

**From:** [South State Food & Beverage Pty Ltd](#)  
**To:** [FADT Committee \(SEN\)](#)  
**Subject:** EFIC SUBMISSION - SOUTH STATE FOOD & BEVERGAE  
**Date:** Monday, 12 January 2015 6:54:32 PM

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**To Whom It May Concern**

South State Food & Beverage Pty Ltd are an Adelaide based SME exporter specialising in the ready to drink (RTD) alcoholic beverage and cider market. Since 1998, South State has been developing, manufacturing and marketing RTD's throughout the World. South State is currently one of two wholly owned private Australian companies specialising in this growth sector of the alcohol market. All our domestic competitors are now owned by International liquor giants. South States export revenue represents 98% of its annual turnover.

To date it has been a continual struggle to fund growth to assist with expansion into new export markets. Whereby our bankers are supportive of our expansion endeavours, the common hurdle we face is "lack of security" to support additional funding/borrowing, this has been a massive issue and a stumbling block for many Australian SME's wanting to expand their horizons off shore. South State have experienced this issue first hand on a number of occasions with our bankers over the past 17 years.

As a recommendation from our financiers (Westpac) we were introduced to EFIC a number of years ago. EFIC to date has managed to assist us more than adequately with our export expansion plans by way of funding, firstly through the "Headway" guarantee scheme and more recently to assist our entry into the US market via the arduous "Working Capital Guarantee" scheme. First impressions of the working capital guarantee facility were impressive, however as we moved toward our application we realised that the application to enter the scheme was not only time consuming but laborious for our business and involved incredible scrutiny from both EFIC and our bankers. Quite honestly, the effort required to gain approval was unbelievably bureaucratic and costly requiring hours of senior management time. Now we have the ongoing reporting and maintenance of the facility to deal with instead of focusing our efforts on what we do best, selling product...

I would support 100% the implementation of a scheme by EFIC that allowed them to loan directly to companies such as ours, thus removing the banks input and laborious costly and less efficient, some would say "antiquated" Working Capital Guarantee scheme. It would certainly allow us to plan any future expansion with a great deal of confidence, as I'm not sure I would bother again with the existing scheme as we are paying both EFIC and our bank for the pleasure as opposed to channelling those funds into the promotion and expansion of our business to the global market. I know from our own experience and discussing the current EFIC Working Capital Guarantee scheme with fellow exporters that unless the system changes toward the proposed "direct loan" scheme many budding and experienced exporters will simply forget the idea of EFIC funded expansion.

Should you wish to discuss our submission, I would be more than happy to speak

with you.

Kind regards  
Simon Williams  
Managing Director

**South State Food & Beverage Pty Ltd**

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