



Full Day Hansard Transcript (Legislative Council, 23 October 2013, Proof)
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Extract from NSW Legislative Council Hansard and Papers Wednesday, 23 October 2013 (Proof).

SKILLS BOARD BILL 2013

Second Reading

The Hon. MATTHEW MASON-COX (Parliamentary Secretary) [11.35 a.m.], on behalf of the Hon. John Ajaka, I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The purpose of this bill is to establish the NSW Skills Board.

The NSW Skills Board will be the key independent expert body:

- o providing the Minister for Education and the New South Wales Government with independent strategic advice on the vocational education and training [VET] system, and
- o overseeing major reform of the vocational education and training system under Smart and Skilled.

It will work to strengthen the New South Wales economy and skills base and promote flexibility and choice for industry and consumers.

The NSW Skills Board will replace the NSW Board of Vocational Education and Training [BVET] as the primary advisory board to the Government on vocational education and training matters.

It will have a broader role and more defined membership than the Board of Vocational Education and Training to ensure that New South Wales has the appropriate governance arrangements for the vocational education and training system as it goes through significant changes to become more flexible, demand-driven, accessible, equitable and affordable.

The need for a new board (intent of the legislation)

From 1 July 2014, New South Wales will implement major reform of the vocational education and training sector under Smart and Skilled. Smart and Skilled will introduce:

- o an entitlement for training for qualifications up to and including certificate level III;
- o income-contingent loans for higher level vocational education and training qualifications;
- o a new quality framework;
- o training provider monitoring and data collection to be published on a new consumer online portal.

At the same time, we have committed to ambitious targets for vocational education and training and higher education participation and completions in the State plan NSW 2021, including for equity groups and young people.

The achievement of reforms to the vocational education and training sector and increased completions are tied to \$196 million of reward funding for New South Wales under the Commonwealth-State National Partnership Agreement on Skills Reform.

In this context, I initiated a review of the Board of Vocational Education and Training to ensure we had the appropriate governance arrangements in place to provide oversight of vocational education and training reforms and the achievement of our State priorities.

The review was conducted by Professor Peter Shergold AC. As part of his review, Professor Shergold consulted with industry and both public and private training providers.

It recommended that a new board, with broader responsibilities and reconstituted membership, was necessary to

provide adequate oversight of Smart and Skilled, the New South Wales training market, higher education and the evolving tertiary education sector.

This bill implements the recommendations of the Shergold review and establishes a board with the functions and membership necessary to provide comprehensive oversight of vocational education and training reform.

Functions of the board

Clause 6 of the bill outlines the functions of the board.

The board will provide the Government with independent strategic advice on all aspects of the vocational education and training sector.

It will oversee the implementation of major reform of the vocational and training sector sector, including:

- o training market design;
- o the provision of accurate consumer information on vocational education and training and appropriate consumer protections, and quality assurance.

It will:

- o monitor and advise on the performance of the vocational education and training system, including its financial performance and sustainability;
- o gather and analyse labour market intelligence in relation to skills shortages and future skills and workforce development needs in New South Wales;
- o advise on the allocation of State and Commonwealth vocational education and training funding and the New South Wales vocational education and training budget;
- o develop strategic skills plans that reflect government priorities for vocational education and training in New South Wales and research plans; and
- o facilitate school, vocational education and training and higher education pathways.

The board will be assisted by staff in the Department of Education and Communities and will be able to investigate any matter in relation to skills, training and higher education referred to it or on its own initiative.

Membership of the board

The new NSW Skills Board will have the membership expertise to enable it to carry out its functions effectively and reliably and to stand up to scrutiny.

As outlined in clause 5 of the bill, board members will be required to have skills and knowledge of market operations and financial, project and risk management, as well as a sound knowledge of skills development and higher education.

The board will be made up of not more than eight ministerial appointees.

These appointees will become the inaugural members of the NSW Skills Board on passage of this legislation.

I announced the new board members at the New South Wales Training Awards on 5 September.

The chair of the NSW Skills Board will be Philip Clarke AM, who has an outstanding record in education, law and business.

Other members are:

- o Adam Boyton, Deutsch Bank's Chief Economist;
- o Gemma Van Halderen from the Australian Bureau of Statistics;
- o Former member of Parliament and small business operator, Kay Hull;
- o Jack Manning Bancroft, Chief Executive Officer of the Australian Indigenous Mentoring Experience;
- o Marie Persson, former Deputy Director-General of TAFE NSW;
- o Mark Goodsell from the Australian Industry Group; and
- o Leslie Loble, Chief Executive, Office of Education, Department of Education and Communities.

A recent article in the *Australian* by John Ross commended the "impressive line-up of business and government heavyweights" that will make up the board.

This dynamic group of individuals has the right mix of skills and experience to meet the New South Wales Government's expectations for the board in its oversight of the New South Wales training market and reform of the vocational education and training system.

Outline of other sections of the bill

Briefly, in other sections of the bill:

- o Clause 4 establishes the board as a body corporate under the name of the NSW Skills Board.
- o Schedules 1 to 3 of the bill outline requirements in relation to members and procedures of the board; savings, transitional and other provisions; and amendment of other legislation.
- o Schedule 4 of the bill repeals Board of Vocational Education and Training's enabling legislation, the Board of Vocational Education and Training Act 1994.

Benefits of the bill

There are a number of clear benefits to New South Wales associated with this bill.

The bill creates the NSW Skills Board to ensure that vocational education and training priorities and reform directions are sensitive to the needs of industry, consumers and the State economy. To achieve this, the board will consult with reference groups for industry, providers and consumers.

The board will monitor progress towards and facilitate the achievement of State priorities and targets for vocational education and training and higher education, including those that we have committed to in State-Commonwealth agreements.

These include targets to increase higher level qualifications, as well as increased participation and improved educational outcomes for;

- o those from regional and rural New South Wales,
- o Aboriginal or Torres Strait Islanders, and
- o people from lower socio-economic status backgrounds.

The new board will also mitigate risk associated the major reform of the vocational education and training system in New South Wales.

Conclusion

Through this bill the NSW Skills Board will be established with the appropriate functions and membership to ensure reliable advice to the Government and rigorous oversight of the New South Wales training market and major vocational education and training reform.

I commend the bill to the House.