



AUSTRALIAN CHAMBER OF
COMMERCE AND INDUSTRY

13 December 2012

Mr Michael Vickers
Manager, Policy and Scheme Development
Export Market Development Grants
Australian Trade Commission (Austrade)
Level 2 Minter Ellison Building 25 National Circuit,
Forrest ACT Australia

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Dear Mr Vickers

Re: Legislative Changes to EMDG

Thank you for the opportunity to comment on Austrade's proposals for administrative changes to the EMDG scheme in response to the MYEFO reduction in funding for the scheme.

We are concerned that the scheme has suffered from a number of changes in administration and eligibility over recent years which are eroding business confidence in the scheme. This, combined with the continuing impacts of the global financial crisis, has already resulted in a lower call on the scheme. We note that the Austrade annual report 2011-12 reported that "2,993 exporters received grants through the Export Market Development Grants scheme in 2011-12, worth a total of \$125.6 million." This would indicate that at current usage rates the scheme already matches the budget allocation following MYEFO.

All Australian exports are equally important to our economy and the efforts to develop markets should not be subject to discriminatory assistance treatment. The proposals appear to add administrative complexity to the scheme which would create further uncertainty about the eligibility of companies to access support funding.





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We also understand that there is a scheduled review of the scheme in 2015 and that the current proposals would be unlikely to take effect until the 2013-14 financial year. It may be more appropriate to bring forward the scheme review and undertake this during 2013 and as a result then potentially make comprehensive legislative changes rather than incremental changes as proposed which will only serve to increase business unease about the scheme.

ACCI has consistently lobbied the Government to allocate \$200 million to the scheme to assist Australian exporters to develop international markets. It is particularly important, as Australian businesses face continuing international economic pressure, that the Government maintain and increase support for export market development rather than reducing it.

Based on the above, ACCI is not able to support the proposals suggested by Austrade at this time.

Yours sincerely

Bryan Clark
Director, Trade and International Affairs

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