

ICT industry

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, 481 ICT exporters received \$18.9 million in EMDG grants. These companies generated around \$565.8 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 ICT industry businesses

ICT companies promoting eligible goods, services, intellectual property or know-how may apply for EMDG. Some key eligibility considerations which may be relevant to ICT companies are set out below.

Note: computer software may be assessed as one of, or a combination of, goods, services, intellectual property rights and/or know how depending on how it is disposed of to customers and on the rights acquired by the software purchaser.

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.

ICT industry case study

Computer Troubleshooters

Computer Troubleshooters is the world's number one computer service franchise network. The model allows IT people in virtually any country to be trained to run a computer service business based on a unique and exemplary level of onsite customer service.

The Coffs Harbour based company has exported its IT model and has established over 450 outlets across twenty countries including India, Kuwait, Portugal, Spain, Romania, Greece, Morocco, Egypt, Singapore, USA, UK, South Africa, Ireland, Canada and New Zealand.

The company was chosen as the number one technical support franchise by USA Entrepreneur Magazine in 2002, 2003, 2004 and 2005. It was also selected by Gulf Franchising as one of five international franchises to be established in the Gulf region.

Computer Troubleshooters has received three EMDG grants which have assisted the company with meeting the costs of promotional material, advertising, marketing visits and engaging consultants.

Wilson and Suzanne McOrist, the company's Founding Directors remarked: "The EMDG grants are of immense benefit to our company. We have a dual focus – the Australian market and the overseas market and the grants allow us to invest more time and effort into overseas activities."