

Profile of EMDG recipients as of 12th February 2025

In this summary we share some insights of the profile of EMDG recipients including their size by turnover and employment, industry sectors and export markets.

Background

The Export Market Development Grants (EMDG) Program is designed to bring benefits to Australia by encouraging the creation, development, expansion, and diversification of foreign markets for Australian products. It provides grants on a 50:50 matched funding basis to Australian SMEs and their representative organisations for export promotional activities and the development of export-related marketing skills.

The program was reformed from a reimbursement scheme to a forward-facing grants program in 2021. Since then, Austrade delivered three grant rounds receiving over 10,000 applications, that converted to over 9,600 grant agreements.

Data from Round 4 of EMDG will be added once the application assessment process is completed and grant agreements executed.

We regularly undertake analysis of data received in applications and milestone reports to better understand the profile of businesses who apply for and receive EMDG. This analysis helps us to evaluate and make improvements to the program. The data used in this analysis is from Rounds 1, 2, and 3.

Data from Round 4 of EMDG will be added once the application assessment process is completed and grant agreements executed.

EMDG recipients profile snapshot\*

* Over 60% of grantees declare a turnover of under $1 million.
* Approximately 60% of grantees have 2 to 9 employees.
* The majority of grantees target between 2 to 10 export markets.
* Approximately 50% of grantees target the USA and over 35% target the UK. Canada is the third most popular market for grantees to target at 19%.
* Services and Technology is the main industry, and this has been a consistent trend across the 3 rounds.
* Over the past 10 years using both EMDG Reimbursement Scheme and EMDG Program data, on average, exporters participated in the program for 3.4 years\*\*.
* In the past 10 years, the average years in business of EMDG grantees has remained stable at 8 years\*\*.

\*Statistics are based on 9,610 grantees across the three rounds of the EMDG program.

\*\*These averages are based on 10 years’ worth of EMDG data/ grant history.

EMDG applications and success rate

Over 9,600 grantees with multi-year grant agreements have been executed across the 3 rounds. 93% of applicants across the 3 rounds were successful in receiving a grant agreement (Table 1).

Additionally, the difference in success rates by lodgement type is minimal. The application process is simple and user friendly to support businesses who do not have resources for third party assistance.

**Table 1**: Grants committed by round

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Round | Application period (duration) | Submitted applications | Executed grant agreements | Success rate |
| Round 1  Up to 3 years  2021–22 - 2023–24 | 16 Aug – 30 Nov 2021 (15 weeks) | 5,386 | 5,013 | 93.1% |
| Round 2  Up to 2 years  2022–23 - 2023–24 | 6 Jul – 17 Aug 2022 (6 weeks) | 2,760 | 2,541 | 92.1% |
| Round 3  Up to 2 years  2023–24 - 2024–25 | 15 Mar – 14 Apr 2023 (4 weeks) | 2,184 | 2,056 | 94.1% |
| Total |  | **10,330** | **9,610** | **93.0%** |

Successful applications
- 93.9% by grant agent
- 91.1% by self-lodgers
Unsuccessful applications
- 6.1% by grant agents
- 8.9% by self lodgers

EMDG milestone reports and payments

* Grantees are required to submit a milestone report after each expenditure year (grant activity period) to request a grant payment.
* For the 2022-23 expenditure year:
  + 7,056 (97.2%) Round 1 and Round 2 grantees submitted a milestone report for expenditure incurred in 2022-23.
  + 7,056 (100.0%) reports received have been assessed, of which 6,503 have been paid.
* On average, the underspend rate was 16.8% for expenditure incurred in 2022-23. This means that grantees spent less than the maximum grant per financial year as outlined in their grant agreement.
* For the 2023-24 expenditure year:
  + 7,882 Round 1, Round 2 and Round 3 grantees are expected to submit a milestone report for expenditure incurred in 2023-24.
  + As of 12th February 2025, 5,842 (74.1%) reports have been received, 5,729 (98.1%) have been assessed, of which 5,234 have been paid.
* On average, the underspend rate is approximately 16.2% across assessed milestone reports to date for expenditure incurred in 2023-24. This means that grantees spent less than the maximum grant per financial year as outlined in their grant agreement. Assessments of milestone reports for 2023-24 expenditure continue.

EMDG grantees by business turnover and employee numbers

The average turnover for current EMDG grantees is $1.4m. When compared with EMDG recipients over the past 10 years, turnover has been declining, from $5.1m in 2013-14 to $1.4m in 2023-24.

Average turnover of EMDG recipients
FY2013-14 to FY2022-23
Shows decrease of 72% over this time period

* There is a clear shift in the distribution of grantees across turnover groups. In 2013-14 (under EMDG Reimbursement Scheme) 57% of grantees had a turnover of $1m or higher. In the first three rounds of the EMDG program the number of grantees in that bracket decreased to 36%.
* Of the 9,610 grantees across Round 1-3, approximately 39% have a turnover of less than $250,000 (Table 2).
* 57% of grantees businesses have an employee headcount between 2 and 9 (Table 3).
* Approximately 48% of grant underspends occurs within the cohort of grantees with turnover of less than $250,000 (Table 4).

**Table 2**: Grantees by size (turnover)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Round 1** | | **Round 2** | | **Round 3** | | **Total** | |
| **Turnover** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| **Less than $250k** | 1,704 | 34.0% | 1,020 | 40.1% | 1,002 | 48.7% | 3,726 | 38.8% |
| **$250k-$1m** | 1,314 | 26.2% | 614 | 24.2% | 454 | 22.1% | 2,382 | 24.8% |
| **$1m-$4m** | 1,280 | 25.5% | 554 | 21.8% | 389 | 18.9% | 2,223 | 23.1% |
| **More than $4m** | 715 | 14.3% | 353 | 13.9% | 211 | 10.3% | 1,279 | 13.3% |
| **Total** | **5,013** | **100.0%** | **2,541** | **100.0%** | **2,056** | **100.0%** | **9,610** | **100.0%** |

 \*Data includes grantees with executed grant agreements.

Grantees by turnover
Under 250K - 39%
250K to 1M - 25%
1M to 4M - 23%
Above 4M - 13%

**Table 3:** Grantees by size (employee headcount)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Round 1** | | **Round 2** | | **Round 3** | | **Total** | |
| **Employee Headcount** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| **1** | 675 | 13.5% | 515 | 20.3% | 343 | 16.7% | 1,533 | 16.0% |
| **2-9** | 2,890 | 57.7% | 1,355 | 53.3% | 1,232 | 59.9% | 5,477 | 57.0% |
| **10-19** | 825 | 16.5% | 349 | 13.7% | 250 | 12.2% | 1,424 | 14.8% |
| **Over 19** | 623 | 12.4% | 322 | 12.7% | 231 | 11.2% | 1,176 | 12.2% |
| **Total** | **5,013** | **100.0%** | **2,541** | **100.0%** | **2,056** | **100.0%** | **9,610** | **100.0%** |

\*Data includes grantees with executed grant agreements.

Grantees by employee headcount
1 employee - 16%
2 to 9 employees - 57%
10 to 19 employees - 15%
Over 19 employees - 12%

**Table 4:** Proportion of grantees that did not spend and claim as planned by turnover group and type of payment (expenditure years 2021-22,2022-23,2023-24)\*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Milestone payments** | | **Same year payments** | | **Total** | |
| **Turnover group** | **# Underspend MR** | **%** | **#**  **Underspend MR** | **%** | **# Underspend MR** | **%** |
| **Less than $250k** | 2,369 | 47.1% | 382 | 52.0% | 2,751 | 47.7% |
| **$250k-$1m** | 1,335 | 26.5% | 172 | 23.4% | 1,507 | 26.1% |
| **$1m-$4m** | 919 | 18.3% | 124 | 16.9% | 1,043 | 18.1% |
| **More than $4m** | 408 | 8.1% | 57 | 7.8% | 465 | 8.1% |
| **Total** | **5,031** | **100.0%** | **735** | **100.0%** | **5,766** | **100.0%** |

\*Data includes grantees with executed grant agreements and assessed milestone reports related to expenditure years 2021-22,2022-23,2023-24 with an assessed Milestone Report, with an underspend Milestone Report. Counts are not distinct, if a grantee underspends for two years they will be counted twice.

Underspend is defined as assessed amount that is smaller than the maximum grant commitment per financial year.

Export markets targeted by EMDG grantees

* Over recent years the USA has consistently been the main target market for grantees followed by the United Kingdom, Canada, Singapore, China, Germany, France, Japan, India, and Hong Kong make up the remaining top 10 markets targeted by EMDG grantees (Table 5).
* The majority of grantees target between 2 to 10 export markets (Table 6).

**Table 5:** Grantees by top 10 export markets targeted

|  |  |  |  |
| --- | --- | --- | --- |
| **Rank** | **Export market** | **Number of grantees** | **Percentage of grantees** |
| 1 | **United States of America** | 4,786 | 50.5% |
| 2 | **United Kingdom** | 3,330 | 35.2% |
| 3 | **Canada** | 1,861 | 19.6% |
| 4 | **Singapore** | 1,429 | 15.1% |
| 5 | **China** | 1,251 | 13.2% |
| 6 | **Germany** | 1,199 | 12.7% |
| 7 | **France** | 1,055 | 11.1% |
| 8 | **Japan** | 938 | 9.9% |
| 9 | **India** | 755 | 8.0% |
| 10 | **Hong Kong** | 688 | 7.3% |

\*Data includes grantees with executed grant agreements. EMDG grantees may export to more than one country (export market), therefore the totals in this table do not add to 100%.

Top markets targeted by grantees
United States of America - 51%
United Kingdom - 35%
Canada - 20%
Singapore - 15%
China - 13%
Germany - 13%
France - 11%
Japan - 10%
India - 8%
Hong Kong (SAR of China) - 7%

**Table 6:** Grantees by number of export markets targeted

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Number of export markets** | **Round 1** | | **Round 2** | | **Round 3** | |
| # | % | # | % | # | % |
| **Single market** | 1,419 | 28% | 590 | 23% | 196 | 10% |
| **2-10** | 2,473 | 49% | 1,103 | 43% | 1,657 | 81% |
| **11–20** | 156 | 3% | 73 | 3% | 146 | 7% |
| **More than 20** | 43 | 1% | 16 | 1% | 31 | 2% |

\*Data includes grantees with executed grant agreements. EMDG recipients may export to multiple countries and regions. The totals do not add up to the total number of grant agreements as we do not have the data from all grantees at the time of reporting. Representative bodies do not export.

Industries of EMDG grantees

* Services and Technology is the main industry serviced by current EMDG grantees at 40.5%, Consumer - Advisory, Food & Agriculture, Advanced Manufacturing and Education make the top 5 Industries (Table 7).

**Table 7:** Industry group breakdown of grantees

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Round 1** | | **Round 2** | | **Round 3** | | **Overall** | |
| **Industry** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| Services and Technology | 1,944 | 38.8% | 1,042 | 41.0% | 910 | 44.2% | 3,896 | 40.5% |
| Consumer - Advisory | 979 | 19.5% | 393 | 15.5% | 290 | 14.1% | 1,662 | 17.3% |
| Food & Agriculture | 655 | 13.1% | 386 | 15.2% | 293 | 14.3% | 1,334 | 13.9% |
| Advanced Manufacturing | 593 | 11.8% | 287 | 11.3% | 199 | 9.7% | 1,079 | 11.2% |
| Education | 371 | 7.4% | 151 | 5.9% | 136 | 6.6% | 658 | 6.8% |
| International Health | 234 | 4.7% | 112 | 4.4% | 91 | 4.4% | 437 | 4.5% |
| Tourism | 127 | 2.5% | 113 | 4.4% | 80 | 3.9% | 320 | 3.3% |
| Infrastructure | 85 | 1.7% | 48 | 1.9% | 41 | 2.0% | 174 | 1.8% |
| Resource and Energy | 17 | 0.3% | 9 | 0.4% | 16 | 0.8% | 42 | 0.4% |
| Other | 8 | 0.2% | 0 | 0.0% | 0 | 0.0% | 8 | 0.1% |
| **Total** | **5,013** | **100.0%** | **2,541** | **100.0%** | **2,056** | **100.0%** | **9,610** | **100.0%** |

\*Data includes grantees with executed grant agreements. The Arts and Fintech industries are contained within the industry ‘Services and Technology’.

EMDG recipients by industry (top 5)
Services & technology - 40.5%
Consumer (Advisory) - 17.3%
Food & Ag - 13.9%
Advanced manufacturing - 11.2%
Education - 6.8%

EMDG support for First Nations businesses

* There are 68 First Nations grantees across the 3 rounds (Table 8).

**Table 8:** First Nations grantees

|  |  |  |  |
| --- | --- | --- | --- |
| **Rounds** | **Total grantees** | **First Nations grantees** | **% of Total grantees** |
| Round 1 | 5,013 | 33 | 0.66% |
| Round 2 | 2,541 | 19 | 0.75% |
| Round 3 | 2,056 | 16 | 0.78% |
| **Total** | **9,610** | **66** | **0.69%** |

\* There are 66 distinct grantees (from 68 grant agreements) with two grantees applying in both Round 1 and Round 3. Table contains executed Grant Agreements only.

Grant applications by Lodgement Type

Across the three rounds, nearly 70% of grantees lodged their application using an agent, while around 30% completed the lodgement themselves (Table 9). As the rounds progressed more applicants self-lodged (36.9% in Round 3).

**Table 9**: Grantees by Lodgement Type

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Round 1** | | **Round 2** | | **Round 3** | | **Overall** | |
| **Lodgement Type** | **#** | **%** | **#** | **%** | **#** | **%** | **#** | **%** |
| Grant Agent | 3,760 | 75.0% | 1,614 | 63.5% | 1,297 | 63.1% | 6,671 | 69.4% |
| Self-lodger | 1,253 | 25.0% | 927 | 36.5% | 759 | 36.9% | 2,939 | 30.6% |
| **Total** | **5,013** | **100.0%** | **2,541** | **100.0%** | **2,056** | **100.0%** | **9,610** | **100.0%** |

\*Data includes grantees with executed grant agreements.

Milestone report outcomes

Analysis of the assessed Milestone Reports for the 2023–24 expenditure year shows positive outcomes. Overall:

Turnover – Less than $250k:

* 70.4% of grantees with a turnover of below $250k increased their turnover (Table 10).
* The median increase of the number of employees between application and milestone reporting stage was 3 employees.
* It is worth noting the underspend is the highest amongst grantees with a turnover below $250k (see Table 4 above).

Turnover - $1M-$4M:

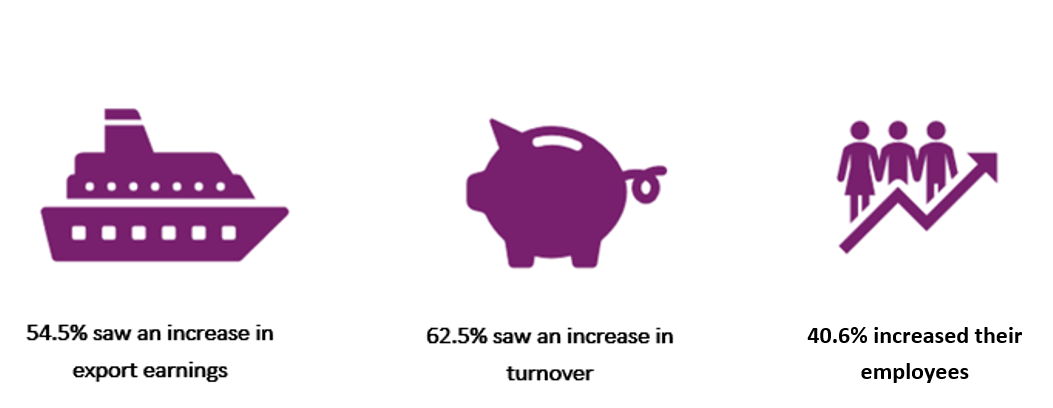
* 57.3% of grantees with a turnover of $1M-$4M increased their turnover (Table 10).
* 47.5% of grantees with turnover $1M-$4M increased the number of employees.
* 3.6% of grantees with turnover $1M-$4M increased the number of employees by double or more.

**Table 10:** Proportion of grantees who increased Turnover by Turnover Group 2023-24

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Turnover Group** | **Increased turnover** | **Decreased turnover** | **No change** | **Total** | **% of grantees who increased their turnover\*** |
| Less than $250k | 1445 | 521 | 86 | 2052 | 70.4% |
| $250k-$1M | 883 | 592 | 1 | 1476 | 59.8% |
| $1M- $4M | 786 | 580 | 6 | 1372 | 57.3% |
| More than $4M | 410 | 320 | 4 | 734 | 55.9% |
| **Total** | **3524** | **2013** | **97** | **5634** | **62.6%** |

\*\*Data excludes Representative Body grantees. Percentage of grantees who increased their Turnover is calculated excluding the number of grantees who did not provide Turnover data at Milestone Report stage.

Analysis of the assessed Milestone Report for the 2023–24 expenditure year shows positive outcomes.

**Across the board (Table 11)**

**Table 11:** Grantee outcomes at milestone reporting stage, percentage of grantees by tier that increased export earnings, turnover and employee numbers

|  |  |  |  |
| --- | --- | --- | --- |
| **Tier** | **Export earnings** | **Turnover** | **Employees** |
| Tier 1 | 36.3% | 60.6% | 37.4% |
| Tier 2 | 55.9% | 62.7% | 39.9% |
| Tier 3 | 58.7% | 63.0% | 42.1% |
| **Total** | **54.5%** | **62.5%** | **40.6%** |

\* Data includes grantees with assessed Milestone Reports for Expenditure 2023–24 only or 72.7% of submitted milestone reports). Representative bodies have been excluded.

**Table 12:** Proportion of grantees who increased export earnings by Industry

|  |  |
| --- | --- |
| **Industry** | **% of grantees who increased export earnings** |
| Tourism | 77.4% |
| Resource and Energy | 69.6% |
| Education | 58.4% |
| Advanced Manufacturing | 55.5% |
| Services and Technology | 55.0% |
| Infrastructure | 52.7% |
| Consumer - Advisory | 51.2% |
| International Health | 50.4% |
| Food and Ag | 49.9% |
| **Total** | **54.5%** |

The top 5 industries that increased their export earnings were Tourism (77.4%), Resources and Energy (69.6%), Education (58.4%) Advance Manufacturing (55.5%) and Services and Technology (55.0%).

\* Data includes grantees with assessed Milestone Reports for Expenditure 2023–24 only (or 72.7% of submitted milestone reports). Representative bodies have been excluded. Note the Arts and Fintech industries are contained within the Austrade industry “Services and Technology”.

Types of expenditure

The top three most used eligible expenditure expense categories (Table 13) were:

* Promotional literature and advertising material at 70.8%
* Short trips to a foreign country at 51.0%
* Consultants at 33.0%.

**Table 13:** Percentage of grantees who claimed expenses in milestone reports

|  |  |
| --- | --- |
| **Eligible expense category** | **Grantees (%)** |
| Promotional literature and advertising material | 70.8% |
| Short trips to a foreign country | 51.0% |
| Consultants | 33.0% |
| Soliciting for business in foreign country | 25.3% |
| Maintaining representative in a foreign country | 18.6% |
| Free samples | 17.4% |
| Intellectual property rights | 12.9% |
| Short trips within Australia | 10.1% |
| Foreign buyer visits | 3.5% |
| Training | 3.0% |

Data includes all executed grant agreements with assessed milestones reports for Expenditure 2023–24 only, as at 12 Feb 2025.

* The top three expense categories by total payments (Table 14) were:
  + Promotional literature and advertising material at 55.5%
  + Maintaining representative in a foreign country at 12.1%
  + Short trips to a foreign country at 11.2%.

**Table 14:** Percentage oftotal payments by expense categories

|  |  |
| --- | --- |
| **Eligible expense category** | **Total payments (%)** |
| Promotional literature and advertising material | 55.5% |
| Maintaining representative in a foreign country | 12.1% |
| Short trips to a foreign country | 11.2% |
| Consultants | 10.1% |
| Soliciting for business in foreign country | 6.5% |
| Intellectual property rights | 2.0% |
| Free samples | 1.4% |
| Short trips within Australia | 0.6% |
| Training | 0.3% |
| Foreign buyer visits | 0.3% |
| **Total** | **100%** |

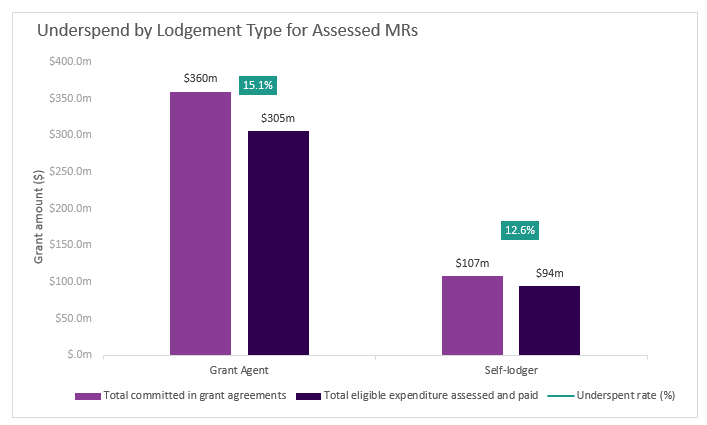
Data includes all executed grant agreements with assessed milestone reports for expenditure 2023-24 only, as at 12 Feb 2025.

Underspend on grant funds

Applicants were ambitious in planning their promotional expenditure in applications, especially in Round 1. Austrade offered maximum grants per financial year per tier in grant agreements based on the available program funding.

We found that some grantees did not spend as planned and did not request the maximum grant amount leading to unclaimed grant funds. This is referred to as an underspend. Table 16 shows total planned expenditure in applications, total commitments in grant agreements, total expenditure reported in milestone reports, and total eligible expenditure assessed and paid by Round and by Tier.

* Underspend rate for the expenditure year 2022-23 (16.8%) is 0.6 percentage points higher than the previous year (16.2%)
* From expenditure years 2021-22 to 2023-24, it has been observed that the level of underspend (i.e. claiming less than the agreed grant amount) is consistent across self-lodged and grant agent lodged milestone reports (as shown by the chart below).
* Grantees with lower turnover registered the highest underspend rate: 23.7% in 2021-22, 24.2% in 2022-23 and 24.1% in 2023-24 (see table 16 and table 16a).
* Representative bodies also recorded an underspend rate over the average (~16%), equal to 23.3% in 2021-22, 28.7% in 2022-23 and 20.8% in 2023-24 (see Table 15 and Table 15a).



Data includes only executed grant agreements with assessed milestone reports from 2021-22,2022-23 and 2023-24.

**Underspend rate** refers to the % difference between total grant commitment ($) and total expenditure assessed and paid ($).

* The underspend rate for 2023-24 has been calculated using the milestone reports which have been received and assessed as of 12 February 2025 noting that to date 72.7% of milestone reports due for 2023-24 have been received and assessed.
* The total unclaimed rate for expenditure year 2023-24 is 16.2% (Table 16a) to date which is 0.6% lower than the unclaimed rate for the previous year of 16.8%.
* This rate will continue to change in value, as further milestone reports for expenditure year 2023-24 are submitted, assessed, and paid.

**Table 15:** Commitments and payments Expenditure year, Round and Tier 2021-22 & 2022-23

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Exp. Year / Round / Tier** | **Total Planned Expenditure in applications** | **Total committed in grant agreements** | **Total reported expenditure in milestone reports** | **Total eligible expenditure assessed and paid** | **Underspend rate (%)** |
| **2021–22** | **$1,330.2m** | **$140.3m** | **$641.2m** | **$117.6m** | **16.2%** |
| Round 1 | $1,330.2m | $140.3m | $641.2m | $117.6m | 16.2% |
| Tier 1 | $91.2m | $12.2m | $32.5m | $10.0m | 18.0% |
| Tier 2 | $297.5m | $44.7m | $145.1m | $35.1m | 21.6% |
| Tier 3 | $910.4m | $78.2m | $443.3m | $68.5m | 12.4% |
| Rep Body | $31.1m | $5.3m | $20.2m | $4.1m | 23.3% |
| **2022–23** | **$2,038.6m** | **$180.0m** | **$808.2m** | **$149.7m** | **16.8%** |
| Round 1 | $1,741.9m | $131.2m | $630.1m | $108.2m | 17.5% |
| Tier 1 | $122.7m | $9.0m | $26.9m | $6.2m | 30.8% |
| Tier 2 | $353.2m | $42.4m | $132.7m | $33.2m | 21.7% |
| Tier 3 | $1,232.0m | $74.7m | $443.5m | $64.9m | 13.1% |
| Rep Body | $34.0m | $5.1m | $27.0m | $3.9m | 24.3% |
| Round 2 | $296.7m | $48.8m | $178.1m | $41.5m | 15.0% |
| Tier 1 | $45.9m | $7.3m | $22.9m | $6.0m | 17.4% |
| Tier 2 | $69.9m | $13.3m | $47.0m | $11.4m | 14.1% |
| Tier 3 | $175.9m | $26.9m | $105.5m | $23.1m | 13.8% |
| Rep Body | $5.0m | $1.4m | $2.7m | $.9m | 33.1% |

**Table 15a:** Commitments and payments by Round and Tier for 2023-24 (as 12 February 2025)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Exp. Year / Round / Tier** | **Total Planned Expenditure in applications** | **Total committed in grant agreements** | **Total reported expenditure in milestone reports** | **Total eligible expenditure assessed and to be paid** | **Underspend rate (%)** |
| **2023–24\*** | **$2,425.1m** | **$147.1m** | **$634.8m** | **$123.2m** | **16.2%** |
| Round 1\*\* | $1,923.7m | $86.6m | $414.8m | $72.8m | 15.9% |
| Tier 2 | $381.9m | $28.4m | $90.2m | $22.6m | 20.4% |
| Tier 3 | $1,506.4m | $54.1m | $311.0m | $47.1m | 13.0% |
| Rep Body | $35.4m | $4.0m | $13.7m | $3.1m | 22.3% |
| Round 2 | $300.4m | $30.1m | $124.9m | $26.1m | 13.2% |
| Tier 1 | $43.1m | $4.0m | $13.2m | $3.3m | 15.6% |
| Tier 2 | $68.1m | $7.9m | $33.9m | $6.9m | 12.3% |
| Tier 3 | $184.0m | $17.6m | $75.9m | $15.3m | 12.8% |
| Rep Body | $5.3m | $0.7m | $2.0m | $0.6m | 21.2% |
| Round 3 | $200.9m | $30.4m | $95.0m | $24.3m | 20.3% |
| Tier 1 | $35.9m | $4.9m | $12.9m | $3.7m | 24.7% |
| Tier 2 | $54.7m | $8.5m | $39.9m | $7.1m | 16.9% |
| Tier 3 | $107.5m | $16.4m | $41.1m | $13.0m | 20.6% |
| Rep Body | $2.8m | $0.6m | $1.1m | $0.5m | 22.3% |

\*Data includes only executed grant agreements with assessed milestone reports.

\*\*Round 1 Tier 1 were offered grant agreements up to two years only. Therefore, there is no data for 2023-24 as these grant agreements are completed.  
72.7% reports have been received and assessed for Expenditure year 2023-24 as at 12 February 2025, Milestone report submissions, assessments and payments continue.

**Table 16**: Commitments and payments by Expenditure Year 2021-22, 2022-23 by Turnover Group

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Expenditure Year / Turnover Group** | **Total Planned Expenditure in applications** | **Total committed in grant agreements** | **Total reported expenditure in milestone reports** | **Total eligible expenditure assessed and paid** | **Underspend rate (%)** |
| **2021–22** | **$1,330.2m** | **$140.3m** | **$641.2m** | **$117.6m** | **16.2%** |
| Less than $250k | $264.6m | $39.0m | $96.9m | $29.8m | 23.7% |
| $250k-$1m | $290.2m | $37.4m | $124.6m | $30.8m | 17.7% |
| $1m-$4m | $406.6m | $40.2m | $207.9m | $35.4m | 12.1% |
| More than $4m | $368.7m | $23.6m | $211.8m | $21.6m | 8.7% |
| **2022–23** | **$2,038.6m** | **$180.0m** | **$808.2m** | **$149.7m** | **16.8%** |
| Less than $250k | $474.0m | $53.3m | $141.4m | $40.4m | 24.2% |
| $250k-$1m | $463.3m | $47.5m | $155.0m | $39.4m | 17.1% |
| $1m-$4m | $600.9m | $49.2m | $255.3m | $42.9m | 12.8% |
| More than $4m | $500.4m | $30.0m | $256.6m | $27.0m | 10.1% |

**Table 16a:** Commitments and payments by Expenditure Year 2023-24 by Turnover Group (as at 12 February 2025)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Expenditure Year / Turnover Group** | **Total Planned Expenditure in applications** | **Total committed in grant agreements** | **Total reported expenditure in milestone reports** | **Total eligible expenditure assessed and paid** | **Underspend rate (%)** |
| **2023–24\*** | **$2,425.1m** | **$147.1m** | **$634.8m** | **$123.2m** | **15.8%** |
| Less than $250k | $537.7m | $45.3m | $117.9m | $34.4m | 24.1% |
| $250k-$1m | $571.7m | $39.4m | $127.7m | $33.4m | 15.2% |
| $1m-$4m | $730.2m | $40.0m | $211.3m | $35.1m | 9.0% |
| More than $4m | $585.4m | $22.4M | $177.9m | $20.4m | 8.9% |

Data includes only executed grant agreements with assessed milestone reports.   
\* With only 72.7% reports received and assessed for Expenditure year 2023-24 as of 12 Feb 2025. Austrade notes it is unlikely the proportions reported in this table will remain the same when all milestone reports are in. This is because businesses who have spent their funds tend to complete milestone reports earlier in order to receive their grant payment.

Grant amount adjustments

The expenses reported in the Milestone Report must meet the requirements in the grant agreement, including the specific requirements of the Tier. For example, if the grantee has entered into a Tier 3 grant agreement the expenses must be for activities that are an expansion of their previous promotional activities and for activities that are a strategic shift from their previous promotional activities, as outlined in their plan to market.

If the expenses reported do not meet the requirements in the grant agreement, the agreed grant amount can be adjusted accordingly.

Over the last three expenditure years, there were 522 cases of adjustments made by Austrade comprising only 2.9% of the total milestone reports that included any claims (52% of these reports were lodged by agents and 48% were self-lodged).

**Table 17:** Milestone Reports Adjusted for ineligible expenditure by lodger type

|  |  |  |
| --- | --- | --- |
| **Lodger** | **#Milestone Reports** | **% of Adjusted Milestone Report** |
| Agent | 273 | 52.3% |
| Self | 249 | 47.7% |
| **Grand Total** | **522** | **100.0%** |

* 27% were affected by an Eligibility-related adjustment (i.e. claiming in a tier to be expanding or diversifying but no export sales recorded, claiming a non-promotional activity).
* 63% were affected by an Expense-related adjustment (i.e. expenses were not eligible to be claimed).

**Table 18:** Milestone Reports adjusted by reason

|  |  |  |
| --- | --- | --- |
| **Adjustment reason group** | **# Milestone Reports** | **% of Adjusted Milestone Reports** |
| Eligibility-related adjustment | 140 | 26.8% |
| Expense-related adjustment | 328 | 62.8% |
| Other reason adjustment | 185 | 35.4% |
| **Grand total** | **522** | **\*100%** |

\*A Milestone Report can have more than one reason of adjustment. Therefore, the sum of individual reasons adds to more than the number of the cases of adjustments. Data includes only executed grant agreements with assessed milestone reports.

From the assessed Milestone Reports related to Expenditure Year 2022-23 and 2023-24 which required adjustments, these are the key insights:

* For 2023-24, there are more adjustments involved Tier 2 and Tier 3, compared to 2022-23, in which Tier 1 is the group with the highest proportion of adjustment. However, please note that only 74.1% reports have been received for Expenditure year 2023-24 as at 12 February 2025.
* Of the reports submitted and assessed to date, there is a decrease in the proportion of adjustment for Representative Bodies from 8.7% in 2022-23 to 2.6% in 2023-24 (Table 19).
* Ineligible expenditure is the top reason of adjustment across all tiers (Table 20). Examples of expenditures that are ineligible and activities that are not considered as promotional:
  + Salary costs of consultants
  + Business director's salary and superannuation
  + Expenditure undertaken in New Zealand (as NZ is not an eligible country for EMDG expenses)
  + No evidence provided to substantiate the expenses
  + Ineligible expenses related to short trips within Australia, i.e. domestic travel to industry events or conferences and not for the purpose of meeting international buyers. These trips cannot be for general industry updates or networking.
* Training expenses for Tier 1 or Representative Bodies must be specifically for export readiness training, not other types of training or general industry education activities.
* Consulting fees cannot include the costs associated with preparing an EMDG grant application and/or milestone reports.
* Expenses that may have a detrimental impact on Australia's reputation are not eligible.
* For expenses related to free samples, only the cost of manufacturing and bought-in costs are eligible. The total recommended retail price of the ‘free sample’ is not eligible for EMDG purposes.

**Table 19:** Milestone Reports Adjusted by Adjustment reason group and Tier

**19a. Expenditure Year 2022-23 (Historical)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Adjustment reason group** | **Tier 1** | **Tier 2** | **Tier 3** | **Rep Body** | **Total** |
| Eligibility-related adjustment | 7.0% | 9.6% | 3.5% | 14.8% | 34.8% |
| Expense-related adjustment | 16.5% | 9.6% | 6.1% | 27.8% | 60.0% |
| Other reason adjustment | 15.7% | 11.3% | 5.2% | 2.6% | 34.8% |
| **Total by Tier** | **44.3%** | **27.8%** | **19.1%** | **8.7%** | **\*100.0%** |

\* A Milestone Report can have more than one reason of adjustment. Data includes only executed grant agreements with assessed milestone reports.

**19b. Expenditure Year 2023-24**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Adjustment reason group** | **Tier 1** | **Tier 2** | **Tier 3** | **Rep Body** | **Total** |
| Eligibility-related adjustment | 7.4% | 8.7% | 12.5% | - | 28.6% |
| Expense-related adjustment | 16.1% | 26.4% | 24.8% | 1.0% | 68.2% |
| Other reason adjustment | 3.5% | 11.7% | 9.3% | 1.6% | 26.1% |
| **Total by Tier** | **19.6%** | **40.2%** | **37.6%** | **2.6%** | **\*100.0%** |

\* A Milestone Report can have more than one reason for adjustment. Data includes only executed grant agreements with assessed milestone reports as at 12February 2025.

**Table 20**: Adjustment reasons group breakdown

**20a. Expenditure Year 2022-23 (Historical)**

|  |  |  |
| --- | --- | --- |
| **Adjustment reason** | **# Milestone Reports** | **% Milestone Reports** |
| **Eligibility-related adjustment:** | **45** | **39.1%** |
| Applicant Insolvent | 10 | 8.7% |
| Applicant provided insufficient documentation | 12 | 10.4% |
| Breach of agreement | - | - |
| No designated connection | 4 | 3.5% |
| Non-Promotional activity | 15 | 13.0% |
| Product/Service ineligible | 1 | 0.9% |
| Tier requirement not met | 3 | 2.6% |
| **Expense-related adjustment:** | **84** | **73.0%** |
| Expenses less than grant cap | 2 | 1.7% |
| Expenses not paid in the period | 3 | 2.6% |
| Expenses unsubstantiated | 15 | 13.0% |
| Incorrect apportionment of expenses | 11 | 9.6% |
| Ineligible expenditure | 53 | 46.1% |
| **Other reason adjustment** | **40** | **34.8%** |
| **TOTAL** | **115** | **\*100.0%** |

\* A Milestone Report can have more than one reason for adjustment. Data includes only executed grant agreements with assessed milestone reports.

**20b. Expenditure Year 2023-24**

|  |  |  |
| --- | --- | --- |
| **Adjustment reason** | **# Milestone Reports** | **% Milestone Reports** |
| **Eligibility-related adjustment** | **104** | **33.4%** |
| Applicant Insolvent | 3 | 1.0% |
| Applicant provided insufficient documentation | 27 | 8.7% |
| Breach of agreement | 4 | 1.3% |
| No designated connection | 4 | 1.3% |
| Non-Promotional activity | 28 | 9.0% |
| Product/Service ineligible | 8 | 2.6% |
| Tier requirement not met | 30 | 9.6% |
| **Expense-related adjustment** | **251** | **80.7%** |
| Expenses less than grant cap | 2 | 0.6% |
| Expenses not paid in the period | 10 | 3.2% |
| Expenses unsubstantiated | 34 | 10.9% |
| Incorrect apportionment of expenses | 37 | 11.9% |
| Ineligible expenditure | 168 | 54.0% |
| **Other reason adjustment** | **81** | **26.0%** |
| **TOTAL** | **311** | **\*100.0%** |

\* A Milestone Report can have more than one reason for adjustment. Data includes only executed grant agreements with assessed milestone reports as at 12February 2025.

Other observations

Austrade has also observed that some grantees in Tier 2 and Tier 3 are not reporting any export earnings in their milestone reports. Where this occurs, Austrade follows up with grantees to seek evidence of exporting, noting that Tier 2 and Tier 3 grantees must be exporting to remain eligible.