



mitchell & co
CHARTERED ACCOUNTANTS

EMDG Newsletter June 2020 – Winter Edition More good news for exporters – it all helps!

Grants up to \$100,000 to be paid in full

Applications for the 2019/2020 financial year will be able to be lodged from next month, post July 1, 2020.

Even in lock-down mode, time has flown for sure, EMDG ready to start again already!

Most of the 2018/2019 applications have now been paid, we have a small number to complete before the end of the month, answering audit queries and the like.

Austrade earlier this week announced the initial payout factor for 2019/2020 EMDG applications will be up to \$100,000. In prior years, this figure was much lower, \$40,000.

What this means is that if your grant application amount is up to \$100,000 you will be paid in the one installment, upon completion of your audit assessment by Austrade.

This is good news for sure, better cash flow, more money flowing to you.

To take advantage of this timing boost, you need to help us to help you by lodging your application sooner than later, post July 1.

The facts are simple. The average assessment and payment turnaround time for applications lodged in July/August is 4 weeks, as compared to 16 weeks for those lodged in October/November.

If your grant entitlement is above \$100,000, you will be paid your second installment (grant amount less \$100,000) in June 2021, unless the demand on the scheme is lower than the available funds, then in this case your second installment will be paid earlier like it was this year.

New Lodgement Software for 2020 – some delays to be expected

It's not all good news, life was not meant to be easy all the time.

There will be some processing delays going forward over the next few months.

The EMDG Portal has undergone some major changes. It has a new system and with beta testing only recently completed.

We are yet to be able to access the software at this time, it is expected to be released sometime next week.

As with any new system, there will be bugs and fixes to be ironed out until things settle down.

Fun times ahead. It is our worry not yours.

However, another incentive to get your information to us sooner than later.

EMDG Rule Changes for 2020

As we announced in our prior newsletter, the changes (good ones) are: - Covid-19 impacted events (cancelled etc.) will be claimable for EMDG purposes providing the costs have not been reimbursed or refunded or will be in the future. Check with us.

2020 EMDG applications with an age status of 3 to 8, will not be required to pass the "Export Performance Test" as in prior years. This means: -

- Your grant entitlement will be based on your expenditure spending only, that is payments made before 30 June 2020.
- You need to show any export sales for audit risk assessment purposes only, your grant will not be limited by the level of such sales performance.
- If you have no export sales in 2020, you will still be paid a grant, subject to a minimum spend level of \$15,000.

At this time, the removal of the export performance test is a "one-off". It will come back into play for 2021 applications, lodged post July 1, 2021.

To find out your eligibility status based on these changes, [get in touch with us now](#).

EMDG Payments must be made before June 30th

One EMDG rule that has not changed is that all claimable expenditure must be paid for and be shown on your bank statement before June 30.

Do not pay it on the last day.

It will show as a July 1 payment by your bank. Too late!

EMDG beyond 2020

Just prior to the world entering a go slow, stay at home mode as a result of COVID, the EMDG program was reviewed and a report completed by Anna Fisher and her team. The report is with the Minister, however, it is yet to be released. Some updates will be required of course as we move to a much different world going forward than existed when the report was worked on up to February.

The report will be released by the Minister soon, at some stage next financial year.

It will involve changes to the program to kick in from July 1, 2021, so covering applications for the 12 months ended June 30, 2022.

No rush, business as usual for EMDG for the next 2 years or so.

Stuart and team