

The Export Market Development Grant

Introductory Notes

Introduction

The Export Market Development Grant (EMDG) supports companies (under \$50M turnover) incurring expenses to grow their revenues internationally.

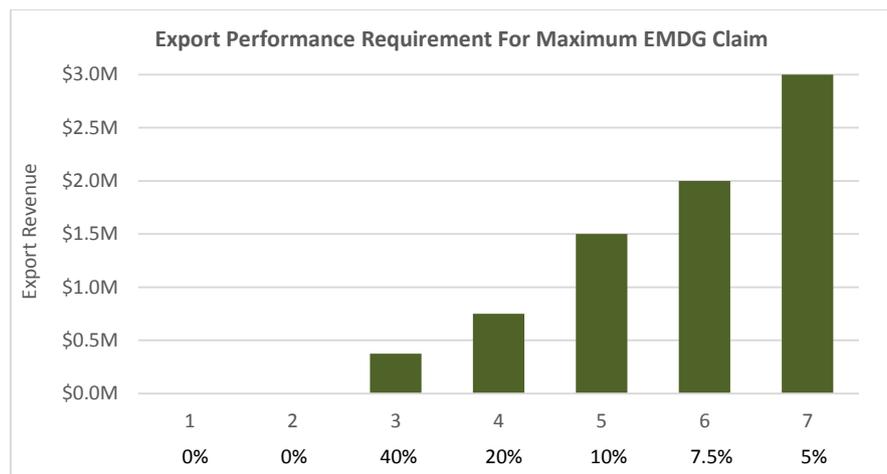
50% cash rebate
up to \$150,000

Companies conducting eligible international market development (excluding NZ, Iran & North Korea) are entitled to a 50% Federal Govt rebate capped at \$150,000. A minimum \$20,000 in expenses applies, and the 50% rebate is calculated after deducting the non-grant threshold of \$10,000.

This refund is a cash payment in two instalments. The first instalment is a guaranteed payment up to an annually set amount (\$60,000 for 12-13 claims) while the second payment amount is subject to the availability of funds remaining in the \$125M pool allocated to Austrade by the Govt. In a media release dated 12th March 2013, the Hon Kelvin Thompson MP, Parliamentary Secretary for Trade, announced that "Over 2,600 small businesses with approved grants of up to \$150,000 will likely receive the full value of their claims under the 2012-13 round of the recently-refocused Export Market Development Grants scheme." No prediction can be made for 2012-13 applications until the final lodgement numbers are known - in March 2014.

The current legislation limits the number of grants to 7 claims (which do not need to be consecutive) - a concession applies to first-time applicants where expenses can be consolidated over a 2-year period.

After the first two claims, future grant entitlements are performance based. Companies wishing to claim the full \$150,000 of entitlements must demonstrate growing export revenues.



More information about the EMDG can be found by following this link:

<http://www.austrade.gov.au/Export/Export-Grants/What-is-EMDG>

What Can Be Claimed

Grants are payable on up to a maximum of \$310,000 of eligible export-development expense (for a total maximum rebate of \$150,000), with maximum sub-totals in four of nine categories:

- **Overseas representatives:** reasonable costs that you pay to have an overseas representative act on your behalf on a long-term basis to market/promote your products or services, up to a maximum of \$200,000;
- **Marketing consultants:** the cost of engaging an arms-length consultant to undertake export market research or marketing activities up to a maximum of \$50,000;
- **International travel for marketing purposes:** the cost of travel (eg airfares, taxi fares, etc), plus a fixed rate of \$300 per day per person (to a 21 day maximum) for meals and accommodation;
- **Communications:** the direct costs of communications to promote your product eg fax, emails, phone, internet or optionally calculated at a 3% addition to your grant;
- **Free Samples:** the cost of providing free samples of the product you are promoting for export;
- **Trade Fairs & Promotional Events:** the cost of participating in an international trade fair, seminar, instore promotion, international forum, private exhibition, or similar activity;
- **Advertising & Literature:** external costs of promotional material, such as brochures, videos, DVDs, advertising and website development;
- **Overseas Buyers:** the cost of bringing potential buyers who are non-residents to Australia for an approved export promotion purpose, up to a maximum of \$7,500 per buyer per visit and \$45,000 total; and/or
- **Intellectual Property:** payments made to third parties, e.g. patent and trademark attorneys, for the grant, registration or extension of the period of registration of intellectual property for countries other than Australia or New Zealand, and the cost of insurance premiums for protection against possible infringement, in countries outside Australia, to a maximum of \$50,000.

Evidence, Evidence, Evidence

From the Austrade website: [“To be able to claim EMDG for any of the above activities:](#)

- [you must have spent the funds to seek out, create demand for or develop an export market for your product](#)
- [you must be the intended principal in export transactions \(exemptions apply for manufacturers, Approved Trading House or Approved Body applicants, events promoters, suppliers to inbound tour operators or in situations where a company closely related to the applicant owns the product intended for export\)](#)
- [the expense must have been paid by you during the financial year \(ie, it must be taken up as an expense in your books of account, not just in consolidated accounts or in the accounts of a related entity\)](#)
- [the item paid for must have been provided to you](#)
- [you must have evidence of the expense and of what it was incurred for \(ie, invoices, bank statements etc \[plus proof of purpose\]\)](#)
- [if you are claiming expenses under the overseas representatives or marketing consultants categories, you must have documentary evidence that shows the role and function of the representative or consultant](#)
- [if you are claiming expenses under the marketing visits category you must have trip reports, boarding passes, diary notes and/or other evidence which substantiate the details of the trip”](#)

ROD CAMPBELL & ASSOCIATES PTY LTD

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About Us

RCA is a boutique, independent specialist consultancy working with the Export Market Development Grant, R&D Tax Incentive, and other Federal and State Government funding programmes, including the Commercialisation Australia grants programme.

Our independent status is important. As we do not provide general accounting and tax consultancy services, we have no conflicts of interest inherent to firms that provide services across both general accounting (and tax) and EMDG areas. Instead, we work with you and your existing accountant and tax agent in a collaborative, mutually beneficial fashion.

Our two consultants offer the best skills required to maximise the value of our services:

Rod Campbell has over 30 years of specialist consulting experience in the Export Market Development Grant, R&D Tax Incentive and other grant programmes. As a former policy adviser to the Federal Government was responsible for the policy for the Export Market Development Grant programme. Rod is the current President of the Export Consultants Group and Board member of the Export Council of Australia.

Rod knows the rules 'chapter and verse', and has the skills and long experience to lead our industry.

Dave Sammut has degrees in both science and business, and has worked for 20 years in active R&D, corporate management and commercialisation of Australian technology in international markets, and in professional communications to government and investor audiences. Dave specialises in facilitating the effective communications between different disciplines, with a track record in creating value through innovation.

RCA's Services

Our role is to and service package includes:

- Understand your company's export-oriented activities;
- Support and advise you in ensuring that your export market development arrangements are structured to create maximum value for your firm;
- Provide guidance on record-keeping of evidence of your eligible export-oriented activity;
- Work with you to identify the records that you need to supply for Austrade;
- Prepare and submit your EMDG application on your behalf;
- Process and disburse your EMDG refund to you;
- Represent your company to Austrade in the mandatory audit of your EMDG claim.

Fee Structure

RCA's Export Market Development Grant services are offered on a "fee for success" basis.

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