



**mitchell & co**  
CHARTERED ACCOUNTANTS

Time for another newsletter.

This time, we continue to channel Doris Day (Que Sera, Sera as per our last newsletter) as well as Donald Rumsfeld, former US Defence Secretary, and Bruce Springsteen, “The Boss”.

Trust us, they are all relevant to EMDG, so read on.

## **2020 EMDG applications – EMDG Past**

These were all lodged by us as required before March 2<sup>nd</sup>.

We thank all of our clients for helping us get their applications in early, so we could have the weekend off for a change.

Austrade are processing the applications but have been very slow to do so in recent weeks. Not actually sure why. We expect things to pick up in the coming weeks.

We are aware that applications for the 2020 year are oversubscribed. What it means for you is, if your grant entitlement is above \$100,000 the money is not there to pay your second tranche entitlement in full, or possibly at all.

You would be aware that for the 2019 grant year, as a response to COVID-19, Simon Birmingham the Austrade Minister at the time, injected new funds into the program to ensure all exporters were paid in full.

We have written to our current Trade Minister Dan Tehan MP to do the same for 2020, as well as raising other issues in relation to his custodianship of the EMDG program. You can read our full submission letter to Minister Tehan [here](#).

Normally the advice of the second tranche payment is not known until the last week of June. We have requested this to be announced now, not later.

## **2021 EMDG applications – EMDG present**

This is for applications for expenditure for the period 01/07/2020 to 30/06/2021.

It will be the last under the old EMDG rules. Applications can be lodged from July 1.

Clearly, it's the period that has had the biggest impact in relation to COVID-19, no overseas travel for most, yes, we have some overseas travel by some of our exporter thrill seekers, a trip and then 14-day quarantine period, you have to do what you have to do.

It may well be that you decide not to lodge an EMDG 2021 application at all. There is a bit of strategy behind this advice. We explain.

Donald Rumsfeld in February 2002 when doing a briefing on the Iraq crisis at that time came out with the following pearls of wisdom:

*“There are known knowns. These are things we know that we know.*

*There are known unknowns.*

*That is to say, there are things that we know we don't know.*

*But there are also unknown unknowns.*

*There are things we don't know we don't know.”*

There are two major “known unknowns” for the 2021 EMDG applications:

- The initial first instalment rate – will it be the same as for 2020 i.e., \$100,000 or will it be lower?
- Will the export earnings test (removed for 2020) be re-instated or not?

For the above matters we included those questions to be answered by Minister Tehan.

In addition, your EMDG age (grant year paid) follows you to the new EMDG program which is to start from July 1 as well.

By not claiming for 2021 you may be better placed to gain more/ a better grant entitlement for 2022 and beyond. Your age to access the program is one year less.

In the coming weeks we will be in contact with you to determine your best course of action for EMDG for 2021, as well as 2022, as they are very much intertwined.

## **2022 EMDG and beyond – EMDG New – the Future**

This is about the new scheme that commences on July 1 or we think so. The last advice of a public nature of the changes to the scheme was September 2020, now close to six months ago.

Stuart in fact travelled to Canberra last week, “*Mask on – Fly in Fly out – Mask Off*”, to meet with Minister Tehan’s Senior Trade Advisor, in his role as Deputy Chair of the Export Consultants Association, which represents close to 3,000 exporters Australia wide.

It was a short meeting, and no real news forthcoming of any value, however, you have to do what you have to do at all times.

Stuart reiterated that all exporters will be worse off under the new program, with greater uncertainty, less opportunity (time to lodge an application), a lesser reimbursement rate (not guaranteed at 50%), confusion with the different lodgement requirements and a delayed and hence a rushed implementation program. In short, no support for the changes, whatsoever. It will be a nightmare for exporters.

The response was muted to say the least. To remain calm Stuart silently hummed *“the future is not ours to see – Que Sera, Sera.”*

The new scheme is coming for sure as the government sees fit, it is just a matter of when! Nevertheless, we have put on record our concerns for 2022 in our correspondence to Minister Tehan as we have done so for EMDG Past and Present.

We expect that information about the future of the new EMDG scheme will start to flow in the next week or so.

Now to Bruce Springsteen, with the sad passing of Michael Gudinski of Mushroom Records, the Boss made a lovely comment about his close friend:

*“Michael always spoke with a deep rumbling voice, and the words would spill out so fast that half the time I needed an interpreter. But I could hear him clear as a bell when he would say, ‘Bruce, I’ve got you covered’. And he always did.”*

Likewise, we have you covered for EMDG.

We will do our best to ensure you can make the most out of EMDG to assist you in your export efforts with a minimum of fuss. We have developed a 2022

EMDG New ready reckoner to help us both work out what you should do.

We will be in contact in the coming weeks to ensure you are ready to access the new EMDG program as best you can!

## **Other Government Programs - Wine Australia - Wine Export Grants**

Round 2 – 2020/21 – Now open.

Closing Date 1<sup>st</sup> May 2021.

Wine producers may be eligible for up to \$25,000 towards reimbursement for the cost of promotional activities in **any** export market.

Call us and we can explain some more, of course you have to be a wine producer!

## **Cloud Payroll systems**

Please see the attached flyers [here](#) and [here](#).

We use the Cloud payroll system and think it is just the "bee's knees" so we are giving it a plug.

The application is easy to use, inexpensive, and with great telephone support. Changes are on the way for micro businesses to also be compliant with the ATO's Single Touch Payroll system, hence the new product offering as shown.

Like EMDG, better to be ready now rather than to be sorry later.

All the best,

Stuart & Team