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Commissioner
Export Credit Inquiry
Productivity Commission
LB 2 Collins Street East
Melbourne VIC 8003

Dear Commissioner,



I write to you in relation to the Productivity Commission's Issues Paper on *Australia's Export Credit Arrangements*.

Business SA is South Australia's leading business membership organisation, representing thousands of businesses through direct membership and affiliated industry associations. We represent businesses across all industry sectors, ranging in size from micro-business to multi-national companies. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

It is vital that the Export Finance and Insurance Corporation (EFIC) operates only in those parts of the market where private sector businesses and industry associations do not provide services, either because the level of demand is not high enough or the operating costs are too high.

Nevertheless, EFIC needs to be financially viable because of its commercial nature. Any profits that the corporation makes should be reinvested to develop new products that fill market gaps and to provide education.

Most of the businesses that need assistance with exporting – from information about markets, to export stamping, to guarantees and insurance – are small and medium sized businesses that do not have the resources to investigate many of these things without external help. EFIC should target its services to small and medium sized businesses that are more likely to require guarantees and insurance.

EFIC's services should include greater information provision and education. This includes through running seminars, delivered either by EFIC itself or in partnership with industry associations such as Business SA, to help small businesses understand what is provided by EFIC and the need for financial guarantees and insurance more broadly.

Many of the Government programs for exporters are piecemeal and segmented. These programs need to be better integrated, so that businesses can navigate through the different Departments and find the information that they require.

Yours sincerely

Peter Vaughan

Chief Executive Officer