
Budget Estimates 2018-19, Tuesday 4 September 2018

Regional NSW, Skills, Small Business

Question 1 (Pages 3 of transcript)

The Hon. JOHN GRAHAM: ROC Partners are a private equity firm with about \$4 billion to \$5 billion under management who spun out of Macquarie Group in a management buy-out. They were previously the private equity department known as Macquarie Investment Management Private Markets. How were they chosen to work with government?

Mr JOHN BARILARO: Again, I might refer that to the secretary. But I can only assume that First State Super being the majority partner in the equity fund, with \$100 million out of \$150 million; I do not know if the secretary has that answer.

Mr DRAPER: I will answer more fully on notice but I understand that is correct—that they were referred, firstly, by Treasury Corporation through to First State Super and then First State Super to ROC Partners.

ANSWER

Roc Partners applied as part of a competitive tender process. First State Super and Jobs for NSW each commissioned their own independent assessments of the shortlisted advisors. Roc Partners were selected as the preferred advisor based on their capabilities, volume of co-investment experience, and experience - including specifically in successfully growing small and medium sized business in Australia.

As part of its own process, First State Super engaged its own specialist asset consultant Willis Towers Watson, a global multinational risk management, insurance brokerage and advisory company, to provide a high level independent skill assessment summary on Roc Partners.

Question 2 (Pages 4 - 5 of transcript)

The Hon. MICK VEITCH: What is the value of Stone Axe?

Mr JOHN BARILARO: I will have to refer that to the secretary.

Mr DRAPER: I will have to take that on notice.

The Hon. MICK VEITCH: While you are doing that could you also get the revenue of the company?

Mr DRAPER: Yes. Again, I do not have that in front of me. I will have to take it on notice.

ANSWER

This information is commercial in confidence.

Question 3 (Pages 6 of transcript)

The Hon. JOHN GRAHAM: And for the board of Jobs for NSW. We are sitting here with two of the members of that board. Was this disclosed?

Mr DRAPER: I was not a member of the board when that decision was made but we can take the question on notice and provide some information.

The Hon. JOHN GRAHAM: Mr Reardon?

Mr REARDON: I am the same; I am happy to take that on notice.

Mr REARDON: As we said, we would take on notice the specifics that you have asked about. As I said, we will take on notice the specifics you have raised about this issue. I will take on notice the specifics you have raised because I do not have any more detail in front of me.

ANSWER

ROC Partners disclosed their interests to the Jobs for NSW Board.

Question 4 (Pages 9 - 10 of transcript)

Mr JUSTIN FIELD: I got the feeling you were about to quote some numbers before about the numbers of people who had either gone through the Smart, Skilled and Hired program or participated in the Youth Employment Innovation Challenge.

Mr JOHN BARILARO: Yes.

Mr JUSTIN FIELD: I am happy for you to provide those on notice, potentially.

Mr JOHN BARILARO: Yes, but I have got them here if you want. There are 4,852 young people who participated in our youth employment program. The good news there is 1,450 of them have got a job out of it. So this is not another program by governments that help you polish up a curriculum vitae; they are real programs dealing with the impediments every day for young people getting the skilled training or the opportunities of employment. Those participants in Western Sydney—it was 2,272 and 623 of them got a job. On the Central Coast and Hunter: 1,351 participants and 353 got a job.

Mr JUSTIN FIELD: I have limited time. If you could table those regional statistics, I would really appreciate it.

Mr JOHN BARILARO: We can do that, absolutely. No problem at all.

ANSWER

Regional statistics for Smart, Skilled and Hired Youth Employment program as of 12/09/18.

Region	Participant numbers	Participants in Employment
Western Sydney	2,639	713
Hunter/Central Coast	1,578	400
New England/North West	343	104
North Coast	1,106	452
Total	5,666	1,669

Question 5 (Page 11 of transcript)

Reverend the Hon. FRED NILE: Minister, following up on the issue of trying to get Aboriginal and Indigenous people to develop projects, legislation and regulation that give priority for Indigenous land councils to apply for economic projects and to be given priority over commercial companies. Is there a requirement for that?

Mr JOHN BARILARO: I would have to take that question on notice, unless Mr Reardon can answer it.

ANSWER

The NSW Aboriginal Procurement Policy was introduced on 1 July 2018 includes a three per cent target for all NSW Government goods and services contracts to be awarded to Aboriginal owned businesses by 2021. The objective of this policy is to create opportunities for Aboriginal owned businesses and encourage Aboriginal employment and training through the supply chain of NSW Government contracts.

Question 6 (Page 11 of transcript)

Reverend the Hon. FRED NILE: I am very happy with what you have just stated, but my question remains: Is there a priority? The New South Wales Aboriginal Land Council has told me that until recently there was a legislative requirement that Aboriginal land councils be given priority in projects over other commercial companies. Without consultation that regulation has been repealed, without any parliamentary action—so by some bureaucratic action within your departments.

Mr JOHN BARILARO: I do not know the answer.

Reverend the Hon. FRED NILE: Could you investigate that?

Mr JOHN BARILARO: We will take that on notice.

Mr JOHN BARILARO: If there has been a change it should have had to happen by legislation.

Reverend the Hon. FRED NILE: They said that it was removed by regulation.

Mr JOHN BARILARO: We will take that on notice.

Mr REARDON: We will take it on notice, but that procurement policy is recent, and that is what we are working to now.

ANSWER

The *Petroleum (Onshore) Act 1991* guarantees that the NSW Aboriginal Land Council (NSWALC) and other parties who had their petroleum exploration licences applications expunged in 2014 will be invited to apply if areas that were under their expunged applications are released for exploration. The legislation was amended in December 2015 to remove priority application for those parties. Applications from these parties will be considered alongside applications from any other party through a competitive process if the area in question is released for exploration.

The Government is strongly supportive of the NSWALC's strategy to enter the resources industry and understands the potential benefits this may bring through the provision of employment and economic development opportunities for the Aboriginal people of the state's far west. To this end, the NSW Government has provided the NSWALC with a case manager to assist with future applications under the *Strategic Release Framework for Coal and Petroleum Exploration*.

Question 7 (Pages 12 – 13 of transcript)

The Hon. JOHN GRAHAM: In relation to Stone Axe Pastoral, 10 months earlier your fund manager ROC Partners bought a majority shareholding in this company. You turned up on 21 February 2018 to make the announcement about this first investment.

Mr JOHN BARILARO: Yes.

The Hon. JOHN GRAHAM: Was anyone from ROC Partners present at that announcement?

Mr JOHN BARILARO: Of course there was someone there, present from—

The Hon. JOHN GRAHAM: Who was there?

Mr JOHN BARILARO: You are asking me off the top of my head to remember who was there. I do not know and I cannot remember, but I am happy to take that on notice and report back.

ANSWER

This information is not held by the NSW Government and not required to be disclosed under Premier's Memorandum 2015-05 .Jobs for NSW are aware that Mr Michael Lukin of Roc Partners was invited to the Stone Axe Pastoral investment announcement, in his capacity as a Stone Axe Board member

Question 8 (Pages 14 of transcript)

The Hon. MICK VEITCH: When did you advise the Minister that you were going to make the announcement? When did you advise the Minister for Primary Industries? He is the lead Minister in this cluster.

Mr JOHN BARILARO: In Primary Industries he is the cluster Minister. Was he advised? I do not know if he was or was not.

The Hon. MICK VEITCH: Did you or your office? Can you take it on notice to find out when he was told?

Mr JOHN BARILARO: I will take it on notice, but it is irrelevant if he was not. It is a Jobs for NSW—

The Hon. MICK VEITCH: You would not have made a courtesy call?

Mr JOHN BARILARO: I will take it on notice if he was told or not.

ANSWER

The Deputy Premier's Office is in regular contact with other Ministerial offices in relation to a range of issues.

Question 9 (Page 15 of transcript)

The Hon. MICK VEITCH: What is that commercial rate? You can take that on notice.

Mr DRAPER: I have to take it on notice.

ANSWER

This is commercial in confidence. The Go NSW Equity Fund will enable recycling of capital and provide a multiplier effect for the taxpayer based on the expected return.

Question 10 (Page 21 of transcript)

Mr JUSTIN FIELD: As I understand it, \$10 million of that is directed to the Youth Employment Innovation Challenge.

Mr JOHN BARILARO: That is correct.

Mr JUSTIN FIELD: Can you provide the Committee with an update on the status of that challenge? I understand it was launched earlier this year and that some shortlisting has been done. At what point will there be some announcements about who has been successful?

Mr JOHN BARILARO: Do you mean the names of the participants in that challenge?

Mr JUSTIN FIELD: I understand it is a Shark Tank scenario where people pitch a proposal and some will be funded.

Mr JOHN BARILARO: I do not have that detail with me. I will take the question on notice.

Mr JUSTIN FIELD: Can you break that down into the different regions?

Mr JOHN BARILARO: Yes.

Mr JUSTIN FIELD: I understand that the North Coast, the Central Coast, the Illawarra and the Shoalhaven are definitely part of it. Will the successful applicants be named publicly?

Mr JOHN BARILARO: Again, I will take that question on notice.

ANSWER

The Youth Employment Innovation Challenge contract negotiations are currently underway. The Department is in discussion with 13 Providers across all regions the program operates. In Early October, once the contract negotiations have concluded, we will be in a position to provide the details of the providers, detail of business name, type, and regional location.