



2015-16 Annual Report



The Hon Anthony Roberts MP
Minister for Industry, Resources & Energy
GPO Box 5341
Sydney NSW 2001

Dear Minister

Submission of Jobs for NSW 2015-16 Annual Report.

In accordance with the *Jobs for NSW Act 2015*, I am pleased to submit to you the 2015-16 Annual Report of Jobs for NSW.

The report outlines our operations and achievements since the Jobs for NSW Act commenced on 28 September 2015.

Yours sincerely

David Thodey
Chair
Jobs for NSW Board

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Message from the Chair



Creating jobs and a strong economy and budget are the top priorities for the Premier and the NSW State Government. Jobs for NSW was established solely to help deliver on the commitment of 'creating jobs'.

Upon our establishment in September 2015, the Government appointed a Board with commercial acumen, public and private sector experience, which I am proud to chair. The priority for the rest of this financial year was to lay the foundations for meeting our future goals.

The Board was delighted to appoint Karen Borg as our CEO. Ms Borg was previously President of ResMed, Asia Pacific and the Middle East, and is the ideal appointment to ensure Jobs for NSW delivers on its promise of job creation.

Jobs for NSW might be seen as the NSW Government's very own start-up. Within our government context, Jobs for NSW is adopting the culture that a start-up needs: being proactive, seeking innovative ways to create jobs, open to new ideas. In particular, we are open to new ways of leveraging NSW's many competitive advantages and a range of financial tools to boost job creation in our most promising sectors.

We have partnered with McKinsey and Company to conduct research into what the jobs of the future will look like, and in what industries they will most likely be. This in-depth research has helped shape our strategic direction, and laid the groundwork for what programs we will implement.

For example, our analysis found that since 2008, most new jobs in NSW were created by six per cent of our firms: all of them small-to-medium, fast-growing businesses. The drivers of that finding are complex, but it is clear that a key focus for us must be in supporting high-growth SMEs create new and meaningful jobs. We must also foster an internationally-competitive workforce that has the skills for the jobs of tomorrow.

Our team has already achieved much through hard work and dedication, and I thank them for their efforts. Given our start-up nature, I would also like to thank my fellow Board members and the Senior Executive for their contribution in setting the direction of Jobs for NSW.

Just as the NSW economy does not operate in isolation, nor does Jobs for NSW. With my fellow Board members and the Jobs for NSW team, I look forward to working with the NSW Government and its ministers and departments to ensure our State, economy and workforce grows and is innovative, resilient and prosperous.

A handwritten signature in black ink that reads "David Thodey".

David Thodey

Chair
Jobs for NSW Board

Introducing Jobs for NSW

Jobs for NSW is a private sector-led, NSW Government-backed initiative to deliver on the Premier's number one priority of creating jobs.

Our Board includes some of the best business and entrepreneurial brains in the State, as well as the Secretaries of the NSW Departments of Premier and Cabinet and Industry.

What we do

Our enabling legislation was passed on 28 September 2015, setting our objectives as facilitating:

- the creation of new jobs in a way that is responsive to changes in the economy
- the development and attraction of new businesses, and the consolidation of existing businesses
- innovative, cost-effective and targeted incentives for economic development, and
- high-level private-sector strategic advice to government for these purposes.

The Jobs for NSW Board also oversees the \$190 million Jobs for NSW Fund aimed at facilitating job creation in NSW through non-traditional, innovative approaches and incentives over the next four years. At least 30 per cent of this Fund is allocated to help generate new jobs in regional and rural NSW, and improve their competitive advantage.

Who we support

To fulfil its objectives, Jobs for NSW supports the following growing businesses:

- **Start-ups**, by offering targeted products to accelerate market adoption, revenue growth and jobs creation
- **Fast-growing small to medium-sized enterprises**, by providing a flexible range of financial packages and assistance, and
- **Large and multi-national businesses**, by assisting them to create employment opportunities in NSW.

Who we work with

To open doors and break down barriers to growth, Jobs for NSW draws on the expertise and influence of the following groups:

- the Regional Business Development teams of the Department of Industry, to better serve our rural and regional clients
- accelerators and incubators, professional services organisations and financial institutions across NSW
- agencies across the NSW and federal governments. We act as a concierge to connect businesses to the advice, services and support they need to grow and succeed.

Jobs for NSW Board and senior executive team



Mr David Thodey

Chair

Mr David Thodey was Chief Executive Officer of Telstra from May 2009 to 30 April 2015. Before joining Telstra in 2001, David worked for 22 years with IBM, ultimately as Chief Executive Officer, Australia and New Zealand. David has also served on the Board of the GSM Association, the global body for the standardisation of mobile technology, and from 2014 as co-chair of the Infrastructure and Investment Taskforce of the Australian B20 leadership group. Besides his business experience, Mr Thodey is currently Chair of the CSIRO Board and was Chair of Basketball Australia in 2008-2010.



Ms Karen Borg

Chief Executive Officer

Prior to joining Jobs for NSW as our foundation CEO, Ms Borg was President for ResMed, Asia Pacific and the Middle East from 2012 until 2015, and Global Vice President, Marketing for Advanced Sterilization Products, a Johnson & Johnson company based in Irvine, California. She has worked in the fast moving consumer goods and healthcare industries in Australia, the United Kingdom, Russia, Taiwan and the USA for leading organisations including Nestle, Revlon, Goodman Fielder and Seagram, with senior experience in marketing, sales and business development.



Ms Jane Cay

Ms Jane Cay is the founder of the Cooma-based online fashion business Birdsnest, which now employs over 100 locals in a town of 8,000. Birdsnest has won accolades from the *Australian Business Review Weekly*, and the Australian Online Retail Industry. Ms Cay is also a leader with the Skills Australia-Australian Retailers Association initiative to shape the future of training in the sector, and the National Online Retailers Association.



Mr Blair Comley

Mr Comley is Secretary of the NSW Department of Premier and Cabinet, chair of the Secretaries Board of the NSW Public Service, and a board member of Infrastructure NSW, the Australia and New Zealand School of Government, and the NSW Public Service Commission Advisory Board.



Mr Craig Dunn

Mr Dunn was CEO of AMP Limited for six years from 2008 to 2013. He is currently chair of Stone and Chalk, Sydney's new fintech hub, of the Australian Government's Fintech Advisory Group, and of The Australian Ballet. He is also a director of Westpac Banking Corporation and of the NSW Government's Financial Services Knowledge Hub, and is a member of ASIC's External Advisory Panel.

Jobs for NSW Board and senior executive team (cont.)



Dr Chris Roberts

Dr Roberts has 40 years of experience in international medical device businesses, including as CEO/President of Cochlear Limited from 2004 to 2015. He is currently a director of ResMed Inc, and is a PLUS Alliance Professor at UNSW, Kings College London and Arizona State University.



Mr Simon Smith

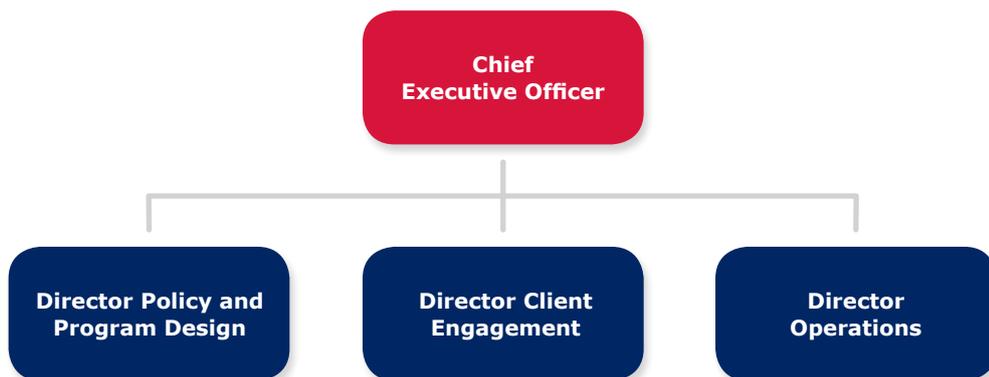
Mr Simon Smith is Secretary of the Department of Industry, Skills and Regional Development. An economist who joined the public service in 1994, he has previously served as Chief Executive of the Office of Finance and Services, and Deputy Secretary for Economic Policy in the Department of Premier and Cabinet.



Ms Helen Zimmerman

Helen Zimmerman is currently Chief Corporate Affairs Officer for Navitas Ltd, an Australian-owned global education provider, having run one of their operational divisions for nine years. Helen was previously Managing Director of the ACL Group of companies, Australia's largest private provider of English language education. She is a member of the NSW/ACT State Advisory Council of CEDA, chair of the Australian Business and Community Network, and of the Advisory Group of the University of Melbourne's Language Testing Research Centre. Helen is a former President of the International Education Association of Australia, and an Honorary Senior Fellow of the LH Martin Institute of the University of Melbourne.

Jobs for NSW Organisation Structure



CEO's report



Jobs, particularly meaningful jobs, are essential for a healthy society, and it is with great foresight that the NSW Government established Jobs for NSW to help drive future job creation.

As a new organisation, the 2015-16 financial year has been focused on laying the groundwork to meet our long-term mission, that is, to enable job creation in ways that will allow NSW to thrive, not just today, but twenty years from now.

Jobs for NSW has a big vision to drive and create the jobs of the future and position NSW as the economic leader of this nation. We are aiming to create new jobs that are meaningful for our workers, and responsive and resilient to international and local trends.

To that end, we have worked in four significant areas:

1. Established the four-year \$190 million Jobs for NSW Fund

Based on thorough/agreed methodologies and research, we first developed a robust project assessment framework to assess applications for incentives offered through the Fund. This framework will ensure that the Fund is directed to projects that will produce genuine job creation outcomes and help make the NSW economy as competitive as possible. We have also developed targeted programs and financial levers to apply in the new financial year. These include alternative forms of assistance such as loans and loan guarantees, as well as traditional grants.

2. Completed our groundbreaking 'Jobs for the Future' research

Understanding where new jobs are being created is paramount to our strategic direction. Jobs for the Future was built upon new research from McKinsey & Company and the insights of influential leaders from across NSW. The work identified how the NSW environment for jobs will change over the next 20 years, the challenges we face in creating jobs, and four clear strategies we can use to turn those challenges into opportunities:

- Nurture our globally-competitive growth sectors
- Open doors for entrepreneurs
- Skill up for the knowledge economy
- Tap into the full talent pool.

Jobs for the Future lays out a 20-year aspiration and roadmap and an initial Agenda for Action, outlining what the NSW Government can do over the next four years to maximise job creation in the long term.

3. Managed legacy programs

Drawing on a Board with private sector expertise and strong business acumen, we have worked extremely hard to honour legacy agreements under the State Investment Attraction Scheme (SIAS) and Regional Industries Investment Fund (RIIF), and to assess and manage pending applications that were made to those legacy programs.

CEO's report (cont.)

4. Supported regional NSW

While a high proportion of new jobs are created in Sydney, there are many opportunities in regional and rural NSW. A sizeable portion of the Jobs for NSW Fund is being used to help regional and rural areas expand and improve their competitive advantage and facilitate job creation.

We will provide updates and announcements on our new job creation initiatives and opportunities on our website as they become available.

I thank our team at Jobs for NSW for the first of what I'm sure will be many achievements, and the Minister for Industry, Resources and Energy, the Hon Anthony Roberts MP, Chair David Thodey and the Jobs for NSW Board for their guidance, professional insights and support.



Karen Borg
CEO
Jobs for NSW



Application of Jobs for NSW Fund

The \$190 million Jobs for NSW Fund (the Fund) includes \$178.3 million transferred from the previous State Investment Attraction Scheme (SIAS) and Regional Industries Investment Fund (RIIF) after an independent audit by O'Connor, Marsden & Associates.

All payments made in 2015-16 related to the commitments that transferred into the Fund from RIIF and SIAS.

Funding and regional allocations

In 2015/16, Jobs for NSW managed 95 projects, including projects funded under four Department of Industry programs. The Fund provided:

- \$13.9 million to 76 projects, with other projects having milestone payments scheduled in future years.
- \$4.4 million to projects in rural and regional NSW. This represents 32% of total funding, meeting Jobs for NSW's commitment to allocate 30% of the Fund to rural and regional areas.
- \$9.5 million was spent on projects in metropolitan NSW, representing 68% of total expenditure.
- As at 30 June 2016, Jobs for NSW carried forward commitments of \$34 million to fund 58 projects transferred from RIIF and SIAS, for the term of the contracts.

Jobs creation from fund allocations

Relatively few of the projects funded in 2015-16, transferred from RIIF and SIAS, were targeted at job creation.

For those projects that tracked and received payments based on actual jobs created in 2015-16, a total of 645 jobs were created.

In future years, Jobs for NSW will require new projects to track and provide job creation data and will report on projects and will report on their outcomes in greater detail.

Operational detail

The Jobs for NSW Act (2015) commenced in September 2015 and established both the Jobs for NSW Fund and the Jobs for NSW Board. This annual report, in keeping with the Act's requirements, details the payments from the Jobs for NSW Fund and the operations of the Jobs for NSW Board.

The Board and the administration of the Jobs for NSW Fund are supported by the Department of Industry, through its Jobs for NSW Division. Although the staff and operational expenses of the Division are included in the Department of Industry's Annual Report 2015-16, the CEO's report and other details below provide an overview of the work undertaken by the Division.

Board meetings

The Board holds meetings every second month. Six meetings were held during the year ended 30 June 2016.

Board members	Meetings held during time in office	Meetings attended
David Thodey (Chair)	6	6
Christopher Roberts	6	6
Craig Dunn**	1	1
Helen Zimmerman	6	5
Jane Cay	6	5
Blair Comley ***	6	4
Simon Smith***	6	6
Karen Borg ***	6	6

** (Appointed 21 April 2016) *** Crown employees.

Board Expenses

In 2015/16, \$22,000 was spent on Board expenses. Of this, \$6,000 was paid for by the Jobs for NSW Fund and the remaining \$16,000 was paid for by the Department of Industry.

Staff and operation expenses

The Department of Industry provides staff and covers staffing costs and other operational expenses for Jobs for NSW, and these are included in the Department of Industry Annual Report 2015-16.

In the first half of the financial year, a dedicated project team in the Department guided the transition to the new statutory corporation, Jobs for NSW.

Jobs for NSW commenced operations in December 2015 with six full-time staff. We have since grown to over 35 staff in three business teams: Operations, Client Engagement and Strategy & Program Design.

Jobs for NSW Fund

The Jobs for NSW Fund has an allocation of \$190 million over four years to support the expansion and growth of NSW businesses on a competitive basis. The financial reports on the following pages provide information about the transactions from the Jobs for NSW Fund for the year to 30 June 2016, primarily grants to NSW businesses. Further information on current funding programs can be found on our website, www.jobsforNSW.com.au.

A decorative graphic consisting of several overlapping circles in various colors: a large light blue circle in the top right, a smaller red circle in the center, a large dark blue circle in the bottom center, a medium grey circle on the left, and a very large, faint grey circle on the right side of the page.

Jobs for NSW Fund Financial Report

30 June 2016

Financial Report

For the period
28 September 2015
to 30 June 2016.

Statement by
chief executive officer.

I declare that in my opinion:

- a) The accompanying financial report provides details of the transactions of the Jobs for NSW Fund for the period 28 September 2015 to 30 June 2016;
- b) The financial report has been prepared as a special purpose financial report in accordance with the basis of accounting described in Note 2; and
- c) The accompanying financial report exhibits a true and fair view of the Jobs for NSW Fund's financial position as at 30 June 2016 and of its income and expenditure for the period 28 September 2015 to 30 June 2016.

Further, I am not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate.



Karen Borg
CEO
Jobs for NSW

29 September 2016



Financial Report

Jobs for NSW fund.

Statement of
comprehensive
income for the period
28 September 2015
to 30 June 2016.

Revenue 2016	
Grants received	14,038,000
Total revenue	14,038,000
Expenses 2016	
Grants and subsidies	13,878,000
Board member expenses	
Salaries and on costs	154,000
Other	6,000
Total expenses	14,038,000
Net result	-

The accompanying notes form part of the financial report.

Financial Report

Jobs for NSW fund.

Statement of comprehensive income for the period 28 September 2015 to 30 June 2016.

Assets 2016	
Current assets	-
Receivables	-
Total current assets	-
Total assets	-

Liabilities 2016	
Current liabilities	-
Payables	-
Total current liabilities	-
Total liabilities	-

Net assets	-
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Equity 2016	
Accumulated funds	-
Total equity	-

The accompanying notes form part of the financial report.



Financial Report

1. Jobs for NSW fund information

Entity

Jobs for NSW Fund (the Fund) is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Fund is constituted under the *Jobs for NSW Act 2015* (the Act) and was established on 28 September 2015.

Part 3 Section 12 (1) of the Act establishes the Fund as a Special Deposit Account.

The financial report has been prepared on the basis that the entity is a non-reporting entity under the Australian Accounting Standards.

The financial report of the Fund is a special purpose financial report for the period 28 September 2015 to 30 June 2016.

The financial report for the period 28 September 2015 to 30 June 2016 have been authorised for issue by the Chief Executive Officer on the date the accompanying Statement by Chief Executive Officer was signed.

Key activities

To facilitate the Minister in achieving the objects of the Act including administering the receipts and payments from the Fund.

Funding sources for Jobs for NSW Fund

Part 3 Section 12 (2) of the Act states the amounts payable to the Fund are:

- a) all money appropriated by Parliament for the purposes of this Act,
- b) all other money received by Jobs for NSW or by the Minister for the purposes of this Act,
- c) any fees or charges paid under this Act,
- d) all money directed or authorised to be paid into the Fund under this way or any other Act,
- e) the proceeds of the investment of money in the Fund.



Financial Report

Payments out of Jobs for NSW Fund

Part 3 Section 12 (3) of the Act states the amounts payable from the Fund are:

- a) amounts for jobs creation incentives for proposal under this Act,
- b) the costs of administering this Act,
- c) all money directed or authorised to be paid out of the Fund under this or any other Act.

2. Summary of significant accounting policies

Basis of preparation

The Fund's financial report is a special purpose financial report that has been prepared in order to account for the transactions of the Fund under the Act.

The financial report has been prepared in accordance with the significant accounting policies disclosed below. At present, no comparative information exists as this is the first financial report for the Fund.

The Statement of Financial Position and Statement of Comprehensive Income have been prepared on an accruals basis and based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

a) Accounting for Goods and Services Tax (GST)

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

- the amount of GST incurred by the Fund as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and,
- receivables and payables are stated with the amount of GST included.

b) Income recognition

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

Financial Report

(i) Grants and Contributions

Grants and contributions are generally recognised as revenue when the Fund obtains control over the assets comprising the grants and contributions. Control over grants and contributions is normally obtained upon the receipt of cash.

(ii) Interest Revenue

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

c) Grants and subsidies paid

Grants and subsidies are generally recognised as an expense when the Fund relinquishes control over the assets comprising the grants/subsidies.

D) receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value. Any changes are recognised in the net result for the year when impaired or derecognised.

E) payables

These amounts represent liabilities for goods and services provided to the fund and other amounts. Payables are recognised initially at fair value.

3. Cash receipts and payments

Cash flows from operating activities of the fund are nil as all payments and receipts were made through NSW department of industry. The fund's bank account was only established on 30 June 2016 and there were no transactions that took place in the period ended 30 June 2016.

4. Contingent assets and contingent liabilities

The fund is unaware of the existence of any contingent assets or contingent liabilities as at balance date.

5. Events after the reporting period

There are no events subsequent to the balance date that affect the financial information disclosed in these financial statements.

End of financial report.



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