

Jobs for NSW
Regional Growth Loans
Frequently Asked Questions

What is a Regional Growth Loan?

Regional Growth Loans (RGL) aim to drive jobs and business growth by providing emerging scalable fast growth businesses with capital to address barriers in accessing finance from commercial sources.

The RGL aligns with the overarching objectives of the *Jobs for NSW Act 2015* (NSW):

- to facilitate the creation of new jobs in NSW in a way that is responsive to changes in the economy
- to facilitate the development and attraction of new businesses, and the consolidation of existing businesses in NSW
- to facilitate the provision of innovative, cost-effective and strategically targeted incentives for economic development in NSW

Regional Growth Loans comprise one element of the Regional Jobs Now portfolio, with more than 30% of the \$190 million Jobs for NSW Fund to be allocated to supporting the growth of businesses outside of metropolitan Sydney, Newcastle and Wollongong.

What funding is available?

Individual loans with a principal value of between \$200,000 and \$500,000 are available for a term of four years.

Who can apply for an RGL?

To be eligible for an RGL, businesses must:

- have a registered ABN and be an incorporated company
- employ a minimum of 5 people (this may be full time, part time and casual employees)
- be creating a minimum of 10 additional Full-Time Equivalent (FTE) jobs within two years outside of metropolitan Sydney, Newcastle and Wollongong
- have been trading for a minimum of one year
- be able to demonstrate likely revenue of at least \$500,000 within 12 months
- 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 I repay my loan and when do I have to make payments?

Regional Growth Loans are interest free, but you are legally obligated to repay the principal.

To repay your loan, you will need to make monthly payments via direct debit. Principal repayments will be made monthly on a stepped basis starting at 15% in

year one, increasing to 20% in year two, 30% in year three and 35% in year four. , If your application is successful, relevant details will be included in the loan agreement.

Can I make extra repayments? Is there an early repayment cost?

Yes. You have the ability to make extra repayments or pay your loan out in full with no early repayment charges.

Can I apply for a grant instead of a loan?

For fast growth SMEs, Jobs for NSW is providing loans to assist business growth and create new jobs. As the loan is repaid, these funds can then be recycled to assist other companies to grow, building a stronger economy in NSW.

Regional Growth Loans are **interest free** so you can ensure all funds from the loan can be applied to grow your business and create jobs.

Jobs for NSW provides grants for early stage businesses, under five years old, who are establishing a minimal viable product or working with a consortium of partners to develop innovative and scalable solutions, to develop a scalable business model. These businesses generally have not reached scale and are unable to service a loan. You can find out more information about our Minimum Viable Product and Building Partnership grants [here](#).

How do I apply for an RGL loan?

In the first instance, you should speak with your financial advisor (e.g. licensed financial advisor, accountant, bank manager) to assess the suitability of a loan for your business.

You may also wish to contact your local NSW Government Business Development Manager or other regional advisor so you are aware of the range of support

To learn more about the loan products please contact a Jobs for NSW Client Engagement Advisor by calling 1300 JOB NSW (1300 562 679) or emailing enquiries@jobsfornewsw.com.au. To commence an application, please complete the online Initial Assessment form at www.jobsfornewsw.com.au

If my application is successful, what can I use the loan funds for?

RGL provides funds to help businesses accelerate growth and employment. RGL funds cannot be used to refinance other loans.

My project will create more than 10 FTE jobs, but not within the first two years of commencement, is it eligible?

No. Eligibility criteria for RGL require that the project will accelerate the growth and job creation within your business. This must be done by directly adding the

equivalent of at least 10 FTE jobs in your business in regional NSW within two years.

Do I need to employ 10 full-time staff to be eligible for this product?

No. We require a minimum of 10 FTE jobs within two years. The FTE reflects a 35 hour work week and can comprise more than 10 individuals working on a full-time, part-time or casual basis.

What if I am creating jobs in metropolitan Sydney, Newcastle or Wollongong?

If you are not creating the equivalent of at least 10 full-time jobs in regional NSW, you may be eligible for other Jobs for NSW products.

If my project creates new jobs in regional NSW, but not within my organisation, am I eligible to apply for funding?

No. New jobs being created as a result of the project must be directly created within the applicant organisation.

Can I apply for a Regional Growth Loan if my project was previously assessed by Jobs for NSW and deemed ineligible?

Yes. Any new application will be assessed separately and would be subject to the eligibility criteria and assessment processes of the relevant program.

What costs are associated with applying?

Due diligence and financial risk assessments on shortlisted applications will be undertaken for Jobs for NSW by a third party advisor, Equifax Australasia Credit Ratings Pty Limited. The cost of this screening is \$4,895 (inc. GST) per application, which will be recovered from applicants who are successful in accessing an RGL.

The applicant will also be charged legal costs associated with preparing documentation. The legal costs will be approximately 1% of the loan value for a standard transaction. A quote for extra legal fees will be provided if required. Other costs associated with producing of an application are borne by the applicant.

What are the terms and conditions of the loan?

Regional Growth Loans come with Standard Terms and Conditions. If you meet the eligibility criteria, Jobs for NSW can provide the terms and conditions of the loan.

You should seek financial advice and obtain independent review of your legal obligations before entering into a loan agreement.

Can I apply if my business headquarters is located overseas or in another state?

Yes, however you may only apply if the project site address is located in NSW and jobs are being created in regional NSW. To be eligible for an RGL your business must have a registered ABN and be an incorporated company.

How is regional NSW defined?

Regional NSW is defined by Jobs for NSW as areas outside of metropolitan Sydney, Newcastle and Wollongong.

For the purposes of eligibility, the following Local Government Areas (LGAs) are defined as regional NSW under the Program (note these are subject to any LGA changes, including the pending merger proposals under the NSW Government's Stronger Councils policy):

- *Far West:* Broken Hill; Central Darling; Unincorporated
- *Orana:* Bourke; Bogan; Brewarrina; Cobar; Coonamble; Gilgandra; Mid-Western Regional; Narromine; Walgett; Warren; Warrumbungle; Western Plains Regional
- *Northern Inland:* Moree Plains; Narrabri; Gunnedah; Liverpool Plains; Gwydir; Inverell; Tamworth Regional; Uralla; Walcha; Armidale Regional; Glen Innes Severn; Tenterfield
- *Northern Rivers:* Tweed; Kyogle; Lismore; Byron; Ballina; Richmond Valley; Clarence Valley
- *Mid North Coast:* Coffs Harbour; Bellingen; Nambucca; Kempsey; Port Macquarie Hastings; Mid-Coast
- *Hunter:* Upper Hunter; Muswellbrook; Singleton; Dungog; Maitland; Cessnock; Lake Macquarie; Port Stephens. (Note Newcastle is not regional under the Jobs for NSW Act)
- *Central Coast:* Central Coast
- *Central West:* Lachlan; Bland; Parkes; Forbes; Weddin; Cowra; Cabonne; Orange; Blayney; Bathurst Regional; Lithgow; Oberon
- *Murray:* Wentworth; Balranald; Murray River; Edward River; Berrigan; Federation; Albury; Greater Hume
- *Riverina:* Carrathool; Hay; Griffith; Murrumbidgee; Leeton; Narrandera; Lockhart; Wagga Wagga; Coolamon; Snowy Valleys; Temora; Junee; Gundagai
- *Illawarra:* Shellharbour; Kiama. (Note Wollongong is not regional under the Jobs for NSW Act)
- *Far South Coast:* Shoalhaven; Eurobodalla; Bega Valley
- *Southern Inland:* Hilltops; Upper Lachlan; Wingecarribee; Yass Valley; Goulburn Mulwaree; Queanbeyan-Palerang; Snowy Monaro Regional

Why do I need to have sought finance from my bank before applying?

Jobs for NSW is filling a market gap supporting businesses who cannot obtain commercial finance. Therefore, Jobs for NSW can only approve a loan if your business' financial institution has been unable to do so. This may be demonstrated using documentation from your financial institution (such as a letter or e-mail) or through Jobs for NSW contacting your relationship manager at your financial institution to verify that you have met with them.

Why does the business' revenue need to be at least \$500,000 in the first year to be eligible?

Your current revenue directly impacts your ability to service the loan. We are relying on businesses revenue to ensure serviceability. For a loan of at least \$200,000 to be approved, our credit team have estimated that sales revenue of at least \$500,000 within 12 months is the minimum requirement for loan serviceability.

Can I obtain an RGL of less than \$200,000 to grow my business?

No. Please speak with your financial advisor as there may be other loan sources to help grow your business.

Why do you need to know about my other bank facilities?

The amount of other loan debts you have to repay will affect your ability to service the loan that we may provide. The information you provide will be one of the many inputs we review as part of our credit assessment process.

If my application is successful, will this impact on any future borrowings?

Yes, if successful you will be required to obtain consent from Jobs for NSW to undertake future borrowings or issue dividends or director distributions.

Do I need to provide security for an RGL?

Jobs for NSW does not require the loan to be secured by personal assets such as residential property. However, 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 distributors.

Can an agent apply on my behalf?

All applications must be completed by a person who is authorised to submit the application on behalf of the applicant organisation.

Can I apply if I have previously received NSW or Australian Government assistance?

Yes, however RGL funds may not be used for project components already awarded by other (Commonwealth, State or Local) government grants, loans, subsidies or funding.

How will my application be assessed?

Jobs for NSW will assess each application on its merits after receipt of the application.

Key considerations will be based on:

- The applicant's eligibility for the program
- The extent and nature of the jobs created
- The creation of 'additional' jobs in NSW, being jobs that would not otherwise be created in the absence of Jobs for NSW support
- 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 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 also 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.

When will my application be assessed?

Applications will be assessed on a competitive basis following the receipt of completed application forms. Your Jobs for NSW Client Engagement Advisor will advise you as your application progresses through the assessment framework.

Who will be assessing my application?

Jobs for NSW, with due diligence and financial risk assessments on shortlisted applications undertaken for Jobs for NSW by a third party advisor, Equifax Australasia Credit Ratings Pty Limited.

Will the information I provide in the application be secure?

Jobs for NSW will treat information received in applications as commercial-in-confidence. However, documents held by Jobs for NSW are subject to the Government Information (Public Access) Act 2009 ("GIPA Act"). This means that the information contained in application forms and other information you provide may be released in response to a request lodged under the GIPA Act.

If your application is successful, the information provided in and supporting this application will form part of an agreement with Jobs for NSW in respect of any assistance provided. It is a condition of any assistance that you must reach an agreement with Jobs for NSW on any public announcement of the project in NSW and the State Government's role in any official launch of the project.

In the case of unsuccessful applications, Jobs for NSW may publish the number of unsuccessful applications, but would not disclose the details of the applicant or proposal.

Any publications and reporting will be conducted in accordance with the reporting requirements of Jobs for NSW in the *Jobs for NSW Act 2015* and the recommendations of the NSW Auditor-General's Report, 'Performance Audit – Government Assistance to Industry'.

Where Jobs for NSW collects personal information from an applicant for the purposes of assessing eligibility for a loan, this information may be disclosed to staff administering the program, Our Community Pty Ltd and to a credit assessment agency in order to assess and administer the application. If the applicant does not provide this information Jobs for NSW will not be able to assess the application.

Information collected will be held by Our Community Pty Ltd. Information on how to contact Jobs for NSW regarding your information is available [here](#).

Can I make edits to an application that has already been submitted?

If you have made a mistake in your submitted application please contact Jobs for NSW on 1300 562 679.

When will I know if my application has been successful?

After the completion of the assessment process, Jobs for NSW will contact you to advise the outcome of your application, using the contact details supplied in the application form.

Is the RGL able to help refinance existing debts associated with the project?

No, RGL funds may not be used to refinance existing debt.

Why is there a different product for regional and metropolitan companies?

Under the Regional Jobs Now portfolio, more than 30% of the \$190 million Jobs for NSW Fund will be allocated to supporting the growth of businesses outside of metropolitan Sydney, Newcastle and Wollongong. To help achieve this, a targeted regional product (Regional Growth Loans) has been developed that will better support the needs of businesses in regional NSW.

Can I contact someone if I need help with my application?

Yes, you may phone Jobs for NSW on 1300 562 679 or email enquiries@jobsfornewsw.com.au.

However, please note that advice provided will relate only to the program criteria and how to complete the application form, and does not constitute financial advice by Jobs for NSW or the NSW Government.

Jobs for NSW recommends that each applicant obtains its own independent financial and legal advice before entering into a Loan Guarantee.

Where can I find more information?

Please call Jobs for NSW on 1300 562 679 or email enquiries@jobsfornewsw.com.au.