

# Regional Growth Loans

## How Jobs for NSW will assist fast growing Regional SMEs in NSW

Fast-growth SMEs are the creators of jobs in NSW and often face barriers in accessing capital. Regional Growth Loans (RGL) aim to assist emerging fast-growth SMEs to drive jobs and business growth in regional NSW.

In addition to creating jobs, this investment strengthens our export capability, creates new industry clusters, and transforms regional communities.



Driving jobs & export potential

## What are Regional Growth Loans?

Regional Growth Loans are **interest-free** direct loans available to scaling SMEs from Jobs for NSW, with funding available between \$200,000 and \$500,000, for assisting job creation in regional NSW.

## Why choose a Regional Growth Loan?

- Provides access to funding when traditional lenders are unable to assist
- No interest payable for the life of the loan
- Allows access to additional capital without requiring personal assets as security
- No penalties for early repayment
- No establishment fees

## Who is eligible?

To be eligible for a Regional Growth Loan, businesses must:

- Have a registered ABN and be an incorporated company
- Have a minimum of 5 employees (these can be full-time, part-time or casual)
- Be creating a minimum of 10 additional FTE jobs within 2 years outside of metropolitan NSW (Sydney, Newcastle and Wollongong)
- Be able to demonstrate likely revenue of at least \$500,000 within 12 months
- Have been trading for a minimum of one year
- Demonstrate future growth for at least one year, evidenced by secured pipeline or contracts
- Demonstrate that they have been unable to obtain commercial finance

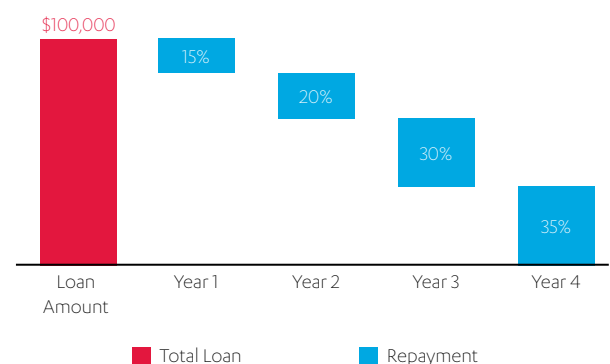
## How do repayments work?

With a term of 4 years, repayments are interest-free with a stepped principal repayment paid monthly.

For each \$100,000 of principal for a loan with a term of 4 years, the loan repayments would be:

- **Year 1:** 15% of principal (\$15,000 per annum, \$1250 per month)
- **Year 2:** 20% of principal (\$20,000 per annum, \$1666 per month)
- **Year 3:** 30% of principal (\$30,000 per annum, \$2500 per month)
- **Year 4:** 35% of principal (\$35,000 per annum, \$2919 per month)

Principal repayments on a \$100,000 loan



## Do I need to provide security?

Jobs for NSW does not require the loan to be secured by personal assets such as residential property. As part of the standard terms and conditions, Jobs for NSW will place a general security over the current and future assets of the business.

The loan agreement will require recipients of an RGL to obtain Jobs for NSW consent to undertake future borrowings or issue dividends and director distributions.

## How are applications assessed?

Jobs for NSW will assess each application on its merits after receipt of the application. Key considerations will be based on:

1. The applicant's eligibility for the program
2. The extent and nature of the jobs created
3. The creation of additional jobs in NSW, being jobs that would not otherwise be created in the absence of Jobs for NSW support
4. The ability of the company to service the loan, based on current and future cash flows, justified by contracts and/or pipeline.

Applications will also be assessed competitively by Jobs for NSW on the information provided by the applicant with regard to the following assessable areas:

- Market opportunity
- Value proposition
- Management capability
- Scalability
- Impact on regional development
- Other items that impact the performance of the business.

The approval process requires that any application for funding fits within the strategic objectives of Jobs for NSW, and each funding request will be assessed against the Jobs for NSW Project Assessment Framework.

Clients will be asked to complete a data sheet and due diligence interview for a credit assessment. The Jobs for NSW approval process requires Board and Ministerial approval.



## How do I apply?

Regional Growth Loans are continuously available. Referrals will be taken by Jobs for NSW from professional service firms and financial institutions to identify suitably qualified applicants. Jobs for NSW will also be accepting direct applications.

If you think this product will assist your business, the first step is to speak to your financial advisor to assess the suitability of a loan for your business.

To learn more about our loan products and to speak to a Client Engagement Advisor, please contact **enquiries@jobsfornewsw.com.au**

To commence the application process, please complete the initial assessment available online at **jobsfornewsw.com.au**

## Contact Jobs for NSW

- Visit **jobsfornewsw.com.au**
- Email **enquiries@jobsfornewsw.com.au**
- Call **1300 JOB NSW (1300 562 679)**