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**19<sup>th</sup> March 2026**

Senator the Hon Don Farrell

Minister for Trade and Tourism

Special Minister for State

Parliament House

Canberra ACT 2600

Via email [trade.minister@dfat.gov.au](mailto:trade.minister@dfat.gov.au); [senator.farrell@aph.gov.au](mailto:senator.farrell@aph.gov.au)

Dear Minister,

**Re Suggested Changes to the EMDG program to meet the current needs of exporters.**

I write in relation to the Export Market Development Grants (EMDG) program to highlight some current problems that arisen in recent months, particularly the current Iranian conflict.

I am a grant agent, and I have worked with the EMDG program for many years, I believe I can tell you what works in the program and what does not. I have written to you about EMDG in the past and I have been most grateful for your replies.

I am based in Adelaide, but I help exporters Australia wide.

I participated in one of the meeting sessions for the independent review of the program conducted by Mr. Yeend last year and I understand that you will be issuing the report sometime in the coming months.

However, the report deals with the future of the program, how EMDG will help Australian SME exporters in 2027/2028 and 2028/2029.

My concerns are in relation to the program as it now stands, with challenges to the implementation of Round 4 of EMDG covering this year and next, 2025/2026 and 2026/2027.

I first raise an issue with the processing of current Round 4 milestone reports.

**June 15<sup>th</sup> due date for Round 4 Milestone reports**

EMDG Milestone reports require a lot more information and attachments than in the past. They take longer to prepare.

Such milestone reports are due by June 15<sup>th</sup>, before the actual end of financial year and the 2025/2026 grant year.

This is the first time in over 50 years of EMDG support that this has happened. Prior EMDG rounds allowed a sensible period after year end to prepare & lodge.

This “early” lodgment requirement, does not help exporters at all.

I am not aware of the June 15<sup>th</sup> date being raised in any previous EMDG client or focus groups consultations.

I believe the reason for the June 15<sup>th</sup> cut-off is to help Austrade staff process milestone reports.

I can tell you I am doing my best to assist my clients to submit their reports early, but it is proving a very hard task.

I am concerned that there will be last-minute rush in the first two weeks of June that will have an impact on the quality of milestone reporting and hence possible overclaiming of eligible expenditure.

You cannot prepare a milestone report in one day, it takes much longer to get things right.

I pose the question, what will happen if a milestone report is not submitted by the due date?

In the past, a grace period was allowed for some exporters.

I think such a grace period should be until the 15<sup>th</sup> of July instead and ask that you give directions for Austrade to make this happen.

#### **Round 4 Challenges**

Changes were made to EMDG in 2019/2020 with a view to make it more accessible & simpler and to give greater certainty to exporters.

I am of the view that this has not happened, despite some improvements in more recent years.

EMDG is still not as flexible to exporters as it could be. In fact, the new Round 4 rules have made the program more rigid and inflexible.

The main problem at the time is that exporters apply on a forecasted basis but are paid on actual results sometime (years) down the track. You are always going to have a variance between the two.

Exporters are now reporting on their planned export activities that they had to list out in November 2024, some 18 months ago. The world now is a very different place.

Exporters have had to deal with major threats to their export activities which were both unknown back in November 2024 and beyond their own individual control.

The external shocks being: -

- The USA tariff debacle from last year. I do appreciate your great efforts to get things back on a proper footing. Likewise for improved China market access, well done.
- The USA / Iran war and the inability to safely travel, if at all, to the Middle East markets as well as Europe and other markets using UAE or Qatar as transit points. Flights are simply not happening.
- Current fuel price shocks & predicted shortages in both Australian metropolitan & country regions arising from the Iran blockage of the straits of Hormuz.

None of the above are the result of exporters’ own actions, but they must respond as best they can.

I can tell you that overseas travel in the main and export shipments have collapsed for many of my clients in the last 3 weeks.

Round 4 is too inflexible to help exporters meet the above challenges.

Tier 2 (existing markets) and Tier 3 (new markets) are fixed as of November 2024 and cannot be changed.

There was a minor effort for some clients to change from the USA market to other markets, but I am only aware of a handful of exporters who were given the opportunity to do so.

I believe the current situation for exporters accessing EMDG is dire and changes need to be considered now, it's not appropriate to wait to implement changes that will come into effect post July 1, 2027.

I therefore request that you and Austrade consider following fixes/improvements to current rules:

- That Tier 3 exporters be allowed to add to their chosen new markets that may have arisen post the tariff imposition and current Iran war, for the 2026/2027 grant year, the second year of round 4.
- That Tier 2 exporters also be allowed to access other existing markets to replace those they cannot now trade with and/or
- That Tier 2 exporters be able to include past existing markets not included in their November 2024 Round 4 application that may not have been a focus back then or were omitted in error.
- If a nil 2026 milestone report is submitted due to lack of spending given the above threats/imposition to an exporters marketing effort that such a return does not count as the usage of an exporters 8-year grant entitlement.
- The minimum spending level of \$40,000 in 2025/2026 is not to be applied for all applicants, not just representative bodies.

The above changes can simply be made by the CEO of Austrade under your direction.

There is no need for any legislative change, in the main they are just variations to the existing grant agreements.

Each of the above improvements is neutral revenue.

It is all about making EMDG Round 4 more flexible to meeting changing exporter needs.

I am happy to discuss with you more if required.

I simply ask that EMDG to be the best it can to help Australia's SME export community.

I would also like to thank you for the recent funding reallocation that enabled Austrade to fully fund all submitted Tier 2 applications.

Kind Regards

*Stuart Mitchell*

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Mitchell and Co