

SENATOR THE HON SIMON BIRMINGHAM

Minister for Trade, Tourism and Investment
Deputy Leader of the Government in the Senate
Senator for South Australia

MEDIA RELEASE

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Funding boost to support Australian exporters and tourism businesses

The Morrison Government will inject an extra \$49.8 million into the Export Market Development Grants (EMDG) program in the 2019-20 financial year, allowing exporters and tourism businesses to get additional reimbursements for costs incurred in marketing their products and services around the world.

Federal Trade and Tourism Minister Simon Birmingham said today's funding boost would provide much needed relief and a timely cash flow injection for exporters and tourism businesses within the scheme who were doing it tough.

"We recognise the current COVID-19 crisis is placing immense pressure on Australian exporters and tourism businesses, many of whom felt the earliest and deepest aspects of the economic downturn," Minister Birmingham said.

"This funding injection will put more cash in the pockets of thousands of Australian businesses when they need it most.

"The EMDG scheme has been a popular vehicle to support the costs associated in reaching new markets, and this additional funding will give Australian exporters and tourism businesses extra help in these tough times.

"It means businesses within the scheme who have spent their own money to market and grow Australian exports will receive more of that money back, up to 50 per cent of their total eligible marketing expenses.

"This investment addresses the reality that businesses invested in good faith to lift Australia's exports, but are unlikely to see immediate return on those investments. These entrepreneurial and outward looking businesses will be crucial to our future economic recovery.

"This extra \$49.8 million to supplement the additional \$60 million already committed by the Morrison Government will bring EMDG funding to its highest level in more than 20 years at \$207.7 million for the 2019-20 financial year.

"This support is in addition to other measures our Government has announced to help small and medium businesses manage cash flow challenges and retain employees such as increasing the instant asset write-off, cash payments of up to \$100 000 and supporting apprentices."

Any business which has incurred eligible EMDG expenses for promotional activities in 2019-20 financial year will be able to seek reimbursement for 50 per cent of these expenses without the Export Performance Test applying, when they apply from July 1.

This is in recognition that many exporters would have spent more on marketing expenses with the expectation they would see export income high enough to meet the export performance test.

Over 200 businesses that will benefit from this change are in the tourism sector, one of the hardest hit sectors of the economy.

Additionally, applications lodged in the 2020-21 financial year can claim expenses even if events have been cancelled due to circumstances beyond a business's control.

The Export Market Development Grants (EMDG) scheme is a key Government financial assistance program to help aspiring and current exporters grow their business overseas. Last year alone, almost 4000 Small and Medium Enterprises accessed the EMDG scheme, employing almost 70,000 Australians and generating exports worth \$3.8 billion.

Further information on the EMDG scheme and how to apply can be found at:

www.austrade.gov.au/Australian/Export/Export-Grants.

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