

# News Release Premier Jay Weatherill

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## New loan program to drive business growth and create jobs

Financial guarantees will be offered by the South Australian Government in partnership with the major banks to stimulate business growth and create jobs.

Premier Jay Weatherill made the announcement at a CEDA Conference where he detailed ten economic priorities, which will form the basis for the Government's reform agenda.

Mr Weatherill said businesses had strongly advocated that one of the biggest barriers to growth was access to capital.

“The Unlocking Capital for Jobs Program will make it easier for business to secure commercially viable loans where companies would otherwise not have the balance sheet strength to access finance,” he said.

“This is the first in a series of reforms that are aimed at accelerating industry growth in this State and creating jobs.

“As a first step in this policy, the Government will offer financial guarantees to the value of \$50 million.

“This offer will allow up to \$250 million to be leveraged in funding to secure and accelerate new job creation here in South Australia over the next few years.

“We anticipate that by partnering with business through this process we may even be able to strengthen individual business cases in a way to make this loan program unnecessary.”

Over the next month the Deputy Chair of the Economic Development Board, Rob Chapman, will work with the banks and relevant Government departments to formulate a process that will best service the objectives of the program.

Mr Weatherill said the Unlocking Capital for Jobs Program was based on successful schemes in the United Kingdom, New Zealand and Canada.

“This program shows that the Government, working in conjunction with local companies, can look beyond traditional funding models and deliver a solution that is innovative and creative to support our industrious nature,” he said.

“It is not something that will involve the Government taking loan servicing risk that banks would not – businesses who secure finance through the Program will still be required to have a viable business plan and significant skin in the game.”

All of the major banks have agreed to participate as part of the program.

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Mr Weatherill also unveiled a broad new vision for the State's economic transformation.

"South Australia faces some significant economic challenges," he said.

"The case for change is clear - our largest industry by value, manufacturing, is in decline and our car industry is disappearing - our defence sector is also now in doubt.

"The economic vision that I have set out will guide our reform agenda for this term of Government and meet these challenges."

Mr Weatherill said that a broad cross section of academia, business representatives and the community in their work on *Shaping the Future of South Australia* as well as the Economic Development Cabinet Committee and the EDB had helped shape the priorities.

"At a time of significant change and challenge, South Australians will naturally be looking for direction, something that can provide them with a basis to frame their choices about their education, their jobs and their investments," he said.

"At the last election we promised we would take a lead in the modernisation and transformation of the South Australian economy.

"These priorities will guide that transformation and the reforms we will undertake."

The ten economic priorities:

- Unlocking the full potential of South Australia's resources, energy and renewable assets
- Premium food and wine produced in our clean environment and exported to the world
- A globally recognised leader in health research, ageing and related services
- The knowledge state – where international students are attracted to our educational opportunities and we commercialise our research
- South Australia - a growing destination choice for international and domestic travellers
- Growth through innovation
- South Australia - the best place to do business
- Adelaide, the heart of the vibrant state
- Promoting South Australia's international connections and engagement
- South Australia's small businesses have access to capital and global markets

A full breakdown is available at: [www.premier.sa.gov.au](http://www.premier.sa.gov.au)