

Biotech

Export Market Development Grants – Fact sheet



Australian Government
Australian Trade Commission



The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for aspiring and current exporters.

What is EMDG?

EMDG encourages small and medium sized Australian businesses to develop export markets by reimbursing up to 50 per cent of eligible export promotion expenses in a financial year above a threshold of \$20,000. Eligible businesses can receive a maximum of seven taxable grants of up to \$150,000 each.

In 2010-11, 45 biotech sector exporters received \$1.9 million in EMDG grants, and generated \$16.4 million in exports.

To qualify for an EMDG grant, you must:

- be an eligible business genuinely carrying on business in Australia, with annual income of not more than \$50 million
- be seeking to export an eligible product (goods, services, intellectual property or know-how)
- have incurred expenses on an eligible promotional activity (overseas marketing visits, overseas representation, marketing consultants, participation in trade fairs, communications, free samples, promotional literature and advertising, visits to Australia by overseas buyers and registration and insurance of intellectual property).

Eligibility considerations for biotech businesses

Biotechnology companies promoting eligible, identifiable goods, services, intellectual property or know-how may apply for EMDG. Some key eligibility considerations for biotechnology companies apply to each of these categories:

Goods

- Goods must be made in Australia, or
- Goods that are not made in Australia are eligible for EMDG if Austrade determines that Australia would derive a significant net benefit from the sale of those goods outside Australia.

Services

- Can be provided either inside Australia (internal services) or outside Australia (external services).
- Internal services must be supplied in Australia and sold to a non-Australian resident (e.g. scientific or technological research or trials).
- External services must be supplied outside Australia and sold to a non-Australian resident.

Intellectual Property / know-how – ownership and Australian content

The following considerations apply:

- the applicant must be promoting the sale of intellectual property or know-how that has a significant amount of Australian input.
- the applicant must own the intellectual property it is promoting. If the applicant is a company with a closely related entity (e.g. parent controlling applicant or subsidiary controlled by applicant) the applicant and the

closely related entity must, between them, own the IP/know-how and sell or promote the sale to a foreign resident.

- applicants that have licensed their intellectual property or know-how to a foreign resident (e.g. medical research technology licensed to a company manufacturing overseas) may claim for the promotion of sales of the overseas-made goods from which they receive licence or royalty type income.

Key dates

Applications open on 1 July and close on 30 November.

Biotech industry case study

AorTech Biomaterials

AorTech Biomaterials was established in July 1997 to commercialise a range of medical grade co-polymers initially developed by the CSIRO for use in long-term medical implants.

AorTech's patented Elast-Eon™ technology combines polyurethane Elastomers and silicone. The resultant polyurethane/silicone co-polymers are robust, biologically stable and compatible with the human body. The first generation of these products were developed for critical, life supporting applications in the fields of cardiovascular surgery, interventional cardiology, cardiac rhythm management and drug delivery. Second generation polymers are suitable for a range of applications in a wide range of therapy areas including orthopaedic and plastic surgery.

A grade of Elast-Eon™ has also been developed with the specific intent of addressing the strength and safety concerns that exist with the current breast implant products. Feasibility and prototype device phases are complete and the company is actively seeking a corporate partner.

Elast-Eon™ materials can be customised to meet specific device requirements. Properties such as highly rated bio-stability, excellent mechanical strength, fatigue resistance, and haemo-compatibility have contributed to the increasingly wide acceptance of the Elast-Eon™ technology.

Export revenue constitutes the major proportion of overall turnover. The USA remains the major market for the claimant with the majority of earnings flowing from this region. Emerging markets include the UK Europe and the Middle East. The company has established representative branch offices in Utah USA and South London UK to further promote their technology throughout the USA, Britain and Europe.

AorTech has received their eighth grant. The EMDG scheme over eight years has strongly assisted the company with reimbursement of costs in the areas of representative, travel, attendance and trade fairs and the production of promotional material.

Finance Director, Gai Strouthos said, "The Export Market Development Grants have underpinned our export programme and without the grants assistance we would not have been able to pursue many of the market opportunities which we have now secured. It was invaluable in our early export development programme".