To whom it may concern,

It has come to my attention that a Draft Report on Australia's Export Credit Arrangements has been released with recommendations that will have a consequence on my dealings with EFIC.

I am the Director of a manufacturing company based in Melbourne. We manufacture high technology machinery for the horticultural industry and are export focused. In fact 75% of our revenue is now derived from export sales from key countries such as Chile, Greece, Turkey, Italy and the USA.

My group of companies has revenue of around $16m and projected to grow to $20m next year. I directly employ about 40-50 staff depending on seasonal production. We have a world leading position in one of the sectors in which we operate which is growing rapidly. I have very strong competition from companies in France and Italy.

Since 2006 we have used EFIC's Documentary Credit Guarantee programme on two occasions. Both times it was integral to the sale. This year I have been unsuccessful on three occasions with Turkish customers because my French competitor was able to provide a Government backed credit guarantee that we were unable to through EFIC. This was due to EFIC not having the risk appetite that the French would have. One sale was €590,000, one €850,000 and one €950,000.

Providing finance arrangements are often integral to making a sale, particularly post GFC, and considering our high prices resulting from the appreciation of the Australian dollar. If we are unable to provide this offering we will continue to loose sales and consequently our strong position in the market.

I was very disappointed to read the draft recommendations of the Productivity Commission as my Company sits in the direct firing line of the services recommended to be cut. Without any competitive edge I can provide through offering finance will mean my battles will be price based and that means off shoring my production. We have opened a factory in Washington State, USA which was to be used as an assembly plant but we are now considering moving full production across.

There are many considerations in this move but certainly the lack of Government support we receive for manufacturing and exporting weighs heavy on our decision. The recommendations in your draft report only reinforces this attitude towards companies like mine.

In the face of the challenges export manufactures must deal with all Government support is required. In due respect, rather than cutting services EFIC should be enhancing and expanding them. They need to free up credit risk exposure and they should be directly financing export sales without the requirement for customers to be underwritten with Letters of Credit.

EFIC provides a good, worthwhile and valuable service. I would implore you to reconsider your recommendations.

Kind regards

Stuart Payne
Director