARC has built an enviable reputation for high-quality training. Boasting strong connections across the sector, ECTARC design and develop interactive and engaging training programs.

Embracing market-leading technologies, ECTARC pride themselves on their student-centred approach to early childhood training, committed to delivering a productive and highly-skilled workforce.

Not only servicing the needs of their own students, ECTARC has recently partnered with the Illawarra YES (Youth Employment Strategy) Program, to offer pre-vocational training to local unemployed youth, as a pathway to traineeships.

ECTARCs approach to training is extensive, inclusive and respectful. By developing industry-leading, interactive and engaging training programs, ECTARC continues to be a 'go-to' early childhood training provider for both the industry, and government.

The 2022 Aboriginal and Torres Strait Islander Student of the Year was Jade Barrington. Whilst studying her HSC, Jade undertook a school-based traineeship to support her entry into university. With hopes of one day becoming a Primary School Teacher, Jade studied a Certificate II in Business Services and has gained invaluable knowledge, experience and confidence through working with the NSW Department of Education.

Volunteering in her own time to tutor younger students at the Wreck Bay Community Centre, Jade has an obvious passion for teaching and strives to be a role-model to the younger members of her community.

An exemplary student that applies herself to every task, Jade is a proud representative of her community, committed to bringing out the best in those under her care.

Financial Statements

NSW Skills Board

For the period ended 30 June 2023

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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 by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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:

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

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).

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

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

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

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

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, the GSF Act, GSF Regulation and Treasurer's Directions. The members of the Board's responsibility also includes 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.



Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

25 October 2023
SYDNEY

NSW Skills Board
Financial Statements
30 June 2023

NSW Skills Board
Statement by the Accountable Authority

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state that these financial statements:

- (a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- (b) present fairly the NSW Skills Board's financial position, financial performance and cash flows.



Steven Worrall
Chair

Date: 23 October 2023



Alan Lipman
Board Member

Date: 23rd October 2023

NSW SKILLS BOARD

Statement of Comprehensive Income for the year ended 30 June 2023

		Actual 2023 \$'000	Actual 2022 \$'000
	Notes		
Expenses excluding losses			
Personnel services	2(a)	957	849
Other expenses	2(b)	932	351
Total expenses excluding losses		1,889	1,200
Revenue			
Investment revenue	3(a)	97	5
Grants and other contributions	3(b)	2,279	2,253
Total revenue		2,376	2,258
Net result		487	1,058
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		487	1,058

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Financial Position as at 30 June 2023

		Actual 2023 \$'000	Actual 2022 \$'000
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,118	2,616
Receivables	5	4	2
Total Current Assets		3,122	2,618
Total Assets		3,122	2,618
LIABILITIES			
Current Liabilities			
Payables	6	94	77
Total Current Liabilities		94	77
Total Liabilities		94	77
Net Assets		3,028	2,541
EQUITY			
Accumulated funds	7	3,028	2,541
Total Equity		3,028	2,541

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Changes in Equity for the year ended 30 June 2023

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2022	2,541	2,541
Net result for the year	487	487
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>487</u>	<u>487</u>
Balance at 30 June 2023	<u>3,028</u>	<u>3,028</u>
Balance at 1 July 2021	1,483	1,483
Net result for the year	1,058	1,058
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>1,058</u>	<u>1,058</u>
Balance at 30 June 2022	<u>2,541</u>	<u>2,541</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Cash Flows for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel Services		(932)	(849)
Suppliers for goods and services		(942)	(606)
Total Payments		<u>(1,874)</u>	<u>(1,455)</u>
Receipts			
Interest received		97	5
Grants and other contributions		2,279	2,253
Total Receipts		<u>2,376</u>	<u>2,258</u>
NET CASH FLOWS FROM / (USED) OPERATING ACTIVITIES		<u>502</u>	<u>803</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10	502	803
Opening cash and cash equivalents		2,616	1,813
CLOSING CASH AND CASH EQUIVALENTS	4	<u>3,118</u>	<u>2,616</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 Sector Accounts.

Effective 1 December 2021 the Board, the Department of Education (the 'DoE') and the NSW Education Standards Authority ('NESA') entered into a Memorandum of Understanding ('MOU') under which the DoE and NESA will provide corporate service functions as depicted in Note 2(a) and (b) of the financial statements to the Board.

These financial statements for the year ended 30 June 2023 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 and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Judgments, 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) Going Concern

These financial statements have been prepared on a going concern basis. 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.

(d) Statement of compliance

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

The Skills Board receives its funding under grant funding received from the NSW Department of Education which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or release of the 2023-24 Appropriation Act

(e) 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 (ATO) is recognised as part of an asset's cost of acquisition 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 ATO are classified as operating cash flows.

(f) Comparative information

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

(g) Changes in accounting policies, including new or revised AAS

(i) Effective for the first time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards as follows:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date
AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

First-time adoption of the above new standards have no material impact on the Board's financial performance and position.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(ii) Issued but not yet effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective:

AASB17 Insurance Contracts

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and

Editorial Corrections

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments

AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128

Editorial Corrections

AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information

The Board has assessed the impact of the new standards and interpretations issued but not yet effective where relevant and considers the impact to be not material.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

2. Expenses Excluding Losses

	2023 \$'000	2022 \$'000
(a) Personnel services expenses include the following:		
Salaries and wages (including annual leave)	549	504
Superannuation - defined contribution plans	57	50
Payroll tax	32	26
Workers' compensation insurance	13	13
Board member fees and on-costs	306	256
	<u>957</u>	<u>849</u>

Recognition and Measurement

Personnel services

The Board does not employ staff but uses the personnel services of the Department of Education. The costs of salaries, superannuation, annual leave, and sick leave are disclosed as personnel services. Ninety per cent of personnel costs are paid by the Board to the Department of Education (excluding long service leave).

Board members fees and on-costs

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

	2023 \$'000	2022 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of the financial statements	25	28
Administration fees	76	75
Consultancy and other fees	780	237
Sponsorship	50	-
Travel	1	2
Other operating expenses	-	9
	<u>932</u>	<u>351</u>

Recognition and Measurement

Corporate service support charge

For the year ended 30 June 2023, the Board compensated \$76,312 (FY2022: \$43,750) to the NSW Education Standards Authority.

3. Revenue

Recognition and Measurement

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.

	2023 \$'000	2022 \$'000
(a) Investment revenue		
Interest revenue	97	5
	<u>97</u>	<u>5</u>

Recognition and Measurement

Investment revenue

Interest revenue 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).

	2023 \$'000	2022 \$'000
(b) Grants and Other contributions		
Grants without sufficiently specific performance obligations		
Department of Education Research Grant	976	976
Department of Education Operating Grant	1,303	1,277
	<u>2,279</u>	<u>2,253</u>

Recognition and Measurement

Grants and contributions

Grants received without specific performance obligations are treated according to AASB 1058.

Revenue from grants with sufficiently specific performance obligations is recognised as and 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.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

3. Revenue (continued)

Income from grants without sufficient specific performance obligation is recognised when the Board obtains control over the grants assets (e.g. cash)

State contribution represents funding received by the Board from the Department of Education to fund the Board's operating expenses and research activities. The funding is recognised when it becomes payable by the Department of Education as per internal arrangements for budget allocations.

The *Appropriation Act 2022* (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$22.5b to the Minister for Education and Early Learning out of the Consolidated Fund for the services of the NSW Department of Education for the year 2022–23. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the NSW Department of Education and entities that it is administratively responsible for, including the NSW Skills Board.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the NSW Skills Board, being the Minister for Education and Early Learning is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the NSW Skills Board receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the NSW Skills Board. These deemed appropriations are taken to have been given for the services of the NSW Department of Education.

In addition, government money that the NSW Skills Board receives or recovers, from another GSF agency, of a kind prescribed by the regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one of both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

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

The delegation/sub-delegations authorising officers of the NSW Skills Board to spend Consolidated Fund money impose an overall spending limit of \$2.279m (2022: \$2.253m). Total expenditure incurred is \$1.889m (2022: \$1.200m). The variance of \$0.390m is mainly due to timing of research activities.

4. Current Assets - Cash and Cash Equivalents

	2023	2022
	\$'000	\$'000
Cash at bank	3,118	2,616
	<u>3,118</u>	<u>2,616</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents is cash at bank.

Cash and cash equivalents (per Statement of Financial Position)	3,118	2,616
	<u>3,118</u>	<u>2,616</u>

Refer to Note 11 for details regarding credit risk and market risk arising from financial instruments.

5. Current Assets - Receivables

	2023	2022
	\$'000	\$'000
CURRENT		
Net GST receivable	2	2
Prepayments	2	-
	<u>4</u>	<u>2</u>

Details regarding credit risk of debtors that are neither past due nor impaired, are disclosed in Note 11.

Recognition and Measurement

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

NSW SKILLS BOARD**Notes to and forming part of the financial statements for the year ended 30 June 2023****5. Current Assets - Receivables (continued)**

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 Board expects to receive, discounted at the original effective interest rate.

The Board recognises a loss allowance based on lifetime ECLs at each reporting date, if applicable.

6. Current Liabilities - Payables

	2023	2022
	\$'000	\$'000
CURRENT		
Creditors/Accruals	22	33
Payables - Department of Education	67	43
PAYG tax payable	5	-
Net GST payable	-	1
	<u>94</u>	<u>77</u>

Details regarding liquidity risk including a maturity analysis of the above payables are disclosed in Note 11.

Recognition and Initial 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 in 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. Commitments

At balance date there was no capital expenditure for the acquisition of goods and services contracted for and not provided.

9. Contingent Liabilities and Contingent Assets

The Board is not aware of any contingent liabilities existing as at 30 June 2023 (2022: Nil).

The Board is not aware of any contingent assets existing as at 30 June 2023 (2022: Nil).

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

	2023	2022
	\$'000	\$'000
Net cash flows from / (used) operating activities	502	803
Increase / (decrease) in receivables	2	2
Decrease / (increase) in payables	(17)	253
Net result	<u>487</u>	<u>1,058</u>

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

11. 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	2023 \$'000	2022 \$'000
Financial Assets				
Cash and cash equivalents	4	Amortised cost	3,118	2,616
Receivables *	5	Amortised cost	-	-
Financial Liabilities				
Payables **	6	Financial liabilities measured at amortised cost	89	76

Notes

* Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7)

** Excludes statutory payables and unearned revenue (i.e. not within the 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 that the counterparty will default 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 and receivables. 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 trade 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 measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Receivables are written off when there is no reasonable expectation of recovery.

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.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

11. Financial Instruments (continued)

During the current and prior year there were no defaults on payment obligations. 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 not later than the end of the month following the month in which an 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 based on contractual undiscounted payments, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate %	Interest rate exposure			Maturity dates			
		Nominal Amount 1 \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1-5 years \$'000	> 5 Years \$'000
2023								
Payables	-	89	-	-	89	89	-	-
	-	89	-	-	89	89	-	-
2022								
Payables	-	76	-	-	76	76	-	-
	-	76	-	-	76	76	-	-

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 reporting date. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

iv. 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 at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. 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:

	Carrying Amount \$'000	Net Result \$'000 -1%	Equity \$'000	Net Result \$'000 +1%	\$'000
2023					
Financial Assets					
Cash and cash equivalents	3,118	(31)	(31)	31	31
Financial Liabilities					
Payables	89	1	1	(1)	(1)
2022					
Financial Assets					
Cash and cash equivalents	2,616	(26)	(26)	26	26
Financial Liabilities					
Payables	76	1	1	(1)	(1)

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2023

11. Financial Instruments (continued)**(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.

12. Related Party Disclosures

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Board, directly or indirectly. This includes the Board's portfolio Minister and Board members.

Compensation details for the portfolio Minister is reported in the NSW General Government and Total State Sector's financial statements while the compensation for the Department of Education's Executives are reported in the Department of Education's financial statements.

During the period, the Board incurred \$305,597 (2022: \$256,428) in respect of the key management personnel services for Board members.

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 a aggregate are a significant portion of the Board's revenue and expenses, and the nature of these significant transactions are detailed below:

Entity	Expenses	Revenue	Nature of Transactions
	\$'000	\$'000	
Audit Office of NSW	25		Provides independent audit services on the Board's financial statements
Department of Education	606	2,279	Provision of grants, accommodations and administrative services
Revenue NSW	32		Payroll tax
NSW Self Insurance Corporation (SiCorp)	13		Insurance
NSW Education Standards Authority	76		Provision of administrative, secretariat support and operational assistance

13. Events after the Reporting Period

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

End of 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

105 Phillip St, Parramatta NSW 2124

Correspondence to the NSW Skills Board should be addressed to the Board at:

nswskillsboard.secretariat@det.nsw.edu.au

Business Hours: Monday–Friday 9am–5pm

Charter

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

Management and structure

Refer to Board Members on page 5.

Summary review of operations

Refer to The Year in Review on page 13.

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.

Management and activities

See Year in Review on page 13.

Research and development

See Year in Review on page 15.

Human resources

There were seven board members as at 30 June 2023. At 30 June 2023, the Board's secretariat comprised 6 equivalent full-time employees of the Department of Education, Education and Skills Reform Division, who are subject to the personnel and industrial relations policies and practices of the Premier's Department's guidelines. There were no exceptional movements in wages, salaries or allowances.

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

Salary Level	\$75,992- \$83,211	\$89,707- \$98,982	\$101,947- \$112,849	\$116,211- \$128,061	\$134,411 \$155,445
Female		1	2	1	
Male				1	1

*Note: the staffing information above only includes staff paid out of the Board's budget.

Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2022-2023 financial year was 0.

Consultants*

Engagements ≥\$50,000 incl GST

Consultant	Costs \$	Title
The Social Research Centre	\$207,328	NSW Student Outcomes Survey of VET Graduates 2022
The Social Research Centre	\$86,713	NSW Student Outcomes Survey of VET Graduates 2020
National Centre for Vocational Education Research	\$104,280	NSW Student Outcomes Survey of VET Graduates 2022

*Note that these are actual payment figures and does not include amounts accrued at the end of the financial year.

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 2022-23.

Consumer response

The Board is open to, responds to and addresses any suggestions or complaints it receives. There were no complaints to the Board in 2022-23. Any complaints are to be dealt with according to the Department of Education's complaints handling policy.

Payment of accounts

All suppliers

Measure	September 2022	December 2022	March 2023	June 2023	Full Year
Invoices due for payment (Number)	12	10	3	10	35
Invoice paid on time (Number)	11	9	1	10	31
Percentage paid on time (%)	92%	90%	33%	100%	89%
Amount due for payment (\$)	\$457,212	\$370,433	\$361,128	\$382,498	\$1,571,271
Amount paid on time (\$)	\$451,932	\$283,720	\$340,000	\$382,498	\$1,458,150
Percentage paid on time (%)	98.85%	76.59%	94.15%	100%	92.80%
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 2022	\$451,932	\$5,280			
December 2022	\$283,720	\$86,713			
March 2023	\$340,000	\$21,128			
June 2023	\$382,498				

Risk management and insurance activities

Insurance policies to 30 June 2023 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

Board membership as at 30 June 2023 comprises of:

Existing Members and Term Expiry Dates

Name	Term Expiry
Ms Annabel Crookes	31/Dec/2024
Ms Robyn Delander	31/Dec/2024
Ms Jillian Kilby	31/Dec/2024
Mr Alan Lipman	31/Dec/2024
Mr Jordan O'Reilly	31/Dec/2024
Mr Anand (Arnie) Selvarajah	31/Dec/2024
Mr Steven Worrall	31/Jan/2024

Board Composition

Percentage of Board members who are	Current composition
1. Female	3 (42.86%)
2. Male	4 (57.14%)
3. Non-Binary	0 (0.00%)
4. Gender – Prefer not to specify	0 (0.00%)
5. Culturally and linguistically diverse	1 (14.29%)
6. Aboriginal and/or Torres Strait Islanders	0 (0.00%)
7. People with a disability	0 (0.00%)
8. Young people	0 (0.00%)

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

Multicultural Policies and Services Program

The Board supports the Department of Education, Education and Skills Reform 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, as well as research activities, as reflected in the financial statements on page 18.

The Department of Education and the Board agreed on a Budget of \$1.303 million for Board and Secretariat costs for 2022-23. The Board also received a \$976,000 grant from the Department of Education to fund research activities.

Expenditure Area	Function of Budget Area	Total Budget 2022-23
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	\$765,635
Board Members Fees including On Costs	Independent advice to the NSW Government on the vocational education and training (VET) system	\$360,602
Board Meeting Expenses	Board Meeting, Reference Group and Regional Visit expenses	\$3,240
Secure Board Portal Software	Annual Subscription to secure portal for meeting papers and governance	\$17,861
Sponsorship	Support of the NSW Training Awards	\$50,000
Other Expenses	Audit fees, payments to Department under MoU, travel costs, administrative costs	\$108,440

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 Premier's Department, costs of production of the 2023 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 for the General Government Sector (TPP20-08)* 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 2022-2023 Financial Year for the NSW Skills Board (Department of Education)

I, Son Ly, 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 2022-2023 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*.



Son Ly
Manager
NSW Skills Board Secretariat

23 October 2023

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