



NSW SKILLS BOARD  
**ANNUAL  
REPORT  
2015**



# NSW Skills Board

## Annual Report 2014–2015

The Honourable John Barilaro MP  
Minister for Skills  
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 2015 Annual Report of the NSW Skills Board, which covers the work of the Board from 1 July 2014 to 30 June 2015.

Yours sincerely



**Philip Marcus Clark AM**  
Chair



**Adam Boyton**  
Member

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## Abbreviations

ACPET	Australian Council for Private Education and Training
BOSTES	Board of Studies, Teaching and Education Standards (NSW)
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CSO	Community Services Obligation
DEC	NSW Department of Education and Communities
IPART	Independent Pricing and Regulatory Tribunal
ITAB	Industry Training Advisory Bodies
RTO	Registered Training Organisation
SASSI	Smart and Skilled Simulator
TAFE	Technical and Further Education
VET	Vocational Education and Training
YWCA	Young Women's Christian Association

# Chair's Overview



2014-15 represents the first full year of operation of the NSW Skills Board. It has been a busy and challenging twelve months. Consistent with the functions under the *Skills Board Act 2013*, the Board has focused its efforts during the reporting period on providing advice within Government parameters concerning the implementation of vocational education and training reform in NSW under Smart and Skilled, and on adjustments to Smart and Skilled as it rolls out to maximise student and employer access to high quality, responsive training.

Following the NSW State election in March 2015, responsibility for the NSW Skills Board transferred from the Minister for Education, the Hon Adrian Piccoli MP, to the Minister for Skills, the Hon John Barilaro MP. The Board welcomed Minister Barilaro to its April 2015 meeting. The Minister advised the Board of the new Government's commitment to create 150,000 jobs, and noted the importance of the Board's transfer to the new Department of Industry, Skills and Regional Development, which will help strengthen linkages between skills and industry in the State.

The Board met on eight occasions between July 2014 and June 2015. In June 2015, the Board undertook a governance review to confirm that its role is oversight and advice rather than implementation, and that its secretariat needs to be independent of the Department.

A key focus during the year has been the Board's provision of advice to the Minister and the NSW Government on the implementation of Smart and Skilled. During the reporting period the Board advised on settings for the Smart and Skilled application, assessment and allocation process and considered the impact of the process on private training providers and on TAFE NSW. It also advised on the provision of additional funding to assist implementation, approved the policy for managing CSO thin markets, noted the Smart and Skilled performance monitoring program and provided advice on the NSW Skills List and on 2016 Smart and Skilled prices and fees. In February 2015, the Board agreed to support the One Year Implementation Review of Smart and Skilled to be managed by the Board, and set up a Board Review Reference Group to oversee the review.

The Board commenced work during the year on a Strategic Skills Plan for NSW. This will reflect a vision for VET in NSW and provide a high level framework that the NSW Government can draw on in aligning VET, industry development and productivity. The Plan is currently being revised to take account of the Board's transfer to the Department of Industry and will be finalised early in 2016.

I want to thank my fellow Board members for their commitment to VET in NSW and for the quality of their contributions throughout the year. Chairing the NSW Skills Board has been a very stimulating experience.

As we move into 2016 the Board will continue to monitor activity under Smart and Skilled and to provide advice on ways to improve flexibility and responsiveness and assure the quality of the NSW training market.

**Philip Marcus Clark AM**  
**Chair**  
**NSW Skills Board**

# The Role of the Board

The NSW Skills Board was established in late 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 major reform of the VET system in NSW under Smart and Skilled. Smart and Skilled has introduced an entitlement to training up to Certificate III, and increased contestability, transparency, quality and choice.

## Aims and Objectives

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

- (a) to provide the Minister with an independent, strategic perspective on the vocational education and training system in New South Wales
- b) to oversee major reform of the vocational education and training system in New South Wales and its implementation, including reform that maintains the TAFE Commission as the major provider of vocational education and training, accessible across New South Wales
- c) to monitor and advise the Minister on the performance of the vocational education and training system in New South Wales, including financial performance, fiscal sustainability, levels of training activity and the achievement of State priorities
- d) to advise the Minister on the allocation of the State and Commonwealth vocational

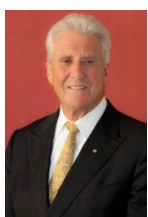
education and training funding and the New South Wales vocational education and training budget

- e) to collect and analyse labour market intelligence, in particular intelligence on skills shortages and future skills and workforce development needs in New South Wales
- f) to coordinate the development of strategic skills plans that reflect the priorities and directions of the New South Wales Government regarding vocational education and training
- g) to oversee quality assurance in the vocational education and training system in New South Wales
- h) to ensure the availability of accurate consumer information on vocational education and training in New South Wales and appropriate consumer protections
- i) to commission and conduct enquiries and research into any matter relevant to the functions of the Board
- j) to advise on strategies for more effective educational pathways between secondary school, vocational training and higher education in New South Wales
- k) to consult widely with reference groups and other representative bodies and persons in the vocational education and training industry
- l) to investigate and advise the Minister on any matter relating to training, skills development and higher education referred to the Board by the Minister or on its own initiative
- m) such other functions conferred or imposed on it by or under this or any other Act.

# Members of the Board and Governance

## Board Members

The Board consists of nine part-time members, eight of whom are appointed by the Minister. For the reporting period, the Deputy Secretary of the Department of Education and Communities was an ex-officio member. Members selected have significant experience and expertise in skills and tertiary education, project and risk management, business and industry, government, economics and finance.



### **Philip Clark AM (Chair)**

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

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

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

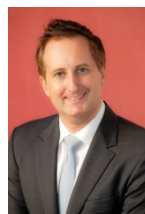
Phil also has extensive board experience in the tertiary education sector. He served as Chair of the Advisory Boards of the Higher Education Endowment Fund (HEEF) and the Education Investment Fund (EIF). He chaired the NSW Government Taskforce on International Education and Research and was a member of the Australian Research Council. He is a member of the working group tasked by Federal Education Minister Pyne with reporting on infrastructure funding for the higher education sector. He also chairs the ATN Universities Research Impact Advisory Board and the University of Wollongong Early Start Advisory Board.

His work in the not-for-profit sector includes positions in education foundations, as a Director of High Resolves Foundation, the

Australian Indigenous Mentoring Experience (AIME) and Karen Lynch Foundation. Phil also served as a Director of the Garvan Foundation from 2005 to 2008 and of the St James Ethics Centre from 2004 to 2013.

Phil has Bachelors degrees in Arts and Law from Sydney University and an MBA from Columbia University.

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



### **Adam Boyton**

Adam Boyton is Deutsche Bank Australia's Chief Economist.

Adam has almost twenty years' experience across economics, public policy and foreign exchange. He started his career in the Federal Treasury and the Department of the Prime Minister and Cabinet before joining Deutsche Bank in 2000.

After spending three years in New York as Deutsche Bank's US-based currency strategist, Adam was appointed the Australian Chief Economist in July 2010.

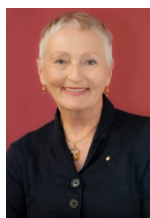
Deutsche Bank's Australian economics research is consistently ranked as one of the top economic research teams in financial market surveys.

Adam is regularly quoted in the press and on radio, and appeared frequently on CNBC when he was based in New York.

He is also a regular contributor to the economic and public policy debate in Australia. He has had various opinion pieces published in The Australian and the Australian Financial Review newspapers, and also contributed an essay to 'What If' – a book that canvassed a range of unconventional public policy ideas.

Adam has been Policy Director and Chief of Staff to a NSW Opposition Leader.

In addition to being a member of the NSW Skills Board, he is also a Trustee of the Centennial Park and Moore Park Trust.



### **Denise Bradley AC**

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

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

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

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

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

Denise chairs the Board's Provider Reference Group.



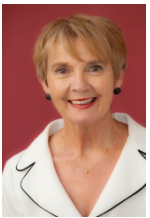
### **Mark Goodsell**

Mark Goodsell is the Director–NSW for the Australian Industry Group (Ai Group). Ai Group is a peak industry association in Australia, which along with its affiliates represents the interests of more than 60,000 businesses in an expanding range of sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other industries.

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

In 15 years as NSW Director, Mark has been responsible for pursuing business and industry policy issues on behalf of these businesses with both State and Commonwealth Governments including employment regulation, OHS and workers compensation, regulatory and occupational licensing issues, state and regional development, innovation, skills formation and vocational education.

Mark is the Chair of the NSW Industry Capability Network (ICN), and a member of Safe Work Australia.



### Kay Hull AM

Kay Hull AM is a former Australian politician. She was a National Party member of the Australian House of

Representatives from October 1998 to August 2010, representing the Division of Riverina, New South Wales. Kay was the first female NSW National to be elected to Federal Parliament and the first female Nationals Chief Whip.

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

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

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

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

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

In October 2014, Kay was appointed as the Chair of The Australian National Advisory Council on Alcohol and Drugs by the Commonwealth Minister for Health. She was awarded an AM in the 2015 Queens birthday Honours for her contribution to the Parliament of Australia and her leadership in the Riverina.



### Jack Manning Bancroft

At 30 years of age Jack Manning Bancroft is the Founder of AIME, the Australian Indigenous Mentoring

Experience. In 2005, then a 19-year-old university student, Jack founded the AIME Program with 25 Indigenous kids in Redfern. At 22 Jack became CEO.

In 2015 the organisation is supporting 4,500 Indigenous high school students and has over 2,300 University students lining up as volunteers, with 100+ staff working across the nation to bring the promise of Indigenous success to life.

It's now clear that Indigenous kids who complete the AIME program finish school and transition through to University, employment and further training at almost the same rate as every Australian child – effectively closing the gap. AIME now has its sights set on working with 10,000 kids a year by 2018 and helping close the educational gap in Australia forever.

In recognition of AIME's impact, Jack has received a number of awards including being named NSW Young Australian of the Year, received the Young People's Australian Human Rights Medal, and in 2013 AIME was voted 26<sup>th</sup> in the BRW Top 50 Best Places to work in Australia.

Jack is a graduate of the University of Sydney and Stanford University, a board member of the Advertising Standards Bureau and is also a published children's author.



### **Marie Persson**

Marie Persson has held senior executive positions in the Australian public sector at state and national levels for over 30 years. From 2005 to 2010 she was head of TAFE NSW and the Adult and Community Education Sector. During this time she led a major reform of the organisation's strategic direction and structure: TAFE in the 21st Century.

Marie is the recipient of several awards recognising her skills and contributions including the NSW Telstra Business Woman of the Year (2003), the Australian Telstra Community and Government Award (2003) and the International Literacy Year medal (1990).

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

Marie has a Masters of Education from the University of NSW, is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management. As a Board member and reviewer, she has brought her policy and leadership skills to the NSW Board of Studies, the YWCA, the NSW TAFE Commission, the University of Melbourne's LH Martin Institute, as well as the Australian Government's Expert Panel on Australian Apprenticeships.

Marie chairs the Board's Industry Reference Group.



### **Gemma Van Halderen**

Gemma Van Halderen leads the Australian Bureau of Statistics' Strategic Partnerships and Projects Division. This Division leads the transformation of ABS' statistical programs, legislation and strategies for data sharing, integration and access.

Gemma shapes strategy, change and transformation of ABS' business, policies and engagement with partners including Commonwealth and State/Territory governments.

Her interests are in improving the range, accessibility and visibility of statistics and data for research, analysis and public policy.

Gemma has a Bachelor of Science (Hons) from the Australian National University, is an Accredited Statistician, and an elected member of the International Statistics Institute. She has held senior executive positions in the Australian public sector for over 20 years.

Gemma is a member of the Australian Institute of Management, and an ACT finalist in the 2013 Telstra Business Women's Awards.



### **Leslie Loble**

Leslie Loble is Deputy Secretary, NSW Department of Education and Communities, responsible for the Office of Education.

Leslie leads strategy and policy on cross-sectoral, state-wide and national developments in education, spanning early childhood education, schooling, training and higher education. She shapes State policy and leads negotiations with the Commonwealth over education policy and funding. She is responsible for funding and regulating early childhood education and care, and manages the NSW training market

and its resourcing. Leslie recently established the Centre for Education Statistics and Evaluation, which analyses cross-sectoral education trends and evaluates education initiatives to assess what works.

Prior to joining the Department of Education and Communities, Ms Loble held several appointments in President Clinton's

Administration, including as Chief of Staff to Labor Secretary Robert B. Reich, and as a senior executive in the U.S. Department of Labor.

Ms Loble has a Masters in Public Administration from Harvard University and a Bachelor of Science from Cornell University.

## Meetings of the Board

There were eight meetings of the Board in 2014-2015.

**Table 1: Members' Attendance at Board Meetings**

Member	Meetings eligible to attend	Meetings attended
Philip Clark AM	8	8
Adam Boyton	8	5
Denise Bradley AC	8	6
Mark Goodsell	8	8
Kay Hull AM	8	7
Jack Manning Bancroft	8	6
Marie Persson	8	8
Gemma Van Halderen	8	6
Leslie Loble	8	8

## Corporate Governance Structure

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

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

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

As outlined in the *Code of Conduct*, a member must declare interests to the Board, which includes positions and pecuniary interests in corporations, partnerships or other businesses that may be relevant to the activities of the Board. A Personal Interest Declaration form has been developed for this purpose. Personal Interest Declaration forms are completed annually or as and when required and filed by the Executive Officer of the Board.

The Board has developed an overarching legislative compliance framework. The framework lists relevant legislation where the Board has some obligation of compliance or accountability. The framework makes transparent the Board's statutory and policy requirements, and provides evidence of the

Board's endeavours to meet its obligations and ensure accountability for complying with obligations. The Board has also developed a comprehensive Risk Register, which includes both strategic and operational risks. The Board approved the Skills Board legislative compliance framework and risk register at its June 2015 meeting.

For the financial year 2014-15 the NSW Skills Board and the Department of Education and Communities signed a Memorandum of Understanding (MOU). The MOU documents arrangements between the Department and the Board in relation to the provision of facilities and services by the Department and the compensation to be paid by the Board to the Department for those facilities and services. The MOU is intended to remove any uncertainty between the two parties in relation to the provision of funds to meet the expenses incurred by the Board and the provision of facilities and services by the Department to the Board. It also contains the Skills Board's budget. For the 2015-16 financial year, a new MOU has been developed with the Department of Industry.

In May 2015, the Board approved the establishment of a separate bank account for the NSW Skills Board, and authority for its operation was delegated to officers in the Department of Industry.

At its June 2015 meeting, the Board met in camera to consider mechanisms to ensure its independence, adequate resourcing and adherence to principles of good governance. These requirements are reflected in the 2015-16 MOU between the Board and the Department of Industry.

# The 2014–2015 Year in Review

The key priorities of the NSW Skills Board have included overseeing major reform of the VET system in NSW, providing independent strategic advice to the Minister for Education and Minister for Skills, advising on the allocation of VET funding, consulting with industry and providers through its reference groups and regional visits, involvement in the NSW training awards, and commissioning research projects to inform VET developments in NSW. The NSW Skills Board has had particular responsibility for providing advice on the implementation of Smart and Skilled, which commenced on 1 January 2015.

On 2 April 2015, administrative arrangements transferred responsibility for the Skills Board from the Minister for Education to the Minister for Regional Development, Minister for Skills and Minister for Small Business, the Hon. John Barilaro, MP. On 1 July 2015, the Skills Board and State Training Services, which provides administrative support to the Board, transferred from the Department of Education and Communities to the Department of Industry, Skills and Regional Development (formerly known as NSW Trade & Investment).

The transfer of the NSW Skills Board and State Training Services to the Department of Industry ensures training programs are closely aligned with economic, regional and small business development.

The vision of the Department of Industry is to ensure a strong and diverse NSW economy by engaging and collaborating with business, industry and the community; providing advice, support, technical knowledge, science and research capabilities; and building skills by funding vocational education and training through TAFE NSW Institutes and other registered training organisations to improve job participation and to help drive sustainable economic growth and productivity.

## VET Reform in NSW – Smart and Skilled

Smart and Skilled was announced by the NSW Government in October 2012. It is a major reform of the NSW VET system, and responds to COAG decisions and the Commonwealth-State National Partnership Agreement on Skills Reform. From 1 January 2015, Smart and Skilled has included an entitlement to government-subsidised training up to and including Certificate III and government funding for higher-level courses (Certificate IV and above) in targeted priority areas. Smart and Skilled is designed to support high quality training, informed consumer choice, responsible budget management and TAFE NSW as the public provider.

The introduction of Smart and Skilled has required detailed planning. Consistent with its functions under the *Skills Board Act 2013*, and within the Government policy parameters outlined above, the Skills Board was involved throughout 2014 in advising the NSW Minister for Education and the NSW Government on the framework, governance and overall settings for Smart and Skilled, and has provided ongoing advice on adjustments since its implementation. Key activities are outlined below.

### Smart and Skilled Provider Application, Assessment and Allocation Process

The Smart and Skilled provider application, assessment and allocation process under Smart and Skilled was framed by

Government priorities. Following endorsement of the proposed process by the Skills Board and approval by the Minister, the application, assessment and allocation process was implemented by the Department.

Providers seeking a contract under Smart and Skilled participated in an online application process, which opened on 30 June 2014 for a period of six weeks. Providers applied to deliver qualifications on the 2015 Skills List and their quality and relative performance against that of other providers was assessed.

The provider assessment process involved assessing organisational capacity, compliance and capacity to offer qualifications in regions. Contracts were offered to successful providers in October 2014. Three hundred and thirty eight providers initially accepted contracts.

### **Smart and Skilled Implementation**

The Smart and Skilled contracts established in October 2014 committed the available 2015 Smart and Skilled budget across three programs - the Entitlement (Certificate II and III), Targeted Priorities (Certificate IV plus) and Foundation Skills programs.

Consistent with financial management and accountability requirements, State Training Services undertook an end-of-year reconciliation of current commitments and anticipated expenditure in existing 2014 programs. This identified additional funds available for allocation under Smart and Skilled.

On 18 December 2014 the Minister announced an additional \$57 million in funding for Smart and Skilled. The Board was asked to consider options for the allocation of the funds and endorsed additional funding to increase small regional caps for providers under the entitlement program, additional funds for higher level targeted priorities

qualifications, and support for equity and diversity, with the aim of enabling training providers and employers to better target training areas of need. The additional funding provided training for around 16,000 more students in NSW.

Throughout the first half of 2015, the Board received regular updates on the implementation of Smart and Skilled. This included assessing the implications of managing the market within a limited budget, and current policy settings, including fee levels and contestability. It became apparent that uptake under Smart and Skilled was tracking more slowly than expected. In response, the Board actively sought to understand and make recommendations to address the situation. In February 2015, the Board considered the outcomes of the allocation and assessment process and any unintended consequences. At its 23 April and 18 June meetings, the Board recommended a number of strategies to increase apprenticeship and traineeship take-up and to offer contracts to more training providers to enable greater flexibility and responsiveness to local training demand. These included giving additional flexibility to apprenticeship and traineeship providers, and adding new providers with proven industry or regional track records who had passed the organisational capacity and compliance sections of the Smart and Skilled Application. Monitoring of progress under Smart and Skilled will be a continuing focus during the 2015-2016 financial year.

### **Smart and Skilled Performance Monitoring**

During the reporting period, the Board oversaw the introduction of performance monitoring of providers who were offered Smart and Skilled contracts. This included due diligence assessments of successful providers and ongoing monitoring to ensure providers were meeting contractual

obligations and were actively training under Smart and Skilled.

### **Smart and Skilled Evaluation Framework**

Ongoing evaluation of Smart and Skilled is essential. Commitments have been made by NSW Cabinet and through national agreements, to undertake periodic policy, practice and impact reviews. Using research and evaluation to inform planning and decision making ensures that implementation and ongoing delivery meets performance targets, strict quality standards and defined budget management. At its November 2014 meeting the Board noted the development of an Evaluation Framework for Smart and Skilled.

In January 2015, the Auditor-General's report on Vocational Education and Training Reform was released. This gave a positive assessment of the implementation of Smart and Skilled. The Auditor-General observed that while Smart and Skilled is a complex initiative, the implementation was well managed with appropriate governance and project management systems that enabled its successful launch on 1 January 2015. The Auditor-General concluded that the framework for VET Reform had the potential to effectively achieve the government's objectives for the reform, and made recommendations concerning data and information provision into the future.

### **Smart and Skilled One Year Implementation Review**

There is a government requirement for two reviews of Smart and Skilled, the 2016 Smart and Skilled One Year Implementation Review, which includes a strategic examination of policy settings to ensure that they are delivering desired results, and the 2017 Smart and Skilled Post-Implementation Evaluation which will evaluate student outcomes.

At its February 2015 meeting, the Board agreed to commission and oversee the one year review of Smart and Skilled and established a Review Reference Group to oversee the review. The Board endorsed the review terms of reference at its April 2015 Meeting and advised the Minister in May 2015.

The aims of Stage 1 of the review are to examine the effectiveness of the Smart and Skilled provider application and assessment process, its adequacy in terms of provider experience, regional and industry connections, and preparedness of providers, including their support for students. The second stage will examine broader Smart and Skilled policy and budget issues. Stage 1 is due for completion in October 2015 and Stage 2 in the first half of 2016.

Following a formal procurement process, in June 2015 the Board commissioned Nous Group to undertake Stage 1 of the independent review of the first year of implementation of Smart and Skilled.

### **NSW Skills List**

The Board oversees the development and maintenance of the NSW Skills List. The initial 2014 NSW Skills List was developed through significant stakeholder consultation. The List was updated in late 2014 and the 2015 NSW Skills List formed the basis of applications and allocations under Smart and Skilled.

In June 2015 the Board approved the process for developing the 2016 NSW Skills List. Consultation on the 2016 Skills List commenced in June 2015. As with the 2015 consultations, participants were required to provide evidence as to why qualifications should be added or removed from the List. Proposed changes to the 2016 Skills List were tabled at the August 2015 Skills Board meeting for approval by the Board prior to seeking Ministerial endorsement.

## **CSO Thin Market Implementation Policy**

A thin market, as defined by IPART, is one where at least one training provider has the capacity to deliver the training in the specific market but no training provider is willing to do so for the base price and other applicable funding. CSO thin markets – where the Government recognises a Community Service Obligation to fund a qualification in a market – are those where there is a clear rationale in terms of priority for the government to support additional funding.

The CSO Thin Market Implementation policy was developed to provide a clear definition of CSO thin markets and outlined management arrangements and accountabilities.

At its April 2015 meeting, the Board approved the CSO Thin Market Implementation Policy and arrangements for 2015.

## **VET Budget and Funding 2014–2015**

One of the Board's terms of reference is to advise the Minister on the allocation of the State and Commonwealth VET funding and the New South Wales VET budget.

The Board considered aspects of VET funding at several meetings during the reporting period, commencing in September 2014. In addition to funding from the NSW Government, NSW receives funding for VET from two Commonwealth sources:

1. The National Agreement for Skills and Workforce Development, which provides ongoing funding and sets targets and reform goals for the national system.
2. The National Partnership Agreement on Skills Reform, which commits NSW to reform of the training system covering a student entitlement, support for the competitive training market and access to income contingent loans. The National Partnership Agreement is worth more than half a billion dollars to NSW over five years.

At its 23 September 2014 meeting the Board was briefed on the Smart and Skilled budget and its various elements for 2015. At its 13 November 2014 meeting the Board noted the proposed funding amounts for the Emerging Priorities Fund to enable the Department to meet unanticipated costs associated with skills reform and emerging issues. A proportion of these funds supports the Bert Evans Apprentice Scholarships.

Consistent with funding levels in 2014, at its 19 February 2015 meeting, the Board endorsed funding for TAFE delivered VET for schools students (TVET) for the calendar year 2015 and the NSW Schools Consortium. The Board noted that a review of Board funding for VET for school students will be undertaken and a proposal presented to the Board in the second half of the year. The Board also agreed to provide funding to the NSW Training Awards.

## **Smart and Skilled Prices and Fees 2016**

The Board considered options for Smart and Skilled prices and fees in 2016 at its June 2015 meeting and provided initial advice to the Minister. Smart and Skilled prices and fees for 2015 had been guided by IPART, amended by the Board, and agreed by the NSW Government on the recommendation of the Board.

## **NSW Skills Board Reference Groups**

During the reporting period, the NSW Skills Board Provider Reference Group and Industry Reference Group met to discuss issues in relation to Smart and Skilled and to provide input for the Skills Board to deliver informed advice to the Minister.

### **Provider Reference Group**

The Provider Reference Group provides advice to the Board on the extent to which

skills reform is enabling training organisations to offer responsive, high quality training that meets the needs of learners and industry.

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

- from TAFE NSW: Pam Christie, Kerrie Penton and Peter Roberts
- from ACPET: Bruce Callaghan, Ron Maxwell and Simon Hitchick
- from Community Colleges Australia: Kate Davidson and David Martin
- from The Enterprise RTO Association: Chris Butler

The Provider Reference Group met on 18 August 2014 and 12 March 2015 to provide advice on implementation issues in relation to Smart and Skilled, and reports from these meetings were supplied to the Board.

### Industry Reference Group

The Industry Reference Group provides advice to the Board on industry skills and training priorities, the impact on NSW industry of skills reform, and responsiveness and quality issues in the training system.

The Chair of the Industry Reference Group is Board member Marie Persson. Membership of the Industry Reference Group at 30 June was as follows:

- Sarah Kevin, Training and Development Manager, McDonalds Australia Ltd
- Michelle Bass, Skills Advisor, Australian Industry Group
- Andrew Bragg, Director of Policy and Global Markets, Financial Services Council
- David Castledine, CEO, NSW Civil Contractors Federation
- Cathy Foley, Chief, CSIRO'S Division of Minerals, Science and Engineering

- Margaret Haseltine, Deputy Chair, AgriFoods Skills Australia
- Jelena Kralic, Organisational Development Manager, BlueScope Steel Ltd
- Nick Minto, Director, Policy and Advocacy, NSW Business Chamber
- Arthur Rorris, Secretary, South Coast Labour Council, Unions NSW
- Susan Scowcroft, Executive Director, NSW Community Services and Health ITAB.
- Greg Sullivan, Director, Planning Land and Communities, NSW Minerals Council

The Industry Reference Group met on 27 August 2014 and 24 November 2014. It provided advice on the implementation of Smart and Skilled, and considered reforms to the development of training packages. Reports from these meetings were supplied to the Board.

### NSW Strategic Skills Plan

One of the Board responsibilities is to coordinate the development of strategic skills plans that reflect the NSW Government's priorities for VET and skills development.

In the second half of 2014, work began on developing the NSW Strategic Skills Plan to identify the State's skills challenges, strategic goals, priorities for action, planned outcomes and performance measures. An outline of the plan was presented to the Board at its February 2015 meeting for feedback and further direction.

The draft strategic Skills plan was presented to the Board at the 23 April Meeting. The Plan is to be refined in the light of the Board's move to the Department of Industry and will be released in 2016.

## Research Projects of the NSW Skills Board

Under the *Skills Board Act 2013*, the NSW Skills Board has a mandate to lead a strong research program. One of its functions is to commission and conduct inquiries and research into any matter relevant to the functions of the Board. A number of research projects have been commenced or completed during the reporting period.

### NSW Secondary Students' Post-School Destinations and Expectations

The 2014 Survey of Secondary Students' Post-School Destinations provides a platform for the the NSW Government to identify trends in, and correlates of, post-school education, training and employment destinations of secondary school students in NSW.

The survey builds on previous research commissioned by the Board of Vocational Education and Training (now the NSW Skills Board) to track and monitor the post-school destinations of NSW students and the importance of VET in Schools participation.

Surveys were completed by four cohorts across government and non-government schools: early school leavers; Year 12 completers; Year 10 students; and, teachers of year 10 students.

A full copy of the report can be downloaded from the NSW Skills Board website [www.skillsboard.nsw.gov.au](http://www.skillsboard.nsw.gov.au)

### Tertiary Pathways Projects

Work on integrated VET-higher education tertiary pathways was commenced by the Board's predecessor, the Board of Vocational Education and Training, and has been continued by the current Board.

In February 2015, the Board considered findings of three projects that designed tertiary courses that integrate VET and higher

education – in Accounting, Engineering and Early Childhood. The Board noted that these are lighthouse projects that have a key role to play in informing tertiary education developments.

At its June 2015 meeting, the Board approved funding for a further 3 projects. The first is a pathway project in aged care to support the growing demand for a qualified workforce to support the needs of an aging population; the second furthers work in early childhood and the third is a scoping project to identify opportunities for innovative apprenticeship pathways.

### Factors affecting demand for higher level VET qualifications by students from low SES backgrounds and possible policy interventions to increase their participation in higher VET qualifications

This project was approved by the Board in the previous reporting period and commenced in 2015. It investigates the influence of student socio-economic status (SES) on participation and achievement in education and training. It is well known that people from socially disadvantaged backgrounds are less represented in higher level VET qualifications (variously defined as Certificate III or Certificate IV and above) and in higher education. The Board commissioned The Melbourne Graduate School of Education, from the University of Melbourne, to undertake the research, which is expected to be completed before the end of 2015.

The research will inform policy interventions that may be required to increase the proportion of students from low SES backgrounds in higher level VET.

## **Developing a skills list – review of methodology**

The NSW Skills List for 2014 and 2015 was developed using a wide ranging three stage methodology which included analysis of industry, occupations and qualifications, consultation with industry to determine priority occupations and qualifications, and modelling to assess the impact of potential changes. In order to evaluate the contribution of different elements of the process, the NSW Skills Board commissioned a project to review the methodology used in preparing the NSW Skills List.

One aim of the research is to examine the utility of occupational forecasts in informing the Skills List. The review will help ensure that the Skills List supports future industry and employment needs and remains appropriate as a tool for identifying government subsidised qualifications.

The National Institute of Labour Studies at Flinders University has been commissioned to undertake the research. A report is expected by the end of 2015.

## **Investigating targeted areas that impact on training demand to improve the accuracy of modelling of estimates of demand for training**

The aim of this project is to build additional information into the Smart and Skilled Simulator, SASSI, to enable more accurate estimates of student demand and budget impact.

The requirement of budget neutrality means that the Department needs to be able to accurately estimate completion rates and student demand, because changes in completion rates and forecasts of demand have substantial impacts on budget. The proposed research focuses on completion rates, the impact of VET FEE-HELP on student demand for training, and course substitution.

A targeted Expression of Interest process among researchers with appropriate backgrounds and experience will be conducted to select a research team to undertake this work.

## **Exploring labour market outcomes of VET qualifications**

This research will further existing work on the relationship between VET qualifications and labour market outcomes and the implications of this for Smart and Skilled.

The project will explore the link between qualifications and employment within the context of Smart and Skilled and the decision of the NSW Government to offer an entitlement to training based on student demand.

A targeted Expression of Interest process among researchers with appropriate backgrounds and experience will be conducted to select a research team to undertake this work.

## **NSW Schools Consortium**

The NSW Schools Consortium consists of the NSW Department of Education and Communities (DEC), the Catholic Education Commission, the Association of Independent Schools and the Board of Studies, Teaching and Educational Standards (BOSTES) NSW, with representation from TAFE NSW. The Consortium oversees the use of funds allocated to the NSW school sectors and engages in joint projects.

The schools sectors and BOSTES are required to report annually to the NSW Skills Board on the use of Schools Consortium funding. Current reporting and accountability arrangements cover six reporting areas, key performance indicators for each area and their link to Consortium funding objectives.

The 2014 report was presented to the Board in 2015.

## **Skills Board Regional Visit - Orange**

On Monday 22 and Tuesday 23 September, the NSW Skills Board visited the regional city of Orange to meet with employers and training providers to gain an understanding of the needs of regional communities and the challenges they face in accessing training. During the course of the two days, the Board visited the Cadia Valley Gold Mine, TAFE NSW - Western Institute, VERTO – a multi sectoral private provider, and Wangarang Industries – an Australian disability enterprise.

The first stop was at Newcrest Mining, Cadia Valley Operations (CVO), which is one of Australia's largest gold mining operations and currently employs approximately 900 full time employees and 400 contractors. CVO had 61 apprentices on site, and has a 97% completion rate, due in part to a strong emphasis on communication and regular feedback meetings with their apprentices.

The Board also visited a number of TAFE NSW - Western Institute sites in Orange. TAFE Western covers more than half the state from Lithgow to Broken Hill and Grenfell to Lightning Ridge. It manages 24 colleges and has approximately 36,000 student enrolments each year. The Board witnessed the signing of a Memorandum of Understanding for Academic Cooperation between TAFE Western and Charles Sturt University to improve access to higher education throughout Western NSW.

The Board met with staff and students in the Orange office of VERTO, an independent not-for-profit organisation with nearly 200 staff operating in 25 locations across NSW. It offers a broad range of services including training support to Aboriginal learners, apprenticeships, community services, disability support, employment services, harvest labour, and training services.

The last site visit for the Board was Wangarang Industries, which is a not-for-profit Australian Disability Enterprise (ADE), providing jobs and training for people with disabilities throughout Orange and the Central West of NSW. Wangarang Industries has been operating in Orange for 52 years and was originally started by a group of parents. It provides supported employment and vocational training for approximately 125 people with a variety of intellectual and physical disabilities.

The visit to Orange provided Board members with on the ground exposure to the various issues that affect vocational and education training in a regional area. This will assist the Board in making informed decisions about the direction of training for individuals, industry, regions and the economy.

## **Training Awards**

### **2014 NSW Training Awards**

The 2014 NSW Training Awards were held on 9 September 2014. The NSW Skills Board sponsored the Aboriginal and Torres Strait Islander Student of the Year award. The award was won by Jameela Smith who studied Community Services – Employment Services Certificate IV. Jameela was trained by ORS Training Solutions and employed by The ORS Group Pty Ltd. Jameela is looking to further her career with additional qualifications in either Mental Health or Disability and continues to work in the community services sector focusing on Aboriginal Youth.

### **2015 NSW Training Award Sponsorship**

In 2015, the NSW Skills Board is sponsoring the NSW Training Awards as a Strategic Partner. The Board again supports the NSW Aboriginal and Torres Strait Islander of the Year award. The 2015 NSW Training Awards were held on 9 September 2015 at the Sydney Convention and Exhibition Centre, Darling Harbour. For further

information on the NSW Training Awards visit [www.trainingawards.nsw.gov.au](http://www.trainingawards.nsw.gov.au)

### **Events Subsequent**

From 1 July 2015, under Government administrative arrangements orders, the Board comes under the Department of Industry, Skills and Regional Development rather than DEC. The new Department has established a bank account for the Board and has agreed to transfer the Board's

accumulated funds into the account following finalisation of the 2015 financial statements. An agreement between the Board and the Department of Industry has been signed, which covers service and funding support beyond the 2015 financial year and ensures the ongoing viability of the Board. Staff in the Skills Board Secretariat have also been transferred from the Department of Education to the Department of Industry, either substantively, or on secondment.

# Financial Statements

## NSW Skills Board

For the period ended 30 June 2015

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## INDEPENDENT AUDITOR'S REPORT

### NSW Skills Board

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the NSW Skills Board (the Board), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

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

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

### The Board's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

## **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

S Bond.

Sally Bond  
Director, Financial Audit Services

15 October 2015  
SYDNEY

## **NSW SKILLS BOARD**

Financial Statements

For the year ended 30 June 2015

### **STATEMENT BY MEMBERS OF THE BOARD**

Pursuant to Section 41C of the Public Finance and Audit Act 1983, and in accordance with a resolution of the Members of the NSW Skills Board, we declare on behalf of the Board that in our opinion:

- (1) The accompanying financial statements and notes have been prepared in accordance with applicable Accounting Standards, the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for NSW General Government Sector Entities, the applicable clauses of the Public Finance and Audit Regulation 2015 and Treasurer's Directions.
- (2) The statements exhibit a true and fair view of the financial position and financial performance of the Board.
- (3) We are not aware of any circumstances that would render any particulars included in the financial statements to be materially misleading or inaccurate.



**Philip Marcus Clark AM**

Chair

NSW Skills Board

15 October 2015



**Adam Boyton**

Member

NSW Skills Board

Date: 15 October 2015

## NSW SKILLS BOARD

### Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	Actual 2015 \$'000	Actual <sup>1</sup> 2014 \$'000
<b>Expenses excluding losses</b>			
<b>Operating expenses</b>			
Secretariat services	2(a)	449	277
Other operating expenses	2(b)	712	325
<b>Total Expenses excluding losses</b>		<b>1,161</b>	<b>602</b>
<b>Revenue</b>			
Grants and contributions	3(a)	1,856	1,099
Investment revenue	3(b)	61	34
<b>Total revenue</b>		<b>1,917</b>	<b>1,133</b>
<b>Net result</b>		<b>756</b>	<b>531</b>
<b>Other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>Total other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>756</b>	<b>531</b>

The accompanying notes form part of these financial statements

<sup>1</sup> In 2014 the effective timeframe for the Skills Board operation was 27/11/13 to 30/6/14.

# NSW SKILLS BOARD

## Statement of Financial Position as at 30 June 2015

	Notes	Actual 2015 \$'000	Actual 2014 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,053	2,344
Receivables	5	3	23
<b>Total Current Assets</b>		<b>3,056</b>	<b>2,367</b>
<b>Total Non-Current Assets</b>		--	--
<b>Total Assets</b>		<b>3,056</b>	<b>2,367</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6	50	117
<b>Total Current Liabilities</b>		<b>50</b>	<b>117</b>
<b>Total Non-Current Liabilities</b>		--	--
<b>Total Liabilities</b>		<b>50</b>	<b>117</b>
<b>Net Assets</b>		<b>3,006</b>	<b>2,250</b>
<b>EQUITY</b>			
Accumulated funds		3,006	2,250
<b>Total Equity</b>		<b>3,006</b>	<b>2,250</b>

The accompanying notes form part of these financial statements

# NSW SKILLS BOARD

## Statement of Changes in Equity for the year ended 30 June 2015

	<b>Notes</b>	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2014</b>		<b>2,250</b>	<b>2,250</b>
<b>Net result for the year</b>		<b>756</b>	<b>756</b>
<b>Other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>Total other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>Total comprehensive income for the year</b>		<b>756</b>	<b>756</b>
<b>Transactions with owners in their capacity as owners</b>			
Increase/(decrease) in net assets from equity transfer		<b>--</b>	<b>--</b>
<b>Balance at 30 June 2015</b>		<b>3,006</b>	<b>3,006</b>

	<b>Notes</b>	Accumulated Funds \$'000	Total \$'000
<b>Balance at 27 November 2013</b>		<b>--</b>	<b>--</b>
<b>Net result for the year</b>		<b>531</b>	<b>531</b>
<b>Other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>Total other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>Total comprehensive income for the year</b>		<b>531</b>	<b>531</b>
<b>Transactions with owners in their capacity as owners</b>			
Increase/(decrease) in net assets from equity transfer	10	<b>1,719</b>	<b>1,719</b>
<b>Balance at 30 June 2014</b>		<b>2,250</b>	<b>2,250</b>

The accompanying notes form part of these financial statements

## NSW SKILLS BOARD

### Statement of Cash Flows for the year ended 30 June 2015

	Notes	Actual 2015 \$'000	Actual 2014 \$'000
<b>Cash Flows from Operating Activities</b>			
<i><b>Payments</b></i>			
Secretariat services		(436)	(457)
Other		(776)	(1,109)
<b>Total Payments</b>		<b>(1,212)</b>	<b>(1,566)</b>
<i><b>Receipts</b></i>			
Grants and contributions		1,860	1,833
Interest received		61	51
Other			51
<b>Total Receipts</b>		<b>1,921</b>	<b>1,935</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	7	<b>709</b>	<b>369</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>--</b>	<b>369</b>
Opening cash and cash equivalents		2,344	--
Cash transferred in/(out) as a result of administrative restructuring	10	--	1,975
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>3,053</b>	<b>2,344</b>

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 2015

### 1. Summary of Significant Accounting Policies

#### (a) Reporting entity

The New South Wales Skills Board ('the Board') is a not-for-profit entity (as profit is not its principal objective) and has no cash generating units. The Board is the Government's principal advisory body on vocational education and training. The Board advises the Minister for Education - and from 2 April 2015, the Minister for Skills - on the distribution of the NSW Vocational Education and Training (VET) budget and on state and national training policy, including overseeing VET reform in NSW. The Board was constituted by section 4(1) of the *Skills Board Act 2013*. The entity commenced operation on 27 November 2013. On the same date, the Board of Vocational Education and Training was dissolved and the assets, rights and liabilities were transferred to the NSW Skills Board. See notes 1(i) and 10 for details of the transfer.

As of 1 July 2015, responsibility for the Board transferred from the Department of Education and Communities (DEC) to the Department of Industry, Skills and Regional Development (Department of Industry). Under a Memorandum of Understanding between the Board and DEC for the reporting period, DEC agreed to assist with preparation of the Board's 2015 financial statements.

Under the Administrative Arrangements Orders which transferred the Board to the Department of Industry, any reference to DEC in the Skills Board Act is to be construed as a reference to the Department of Industry.

The financial statements of the Board have been prepared on a going concern basis.

The Board and the Department of Industry have agreed to service and funding support for the forward financial year, consistent with Section 9 of the Skills Board Act 2013. Appropriated funds, combined with other revenues earned, are applied to pay debts as and when they become due and payable. The support arrangement with the Department of Industry requires the Board to control the financial viability of the Board.

These financial statements for the year ended 30 June 2015 have been authorised for issue by the Board members on 15 October 2015.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (b) *Basis of preparation*

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

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

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

#### (c) *Statement of compliance*

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

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

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

- amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office (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.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (e) *Income recognition*

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

##### (i) Grants and contributions:

- Revenue received from the State and allocated by the NSW Minister for Education to the Board for research and development projects. These funds are recognised as income when the Board obtains control over the assets comprising the contributions. Control is normally obtained upon the receipt of cash;
- A direct contribution from the State received by the Board from the NSW Department of Education and Communities ('the Department') to fund the Board's operating expenses during the reporting period. This funding is recognised when it is received.

##### (ii) Investment revenue

Investment revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments Recognition and Measurement*.

#### (f) *Assets*

##### (i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (g) *Liabilities*

##### (i) Payables

These amounts represent liabilities for goods and services provided to the Board and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (h) *Equity*

##### (i) *Accumulated Funds*

The category 'Accumulated Funds' includes all current retained funds and transferred equity from the NSW Board of Vocational Education and Training.

##### (i) *Equity Transfer*

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and part thereof between NSW public sector entities and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfer arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure.

Effective 27 November 2013, all assets, rights and liabilities of the Board of Vocational Education and Training were transferred to the NSW Skills Board.

##### (j) *Comparative information*

The current reporting period covers the twelve months from 1 July 2014 to 30 June 2015. The comparative period is less than 12 months, from 27 November 2013, when the Board was established, to 30 June 2014.

##### (k) *Secretariat Services*

Secretariat services represent the salaries and wages of the Department's employees who were allocated to the Board during the year to provide a range of policy and support services. These costs were incurred by the Department and have been subsequently recharged to the Board as a fee for services rendered when incurred. All related on-costs of these Department employees, such as workers' compensation and payroll tax have also been included in this charge.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

#### (l) *Corporate Service Support Charge*

In the year ended 30 June 2015, the Board compensated the Department for corporate support services by way of an additional loading on actual Secretariat and Operational Support Services in accordance with Treasury directions.

#### (m) *Other Operating Expenses – Board Members*

Other Operating Expenses include fees for Board member services plus superannuation, workers' compensation, payroll tax and departmental on-costs. Board members are not entitled to any leave provisions.

#### (n) *Cash and Cash Equivalents*

The Board did not maintain an operating bank account during the period. During the reporting period all cash receipts earned and cash payments made were managed through the Department's operating bank account. At 30 June 2015 the Department held \$3,053K on behalf of the Board, which represents net cash surplus of the Board's activities. Interest is earned on these funds. The cash fund position will vary at any stage during the reporting period depending on the timing of all operating receipts and payments.

For the purpose of the Statement of Cash Flows, cash includes cash at bank as at 30 June 2015.

#### (o) *Change in accounting policy, including new or revised Australian Accounting Standards*

##### (i) *Effective for the first time in 2014-15*

The accounting policies applied in 2014-2015 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2014-2015.

Revised standards relevant to not for profit entities include, AASB 10 Consolidation, AASB 12 Disclosure of Interests in Other Entities, AASB 127 Separate Financial Statements and AASB 1055 Budgetary Reporting.

The Board has reviewed and assessed AASB 10, 12 and 127, and as the Board does not control or have interest in any other entities these do not apply.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

(o) *Change in accounting policy, including new or revised Australian Accounting Standards (continued)*

(i) Effective for the first time in 2014-15 (continued)

AASB 1055 Budgetary Reporting requires that budgeted amounts disclosed in the financial statements are as per the original budgeted financial statements presented to Parliament. As a result this standard does not apply to the NSW Skills Board.

(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 Accounting Standards have not been applied and are not yet effective (refer NSW Treasury Mandates TC15/03 and NSW Treasury website). Management cannot determine the actual impact of these Standards on the Board's financial statements in the period of their initial application.

AASB 9 *Financial Instruments* (application date 2018-19);

AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective date 2018-19);

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Part C Financial Instruments]* (effective 2015-16);

AASB 2014-1 (Part E) *Amendments to Australian Accounting Standards regarding financial instruments* (effective 2018-19);

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 1. Summary of Significant Accounting Policies (continued)

(ii) Issued but not yet effective (continued)

*AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (effective 2018-19);*

*AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (effective 2015-16);*

*AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (effective 2016-17);*

*AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 (effective 2016-17);*

*AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (effective 2015-16);*

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 2. *Expenses excluding losses*

	Actual 2015 \$'000	Actual 2014 \$'000
<b>a. Secretariat Services</b>		
Secretariat services and departmental on-costs	376	228
Superannuation defined contribution	36	23
Long Service Leave	12	9
Worker Compensation Insurance	5	5
Payroll tax and fringe benefit tax	20	12
<b>Total secretariat services expenses</b>	<b>449</b>	<b>277</b>
<b>b. Other operating expenses</b>		
Fees for Board member services and on-costs *	338	198
Auditor remuneration (audit of financial statement)	21	20
Operating lease rental expense (minimum lease payment)	36	21
Travelling and sustenance	16	2
Contractors (projects)	294	84
Other	7	--
<b>Total other operating expenses</b>	<b>712</b>	<b>325</b>
<b>Total expenses excluding losses</b>	<b>1,161</b>	<b>602</b>

\* refer to note 1(m) for items associated with Board member services and on-costs.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 3. Revenue

	Actual 2015 \$'000	Actual 2014 \$'000
<b>a. Grants and contributions</b>		
State grant for operating expenses *	880	521
State grant for projects	976	578
<b>Total grants and contributions</b>	<b>1,856</b>	<b>1,099</b>
<b>b. Investment revenue</b>		
Interest revenue	61	34
<b>Total investment revenue</b>	<b>61</b>	<b>34</b>
<b>Total revenue</b>	<b>1,917</b>	<b>1,133</b>

\* The State grant for operating expense amount has been derived from total expenses excluding losses less project expenses (contractors). This also includes recognition of the value of long service leave assumed by the Crown.

### 4. Current Assets – Cash and Cash Equivalents

Cash and cash equivalents	3,053	2,344
<b>Total cash and cash equivalents</b>	<b>3,053</b>	<b>2,344</b>

### 5. Current Assets – Receivables

GST receivable	3	10
Other receivable	--	13
<b>Total receivables</b>	<b>3</b>	<b>23</b>

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 6. *Current Liabilities – Payables*

	Actual 2015 \$'000	Actual 2014 \$'000
Accrued expenditure	50	117
<b>Total payables</b>	<b>50</b>	<b>117</b>

### 7. *Reconciliation of Cash Flows From Operating Activities to Net Result*

Net cash used on operating activities	709	369
Decrease/(Increase) in Payables	67	961
Increase/(Decrease) in Receivables	(20)	(799)
<b>Net Result</b>	<b>756</b>	<b>531</b>

### 8. **Contingent Assets and Liabilities**

The Board is not aware of any contingent assets and liabilities in existence as at 30 June 2015.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 9. *Financial Instruments*

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

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 this financial report.

#### (a) Financial instruments categories

<b>Financial Assets Class:</b>	<b>Notes</b>	<b>Category</b>	<b>Carrying Amount 30 June 2015 \$'000</b>	<b>Carrying Amount 30 June 2014 \$'000</b>
Cash and cash equivalents	4	N/A	3,053	2,344
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	--	13
<b>Financial Liabilities Class:</b>				
Payables <sup>2</sup>	6	Financial liabilities measured at amortised cost	50	117

#### Notes

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

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 9. *Financial Instruments (continued)*

#### **(b) Credit risk**

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in 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 impairment).

##### *Cash*

Cash held with the Department of Education and Communities. Interest is earned on yearly average bank balances at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury.

##### *Receivables – trade debtors*

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

There are no financial assets that are past due or impaired.

#### **(c) Liquidity risk**

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. During the reporting periods shown, the Department of Education and Communities, on behalf of the Board, continuously managed risk through the monitoring of 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 overdrafts, loans and other advances.

During the current and prior years there were no defaults on any loans payable. 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.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 9. *Financial Instruments (continued)*

#### (c) Liquidity risk (continued)

Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12, which specifies payment of accounts requirements. For small businesses, payments must be made within 30 days of receipt of a correctly rendered invoice, unless an existing contract or standing offer provides for an alternative time period. If payment is not made within the specified time period, simple interest must be paid automatically. For suppliers other than small businesses, if trade terms are not specified, payment is made by the end of the month following the month in which a correctly rendered invoice or statement from the supplier is received.

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

#### *Maturity analysis and interest rate exposure of financial liabilities (\$'000)*

	Weighted Average Effective Int. Rate	Nominal Amount	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 yrs	> 5 yrs
<b>30 June 2015</b>								
<b>Payables:</b>								
Creditors	--	50	--	--	50	50	--	--
<b>30 June 2014</b>								
<b>Payables:</b>								
Creditors	--	117	--	--	117	117	--	--

#### (d) 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 other price risk.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 9. Financial Instruments (continued)

#### (d) Market risk (continued)

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. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

#### (e) Interest rate risk

The Board's exposure to interest rate risk and the effective interest rates of financial assets and liabilities are as follows:

		\$'000			
	Carrying Amount	Net Result	-1% Equity	Net Result	+1% Equity
<b>30 June 2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,053	(31)	(31)	31	31
<b>Financial liabilities</b>					
Payables	50	(1)	(1)	1	1

		\$'000			
	Carrying Amount	Net Result	-1% Equity	Net Result	+1% Equity
<b>30 June 2014</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,344	(23)	(23)	23	23
<b>Financial liabilities</b>					
Payables	117	(1)	(1)	1	1

**9. *Financial Instruments (continued)***

**(f) Net Fair Value of Financial Assets**

The net fair value of cash and interest bearing monetary financial assets approximates their carrying value.

## NSW SKILLS BOARD

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### 10. *Administrative Restructure*

#### **NSW Board of Vocational Education and Training as transferor**

Effective date 27 November 2013, all assets, rights and liabilities of the NSW Board of Vocational Education and Training were transferred to the NSW Skills Board.

This is an administrative restructure, which is treated as a contribution by owners and recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. The carrying value of assets and liabilities held by the NSW Board of Vocational Education and Training as at 27 November 2013 approximates the fair value transferred to the NSW Skills Board.

Assets and Liabilities transferred to the NSW Skills Board are outlined below:

	NSW Skills Board \$'000
Cash and cash equivalents	1,975
Receivables	822
Payables	(1,078)
<b>Net assets transferred on equity transfer</b>	<b>1,719</b>

## **NSW SKILLS BOARD**

Notes to and forming part of the Financial Statements for the year ended 30 June 2015

### **11. *Events after the Reporting Period***

From 1 July 2015, under Government administrative arrangements orders, the Board comes under the Department of Industry, Skills and Regional Development rather than DEC. The new Department has established a bank account for the Board, to commence operation from 1 July 2015. A sum of \$1 million was transferred from the Board's accumulated funds to the Board's bank account on 1 July 2015 to provide working capital for the Board. The balance of accumulated funds as referred to in Note 1 (h) (i) will be transferred from the Department of Education to the Board's bank account on finalisation of the Board's 2015 financial statements. An agreement between the Board and the Department of Industry covers service and funding support beyond the 2015 financial year and will ensure the ongoing viability of the Board. Staff in the Skills Board Secretariat have also been transferred from the Department of Education to the Department of Industry, either substantively, or on secondment.

# 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/Address

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

Locked Bag 53, Darlinghurst NSW 1300

Telephone: (02) 9244 5009

[www.skillsboard.nsw.gov.au](http://www.skillsboard.nsw.gov.au)

Business Hours: Monday–Friday 9am–5pm

## Management and structure

Refer to *Board Members*, pages 6-10.

## Summary review of operations

Refer to *The Year in Review*, pages 12-20.

## Funds granted to non-government community organisations

No funds were granted to non-government community organisations.

## Economic or other factors

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

## Management and activities

See *The Year in Review*, pages 12-20.

## Research and development

See *The Year in Review*, pages 12-20.

## Human resources

At 30 June 2015, the Board's secretariat comprised 4.5 equivalent full-time employees of the DEC subject to the personnel and industrial relations policies and practices of the Department of Premier and Cabinet's guidelines. Wages, salaries and allowances during the reporting period reflect actual costs. In June 2015, the Board met in camera to discuss governance arrangements moving forwards, including staffing requirements for the Board's Secretariat. From 1 July 2015 the secretariat is part of the Department of Industry, Skills and Regional Development.

## Consultants

No consultants were engaged by the Board during the year in review.

## Equal Employment Opportunity

The Board adheres to the DEC's *Equal Employment Opportunity (EEO)* policies and practices. The Department's EEO achievements and strategies are highlighted in its *Annual Report*.

**Disability plans**

The Board adheres to the NSW Government's *Disability Policy Framework* through the DEC's *Disability Action Plan*.

**Land disposal**

The Board does not own land or buildings.

**Promotion**

Refer to *The Year in Review*, pages 12-20.

**Consumer response**

The Board is open to, responds to and addresses any suggestions or complaints it receives. Any complaints up to 30 June 2015 to the Board would be dealt with according to the DEC's policy *Responding to Suggestions, Complaints and Allegations*.

**Payment of accounts**

The Board's accounts were paid centrally by the NSW DEC for the reporting period.

**Insurance**

Insurance policies to 30 June 2015 are the responsibility of Department's Corporate Services division and are reported through the Department's *Annual Report*.

**Risk Management and Internal Audit**

At 30 June 2015 the Board had an exemption from the core requirements of Treasury Circular 09/08. The Board's Digital Information Security Annual Attestation Statement is on page 49.

**Disclosure of controlled entities**

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

**Multicultural Policies and Services Program**

The Board will next report progress on its Multicultural Plan in 2016.

**Occupational Health and Safety**

The Board observes the Department's Occupational Health and Safety Strategy *Safe Working and Learning 2009-2012*. There were no related injuries, illnesses or prosecutions in respect of Board members or secretariat staff.

**Waste management**

Implementation of the NSW Government's *Waste Reduction and Purchasing Policy* is the responsibility of DEC Corporate Services division. Waste reduction initiatives are reported through the Department's *Annual Report*.

**Annual Report costs and Publications**

As required by the Department of Premier and Cabinet, no external costs were incurred in publication of the 2015 *Annual Report* of the NSW Skills Board.

The Board's *Annual Report* and other Board publications and reports are available for viewing and downloading on the Board's website, [www.skillsboard.nsw.gov.au](http://www.skillsboard.nsw.gov.au). Publications available in hard copy may be obtained by contacting the Board at the address given in Access above.

**Production costs of *Annual Report***

As required by the Department of Premier and Cabinet, costs of production of the 2015 *Annual Report* have been kept to a minimum by restricted use of photos and graphs.

**Investment performance**

The Board's funds were managed by the NSW DEC for the reporting period.

***Government Information (Public Access) Act 2009***

No requests were made of the NSW Skills Board under the *Government Information (Public Access) Act 2009* during the reporting year.

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

The Board is not subject to determinations of the Tribunal.

**Records management**

The Board is covered by the NSW State Record Authority's *Functional Retention and Disposal Authority: FA281* which is approved under section 21(2) c of the *State Records Act 1998* following prior approval by the Board of the State Records Authority of NSW in accordance with section 21(3) of the Act.

**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*.

**Government energy management policy**

Implementation of the *NSW Government Energy Management Policy* is the responsibility of the DEC Corporate Services division. Energy management initiatives are reported through the Department's *Annual Report*.

**Electronic service delivery**

The Board maintains a website on which publications and reports may be accessed and downloaded [www.skillsboard.nsw.gov.au](http://www.skillsboard.nsw.gov.au).

**Credit card certification**

In accordance with the requirements set down in Treasurer's Direction 205.01 concerning the use of corporate credit cards, the Board has certified that corporate credit card use by the Executive Officer of the Board during 2015 was in accordance with the Premier's Memoranda and Treasurer's Directions.

## ATTESTATION STATEMENT

### Digital Information Security Annual Attestation Statement For 2014-2015 Financial Year for the NSW Skills Board (NSW Department of Industry)

I, David Collins, am of the opinion that the NSW Skills Board had an Information Security Management System in place, through the Department of Education and Communities, during the 2014-2015 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of the NSW Skills Board are adequate.

- A There is no agency under the control of the NSW Skills Board which is required to develop an independent Information Security Management System (ISMS) in accordance with the NSW Government Digital information Security policy.
  
- B The NSW Skills Board has maintained compliance with /50 27001/information Technology -Security Techniques -information security management systems- Requirements and independently reviewed by bsi (British Standards Institute) during the 2014-2015 financial year.

David Collins  
**EXECUTIVE DIRECTOR**  
**NSW SKILLS BOARD**  
**2014-15**



27 October 2015

Department of Education and Communities (DEC) Contact Officer:

Stephen Loquet  
**CHIEF INFORMATION OFFICER**  
**Information Technology Directorate**  
Phone- (02) 9302 7424  
Fax - (02) 9302 7707

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