

EXPORT MARKET DEVELOPMENT GRANTS

APPROVED BODY STATUS

WHAT IS EMDG?

The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance programme for aspiring and current exporters. The EMDG scheme provides an incentive for small and medium sized Australian businesses to increase their international marketing and promotion expenditure. It reimburses up to 50 per cent of eligible export promotion expenses above \$5,000 in a financial year (or over two financial years for first year applicants), up to a maximum of \$150,000 and subject to available funds, provided total eligible expenses incurred amount to at least \$15,000.

WHAT IS APPROVED BODY STATUS?

Approved Body status is a special approval granted by Austrade to non-profit, export focused industry bodies which, while not exporting themselves, undertake export promotion on behalf of their particular industry or membership. The industry may be national, state/territory or regional in nature, and may include regional economic development bodies and tourism bodies which promote Australian exporters. Industry bodies are not able to access EMDG grants unless they have been granted Approved Body status. This is a separate process to the EMDG grant application process.

The purpose of Approved Body status is to allow an industry body to promote on behalf of the entire membership it represents. It is not for the purpose of funding industry bodies in relation to activities which promote specific members' products. Members of the Approved Body who wish to promote their specific products may be eligible to apply for a grant themselves.

Approval is granted for five years, and further terms of approval may be applied for.

WHAT IS AN APPROVED BODY ABLE TO CLAIM UNDER EMDG?

With Approved Body status, an industry body is able to apply for an EMDG grant if it spends at least \$15,000 on eligible export promotion on behalf of its particular industry or membership during a financial year. First year applicants may combine two years expenses to meet this threshold.

An Approved Body may only claim export promotional expenses that:



- are eligible under the EMDG scheme
- are for the overall promotion of all members' products rather than promotion of specific members' products
- were incurred within the scope of the industry body's approved export promotion activity, project or purpose
- have not been, and will not be reimbursed by members
- have not been reimbursed by any organisation or by Australian, state or local governments.

WHAT IS AN APPROVED BODY ABLE TO RECEIVE UNDER EMDG?

EMDG reimburses eligible expenses at a rate of up to 50 per cent over the first \$5,000 (which is not reimbursable) provided that the total expenses are at least \$15,000. The maximum grant for eligible applicants is \$150,000, subject to funds available in the scheme. There is no limit on the number of grants an eligible Approved Body applicant can receive. See the *EMDG In Brief* publication for further details.

WHO CAN APPLY?

An organisation must be:

- an association or co-operative; or
- a body corporate that represents the interests of one or more industries (national, state/territory or regional) or a substantial part of an industry (national, state/territory or regional).

ASSESSMENT ELIGIBILITY CRITERIA

1. General eligibility requirements

An organisation must:

- be a national, state/territory or regional non-profit industry organisation
- represent all members of an industry, members making up a substantial part of an industry or members of more than one industry
- be unable to distribute income to members and shareholders
- not export products unless exporting is an ancillary part of the organisation's activities
- operate for the benefit of third parties.

2. Promotional activities requirements

The organisation must have a promotional plan, and must be capable of undertaking promotional activities having regard to:

- the effectiveness of its previous promotional activities
- the proposed promotional activities and the timetable for those activities.

The organisation must engage in promotional activities that:

- promote Australian products internationally
- are for the benefit of an industry rather than for the benefit of individual members, and
- are commercially and financially feasible.

To determine whether export promotional activities are commercially and financially feasible, Austrade will have regard to the organisation's:

- proposed budget for export promotional activities
- financial position
- administration costs.

3. Requirement to generate or be capable of generating significant net benefit to Australia

The organisation must show in their application that it can generate, or be capable of generating, from its promotional activities significant net benefit to Australia in two or more of the following areas:

- **export earnings** – you should describe export activities of your members as at the application date and their projected export earnings for the five years after the application date
- **employment in Australia** – you should state the projected increases in employment in Australia arising from the entity's promotional activities for the five years after the application date
- **new capital investment in Australia** – you should state the projected new capital investment arising from the entity's promotional activities for the five years after the application date
- **introduction of new technologies in Australia** – you should state the projected investment in new technologies arising from the entity's promotional activities for the five years after the application date, and
- **new value-added operations in Australia** – you should describe the projected new value-added operations in Australia arising from the entity's promotional activities for the five years after the application date.

4. Circumstances in which Austrade will not approve an application for Approved Body status

Austrade will not approve an organisation that has been formed either:

- primarily as a grants funding agent for its members, or
- primarily for the purpose of obtaining the approval, or
- where there is a high level of duplication of the promotional activities of another body operating in the same industry, or
- where approval would result in a disproportionate level of funding to an industry.

HOW TO APPLY

To apply for Approved Body status an industry body must submit a written application to Austrade addressing the assessment criteria. An application for Approved Body status may be made at any time. Austrade will assess the information in the application to determine whether or not the industry body meets the approval requirements listed above.

The following information is required to enable the application to be assessed:

- **Details about the organisation:**

- › describe the Australian industry (national, state/territory or regional) covered by the organisation
- › describe the products, services, industrial property rights and/or know-how included within this industry
- › give the proportion of businesses engaged in the total Australian industry (national, state/territory or regional) that the organisation represents
- › explain what, if any, power the organisation has to promote overseas on behalf of its members representative details
- › provide contact details of the nominated representative. This person should have the authority to represent the organisation. Austrade will deal with this person for all EMDG-related matters.

- **Assessment Criteria**

- › Information on how each of the assessment criteria is met.

- **Declaration**

- › A declaration as follows: "I (organisation's representative) present this information to Austrade believing it to be a true and correct representation of the organisation's current position and intentions associated with this application"

- **Attachments**

- › list of members
- › copy of the organisation's export plan
- › brief CV/s of the key staff involved in export activities
- › promotional brochures
- › financial statements from the last two years, and a promotional budget covering the organisation's proposed expenditure over the next three years
- › copies of enabling instruments that detail how the organisation is able to promote overseas on the behalf of members, e.g. Memorandum of Incorporation, Articles of Association or Constitution.

In addition, please provide contact name and details of any consultant used to help prepare the application. Please also ensure that the application is signed and dated by the industry body's representative.

WHAT HAPPENS NEXT?

Austrade will either phone or visit the industry body's representative to assess whether each of the approval requirements have been met. Austrade will advise the industry body's representative in writing when a decision has been made.

Approval is granted for five years. The terms of approval will be provided and may be subject to some conditions. Any claim for an EMDG grant must be within the terms of this approval.

Once approved, the industry body may submit an application for an EMDG grant.

For further information on what can be claimed and how to apply for a grant, refer to Austrade's *EMDG In Brief* publication. Visit www.austrade.gov.au/exportgrants to obtain a copy.

WHAT ELSE IS IMPORTANT?

Important things that an industry body should consider when applying for Approved Body status include:

- the application and assessment process for Approved Body status is separate to the application and assessment process for an EMDG grant
- Approved Bodies are not subject to the EMDG Performance Measure
- the applicant must have an Australian Business Number (ABN) to receive a grant
- application to vary the terms of approval may be made at any time
- Approved Bodies are not required to register for their first grant, nor pass Grants Entry requirements
- grants paid are assessable income for taxation purposes
- the rules of the EMDG scheme are provided for under the *Export Market Development Grants Act 1997*. The EMDG Act is available on Austrade's website.

CONTACT AUSTRADE

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

Website: www.austrade.gov.au/exportgrants