

NOJA POWER®



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Export Credit Arrangements
Productivity Commission
LB2 Collins Street East,
Melbourne VIC 8003

12th March 2012

Fax: 03 9653 2302
Email: exportcredit@pc.gov.au

Attention: Carole Gardner

Subject: Australia's Export Credit Arrangements

Dear Ms Gardner

I am writing to you in relation to the Australian Export Credit Arrangements productivity commission investigation and recommendations. I would like to start by saying that in my view EFIC's greatest role and opportunity is to support and develop our SME exports, our small to medium enterprise exports particularly in the manufacturing and technology sectors represent the future of Australia beyond the tremendous mining and resource sector capability we have today. To that end it makes sense for EFIC to focus on assisting SME's in their development.

The current commission is recommending to limit support to new exporting companies with a turnover of less than \$25 million and it is exactly these companies who EFIC's support should be most focused on. It is my strong view and recommendation not to limit support to new exporting companies with a turnover of less than \$25 million.

I also understand that there is a recommendation to cease immediately assisting companies supplying goods or services onshore export focused projects and this again makes absolutely no sense whatsoever. If we have the ability to create solutions locally that are bundled into a single export package then the individual solutions as well as the finale export package should be supported.

I also understand there is a recommendation to limit support to providing guarantees to Australian products on projects. One of the great barriers to many companies becoming more export capable is the provision of bid bonds and performance bonds for projects. These bonds always have a very limited risk of ever being called upon but it represents a financial barrier to companies even participating in bids because they simply don't have the capability to raise the bonds. This is very important work for EFIC and one that should be expanded upon on not limited.

NOJA Power was the Australian Prime Minister's Exporter of the Year in 2009 as well as the Large Manufacturer of the Year, our company has created hundreds of millions of dollars in export revenue for Australia together with hundreds of jobs for Australians and we did this from our SME beginnings so it is important that more companies like NOJA Power are created and with EFIC's support for the SME sector that can be achieved.

Yours faithfully,

NEIL O'SULLIVAN
MANAGING DIRECTOR.
