

**Subject:** EMDG proposed changes  
**Date:** Wednesday, 14 October 2020 4:15:13 PM

Hi

I am writing after receiving an update to the EMDG. Our business is one that relies heavily on our overseas relationships and partnerships to help grow international businesses within Australia, and help Australian businesses expand internationally. We have had a long track record of this. COVID has impacted our business, along with many, and as we look to rebound in 2021 and re-establish our international partnerships, the EMDG is a tool that reduces our risk in doing this. Our business will no longer be eligible and it does make us question our priorities in FY21. Taking risk in our export markets is something we will be questioning going forward with these changes. If anything – these grants should be expanded with increased thresholds to assist with the recovery.

Regards

Laurence.

Laurence Basell  
Chief Operating Officer

**Honan.**  
Insurance. Advice. Support.

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## Important information about EMDG proposed changes

**Dear Clients,**

You may be aware that Austrade has recently proposed changes to the Export Market Development Grant (EMDG) scheme to apply from **July 2021** onward.

If the Bill is successfully passed through Parliament, this will unfortunately, negatively impact EMDG entitlements for Australian exporters.

### Summary

- \$1.2Mil in grant funding significantly decreased to a new maximum grant entitlement of \$770K.

- 9 years of claiming now down to 7.
- Businesses with turnover above \$20M no longer able to apply, this will deem many Australian exporters ineligible, which will most negatively impact tourism, education, and retail.
- New rules require submission of an Export Plan and Budget detailing promotional spend 2-3 years in advance. It will enable Austrade to determine what they will allow you to include or exclude, placing them in the role of adjudicator for your export promotional planning.
- Any amended changes to your 3 year plan will require an amended submission prior to spending, resulting in additional paperwork.
- The grant payment will still be subject to audit at the end of each payment period.

The consultation between Austrade and Industry that led to these proposed changes was undertaken in November 2019, well before the impact of COVID-19. Whilst we welcome some measures in the proposed amendments, a significant reduction in EMDG funding is being implemented at possibly the **worst time** for businesses across Australia.

Yesterday we were informed that the Bill has been expedited through Parliament for hearing next week, accordingly, we have until no later than **Friday 16th October** to put forth a request for a Public Hearing. As it stands, these Legislative changes will be passed without public input from Australian exporters.

If you would like to support this endeavor, we strongly urge that you are to send the below email to the inquiry. Please amend as you see fit:

**“The proposed changes to the Export Market Development Grant will negatively impact our ability to export and will inhibit our decision making around investment into export endeavors moving forward. We rely heavily on this funding, especially now due to COVID-19 and our ability to recover. We ask that a public hearing be held to enable proper assessment of the changes given the current climate.”**

Please submit your email no later than Friday 16th October to [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)



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