

How Jobs for NSW supports gazelle companies

- In the six years to 2014, just six per cent of NSW's companies – the fast-growing small-to-medium enterprises (SMEs) – created over one million new jobs in NSW.
- Fast-growing SMEs with the highest rates of year-on-year revenue and jobs growth are commonly known as gazelles.
- The Jobs for the Future action plan identifies that there is an inadequate level of funding available to help gazelles grow, despite the current strong economic conditions.
- To create more new jobs, Jobs for NSW will provide funding to encourage more fast-growing SMEs to become gazelles.

About Accelerating Growth Loans

- Accelerating Growth Loans are being piloted by Jobs for NSW to provide emerging, scalable and fast-growing businesses with an additional source of capital, to address barriers to accessing affordable finance.
- This program offers a streamlined, standardised loans model, at rates concessional to those offered by commercial lenders, for businesses which have a reliable revenue source and are seeking capital to continue to expand their business.
- Under this \$3.5 million pilot program, Jobs for NSW will provide loans of \$100,000 to \$300,000 directly to emerging businesses which have plans for continued fast jobs and business growth.

Key terms of Accelerating Growth Loans

- Loans of between \$100,000 and \$300,000 are available for between six and 36 months.

- At least 50 per cent of the loan must be used to hire additional staff in NSW, with the remainder for further staff or other expenses to fund business growth.
- Repayments of these loans will include both principal and interest.

Eligibility

- Applicants must be able to demonstrate they have been unable to secure affordable finance from commercial lenders.
- Applicants must also:
 - employ at least five people
 - have had turnover of between \$500,000 and \$3,000,000 in the last financial year
 - be able to demonstrate an average 20 per cent growth rate over the last three years and have a plan to continue this rate of growth with the support of the loan
 - be a non-tax exempt company registered for GST or undertake to become incorporated if successful in accessing the loan
- Applications for the Accelerating Growth Loans pilot program will open soon.

About Gazelle Loan Guarantees

- Fast-growing SMEs with strong cash flow trajectories face a number of barriers to accessing affordable financing when they are trying to grow sustainable and meaningful jobs.
- While commercial banks may provide financing, they typically offer such financing at relatively high rates.
- Other issues for banks include concerns about the available collateral to secure the loan and challenges assessing the risk of new technology and innovation.
- Jobs for NSW will partner with gazelle companies and select financial institutions to offer guarantees to these institutions to enable them to

extend loans in circumstances where a gazelle cannot qualify for credit on reasonable terms on a stand-alone basis.

- Loan guarantees will be offered under terms and conditions that meet the needs and objectives of the gazelle borrower, the partner financial institution and Jobs for NSW.
- Each individual agreement will address the specific requirements of the respective proposal.

Key terms of Gazelle Loan Guarantees

- Jobs for NSW can guarantee up to \$5 million depending on the proposal.
- Jobs for NSW will guarantee up to 50 per cent of the amount lent to gazelles by selected financial institutions.
- The loan guarantees typically have a term of two to four years and will have a concessionary interest rate relative to the market.
- Jobs for NSW's funding support may be used to scale operations through working capital, payroll, commercialised research and development, expansion of production capacity and exports.
- It may also support the establishment of national and international headquarters, if the business headquarters and jobs are created within NSW.
- Repayment arrangements will be negotiated taking into account the proposed transaction, the financial stability of the gazelle and the purpose of the loan.
- For more information, email enquiries@jobsfornew.com.au or phone 1300 JOB NSW (1300 562 679).

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