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RE Draft 2021 EMDG Guidelines – Submission Mitchell and Co

I make the following submission to the Draft Guidelines for EMDG(Export Market Development Grants) New (from July 1, 2021) as requested.

I have no issue with the start date and length of time to enable an exporter to access the program for the transitional year.

I accept as well that exporters will not be able to know with complete certainty what their actual grant offer amount will be until February 2022.

I further understand, whilst not in the draft guidelines, overseas marketing expenditure will be able to be included from July 1, 2021, which is of course a practical and commonsense approach which I thank you for.

ECAI (Export Consultants Association Inc) will be making a detailed submission in relation to the guidelines in the coming days.

I therefore only make three key points on my own account: -

1. I do not support or reject the draft guidelines as at this time. It is impossible to do so in isolation from the actual application form (portal) and other information I expect to flow post July 1, leading up to the 16th of August. Until that information is released, one cannot fully understand what your guidelines will mean in practice.
2. I think there has been improvement in your advice as to what the role of someone like me in the process will be going forward – as a lodging agent/subcontractor to an exporter/grant applicant. I note the guidelines state an exporter/ grant applicant must give “authorisation” for someone like me to act. The actual form and manner of this authorisation should be part of the application form/portal in a standard way to prevent confusion as to what is and what is not required. I attach a suggested layout that is consistent with other grant programs. I ask that such a form/authorisation be incorporated into the application form/portal itself, not as an attachment.

3. I do not follow the logic from the removal the standard overseas visitors' allowance (OVA) to the change to the reimbursement of actual travelling costs. Such a change was not part of Anna Fisher's report into EMDG, used to support in the main, the the new EMDG framework for 2021/2022 and beyond. The example used in the recent webinar - "*Paris is more expensive than Fiji*" - is one that I find patronising and offensive to poorer less developed nations that exporters seek to sell to. I realise no offense was actually intended.

To me such an approach, based on actual costs is flawed, there is no "reasonableness" test". An exporter could choose (in Paris to continue the example) to stay at a 5-star hotel at a cost of \$10,000 per night and seek 50% reimbursement, in essence from the taxpayer. I think this will lead to problems going forward, in application/approval practice and public perception, it simply fails the "*pub test*" as often is stated in the political arena.

Another example would be first class airfares.

I note that there has been no trial run/testing in relation to how the new portal/lodgment process will actually work. I am happy to offer my firm to help in this role as we have done in the past.

Kind Regards

Stuart Mitchell

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Mitchell and Co