



**mitchell & co**  
EXPERIENCE THAT COUNTS

## **EMDG and the Budget**

### **EMDG as it now stands**

No additional funding was shown in the budget forward estimates for EMDG in a traditional sense other than what was announced just before Xmas. The funding for EMDG is set at \$157.9M for the next 4 years.

In the short term, there are no changes to the current funding issues and scheme parameters/problems in relation to both EMDG Old and EMDG New.

**EMDG Old** applications – it's still not clear if there will be a second tranche payment for 2020/2021 applicants above \$30,000. Please refer to previous newsletters and our [website](#).

**EMDG New** applications – the rationing for 2022 payments as explained before, the maximum grant being much lower than promised - \$150,000 down to \$35,000.

**However, nevertheless, hang on a minute, there is mention of EMDG elsewhere via Press Releases from the [Trade Minister](#) and [Austrade](#) itself.**

**There is some good news for exporters. We explain below.**

## EMDG in the future - The Budget News

Elsewhere in the budget EMDG gets a big kick along as part of the \$2 billion Regional Accelerator Program (RAP). That is why it is not shown in the EMDG budget forward estimates.

RAP in the music sense means “Rhythm and Poetry” – maybe the case here as well, not sure!

Here are the basic details as best we can glean at this time:

- It will be \$100M over a 2-year period - \$50M per year.
- The commencement date is not known at this time.
- It will be a “subset” of EMDG – a new stream.
- Unlike EMDG mainstream it will be a “**very targeted**” program, to support exporters who have been subject to “**economic coercion and disruption**” to help them with marketing costs to new markets. This is a big shift from EMDG as it now stands.
- It will cover the same sort of marketing costs as we are used to under EMDG.
- It will be marketing expenditure to new markets only (undefined as yet).
- It will cover all regions (undefined as yet).

The new eligibility guidelines are being worked upon and will be issued in due course, it will not happen overnight and of course we have the forthcoming election.

We would think they would be issued post June 30<sup>th</sup>, 2022.

Excuse the pun. You must give Minister Tehan a positive rap here. Well done.

The proposed funding is part of the election cycle. It will only happen if the Morrison government is re-elected.

We have to wait and see how things develop and read the new guidelines when they are released.

Exporters should not start any RAP (here we go again) dancing at this time. Hang fire, till the music actually starts playing.

## **EMDG Application Processing**

### **EMDG Old – Year ended June 30<sup>th</sup>, 2021 - the last under the old program.**

Audit and payment activity for the EMDG old applications – that is up to June 30<sup>th</sup>, 2021, has increased over recent weeks. We understand that it's hoped to get all such applications paid by May 15<sup>th</sup>. This does not include 2<sup>nd</sup> tranche payments (as mentioned earlier, still to be determined).

### **EMDG New – Year ended June 30<sup>th</sup>, 2022 – this financial year - the first round of the new program.**

We understood grant offer agreements would be distributed in February – however, only Tier 1 and Tier 4 Representative Bodies are being issued at the moment.

### **Tier 2 and Tier 3 grant offers are yet to be sent out.**

You have not missed anything. You just have to sit tight, sorry to say!

The offers will be sent out in the coming weeks/months.

Stuart visited Austrade and the Trade Minister's office a couple of weeks back and did not get any real news on when the grant offers would be forthcoming, other than to say they had approximately 5,300 applications to get through and

their processes were taking longer than expected.

**EMDG New – Year ended June 30th, 2023 – next financial year.**

The Second round of EMDG – for the year ended June 30th, 2023, and beyond is yet to open.

You only need to worry about this round if you did not put in a 2022 application as above.

Really this round needs to be opened now, so the process can be completed before July 1.

This will not happen. Austrade is doing its best, but they do have a lot on their plate, given EMDG Old and New processing as above.

So again, we just have to sit tight and wait until this funding round is announced, it will probably be post July 1 as our best guess.

There will only be a short 4–6-week lodgement period. Not a problem. We will be ready for it.

All the best,

Stuart & Team.