Export Market Development Grants Legislation Amendment Bill 2020 [provisions] Submission 17

Subject:Pubic Hearing request - EMDGDate:Thursday, 15 October 2020 2:31:56 PM

Attachments: <u>image003.png</u>

Dear Senators,

As way of introduction I'm very familiar with the Export Market Development Grant (EMDG) and have been working with applicants over the prior 5 years on submissions under this program. I've held Quality Incentive Program (QIP) approval over the past 4 years and successfully submitted over \$10mil in approved EMDG applications over this time.

I'm writing to you on behalf of my client base who have either in prior years, are currently or plan to make applications under the Export Market Development Grant.

After to speaking with many clients, these proposed changes to the EMDG will most certainly negatively impact their ability to export into the future.

Those within the tourism and education sectors are already facing an even greater obstacle to recover from COVID-19 with border closure, and now with the proposed major cut in funding and turnover cap dropping to just \$20Mil, these industries and sectors will not receive the needed support under these changes.

Other sectors including retail and Australian manufactures are going to suffer with cut funding and up front applications.

SME's will find it near impossible to predict promotional and marketing expenditure in advance as we are now dealing in a reactive trade climate due to a global pandemic which is out of their control.

This will see many businesses who would usually seek and rely on the support of the EMDG to no longer be supported by this program and leaves these businesses in a precarious position. Many SME's become aware of the support the EMDG currently provides once they have commenced spending and use these funds to further their endeavours which without wouldn't have the ability to tap into export markets.

These changes will negatively impact those SME's who have already planned for 8 years of funding under the current EMDG ruling. Many of these business have already employed international promotional staff and local consultants with the understanding that 50% of wage subsidies would occur and could be paid for up to 8 years. This would no longer be the case under the proposed changes.

Many Australian exports rely heavily on the stability of the EMDG as it currently stands and to have these changes enacted in what feels to be rushed and not practically considered is both damaging to SMEs and a backwards step after announcements in April 2020 of an extra \$60Mil in secured funding.

In the best interests of my clientele and Australian exporters as a whole, I respectfully request a Public Hearing to be held to enable proper assessment and consideration of implications of any changes to the program.

Many thanks,

Tegan



Tegan Kiddle

Manager, Grants & Funding

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