

## Export Market Development Grants

# Tips and Hints for preparing your application

The following information will help you prepare an accurate EMDG application for the 2010-11 grant year and get the best out of the EMDG scheme.

### QUICK TIPS

- **Complete the EMDG eligibility checklist** before filling out the EMDG Application Form and Schedules.
- **Keep good records** – prepare early – set up your claim schedules early and input information on expenses as you incur them. Keep all your original receipts, invoices and other supporting documentation as you will need to show these to Austrade at the assessment audit. Claim schedules are available for downloading from [www.austrade.gov.au/exportgrants/howtoapply](http://www.austrade.gov.au/exportgrants/howtoapply)
- **Read all the instructions** in the EMDG application package before filling out the forms.
- Read Austrade's **Application Acceptance Policy**.
- **Use the help available.** EMDG staff is available to assist you – email [emdg.help@austrade.gov.au](mailto:emdg.help@austrade.gov.au) or call Austrade on **13 28 78** and speak to your local EMDG office.
- Attach all **relevant additional documentation** for Grants Entry, Goods Not Made in Australia Submission, Overseas Representation Cost and Performance Measure B.
- **Visit EMDG online for more information:** [www.austrade.gov.au/exportgrants](http://www.austrade.gov.au/exportgrants), including details of consultants who, for a fee, can assist you with the preparation of your application.
- Applications open **1 July 2011** and close **30 November 2011**. Austrade is unable to accept applications received outside this period.

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## HELP US TO HELP YOU

To better understand your entitlements under the EMDG scheme, you should familiarise yourself with the following areas:

- expenditure incurred
- principal status
- overseas representation
- goods not made in Australia
- export performance requirements.

Understanding these areas will avoid confusion or unnecessary delays in processing your application.

## EXPENDITURE INCURRED

Any expenses which have not been paid for in the grant year, (i.e. 1 July 2010 and 30 June 2011) are **not** eligible. **First-time applicants** are entitled to include two years expenditure, therefore eligible promotional expenditure paid between 1 July 2009 and 30 June 2011 may be claimed.

Expenses must have been paid by the applicant during 2010-11 (i.e. it must be taken up as an expense in the books of account of the applicant, not just in consolidated accounts or in the accounts of a related entity):

- the item paid for must have been provided to the applicant; and
- you must have evidence of the expense and its export promotional usage – refer to the EMDG **Guide to Record Keeping** – for examples of supporting documentation.

If a related company incurs expenditure on behalf of the applicant then these expenses should be:

- charged to the applicant; and
- paid by the applicant in the grant year.

Where a related company incurs the expense, it cannot be claimed. The applicant company must incur the expenditure for it to be claimable and taken up in the applicant's books of account.

Where another party such as a director of the applicant incurs expenditure, the applicant must either:

- reimburse the other party, or
- take up such expenditure by way of a bona fide loan agreement.

Such arrangements must be supported by loan agreements and a schedule detailing repayments.

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## PRINCIPAL STATUS

To be able to claim an EMD grant, the applicant must be the principal or the intended principal in export sales. This means that the sale is directly between the applicant and an overseas buyer.

- You must be the intended principal in export transactions, i.e. not an agent (exemptions apply for manufacturers, 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).
- To verify principal status, Austrade looks at the key documents of the sale (contracts, invoices, shipping documents etc.) – refer to EMDG Performance Measure Fact Sheet.

Where a related entity is principal in the export transaction, there are special rules. For those and other information, read the EMDG Administrative Guidelines available at [www.austrade.gov.au/exportgrants/publications](http://www.austrade.gov.au/exportgrants/publications) or call **13 28 78** and speak to your local EMDG office.

## OVERSEAS REPRESENTATIVES

Overseas representation expenses are commonly over-claimed where the representative undertakes promotional and non-promotional activities for the Australian EMDG applicant. When claiming overseas representative expenditure, remember that only the portion of the fee or expense relating to promotion of the Australian applicant's eligible products are claimable.

You cannot claim non-promotional activities including:

- after-sales service
- post-contractual training
- sourcing of products
- arranging clearance, warehousing or collection of goods.

Austrade may contact your representative in person or by telephone to confirm the activities they undertake on your behalf.

To assist with this process and to avoid unnecessary delays in processing, it is essential that you:

- complete all relevant sections of the Overseas Representation schedule
- ensure that all your overseas representative contact details are accurate and up to date.

If you have claimed \$40,000 or more for an overseas representative, you must also attach to your application:

- a copy of your latest financial statements (profit and loss statement and balance sheet)
- information describing the nature of activities undertaken by your overseas representative (current appointment letter of agreement, up to five monthly or weekly activity reports or emails confirming the representative's activities).

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## GOODS NOT MADE IN AUSTRALIA

For goods to be eligible for an EMD grant:

- they must be made in Australia; or
- if not made in Australia – you should attach to your application a detailed submission to show that Australia would derive a significant net benefit from the sale of these goods. You can view a submission template, along with other information to assist you, in the publication **A guide for EMDG applicants seeking to export goods not manufactured in Australia**. This is available at [www.austrade.gov.au/exportgrants](http://www.austrade.gov.au/exportgrants) under 'Application forms'.

## COMPLETING THE APPLICATION FORM AND SCHEDULES

Austrade must receive your completed application form, schedules and all other required documents between 1 July and 30 November 2011. Austrade is unable to accept applications received outside this period.

For your application to be processed as quickly as possible ensure that you have:

- answered all relevant questions in both the Application Form and supporting Schedules
- signed the application form and attached relevant Schedules and all other required documents
- attached your latest financial statements (profit and loss statement and balance sheet) if you are a first-time applicant OR if you are claiming A\$40,000 or more for an overseas representative and, where appropriate, Goods Not Made in Australia Submission and Performance Measure B mandatory documentation; and
- checked that you have your supporting documentation ready for the assessment audit.

For more information on what documents you need to submit with your application, visit [www.austrade.gov.au/exportgrants](http://www.austrade.gov.au/exportgrants) – 'Application forms'.

## COMMON PROBLEM AREAS

Some common mistakes worth avoiding to save you time and money:

- failing to attach required documents to your application
- not being able to substantiate claimed expenses with supporting documentation
- applying for an EMD grant in the name of the wrong entity (i.e. the applicant is not the intended principal or has not incurred the claimed expenditure)
- claiming expenses not yet incurred, or claiming expenses for the wrong claim year
- not organising business transaction records ready for the EMDG assessment process – this can make the assessment process take considerably longer
- not providing current, up-to-date details of overseas representatives
- claiming non-promotional expenditure.

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## MORE INFORMATION

Email [emdg.help@austrade.gov.au](mailto:emdg.help@austrade.gov.au) or contact your local EMDG office:

### NSW/ACT

GPO Box 5301  
Sydney, NSW, 2001  
Tel: (02) 9392 2787  
Fax: (02) 9392 2730

### SA/NT

PO Box 3341  
Rundle Mall, SA, 5000  
Tel: (08) 8202 7812  
Fax: (08) 8202 7808

### VIC/TAS

PO Box 310  
South Melbourne MDC, VIC, 3205  
Tel: (03) 9648 3142  
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### WA

PO Box 7400  
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### QLD

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Brisbane, QLD, 4001  
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