

Jobs for NSW: Strategic Growth Loans

How Jobs for NSW will assist fast growing SMEs in NSW

Fast-growth SMEs are the creators of new jobs in NSW and often face barriers in accessing capital.

Strategic Growth Loans (SGL) aim to assist emerging fast-growth SMEs to drive jobs and business growth in NSW and address barriers in accessing finance from commercial sources.



Addressing financial barriers

What are Strategic Growth Loans?

Strategic Growth Loans (SGLs) are direct loans available to scaling SMEs from Jobs for NSW, with funding over \$500,000 and up to \$1,200,000 for assisting job creation in NSW.

Why choose a Strategic Growth Loan?

- Provides access to funding when traditional lenders are unable to assist
- Allows access to additional capital to continue growing without requiring personal assets as security
- No penalties for early repayment
- No establishment fees

Who is eligible?

To be eligible for a Strategic 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 20 additional FTE jobs within 3 years in NSW
- Be able to demonstrate likely revenue of at least \$1 million 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

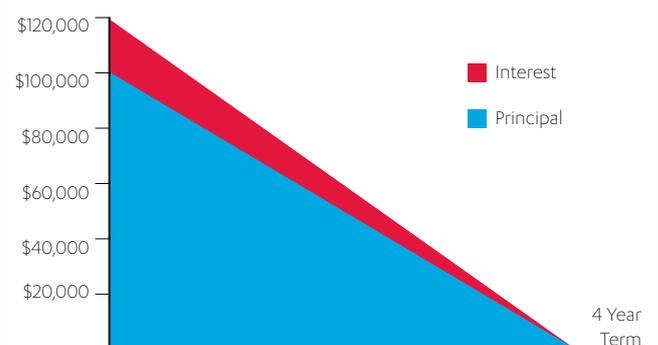
How do repayments work?

Typically the SGL will have a term of up to 4 years, fully amortised in equal principal and interest payments. The interest rate is 9.2%, fixed for the term of the loan.

As an illustration on a \$100,000, 3 year loan the total cost is \$114,804 paid down in 36 equal payments of \$3189 per month in arrears.

Subject to approval, Jobs for NSW may also provide a deferred drawdown period (maximum of 9 months) with interest only, and principal and interest repayments beginning once the full amount is drawn.

Principal and Interest 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. In some circumstances, Jobs for NSW may require additional security.

The loan agreement will require recipients of an SGL 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
- Other items that impact the performance of the business.

The approval process requires that any application for funding also fits with 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?

Strategic Growth Loans are continuously available. Referrals will be taken by Jobs for NSW from professional service firms and financial institutions to identify suitably eligible 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@jobsfornew.com.au**

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

Contact Jobs for NSW

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