

Jobs for NSW

Annual Report 2016-17



Letter to the Deputy Premier



The Hon John Barilaro MP
Deputy Premier
Minister for Regional NSW
Minister for Skills
Minister for Small Business
52 Martin Place
SYDNEY NSW 2001

Dear Deputy Premier

Submission of Jobs for NSW 2016-17 Annual Report

I am pleased to submit to you the 2016-17 Annual Report for Jobs for NSW in accordance with the *Jobs for NSW Act 2015*.

The annual report outlines the achievements and statement of operations of Jobs for NSW.

Yours sincerely

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

David Thodey
Chair
Jobs for NSW Board

Level 3, 23-33 Bridge Street, Sydney, NSW 2000 Australia

jobsfornewsw.com.au

Table of Contents

	Page
Letter to the Deputy Premier	2
Message from the Chair	4
About Jobs for NSW	6
Overview of key achievements for 2016-17	7
Jobs for NSW Board and the Executive Team	9
Message from the CEO	11
Case Studies	14
Application of Jobs for NSW Fund	17
Operational detail	18
Jobs for NSW Fund – Financial Report	20

Message from the Chair



In our second year, Jobs for NSW achieved significant traction with industry-leading initiatives directed at generating sustainable, meaningful jobs across the state.

Jobs are a cornerstone of a stable and prosperous society. They bring purpose and meaning to our lives and are an essential ingredient for shared and sustainable economic growth.

NSW has experienced remarkable jobs growth in the past 20 years but our continued growth is not assured. Mega-trends such as automation, globalisation and long life expectancy bring both opportunities and challenges for NSW. How we respond to these challenges will have lasting consequences.

Jobs for NSW has a crucial role to play in creating the conditions for NSW to prosper. By delivering on our primary objective of job creation, we will remove barriers to growth and help small and medium enterprises to achieve their potential. In doing so, we will improve the competitive position of NSW through opening doors for entrepreneurs and nurturing our growth segments.

Over the past year Jobs for NSW has gained substantial momentum and established an innovative, and arguably unique approach, cultivating public private partnerships to champion job creation in NSW.

The announcement of the [Sydney Startup Hub](#) in February marked a first for Australia and is a direct outcome of the vision communicated in the [Jobs for the Future Report](#).

Set to open in late 2017, it will nurture a culture of entrepreneurship across NSW, spark greater innovation and collaboration, and ultimately support a pipeline of future job-creating businesses.

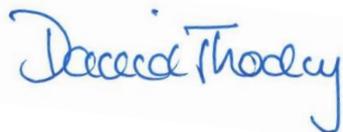
The Sydney Startup Hub is also the cornerstone of our Sydney Innovation Cluster strategy, and a significant milestone towards our longer term aspiration of realising the job creation benefits that clustering can bring.

Together with the June launch of the New England AgTech Cluster in Armidale, it demonstrates our focus on accelerating and leveraging geographic concentrations of innovation to enhance synergies, economic performance and job creation potential, as well as encourage the transfer of skills and ideas.

The 2016 launch of our initial suite of financial products and support - which includes grants, loans and loan guarantees - was also a major highlight. Since their introduction, our products have directly supported more than 200 businesses across NSW, and approximately one third of our overall program funding has been specifically targeted at supporting regional and rural areas. This underscores the need for non-traditional financial instruments to spur business growth, and the role of Government in supporting a culture of entrepreneurship. Moreover, uptake is expected to grow over the coming year, bolstered by an enhanced product offering being developed as part of our commitment to continuous improvement.

Jobs for NSW is an exceptional organisation. I am hugely proud of what it has achieved in a short period, our ability to deliver upon the Jobs for the Future report recommendations, and the positive difference we are making to communities across NSW.

I would like to acknowledge the significant contribution by Ministers and departments across the NSW Government, and their ongoing commitment to working in partnership to secure sustainable, high-quality jobs for the future. Thank you for your continued leadership.



David Thodey
Chair
Jobs for NSW Board

About Jobs for NSW

Summary

Jobs for NSW is a private sector-led, NSW government-backed agency set up to support the growth of new jobs across the state.

Established under the *Jobs for NSW Act* (passed on 28 September 2015), our primary objectives are to facilitate:

- the creation of new jobs in NSW in a responsive way to changes in the economy
- the development and attraction of new businesses, and consolidation of existing businesses in NSW
- strategic advice to government to drive job creation
- innovative, cost-effective and strategically targeted job creation incentives.

Jobs for NSW manages a \$190 million Fund which is overseen by the Jobs for NSW Board, comprised of private and public sector leaders with significant industry experience.

We provide thought-leading and innovative approaches to accelerate job creation across NSW, and are committed to investing a minimum of 30 per cent of our Fund in regional and rural NSW.

Our approach includes:

- support for growing businesses with job creation potential - including startups, fast-growing small to medium enterprises (SMEs), and large enterprises
- financial products (including grants, loans and loan guarantees) for job-creating businesses
- collaboration with stakeholders – including NSW and Federal Government agencies, industry groups, education providers, incubators and accelerators – to drive job creation.

With our support, NSW will capture more of the lucrative export market, transform regional communities and help our metropolitan cities become world leaders in entrepreneurial activity.

Overview of key achievements for 2016-17

In its second year, Jobs for NSW has remained focused upon meeting the challenge of facilitating job creation, both now and into the future.

Launched Jobs for the Future report

In August 2016, Jobs for NSW officially launched the [Jobs for the Future Report](#), which outlines a 20 year vision for work in NSW, including emerging challenges and opportunities. Jobs for the Future set out a whole-of-government Agenda for Action that outlines actions for the next four years to maximise long-term future of employment. Since the launch, Jobs for NSW has been coordinating the implementation of the Agenda for Action across government.

The report identifies the key segments of the NSW economy that present the greatest opportunities for job creation. Jobs for NSW has targeted its support towards these key segments to ensure that the jobs we create will not only benefit NSW now, but well into the future. In particular, Jobs for NSW programs focus on high-growth small to medium-sized enterprises (SMEs) as these are the engine room of NSW's jobs growth. By giving them the right support from the startup phase right through the growth lifecycle, we can enable more jobs to be generated in NSW.

The Sydney Startup Hub

In February 2017, the NSW Government announced that Jobs for NSW is leading the development of the Sydney Startup Hub (SSH). It is a first-of-its-kind initiative in Australia that will bring together leading incubators and accelerators in a high-density startup cluster to support innovation, connect the startup ecosystem, and grow new sustainable high-value jobs in NSW.

The SSH will also feature a regional landing pad to promote connections and collaboration between Sydney and regionally-based entrepreneurs, and increase the diversity, size and strength of the broader NSW startup community.

Based in the Sydney CBD, the SSH is set to open in late 2017, and will feature over 17,000 square metres of space that will accommodate approximately 2,500 people over 11 floors.

Developed and launched the Jobs for NSW financial portfolio

During 2016-17, Jobs for NSW launched a financial product portfolio. It provides emerging, high-growth, early-stage businesses with a much-needed, direct, financial support to address barriers to growth, and unlock opportunities for job creation.

Key products and pilots that Jobs for NSW launched in 2016-17 include:

- **Minimum Viable Product grant** – this grant program targets promising pre-revenue start-ups with innovative solutions, and enables them to gather customer feedback and test their underlying business model.
- **Building Partnerships grant** – this grant program targets promising revenue generating start-ups with innovative enabling technology, and allows them to establish new key customers and marketing partnerships to accelerate market adoption of the product or service.

- **Gazelle Loan Guarantee** – under this program, Jobs for NSW partners with financial institutions to provide loan guarantees to emerging, fast-growth, SMEs, or ‘gazelles’.
- **Accelerating Growth Loan pilot** – this loan provides capital for emerging fast-growth SMEs to create jobs and address barriers they face in accessing finance due to inadequate security or operating history
- **Accelerator and Incubator program** – this program funds the establishment of incubators and accelerators to nurture promising start-ups and strengthen NSW’s start-up network.

As part of the commitment to drive job creation in regional NSW, Jobs for NSW also developed a dedicated regional package, **Regional Jobs Now**. It offers businesses a suite of different Jobs for NSW financial products to grow helping to create new jobs in regional NSW.

To better understand the needs of regional businesses and how to best support their growth, Jobs for NSW also ran a pilot grant program calling for applications during 2016-17 called **Regional Solutions**. Grant offers were made to 15 regional companies to the value of \$3.8 million, with funding allocated under this pilot program set to commence in FY 2017-18.

Jobs for NSW Board and the Executive Team

David Thodey AO, Chair

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. Mr Thodey is currently Chair of the CSIRO Board and was Chair of Basketball Australia in 2008-2010.

Karen Borg, Chief Executive Officer

Karen Borg was President of ResMed, Asia Pacific and the Middle East from 2012 until 2015. Prior to this, she was 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 senior commercial roles in Australia, the United Kingdom, Russia, Taiwan and the USA for leading organisations including Nestle, Revlon, Goodman Fielder and Seagram, with a broad functional background in marketing, sales and business development. Karen's experience is strongly grounded in international leadership, business transformation and deep experience of both mature and emerging markets.

Jane Cay

Jane Cay is the founder of the Cooma-based online fashion business Birdsnest, which now employs over 140 locals in a town of 6,500. Birdsnest has won accolades for its workplace culture and innovation, placing 8th in the Australian BRW's Best Places to Work Study and winning multiple Australian Online Retail Industry Awards for its customer service and creative online solutions. Jane was a founding board member of the National Online Retailers Association.

Blair Comley

Blair 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.

Craig Dunn

Craig Dunn was CEO of AMP Limited for six years from 2008 to 2013. He is currently Chair of Stone and Chalk, the Australian Government's Fintech Advisory Group, and of The Australian Ballet. He is also a director of Westpac Banking Corporation and Telstra Corporation Limited, and is a member of ASIC's External Advisory Panel.

Chris Roberts AO

Chris 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.

Simon Smith

Simon Smith was appointed as Secretary of the NSW Department of Industry by the Premier on 1 July 2015. The Department of Industry is tasked with leading the state government's contribution to making NSW a prosperous state — a place where people want to live and work, and where businesses choose to invest and grow.

The Industry Cluster is responsible for policies and programs related to vocational education and training, economic development, and employment, as well as a range of regulatory and support functions for primary industries, crown lands, tourism, sport, racing, and liquor and gaming.

Simon trained as an economist, and prior to joining the NSW Public Sector in 1994 he had a small business and also worked in the financial services sector. His public sector roles have focused on the nexus between the economy and the environment, including roles in regulation, policy development, and program delivery.

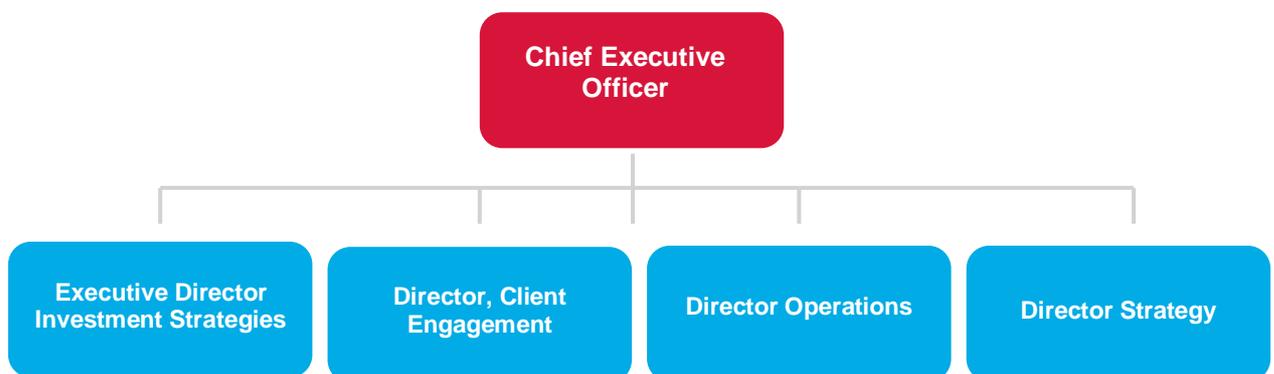
Simon is a current member of the boards of Jobs for NSW, Destination NSW, Infrastructure NSW, Study NSW, and the US Studies Centre.

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.

Helen is a member of the NSW/ACT State Advisory Council of CEDA, Chair of the Australian Business and Community Network, Chair of the Commonwealth Government's Tuition Protection Service Advisory Board, and Chair 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, an Honorary Senior Fellow of the LH Martin Institute of the University of Melbourne, and a Fellow of the Australian Institute of Company Directors.

Jobs for NSW Organisation Structure



Message from the CEO



Jobs for NSW aspires to be a global frontrunner with innovative programs that drive job creation and maximise NSW's resources, talent and potential.

Now at the halfway mark of our four-year term, I'm pleased to report Jobs for NSW has made significant progress across a number of key areas.

While our first year was focused on creating a solid foundation to enable job creation, our second year has seen us advance our agenda, launch new programs, and refine our strategy in response to our learnings, and the dynamic environment in which we operate.

We are pushing boundaries and adopting ground breaking approaches to job creation that are delivering tangible outcomes across NSW.

Our programs

Through targeted investment we are enabling businesses across NSW to create new jobs. In addition to managing legacy programs, Jobs for NSW launched a new financial product portfolio. It provides emerging and high-growth SMEs with much-needed financial support to accelerate their growth, and unlock opportunities for sustainable job creation.

The 2016-17 Jobs for NSW initiatives included:

- Minimum Viable Product Grant
- Building Partnerships Grant
- Gazelle Loan Guarantee
- Accelerating Growth Loan pilot
- Accelerator and Incubator program
- Regional Jobs Now

More than \$23.7 million was committed through our programs - including \$7.5 million for projects in rural and regional NSW – and I encourage you to read about our success stories on page 14 or visit our [website](#).

Regional Jobs Now has provided on the ground support across NSW, helping businesses thrive and ensuring subsequent job creation directly benefits local regional communities.

We remain committed to allocating a minimum of 30 per cent of our Fund to supporting jobs growth in regional areas and this will remain an ongoing priority for Jobs for NSW.

Our loan products also highlight our ability to drive sustainable investment practices. While bridging a market gap left by commercial lenders that are typically unable offer funding to rapidly growing businesses, they also represent a more efficient use of funds, enabling capital to be recycled to assist more businesses scale.

Jobs for NSW seeks to deliver sustainable financial investment and increasingly effective job creation solutions. Our goals include innovative, cost-effective financial instruments to fuel the growth of job creating businesses, teamed with a deep customer-centric focus and funding processes that are simpler, easier and faster.

Looking ahead, we aspire to continually enhance the customer experience and position Jobs for NSW as an agile and responsive business enabler. We aim to boost the efficiency and speed with which funds are deployed, bolster capability, while forging stronger relationships with our customers and industry partners.

With this in mind, the delivery of financial support to drive measurable job creation outcomes will continue to evolve. Our product suite will continue to be refined – including more targeted support for regional NSW; we will create new partnerships with industry-leading organisations; and continue to streamline and simplify processes and eligibility criteria - making it easier for businesses to get the help they need to grow and subsequently create new jobs.

Strategic ambitions brought to life

Officially launched in August 2016, the [Jobs for the Future Report](#) provides an essential roadmap to achieve long term job creation goals, including one million new jobs by 2036.

Spurred by the report's recommendations, Jobs for NSW has since been coordinating the implementation of the Agenda for Action across government, and targeted our support towards the economic segments offering the greatest potential for growth to ensure that the jobs we create will benefit NSW now and well into the future.

The essential role of Government in developing high-growth jobs ecosystems was highlighted when the NSW Government announced in early 2017 that Jobs for NSW would develop the Sydney Startup Hub.

The Sydney Startup Hub will confirm Sydney as the startup capital of Australia. Building on the success of several international examples, it will nurture entrepreneurship - essential to job creation - and provide a location to support, showcase, and connect the entire startup community.

When doors open in late 2017, it will accommodate leading incubators and accelerators, offer desk space for nearly 2,500 entrepreneurs, and welcome thousands more via its dedicated community and events space. It will feature a regional landing pad to promote connections and collaboration between metropolitan and regionally based entrepreneurs - helping to further increase the diversity, size and strength of the broader NSW startup community, and propel Sydney into the top ten globally ranked innovation destinations.

Working in partnership

Jobs for NSW has quickly established a reputation for being an agile, public-private sector partner, and a leading source of expertise.

As stewards of a whole-of-government job creation effort, we will continue to raise the profile of our research-led recommendations to ensure the many elements of job creation policy are tightly aligned.

We aim to create a widely shared vision of the obstacles and opportunities for achieving one million new jobs by 2036, and will continue providing thought leadership together with strategic advice and policies to accelerate delivery on our job creation agenda.

As thought leaders on jobs creation, we actively engage with a wide range of stakeholders in addition to partnering with, and participating in, a diverse array of leading industry forums such as CEDA, Regional Pitchfest, CeBIT and Spark Festival.

Clusters

Building on the momentum of our [Jobs for the Future Report](#) and in our role as a champion of job creation in NSW, we recognise the need to consider where future job opportunities are located, and how to realise that potential without replicating existing efforts.

To this end, we have commenced a Cluster Champion pilot for the development of distinctive clusters in target industry segments where we can have the most impact and unlock barriers for further growth.

Well-designed clusters in high growth sectors offer a low-cost way to stimulate innovation, strengthen networks, drive skills transfer, encourage new startups and boost job creation.

The Sydney Startup Hub represents the epicenter of our Central Innovation Cluster, and complements the AgTech pilot cluster to be based in New England.

Clusters are powerful engines of economic development and provide a fertile business environment for companies, especially startups and SMEs. By enhancing existing clusters - including their networks, assets and expertise - we can capitalise on the significant opportunity to accelerate innovation ecosystems and potential job creation value.

Thank you for your support

We strive to be a global leader with programs and policies that maximise NSW's potential for creating rewarding, meaningful jobs. So it gives me great pride that Jobs for NSW is pioneering new approaches to job creation, and driving discussion, innovation and debate across the spectrum.

However our achievements and future success are only possible with the commitment, dedication and support of the Jobs for NSW staff, our Board, industry partners and the NSW State Government. You have my sincere gratitude and admiration. Thank you.



Karen Borg
Chief Executive Officer
Jobs for NSW

Case studies

Obelisk Systems - Maitland, NSW

Obelisk Systems' StarLAB is a STEM (Science, Technology, Engineering, Maths) teaching platform that challenges year nine and 10 students to use hardware, coding and robotics skills to build a Mars Rover vehicle, and then program it to navigate a synthetic Martian terrain.

The Maitland-based startup set about designing a solution and found a helping financial hand from Jobs for NSW, which provided a \$15,000 Minimum Viable Product grant allowing for the purchase of some of the technology needed to help launch StarLAB into the market, including circuit prototypes and assembly tools.

Since July 2016, the platform has been adopted by more than 50 schools in NSW, the ACT and Queensland, with the team focused on continuing to expand their footprint and refining the product.

"The Jobs for NSW grant was invaluable in finalising the development of our StarLAB platform," says co-founder Luke Hackworth.

"It allowed us to focus on making the best possible product for schools and has helped make it a success in the Hunter region and across NSW."



A Mars rover built as part of StarLAB learning

FreightExchange - Sydney, NSW



Martyn Hann and Cate Hull

With years of experience in logistics and freight, FreightExchange co-founders Martyn Hann and Cate Hull knew that both shippers and carriers were frustrated with outdated, time-consuming practices. Together, they created an automated online platform that helps to save users time and money.

To assist FreightExchange in hiring mobile application developers to hone the product and improve their go-to-market and customer service strategies, the startup received a \$100,000 Building Partnerships grant from Jobs for NSW.

Today, FreightExchange is recording double digit growth month-on-month, and have now serviced more than 3,000 customers, many of them now repeat customers who wouldn't trust their goods to anyone else.

FreightExchange has grown from a team of two to 14, and as demand continues to grow, the vision for the company expands with it.

"We're looking at pushing more into regional Australia and getting our amazing produce out into the world. And globally, we're striving to go into the likes of Southeast Asia and southern China. We're excited about the future and just how far we can go," said co-founder Cate Hull.

Kontented - Sydney, NSW

The founders of content strategy and production company KONTENTED, Kate Edwards and Shae Constantine, knew their brainchild, SNACKABLETV - Australia's latest internet streaming service - could and would work, even when so many others failed to see its potential. When Kate and Shae got serious about launching SNACKABLETV, investment options were needed – and fast.

SNACKABLETV launched in December 2016, offering unique, local content spanning film, music, culture, style and gaming, all aimed at the lucrative 13 to 30 year-old market. Kate describes it as “the Netflix of short form.”

“We needed help to be able to afford enough staff to make enough content; the long and short of it was, like Netflix, we need to have original productions and original content, so you need high-quality production resources internally,” Kate said.

Armed with such an original and new idea, it was challenging for would-be investors to get their heads around the concept, until a contact recommended they speak with Jobs for NSW.

Kate and Shae secured a \$300,000 Accelerating Growth Loan from Jobs for NSW which allowed them to make a number of contractors into permanent staff members, resulting in considerable savings in freelancer costs.

The channel is now registering almost five million views on social media per month and attracting more than 100,000 unique browsers.

“We’ve become a brand unto ourselves – it’s just exploded and I’d arguably say we’re now one of the biggest youth platforms in Southeast Asia,” she said.

Kate and her team plan to hit the accelerator on SNACKABLETV, with investment opportunities looming and advertising about to become a fixture on the platform.

“In terms of the future, we’re focusing on the English-speaking market first – the US, UK, English-speaking countries of the Asian world – and then branching into other languages. Once we hit our investment milestones we’ll start developing the site so it can have a French version, German version and Chinese version, making it a genuine global product.”



*Kate Edwards and
Shae Constantine*

Gundagai Meat Processors – Gundagai, NSW



Will Barton, CEO

As Gundagai's largest employer, Gundagai Meat Processors (GMP) employs 180 workers, most of whom are local residents. The growing demand for lamb meat from existing and prospective clients meant GMP needed to increase its production capacity, to service new clients and access export markets.

To support the upgrade and expansion of GMP's facility, Jobs for NSW provided a Gazelle Loan Guarantee of up to \$4 million to the Commonwealth Bank of Australia, enabling GMP to secure a loan to cover further costs of \$30.5 million.

The facility expansion will increase annual production capacity by 40 per cent, and assist GMP in obtaining full export certification - allowing access to major lamb export markets in Asia and the US. Most importantly, the opportunity for growth will allow GMP to create up to 76 new skilled jobs in the processing facility over five years.

"Businesses like ours need initiatives like Jobs for NSW to enable us to expand our operations, increase our capacity and generate new job opportunities for people living in regional areas," said Will Barton, CEO of GMP.

Application of Jobs for NSW Fund

Funding Summary

From 1 July 2016 to 30 June 2017, \$16 million in funding was paid out to support grants, \$1.9 million was drawn down in loans, and \$5.8 million was committed in financial guarantees. Below is the list of projects that Jobs for NSW supported in 2016-17.

Financial Instruments:	2016-17	No. of projects
<u>Grants</u>	<u>\$16.0 M</u>	<u>195</u>
Legacy Grants	\$13.04 M	44
MVP grants	\$1.78 M	134
BP grants	\$0.79 M	12
Haymarket HQ P/L	\$0.15 M	1
Fledge Innovations Labs P/L	\$0.08 M	1
Energy Laboratory P/L	\$0.08 M	1
Eighteen04 Incorporated	\$0.10 M	1
Clive & Wally P/L	\$0.03 M	1
<u>Loans</u>	<u>\$1.9 M</u>	<u>8</u>
Endeavour Beverages P/L	\$0.30 M	1
Kontented P/L	\$0.30 M	1
Intersective P/L	\$0.30 M	1
Gomeeki Operations P/L	\$0.30 M	1
Riteway Education P/L	\$0.15 M	1
Babyology P/L	\$0.30 M	1
Cumulus Visual Effects P/L	\$0.18 M	1
Glass Lab Australia P/L	\$0.10 M	1
<u>Guarantees</u>	<u>\$5.8 M</u>	<u>3</u>
Gundagai Meat Processors	\$4.00 M	1
H2 Accelerator P/L	\$1.20 M	1
Future You Recruitment Services P/L	\$0.61 M	1
Total Fund	\$23.7 M	206

Note: The above \$23.7 million represents the total of actual grant payments and loan draw downs in 2016-17, including guarantees committed in 2016-17. There were no pay outs against guarantees in 2016-17.

Of a total of \$23.7 million, \$7.5 million was to projects in rural and regional NSW. This represents 31 per cent of total funding, meeting Jobs for NSW's commitment to allocate 30 per cent of the Fund to rural and regional areas. The remaining \$16.2 million, or 69 per cent, was to projects in metropolitan NSW.

Operational detail

The *Jobs for NSW Act (2015)* commenced in September 2015 and established both the Jobs for NSW Fund and Jobs for NSW. The Board and the administration of the Jobs for NSW Fund are supported by the Department of Industry, through its Jobs for NSW Division. Staff and operational expenses of the Division are consolidated into the Department of Industry's Annual Report 2016-17. Although this report provides some operational information, in keeping with the Act, the financial reporting relates only to the expenses paid by the \$190 million Jobs for NSW Fund.

Board Meetings

The Board holds meetings every second month. Eleven meetings were held during the year ending 30 June 2017, five of which were out of session teleconferences.

Attendees	Meetings held during time in office	Meetings attended
Mr David Thodey (Chair)	11	11
Dr Christopher Roberts	11	9
Mr Craig Dunn	11	6
Ms Helen Zimmerman	11	11
Ms Jane Cay	11	10
Mr Blair Comley *	11	8
Mr Simon Smith*	11	11
Ms Karen Borg (CEO) *+	11	11

* Crown employees

*+ Not a board member.

Board Expenses

In 2016-17, \$335,000 was spent on Board expenses. Of this, \$332,000 was paid for by the Jobs for NSW Fund and the remaining \$3,000 was paid for by the Department of Industry.

In 2015-16, \$154,000 remuneration fees covering a period of nine months was paid to four Board members. In 2016-17, \$285,000 remuneration fees covering a period of twelve months was paid to five Board members.

Staff and Operational 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's Annual Report 2016-17.

Jobs for NSW commenced operations in December 2015 with six staff, and now employs 48 staff across four business teams: Operations, Client Engagement, Strategy, and Investment.

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.

At least 30 per cent of the \$190 million Jobs for NSW Fund will be allocated to supporting the growth of businesses outside of Sydney, Newcastle and Wollongong under the *Regional Jobs Now* portfolio.

Jobs for NSW has introduced innovative funding approaches for the NSW Government, including loans and guarantees, in addition to grants that have been traditionally provided by the NSW Government. These products are aimed at high-performing new businesses to assist them unlock capital to fund growth. These new products help to realise two different goals. Firstly, loans and guarantees can recycle the available funds, offering a more efficient use of funds as the capital can be re-used to create more jobs. Secondly, these new products are targeted at filling a current finance gap for new and growing companies, enabling them to access capital that normally may not be available and supporting them to implement growth plans and create jobs.

As Jobs for NSW matures, the true impact of these strategies will become more quantifiable. Currently Jobs for NSW uses an independently designed robust model to forecast the impact of our programs as part of contributing to the overall NSW Government target of creating 150,000 new jobs by 2019.

Our Partners

Jobs for NSW is aligning its product offering with the needs of growing businesses in NSW and is forging relationships with channel partners - such as incubators and accelerators, tax advisors and banks. These relationships extend our outreach, and ensure our product offering is tailored to our clients, and that funds are deployed to maximum effect.

Governance and Risk Management

The Operations team within Jobs for NSW support the business by providing the governance framework and structure required to ensure the Fund is managed appropriately and the correct controls are in place. To that end, the team has been working on developing a Risk Appetite Statement appropriate for the Fund, as well as the supporting comprehensive risk management practices, frameworks and guidelines to assist the business in meeting its strategic outcomes.

This work has been benchmarked against high level Australian Prudential Regulatory Authority (APRA) requirements and industry practices for Authorised Deposit Taking Institutions. The Risk Appetite Statement provides the agreed risk boundaries of the Fund's operations and is agreed to Board level. The Risk Appetite Statement has a process for review as the business matures and develops. Supporting this is a Credit Policy which has been developed for our unique market placement, and balances supporting economic growth in NSW with the risk associated with lending to new and emerging businesses.

Our team includes specialist skills and where appropriate, uses outsourced services to ensure specialist skills are procured efficiently according to the volume of business at this early stage of the organisation's lifecycle.

Jobs for NSW have recruited a Portfolio Manager who supports management in making risk decisions and is responsible for the execution of risk management through the end to end credit lifecycle. The Governance structure is administered by teams within the Department of Industry, staff within Jobs for NSW and external providers.

Jobs for NSW Fund Financial Report

30 June 2017

Financial Report

JOBS FOR NSW FUND

Financial Report for the year ended 30 June 2017

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 year ended 30 June 2017
- 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 net assets as at 30 June 2017 and of its income and expenditure for the year ended 30 June 2017

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
Chief Executive Officer, Jobs for NSW
25 September 2017

JOBS FOR NSW FUND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016 *
	\$000	\$000
Revenue		
Interest	122	-
Fees received	6	-
Grants received	19,283	14,038
Return of unspent grants	1,169	-
Total revenue	20,580	14,038
Expenses		
Grants and subsidies	16,287	13,878
Board member expenses		
Remuneration	285	154
Travel	14	3
License Fees	20	-
Other	12	3
Total expenses	16,618	14,038
Net result	3,962	-

The accompanying notes form part of the financial report.

*2016 Comparatives represent the period from 28 September 2015 to 30 June 2016.

JOBS FOR NSW FUND
STATEMENT OF NET ASSETS AS AT 30 JUNE 2017

	2017	2016
	\$000	\$000
ASSETS		
Current assets		
Cash and cash equivalents	4,018	-
Receivables		
Advance - NSW Rural Assistance Authority	2,170	-
Interest receivable	57	-
Net GST	585	-
Other	16	-
Loans	505	-
Total current assets	7,351	-
Non-current assets		
Loans	986	-
Total assets	8,337	-
LIABILITIES		
Current liabilities		
Payables		
Creditors	26	-
Department of Industry	4,349	-
Total current liabilities	4,375	-
Total liabilities	4,375	-
Net assets	3,962	-

The accompanying notes form part of the financial report.

1. JOBS FOR NSW FUND INFORMATION

Fund

Jobs for NSW Fund (the Fund) is a not-for-profit fund (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 Fund is not a reporting entity under the Australian Accounting Standards. The financial report of the Fund is a special purpose financial report for the year ended 30 June 2017.

The financial report for the year ended 30 June 2017 has 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 or any other Act,
- e) the proceeds of the investment of money in the Fund.

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. Such accounting policies are consistent with the previous year unless stated otherwise.

The statement of net assets 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.

(i) Grants and Contributions

Income from grants (other than contribution by owners) is recognised when the Fund obtains control over the contribution. The Fund is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

In the current year the Fund's budgeted grants and contributions were included as part of Department of Industry's budget.

(ii) Interest Income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Fee Income

The Fund's fee income is derived from loan guarantees issued. The fee amount is determined by the financial institution.

Fee income is recognised as income when the Fund obtains control over the fee income. Control over the fee income is normally obtained upon the receipt of cash.

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) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

e) Payables

Payables represent liabilities for goods and services provided to the Fund and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

f) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

During the reporting year the Fund issued loan guarantees to its customers as part of the job incentive program. The maximum value over the full life of the issued loan guarantees is \$6,608,589. The current loan guarantee amount as at 30 June 2017 is \$1,808,589.

Financial guarantee contracts are not recognised as a liability at the time the guarantee is issued.

The Fund has performed an assessment on its financial guarantee contracts and has concluded that the possibility of any outflow in settlement from these contracts is remote, therefore no contingent liability has been recognised at 30 June 2017. Refer to Note 4 regarding disclosures on contingent liabilities.

3. SERVICES PROVIDED BY THE DEPARTMENT OF INDUSTRY

The Fund does not have any employees and receives administrative, secretarial support and operational assistance from the Department of Industry. The Fund is not required to reimburse the Department of Industry for these services.

4. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Fund is unaware of the existence of any contingent assets or contingent liabilities as at balance date (2016: Nil).

5. CASH RECEIPTS AND PAYMENTS

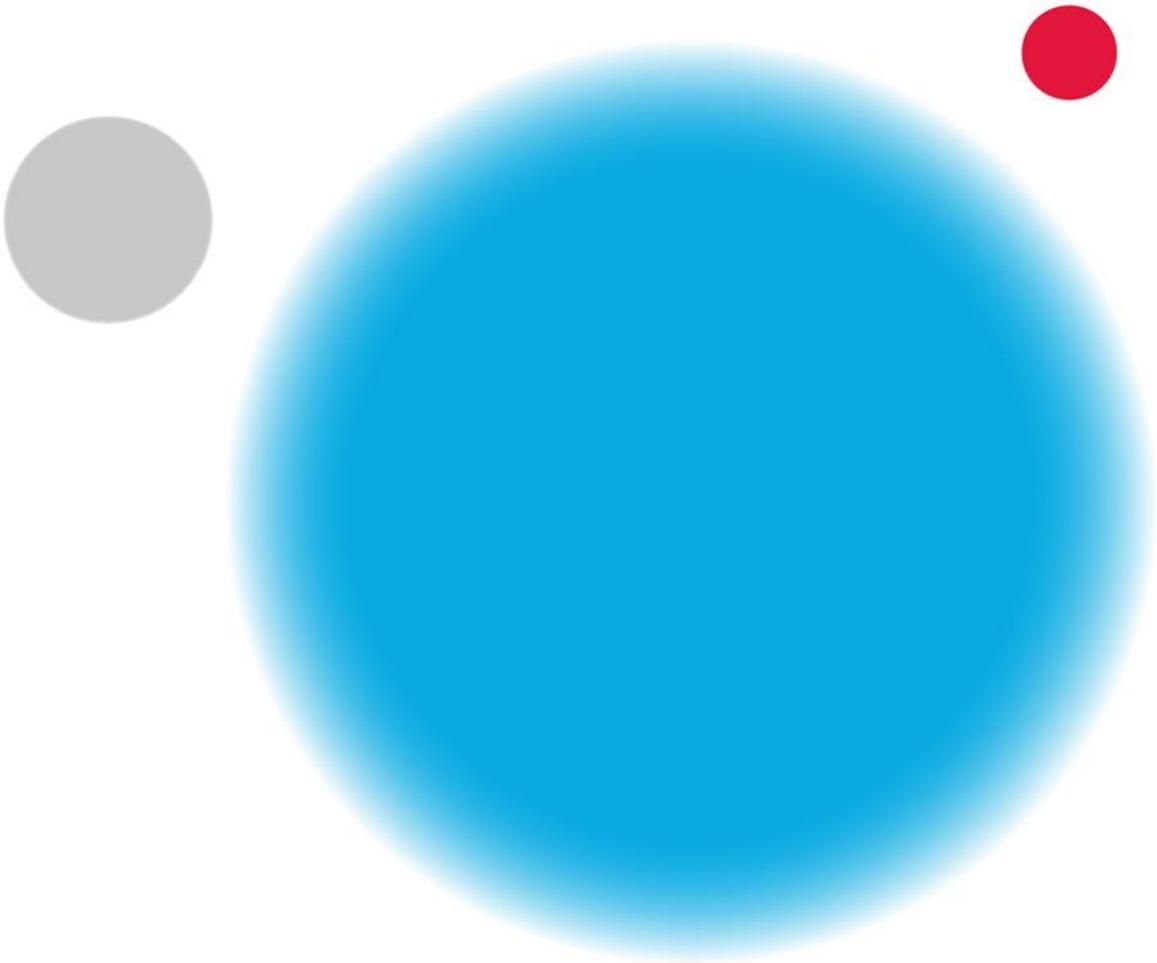
	2017	2016*
	\$000	\$000
Opening cash balance	-	-
Cash receipts:		
The fund is authorised to receive amounts in accordance with Part 3 Section 12 (2) of the Act.		
(a) all money appropriated by Parliament for the purposes of this Act	-	-
(b) all other money received by Jobs for NSW or by the Minister for the purposes of this Act	20,517	-
(c) any fees or charges paid under this Act	-	-
(d) all money directed or authorised to be paid into the Fund under this or any other Act	496	-
(e) the proceeds of the investment of money in the Fund	198	-
Cash payments:		
Amounts paid out of the bank account are as follows:		
Payments from the fund in accordance with Part 3 Section 12 (3) of the Act.		
(a) amounts for jobs creation incentives for proposals under this Act	(17,064)	-
(b) the costs of administering this Act	(129)	-
(c) all money directed or authorised to be paid out of the Fund under this or any other Act	-	-
Closing cash balance	4,018	-

*2016 Comparatives represent the period from 28 September 2015 to 30 June 2016.

6. EVENTS AFTER THE REPORTING DATE

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

End of financial report



Email

enquiries@jobsfornewsw.com.au

Phone

1300 JOB NSW (1300 562 679)

Web

www.jobsfornewsw.com.au

Mail address

GPO Box 5477
Sydney NSW 2001
Australia

Social media

Follow, like and share Jobs for NSW via [Facebook](#), [Twitter](#) and [LinkedIn](#)