

What is the Export Market Development Grant (EMDG)?

The Federal Government's Export Market Development Grant (EMDG) is a program to encourage more Australian businesses to export. The incentive is that eligible businesses will be pre approved for a grant that will reimburse (rebate) half of your overseas marketing expenses, up to the limit of the approved grant amount.

The program is non-competitive, and if you are eligible and have the right documents you will receive a grant. The pool of funds is currently \$157.9 million per annum, and most industries and services are eligible.

Grant approvals will be for 2 or 3 years of planned spend, with grants being paid after milestones are achieved. Maximum grants are between \$40,000 and \$150,000 per annum, depending on which of the 3 Tiers you qualify for:

<div style="background-color: #28a745; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 10px auto;"> Tier 1 </div> <p>Grants up to \$80,000</p> <p>Over 2 years For eligible businesses who are new to export.</p>	<div style="background-color: #28a745; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 10px auto;"> Tier 2 </div> <p>Grants up to \$240,000</p> <p>Over 3 years For eligible exporters who plan to expand their marketing activities.</p>	<div style="background-color: #28a745; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 10px auto;"> Tier 3 </div> <p>Grants up to \$450,000</p> <p>Over 3 years For exporters who are making a strategic shift.</p>
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As the program's funding is fixed, high demand could result in significantly lower maximums than those listed above. For example, in the last round of funding applicants were offered grants up to the following caps: Tier-1 \$30,000, Tier-2 \$73,800, Tier-3 \$109,800 over the 2 and 3 year periods respectively.

The EMDG Application Process

- a) Prepare and submit an application that includes
 - i) forecast of eligible international marketing expenses over a 2 or 3 year period,
 - ii) a plan to market describing how you will promote,
 - iii) 3 or 4 quantifiable marketing or outcome goals.
- b) Successful applicants will enter a grant agreement with the government that is a pre-approval of funding. It outlines the T's and C's and level of support the government is offering.
- c) At the end of each financial year submit a milestone report that
 - i) details how the business has tracked against the goals set,
 - ii) and provide details of the actual eligible marketing spend.
- d) Austrade will pay the funds on favourable assessment of your milestone report.

Am I eligible for a grant?

The first step is to determine whether your business is eligible – below are the key requirements (without the legalistic language and detail – we can talk that through with you).

- ✓ **Exporting or intending to export**
 - ✓ **Have an ABN**
 - ✓ **Seeking to sell or licence one of the following**
 - Products made or designed in Australia (even if they are manufactured overseas)
 - Licensing of intellectual property and know-how
 - Provision of most services
 - Inbound tourism, conferences, education
 - ✓ **Have not previously received 8 EMDG rebates**
 - ✓ **Have not previously received the maximum EMDG funding cap of \$770,000 (since July 1990)**
 - ✓ **Annual income (turnover) of less than A\$20 million**
- Note** there are special rules for Representative bodies.

What expenses are eligible?

There are 9 categories of expenses to claim:

Social Media, advertising, website etc

Online marketing including Facebook, Instagram, Google, your website and more. Also brochures, magazine adverts, videos, store posters.

TIP: Using geographic targeting and good statistical monitoring can result in a higher claim.

Travel overseas and within Australia

Travel to meet international clients for a marketing purpose. Airfares, ground travel, accommodation, food and incidentals are eligible. Capped at 21 days per trip.

TIP: Documents are best collected before and during the trip, so speak to us for advice early.

Trade fairs

Participating in an international trade fair, forums and conferences, to promote your product or service.

TIP: This can include private promotional events you run and in store promotions.

Marketing Consultants

Consultants engaged to undertake export market research or marketing activities.

TIP: They can be based in Australia or overseas.

Overseas representatives

Long-term engagement of a person or company overseas to market your products or services.

TIP: One of your team (including a director) can relocate overseas and be your overseas representative.

Free samples

Manufacturing and sending free product samples to potential overseas buyers. For tourism applicants this includes famils.

TIP: You need to be able to prove that the samples were given away for free and for a promotional purpose.

Overseas buyers

Bringing overseas buyers to Australia to evaluate your goods, services or IP.

TIP: Keep the documents inviting the buyer to Australia and records of activities.

Patents and trade marks

Registering and maintaining registration of IP in a foreign country (excluding NZ).

TIP: Often group structures give rise to multiple EMDG applications.

Training

Training for your team to enhance your skills to market internationally.

TIP: Only eligible for Tier 1 applicants.

How we can help

We provide a full service for the entire process to maximise your grant.

Strategic advice

On the best approach for your business to access EMDG, including Tier selection.

Variations

Negotiate variations to the grant agreement.

Maximise the outcome

For this and your future grants.

Prepare and lodge

Identify the key documents needed and prepare a quality application.

Milestone reports and Audit support

Prepare and lodge the milestone reports and stand alongside you, with strong technical knowledge, to get acceptance of items claimed.

Timeline

Grants for expenses in the 2021/22 year are now closed.

Opening dates for the next round of EMDG grants have not yet been published by Austrade. It is likely that when the grant does re-open it will be for a short period of time only of +/- 6 weeks.

Contact us for more information

We work primarily on a success fee. No hourly rates, no charge for advice. Our experienced team is located across Australia, contact us to find out whether you are eligible and how much you may be entitled to.

exportsolutions.com.au/contact-us/