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01 August 2025

Mr. Tim Yeend

2025 Independent Reviewer EMDG program

Via email

Export Market Development Grants (EMDG)

2025 Independent Review – Submission Mitchell and Co.

I provide a submission to your review.

I run an export consulting practice and have been involved with the EMDG applications since 1994. I am based in Adelaide however I help clients Australia wide.

As an EMDG export agent I have lodged over 4,000 applications, both under the prior and current legislative framework. I am past judge for the National Export Awards and former director of the Australian Institute of Export, now known as the Export Council of Australia.

I have made submissions to past reviews like yours over the years.

I have produced numerous newsletters on the program over the years from an industry perspective, both good and bad.

If you can spare a few minutes, please view them via the following link

<https://mitco.com.au/news/>

I wrote to the CEO of Austrade on 9th April 2025. In his response on 23rd May, Dr Grimes told me he had forwarded it to you, which I am most grateful for. For completeness's sake I attach it again. It contains similar view as per this submission.

EMDG exists for what purpose.

The object of the current legislation is as per clause 3 of the Act

“The object of this Act is to bring benefits to Australia by encouraging the creation, development and expansion of foreign markets for Australia products. This is done by providing targeted financial assistance for promotional activities and development of marketing skills, to Australian small and medium enterprises and their representative organisations.”

In my view, EMDG at present fails to meet the above objective.

EMDG is currently off target, it lacks both proper funding and clear direction.

EMDG is not as effective and efficient as it should be, with the following key features existing at this time.

- EMDG has the lowest level of budget funding over its 50-year history , currently set at \$110M annually, the least amount since 1996/1997 when the funding was set at \$150M.
- EMDG currently supports the smallest number of exporters than at any time in the past.
- EMDG currently does not help exporters on a yearly basis.
- You can only apply every two years and for the 2024/2025 year the number of exporters helped was minuscule to have no impact on Australia’s export efforts at all.
- If you missed applying or were unsuccessful based on your position in the lodgment queue for Round 4, you cannot get support for Round 5 some 2 to 3 years down the track.
- If you applied and are not paid a grant for whatever reason, this still counts towards your overall grant entitlement of 8 grants, this is manifestly unfair.
- The application process for Round 4 for Tier 2 applicants on a “first-in-first served” basis with a less than satisfactory portal (system errors) and inadequate funding resulting in many genuine exporters missing out on funding through no fault of their own.
- If your application is approved, you do not get funding for the full 12 months of the grant year you applied for, you must report before year end, June 15th, that is before year end.
- EMDG does not have the level of industry engagement as in the past, real consultation is limited.

EMDG is a great asset of the Australia government but has been run down. It needs new investment, new funding and a fresh attitude.

In my view unless the EMDG scheme is correctly funded there is no point continuing it.

EMDG needs to be funded at \$150M to \$200M per year so that it can simply help as many exporters as possible, not to restrict access to a small target (number) therefore being unable to make any real difference to Australia's SME export efforts.

Your Terms of Reference – Commentary and some suggestions.

I now make some comments and some suggestions in relation to each of your areas of review.

I am somewhat limited in my responses. I asked for some statistical information from Austrade to help me provide support to my views. It was refused for reasons I find baffling.

- My suggestions below are shaded in blue intended like this.

Review the quality of current program processes and delivery, with a focus on applicants' experience engaging with Round 4 of the program, including:

In my letter to the CEO of Austrade of I stated that the application process for Round 4 was simply a disaster. I still hold this view.

The EMDG portal was not fit for purpose on the day it opened, with some major system errors, Question 2 it did not allow you to input 10 countries as required, it would only accept 9 countries.

The input of main data for planned marketing expenditure was flawed, instead of inputting your total planned marketing expenditure, you needed input the capped amount per your tier type. This confused many people, it was mentioned at some Austrade seminars, but I do not think many applicants understood it until they when accessed the EMDG portal for the first time.

- For Round 5 an applicant should input their planned marketing expenditure in total for each year, not the amount of the capped grant funding expenditure amount. It makes more sense.

The promoted guidelines were not the same as the actual portal application, numbering, and attachment requirements were different as well the system errors. There was a minor access crash/delay when the portal was opened.

This caused confusion to many of my clients and I sure it would have caused more for those applicants who did not use an export agent like me.

- Better road test the EMDG portal before Round 5 is launched. Seek industry involvement, beforehand, not on the day of opening.

- The lodgement guidelines that are issued should be a 100% exact replica of the portal questions themselves. This is quite common for most over government grant programs, I am not sure why this was not done for Round 4 in the first place.
- Have different opening dates for each tier type not just for representative bodies.

The overdemand for Tier 2 applications, produced a result that most people who applied missing out for no fault of their own.

For some 620 grants there were some 1,145 applications, not counting the 300 or so that were frozen out when the portal was shut down at 1.20pm or so.

The first in first served approach meaning when funding does not match demand there is an unfair and unacceptable result of many exporters.

Applications should be assessed on merit, not queue position and correlate directly to an applicant's overall export performance.

- As export performance measure to be based on the prior year's export sales (an objective measurement) and with a sliding scale of support (as in the past) based on the number of years you have been in the program.
- I think your review should undertake statistical analysis to compare the grant to export success ratio under the old performance test regime as apposed to the current rules.

There are still several applicants who still do not know if their applications are successful or not, some 8 months after they applied, I gather most of these will be told that "sorry you missed out due to not being lodged in time".

- Remove the "first in first served approach" – have a merit-based application process so applicants can prepare the best possible application without the fear of missing out due to unfair time constraints.
- EMDG needs to be better funded to prevent the Tier 2 calamity on the delay and processing.

The Austrade email and telephone support on November 12th was clearly overwhelmed, many clients have told me that they were on hold for some time with email support arriving after the portal cut-off time.

- I think you need to review in detail processing, system errors and support interaction and timeframes in detail so that such errors are not repeated for Round 5.

The Round 4 application process has resulted in a larger increase in applications being rejected.

I am unable to quantify the exact percentage (an unanswered question from Austrade), but I would estimate it would be 3 to 4 times higher than in the past, most of the reasons being

minor, e.g. an incorrect attachment submitted. This in part has caused the unnecessary processing delays.

- I suggest to not only look at the number of successful applications, but at the number of unsuccessful ones as well, the number of appeals and eventual outcomes.
- Applicants should be able to correct a wrong attachment submitted (the main reason for appeals in my view) upon request not via a formal appeal process.

A bank statement in November 2024 does not really support that you will have funds in the bank some years down the track.

- I suggest a reduction in the number of required support documents, to supplying tax evidence and bank statements should be undertaken on post lodgement sampling basis, instead of asking every client to provide such documentation as part of the application lodgement process.

For Round 4 milestone reports (yet to happen) the reporting requirement has dramatically increased over previous rounds, you now have to answer more questions and provide additional information, for example you must now allocate your claimed expenditure not just by expenditure type but by country as well.

- I would compare the Round 4 reporting requirements and see how they can be reduced. I would not wait until Round 5.

There was no industry consultation post the Round 4 guidelines being issued.

In fact, it was refused. If it would have happened, the overdemand for Tier 2 in my mind would have been able to be better managed and the system bugs in the portal sorted out beforehand.

In a general sense I found in recent years the level of format and approach to industry consultation has changed a lot and is no longer as productive as it should be. I was part of the process as a past board member of ECAI – Export Chamber Australian Incorporated.

I cannot tell you about too much about the discussions and I am bound by an NDA – Non-Disclosure Agreement that Austrade required me to sign. I can only talk about the processing and timing.

- I am happy to meet with you person to discuss my thoughts and ideas for consultation improvement on a one-to-one basis.

The process that you can only apply now for EMDG support for every two years is wrong. It does not help exporters at all. It only helps with the Austrade's workflow processing.

- EMDG applications should be possible each year with a choice of 1 year or 2-year support levels.

I disagree with the new Round 4 rule, that you must spend more than \$40,000 in the grant year or no grant is payable for Tiers 1, 2 and 3. I think it is completely unfair, as well as the “no grant paid” counting towards your limited grant history.

Again, is not about helping exporters, if their plans change arising from changes in market conditions beyond their control. It is only helping Austrade to manage the program. Exporters deserve better.

- These rules should be removed.

I am not aware of an integration that is possible with other government programs. I think you need to list out what the “relevant” programs are available in the first place to enable proper comments. I do make some general comments the later under the whole of government section heading.

The only one I can think of is for the EMDG application process to be integrated into an applicant’s taxation return, in essence administered by the Australian Taxation Office (ATO). This has been considered in the past, maybe it needs to be revisited.

More money should be provided for EMDG support. More money would mean the major issue with Round 4 (Tier 2 oversubscription) would be fixed.

Identify how Austrade and representative bodies can work together to optimise representative body members’ ability to leverage EMDG funded support to achieve export outcomes.

In the past there was a two-stage representative body (then called Approved Bodies) application process with the following key features.

- Status approval first for 5 years.
- Applications could be submitted on a yearly basis.
- Support was given for all overseas marketing activities.
- Support was given for all members
- No set representative body cap for either \$ grant value or number of grants

For Round 4 the opening application date was November 6th with an adequate time before closure.

The application process being a combined one, gaining representative body status and grant offer approval for 2 years.

Representative bodies like all clients of the program can now only apply every two years.

EMDG coverage for “new” overseas marketing activities and only **support your SME** (Small to Medium Enterprise) membership base.

The grant funding amount to representative bodies has been different per year for Rounds 1, 2, 3 and 4 and is drastically lower than under the prior framework.

I think most representative bodies would have been lodged via agents like me, so their direct involvement with the lodgment process /portal would be minimal.

EMDG lacks certainty and flexibility to change as overseas market conditions change, the USA tariff debacle as a key example of world events beyond the control of any applicant, representative body or other tier types.

Representative status body status is for 2 years, it is not known until some months before the start of the grant funding period.

- It should revert to 5 years to give you long-term planning capability for these industry bodies who normally work on long-term strategic and business plans, more so than commercial applicants under the program.

You cannot apply every year.

- As for all applicants you should be able to do so.

Vagueness as to what constitutes “new marketing activities” – only time will tell how this assessed by Austrade.

- It should be for all marketing activities.

Representative bodies are to be paid less than in the past.

- This lack of funding clearly impacts on the ability of any representative body to help its membership base with their export efforts. The maximum grant should be increased to \$100,000 or so.

Accessing help for exporter education is more complex than for previous rounds.

- A review of the effectiveness of this expense type needs to be undertaken.

Representative bodies must submit their milestone reports by June 15th, 2026.

- This is too early for all applicants’ reporting cycles, especially for representative bodies. It is before your year end. It should be August 31 at the very least.

With a focus on optimising a whole-of-Australian-government approach to support for SME’s engaging in international business, identify approaches to better connect EMDG to relevant programs and other support provided by other Australian Government organisations, including State and Territories.

There is real disconnect with the EMDG program (and its chronic under funding) and the aims of the current government.

Overall, the Australian government issues grant funding of over \$32 Billion year. EMDG is just a tiny percentage of this, there is no point even trying to express it in percentage terms.

Minister Farrell stating on social media - July 25th.

“Australia is a trading nation - one in four Australian jobs are supported by trade and a third of Australia's economic output relies on trade.

Today, I joined The Lowy Institute and Dr Michael Fullilove to outline my agenda as Trade Minister in the second term of the Albanese Labor Government and how we can create more jobs and make our economy more productive by building Australia's future through trade”

There was no mention of EMDG in Minister Farrell’s speech.

- EMDG should be the driving force to help Australia’s Small to Medium Enterprises (SME’s) achieve export success. It needs to be better funded and re-jigged to make this happen. The Minister needs to support the program.

EMDG is the only government program that requires Tiers 2 and 3 to be country specific, i.e. where you can promote and sell your products/services to.

I can understand the rationale that government should promote certain industries, but not that it should be overseas country specific. In fact, many countries are simply excluded from Tier 3 support (refer EMDG grant guidelines round 4 - page 60) for no real reason I am aware of.

You cannot list “Europe” (the EU trading bloc) as a market, you must allocated countries one by one, which is cumbersome and lacks commercial sense.

- You should only have to list your past markets for Tier 2 status, for Tier 3 all countries that you have not sold to (excluding those subject to sanctions) should be able for exporters to enter.
- Europe and other trading regions (ASEAN) etc should be treated as allowable markets.

The Australian government “Future Made in Australia” strategy is directed to some large companies that are outside the client base of EMDG.

EMDG supports applicants whose goods are not made in Australia. The two programs are therefore at odds with each other.

- Consideration be given to increasing the turnover cap for possible EMDG applicants.
- EMDG should no longer support “goods not made in Australia,” or at the very least the next value adding in Australia should be increased to 80% of the end sale value.

EMDG has existed for a long time. Applicants are capped at 8 years support, as well a new raft of limits per tier type. Past grants being paid years ago, last century for many.

This does not help exporters now to adapt to changing market conditions, many outlined by Minister Farrell in his speech referred to above, heightened geostrategic competition, development of sovereign manufacturing, transition to net zero apart from the current US tariff uncertainty.

Minister Farrell also stating in his speech to the Lowy Institute on the 25th.

“In 2025 we’re no longer in a “set and forget” world”.

In this current changing environment, EMDG needs to change as well.

- Past EMDG support to applicants prior to 2020 needs to be wiped. So that they can re-enter the grant scheme

Identify any other matters the reviewer considers are relevant to the effective operation of the program, achievement of value for money, and delivery of trade outcomes.

I hold the view that the EMDG program is currently not fair value for the government.

It’s not an effective scheme as it has been in the past.

I think it has lost its way.

It needs to be fixed, both in terms of the rules/guidelines, the process, and the required outcome for government.

- EMDG needs to properly be funded to increase the number of exporters it can help, to be in the order of \$150M or so.
- EMDG needs to be merit based not queue base, the enable a better return per grant dollar spent.
- EMDG needs to be refreshed as to who can apply, past grant histories removed.

Reinvestment needs to be made by the government in EMDG to get back on track to make it: -

- More effective – generate more export sales per grant dollar.
- More efficient – make less confusing, make it easier to apply and be paid.

Unless government does so, the program should not continue.

Conclusion

My submission is a bit of a mixed bag.

This arises as direct reflection of the nature of EMDG currently.

EMDG itself is a mixture of things that help exporters and somethings that do not.

I will register to attend your Adelaide briefing session. At that time, I would be keen to meet with you in person as well.

All the best with your deliberations.

Yours sincerely

Stuart Mitchell

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9th April 2025

Dr Paul Grimes

CEO

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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



Australian Government

OFFICIAL

Australian Trade and Investment Commission

23 May 2025

Mr Stuart Mitchell
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Via email: stuart@mitco.com.au

Dear Mr Mitchell

Export Market Development Grants (EMDG) program suggestions

Thank you for your correspondence of 9 April 2025. I am particularly grateful for your clear feedback and suggestions.

I am very keen to ensure that your feedback is fully considered and can inform any improvements that might be made to EMDG systems and processes.

In particular, I would expect that your feedback will be of direct interest to the independent reviewer, Mr Tim Yeend, who has been appointed by the Minister for Trade and Tourism to undertake the next periodic statutory review of the EMDG program (see the Minister's [media release of 17 March 2025](#)). I have accordingly forwarded your letter to Mr Yeend for his consideration as part of the review process.

In the meantime, I can advise you that the changes to the program implemented for Round 4 are delivering larger grants to successful applicants compared with previous rounds. In addition, Austrade is in the process of reviewing grant applications and issuing grant agreements up to the limit of available funding.

In relation to the impact of US tariffs, our data shows that only a small proportion of successful applicants who selected USA as a single market in their Round 4 application. Austrade will work these applicants on a case-by-case basis to understand if they intend to adjust their marketing plans in light of the US tariff arrangements.

I would like to thank you again for your letter.

Yours sincerely

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Chief Executive Officer

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