

EXPORT MARKET DEVELOPMENT GRANTS

A GUIDE TO APPLYING

FOR EXPENDITURE INCURRED IN 2017–18
(THE 2017–18 GRANT YEAR)

The information in this document applies to eligible export marketing expenditure incurred from 1 July 2017 to 30 June 2018 (the 2017–18 grant year), and applications lodged between 1 July 2018 and midnight Australian Eastern Daylight Time (AEDT) on 30 November 2018. (Note: approved EMDG consultants can lodge applications until midnight AEDT on 28 February 2019).

A GUIDE TO APPLYING FOR EMDG

The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for small to medium aspiring and growing export-ready businesses. It encourages businesses to increase international marketing and promotion expenditure. Eligible exporters are reimbursed up to 50 per cent of eligible export promotion expenses above \$5,000, up to a maximum of \$150,000 (subject to available funds), provided total eligible expenses incurred amount to at least \$15,000.

Australian dollars are used throughout this publication.

To find out more about EMDG:

- Watch the [EMDG coaching video](#) series or attend an [EMDG Information Session](#)
- Visit the [Austrade website](#), [email us](#), or call Austrade on 13 28 78
- Consider using an [EMDG Consultant](#)

To lodge your application

You must have a current AUSkey to use the online application form and schedules. To apply for an AUSkey visit: www.auskey.abr.gov.au. You will need your ABN and personal tax file number to do this.

Important Note

Your application will be processed faster if you:

- **LODGE** before 15 October. Your application will be ahead of the bulk of applications which are received in November.
- **CHECK** your application carefully to make sure that your claims are eligible and accurate
- **CHECK** that your application meets the EMDG requirements
- **INCLUDE** all the required documentation. You will be prompted a number of times in the application form to upload a document/s. Please click on the tick box to acknowledge that you will upload the required documents (documents will be uploaded on the Supporting Documents section of the application form, just before the claim summary and submit section of the application form).

If you have any questions about your application or the eligibility of your expenses please [email Austrade](#) or call us on 13 28 78.

STEPS TO APPLYING FOR EMDG

Step 1

You must have a current AUSKey to use the online application form and schedules. To apply for an AUSKey, visit www.auskey.abr.gov.au/. You will need your ABN and personal tax file number to do this.

Step 2

Make sure your business is eligible to apply for EMDG:

- Review the eligibility check list on pages 4 and 5
- Contact Austrade on 13 28 78, if necessary, to clarify your eligibility.

Step 3

Complete the online application form at www.austrade.gov.au/Export/Export-Grants/Apply

You will be prompted to attach required documentation. There will be a description of the documents you need to submit. The descriptions can also be found in this guide under the corresponding question number.

Austrade cannot accept incomplete or late applications under any circumstances

ALL APPLICANTS

As you work through the Application Form, you may be asked to provide various documents such as financials, invoices or bank statements. The documents you will be asked for will depend on what you are claiming.

If you are claiming expenses for an overseas representative, you may be asked to submit:

- **Signed** agreement/s covering the grant year; and
- Activity reports and correspondence with the representative.

If you are promoting goods that are not made in Australia, you must also submit:

- A statement containing the information requested at pages 8 to 10.

If you have already received two grants and have selected the *Option B EMDG Performance Measure*, you must also submit:

- The information and documentation requested on pages 13 to 15.

You must complete and **submit** your online application, including the required documents referred to above between 1 July 2018 and midnight AEDT on 30 November 2018. If you are using an approved EMDG consultant they can lodge a claim on your behalf until midnight AEDT on 28 February 2019.

You must click the green “submit” button on the “review and submit” page of the online application form to lodge your application. Your application will not be received by Austrade until you click the “submit” button.

EMDG ELIGIBILITY CHECKLIST FOR THE 2017–18 GRANT YEAR

Please review the checklist before completing the online application form

<p>1. Was your business's total annual income (i.e. total turnover including sales) A\$50m or less during the last financial year? (<i>Exceptions apply for Approved Bodies and Approved Joint Ventures. Contact Austrade for more details.</i>)</p> <p>No <input type="checkbox"/> You may be ineligible to apply for an Export Market Development Grant.</p> <p>Yes <input type="checkbox"/> <i>go to the next question</i></p> <p>2. Are you, or will you, be the principal (rather than the agent) in any export sales of your goods, services or intellectual property? (<i>Exceptions apply for manufacturers, Approved Bodies, event promoters and suppliers to inbound tour operators.</i>)</p> <p>No <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Yes <input type="checkbox"/> <i>go to the next question</i></p> <p>3. Is your business promoting products (goods, services etc.) to residents of other countries?</p> <p>No <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Yes <input type="checkbox"/> <i>go to the next question</i></p> <p>4. Did your business spend at least A\$15,000 on one or more of the following eligible export promotional activities during the last financial year, or, if a first-time applicant, the last two financial years?</p> <p>No <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Yes <input type="checkbox"/> Tick all that apply</p> <ul style="list-style-type: none"> Overseas representative <input type="checkbox"/> Marketing consultant <input type="checkbox"/> Overseas marketing visits <input type="checkbox"/> Free samples <input type="checkbox"/> Patents, trademarks, registrations <input type="checkbox"/> Trade fairs, seminars, in-store promotions <input type="checkbox"/> Promotional literature and advertising <input type="checkbox"/> Overseas buyers visits to Australia <input type="checkbox"/> 	<p>5. Which of the following eligible categories do the products you are promoting fall into? <i>Tick all that apply:</i></p> <p>A good made in Australia <input type="checkbox"/></p> <p>A good made outside Australia where Australia would derive a significant net benefit from its sale overseas – see www.austrade.gov.au/exportgrants for more details <input type="checkbox"/></p> <p>A tourism service <input type="checkbox"/></p> <p>An event held in Australia <input type="checkbox"/></p> <p>Non-tourism services except those specified as ineligible in the EMDG Regulations – see www.austrade.gov.au/exportgrants for more details <input type="checkbox"/></p> <p>An intellectual property right that you own or have exclusive rights to, and that mainly resulted from work done in Australia <input type="checkbox"/></p> <p>A trademark that was owned, assigned or first used in Australia <input type="checkbox"/></p> <p>Know-how that mainly resulted from work done in Australia <input type="checkbox"/></p> <p>6. Tick the box if any of the expenses you are claiming fall into the following ineligible categories?</p> <p><i>Ineligible Expenses:</i></p> <p>Expenses arising from product development, production, certification or distribution, from after-sales activities or from seeking investment <input type="checkbox"/></p> <p>Expenses that were incurred by a related business entity <input type="checkbox"/></p> <p>Expenses that relate to business with the Democratic People's Republic of Korea (North Korea) or New Zealand, or that relate to business with Iran up to and including 17 January 2016. <input type="checkbox"/></p> <p>(continued over)</p>
--	--

<p>Expenses that were incurred by you when you were not a resident of Australia <input type="checkbox"/></p> <p>Expenses that have or will be paid for by a third party, excluding EMDG (i.e. another business or government grant program). <input type="checkbox"/></p> <p>Expenses that are a commission or discount <input type="checkbox"/></p> <p>Expenses that pre-pay for goods or services that will be received after 30 June 2017 (some exceptions apply – contact Austrade for details) <input type="checkbox"/></p> <p>Expenses incurred in payment of an Australian tax, levy or charge (except Australian departure tax). <input type="checkbox"/></p> <p>Expenses that relate to an illegal or unlawful activity <input type="checkbox"/></p> <p>Expenses that relate to any form or pornographic material with a classification equivalent to the X-rating for films <input type="checkbox"/></p> <p>Cash payments exceeding A\$10,000 per application <input type="checkbox"/></p> <p>7. Did you tick any of the ineligible categories for the expenses you are claiming at question 6?</p> <p>No <input type="checkbox"/> go to the next question</p> <p>Yes <input type="checkbox"/> You cannot claim these expenses</p> <p>8. Were all the expenses paid by you, the applicant, during 2017–18 or if a first-time applicant, during 2016–17 and 2017–18?</p> <p><i>Note: Any expense charged to you must have been paid by you during 2017–18 (or during 2016–17 and 2017–18 for first-time applicants). Payments can include off-set arrangements. The date of payment is taken to be the date that your bank, financial institution or credit card account was debited:</i></p> <ul style="list-style-type: none"> • Payment by cheque • Payment order; or • Credit card <p>No <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Yes <input type="checkbox"/> go to the next question</p> <p>9. Will you be able to show Austrade relevant documents (such as invoices, shipping documents, bank statements, correspondence or reports) which verify the amount and the purpose of your export promotion expenditure?</p> <p><i>Note: If you intend to rely on foreign language documents for substantiation purposes they must be accompanied by full English-language translations.</i></p> <p>No <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Yes <input type="checkbox"/> go to the next question</p>	<p>10. Is your business a continuation of a business that has received EMDG grants, e.g. has your business acquired a business, part of a business or significant assets, or have your directors been associated with any other business that has received EMDG Grants?</p> <p>No <input type="checkbox"/> Please read the following statements</p> <p>Yes <input type="checkbox"/> you may be ineligible to apply for an EMDG</p> <p>Please note: If you have already received two grants and are not an Approved Body, you will need to satisfy the requirements of an EMDG performance measure in order to be eligible to receive third and subsequent grants – there are two alternative options to meet this performance measure:</p> <ul style="list-style-type: none"> • Option A – an assessment of export earnings • Option B – an assessment of a range of indicators of future export success. <p>For more details see Q29 of the Guide to Applying for EMDG assistance.</p> <p>If you choose the Australian Net Benefit Requirement (Option B) you must attach the following documents to your EMDG application:</p> <ul style="list-style-type: none"> • Your business plan, including your international marketing strategy • an audited statement of income received and receivable from all sources, including international sources, for 2017–18, from a registered company auditor • an opinion of the applicant’s export potential prepared by a registered company auditor • an audited balance sheet for 2016–17 and 2017–18 from a registered company auditor • a statement detailing the economic benefits generated, or that will be generated, in two or more of the following areas: <ul style="list-style-type: none"> ○ employment in Australia ○ new capital investment in Australia ○ introduction of new technologies in Australia ○ new value added operations in Australia <p><i>You must have a current AUSkey to use the online application form and schedules. To apply for an AUSkey, visit www.auskey.abr.gov.au/. You will need your ABN and personal tax file number to do this.</i></p> <p><i>If you have any questions, or if after having completed this checklist you are still unsure of your eligibility, please call Austrade on 13 28 78.</i></p>
--	--

Completing your 2017–18 application

This section is designed to assist you to complete the grant year application form. If you do not understand any question, or its requirements, please [email Austrade](#) or call us on 13 28 78 for assistance.

The following information is designed to be read in conjunction with the application form.

Have you reviewed the EMDG eligibility checklist on pages 4 and 5?

TERMS AND CONDITIONS

Terms and Conditions of Use

Terms and conditions of use need to be read and agreed to prior to continuing with application.

Confidentiality and Privacy

[Confidentiality and privacy statement](#) needs to be read and agreed to prior to continuing with application.

Declaration by Applicant

Please read this declaration carefully before signing (you will be requested to upload this document at the “Submitting Documents” section of the application form prior to submitting your application).

QUESTION 1: Australian Business Number?

This question is filled in automatically on the online application form when signing in using an AUSKey which you obtain by registering at www.auskey.abr.gov.au using the ABN of the applicant.

QUESTION 2: Name of applicant?

The applicant is the person, business or entity that is applying for a grant. For self-lodged claims the name attached to the ABN you access via your AUSKey is the name that will be pre-populated in the form. The following is a guide to help you answer question two:

Business Type	Name to be provided
Sole Trader	The name of Sole Trader
Partnership	The name of the Partnership
Company	The name of Company, as incorporated
Austrade Approved Status	The name of the joint venture or approved body granted approved status (approval is granted prior to the application being lodged).
Trustee applying on behalf of a Trust	The name of the Trustee

If you trade under another name, or have a registered business name, please provide this information in the space provided on the application form.

BUSINESS DETAILS

QUESTION 3: Business categories

This question seeks basic background information about your business.

CHOICE TO BE MADE:	CHOOSE IF YOU ARE:
An individual who is a resident of Australia	An individual
A body incorporated under the <i>Corporations Act 2001</i> *	An incorporated company
An association or co-operative incorporated under an Australian Law	An association or co-operative
A partnership regulated by an Australian Law	A partnership
A body corporate established for a public purpose by or under an Australian Law	Body Corporate for a public purpose
Approved joint venture	EMDG approved joint venture
Approved body	EMDG approved body

* select this option and also respond to Question 5 if you are a trustee applying on behalf of a trust.

QUESTION 4: ACN number and Approved status expiry date?

Provide your Australian Company Number (ACN) if applicable. The second part of question 4 is only applicable if applicant is an approved body or an approved joint venture.

QUESTION 5: Is the applicant a trustee?

This question seeks basic background information about your business. Please note a trust cannot be an applicant. The applicant **must** be the trustee of the trust.

QUESTION 6: Do you or your [associate/s](#) have any outstanding [disqualifying convictions](#)?

In order to be eligible for an EMDG grant, you or your associate/s* must not have of any disqualifying convictions both at the time of lodging your EMDG application, and at the time of becoming entitled to and receiving your final grant payment.

A disqualifying conviction is an offence under the *Corporations Act 2001*, the *Crimes Act 1914* or the Criminal Code that relates to fraud and dishonesty or where a person directly or by aiding or abetting another person, causes any Commonwealth or Territory law to be broken.

Offences against Section 39 of the repealed [EMDG Act 1997](#) relating to the making of false or misleading statements or providing false or misleading documents in order to obtain a grant are also considered to be disqualifying convictions under EMDG.

A disqualifying conviction in respect of a person remains outstanding against the person for the period starting on the day on which the conviction was recorded and ending:

- five years after the individual convicted was released from prison, if the conviction was for a term of imprisonment; or
- in any other case, five years after the day on which the conviction was recorded

Full rules are provided in the [EMDG Act 1997](#) – see especially Sections 16 and 17.

QUESTION 7: What date did your business operations commence?

This question seeks basic background information about your business.

QUESTION 8: Which one of the following categories best describes your core business?

This question seeks basic background information about your business.

QUESTION 9: Describe what you are exporting

Provide a complete description of the goods you intend to sell or the services or intellectual property you intend to offer to foreign residents.

QUESTION 10a: Are you seeking to export goods (i.e. not services, IP or know how)?

QUESTION 10b: Are the goods made ONLY made in Australia?

NOTE: Choose “No” if all or some of the manufacturing occurs offshore.

Goods made in Australia:

Your goods are made in Australia if they are:

- A. Australian primary products, including products mined, harvested, raised or fished within Australia
- B. Made primarily from Australian primary products (whether in Australia or overseas)
- C. Manufactured or assembled in Australia, partially or wholly from imported materials or components, if those materials or components undergo or are included in a process or operation which:
 - (a) results in the manufacture of a new product; or
 - (b) substantially transforms the nature of the materials or components; or
 - (c) represents an important stage of manufacture in an ultimate product produced from the exported product, provided that the process in operation is:
 - i. not designed to circumvent the correct origin of the product; or
 - ii. not simply grading, packing or sorting of imported components.

If your goods are “made in Australia”, under the above criteria, they are eligible and you do not need to provide further information about them in your EMDG application.

Goods not made in Australia

If the goods you are promoting are not made in Australia (that is to say, they do not meet the requirements for being made in Australia as set out above):

- They are only eligible for EMDG purposes if Austrade determines that Australia would derive a significant net benefit from the sale of these goods outside Australia
- You need to prepare a detailed submission providing information under all the following headings and attach it to your application. You will be prompted in the online application.

Request for consideration of eligibility of goods not made in Australia	
1	Name of the applicant and applicant's ABN (as per questions 1 and 2 of the EMDG 2017–18 grant year application)
2	Description of goods not made in Australia
3	Explanation of the production process: Please explain where different parts of the good are made, the origin of the inputs, where the good was designed and where the production process was carried out
4	<p>Australian base of business assets:</p> <p>Where are the business assets based (other than assets used in physical manufacture) which are used in making the goods ready for sale?</p> <p>Are these business assets primarily or substantially based in Australia, and what is their estimated dollar value?</p> <p>Who owns any intellectual property, patents, copyright relating to the goods?</p> <p>List which assets are used and how the assets are used to make the goods ready for sale.</p> <p>Please provide specific details.</p>
5	<p>Australian base of business activities:</p> <p>Where are the activities based (other than physical manufacture) which result in making the goods ready for sale?</p> <p>Are these activities, including research and development, logistics etc., primarily or substantially based in Australia?</p> <p>Please provide specific details including a staffing profile and their role in export sales.</p>
6	<p>Value added:</p> <p>What proportion of the value of the goods is added within Australia (i.e. how much of the final sales price of the goods is attributable to Australian inputs, such as components, research and development and intellectual property)?</p> <p>Please provide specific details and a costing report for each product made overseas.</p>
7	Employment impact: Does or would the sale of the goods generate employment in Australia? Please provide specific details.
8	Other economic benefits: Does or would the sale of the goods generate other economic benefits in Australia? Please provide specific details.
9	Financial Statements: If not provided under points 1 to 8 above, please provide financial statements which demonstrate the economic benefits for Australia.
10	<p>Other points:</p> <p>Please provide any further information or comments that you think Austrade should take into account in determining whether Australia would derive a significant net benefit from the sale of your goods outside Australia.</p> <p>You may also attach any documents that you think would assist. Please note Austrade will base its determination primarily on the information you provide under headings 4 to 8 above.</p>

Please provide a detailed, comprehensive and factual submission to allow us to determine your application. Submissions which lack substance are unlikely to be successful. We advise you to contact Austrade 13 28 78 for advice before proceeding, and / or see the [EMDG Guide to exports](#). The Ministerial Determination on the "Significant net benefit guidelines" also provides further details.

Austrade will be unable to consider the application unless all of the information and documentation requested above is provided by the closing date for applications.

QUESTION 11: As the applicant, are you the principal or intended principal in the export business you are promoting?

In most cases, expenses will only be eligible where the applicant is the principal. This means that the applicant:

- Must own the product / services being promoted for export
- Must be the seller or intended seller of these products to foreign residents, rather than being, for example, an agent of the seller
- Should only include transactions for claimed expenses and export earnings (if any) that are in the applicant's accounts, not just in consolidated accounts, or in the accounts of a related entity.

Applicants promoting intellectual property or know-how must promote the supply of intellectual property or know-how to a foreign resident.

Applicants not required to promote as principal

There are some circumstances in which it would not be appropriate to expect applicants to be the principal. These circumstances are:

- Manufacturers – Applicants that make their promoted goods in Australia do not have to own these goods or promote their sale to a foreign resident – refer to paragraph 37(1)(b) of the EMDG Act 1997.
- Approved Bodies and Approved Joint Ventures – These entities are approved so that they can receive EMDG support for the promotion of their members' products rather than their own.
- Tourism service suppliers promoting sales to Australian inbound tour operators. By definition these applicants do not sell their services to a foreign resident, but do so via an intermediary.
- Event Promoters – By definition these applicants do not sell their services to a foreign resident but assist the holder of an Australian event to maximise the number of foreign attendees at the event.
- Applicants that qualify under sub-section 37(1)(A) of the EMDG Act 1997 – This allows some applicants to qualify where the applicant is not technically principal but, given the applicant's business structure, could be considered to be so for the purposes of the Act (e.g. wholly owned subsidiaries).

QUESTION 12: Are you or your [associate/s](#) currently under insolvency administration?

A grant is not payable if the applicant or associate/s of the applicant is subject to insolvency provisions at the time of the grant determination or at any time until the issuing of any grant notice of determination.

Sections 87B and 87C of the [EMDG Act 1997](#) contain the insolvency administration provisions and Section 107 of the Act defines the term associate and identifies who is subject to the insolvency provisions.

QUESTIONS 13 – 14: Basic background information

These questions seek basic background information about your business.

QUESTION 15: Contact

The Contact must be:

- someone that owns or works in the business or entity, such as the Managing Director, CEO, Registered Company Secretary, or
- the applicant, sole trader or partner.

The EMDG Consultant cannot be the contact on the claim.

QUESTION 16: What was the total income (e.g. your total turnover including sales) for your business for 2017–18?

You need to provide the value (in Australian dollars) of your total income received in the 2017–18 financial year. Your income includes anything which is regarded as income for taxation purposes under the *Income Tax Assessment Act 1936*. If you are not subject to the *Income Tax Assessment Act 1936* please include all amounts which would, except for the exemption, be regarded as income under the Act.

If your income in 2017–18 exceeded \$50 million you are not eligible for a grant, except if you are an approved joint venture or approved body applicant.

QUESTION 17: What was the total number of employees of your business as at 30 June 2018?

This question seeks basic background information about your business.

BUSINESS STRUCTURE

QUESTION 18: Were you a part of a [group of related companies](#) at 30 June 2018?

NOTE: Include all holding companies and all subsidiaries, as well as any overseas registered companies, in a corporate group.

Question 18 only applies if you are applying as a company and you are part of a related company group. A related company group means a group of related companies within the meaning of Section 50 of the *Corporations Act 2001*. This includes all holding companies and all subsidiaries in a corporate group. A subsidiary means a subsidiary within the meaning of Section 46 of the *Corporations Act 2001*.

If you are a part of a related company group you need to provide details to Austrade on a Related Companies schedule (refer to Schedule 10). If other members of your group also apply for an EMDG grant for 2017–18, the total of all grants payable to members of that related group is limited to \$250,000 per annum.

In cases where the total grant entitlements for the group as a whole exceed \$250,000, payment to each member is apportioned appropriately. However eligibility for grants is assessed on an individual basis.

QUESTION 19: Has your business had a change of name?

This question is asking if you have had a change in your business activity including (but not limited to):

- Change of name
- Transfer of the business activity to a new owner
- Reactivation of a defunct company
- Transfer of a business activity to a licensee
- Transfer of licensing of goods / services
- Incorporation of a company to carry on a business activity previously operated by another business
- Merger
- The same operations and / or management have previously applied for a grant.

If your business activity has been subject to any of these changes, answer “Yes” to this question and provide the date of the change and the previous business name. Austrade may transfer any EMDG grant history of the old business to the new business.

QUESTION 20: Are you carrying on a business, or have bought a business or part of a business, or acquired significant assets from any other person / business that have or may have received an EMDG grant?

This question seeks basic background information about your business.

QUESTION 21: Enter the names of company Directors or Partners

Provide a list of all company directors or partners in the partnership during 2017–18.

QUESTION 22: Have the Directors or Partners that were recorded office holders during 2017–18 ever been involved with any other business that has previously applied for an EMDG Grant?

This question seeks basic background information about your business.

QUESTION 23: Consultant details

Enter the details of your consultant if a consultant prepared the claim for you.

GRANT HISTORY

QUESTION 24: Have you ever received a grant from EMDG?

There is a limit of eight grants per recipient, five grants per Joint Venture recipient, and no limit for Approved Body recipients. At this question you need to state how many EMDG grants you have received so far.

You do not need to report the following EMDG grant payments:

- Grants of less than \$3,500 before 1985–86
- Grants received before 1985–86 paid to an Australian educational institution
- Grants received before 1990–91 that related solely to reimbursement of promotion expenses for an eligible tourism service.

If you have never received an EMDG grant from Austrade you are regarded as a first-time applicant.

First-time applicants must meet Grants Entry Requirements in order to be eligible to apply for a grant. To meet Grants Entry Requirements you must:

- Have sufficient financial resources to carry out your intended activities
- Have taken reasonable steps to prepare for export; and
- Not be carrying out unlawful or impracticable export activities.

In order to help us assess your business for Grants Entry purposes, attach your latest financial statements (profit and loss and balance sheet) for 2017–18.

For first-time claimants only – Are you claiming two years' expenses

If you are a first-time applicant, answer yes if you are claiming two years' expenses. You can claim two years' expenses to satisfy the \$15,000 expenditure threshold (for example 2016–17 and 2017–18) and to maximise the value of your first year grant..

QUESTION 25: How many grants have you received?

Provide the number of grants already received.

QUESTION 26 and 27: Intention to upload required documents

There are a number of times in the application form where you will be asked to upload a document. There is a special section of the application form which will prompt you to upload the required documents.

QUESTION 28: Provide your EMDG Client number if you know it?

Provide your EMDG Client number if you know it.

QUESTION 29: EMDG Export Performance Measure

Take care in answering this question as you cannot change the option once the application is submitted.

If you have received a grant for two or more grant years, you must meet an export performance measure for the 2017–18 grant year. You must meet either select:

- Export Performance Requirements (Option A); or
- Australian Net Benefit Requirements (Option B).

- **OPTION A Export Performance Requirements:**

Under Option A, applicants that have already received two or more grants will be subject to an export performance test which may reduce your grant entitlement. Under this test and subject to the maximum grant amount of \$150,000 and the amount of funding available under the scheme, applicants will receive the lesser of:

- 50 per cent of (total eligible expenses less \$5,000 non-reimbursable threshold amount); or
- The relevant percentage of export earnings depending on how many grants you have received

Grant year	Percentage of export earnings
3	40%
4	20%
5	10%
6	7.5%
7 and 8	5%

For applicants entitled to an amount in excess of the initial payment ceiling amount, this will be subject to demand for grants and the amount available for second tranche payments for the 2017–18 grant year. Refer to page 19 for further information on second tranche payments.

See pages 18 and 19 of this guide for more details on how grants are calculated under Option A.

OPTION B – Australian Net Benefit Requirements

Under Option B, applicants must satisfy the Australian Net Benefits Requirements in order to be able to continue to receive grants. Applicants that meet these requirements for the 2017–18 grant year will be entitled to receive a grant calculated according to its assessed 2017–18 eligible expenses. For applicants entitled to an amount in excess of the initial payment ceiling amount, this will be subject to demand for grants and the amount available for

second tranche payments for the 2017–18 grant year. Refer to page 19 for further information on second-tranche payments.

You must choose either Option A or Option B at the time of application and you cannot change your choice.

Unless all the documentation requested above is provided with your application, before the lodgement deadline, Austrade will be unable to consider the application.

If you choose Option B, and do not meet the Australian Net Benefit Requirements, you will not be entitled to receive a grant. You cannot revert to Option A once you have elected Option B, and vice-versa.

Austrade will determine if an applicant satisfies the Australian Net Benefit Requirements by taking into account whether:

- A. A commercial return
 - i. was received in the grant year
 - ii. is receivable in respect of the grant year, or
 - iii. can reasonably be expected to be received in the foreseeable future by the applicant as a result of the activities to which claimed expenses relate and that, having regard to the length of the periods over which those activities have been undertaken and the amounts expended on them, that commercial return:
 - was or would be reasonably commensurate with the quantum of those expenses; and
 - of sufficient magnitude as to warrant further expenditure of public monies by way of a further grant; and
- B. The financial position of the applicant's business, including its reasonable prospects of gaining access to adequate levels of finance, is such that the applicant has reasonable prospects in the foreseeable future of achieving sustainable international business success; and
- C. The applicant's international business activities do now, or are reasonably likely in the foreseeable future to, generate economic benefits to Australia in two or more of the following areas:
 - (i) employment in Australia
 - (ii) new capital investment in Australia
 - (iii) introduction of new technologies into Australia
 - (iv) new value-added operations in Australia

Being benefits that are reasonably commensurate with the sum of any eligible expenses previously claimed by the applicant; and the amount of the eligible expenses now claimed by the applicant.

If you choose Option B, you must provide the following types of information and documents to show that you meet the Australian Net Benefit Requirements:

1. The applicant's business plan, including applicant's international marketing strategy
2. The applicant's audited statement of income for the grant year, including:
 - a. the income received by the applicant from all sources including international sources; and
 - b. the income receivable by the applicant from all sources including international sources
3. an opinion of the applicant's export potential, based on:
 - a. the applicant's sales and revenue budgets for the year following the grant year; and

- b. an examination of any correspondence that supports the projected export income; and
 - c. a comparison of the applicant's previous sales and revenue projections with actual results in those periods
4. The applicant's audited profit and loss statement for the grant year and the year preceding the grant year
 5. The applicant's audited balance sheet for the grant year and the year preceding the grant year
 6. A statement that details the economic benefits generated, or that will be generated, from the applicant's international business activities in each of the following areas:
 - a. employment in Australia
 - b. new capital investments in Australia
 - c. introduction of new technologies in Australia
 - d. new value-added operations in Australia

A reference to an audited statement of income or an audited profit and loss statement, or an audited balance sheet is a reference to a document that has been audited by a person who is a registered company auditor under the *Corporations Act 2001*. A reference to an opinion of the applicant's export potential is a reference to a document that has been prepared by a person who is a registered company auditor for the *Corporations Act 2001*.

QUESTION 30: Have you been paid, or are you entitled to be paid, by a third party, for any EMDG eligible expenses in this claim (e.g. by another business or government program)?

If the answer is "Yes" do NOT include these expenses in any schedules in your EMDG claim.

QUESTION 31: Payment of your Grant

Please contact Austrade on 13 28 78 if you need assistance with this question.

Austrade provides grant payments by electronic funds transfer (EFT) only. An EFT payment advice will be issued confirming payment.

QUESTION 32: Have you excluded all the following Ineligible Expenses and Export Earnings

- Expenses arising from production, product development, distribution or certification, after sales service or seeking investment
- Expenses that were incurred by a related business entity
- Expenses incurred by you when you were not a resident of Australia
- Expenses that are a commission or discount
- Expenses that pre-pay for goods or services that will be received after 30 June 2018
- Expenses incurred in payment of an Australian tax, levy or charge (except Australian Departure tax)
- Expenses that relate to an illegal or unlawful activity
- Expenses that relate to any form of pornographic material with a classification equivalent to X-rating for films
- Cash payments exceeding A\$10,000 per application
- Expenses that were not paid by you in the grant year (date of payment is taken to be the date your bank, financial institution or credit card is debited)
- You MUST exclude expenses and export earnings from the Democratic People's Republic of Korea (North Korea) and New Zealand, and expenses and export earnings from Iran incurred and/or acquired up to and including 17 January 2016.

QUESTION 33: Complete a schedule for each expense category you are claiming

You are required to input the export promotion expenses for which you are claiming reimbursement. If you have not previously received an EMDG grant you may claim expenses for both 2016–17 and 2017–18.

Total expenses must be at least \$15,000.

Information on how to complete your expense schedules is provided on page 21. EMDG Schedules and guidelines on what expenses you may claim under each category are provided on pages 22 to 37.

Note: Expenses and Export Earnings relating to the Democratic People's Republic of Korea (North Korea) and New Zealand market are not eligible, and those relating to the Iran market are not eligible up to and including 17 January 2016.

You will be required to complete schedules for the following eligible export expenditure:

- Overseas representation
- Marketing consultants
- Marketing visits
- Free samples
- Trade fairs and promotions
- Promotional literature and advertising
- Overseas buyers
- Registration and / or Insurance of eligible Intellectual Property (IP)

Complete a Schedule for each expense category you are claiming. Do NOT claim Australian taxes such as GST.

Do NOT include any expenses for which you have been paid, or entitled to be paid, by a third party e.g., by another business or government program.

QUESTION 34: Calculate your Export Earnings and Expenses by each Country

Note: Complete a schedule for each export earnings category relevant to your business. Even if this is your first or second application, providing details of your export earnings will facilitate a smooth assessment of your application.

Export earnings are mandatory in order to receive a grant if this is your third or later application.

Your Export Earnings relate only to those earnings received during the period 1 July 2017 to 30 June 2018. Export Earnings are what you receive from the sale or disposal of your export product.

You will be required to complete schedule for the following eligible export earnings:

- Export earnings – goods
- Export earnings – services / intellectual property / know-how
- Export earnings – tourism services
- Export earnings – event promoters
- Export earnings – related entities.

Example for Questions 34 and 35:

You export Australian-made goods to four export markets: India, Norway, Brazil and Japan. In addition, you have promoted to Sri Lanka but have not received any export earnings from this market. You want to claim reimbursement for \$150,000 of export promotion expenses you have incurred (calculated by completing your expense schedules). Your calculated export earnings for 2015–16 are A\$400,000 (calculated by completing your Export Earnings Schedules 9A to 9E).

Question 35: Total Expenses and Earnings

Please provide an estimate of the expenses and exports by country

- Details of up to 6 countries can be provided.
- Only include countries that have 10% or more of the exports or expenses in this application. All other amounts should be included in "rest of the world"
- The "rest of the world" field is automatically calculated so that the total amount equals the amount claimed in the application form schedules
- There are 2 options to complete this section. The estimates can be provided by A\$ or %

Note: Expenses and Export Earnings relating to the Democratic People's Republic of Korea (North Korea) and New Zealand markets are not eligible, and those relating to the Iran market are not eligible up to and including 17 January 2016.

Example:

Country	Whole dollars and percentages only			
	Expenses A\$ (per country)	Expenses % (per country)	Earnings A\$ (per country)	Earnings % (per country)
Japan	\$20,000	20%	\$30,000	30%
China	\$20,000	20%	\$20,000	20%
Singapore	\$20,000	20%	\$20,000	20%
UK	\$10,000	10%	\$10,000	10%
USA	\$10,000	10%	\$10,000	10%
Thailand	\$10,000	10%	\$10,000	10%
Rest of the world	\$10,000	10%	0	0%
Total	\$100,000	100%	\$100,000	100%
Amount in application	\$100,000		\$100,000	

QUESTION 36: Consultant reportable eligibility document

Only Quality Incentive Program Consultants are to complete this document if there is an eligibility point they may wish to explain or expand upon.

QUESTION 37: Information Sharing

We will make available the following information in your application to our colleagues within Austrade, including our Tradestart advisers, to compliment the information that Austrade collects on the capacity of Australian businesses looking to export, for trade facilitation purposes:

- contact details (including your name, position, contact phone number and email address)

- a description of the product that you are promoting overseas
- details of the marketing expenses you are claiming reimbursement for
- the value of the export earnings stated in the application and the countries they relate to
- turnover
- the number of people employed by you.

Information provided by you in this application will be kept confidential by Austrade. It will be used by Austrade for the purposes of the *Export Market Development Grants Act 1997* (EMDG Act) and the *Australian Trade and Investment Commission Act 1985* (Austrade Act).

As an Australian Government agency, Austrade is bound by the Australian Privacy Principles (APPs) in the *Privacy Act 1988* which regulate how Austrade may collect, use, disclose and store personal information and how individuals may access and correct personal information held about them.

For additional information please see the [EMDG confidentiality and privacy notice](#), which is available from the Austrade website.

REQUIRED SUPPORTING DOCUMENTS

Depending on your answers to the questions in the application form you will be required to upload some supporting documentation.

QUESTION 38. What is the name of the person who signed the Applicant Declaration?

Requests for further information

Applicants may be asked to provide specific additional information so that their grant application can be processed. If the applicant is a body corporate which is part of a related company group, Austrade may seek information from any body corporate in the group.

Austrade may also request the applicant's written consent to conduct criminal record checks in order to confirm that provisions of the [EMDG Act 1997](#) concerning disqualifying convictions are complied with. These requests by Austrade will be made in writing and will specify the information required. Austrade may refuse to consider an application when requested information is not provided.

You should inform third parties, such as employees and service providers, either in writing or verbally, that Austrade may collect and record their personal information relating to an EMDG application. This personal information may be used to verify payments you make to those third parties, as required under the [EMDG Act 1997](#).

Calculating your grant

You must have at least \$15,000 in expenses to lodge an application.

Once assessment of your application has been completed, your provisional grant entitlement will be calculated. If you have not received two or more grants, you will get up to 50 per cent of your eligible export promotion expenditure over \$5,000.

Your grant will be calculated as 50 per cent of (total eligible expenses less \$5,000).

If you have received two or more grants and you have chosen to take Option A EMDG Performance measure at Question 28 on the 2017–18 application form, you will be subject to an export performance test. Under this test and

subject to the maximum grant of \$150,000 and funds available in the scheme, you will receive the lesser of:

- 50 per cent of (total eligible expenses less \$5,000); or
- The relevant percentage of export earnings depending on how many grants you have received.

These percentages are as follows:

Grant year	Percentage of export earnings
3	40%
4	20%
5	10%
6	7.5%
7 & 8	5%

Example 1:

Applicant has received two previous grants:

Total 2017–18 eligible expenses	\$200,000
Total 2017–18 export earnings	\$400,000

Based on its level of eligible expenses:

$$50\% (\$200,000 - \$5,000) = \$97,500$$

Because the applicant is applying for its third grant, its grant will be the lesser of the \$97,500 amount and 40 per cent of its \$400,000 export earnings i.e. \$160,000.

The applicant will be entitled to a grant of \$97,500*

Example 2:

Applicant has received six previous grants:

Total 2017–18 eligible expenses	\$200,000
Total 2017–18 export earnings	\$400,000

Based on its level of eligible expenses:

$$50\% (\$200,000 - \$5,000) = \$97,500$$

Because the applicant is applying for its seventh grant, its grant will be the lesser of the \$97,500 amount and 5 per cent of its \$400,000 export earnings i.e. \$20,000.

The applicant will be entitled to a grant of \$20,000.*

*For applicants entitled to an amount in excess of the initial payment ceiling amount, this will be subject to demand for grants and the amount available for the second-tranche payments for the 2017–18 grant year.

If you have received two or more grants and you have chosen to take Option B EMDG Performance measure at Question 28 on the 2017–18 application form, you must meet the Australian Net Benefits Requirements in order to

receive further grants. Applicants that meet these requirements for the 2017–18 grant year will be entitled to receive a grant calculated according to its assessed 2017–18 eligible expenses.

The maximum grant for eligible applicants is \$150,000, subject to funds available in the scheme as described below. There is a limit of eight grants per recipient and five grants per Approved Joint Venture recipient. There are no grant limits for Approved Body recipients.

Split-Payment System

Grants are paid under a split-payment system. If your provisional entitlement is calculated to be less than or equal to the amount determined as an initial payment ceiling, you will be paid your full entitlement in a single payment.

The initial payment ceiling for the 2017–18 grant year is \$40,000.

If your provisional entitlement is calculated to be more than the initial payment ceiling, you will be paid in two instalments:

- An initial payment equal to the initial payment ceiling, and
- A second-tranche payment at the end of the financial year

The value of the second-tranche payment will depend on the amount of EMDG funds remaining in the EMDG budget once all recipients' initial payments have been made.

You should not plan or make financial commitments which assume you will receive any particular level of second tranche payment for which you provisionally qualify. Austrade accepts no liability for any loss arising from the actions of an applicant who assumes any particular level of payment under the EMDG scheme.

See the [Austrade website](#) for full details of grant calculations.

Please note:

- Grants are regarded as assessable income for taxation purposes
- The rules of the scheme are provided under the EMDG Act 1997 accessible from the Austrade website
- It is an offence to obtain a grant or an increased amount of grant through deceit, false representation or other unlawful means. Austrade has an active fraud prevention program. To report a suspected fraud against the EMDG scheme contact the [EMDG Fraud Hotline](#) or call 1800 006 352.
- Expenses and Export Earnings relating to the Democratic People's Republic of Korea (North Korea) or New Zealand markets are not eligible, and those relating to the Iran market are not eligible up to and including 17 January 2016
- You will not be paid a grant if, at the time of being entitled to receive one, any of the following apply:
 - You do not have an ABN
 - You are under insolvency administration
 - You have a disqualifying conviction outstanding
 - You or an associate/s is determined by Austrade not to be a fit and proper person to receive a grant; in accordance with the Ministerial Guidelines. These guidelines are available on the [Austrade website](#).
 - It appears that the expenses claimed are not properly submitted, or may not be reasonable, commercial or bona fide.

WHAT ELSE CAN AUSTRADE DO FOR YOU?

The Australian Trade and Investment Commission (Austrade) is the Australian Government's trade and investment development agency.

Through a network of offices in over 50 countries, Austrade assists Australian companies to succeed in international business, attracts productive foreign direct investment into Australia and promotes Australia's education sector internationally.

We provide information and advice to help Australian companies reduce the time, cost and risk of exporting. For Australian exporters ready to expand their business in growth and emerging markets, we offer a range of tailored trade services including:

- Information and advice on doing business in international markets
- Help with international market selection
- Identification of relevant international contacts
- Assistance with market entry and expansion
- Identification and follow-up of specific international business opportunities.

Austrade also provides online information on [export financing](#) and other government financial assistance programs.

CONTACT AUSTRADE:

Telephone: 13 28 78

Email enquiries: EMDG.help@austrade.gov.au.

FEEDBACK

Provide us with your feedback on EMDG via our online [client feedback form](#).

Completing your 2017–18 supporting Schedules

The purpose of the schedules is to provide Austrade with information needed for, or supplementary to, questions in the application form. The following table explains which schedules you will need to fill out.

EMDG SCHEDULES		
1A 1B 2 4 5 6 7 8	Eligible Expense Schedules are: Overseas Representation Marketing Consultants Marketing Visits Free Samples Trade Fairs and Promotional Events Promotional Literature and Advertising Overseas Buyers Registration and /or Insurance of Eligible Intellectual Property	Complete an expense schedule for each expense category for which you claim expenses. Itemise each and every expense you claim on the schedules. Expenses claimed must be in Australian dollars. For expenses incurred in foreign currency, evidence of how the Australian dollar value was calculated must be provided. The total of each schedule must equal the total of Question 35 (you should check that all totals are correct prior to submitting your application) on the 2017–18 application form. Be careful to include all expenses you wish to claim. Any expenses notified to Austrade after your application has been submitted cannot exceed 10 per cent of the eligible expenses disclosed in the application.
9A 9B 9C 9D 9E	Export Earning Schedules: Export Earnings – Goods Export Earnings – Services / Intellectual Property Rights, Know-how Export Earnings – Tourism Services Export Earning – Events Promoters Export Earnings – Related Entities	Complete an export earning schedule only if you had export earnings in the 2017–18 financial year. You must complete an Export Earnings schedule that is appropriate to the type of product you export. If you are applying as an Approved Joint Venture you will need to calculate the total export earnings of each member that makes up the Approved Joint Venture. Exclude any export earnings of a member that: <ul style="list-style-type: none"> are not in respect of the activity approved by Austrade were earned at a time when the member was not a resident of Australia. <p>If you are applying as a trustee for a trust, include the export earnings derived from the business carried on for the purposes of that particular trust estate.</p> <p>If you are an approved body you do not complete an export earning schedule.</p> <p>If your business is incorporated under the <i>Corporations Act 2001</i> and you have incurred expenses promotion export sales for a related entity, you may include in your EDMG application the export earnings of the related entity resulting from your claimed promotional activities.</p>
10	Related companies	Complete the related companies schedule only if you answered “Yes” to Question 18 on the 2017–18 application form i.e. you are a company, and you are a part of a related group.

