



Australian Government
Austrade

Ministerial Brief

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9/07/2012

FOR: DR EMERSON (ACTION) MRS ELLIOT (INFO)

From: Ian Chesterfield, General Manager, Programs, Consular and Business Services, 02 6201 7532 **Contact:** Dominic Bilbie, National Manager, EMDG Operations, 02 9392 2186

Subject: REVISED APPROACH TO ASSESSING APPROVED BODIES' EMDG CLAIMS

Urgency:

Key Issues:
Some approved bodies have raised concerns about their claims for a grant under EMDG. The scheme allows national, state and regional industry bodies to become approved bodies, enabling them to apply for a grant. However, the EMDG Act precludes payment of grants to applicants who have been paid, or are entitled to be paid, for activities that would otherwise attract eligibility for a grant. This prevents 'double dipping'. Some approved bodies receive funding from state governments. In 2011, Austrade identified potential inconsistencies in the assessment of applications from approved bodies. After legal advice, Austrade has a revised process that requires detailed analysis of approved body funding arrangements.

<p>Recommendation: That you:</p> <ul style="list-style-type: none"> (a) Note that Austrade has put in place a revised process to ensure consistency in assessing EMDG claims from approved bodies, requiring a detailed analysis of their funding arrangements to prevent 'double dipping'. (b) Note Austrade's communications to approved bodies as outlined in the background below. 	<p>Decision:</p> <p style="text-align: center;"><u>Noted</u></p> <p style="text-align: center;"><u>Noted</u></p> <p style="text-align: right;"><u>Please Discuss</u></p>
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Action:

Craig Emerson
Craig Emerson
30/7 /2012

Information:

Noted

Justine Elliot
/ /2012

Background:

1. Approved bodies seek to create or enhance export markets on behalf of others, such as tourism service providers or goods producers. Approved bodies meet criteria under a determination made under the EMDG Act. In 2008, regional tourism organisations were permitted to seek EMDG grants. Prior to 2008, only national bodies were eligible.

2. In 2011, Austrade identified potential inconsistencies in the assessment of applications for EMDG by approved bodies. After reviewing our process and taking legal advice, Austrade has put in place a process to ensure consistency. The process requires a detailed analysis of approved body funding arrangements.

Issues

3. Austrade expects that a detailed analysis of funding arrangements will result in some approved body applicants being substantially ineligible for a grant under EMDG where they have been paid to promote goods or services in overseas markets. There are up to 40 approved body applicants whose application may be affected. Due to the variety in funding arrangements of these bodies, the extent of the impact upon approved bodies as a group will not be clear until the assessment of each individual claim is complete and a decision is made under the EMDG Act. Austrade expects the approved body applications for grants to be assessed over the next three to six weeks.

4. Some approved body applicants have raised concerns with Austrade about their applications including:

- any change in Austrade's assessment approach
- future eligibility
- delay in assessing applications
- whether Austrade will seek recovery of previous grants payments.

5. In response, Austrade is communicating:

- the EMDG Act and guidelines have not changed
- Austrade has considered its approach to applications for EMDG from approved bodies, recognising approved bodies are a diverse group with differing objectives and funding arrangements, in order to ensure applications continue to be considered consistently on a national basis
- Austrade has considered particularly the documentation and evidence that may be needed to assess applicants who receive, or are eligible to receive, payment for activities that attract EMDG eligibility from third parties including state governments. Some applicants may find they are required to supply more information to support their application than in previous years. Austrade is working to assess applications and expects to conclude assessments in the near future
- in instances where applicants raise concerns that Austrade will seek recovery of previous grants payments, Austrade advise that previous grant payments cannot be recovered by Austrade save for circumstances where a grant was paid due to an applicant obtaining a grant through making false or misleading statements or where they have been convicted for an offence, under the Criminal Code, in relation to the application.

Ian Chesterfield
General Manager
Programs, Consular and Business Services

Consultation: N/a