



05 oct 2020

Re: EMDG and the new rebate system-proposed legislation

I am writing this letter to you as I have just been informed by Michelle Mathison of Exportise, who has represented our business for all our EMDG applications for the past six years, that there are some changes being made by Austrade that might adversely affect our eligibility of EMDG grants over the next 2-3 years, and consequently in our business export sales.

1. We are an inbound tour operator, and all our business comes from arranging tours for International visitors. Our main markets are USA and India. 99% of our business is International.
2. We are a family owned business with 2 owner directors/employees and have been operating this business since we started in 2013 with an annual turnover of \$ 1million. We have some good years in the past and done over \$2 Million.
3. EMDG has been of great benefit to our business over the past few years. It helped us export our tourism business in India when we first started in 2013 and later on the USA, when we wanted to explore new markets 3 years ago. Our continued marketing efforts in the USA, participating in Tour Operators annual meetings, making marketing calls, exhibiting at trade events, had resulted in bookings worth over \$600,000 for the months JAN-MAR 2021. And this was only going to increase! However, with the Covid situation, all our bookings have been cancelled.
4. We have received 6 grants to date.

We have been informed that the new rules may make us ineligible for future grants and we may not be able to claim this grant, unless we are exploring new markets. I believe this concept is flawed for existing exporters like me for two reasons:

- a) With the Covid situation what it is worldwide, we have not seen any business from our current markets since March 2020 and unlikely we will see any, for another 6-9 months or even more depending upon our border opening policies. And as a businessman, our first thought will be to consolidate our current client markets which means more aggressive marketing in the USA and India in the near future.
- b) When opportunities arise, we need to make quick decisions. We will not have that time-cushion to plan ahead in advance, get approvals from EMDG, which may or may not be approved by Austrade, before we embark on marketing our services to a new market. The

proposed legislation will make it difficult for us to plan our activities without getting an assurance of funding.





This can only mean fewer marketing visits and we will end up bearing 100% of the costs which will be extremely difficult post Covid-19, leading to lower export revenues and expansion in current markets.

The existing rules work just fine and we don't see any reason for amending rules at this stage. When we spend in accordance with the current legislation, we are certain to get the grant allowing us the flexibility to focus our marketing efforts any which way we see potential in.

In fact, Austrade should make it more lenient for genuine exporters like us to get future grants and should delete the basic deduction, and even think of increasing the funding post COVID-19, not increase the bureaucracy and eligibility rules. The 3-tier approach for a business like ours simply does not work.

We request you to please consider our plight and put forth our thoughts, which I am sure is shared by many exporters like me, and ensure that legislation is not changed under the current circumstances. Our continued operation depends upon support from the government and all we can do at this time is appeal to you. As a member of ATEC I understand that they have also approached the government from a collective point of view of all members.

We thank you for your cooperation.

- Current Committee Member – ATEC, Victoria branch
- Member of ATEC (Australian Tourism Export Council)
- Member of NTA (National Tour Association) USA.
- Member of ASTA (American Society of Travel Advisors)
- Associate Member of USTOA (United States Tour Operators Association)
- Finalist: 2020 Australian Small Business Champion Award
- Finalist: 2019 Casey Cardinia Business Award - Tourism
- Winner: 2018 India Australia Business Community Award (IABCA) – Tour Operator of the year
- Finalist: 2018 Casey Cardinia Business Award - Tourism
- Winner: 2017 Casey Cardinia Business Award - Tourism
- Winner: 2016 Casey Cardinia Business Award – Tourism

