

# Export Market Development Grants Program Operational Review

## Terms of Reference

3 August 2022

## 1. Context

Austrade administers the Export Market Development Grants (EMDG) program, which is funded at $157.9 million per year (until 2025-2026). It is a grants program to help Australian small to medium enterprise (SMEs) exporters grow and diversify in international markets through funding for promotion and marketing.

*“An internal and prompt review of Australia’s Export Market Development Grants Program”* waspart of the Government’s Trade Diversification Plan, Export Market and Product Diversification Strategy.

These terms of reference set out the scope of Austrade’s operational review of EMDG, which will fulfill this commitment.

## 2. Objective

The objective of the operational review is to:

* identify and understand known and new challenges that emerged during implementation of the EMDG program
* consider adjustments to address issues identified
* recommend further improvements to meet the Government’s objectives.

This could include policy refinements and implementation enhancements which can be incorporated into EMDG Round 3, scheduled for the first quarter of calendar year 2023. Any longer-term policy issues that require significant change will be documented for the next legislative review.

## 3. Scope

The operational review will examine a range of factors relating to the management, delivery, and outcomes of the EMDG program. This will include process improvements, communication with stakeholders, and policy settings of the reformed EMDG program, to assess whether they delivered what was intended. The operational review will help improve the Government’s effectiveness and efficiency in supporting SMEs to generate additional export sales which delivers strong economic outcomes for Australia.

**The operational review will suggest process improvements, including by:**

* drawing on feedback, correspondence, surveys, and stakeholder consultation conducted in 2022 following Round 1, and specific additional stakeholder engagement
* mapping issues that generated confusion
* seeking to understand program demand and factors driving increased exporter applications to Round 1 of the program
* assessing eligibility factors, such as the tier structure, concessional thresholds, and their impacts on exporter behaviour
* understanding what drives exporter behaviour regarding export promotion opportunities and spending
* hearing the views of industry, peak and representative bodies which are engaging on behalf of their members.

**The operational review will consider and provide recommendations on communication and awareness raising including:**

* Finding opportunities to improve exporters’ knowledge and understanding of the program.
* Explaining benefits of the shift to an up-front grants payment[[1]](#footnote-2) as opposed to the complexity of the reimbursement process.

The operational review will provide a clear and evidence-based picture of EMDG. The recommendations and key deliverables will feasibly inform design elements of EMDG Round 3, planned to open in the first quarter of 2023, to allow Austrade to assess applications and plan to offer grant agreements ahead of 1 July 2023.

## 4. Stakeholder consultation

In early 2022, following the close of Round 1 of EMDG, a range of mechanisms were used to understand the client experience of the new program. These mechanisms included an all-applicant survey, a consultant/grant agent survey, applicant interviews as well as material from enquiries, complaints, and Ministerial correspondence. The operational review will draw on this research.

In addition, a new survey will be conducted, as well as a round of consultations with key stakeholders led by an independent facilitator to inform the operational review.

## 5. Timeframe

Austrade has been asked to report to the Minister within 3 months.

1. Refers to up-front payments to Tier 1 and Representative Bodies in EMDG Round 1 and up-front funding clarity in multi-year grant agreements. [↑](#footnote-ref-2)