



Senator the Hon Simon Birmingham

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

Our Ref MC20-000280

Mr Stuart Mitchell
Mitchell and Co Chartered Accountants
7B The Parade
NORWOOD SA 5067

Dear Mr Mitchell

Thank you for your letter earlier this year suggesting changes to the Export Market Development Grants (EMDG) scheme to help Australian exporters recover from the effects of COVID-19.

The Australian Government's priority since the emergence of the pandemic has been to protect the health of all Australians. Measures put in place to suppress the virus, such as travel restrictions, social distancing and limits on social gatherings, have largely been successful in flattening the curve and slowing the growth of cases in Australia.

However, as you note, the global response to this health crisis has had devastating impacts on the Australian and global economies. That is why the Government has implemented an unprecedented package of economic support and relief, including JobKeeper and JobSeeker payments. The \$350 million International Air Freight Assistance Mechanism is helping to keep vital two-way supply chains open, allowing Australian exporters to get their products back into overseas markets.

As you would be aware, the Morrison Government injected an extra \$49.8 million into the EMDG scheme in the 2019-20 financial year, providing exporters and tourism businesses with their full reimbursement for the costs incurred in promoting their products and services to the world. The Government also brought forward the balance distribution date for the EMDG scheme, meaning many businesses received their full second tranche payment much faster than they otherwise would have.

In recognition of the impacts COVID-19 will have had on export earnings, I have waived the export performance requirements for 2020-21. This will ensure businesses will not have their EMDG payment reduced if their export earnings fell in the second half of 2019-20. Further, I have set the initial payment ceiling amount for next year at \$100,000 – the highest level in the history of the scheme.

The Australian Government will continue to develop innovative ways to support our exporters, and your feedback is a vital input.

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Part of the Government's work in meeting the needs of our exporters will include our response to the independent review of the EMDG scheme. As you are aware, this Review is taking a broad approach, examining the most effective and efficient way for the Australian Government to provide small and medium exporters with financial assistance to promote their goods and services overseas, and to diversify their export presence. I note you made a submission to the Review, and your contribution, along with those of other consultants and EMDG recipients, is greatly appreciated. Once I have received the report it will be published on Austrade's website:
www.austrade.gov.au/Australian/Export/Export-Grants/review.

The Australian Government remains committed to ensuring Australian exporters not only survive the impact of COVID-19, but are able to thrive in the post-COVID global economy. I have no doubt Australia will remain a strong exporting nation and bounce back strong than ever.

Thank you again for your letter, and please accept my best wishes during this difficult time.

Yours sincerely



Simon Birmingham

24 JUL 2020

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