

Export Market Development Grant

The Export Market Development Grant (EMDG) is a key Australian Government financial assistance program aimed to assist small and medium-sized Australian businesses to develop export markets. EMDG is changing from 2021 onwards and the 2021 application window (1 July to 30 November 2021) will be the last chance applicants can apply for 50% reimbursement of eligible expenditure at the end of financial year.

When can you make a claim?

Applications are on an annual basis but do not have to be for consecutive years. The first claim can include expenses from the previous year as well, making it a two-year claim. For expenses incurred in the financial year ending 30 June, applications must be completed and submitted online between 1 July and 30 November of the same year.

Who can apply?

'Approved bodies' include the following: Australian individuals, partnerships, companies, associations, cooperatives, statutory corporations, or trusts carrying on business in Australia, and:

- Have annual income below \$50 million
- Have minimum eligible expenditure of \$15,000 per annum
- Are the principal, that is, you own the product you are promoting
- Promoted the product for export, and the product is:
 - a good made in Australia
 - a good made outside Australia where Australia will derive a significant net benefit from its sale overseas
 - an eligible service
 - a tourism service
 - an event held in Australia
 - an intellectual property right that mainly resulted from work done in Australia
 - a trade mark first used in Australia, or which has significantly increased in value from its use in Australia, or
 - know-how that mainly resulted from work done in Australia.

What expenses are eligible?

Eligible expenses are those which promote the export of Australian goods or services. Some specific eligible costs are listed below:

- Overseas IP registration and related insurance (overseas PCT filings) – up to \$50,000 per annum
- Overseas representatives – expenses incurred in maintaining overseas representatives to promote your products, up to \$200,000 per annum
- Marketing consultants – for market research or marketing activities, up to \$50,000 per annum
- Marketing visits – travel costs and allowances for marketing visits
- Free samples – costs for providing free samples of the product, up to \$15,000 per annum
- Trade fairs, seminars, in-store promotions
- Promotional literature and advertising – brochures, videos, advertising, website development
- Overseas buyers – costs of bringing potential buyers who are non-residents to Australia for promotional purposes, up to \$7,500 per buyer, maximum of \$45,000 per application.

Documentary evidence that the expenses have been incurred must be submitted with the application (invoices, bank statements etc).



What expenses are NOT eligible?

Ineligible costs include expenses that:

- relate to trade with New Zealand and countries subjected to trade sanctions
- are capital expenses
- are taxes, commission, discounts, or
- are fraudulent, unsubstantiated, related to an illegal activity or may have a detrimental impact on Australia's trade reputation.

How does EMDG work?

Your grant will be calculated as 50% of (total eligible expenses less \$5,000), with a maximum of \$150,000, per annum, subject to funds available in the scheme.

Assessment & Payment

After receiving your application, Austrade will assess the application and determine your provisional grant entitlement. Your grant will then be paid under a split payment system which ensures that spending under the EMDG scheme is kept within budget and all eligible applicants receive a grant.

The second tranche payment is distributed after all first payments are made based on a payout factor and will depend on the amount of funds still available when all eligible applicants have received their first payments.

Audits

Each application for the EMDG is audited to ensure full compliance with eligibility and substantiation requirements. All expenses being claimed must be fully documented.



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Subsequent Grants for Non-Approved Bodies

If you have already received two grants and are not an Approved Body, you will need to satisfy the requirements of an EMDG performance measure in order to be able to receive third and subsequent grants.

You can elect to meet either the Export Performance Test or the Australian Net Benefit Requirements.

- Under the Export Performance Test, your grant will be limited to a specified percentage of your export income.
- Under the Australian Net Benefit Requirements, you just provide information and documents (including audited financial documents) at the time of application lodgement to show Austrade that you should continue to receive EMDG support.

How can we support you?

We have experienced consultants who can assist you throughout the entire application process in order to maximise your claim. FB Rice can help to complete the application, advise on eligibility of expenses, how to document expenditure and assist with the auditing of the claim by Austrade.

Contact us

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