



NSW
Skills
Board

NSW SKILLS BOARD

ANNUAL REPORT 2022



NSW Skills Board

Annual Report 2022

The Honourable Alister Andrew Henskens, SC MP
Minister for Skills and Training
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 2022 Annual Report of the NSW Skills Board, which covers the work of the Board from 1 July 2021 to 30 June 2022.

Yours sincerely



Steven Worrall, Chair NSW Skills Board



Robyn Delander, Member NSW Skills Board

NSW Skills Board
Level 7, 105 Phillip Street
PARRAMATTA NSW 2124
https://www.training.nsw.gov.au/skills_board/home.html

ISSN 2204-2423

This publication can be found on the Board's website at
https://www.training.nsw.gov.au/skills_board/research_publications.html

Contents

Chair’s overview3

Role of the Board5

Governance and Board members6

Board members.....6

Board meetings10

Corporate governance structure.....12

Year in review.....14

 Industry Working Groups (IWGs)14

 Industry engagement.....15

 Board member projects15

 Research projects.....17

 Smart and Skilled18

 VET Delivered to Secondary Students (VETSS)18

 NSW Training Awards18

Financial statements20

Appendix 1: Report of Operations38

Index.....43

Chair's overview



The NSW Skills Board formally met five times during 2021-2022. The Board worked closely with the Hon Geoff Lee, MP, previous Minister for Skills and Tertiary Education up to 21 December 2021 and continues to work with the Hon Alister Andrew Henskens, SC, Minister for Skills and Training.

The continuing impacts of COVID-19 and the changing global economic environment have meant the need for deeper engagement between government, industry and our educational and training system has never been more important or urgent. The ability for NSW to navigate through this period and emerge more diversified and resilient than when we entered the pandemic will depend to a large extent on the quality of this collaboration.

The Skills Board plays an important role in providing independent advice to the Minister on better aligning supply and demand in our workforce and ultimately to support the growth of our economy to benefit all citizens. A clear focus on diversity – and specifically how our skills system can support those under-represented in our workforce today – is a key consideration for the Board.

This year, the Board's focus has been on developing and implementing its Industry Engagement Plan, to improve how the Board engages with industry, and how industry engages with the VET system. The plan was developed in response to recommendation four of the NSW VET Review.

The Board continued to conduct grassroots discussions with employers, with a focus on agriculture, ICT, care sector, construction and engineering sectors, in both regional and metropolitan areas. These consultations identified current and future skills needs for industries and informed the development of three Industry Working Groups (IWGs) led by the Board in 2022:

- Construction Workforce;
- Information and Communication Technology (ICT) Workforce; and
- Aged Care and Disability Services Workforce.

The IWGs have formed a central part of the Board's work in 2022 and aim to ensure active industry and government co-design of solutions to skills shortages. Each IWG includes relevant industry and sector representatives and is informed by a landscape report on the state of skills issues and potential solutions. While the Construction and Digital IWGs met in 2022, the Aged Care and Disability Services IWG will meet in 2023 due to the current COVID disruption for the sector.

The Board has continued to support the outstanding achievements of students, teachers, training organisations and employers in the vocational education and training sector, as a Platinum Partner of the NSW Training Awards. It has continued to make significant investments in the important data and research undertaken through the NSW Student Outcomes Survey.

I would like to thank all current and former Board members for their significant contributions

throughout the year. I would especially like to express my gratitude to Phillip Marcus Clark AO, who served as Chair of the Board for nine years, for his strategic insights and invaluable contribution to advancing the work of the Skills Board since its inception in 2013.

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 for the period of July 2021 to June 2022 were:

- Mr Steven Worrall, Chair, Managing Director, Microsoft Australia
(as Board member from 1 July 2021 - 31 Jan 2022; as Chair from 1 Feb 2022)
- Professor Paul Chandler, Honorary Professor UNSW
- Ms Robyn Delander, CEO of Health & Safety Advisory Service Pty Ltd
- Ms Jillian Kilby, CEO, The Infrastructure Collaborative
- Mr Gregory Whitby AM KSG, Executive Director, Catholic Education Diocese of Parramatta
- Ms Chloe Read, ex-officio, Deputy Secretary, Education and Skills Reform, NSW Department of Education

Former Board members:

- Mr Philip Clark AO, former Chair (term of appointment ended 31 January 2022)
- Ms Helen Zimmerman, former President of the International Education Association of Australia (resigned 10 September 2021)
- Hon Fiona Nash, former Senator for NSW (resigned 18 November 2021)

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.

Previously Steven worked for IBM for 22 years and held a number of marketing, sales and general management roles in the services, software and financing segments of the organisation. Most recently, he led IBM's software business in the Asia Pacific region where he built organisational capability in diverse markets across the region and drove the business towards more cloud delivered 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.



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 working 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.



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.

HSAS is a niche market training provider for a wide range of key road, tunnel, rail, energy, air and water infrastructure projects, including: Sydney Metro, WestConnex, Sydney Football Stadium, Parramatta Light Rail,

Central & Western Tunneling Packages, M6, Sydney Water, Western Sydney Airport & 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. Other educational roles included a range of rural, regional, community and outreach programs across the early childhood, school aged, sport and recreation and higher education sectors.

Robyn maintains strong links with tier-one contractors 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 is an Australian Sir John Monash Foundation Scholar with her boots-on-the-ground in regional Australia. She is unique for her regional and international experience at the intersection of infrastructure, business and public policy.

Jillian is a Civil Engineer and her first consultancy, The Infrastructure Collaborative, was established a decade ago as a boutique advisory firm shifting infrastructure projects from planning shelves to being shovel-ready. She is now Managing Director of The Stable Group, a consultancy firmly fixed in its pursuit to create change in Regional Australia.

Jillian 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.

In 2018, Jillian bought a 133-year-old post office in Dubbo and launched a second company called The Exchange, an innovation hub and community-first coworking space serving Regional NSW. The Exchange has expanded to a second site in Narrabri, taking up home in the town's 106-year-old Ice-works and Cordial Factory building precinct.

She was the 2018 Agrifutures NSW/ACT Rural Woman of the Year, ensuring the commercial success of startups and small businesses in our regions.

She has been a non-executive director of the RAS Foundation, Jobs for NSW, James Martin Institute for Public Policy, sits on the NSW Council for Women's Economic Opportunity and is a member of the expert reference panel for the NSW Government's Women's Economic Opportunities Review. Jillian has also served on several committees including The Australian American Leadership Dialogue, the NSW Innovation and Productivity Council, and the NSW Expert Road Panel.



Gregory Byrne Whitby AM KSG

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.



Chloe Read

Chloe Read is the Deputy Secretary, Education and Skills Reform. Chloe has a strong background in public sector education, having worked in this setting for the last 18 years across Tasmania and New South Wales. She joined the NSW Department of Education in 2014 and has worked in several senior roles.

With a background across policy, project, IT and leadership roles, 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



Philip Marcus Clark AO (Chair)

Phil served as Chair of the Board from the Board's inception in 2013 to 31 January 2022. He was Managing Partner and CEO of Minter Ellison. 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.

Phil is a member of the JP Morgan Advisory Council and currently serves on listed and private company boards, including as Chair of Shopping Centres Australasia Property Group. Phil serves on government, university and community boards and advisory boards, including as Chair of Trustees of Royal Botanic Gardens and Domain Trust, Chair of the Australian Antarctic Science Council, and Chair of the NSW Public Purpose Fund.

Phil has a BA, LLB from Sydney University and an MBA from Columbia University. He was awarded an Honorary Doctor of Laws by the University of Wollongong in 2019.

Phil 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, research and infrastructure investment, and to the not-for-profit sector.



Helen Zimmerman

Helen served as member of the Board from 1 December 2018 to 10 September 2021. Helen 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. Helen was previously Managing Director of the ACL Group of companies, the largest private provider of English language education in Australia.

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 the Chair of the Australian Government's Tuition Protection Service Advisory Board.

Helen served on the Jobs for NSW Board from 2015 to May 2019. She was 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 has continued her association with ABCN as a member of the ABCN Foundation Council.

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 to 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 initiatives to improve international education in Australia.

Helen has been an Honorary Senior Fellow of the LH Martin Institute of the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.



Hon Fiona Nash

Fiona served as member of the Board from 1 January 2021 to 18 November 2021. She was the Strategic Adviser, Regional Engagement & Government Relations at Charles Sturt University from 2018-2021, and is now the national Regional Education Commissioner. Fiona represented the National Party of Australia in the Australian Senate from 2005 to 2017. She was the Deputy Leader of the Nationals in the Senate from 2008 to 2017 and Deputy Leader of the Nationals from 2016 to 2017.

Fiona served as Minister for Regional Development, Regional Communications, Local Government and Territories, Regional Health from 2016 to 2017.

During her time in the Senate, Fiona served as: Chair, Australia and New Zealand Ministerial Forum on Food from 2013 to 2014; Chair, Rural and Regional Affairs and Transport Senate Committee from 2010 to 2011; and a Member, Rural and Regional Affairs and Transport Senate Committee from 2005 to 2013.

Board meetings

There were five Board meetings in 2021-2022: four regular Board meetings, and an additional meeting for the audit closing.

In addition, there was one out of session resolution where Board members approved Skills List additions by circular resolution.

Table 1: Attendance at Board Meetings*

Member	Meetings eligible to attend	Meetings attended
Steven Worrall	5	5
Paul Chandler	5	4
Robyn Delander	5	5
Jillian Kilby	5	5
Greg Whitby AM KSG	5	4

Chloe Read	5	5
Philip Clark AO	3	3
Helen Zimmerman	1	0
Fiona Nash	2	2

*Note: Board meetings may be held at a physical location (including some virtual attendees) or held virtually.

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 Department of Premier and Cabinet'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 has also developed a comprehensive risk register, which includes both strategic and operational risks.

A Memorandum of Understanding (MOU) exists between the Board, the Department of Education (DoE) and the NSW Education Standards Authority (NESA), 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.

It is noted that from July to November 2021, the Board had an MOU with the NSW Department of Planning and Environment (formerly known as NSW Department of Planning, Industry and Environment - DPIE), which provided appropriate finance services support for the Board, with agreed financial cooperation and accountabilities between the parties. The MOU with DPIE was terminated by mutual agreement following the transition of the Skills Board's finance services support from DPIE to NESA in December 2021.

During 2021-22, the Board continued to be supported by a Secretariat in the Education and Skills Reform Branch within the NSW Department of Education.

The Skills Board has two sub-groups or committees:

Research Committee

Membership of the Research Committee at October 2021 was as follows:

- Phil Clark, former Chair

- Paul Chandler, Member

The members of the Research Committee formally met on 7 October 2021. The members also met with Training Services NSW on 25 October 2021 to discuss the NSW Student Outcomes Survey.

However, the Board, at its March 2022 meeting, decided to put on hold the meetings of the Research Committee until new Board members are appointed to fill the three Board vacancies. The Board itself would make decisions on any research related matters until the Research Committee is resumed.

Provider Reference Group

The members of the Provider Reference Group (PRG) met on 1 July and 18 November 2021. This Group ensures the Board has a clear training provider voice on skills issues. However, the Board, at its March 2022 meeting, decided to put on hold the meetings of the PRG until new Board members are appointed.

Year in review

In 2021-22, the Board worked closely with the Hon Geoff Lee, MP, previous Minister for Skills and Tertiary Education up to 21 December 2021. The Board then worked with the Hon Alister Andrew Henskens, SC, Minister for Skills and Training, for the remainder of the year.

The Board focused on developing and implementing its Industry Engagement Plan in response to recommendation four of the NSW VET Review.

Work began this year to establish three Industry Working Groups (IWGs) under the Board's Industry Engagement Plan. 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. Each IWG will develop a report or proposal for the Board and Minister.

Further, the Board continued to engage directly with individual employers from various industries, including the agriculture, ICT, construction and engineering, care and disability sectors. The employer consultation sessions helped to identify current and future skills needs, industry workforce issues, as well as potential solutions to identified issues. Many of the issues raised led to further discussions and outcomes for employers with Training Services NSW. The Minister was briefed on each round of employer consultation sessions.

Industry Working Groups (IWGs)

In 2021/22, the Board's three IWGS were:

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

The Construction Workforce IWG was established in April 2022. Robyn Delander is the Chair and Chloe Read, Deputy Secretary, Education and Skills Reform, is the Vice Chair. Membership is diverse and covers employers, government and the industry training advisory body.

Infrastructure Australia gave a workforce issues overview at the first IWG meeting, to outline the demand, supply and skills shortage issues. Seven focus groups have been established to recommend potential solutions to address the identified skills issues in key areas. These groups are:

1. Heavy haulage and vulnerable road users;
2. Women in trades;
3. Tunneling;
4. Leadership, safety and project management;
5. Residential construction skills – for small to medium enterprises;
6. Educating parents and school careers advisors regarding construction careers; engaging year 7 to 9 students/recruiting from schools and other school engagement; and
7. Electro-technology trades.

Work is continuing, with the next meeting planned for October 2022.

The ICT IWG convened its first meeting in May 2022. Chaired by Steven Worrall, the IWG comprises representatives from across the industry and members with expertise in skills training and development. In preparation for the IWG's work, the Board commissioned the production of a comprehensive ICT Landscape Report which analysed data related to workforce skills demand and supply, to predict the scale of the workforce shortfall facing the industry by 2030. It also scanned

existing programs and potential solutions for skills shortages.

The ICT IWG is developing a proposal for a collaborative program of work drawing on the skills, capabilities and resources of NSW Government agencies, the digital industry and training and education providers and will submit its proposal in the second half of 2022.

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 made convening a working group impractical.

The Board resolved to delay formation of the group but did proceed with procuring a Landscape Report to explore issues of skills demand, supply, shortages and potential solutions. The report will be received by the Board in September 2022 and will be used to inform the work of the IWG and the Department.

Industry engagement

The Board continued its industry engagement program through targeted employer consultation sessions in August 2021, November 2021 and March 2022. Board members met virtually with representatives from a number of employers and industry organisations, which provided the Board with rich insights into skills issues affecting industry at the grassroots level.

The consultations covered a range of skills and training issues, including:

- the immediate skills/training needs of each business/industry
- whether COVID-19 has continued to disrupt these skills and training needs
- whether the VET system meets the skills and training needs of NSW industries
- the long-term economic outlook and future labour demands of NSW industries
- plans for attracting new skilled workers
- how the VET system could better serve the future skills and training needs of particular industries.

A common theme arising from these sessions was the ongoing impact of the COVID-19 pandemic on exacerbating skills shortages for many businesses. The pandemic and the border closure caused a lack of overseas skilled workers, and reduced the pool of available workers. Information and insights from these sessions were used to inform advice to Minister and work of Training Services NSW, both on broader issues and employer-specific issues.

Board member projects

Discussions between members and the Minister for Skills and Tertiary Education fed into several projects implemented by the Department of Education in 2021-22. Board members worked closely with the Department on the following projects in 2021-22:

Information Technology (IT) traineeships

The NSW Government IT Traineeship program launched in March 2022. Hunter Valley Training Company (HVTC) won the tender to recruit and employ the trainees. In Tranche 1, 44 trainees were recruited and they are hosted across 11 agencies. There are three streams of traineeship:

Certificate III in Information Technology, Certificate IV in Information Technology and Certificate IV in Cyber Security. All three streams incorporate vendor specific training. The trainees commenced their TAFE courses on 22 July 2022. HVTC and Training Services NSW are incorporating feedback from agencies to improve the recruitment and promotion for Tranche 2 trainees, who are anticipated to start in February 2023.

Women in construction – Built for Women

In 2021, Skills Board members provided advice to the Department of Education on the 'Built for Women' program.

The purpose of the Built for Women strategy was to increase the number of women in non-traditional pathways by supporting 3,000 places for women in construction, manufacturing and engineering, and transport and logistics through the Skilling for Recovery initiative. So far, over 5,790 women have enrolled in this training, with an even representation in both Sydney metropolitan and regional areas.

The Skilling for Recovery (SfR) – Construction team has exceeded the target, achieving 4,137 completions to date.

Built for Women has achieved impressive results in learner demographics:

- 13% (757 enrolments) Aboriginal and Torres Strait Islanders
- 31% (1777 enrolments) culturally and linguistically diverse learners.

Highlights have included the Girls of Steel program (pre-apprenticeship in manufacturing); Tiddas in Trades (delivered in Western NSW to Aboriginal women); and a Women in Construction Pathway Program in Western Sydney (supported by a Tier One Contractor).

Business skills for women in construction (Business of Builders)

The planning phase identified a need for enhanced skills for women who administer building/construction businesses. An industry survey conducted in late 2021, however, revealed minimal interest in the training and a decision was taken to not to proceed with the short course training in its original form.

The short course training identified through the planning phase of 'Business of Builders' was approved as a skills group by the National Skills Commission and made available for learners across the state as part of the Skilling for Recovery (SfR) – Construction program. Skilling for Recovery provides funded part qualification training opportunities to jobseekers and existing workers. The Skills Brokers were informed of the Business of Builders training to promote in their local regions.

To date, there has been no take-up of this skills group. Reasons for this may include:

- COVID
- Impact of floods on businesses
- High workloads, supply shortages and lack of employees in the building/construction industry increased pressure on administration staff
- lack of capacity for administration staff to undertake training.

This skills group is still available for learners through Skilling for Recovery – Construction, although this funding program ends 31 December 2022.

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. Several research projects commenced, continued or were completed during the reporting period. The projects active during 2021-22 are summarised below.

1. Student Outcomes Survey

In 2021-22, 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 developed the VET Student Outcomes Snapshots, which contain a set of performance indicators for each Smart and Skilled provider to assist students to select a suitable provider.

Funding for the NSW SOS has been approved for a further two years (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. A summary insights report was published in late 2021. 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 will build on the pilot and use 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. Analysis of the updated data will begin in late 2022. 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 oversee the Smart and Skilled program from a strategic perspective.

NSW Skills List

In 2021-22 the Board endorsed two additions to the Skills List that have high industry demand and strong employment outcomes. The Board then agreed to transition away from its role in endorsing individual qualification additions and removals for the list, into a more strategic role to provide advice to the Department on the development of a new data-driven model of qualification assessment. This transition aligns with the Board's statutory functions to oversee VET Reform, and its renewed focus on industry engagement. The Board's strategic role includes the review of processes and methodologies to support the maintenance of the NSW Skills List.

VET Delivered to Secondary Students (VETSS)

In 2021, the Board initially 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.

In early 2022, the Board and Department of Education (the Department) discussed how to best add value to the Schools Consortium funding program following the VET Review recommendations, in particular on the VET in Schools program. The Board and Department agreed that the management of the Schools Consortium funding program should be handed over to the Department as they are well placed to manage this. Since April 2022, this program is managed by the Department of Education.

NSW Training Awards

The Board sponsors the NSW Training Awards as a Platinum Partner, including the NSW Vocational Student of the Year Award and Aboriginal and Torres Strait Islander Student of the Year Award.

[The NSW Training Awards](#) are conducted annually by 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.

Due to the ongoing COVID-19 pandemic, the 2021 NSW Training Awards were held virtually for the second year running. The online presentation via Facebook live was held on Saturday, 9 October 2021. The streaming was a considerable success engaging more than 65,000 people across NSW.

The 2021 Vocational Student of the Year was Gabriella Adeline, she graduated from university with a psychology degree, but found applying for jobs in her field unfulfilling.

Gabriella soon enrolled in a Certificate IV in Patisserie at TAFE NSW.

“I haven’t looked back,” says Gabriella. “I learnt from industry experts who were approachable and supportive. They’ve given me so much career guidance, put me forward for opportunities and encouraged me to excel.”

Gabriella gained foundational skills during her training that she took to the next level at her job at WoodCut in Barangaroo.

“I’m often rostered on to run a section by myself, with a student volunteer or new hire,” says Gabriella. “I’m able to step up, prioritise and delegate tasks to ensure service runs smoothly – all because of the high quality of my training.”

Gabriella’s trainer says she’s an avid researcher who strives to increase her technical knowledge.

The 2021 Aboriginal and Torres Strait Islander Student of the Year was Adama Hansen a proud Noongar man from Western Australia who now calls Sydney home.

Adam has been delivering Aboriginal cultural competency workshops for more than 10 years and has worked with high schools to encourage Aboriginal participation in education. When a work colleague recommended a TAFE NSW qualification that would further enhance his skills, Adam jumped at it.

“I was keen to qualify to facilitate workshops at a higher level and transition into delivering workshops full-time,” says Adam.

Adam enrolled in a Certificate IV in Training and Assessment. The structured block-mode delivery was perfect as he had a full-time job as a support worker at 3Bridges Community and was raising a young family. Adam attended eight intensive block periods of study while juggling family and work commitments.

As part of his new role, Adam helped St George Community Housing implement their staff Aboriginal cultural competency training. He’s currently in charge of cultural competency training for all staff at 3Bridges and is happy to have the full support of his CEO and board who’ve made the commitment to walk alongside Aboriginal and Torres Strait Islander people.

Financial statements

NSW Skills Board

For the period ended 30 June 2022

Contents

Independent Audit Report	21
Statement by Members of the Board	26
Primary Financial Statements	
Statement of Comprehensive Income	27
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows	28
Notes to and forming part of the Financial Statements	29



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 2022, the Statement of Financial Position as at 30 June 2022, 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).

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 2022 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.

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, 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.

A handwritten signature in dark ink, appearing to read 'JMP', with a large loop at the start of the 'J'.

Jan-Michael Perez
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 September 2022
SYDNEY

NSW Skills Board

Financial Statements

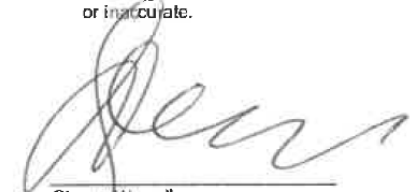
30 June 2022

NSW Skills Board

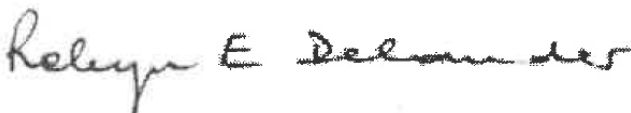
Statement by the Accountable Authority

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

1. The accompanying financial statements have been prepared in accordance with the provisions of the Government Sector Finance Regulation 2018 and regulation, Australian Accounting Standards and NSW Treasurer's directions;
2. The financial statements exhibit a true and fair view of the financial position and financial performance of the NSW Skills Board; and
3. We are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.


Steven Worrall
Chair

Date: 14 September 2022



Robyn Delander
Board Member

Date: 14 September 2022

NSW SKILLS BOARD

Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Actual 2022 \$'000	Actual 2021 \$'000
Expenses excluding losses			
Personnel services	2(a)	849	833
Other expenses	2(b)	351	1,699
Total expenses excluding losses		<u>1,200</u>	<u>2,532</u>
Revenue			
Investment revenue	3(a)	5	3
Grants and other contributions	3(b)	2,253	2,153
Total revenue		<u>2,258</u>	<u>2,156</u>
Net result		<u>1,058</u>	<u>(376)</u>
Other comprehensive income		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>1,058</u>	<u>(376)</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Financial Position as at 30 June 2022

	Notes	Actual 2022 \$'000	Actual 2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,616	1,813
Receivables	5	2	-
Total Current Assets		<u>2,618</u>	<u>1,813</u>
Total Assets		<u>2,618</u>	<u>1,813</u>
LIABILITIES			
Current Liabilities			
Payables	6	77	330
Total Current Liabilities		<u>77</u>	<u>330</u>
Total Liabilities		<u>77</u>	<u>330</u>
Net Assets		<u>2,541</u>	<u>1,483</u>
EQUITY			
Accumulated funds	7	2,541	1,483
Total Equity		<u>2,541</u>	<u>1,483</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Changes in Equity for the year ended 30 June 2022

	Accumulated Funds \$'000	Total \$'000
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>
Balance at 1 July 2020	1,859	1,859
Net result for the year	(376)	(376)
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>(376)</u>	<u>(376)</u>
Balance at 30 June 2021	<u>1,483</u>	<u>1,483</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Statement of Cash Flows for the year ended 30 June 2022

	Notes	Actual 2022 \$'000	Actual 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel Services		(849)	(782)
Suppliers for goods and services		(606)	(1,629)
Total Payments		<u>(1,455)</u>	<u>(2,411)</u>
Receipts			
Interest received		5	3
Grants and other contributions		2,253	2,153
Other		-	134
Total Receipts		<u>2,258</u>	<u>2,290</u>
NET CASH FLOWS FROM / (USED) OPERATING ACTIVITIES		<u>803</u>	<u>(121)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10	803	(121)
Opening cash and cash equivalents		1,813	1,934
CLOSING CASH AND CASH EQUIVALENTS	4	<u>2,616</u>	<u>1,813</u>

The accompanying notes form part of these financial statements.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2022

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.

There was a Memorandum of Understanding (MoU) agreement dated 15 July 2020 signed by the Board and the Department of Education (the "DoE") and the Department of Planning, Industry and Environment (the "DPIE") under which the DoE and DPIE will provide corporate services function as depicted in Note 2(a) and (b) of the financial statements to the Board. Effective 1 December 2021, the Board, DoE and the NSW Education Standards Authority (the "NESA") entered into a new MOU agreement, superseding the MOU agreement dated 15 July 2020, under which the services mentioned above will be provided by the DoE and NESA.

These financial statements for the year ended 30 June 2022 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.

The accrual basis of accounting and applicable accounting standards have been adopted.

(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.

(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 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards as follows:

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments

1. Summary of significant accounting policies (continued)

First-time adoption of the above new standards does not have any financial impact on the Board's financial performance and position.

(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 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 2021-2 *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 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*

AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*

AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*

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.

(h) Impact of COVID-19 on Financial Reporting for 2021-22

The Board has assessed the potential impact of COVID-19 on its end of year financial statements.

The following areas have been reviewed to assess possible impacts:

- Financial instruments
- Superannuation and long-term provisions
- Events after the reporting date
- Going concern
- Internal control environment
- Working from home and technology as a solution
- Employee-related systems and processes
- Budgetary impacts

The Board continues to closely monitor the COVID-19 outbreak and has put in place regular communication mechanisms to staff members and stakeholders to manage these impacts. This includes regular interaction with government and public health officials at the highest levels. The Board continues to implement mitigating actions to ensure there is minimal disruption to normal operations.

2. Expenses Excluding Losses

	2022 \$'000	2021 \$'000
(a) Personnel services expenses include the following:		
Salaries and wages (including annual leave)	504	478
Superannuation - defined contribution plans	50	48
Payroll tax	26	29
Workers' compensation insurance	13	10
Board member fees and on-costs	256	268
	<u>849</u>	<u>833</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.

Board members fees and on-costs

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

	2022 \$'000	2021 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of the financial statements	28	24
Administration fees	75	75
Consultancy and other fees	237	1,598
Travel	2	-
Other operating expenses	9	2
	<u>351</u>	<u>1,699</u>

Recognition and Measurement**Corporate service support charge**

For the year ended 30 June 2022, the Board compensated \$20,833 to the Department of Planning, Industry and Environment and \$10,417 to the Department of Education, and \$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.

	2022 \$'000	2021 \$'000
(a) Investment revenue		
Interest revenue	5	3
	<u>5</u>	<u>3</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).

	2022 \$'000	2021 \$'000
(b) Grants and Other contributions		
Grants - Department of Education (research)	976	976
Grants - Department of Education	1,277	1,177
	<u>2,253</u>	<u>2,153</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.

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.

4. Current Assets - Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	2,616	1,813
	<u>2,616</u>	<u>1,813</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalents (per Statement of Financial Position)	2,616	1,813
	<u>2,616</u>	<u>1,813</u>

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

5. Current Assets - Receivables

	2022	2021
	\$'000	\$'000
CURRENT		
Net GST receivable	2	-
	<u>2</u>	<u>-</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.

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

	2022	2021
	\$'000	\$'000
CURRENT		
Creditors/Accruals	33	275
Payables - Department of Education	43	35
PAYG tax payable	-	7
Net GST payable	1	13
	<u>77</u>	<u>330</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 2022 (2021: Nil).

The Board is not aware of any contingent assets existing as at 30 June 2022 (2021: Nil).

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

	2022	2021
	\$'000	\$'000
Net cash flows from / (used) operating activities	803	(121)
Increase / (decrease) in receivables	2	(226)
Decrease / (increase) in payables	253	(29)
Net result	1,058	(376)

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	2022 \$'000	2021 \$'000
Financial Assets				
Cash and cash equivalents	4	Amortised cost	2,616	1,813
Receivables *	5	Amortised cost	2	-
Financial Liabilities				
Payables **	6	Financial liabilities measured at amortised cost	76	310

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.

11. Financial Instruments (continued)

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.

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
2022								
Payables	-	76	-	-	76	76	-	-
	-	76	-	-	76	76	-	-
2021								
Payables	-	310	-	-	310	310	-	-
	-	310	-	-	310	310	-	-

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 2021. The analysis assumes that all other variables remain constant.

NSW SKILLS BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2022

11. Financial Instruments (continued)

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
2022					
Financial Assets					
Cash and cash equivalents	2,616	(26)	(26)	26	26
Receivables	2	(0.02)	(0.02)	0.02	0.02
Financial Liabilities					
Payables	76	1	1	(1)	(1)
2021					
Financial Assets					
Cash and cash equivalents	1,813	(18)	(18)	18	18
Financial Liabilities					
Payables	310	3	3	(3)	(3)

(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

During the period, the Board incurred \$256,428 (2021:\$268,212) in respect of the key management personnel services that are provided by separate management entities, the Department of Planning, Industry and Environment and the 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 a 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, accommodations and administrative services
Department of Planning, Industry and Environment	Provision of administrative, secretariat support and operational assistance
NSW Education Standards Authority	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 5.

Management and structure

Refer to Board Members on page 6.

Summary review of operations

Refer to The Year in Review on page 14.

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

The COVID-19 pandemic has had limited impact on the achievement of the Board's operational objectives during the year in review, as the Board has been able to continue meeting virtually. The Board has also been able to meet virtually with employers and industry. Refer to Note 1(i) of the audited financial statements on impacts and assessment of COVID-19 pandemic.

Management and activities

See Year in Review on page 14.

Research and development

See Year in Review on page 17.

Human resources

There were five board members as at 30 June 2022. There were no exceptional movements in wages, salaries or allowances. At 30 June 2022, 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 Department of Premier and Cabinet's guidelines.

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

Salary Level	\$74,117- \$81,158	\$87,493- \$96,540	\$99,431- \$110,064	\$113,343- \$124,901	\$131,094 \$151,609
Female		1	2	2	
Male					1

Numbers and remuneration of senior executives

The total number of executives employed at the end of the 2021-2022 financial year was 0.

Consultants*

Engagements ≥\$50,000 incl GST

Consultant	Costs \$	Title
The Social Research Centre	\$207,328	<i>NSW Student Outcomes Survey of VET Graduates 2021</i>
National Centre for Vocational Education Research	\$170,335	<i>NSW Student Outcomes Survey of VET Graduates 2021</i>
University of Western Sydney	\$98,495	Educational Pathways Policy Pilot Evaluation

* 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 2021-22.

Consumer response

The Board is open to, responds to and addresses any suggestions or complaints it receives. Any complaints up to 30 June 2022 to the Board are dealt with according to the Department of Education complaints handling policy.

Payment of accounts**All suppliers**

Measure	September 2021	December 2021	March 2022	June 2022	Full Year
Invoices due for payment (Number)	5	9	7	11	32
Invoice paid on time (Number)	4	2	5	9	20
Percentage paid on time (%)	67%	22%	71%	82%	63%
Amount due for payment (\$)	\$232,386	\$486,178	\$172,718	\$280,600	\$1,171,882
Amount paid on time (\$)	\$133,891	\$96,241	\$135,373	\$209,489	\$574,993
Percentage paid on time (%)	57.62%	19.80%	78.38%	74.66%	49.07%
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 2021*	\$133,891	\$98,495	\$109,395		
December 2021*	\$96,241	\$151,906	\$159,106		
March 2022	\$135,373		\$20,625	\$6,875	
June 2022	\$259,975				

* Delay in payments during the first and second quarters of 2021 was due to the transition of the Skills Board's financial system from the Department of Planning and Environment (DPE) into the NSW Education Standards Authority (NESA). The transition was completed at around the end of November 2021. As at 1st December 2021, the Skills Board's finance is managed by NESA.

Risk management and insurance activities

Insurance policies to 30 June 2022 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 2022 comprises of:

Existing Members and Term Expiry Dates

Name	Term Expiry
Prof Paul Chandler	31/Dec/2022
Ms Robyn Delander	31/Dec/2022
Ms Jillian Kilby	31/Dec/2022
Mr Gregory Whitby AM	31/Dec/2022
Mr Steven Worrall	31/Jan/2024

Board Composition

Percentage of Board members who are:	Current composition	Proposed composition
1. Female	2 (40.00%)	2 (40.00%)
2. Male	3 (60.00%)	3 (60.00%)
3. Non Binary	0 (0.00%)	0 (0.00%)
4. Gender - Prefer not to specify	0 (0.00%)	0 (0.00%)
3. Culturally and linguistically diverse	0 (0.00%)	0 (0.00%)
4. Aboriginal and/or Torres Strait Islanders	1 (20.00%)	1 (20.00%)
5. People with a disability	0 (0.00%)	0 (0.00%)
6. Young people	0 (0.00%)	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 26.

The Department of Education and the Board agreed on a Budget of \$1.277 million for Board and Secretariat costs for 2021-22. 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 2021-22
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	\$740,066
Board Members Fees including On Costs	Independent advice to the NSW Government on the vocational education and training (VET) system	\$333,975
Board Meeting Expenses	Board Meeting, Reference Group and Regional Visit expenses	\$26,820
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	\$111,620

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 2022 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 2021-2022 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 2021-2022 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

October 2022

Index

A	
Access.....	38
Aims and objectives	5
Attestation Statement.....	42
B	
Board meetings	10
Board member projects.....	15
Board Members.....	6
Budgets	41
C	
Chair's overview	3
Charter	38
Corporate governance structure	12
F	
Financial Statements.....	20
G	
Governance and Board members	6
I	
Independent Auditor's Report	21
Industry engagement.....	15
N	
NSW Training Awards	18
P	
Provider Reference Group.....	13
R	
Report of Operations	38
Research projects.....	17
Role of the Board.....	5
S	
Smart and Skilled.....	18
V	
VET Delivered to Secondary Students (VETSS).....	18
Y	
Year in review	14