



mitchell & co
CHARTERED ACCOUNTANTS

Important News Flash - (Export Market Development Grants) EMDG to Change

Trade Minister Birmingham has today released the EMDG Review report of Anna Fisher which was commissioned last year and completed pre COVID 19.

The government will be adopting all proposed changes recommended in the report.

EMDG will fundamentally change.

It will move from a reimbursement scheme to one based on pre-approval of overseas marketing expenditure.

You will have to apply in advance to Austrade before you spend your money and then be paid upfront.

There will be no change to number of grants you can receive as you move from the old to new scheme – it will remain at 8.

The new rules are planned to apply from July 1, 2021. This means that this financial year, 2020/2021 will be the last under the current rules.

There will be the chance (slight I think) for exporters to have some input to fine tune the new rules etc. Legislation will have to be drafted, tabled and passed by Parliament, but to me the die has already been cast.

I am not sure at this time if exporters will be better off or not. It is too early to tell. We need to review things in more detail. Our role will change of course as well.

Our initial thoughts however are: -

- It is a change for change sake only?
- The Review report was completed prior to the pandemic and we all know we are now in a brave new world. Are the proposed changes still relevant?
- No change to number of grants and your grant history following from the current to the new set of rules does not make any sense for exporters to recover from the COVID-19 Wipeout.
- I am not sure how the proposed changes will increase certainty and confidence in the scheme. This is only fixed by full funding (like for 2019 applications) and a high first instalment \$100K (as for 2020 applications)

From July 1, 2021 you will be able to lodge an application under the current or new rules. From July 1, 2022 it will be under the new scheme only.

You will be sent more details from Austrade later today.

Things will be in state of flux for a while – until things settle down and more details are provided and worked upon, trust us, we are already investigating.

In the coming days we will review the changes in more detail and be in touch again. We will provide a more detailed summary and a road map for you to navigate EMDG into the future as best we can.

For now it's business as usual.

We are processing and lodging 2020 applications. Please send your records in or contact us pronto – we want to get as many as we can get done before Nov 30th. Why? Because you'll get paid quicker and up to \$100K.

All the best,

Stuart and the Mitco team.