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Dr Grimes

Export Market Development Grants (EMDG) program – Suggested Changes

Congratulations on your appointment as Chief Executive Officer for Austrade.

I run a consulting practice assisting exporters access the EMDG program. I have done so for many years. I am based in Adelaide South Australia, but I help exporters Australia wide.

I now write in relation to EMDG present and future.

- EMDG Present – A flawed lodgement process for Tier 2 applicants
- EMDG Future – Changes required arising from announced US tariffs.

EMDG Present – A flawed lodgement process for Tier 2 applicants

In short, whilst one could argue that the recent Round 4 application process was successful in several areas, the “first in first serve” approach for Tier 2 applicants was a complete disaster.

Whilst it was made clear in Austrade’s pre-lodgement briefing sessions that an applicant needed to lodge early, at no time was it stated that the lodgement window for application success would be only just over an hour, 11.20am AEDT with the actual portal shut down at 1.20pm AEDT, to allow of a “buffer” of possible successful clients. The buffer being in the hundreds.

I also understand that there were also 200 applicants frozen out when the portal closed.

To have a lodgement process close within hours and many genuine exporters missing out through is a policy failure of the highest order.

Think of the lost time and effort for those that missed out.

By my reckoning, only some 40% of applicants will be successful in obtaining a grant offer.

This is a terrible result, no matter how you frame it. I am not aware of any other grant program ever having such a similar result.

It not just about applicants themselves being “too slow” to be at the front of lodgement queue.

Austrade itself is accountable as well.

In my view the EMDG lodgement portal **was not fit for purpose** in number of key areas.

Those for a Tier 2 application & similar issues for other tiers:

- Q2 – A system error bug that prevented an applicant from inputting more than 9 countries (needed to be 10).
- Q32(b) - Inability to cross match with Q2 given the error above.
- Q60 - A complicated process to complete the planned expenditure table, to record not total planned expenditure, but instead the capped amount per tier.
- Changes to the sample portal application and attachment requirements.
- Limited consideration to regional exporters with poor internet speed.
- Insufficient online and telephone support services on during opening the opening lodgement rush.

I did raise the matter of regional exporters prior to the November lodgement date and was given the advice that such regional exporters should simply drive to a location where there is a better internet connection.

I have a regional based client who was having problems with the lodgement process, sought out the assistance of Austrade, both via email and the phone.

No response from Austrade support system was provided until well after the successful lodgement cut-off time as indicated above.

My client will now miss out through no fault their own and will not be able to lodge an application for 2 years or more down the track. What a lost opportunity to help grow Australia's exports.

I can provide full details to you along with other examples as well. I am sure the portal access logs would be available to confirm things as well.

I believe such disadvantaged clients, who through no fault of their own, have a possible claim for compensation, but this could simply be fixed if all lodged eligible clients were paid in full up to the 1.20 AEDT cutoff time, that is **all eligible “buffer” clients to be offered a grant agreement.**

The funding for such to come from the underspend of Round 1, 2 and 3 2023/2024 milestone reports, rather than such funds being sent back to consolidated revenue.

The 2025/2026 grant prepayments of \$20,000 should be paid earlier, in June not July of this year, hence freeing up funds in the following year.

I ask that you undertake a full and detailed investigation and speak to as many applicants as you can (both successful and unsuccessful) to fully understand the “wrongs” of the round 4 lodgement process.

EMDG Future – Changes required arising from announced US tariffs.

I am aware that we are in government caretaker mode at present.

Nevertheless, EMDG does need changes to react to the recently announced US tariffs.

You as the CEO have the delegated authority to do so and as such this should happen before the start of the Round 4 funding year, July 1 of this year.

Back in November as part of the Round 4 lodgement process, an exporter had to choose which markets to market to in 2025/2026 and 2026/2027 with many applicants choosing the USA as either a new or existing market. Your records would be able to determine the USA market impact to the program.

At the time, there was no real inkling about the current US tariff maelstrom that is happening now.

Exporters at this time should not be locked into the USA market. It makes no sense.

Changes can be made at the sole direction of you as the Austrade CEO as opposed to changes to the legislation itself.

This needs to happen now.

All successful applicants, whatever their tier status **need to be able to replace the USA with another market.**

This can be done by way of a blanket variation to all current and pending grant offer agreements.

The Act gives you the power to do so and I urge you to make this change before July 1.

I am happy to visit and meet with you to discuss my concerns above at the earliest opportunity.

Kind regards,

Stuart Mitchell

Stuart Mitchell.

Mitchell and Co