

Sunpower Renewables Pty. Ltd. is an Australian exporter of portable solar generators. We have developed innovative and fully integrated 'Australian Made' solar generation and storage solutions that we are exporting globally.

We have over 35 people directly involved across our product development and export processes in Australia, and we have successfully achieved over \$500k of export sales (growing exponentially every year) since we started exporting 2 years back.

As a start-up, the EMDG has been a key catalyst and one of the most critical success factors that has enabled us to export our products overseas. The program has allowed us to enter new markets, increase our overseas presence, increase our export revenue and as a result, employ more staff in Australia.

I write this letter to you regarding the amendments to the Export Marketing Development Grant (EMDG) scheme that were announced by Austrade recently.

The new rules will most likely have a negative impact on our business as there is a good chance that we will be unable to claim for export related expenses in the future due to the following reasons:

- will not meet criteria for new markets as the definition of new markets is unclear,
- most business focus on growing in existing markets and expanding into new markets simultaneously and the new rules mean that promotional spend in existing markets will not be covered which will impact us significantly,
- planning for years in advance to get funding isn't realistic i.e. the business needs to be able to make decisions dynamically as soon as opportunities arise and the proposed legislation makes that difficult (no certainty that Austrade will approve new activities),
- the new rules kill the flexibility and dynamism that is required to grow and expand into new markets.

Inability to claim EMDG will potentially result in a decreased marketing spend as the business has to bear 100% of the overseas marketing costs which will be difficult post Covid-19 as cash flows are already strapped. This could lead to lower export sales, employing less staff in Australia, and curtailment of our expansion plans which is crucial to achieve scale.

We feel that the existing rules work as they provide certainty that if you spend in accordance with the legislation you will get your grant, allows flexibility to market to whatever country you want for 8 years and the business gets to make its own decisions without having to follow a 3 tier approach which isn't applicable or relevant to its business model.

I hope you share our concerns and I thank you in advance for your support.