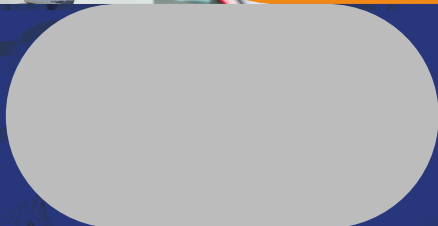


National Skills Council

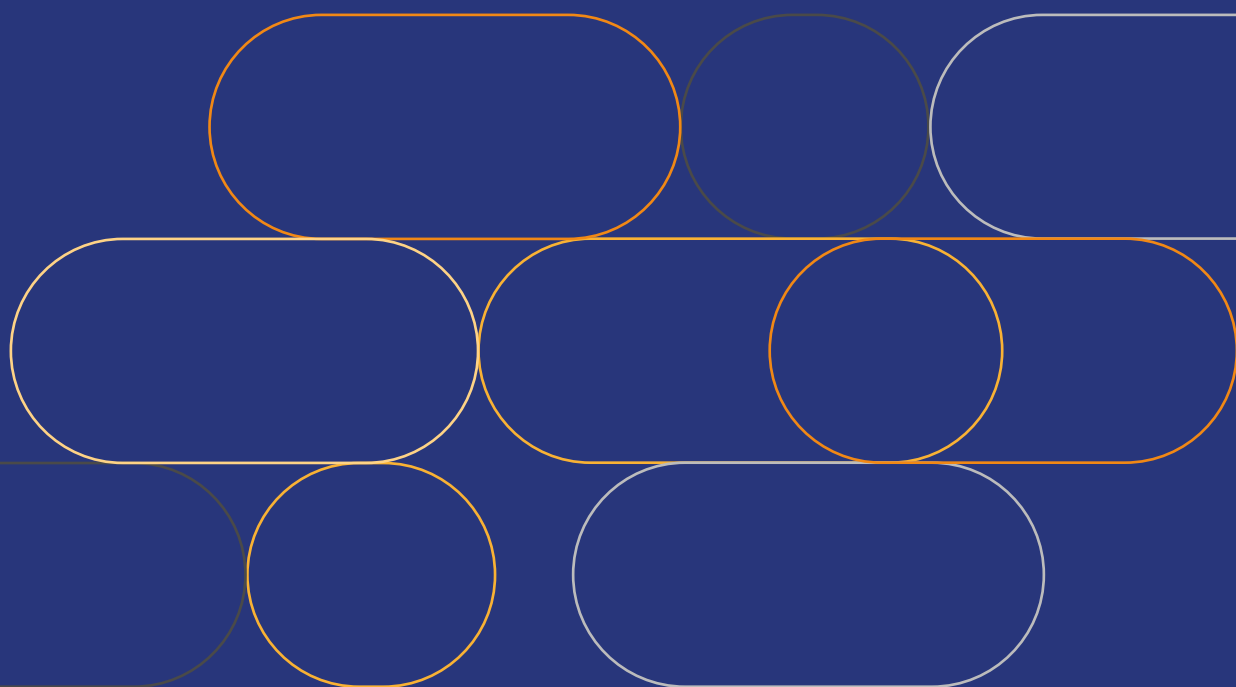
ANNUAL REPORT 2023



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National Skills Council

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FOREWORD

Hon. Clifton Grima

Minister for Education, Sport, Youth, Research and Innovation

Global megatrends including technological advancements, environmental pressures, geopolitical disruptions and socio-economical issues are increasingly driving faster-paced labour market transformations. This has been reported in the Future of Jobs Report issued by the World Economic Forum in April 2023. Skills development remains the solution touted to retain productivity and competitiveness. This resonates well with the objectives of the European Year of Skills, running from the 9th May 2023 till the 8th May 2024. The European Commission stresses that a workforce with in-demand skills is important for long-term sustainable growth.

Skills development is also high on our Government's agenda. Re-establishing the National Skills Council as an executive body clearly attests to the priority being given to nurturing skills, which will enable our current and future workforce be more agile, resilient and adaptable in a dynamic world of work. This runs parallel to other investments in the education sector geared towards the same aim, such as the supply of technological equipment to students, training of educators, improved facilities in various schools and other initiatives to sustain learners throughout their educational journey. We are committed to investing further in our student and working population to improve our quality of life.

The National Skills Council has shaped its vision and mission around the maximisation of our societal potential, not only focusing on employability but also inclusion and wellbeing

The National Skills Council has shaped its vision and mission around the maximisation of our societal potential, not only focusing on employability but also inclusion and wellbeing. These values are aligned with other strategic education policy documents, namely the National Education Strategy currently issued for public consultation.

The function of the National Skills Council is to bridge the proverbial gap between education and employment, in a bid to alleviate skill imbalances, to anticipate future skill needs, and foster a culture of continuous learning to be better placed in adapting to the changes of the future world of work. Following its first year of operations, the National Skills Council has already consolidated its position among key stakeholders, and their work has been highly commended. This augurs well for cross-sectoral collaboration, which is imperative in the pursuit of a future-proof workforce.



FOREWORD

Mr Matthew Vella

**Permanent Secretary, Ministry for Education, Sport,
Youth, Research and Innovation**

In the evolving landscape of education, lifelong learning, and workforce development, the establishment of the National Skills Council (NSC) as an Executive Body marks a significant milestone for Malta and the Ministry for Education, Sport, Youth, Research and Innovation. Within a context of holistic education, this NSC embodies our commitment to aligning our strategy, work and programmes with the pressing needs of today's dynamic world of work. The NSC is a testament to our dedication to fostering an environment of wellbeing and inclusion, where every learner, regardless of age, is positioned at the core of our skills development and learning endeavours.



Our focus on wellbeing and inclusion through the lens of the NSC's activities underscores our belief in education as a lifelong journey



The Council's work is pivotal in identifying and addressing the local skills and training gaps in areas that are crucial for the sustainable growth of our economy and the wellbeing of our society. By fostering a robust dialogue among educators, industry leaders, and stakeholders, the NSC is facilitating a transformative synergy that continues bridging the gap between education and employment, ensuring that our workforce and citizens are agile, resilient, and well-prepared for the challenges and opportunities ahead.

Our focus on wellbeing and inclusion through the lens of the NSC's activities underscores our belief in education as a lifelong journey, one that enriches individuals and communities alike. This approach is integral to our strategies, aiming to create a more equitable and inclusive society where everyone has the opportunity to thrive. The work of the Council complements the measures and initiatives highlighted in our National Education Strategy 2024-2030.

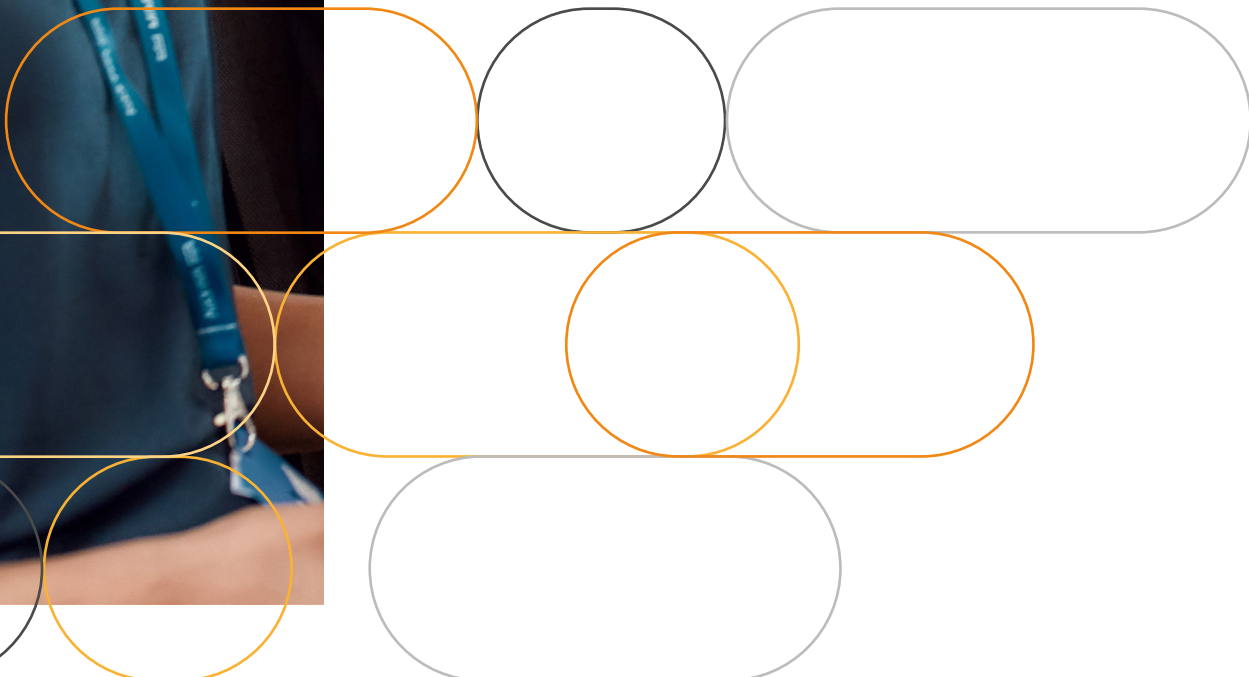
In recognition of the European Year of Skills, the NSC proudly serves as the National Coordinator, a role that underscores our commitment to uplifting the skills landscape across Malta. By prioritising skills acquisition, career guidance, upskilling and reskilling, we aim to foster personal growth, social inclusion, active citizens, and a workforce that is both versatile and competitive on the European stage. Furthermore, the NSC's coordination with the EU provides a valuable platform for exchanging best practices, enhancing cross-border collaboration, and ensuring that Malta's upcoming skills development strategy contributes to and benefits from the broader European agenda. This collaborative approach is pivotal in our mission to equip individuals with the right skills, thereby driving innovation, inclusion, and sustainable growth in Malta and beyond.



As we reflect on the accomplishments of the past year and look forward to the future, the role of the NSC cannot be overstated. Its contributions are vital in shaping a workforce that is not only equipped with the skills of today but is also adaptable to the evolving demands of tomorrow. I am confident that through the collaborative efforts of all stakeholders, we will continue to make significant strides in achieving our educational and developmental goals, ensuring a prosperous future for all.



Furthermore, the NSC's coordination with the EU provides a valuable platform for exchanging best practices, enhancing cross-border collaboration, and ensuring that Malta's upcoming skills development strategy contributes to and benefits from the broader European agenda





INTRODUCTION

Dr Jeffrey Pullicino Orlando

Executive Chairman - National Skills Council

Having been at the helm of the National Skills Councils (NSC) for a year, since its re-establishment as an executive body, I am humbled by the responsibility me and my team have been entrusted with. The ethos of the National Skills Council focuses on nurturing a culture of continuous learning, striving to maximise everyone's potential for the benefit of society, without impinging on our personal wellbeing. One could easily dismiss our vision and mission as rhetoric, but my team and I are profoundly committed towards its implementation.

Today, more than before we are experiencing a fast rate of dynamism due to multiple factors, often referred to as global megatrends

Skills development is currently a buzzword. Rightly so! The world of work is in constant flux. Today, more than ever before, we are experiencing a rapid rate of change due to multiple factors, often referred to as global megatrends. These include technology adoption, aging populations, a sustainability drive, the cost-of-living crisis, and geopolitical conflict, all of which impact the labour market. Locally, high employment levels, considerable economic growth, changing worker expectations and an increasing foreign working population, also have a part to play. This challenging scenario calls for an evidence-based skills agenda, which the NSC has pledged to drive forward in our quest to provide policy recommendations that address current skill imbalances whilst anticipating the future skills needed to sustain long-term growth.

This reality has been recognised by the European Commission as a common challenge in its Member States, and it has declared 2023 as the European Year of Skills. The European Year of Skills is intended to give a fresh impetus to lifelong learning, empowering people and companies to contribute to the green and digital transitions and supporting innovation and competitiveness. In embarking on this journey, we started off by proactively seeking dialogue with stakeholders. We have held more than 200 high-level meetings with entities from the education and employment sectors, departments and agencies from public administration, industry representatives, academic and vocational education institutions, social partners and civil society, our European counterparts and international expert organisations. Doing so, enabled us not only to communicate the NSC's core ideology, but also to actively listen to the perceived challenges, the untapped opportunities, the potential synergies, and collaboration prospects which stakeholders put forward. This valuable input enabled us to shape the four priority areas for action for 2023-2025 which the Council will be working on, namely:

(i) spearheading strategic direction, (ii) anticipating industry needs, (iii) nurturing lifelong and life wide learning, and (iv) investing in vocational education and training.

The role stakeholder engagement shall play in the implementation of our functions will remain a central one. These dialogues will not be ad-hoc but shall be structured using a mutual “learning bazaar” approach whereby we bring together experts and representatives with different responsibilities, in dedicated working groups. Such working groups will be guided by specific terms of reference and discussions will lead to tangible outcomes, for example as input to labour market intelligence tools, skills anticipation; or to define national occupational standards and competency frameworks, as part of the work of the statutory sector skills units

...an increase in the transparency for the validation of informal and non-formal learning, potentially through a skill card framework recognising experience in unregulated professions

A number of common themes can be elicited from our stakeholder dialogues, some of which include: the need to instil in our learners transversal skills such as communication, analytical thinking and creativity; further investment in upskilling -not necessarily with financial means but also by improving access through micro-credentials (accredited short courses) for instance- appreciation that if we want to promote a greener and more digital economy, we need to advance our green and digital skills; and an improved system for the validation of informal and non-formal learning, potentially through a skill card framework recognising experience in unregulated professions. These subject areas are aligned with those put forward during multiple events organised locally and in other European countries as part of the European Year of Skills.

The flagship initiative we organised locally for the European Year of Skills was *Skillscape Malta: towards tomorrow's skills* – a national skills platform, which brought together more than 300 attendees from different sectors to discuss the future of work and education. Two international keynote speakers, Dr. Susskind from King's College London and Mr. O'Muineachain from LinkedIn introduced the topics to be discussed, followed by panel discussions with the participation of local experts, leading to interactive break-out sessions with audience involvement. To conclude the event, 15 skill success stories were pitched to showcase good practice followed by a synthesis of all the discussions condensed into six specific recommendations, which the NSC will delve deeper into.

Cognisant of the challenges ahead, we believe that by adopting a whole-of-government approach and even wider engagement beyond government, we can achieve the objectives set. We recognise and appreciate that there are several players in the local skills ecosystem, including educators and professionals devoting themselves to learning and the development of learners of all age groups, as well as human resources professionals who tirelessly work towards attracting and retaining the best talent. 2023, as illustrated in this Annual Report, has seen a promising start to our operations, and it is our intention to forge ahead to fulfil our mission. With the sterling work conducted by our team and the full support of this Government and other stakeholders, we shall strive towards excellence.

01. ESTABLISHING AN EXECUTIVE BODY

AMENDMENT TO SUBSIDIARY LEGISLATION (S.L.605.10)

The inception of the National Skills Council (NSC) in 2016 marked a significant step in Malta's commitment to skill development. Established under Subsidiary Legislation 605.10, the NSC was tasked to carry out functions related to labour market preparation and skills development, serving as a main driver in these fields. The influence exerted at the time was limited due to the governance structure and function assigned to it. In 2022, this legislation was amended (L.N. 320 of 2022), empowering the NSC to expand its influence and capabilities in the arena of skills development. With a substantial increase in the operational budget to €800,000 for 2023, the NSC was given executive powers along with the possibility of employing staff members.

The Council's pivotal functions include:

- Regularly providing a comprehensive skills panorama
- Steering Malta's National Skills Strategy
- Creating mechanisms for skill development

- Facilitating collaboration between policymakers, the education and training sector, and industry
- Elevating the profile of the NSC nationally and internationally.

The Council's primary objective is to use evidence-based practices to understand and anticipate current and future skills within the labour workforce whilst instigating policy changes to this effect. Labour market transformations present uncertainty, risks and opportunities locally and worldwide. It is therefore essential to ensure resilience and competitiveness.

OFFICE RELOCATION, ORGANISATION STRUCTURE, AND BRAND CREATION

In 2023, the NSC relocated to Alamein Road, Pembroke. This new location houses five offices, some amenities, and a boardroom, equipped with advanced IT and audio-visual systems. This relocation represents a strategic move to enhance the Council's operational capabilities and stakeholder engagement.



The Council stands as a beacon of progress in shaping the nation's skills agenda. With a focused organisational structure under the direction of the Executive Chairman, Dr Jeffrey Pullicino Orlando, staff members are dedicated to driving impactful change.

- At the Council's core, the Technical Unit steers the helm, formulating robust policies that resonate with national objectives. This unit engages in policymaking towards linking employment and education, whilst fostering international collaborations, ensuring Malta remains globally competitive.
- Parallely, the Corporate Services Team efficiently manages finance, procurement, IT, health and safety, and other core functions. Their seamless support empowers the Council's smooth operations.
- In tandem, the Council's Strategy, Human Resources, and Communications Team orchestrates cohesive approaches to employee engagement and wellbeing, ensuring the initiatives are aligned and communicated effectively.

Figure 1: National Skills Council at Alamein Road, Pembroke



NATIONAL
Skills
COUNCIL

Figure 2: Official logo of the National Skills Council

Together, these divisions fortify the NSC's commitment to spearhead an evidence-based skills agenda focused on employability, social inclusion, and wellbeing.

A primary step taken early in 2023 by the new management was the development of the NSC's brand identity, which led to the creation of a logo that encapsulates the ethos of continuous learning and skill development. The Council's core ideology—vision, mission, and strategic objectives—were articulated through this branding exercise. The NSC's online presence was bolstered with a dedicated Facebook page (@nscmalta) and a comprehensive website (nscmalta.gov.mt). The website features sections on Skills Advisory, Skills Panorama, Skills Intelligence, and Collaborations, along with a special focus on the European Year of Skills 2023.

OFFICIAL LAUNCH OF THE NATIONAL SKILLS COUNCIL

The year 2023 marked a milestone with the official launch of the NSC on 1st March. Hosted by the Minister and Permanent Secretary for Education, Sport, Youth, Research, and Innovation, the event highlighted the Council's enhanced role and new premises. This momentous occasion was attended by a diverse group of stakeholders from various sectors including education, policy, industry, and academia. The launch served as a platform to showcase the NSC's new brand, vision and strategic direction, emphasizing its commitment to addressing Malta's skill needs in an ever-evolving global landscape.



Figure 3: At the launch of the National Skills Council on the 1st March 2023, the Hon. Minister for Education, Sport, Youth, Research and Innovation, Dr Clifton Grima, Permanent Secretary Matthew Vella and Executive Chairman Dr Jeffrey Pullicino Orlando



The launch served as a platform to showcase the NSC's new brand, vision and strategic direction, emphasizing its commitment to addressing Malta's skill needs in an ever-evolving global landscape



02. SETTING THE AGENDA

THE ETHOS OF THE COUNCIL

In developing the core ideology for the National Skills Council, the management dwelled upon the major challenges which Malta is facing in skills development. Malta is grappling with important skill imbalances. In 2022, Malta saw robust economic growth at 6.9%¹ and an increase in employment by 5.5%², fuelled by domestic demand, service export and considerable tourism recovery. Despite an influx of nearly 97,000 foreign workers³ by end 2022, labour and skills shortages remain main challenges, which industry and SMEs contend with, in seeking expansion⁴ and are the main limiting factors for Malta's economy over the

forecast horizon⁵. Pressures are expected to intensify in the context of an ageing population and fast-changing labour market needs, driven by the urgent transition to climate neutrality, environmental sustainability and rapid technological developments, requiring the workforce to adapt to the changing nature of jobs.

Malta needs to be better prepared for the impacts of such megatrends. Left unaddressed, skills imbalances can pose significant constraints on Malta's ambitions to strengthen productivity and foster innovation and dynamism within its economy. It is with this frame of mind that the vision and mission were crafted.

Four key principles were elucidated from this context and clearly inscribed in the Council's ethos to guide decision making, but also the

1 <https://nso.gov.mt/gross-domestic-product-2022/>

2 <https://nso.gov.mt/labour-force-survey-q4-2022/>

3 <https://jobsplus.gov.mt/resources/publication-statistics-mt-mt-en-gb/labour-market-information/foreigners-data>

4 Malta Chamber for SMEs, (2023) SME Barometer for Q1 2023

5 https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/malta/economic-forecast-malta_en



implementation of programmes and measures. These are:

1. Evidence-based decision making-sustaining action informed by data, empirical studies, expert knowledge, and consultations.
2. Ethical development - undertaking operations with a strong work ethic.
3. Shared responsibility - advocating the role of government, industry and all of us individually towards continuous learning and improvement.
4. Inclusion - providing equal access to opportunities and resources for people who might otherwise be excluded or marginalised.

With this ideology, the Council is committed to ensure that the Maltese skills system is capable of withstanding oncoming challenges, making the best of the opportunities brought about particularly by the green and digital transition being pursued.

STAKEHOLDER ENGAGEMENT

From the outset, the NSC reached out to multiple stakeholders proactively, with the aim of communicating the Council's ethos to the actors in Malta's skill systems, whilst listening to their views and identifying potential synergies and opportunities for collaboration. These

meetings served as an inclusive platform for cross-sectoral dialogue, information exchange, and collaborative planning.

Industry, academia, civil society and policymakers from various Government entities and departments were contacted. Skills development is a horizontal theme and thus of interest to wide array of stakeholders, each of which would discuss the challenges and opportunities from a different perspective.

The energy and effort invested in stakeholder engagement resulted in the establishment of networks which would prove to be critical in the skills advisory function of the Council as well as in developing the skills panorama and intelligence. The Council is intended to bridge the gap between industry and education and hence through meaningful dialogue its role as a facilitator and policy enabler is fulfilled.

The NSC conducted over 200 stakeholder meetings since its establishment as an executive body as of March 2023. With the onset of the European Year of Skills on the 9th May, more meetings were held with stakeholders interested in organising or participating in activities related to upskilling and reskilling.



The key outcomes of these meetings can be categorised as follows:

- Knowledge sharing: discussions focused on technical themes, recent studies analysing data and trends, challenges, opportunities not yet maximised, mostly in relation to education and employment. Stakeholders offered expert insights based on evidence and observations.
- Alignment with national goals: through the involvement of various Ministries and Agencies, various sectoral policies and strategies were discussed, and how these relate to skills development. These range from education and employment policies such as the National Employment Policy 2021-2030, or the National Education Strategy 2030, but also delve into the sectoral strategies, such as those on the transport sector, or the environment.
- Collaborative planning: Multi-disciplinary teams often form as a result of these meetings. One such example is the support garnered in drafting an application for technical assistance from the European Commission for the development of a National Skills Strategy. Support was confirmed by the Malta Council for Economic and Social Development, the Malta Council for Science and Technology, the Ministry for Environment, the Ministry for Transport and the Ministry for Finance and Employment amongst others.
- Information dissemination: The meetings helped in spreading awareness about the Council's vision and mission, the European Year of Skills, ongoing and upcoming initiatives, etc. ensuring that all relevant parties are kept in the loop.
- Resource pooling: These meetings often lead to commitments for resource sharing, whether in the form of funding, manpower, or expertise, making implementation more efficient.

In order to ensure that the momentum gained is not lost, a database with contact details of all stakeholders was built. Periodic updates were sent through circulars to keep all stakeholders

informed of progress and upcoming opportunities for involvement. Through this approach of consistent engagement via regular stakeholder meetings, the NSC ensured a holistic and collaborative effort. This also led to an enrichment in terms of the implementation of initiatives related to the European Year of Skills in Malta.

These circulars have been sent through formal channels to address a wide spectrum of stakeholders as follows:

- Educators: Circulars were sent to all educators through the Ministry for Education, the Institute for Education, and the Malta Union of Teachers.
- Further and Higher Education: Communication with these institutions was facilitated through the Malta Further and Higher Education Authority (MFHEA).
- Local Councils: Communication with all local councils was undertaken via the Local Councils Association.
- NGOs: Circulars were sent to all NGOs via the Malta Commission for the Voluntary Sectors.

By employing a multi-channel approach to communication, the Council ensured that all stakeholders were engaged, well-informed, and had avenues to keep abreast with the important updates, to come forward with any proposals or points of interest, and to contribute to the initiatives of EYS-2023.

WORKPLAN 2023-2025

The encounters held with the key stakeholders were considered as valuable input in defining the priority areas for action identified by the Council in the drawing up of a workplan for 2023-2025, which were classified into four themes:

- Spearheading strategic direction - the need for a forward-looking policy on skills development was a main topic of discussion, in the light of the dynamism characterising the world of work as of late. Changes brought about by technological advancements and the quest towards sustainability need to be accompanied

by agility in learning and development otherwise the risk of being reactive, productive and less competitive becomes more apparent. A National Skills Strategy would address this gap. In 2023, work was underway to secure technical assistance from the European Commission through the Technical Support Instrument 2024 to develop this strategy. The Council's proposal has been pre-selected after facing stiff competition considering the number of applications submitted across the EU.

- Anticipating industry needs - maintaining close relations with industry came across as a need rather than a want. The education sector is known to seldom keep up with the dynamic pace of industry, hence industry dialogues are critical in ensuring that training gaps are addressed. Industry is also a key stakeholder in processes including the evaluation of sector skills, the definition of national occupational standards, the needs assessment of skill cards, the anticipation/foresight of future skills and occupations.
- Nurturing lifelong and lifewide learning - continuous learning is the cornerstone of resilience and adaptability, which are two future skills in high demand. Continuous learning has to encompass all forms of learning, formal, but also non-formal and informal. The Council together with MFHEA advocates the validation of these forms of learning, particularly in upskilling efforts. Career guidance is another aspect which the Council shall be invested in, to ensure a coherent and up-to-date service across all ages including for adults interested in upskilling, reskilling or career mobility.
- Investing in Vocational Education and Training (VET) - in addressing skill imbalances, VET is often considered as a solution, which in shorter periods of time provides learners with the skills needed by industry. Together with the Malta College for Arts, Science, and Technology (MCAST) and the Institute for Tourism Studies (ITS) as the two public VET institutions, the Council will also launch a parity of esteem campaign to raise the profile of VET careers.



Figure 4: The four priority areas for action identified by the NSC for its workplan 2023-2025

IMPLEMENTING A CORPORATE SERVICES FUNCTION

Ensuring operational excellence, the NSC implemented comprehensive corporate services. Key developments included:

- Health and Safety Compliance: Ensuring a safe and healthy work environment.
- Procurement Guidelines: Establishing and adhering to rigorous procurement standards.
- IT Infrastructure: Setting up a robust IT infrastructure, including server systems, network systems, email, and telephone systems.
- Finance: Setting up of book-keeping practices, opening of bank accounts, petty cash guidelines, management accounts, standard operating procedures and the introduction of a Financial Management System and a Payroll System for purchase orders, invoicing, payroll and attendance.
- Employee Handbook: A comprehensive guide was developed, encompassing 25 critical policies, such as:
 - Confidentiality Policy
 - Data Protection and Privacy Policy
 - Conflict of Interest and Commitment Policy
 - Health and Safety
 - Environmental Policy
 - ... (continuing up to policy number 25)

As part of our continuous commitment to strategic planning and organisational alignment, on November 22nd the National Skills Council conducted a comprehensive Strategy Day to plan for the year 2024. This event, held with the participation of all units within the Council, was aimed at shaping the approach for the forthcoming year. The objective was to ensure that internal strategies and practices are not only in harmony with the overarching mission but also optimized for maximum efficacy and impact.

The agenda of the Strategy Day was meticulously crafted to cover key areas of organizational development:

- **Setting 2024 Key Performance Indicators (KPIs):** The morning session focused on defining unit-specific KPIs. Teams engaged in discussions to align their objectives with the broader goals of the organization.
- **Financial Management and Budget Planning for 2024:** A crucial segment of the day was dedicated to financial planning. Presentations by Budget Owners laid out the disbursement roadmap for 2024, establishing detailed procedures for budget management.
- **Strategy, People, and Culture:** The afternoon sessions were devoted to human resources and culture. This included the presentation of the 2024 HR Plan, the new NSC Employment Handbook, and an overview of key policies. The Communications Plan, encompassing website and social media strategies, was also discussed.
- **Interactive Sessions:** The day also featured presentations to the Chairman from various units, including Corporate Services, People & Culture, Communications, and the Technical Unit, followed by team time for queries, feedback, and discussions.

This Strategy Day was not only a planning exercise but also an opportunity for team building and collaborative visioning, setting a strong foundation for the NSC's endeavours

in 2024. As we move into 2024, the National Skills Council remains committed to its mission of bridging the gap between Malta's workforce skills and the evolving needs of the industry. The foundation laid in 2023 serves as a robust platform for future initiatives and continued progress in skill development and workforce planning.

Reflecting on the audited accounts of 2023, which can be accessed in Annex 1, it's evident that the NSC has laid a substantial foundation through prudent financial management and strategic investments in events and related initiatives. These efforts have not only enhanced the council's capacity to bring stakeholders onboard, but have also positioned it to anticipate future needs through forward-looking stakeholder consultations and partnerships.

Looking ahead, the Budget Plan for 2024 is designed with agility and innovation at its core. It allocates resources to areas with potential for impact, including the development of a National Skills Strategy, events which will foster more dialogue among stakeholders, sector-specific initiatives, and partnerships with educational institutions and industry leaders. This budget is a testament to the NSC's commitment to adaptive and responsive strategies that meet the dynamic nature of global and local labour markets.

As the Council embraces the upcoming year, the strategic foundations laid and the lessons learned from the previous year's accounts will guide its initiatives. The NSC is poised to study and effect policy changes in relation to Malta's skills ecosystem, ensuring that the workforce is not only prepared for the jobs of today but also equipped for the opportunities of tomorrow. This approach reflects the Council's holistic vision for skill development, emphasizing the importance of lifelong learning, adaptability, and resilience in the face of an ever-changing economic landscape.





03.

NURTURING EUROPEAN AND INTERNATIONAL RELATIONS

The National Skills Council has a role to play in fostering international collaboration with key players in the sector. From the first days of operation, the Council proactively reached out to European agencies and other Skills Councils or their equivalent in other countries in order to learn from their experiences and best practices, as well as to network with peers and build a working relationship. It also served to appreciate the diversity in skills landscapes, governance and practices elsewhere. The Council was also entrusted with representing Malta in a number of European fora.

THE EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING (CEDEFOP)

Cedefop is the European Union's agency that supports the promotion, development and implementation of the Union policy in the field of vocational education and training (VET) as well as skills and qualifications policies by working with the Commission, Member States and social partners. It was founded in 1975 and has established its headquarters in Thessaloniki, Greece since 1995. Cedefop

works extensively on enhancing and disseminating knowledge, providing evidence and services for policy-making, including research-based conclusions, and facilitating knowledge sharing among and between EU and national actors.

Being a decentralised EU agency, Cedefop is governed by a Management Board⁶ composed of three members from each of the Member States. Representatives of the government, trade unions and employers' organisations (one member and an alternate) were appointed in February 2023 for a period of four years, as the term of office of the existing members expired on the 31st of March 2023. Dr Jeffrey Pullicino Orlando, Executive Chairman of the National Skills Council is Malta's representative on behalf of the government, with Dr Mario Cardona, Director at the Malta College of Arts, Science and Technology (MCAST) as alternate member.

⁶ Full list of Cedefop Management Board members:
<https://www.cedefop.europa.eu/en/about-cedefop/who-we-are/management-board>



Figure 5: National Coordinators of the European Year of Skills with European Commissioner for Jobs and Social Rights, Nicolas Schmit - meeting of the 29 November 2023.

Since his appointment, Dr Pulicino Orlando attended the virtual briefing on the 2nd of June 2023 and participated to the 101st Management Board meeting on 5th and 6th October 2023 in Thessaloniki. Minutes of the Management Board meetings, decisions and other documents are publicly available⁷.

THE EUROPEAN YEAR OF SKILLS

In her State of the Union address in September 2022, European Commission President Ursula von der Leyen proposed to make 2023 the European Year of Skills. It was thus that on Europe Day, 9th May 2023 the European Year of Skills (EYS) was launched, running for 12 months. This is testament that skills development is on top of the EU's political agenda. The Year is aimed at addressing skills gaps in the European Union and boost the EU skills strategy, which will help reskill people with the focus on digital and green technology skills.

The main objectives of this year dedicated to skills are:

- Promoting investment in training and upskilling, enabling people stay in their jobs or find new ones;
- Ensuring skills match the needs of employers, by closely cooperating with social partners and companies;
- Matching people's aspirations and skill sets with opportunities on the job market, especially for the green and digital transitions and the economic recovery; and
- Attracting people from outside the EU with the skills needed.

To coordinate national efforts towards these objectives, the National Skills Council was duly appointed as the EYS National Coordinator. At the national level, the NSC promoted this initiative through social media and issuing of circulars to local stakeholders. The NSC also requested feedback as to take stock of all skills related initiatives taking place locally, so that these may be showcased on the dedicated Commission portal. Thirteen of those initiatives

⁷ Cedefop Public documents: <https://www.cedefop.europa.eu/en/about-cedefop/public-documents>

were also given the opportunity to present their pitch during the SkillScape Malta conference, this being the NSC's flagship initiative for the EYS. At the European level, the NSC attended four National Coordinators' meetings (virtual and in person), sharing Malta's upskilling and reskilling activities with other National Coordinators, and being given the opportunity to present the NSC's approach to stakeholder engagement during the fourth meeting in Brussels on the 29th of November 2023.

REFERNET AND CAREERSNET

Cedefop has a number of established networks in relation to skills, lifelong learning and VET, both at expert level and at institutional levels. Of those, the NSC became involved in ReferNet and CareersNet in 2023.

ReferNet⁸ is a network of institutions that assists Cedefop's work by providing information on national vocational education and training (VET) systems and policies in the EU Member States, Iceland and Norway. Each national partner is a key organisation involved in VET in the country it represents, providing vital, first-hand knowledge on VET's role, purpose, governance and structure. It is also well-placed to provide insights into national developments and trends in VET policy and trace progress towards the implementation of common European policy objectives. As of 2023, the NSC was appointed the role of National Representative.

CareersNet⁹ (CNet) is Cedefop's network of independent experts in lifelong career guidance and career development. The network collects comparable and reliable evidence at a European level, in related fields of interest for research purposes and monitoring policy and systems development, towards supporting countries in national policy development. It

also serves to generate new knowledge while offering members opportunities for peer learning and collegial exchange. The NSC's participation in this network was confirmed in May 2023.

DGVT AND ACVT

The Directors General for Vocational Training (DGVT) and the Advisory Committee on Vocational Training (ACVT) are the governance bodies of European VET policy. Their function is to foster exchanges between the European Commission and VET provider organizations.

Established in 1963, ACVT is the longest standing policy group on VET, tasked with assisting the Commission in implementing a Community VET policy. ACVT brings together representatives of government, employers and trade unions for each EU country, European social partners, ETF and Cedefop representatives as well as observers. Amongst its various activities, ACVT members assist the EC in the preparation of legislation or in policy definition and monitor the development of national policies. The ACVT agenda builds on the Copenhagen process' priority themes.

DGVT's mission is to provide a platform for discussion for policymakers from all EU Member States and stakeholders' representatives in the field of VET. It has brought together Directors General for VET from across the EU and other countries, representatives of European social partners, the ETF and Cedefop since the late 1990s. This forum provides a space for members to debate current topics on the European education agenda and share good practices. The DGVT agenda is based on the 18-month trio Presidency programme and consultations between the current Presidency programme team and the EC.

Whilst senior staff from the Malta College of Arts, Science and Technology (MCAST) are the main delegates on behalf of Malta, for both the DGVT and ACVT, as of March 2023, members from the NSC are supporting their work as alternate members.

8 ReferNet. Available from: <https://www.cedefop.europa.eu/en/networks/refernet>

9 CareersNet - Cedefop's expert network for lifelong guidance and career development. Available from: <https://www.cedefop.europa.eu/en/networks/careersnet>

FUTURE OF EDUCATION CONSORTIUM

The Future of Education Consortium¹⁰ brings together public and private sector organisations from across Europe who are passionate about transforming education by incorporating cutting-edge technologies. The Future of Education Consortium is hosted by the renowned Centre for Business Innovation (CfBI), a Cambridge think-tank, and powered by European Diplomats.

Recent advancements in the global Education Technology (EdTech) have brought about opportunities to foster inclusive, interactive and personalised teaching experiences. While the potential for EdTech solutions is undeniable, there are numerous hurdles and risks that need to be considered within a sector developing as rapidly as the education sector and new regulations are shaping the educational landscape. It is thus that the NSC joined forces with MCAST in late 2023, to join the Future of Education Consortium, committed to study the state of play of EdTech, raise awareness about its potential, embrace the power of technology to revolutionise education and prepare educators and learners for the future.

SHARING OF BEST PRACTICE

It takes collaboration across a community to develop better skills for better lives (José Ángel Gurría, former Secretary-General of the Organisation for Economic Cooperation and Development, OECD). Due to its unique mandate, from its early days the NSC saw fit to engage with entities in other countries to learn from best practices taking place elsewhere. In 2023, the NSC held meetings with relevant ministries, agencies and institutions in Finland, Estonia, Ireland and Scotland. These entities were strategically identified, having similar traditions or challenges to Malta, having developed a coordinated response and are considered leaders in the field. Outcomes of such exchanges are used to build the NSC's expertise on various policy areas, helping to

map and identify potential solutions to local challenges. Meetings were held online, set up through diplomatic channels or directly with individuals working in the respective institution. The notable exception is Finland whereby a small technical team travelled to Helsinki, to be able to carry out a benchmarking activity with the competent Finnish entities.

FINLAND

In the framework of the European Year for Skills, the National Skills Council collaborated with the Ministry of Economic Affairs and Employment and the Ministry of Education and Culture in Finland, to carry out a benchmarking activity on the skills landscape. This took place in Helsinki, Finland, between 11 and 13 October 2023 but was also available online for those who wished to witness this North-South cooperation initiative.

The Benchmarking in Finland activity gave the opportunity for both Finnish and Maltese participants to learn about each other's skills governance, lifelong career guidance, skills intelligence and the various tools used for skills mapping, and skills forecasting, amongst others. The informal setting was highly conducive to sharing best practices, ask probing questions and understanding the challenges and solutions for the respective contexts.

save the date – become a fly on the wall
Wednesday 11th – Friday 13th, October 2023

Two ministries from Finland* and Malta Skills Council meet for benchmarking in Helsinki, Finland. Discussions will be related to skills of working-age people, in spirit of the European Year of Skills.

Teams-meeting will be open online for everyone interested to follow discussions!
You will be a fly on the wall – able to see and hear the presentations.

Agenda (Finnish time, EEST, UTC+3)

Wed 11th of Oct	9-12 Governance of Skills, education systems
13-17	Continuous learning of working-age people, validation, I/A, micro-credentials, learning at the workplace
Thu 12th of Oct	9-12 Labour market orientation of skills training
13-16	Lifelong guidance, tools for skills mapping, career planning and matching skills
Fri 13th of Oct	9-17 Forecasting, evidence-based practices
13-16	Reflections, discussions

*Ministry of Economic Affairs and Employment, Ministry of Education and Culture

More info, Teams-links:
<https://team.itsm.events/2023-10-11-european-year-of-skills-benchmarking>

Figure 6: Advertisement to promote the benchmarking exercise between Malta and Finland Skills entities

¹⁰ Centre for Business Innovation: Creating Collaborative Consortia. Available from: <https://www.cfbi.co.uk/home/>



Figure 7: The NSC Technical team at the benchmarking exercise in Finland

ESTONIA

A rapidly aging society, a declining working-age population, a high skills mismatch and a lack of qualified labour force are challenges also shared by Estonia. To address these challenges, Estonia developed OSKA, the Estonian labour and skills forecasting system, and OsKuS, their skills system, both implemented by the Estonian Qualifications Authority (Kutsekoda). As both these areas are of interest, the NSC met with Kutsekoda on the 6th of December 2023 to gain insight into how these systems were developed, their methodologies (both qualitative and quantitative) and how they are implemented and monitored.

IRELAND

Ireland's National Skills Strategy 2016-2025 recommended the establishment of the Irish National Skills Council. The Council was established in April 2017 by the then Department of Education and Skills as an advisory, non-statutory body made up of high-level officials from public and private organisations. In 2021, the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) asked the OECD to carry out a review of Ireland's National Skills Strategy, and

The NSC saw significant learning potential from the Irish experience, the need to forge links and cooperate due to their recent experience at evaluating their first national skills strategy

the associated skills architecture, including the Skills Council. OECD published its assessment and recommendations in May 2023, further to which the Irish Skills Council is in the process of being reformed. The NSC saw significant learning potential from the Irish experience, the need to forge links and cooperate due to their recent experience at evaluating their first national skills strategy. The NSC reached out to the Irish counterpart, who welcomed the invitation - an online meeting was held on 17 August 2023, with the main agenda point being skills structures.

SCOTLAND

In 2010, Skills Development Scotland (SDS) developed the Skills Planning Model to articulate a systems-based approach in which investment in skills and individual learning and career choices are informed by comprehensive intelligence of the skills demands of industry, and the needs of Scotland's economy. SDS is a leader in the field of career information and guidance, offering products and services also in work-based learning/ apprenticeships, workforce productivity and skills planning. The NSC thus held an online meeting with SDS on 26 June 2023, to understand the Scottish Career Management Skills Framework, Career Strategy as well as the evidence and impact of their Labour Market intelligence system.

04. ADVANCING SKILLS DEVELOPMENT

SKILLS PANORAMA

Technological advancements, new business models and national priorities, all affect trends in employment and the required skills development. Without the necessary foresight and preparation of the workforce, this inevitably results in skills mismatches and shortages as well as unemployment. Through research undertaken by several institutions in Malta as well as at the European and international levels, maintaining an updated Skills Panorama helps to tackle these challenges, by providing the necessary evidence base on skills needs and labour markets.

Towards understanding the continuously evolving skills landscape, the NSC sought to become a reference point for skills panorama. Key contributors to knowledge generation on skills development, employment trends and research in related fields were mapped out both at the local and international level. These include publications by the National Statistics Office (Malta Skills Survey, Preliminary report, June 2023), various publications and policy

briefs by Cedefop, as well as by the World Economic Forum (Future of Jobs report, 2023). Particular attention was paid to seeking publicly available tools that are regularly updated to keep track of progress of EU and national policy objectives, including Eurostat and Cedefop's Skills OVATE¹¹. Together with desk-based research, these tools enabled the scoping review on Future Skills, which has been widely presented during meetings with VET institutions and seminars, to advocate for and sensitise the audience to the future world of work and the need to upskill and reskill towards achieving the green and digital transition. A succinct review of the methodology used is reproduced below as a key assignment undertaken by the Council this year.

¹¹ Eurostat and Cedefop are also currently working together to produce robust statistics through the use of Online Job Advertisements (OJA) and develop the Web Intelligence Hub (WIH). OJA have proven to be a very valuable innovative source for measuring skills.

SCOPING REVIEW ON FUTURE SKILLS

This initiative is pivotal in guiding national policy and strategy in workforce development. At the National Skills Council, the evidence-based approach is guided by the four pillars of evidence presented by the Centre for Evidence-Based Management in the Netherlands. These pillars serve as the foundation of the Council's methodology and ensure qualitative and quantitative inputs are continually analysed.

Research Evidence: The Council employs a research methodology to gather and analyse data related to skills needs, labour market trends, and emerging industry demands. By utilising a wide range of data, the Council generates evidence that forms the basis of its insights and recommendations.

Professional Expertise: The technical unit ensures continuous liaison with various experts and experienced professionals. High-level and technical-level meetings were continually held with professionals with expertise in various fields, including labour market analysis, skills forecasting, policy development, education planning, and industry engagement. By combining their knowledge and experience, the Council brings a multidisciplinary perspective to its advisory services, enhancing the quality and relevance of its recommendations.

Stakeholder Insights: The Council actively engages with a diverse range of stakeholders, including policymakers, professional bodies, industry representatives, education leaders, educators, trainers, and individuals in the

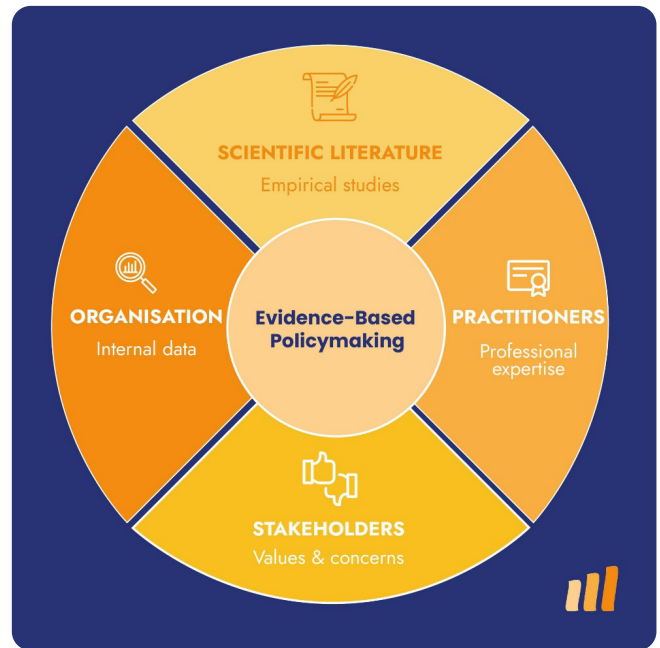
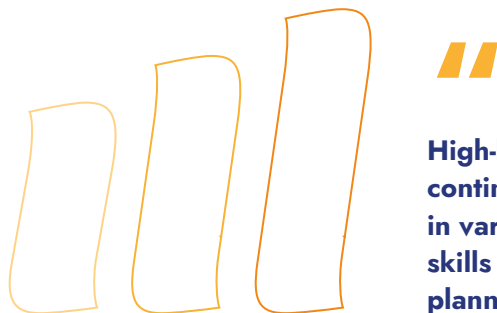


Figure 8: Evidence-based policy making

workforce. By listening to their perspectives, challenges, and aspirations, the Council ensures that our advisory services are informed by the voices of those directly affected by skills development policies and strategies.

Local Contextualisation: Recognising the importance of the local context, the Council integrates specific Maltese data and trends, often provided through third party stakeholders such as the National Statistics Office, Jobsplus and the Central Bank of Malta, into its evidence. This contextualisation ensures that its advisory services are tailored to the unique needs and challenges of the Maltese labour market, maximizing their relevance and effectiveness.



High-level and technical-level meetings were continually held with professionals with expertise in various fields, including labour market analysis, skills forecasting, policy development, education planning, and industry engagement





SKILLS INTELLIGENCE

Skills intelligence results in a wealth of information on key trends and demands on skills development and the labour market. Informed decisions should be backed up by high-quality evidence. Skills and labour market data and information are becoming increasingly available at a European and international level. This data can support multiple stakeholders in their policy making processes, career guidance and counselling services, recruitment processes, provision of education and training, and design of initiatives to promote up-skilling and re-skilling, etc. It provides input for forecast and foresight exercises, anticipating future skills in the dynamic world of work.

Skills intelligence requires the identification of the users' information needs, the elaboration of reliable data to address the request, the appropriate selection of indicators to select, the adoption of the most suitable data visualisation technique to provide the requested response. Developing skills intelligence is a process of interlinked steps performed by experts (or elaborate software), which transforms fragmented data and information to comprehensive 'story-telling', with policy or practical relevance.

Industry representatives, corporate HR managers, policy makers at national, regional, or local level, the research community, employment services, guidance practitioners, education and training providers, employers and even individuals (including young people, jobseekers, and others looking to make life decisions) can all benefit from skills intelligence.

The Council has started discussions with industry representatives namely the Malta Chamber of Commerce to develop a labour market and skills intelligence platform. In 2024, it is anticipated that this platform will start being developed. Amongst other benefits as discussed above, real data on in-demand skills and occupations locally will be available.

SKILLS ADVISORY

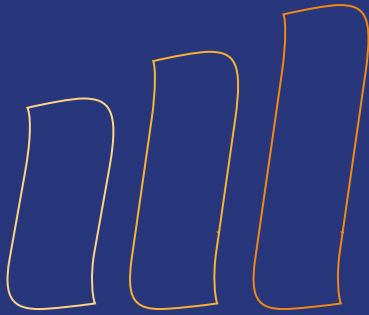
As a government entity, the National Skills Council is dedicated to anticipating present and future skills to provide evidence-based guidance to policy makers, industry leaders, and educational institutions. The Council is committed to supporting the development of a skilled workforce that meets the evolving demands of the economy.

Statistics and published literature acknowledge that Malta suffers from both skills and labour shortages. This was highlighted especially during engagement with industry stakeholders. This evidenced the need for the NSC to develop the necessary policy tools to address skills shortages. It was thus that in 2023, the NSC kick-started the necessary preparatory work towards developing a National Skills Strategy, the first of its kind for Malta. In order to obtain the necessary expertise, an application for the 2024 Skills Flagship of the European Commission's Technical Support Instrument was submitted - whilst preliminary indications of the application's success are positive, results will be formally announced in early 2024. Through the development of a National Skills Strategy, the NSC is committed to strengthening the governance of skill systems, and for those living and working in Malta to develop the relevant skills to achieve their full potential and have a fulfilled life.



In 2023, the NSC kick-started the necessary preparatory work towards developing a National Skills Strategy, the first of its kind for Malta





The NSC undertook a feasibility study of the implementation of ILAs in Malta, collecting extensive feedback and consulting widely with relevant stakeholders



In April 2023, the National Skills Council was also tasked to coordinate national efforts on Individual Learning Accounts (ILAs), further to a Council Recommendation on individual learning accounts¹². This European initiative aims to boost training of working-age adults and to increase individuals' incentives and motivation to seek training. The NSC undertook a feasibility study of the implementation of ILAs in Malta, collecting extensive feedback and consulting widely with relevant stakeholders.

Extensive consultation was also undertaken towards updating Malta's national commitments with respect to apprenticeships, further to its advisory function with respect to VET. Malta participates in the European alliance for apprenticeships¹³ (EafA), which unites governments and key stakeholders with the aim of strengthening the quality, supply and overall image of apprenticeships across Europe, while also promoting the mobility of apprentices. These aims are promoted through national commitments and voluntary pledges from stakeholders. Malta's commitment was last updated in 2019 and can boast of a

number of entities that pledged their support to this initiative. Whilst work in this regard was launched in 2023, this is expected to be finalised and published in 2024.

The green and digital transition plays a central role in the NSC's policy work. Linked to Manifesto Measure 201-Upskilling and reskilling to meet the green and digital transitions, the NSC launched an exercise to identify training gaps primarily for the green transition. The current courses linked to the green transition of various education and training institutions, both public and private, were evaluated. The outcomes of the study will be discussed with industrial stakeholders in 2024, to reflect on and anticipate training needs in the sector and subsequently identify the training gaps, further to which recommendations shall be published.



The current courses linked to the green transition of various education and training institutions, both public and private, were evaluated



¹² Council of the European Union (2022). Council Recommendation on individual learning accounts (2022/C 243/03). OJ C243, 26-34, [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022H0627\(03\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022H0627(03))

¹³ Employment, Social Affairs & Inclusion: European Alliance for Apprenticeships. Available from: <https://ec.europa.eu/social/main.jsp?catId=1147&langId=en>

05.

STEERING THE EUROPEAN YEAR OF SKILLS IN MALTA

In 2023 the National Skills Council was nominated as Malta's Coordinator for the European Year of Skills, an initiative by the European Commission spanning from May 2023 to May 2024. This period was earmarked to underscore the importance of lifelong learning and skills development across the

continent, recognizing the critical role skills play in fostering economic growth, enabling social inclusion, and enhancing personal well-being. This was particularly pertinent in the context of evolving digital and green economies, where the demand for new skills is both urgent and essential. The Council's leadership role in this initiative positioned Malta as a proactive contributor to the collective European vision of a skilled future.



Figure 9: European Year of Skills logo

SKILLSCAPE MALTA: TOWARDS TOMORROW'S SKILLS - 7TH SEPTEMBER 2023

The SkillScape Malta conference, convened on 7th September 2023, emerged as a flagship event, drawing an impressive convergence of over 300 stakeholders from various sectors such as government, education, industry, and community organizations. This gathering was not merely a conference but a dynamic incubator of ideas and strategies, designed to address and navigate the complexities of workforce skill development in the



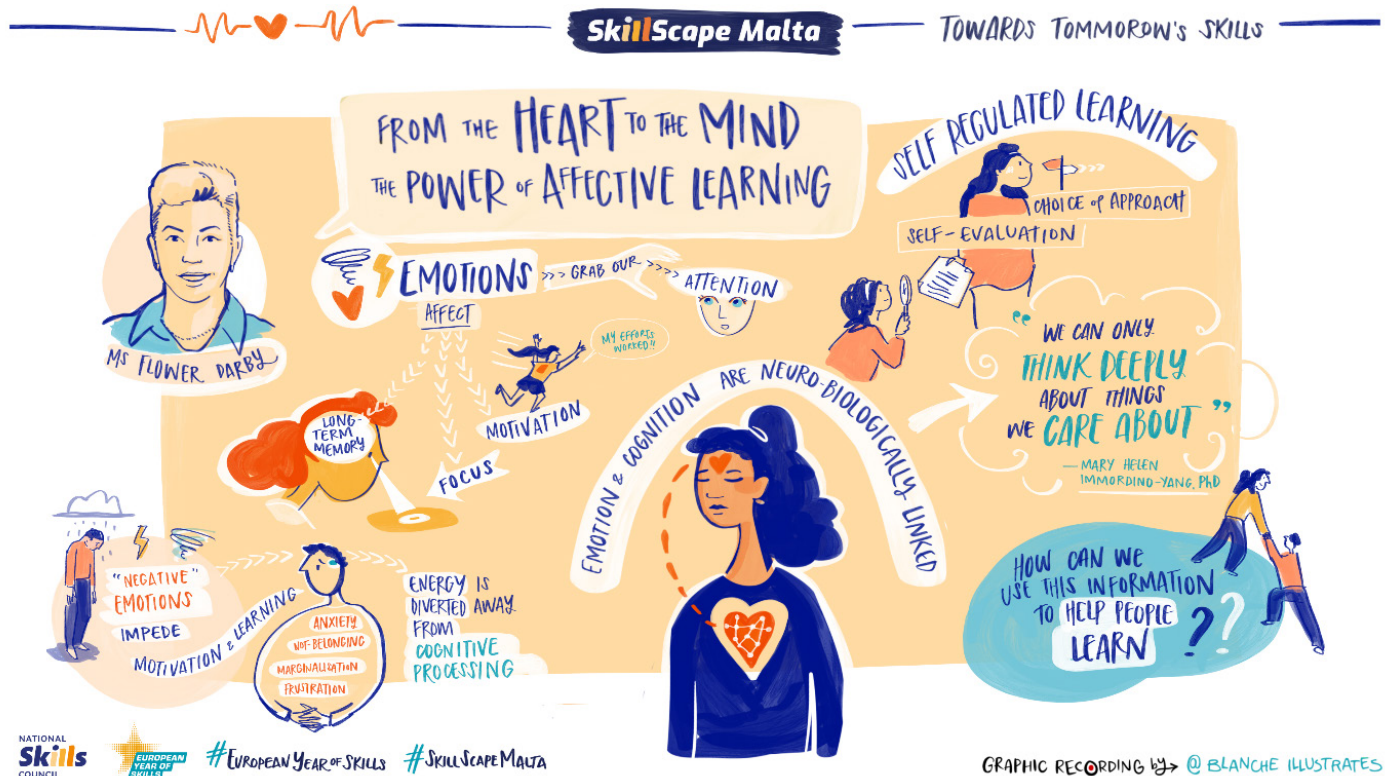
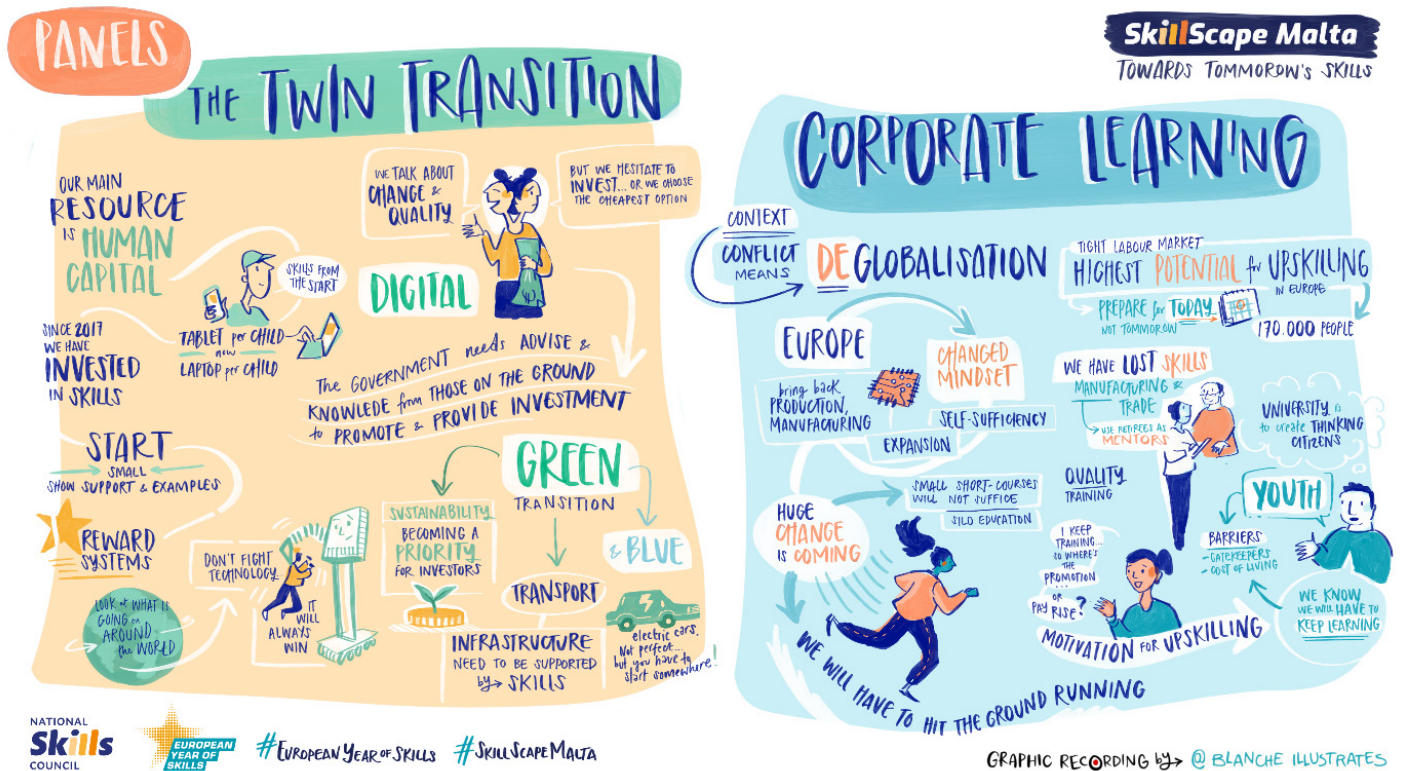
Figure 10: The NSC team at the Skillscape conference

contemporary world. It served as an influential forum for sharing best practices, fostering collaborative networks, and identifying actionable solutions to enhance Malta's human capital.

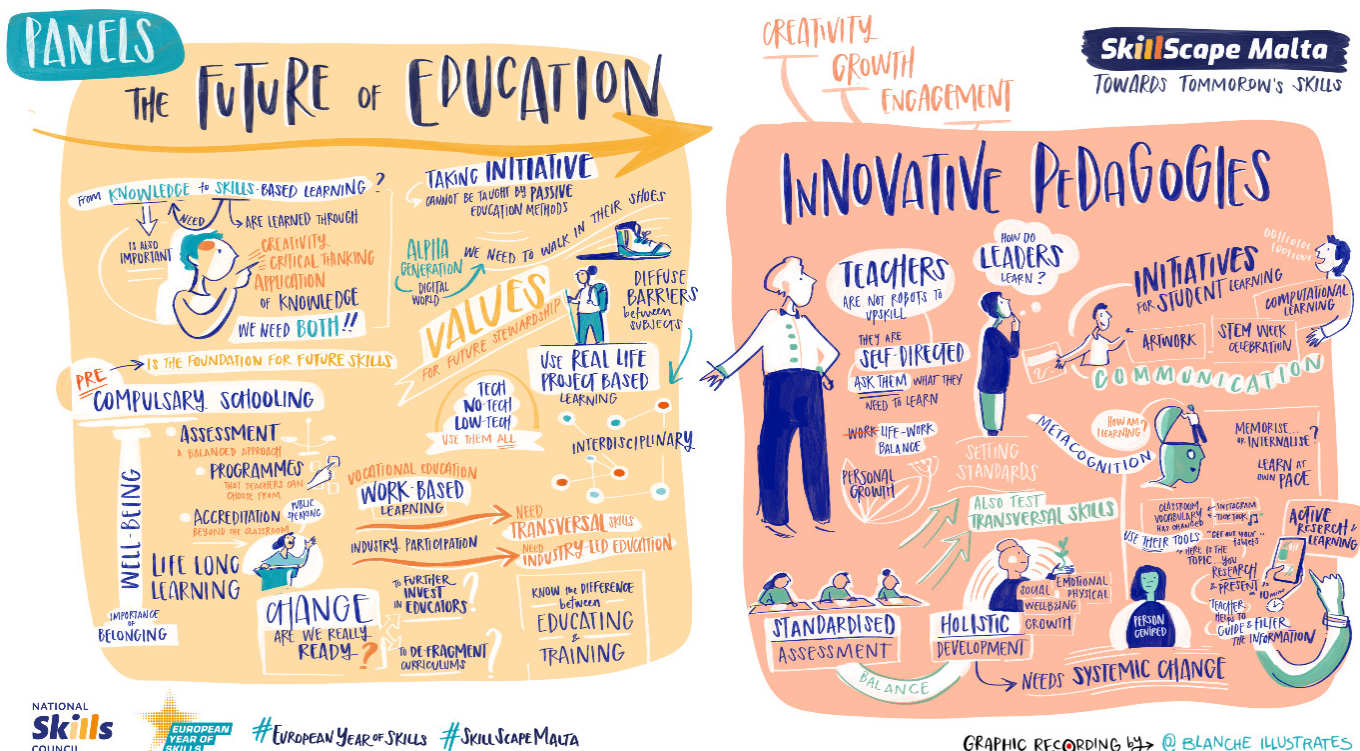
In an innovative move to enhance the conference's strategic communications and event facilitation, the National Skills Council engaged the talents of Blanche Ellis, a renowned visual artist known for her expertise in live illustration, design, and graphic recording. Ms. Ellis' unique skill set brought an added dimension to the event and discussions, facilitating conversations in a visually engaging and memorable manner. Her artistic techniques not only captured the essence of the discussions and ideas but also provided an interactive and dynamic element to the panel discussions and keynote speeches. This collaboration with Blanche Ellis underscored the Council's commitment to incorporating creative and unconventional approaches in its efforts to foster dialogue and collaboration within the Council and with stakeholders.

Figure 11: Illustrations by Ms. Ellis summarising keynote speeches and panel discussions









The discussions and deliberations at the conference crystallized into six Key Recommendations, each bearing significant implications for the future of skills development in Malta:

- Empowerment and Wellbeing: Placing a strong emphasis on mental health and emotional support as foundational pillars in education and skills development.
- Transversal and Basic Skills: Advocating for a transformative education paradigm that elevates foundational skills as essential for future success
- Continuous Professional Development (CPD): Cultivating a culture of continuous learning and professional growth across various industries
- Digital Literacy, Green Initiatives, and Active Citizenship: Fostering skills that are pivotal for a sustainable, technologically advanced society.
- National Career Guidance Network: Proposing the establishment of a comprehensive network and framework for career guidance

- Training Accessibility: Highlighting the role of apprenticeships and micro-credentials in creating a skilled and adaptable workforce.

REAL PEOPLE - REAL SKILLS

The NSC's participation in the "Real People, Real Skills" campaign represented a significant step in showcasing the real-life impact of skills development initiatives. By focusing on personal stories of individuals who transformed their careers through upskilling and reskilling, this campaign provided a powerful platform for Maltese citizens to share their experiences. These narratives not only contributed to a broader EU-wide dialogue but also served as a source of inspiration and motivation for continuous learning and skill development.

HACK FOR SKILLS

The Hack for Skills project, a collaboration between Malta and Cyprus, placed youth at the epicentre of skills innovation. This hackathon was more than a competition; it was a creative and collaborative endeavour that engaged young minds in addressing the challenges of



Figure 12: Advertising Hack for Skills



Figure 13: Circular on the European Year of Skills

skills development in an AI and internet-driven future. By focusing on emerging career paths, industry needs, and educational responses to technological advancements, the hackathon highlighted the critical role of youth in shaping the future skills landscape.

EXPANDING THE SKILLS DIALOGUE

The Council's initiative to promote skills-related events led to the remarkable presentation of 15 Skills Success Stories at the SkillScape Malta conference. This initiative was instrumental in highlighting the tangible impacts of skills development on individual lives and communities.

Collaborative Educational Outreach with Regjun Punent: The NSC's collaboration with Regjun Punent exemplified its commitment to making continuous education accessible. This outreach programme bridged the gap between local communities and educational institutions, thereby reinforcing the Council's dedication to fostering a culture of lifelong learning in Malta.



Figure 14: Advertising the skills event by Regjun Punent



Figure 15: Skills success stories during the Skillscape conference

ENGAGING IN PUBLIC DIALOGUES

Despite the fact that the National Skills Council has been recently set-up, representatives were asked to participate and even moderate a number of panel discussions and workshops in conferences or discussions organised by other entities/departments. This is synonymous with a vote of confidence in the abilities and strengths of the team led by Executive Chairman Dr Jeffrey Pullicino Orlando. Below are a few of these events.




 The Executive Chairman of the National Skills Council, Dr Jeffrey Pullicino Orlando, participated in a panel discussion titled 'Il-Futur tax-xogħol: Illum u għada' during a business breakfast organised by the Parliamentary Secretariat for Social Dialogue.



Figure 16: Executive Chairman Dr Jeffrey Pullicino Orlando in a panel discussion on the future of work

 Ruth DeBrincat, Senior Director - Policy and Employment Relations, from the NSC participated and moderated a round table discussion during Malta Employers' Association SMEs National Forum 2023.

 Clayton Micallef Grimaud, Director - Strategy, People and Culture from the National Skills Council delivered a workshop on Future Skills, whilst Ruth DeBrincat participated on a panel discussion during the Chamber of SMEs Conference 2023.

 Both Clayton Micallef Grimaud and Ruth DeBrincat from the National Skills Council moderated two panel discussions during the MCAST Youth Industry Encounter



Figure 17: Ruth DeBrincat, Senior Director intervening at the panel discussion in the MCAST-Industry encounters

Figure 18: Glorianne Cachia, NSC Deputy Director in the introductory panel at the ERASMUS+ networking event



|| The National Skills Council held an Erasmus+ networking half-day seminar to showcase skills-related projects, in collaboration with GIOYA Higher Education Institution. During the event, Glorianne Cachia, Deputy Director - Research and International Relations delivered the introductory remarks, whilst Clayton Micallef Grimaud from the National Skills Council delivered an engaging presentation on future skills.

|| Clayton Micallef Grimaud participated in a panel discussion titled 'Building a Better Future International Conference', organised by the General Workers Union.



Figure 19: Clayton Micallef Grimaud, Director intervening at the panel discussion in the GWU conference




 The Executive Chairman of the National Skills Council, Dr Jeffrey Pullicino Orlando, took part in a panel discussion at the Transform-ED symposium, organised by the European Commission Representation in Malta. The discussion highlighted the importance of digital skills and education across Europe to ensure economic growth, social inclusion, and personal well-being for all.



Figure 20: Executive Chairman Dr Jeffrey Pullicino Orlando in a panel discussion at Transform-ED, the event kicking off the European Year of Skills in Malta

 Clayton Micallef Grimaud participated in a podcast titled 'Career Shifts: navigating the future of work', hosted by Mdina Partners

 The National Skills Council was invited by the Malta Council for Economic and Social Development to deliver a presentation to its members on the priorities of the Council. Ruth DeBrincat delivered the presentation and provided additional feedback in a Q&A session thereafter, which showed considerable interest by the audience on the subject.



 The Executive Chairman of the National Skills Council, Dr Jeffrey Pullicino Orlando, chaired an insightful panel discussion on the vital role of technology, digital skills, and green skills in fostering political dialogue and sustainable development within inclusive societies. The panel was part of the Make Learn conference organised by Pegaso International, which brought together experts, and policymakers to explore the profound impact these skills can have on shaping a brighter future for all.

Figure 21: Clayton Micallef Grimaud, Director participating in a panel discussion at the Mediterrane Film Festival



 Clayton Micallef Grimaud participated in a panel discussion titled 'The Skills Debate' at the Mediterrane Film Festival organised by the Malta Film Commission.


 In promoting further the National Skills Council's vision and mission and to raise awareness on the European Year of Skills, members from the NSC's management team were invited as guests on a number of TV programmes, including breakfast shows and current affairs programmes.



Figure 22: Ruth DeBrincat and Glorianne Cachia discussing upskilling and reskilling as focus areas for the European Year of Skills on ONE Breakfast



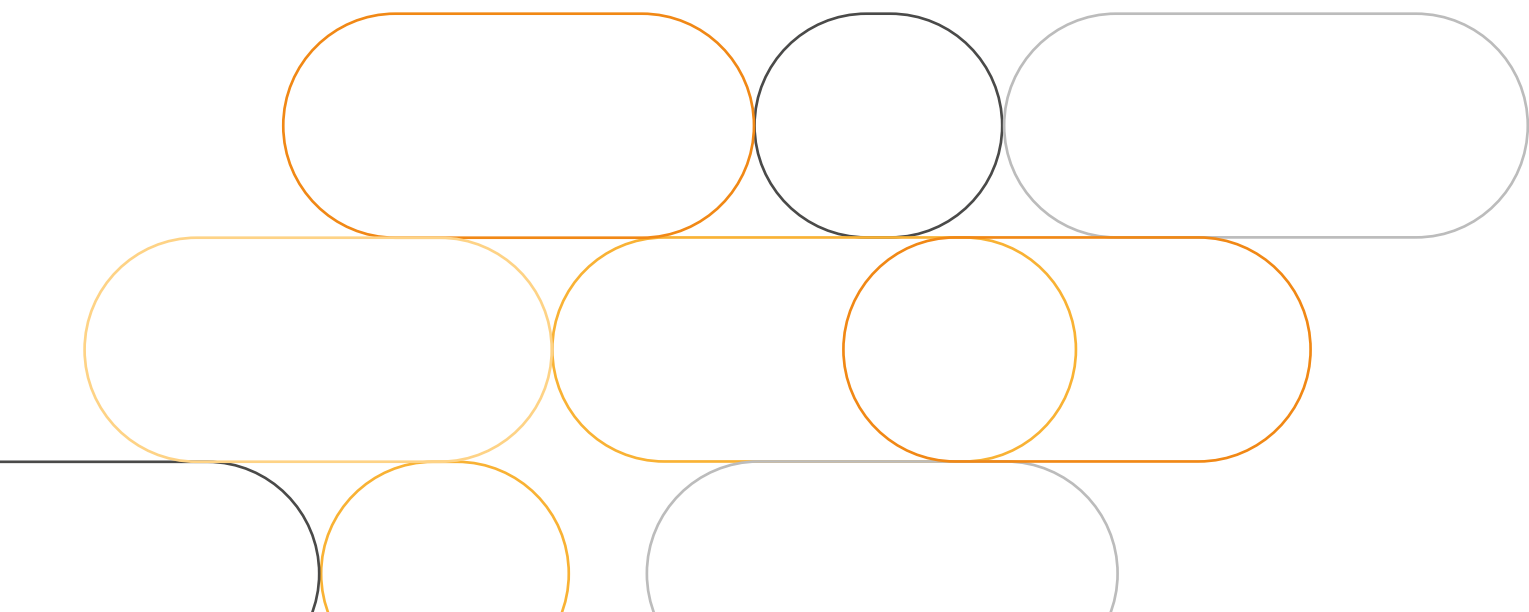
06. CORPORATE SOCIAL RESPONSIBILITY

In December, the team at the National Skills Council visited the Saint Vincent de Paul Residence as part of the commitment to Corporate Social Responsibility. The team spent a memorable morning with the residents of a ward, sharing stories, laughter and joy. The experience of gifting time and companionship during the Christmas season was truly rewarding. It has been a reminder of the impact we can bring to others' lives.

As part of its commitment to corporate social responsibility, the National Skills Council proudly sponsored a prize for the St. Ignatius College STEAM Week 2023 Celebration. This initiative aligns with the Council's dedication to fostering transversal skills among students, recognising the critical importance of integrating Science, Technology, Engineering, Arts, and Mathematics (STEAM) in education. By supporting such events, the Council aims to inspire a passion for interdisciplinary learning, creativity, and innovation, nurturing the next generation's ability to adapt and excel in an increasingly complex and technologically driven world.



Figure 23: Executive Chairman, Dr Jeffrey Pullicino Orlando in conversation with a resident at Saint Vincent de Paul Residence



NATIONAL SKILLS COUNCIL
Annual Report and Financial Statements

For the year ended
1 January 2023 to 31 December 2023

A handwritten signature in black ink, consisting of a stylized, cursive letter 'S' followed by a horizontal line and a small loop.

NATIONAL SKILLS COUNCIL
Annual Report and Financial Statements - 31 December 2023

Contents	Pages
Chairperson's Report	1 – 3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 21
Independent Auditor's Report	22 – 24

A handwritten signature in black ink, consisting of a stylized 'X' or 'K' shape with a vertical line extending upwards from the center.

Chairperson's Report

The Chairperson presents his annual report and the audited financial statements for the year from 1 January 2023 to 31 December 2023.

Principal activities

The Council is engaged to invest in human capital development, by using evidence-based practices to understand and anticipate current and future skills within the labour work force, whilst instigating policy changes to this effect.

The Council was established by the Government of Malt through Subsidiary Legislation 605.10 – National Skills Council (Establishment) Order dated 9 August 2016. Although the Council was established in 2016, it started preparatory works in October 2022 and officially opened its doors to the public on 1 March 2023.

Review of the business

The Council has adequately utilised its Government subvention of €850,000 for the acquiring of its plant and equipment, towards refurbishing its premises and towards running costs. The remaining balance of the subvention at year-end amounted to €53,238, which was used to settle the remaining current liabilities in the beginning of the year.

The Council ended with a surplus of €149,265, which resulted from the carrying amount of tangible assets that are being depreciated over the useful life of the assets.

The level of business and the Council's financial position remain satisfactory, and the Chairperson expects that the present level of activity will be sustained in the foreseeable future.

Results

The statement of profit or loss and other comprehensive income is set out on page 4.

Events after reporting period

As noted in Note 16 of these financial statements, there were no other adjusting or other significant non-adjusting events between the end of the reporting year and the date of authorisation by the Chairperson.



Chairperson's Report – continued

Chairperson

The Chairperson of the Entity who held office during the period ended 31 December 2023 and as at the date of this report is:

- Dr. Jeffrey Pullicino Orlando

Statement of Chairperson's responsibilities

The Chairperson is required to prepare financial statements which give a true and fair view of the state of affairs of the Entity as at the end of each financial year and of the profit or loss for that year.

In preparing the financial statements, the Chairperson is responsible for ensuring that:

- Ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances;
- Ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as going concern;

The Chairperson is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Entity and to enable them to ensure that financial statements are adequate. This responsibility includes designing, implementing, and maintaining such internal controls, as the Chairperson determines the necessary procedures to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. He is also responsible for safeguarding the assets of the Entity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial reporting framework

The Chairperson has resolved to prepare the Entity's financial statements for the period ended 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the European Union.



Chairperson's Report – continued

Principal Risks and Uncertainties

The Chairperson considers the nature and extent of the risk management framework and risk profile that is acceptable to the Chairperson. The Chairperson regularly reviews the work carried out and ensures that any weaknesses identified are remedied so as not to pose a risk to the Entity.

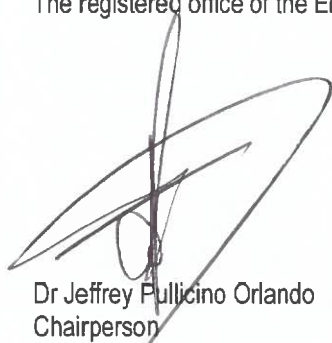
The Entity's principal risks and uncertainties are included in Note 15 of these financial statements.

Auditor

The auditor, Equis Assurance Limited, has intimated its willingness to continue in office and a resolution to reappoint them as auditor of the Entity will be proposed at the forthcoming Annual General Meeting.

Registered address

The registered office of the Entity is Le Merchant House, Alamein Road, Pembroke PBK 1776, Malta.



Dr Jeffrey Pullicino Orlando
Chairperson

5 March 2024

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2023 €
Revenue	2	850,000
Administrative expenses		(700,735)
Surplus for the year	3	149,265
Total comprehensive surplus for the year		149,265

The accounting policies and explanatory notes on pages 8 to 24 form an integral part of the financial statements.

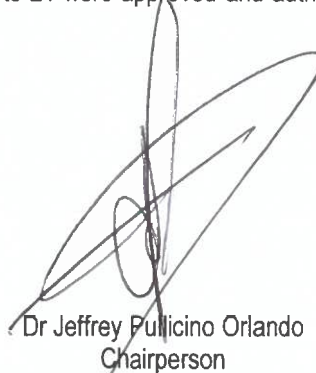


Statement of Financial Position

		As at 31 December
	Notes	2023 €
ASSETS		
Non-current assets		
Tangible assets		
<i>Property, plant and equipment</i>	5	140,510
Current assets		
Cash and cash equivalents	9	53,238
Total assets		193,748
EQUITY AND LIABILITIES		
Reserve		
Retained reserve	6	149,265
Current liabilities		
Trade and other payables	7	44,483
Total equity and liabilities		193,748

The accountancy policies and explanatory notes on pages 8 to 21 form an integral part of the financial statements.

The financial statements on pages 4 to 21 were approved and authorised for issue by the Chairperson on 5 March 2024.


 Dr Jeffrey Pulicino Orlando
 Chairperson

Statement of Changes in Equity

	Retained reserve €	Total €
Balance at 1 January 2023	-	-
Surplus for the year	149,265	149,265
Balance at 31 December 2023	149,265	149,265



Statement of Cash Flows

	Notes	2023 €
Operating activities		
Cash generated from operating activities	8	208,178
Net cash generated from operating activities		208,178
Investing activities		
Purchase of property, plant, and equipment	5	(154,940)
Net cash used in investing activities		(154,940)
Movement in cash and cash equivalents		53,238
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year	9	53,238

The accountancy policies and explanatory notes on pages 8 to 24 form an integral part of the financial statements.



Notes to the Financial Statements

1. Accounting policies

The principal material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied to in the first year of the entity's establishment.

a. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

The financial statements are prepared under the historical cost convention, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

i. Use of estimates and judgements

In preparing the financial statements, the Chairperson is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known. Except for the below, in the opinion of the Chairperson, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below.

However, in the opinion of the Chairperson, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

ii. New and amended IFRS Standards that are effective for the current year

In 2023, the Entity has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatory for the Entity's accounting year beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Entity's Accounting policies impacting the financial performance and position.



1. Accounting policies – continued

a. Basis of preparation – continued

ii. New and amended IFRS Standards that are effective for the current year - continued

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Material Accounting Policies	<p>The Entity has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of material accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2</p>
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	<p>The Chairperson has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p>
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	<p>The Chairperson has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted</p>



1. Accounting policies – continued

a. Basis of preparation – continued

iii. New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Chairperson has not applied the following new and revised IFRS Standards that have been issued but are not yet effective had not yet been adopted by the EU:

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current and Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The Chairperson does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Entity in future years.

b. Going concern

The Chairperson has, at the time of approving the financial statements, a reasonable expectation that the Entity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value-added tax and discounts, where applicable.

To determine whether to recognise revenue, the Entity follows a 5-step process:

- i. Identifying the contract with a customer
- ii. Identifying the performance obligations
- iii. Determining the transaction price
- iv. Allocating the transaction price to the performance obligations
- v. Recognising revenue when/as performance obligations are satisfied.

The Entity recognises revenue from the following major sources:

- i. Government grants and subventions



1. Accounting policies – continued

d. Foreign currencies

Functional and presentation currency

Items included in the Entity's financial statements are measured using the currency of the primary economic environment in which the entity operates. The Euro is the Entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency (Euro) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

e. Property, plant and equipment

Property, plant and equipment, comprising, improvements to premises, air conditioners, computer equipment, furniture, fixture and fitting, and signages, are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation is calculated on the straight-line method on a monthly basis to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

• Improvement to premises	2%
• Air Conditioners	10%
• Computer equipment	25%
• Furniture, fixtures and fittings	10%
• Signages	2%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Accounting policy (f)).

1. Accounting policies – continued

f. Impairment of non-financial assets

At each reporting date, the Entity reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

g. Financial instruments

Financial liabilities are recognised in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



1. Accounting policies – continued

g. Financial instruments - continued

i) Financial liabilities and equity

▪ *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

▪ *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Entity's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Entity's own equity instruments.

▪ *Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-fortrading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

1. Accounting policies – continued

g. Financial instruments – continued

i) Financial liabilities and equity – continued

▪ **Financial liabilities - continued**

Financial liabilities at amortised cost - continued

The Company's financial liabilities include debt securities in issue.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate, the "EIR" method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

h. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.



2. Revenue

	2023 €
Government grants and subventions	850,000
	<u>850,000</u>

The above fall under IFRS 15 and are recognised as follows:

Timing of revenue recognition

	2023 €
<i>At a point in time</i>	
Declaration and receipts of subventions	850,000
	<u>850,000</u>

3. Expenses by nature

The major items included within profit or loss are included below:

	2023 €
Depreciation of property, plant and equipment (Note 5)	14,430
Professional fees	29,578
Staff costs (Note 4)	415,938
Auditor's remuneration	1,121
	<u>460,067</u>

Auditor's fees

Fees charged by the auditor for the services rendered during the financial period ended 31 December 2023 relates to the following:

	2023 €
Audit fee	1,121
Tax advisory services	295
	<u>1,416</u>

The Entity did not incur any other non-audit services fees during the period ended 31 December 2023 from the Entity's auditors.

4. Staff costs

	2023 €
Wages and salaries	398,915
Social security costs	17,023
	<hr/>
	415,938

Average number of full-time equivalents employed by the Entity during the period:

	2023 €
Operational	7
Administration	3
	<hr/>
	10



5. Property, plant and equipment

	Improvements to premises €	Air-Conditioners €	Computer Equipment €	Furniture €	Fixture and Fittings €	Signage €	Total €
At 1 January 2023	-	-	-	-	-	-	-
Cost							
Accumulated depreciation	-	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-	-
Movements for year ended 31 December 2023							
Opening net book amount	-	-	-	-	-	-	-
Additions	37,475	5,632	40,204	40,717	27,843	3,069	154,940
Depreciation charge	(748)	(408)	(7,890)	(3,364)	(1,769)	(251)	(14,430)
Closing net book amount	36,727	5,224	32,314	37,353	26,074	2,818	140,510
At 31 December 2023							
Cost	37,475	5,632	40,204	40,717	27,843	3,069	154,940
Accumulated depreciation	(748)	(408)	(7,890)	(3,364)	(1,769)	(251)	(14,430)
Net book amount	36,727	5,224	32,314	37,353	26,074	2,818	140,510

Depreciation charge of €14,430 is included in administrative expenses.

6. Retained reserve

Retained reserve comprises surplus generated during the period; net of deficits incurred.

7. Trade and other payables

	2023 €
Current	
Trade payables	39,257
Accruals	5,226
	<u>44,483</u>

8. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	2023 €
Operating profit	149,265
Adjustment for:	
Depreciation of property, plant and equipment (Note 5)	14,430
Changes in working capital:	
Trade and other payables	44,483
Cash generated from operations	<u>208,178</u>

9. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents at the end of the year comprise the following:

	2023 €
Cash at bank	<u>53,238</u>



10. Related party transactions

The National Skills Council is a public entity funded by the Government of Malta. Transactions with the Government of Malta during the year arose as shown hereunder:

	2023
	€
Revenue	
Government grants and subventions	850,000

11. Financial risk management

Overview

The Entity has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Entity's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Entity's management of capital. Further quantitative disclosures are included in these financial statements.

The responsibility for the management of risk is vested in the Chairperson. Accordingly, it is the Chairperson who has the overall responsibility for establishing an appropriate risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Entity if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Entity's cash and cash equivalents held at banks. The carrying amounts of financial assets represent the maximum credit exposure.

The Entity assesses the credit quality by taking into account, past experience, and other factors.

Cash and cash equivalents

The cash and cash equivalents held with banks as at 31 December 2023 are callable on demand and held with local financial institutions with high quality standing or rating. Management considers the probability of default from such banks to be insignificant. Therefore, based on the above, no loss allowance has been recognised by the Entity.



11. Financial risk management – continued

Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Generally, the Entity ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations.

The table below analyses the Entity's financial liabilities into relevant maturity grouping based on the remaining period at the end of the reporting period to the contractual maturity date. Trade and other payables are all repayable within one year.

As at 31 December 2023	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Trade and other payables	44,483	-	-	-	44,483	44,483
	44,483	-	-	-	44,483	44,483

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the fair value or future cash flows of a financial instrument. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

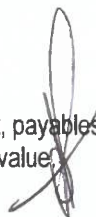
The operating cash flows of the Entity are influenced by changes in market interest rates. Up to the statement of financial position date, the Entity did not have any hedging arrangements with respect to the exposure of floating interest rate risk. The Entity is not exposed to foreign exchange risk since all operations are conducted locally in the Entity's functional currency.

Capital management

It is the policy of the Chairperson to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the Entity to continue as a going concern. In this respect, the Chairperson monitor the operations and results of the Entity, and also monitor the level of dividends, if any, payable to the ordinary shareholders. The Entity is not subject to externally imposed capital requirements. There were no changes in the Entity's approach to capital management during the year.

Fair values

At 31 December 2023 the carrying amounts of cash at bank, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value.



12. Events after reporting period

There were no adjusting or significant non-adjusting events that have occurred between the end of the reporting year and at the date of authorisation by the Chairperson.

13. Statutory information

The National Skills Council was established by the Government of Malta, through Subsidiary Legislation 605.10 – National Skill Council (Establishment) Order.

A handwritten signature in black ink, consisting of a large, stylized capital letter 'A' with a vertical line through it, and a small loop at the bottom.

Independent Auditor's Report

To the Members of National Skills Council

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Skills Council (the "Entity"), set out on pages 4 to 21, which comprise the statement of financial position as at 31 December 2023, the and statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at 31 December 2023, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Chairperson is responsible for the other information. The other information comprises the Chairperson's report. Our opinion on the financial statements does not cover this information, including the Chairperson's report. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Chairperson's Report, we also considered whether the Chairperson's Report includes the disclosures on the work we have performed, in our opinion:

- the information given in the Chairperson's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

In addition, in light of the knowledge and understanding of the Entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Chairperson's report. We have nothing to report in this regard.



Independent Auditor's Report – continued

Responsibilities of the Chairperson

The Chairperson is responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRSs, and for such internal control as the Chairperson determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chairperson is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Chairperson's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report – continued



Auditor's Responsibilities for the Audit of the Financial Statements – continued

We communicate with the Chairperson regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Entity's members. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

A handwritten signature in blue ink, appearing to read "L Muscat".

Lorraine Muscat
Director

For and on behalf of
Equis Assurance Limited
Certified Public Accountants

NOUV
MRO Frank Galea Road
Zebbug, ZBG 9019
Malta

5 March 2024

A handwritten signature in black ink, consisting of a stylized, abstract shape.

Detailed Results

Contents	Pages
Income statement	26
Administrative expenses	27

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Income Statement

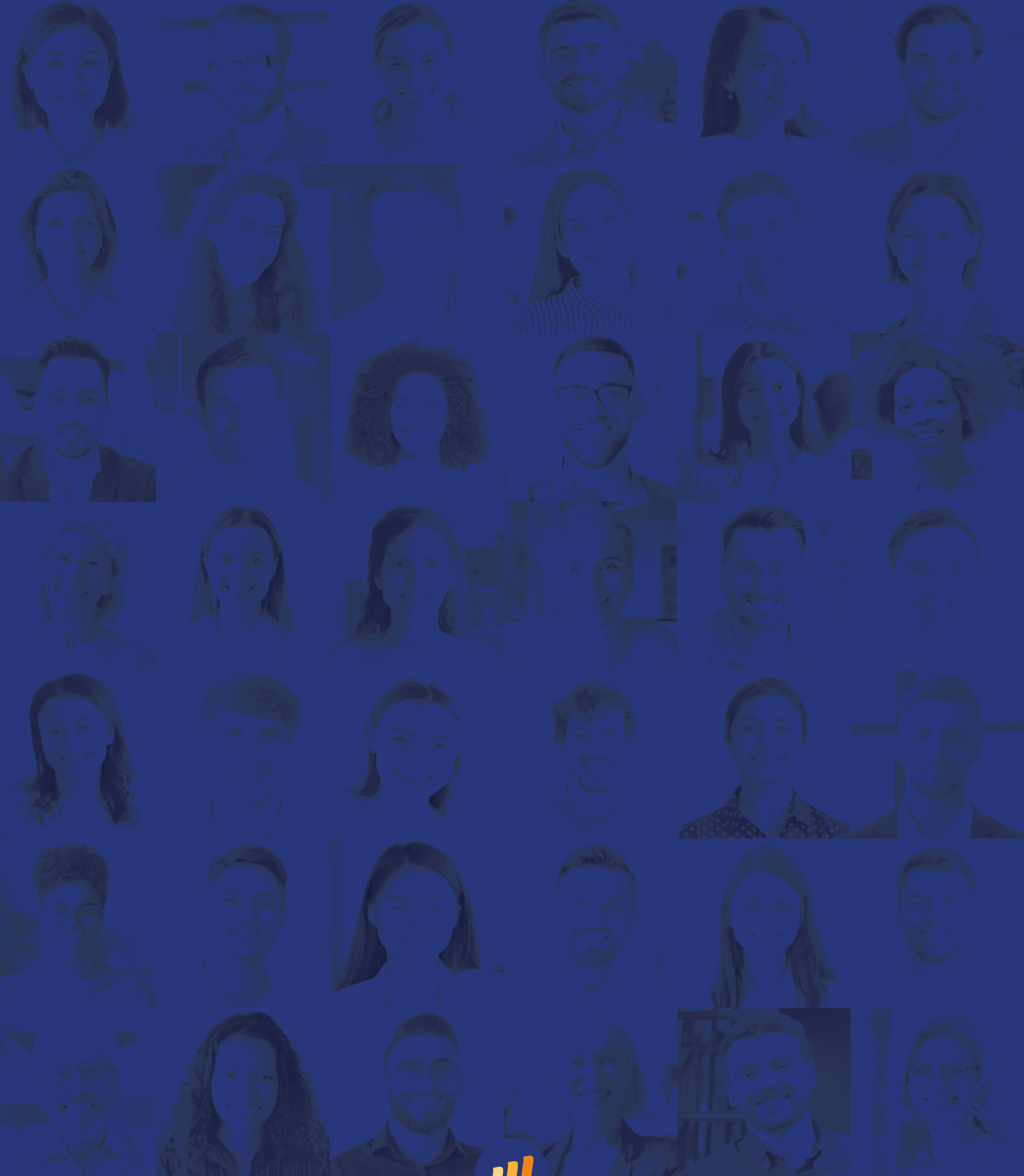
	2023 €
Revenue	850,000
Administrative expenses (page 30)	<u>(700,735)</u>
Surplus for the year	<u>149,265</u>



Administrative expenses

	2023 €
Advertisement and marketing expenses	10,577
Auditor's remuneration	1,121
Bank charges	861
Catering	29,150
Cleaning	4,130
Depreciation of property, plant and equipment	14,430
Design	25,068
Electrical items	1,275
Entertainment	7,254
Fuel	3,417
Gain on exchange	(14)
Hardware - IT	2,063
Hire	26,484
Insurance	1,237
IT Service	30,000
Licence Fees	14,297
Maintenance expenses	17,681
Maternity Fund	496
Memberships	4,685
National Insurance	16,527
Office expenses	815
Penalties and fines	125
Postage	29
Printing expenses	11,308
Professional fees	29,578
Software Maintenance/Support	6,835
Sundry expenses	1,828
Staff welfare	14,884
Stationery	2,324
Team Building and training expenses	5,645
Telephone	1,873
Transport and travelling expenses	15,837
Wages and salaries	398,915
Total administrative expenses	700,735





National Skills Council

Le Marchant House, Alamein Road Pembroke, PBK 1776, Malta
nscmalta.gov.mt