

Fashion

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, 181 businesses in the fashion sector received \$6.3 million in grants and had export earnings of around \$163.6 million.

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 fashion industry businesses

Fashion goods

For goods to be eligible for an EMDG grant:

- they 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.

Intellectual property or know-how

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. fashion designs 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.

Claimable expenses for fashion industry businesses

The following are some examples of what can be claimed under EMDG:

- expenses of promoting to foreign residents at fashion shows and related events, including those in Australia, can be claimed. Related events for this purpose may include cultural and entertainment events, exhibitions, trade fairs, meetings and private showings
- the costs of free samples of products being promoted for sale are eligible if they are provided to foreign residents outside Australia.

Key dates

Applications open on 1 July and close on 30 November.

Fashion industry case study

Wheels and Doll Baby

Ladora Holdings, trading as Wheels and Doll Baby (W&DB), is involved in the design and manufacture of high value ladies fashion, centred on all things synonymous with rock. Its W&DB boutique was first opened in 1987 in Sydney's trendy Darlinghurst.

A promoter of celebrity-driven fashion wear, the company's first celebrity customer was Michael Jackson who wanted a customised leather jacket for his Bad Tour. After just four years in business, the company's rock 'n' roll clientele included The Rolling Stones, Bob Dylan, the Divinyls, Stary Cats and INXS who bought W&DB clothes for their tours.

The beautifully crafted garments are all designed, cut and made in Australia, partly at the factory premises and also outsourced. Although the label constantly evolves, there is always a strong rock 'n' roll feel with the designs of owner-designer Melanie Greensmith. They have been described as everything from Posh Punk and Parisian Scruff to old world movie star glamour.

Export earnings have soared since the opening of W&DB stores in the UK and US coupled with a strong presence in the Japanese and United Arab Emirates markets. The brand has attracted a strong celebrity following including Kate Moss, Emma Bunton, Gwen Stephani, Kate Hudson, Pink, Daryl Hannah and Debbie Harry who have been seen out and about in W&DB collections.

EMDG has assisted W&DB with some of its promotional activities in overseas markets, including marketing visits, trade shows, advertising material and samples. The company has recently received their fifth EMDG grant.