

Export Market Development Grants

2021–22 Grant Guidelines





Contents

1	Inti	troduction 8			
2	Abo	bout the grant program9			
3	Gra	Grant amount and grant period10			
	3.1	Applica	ation period and closing date	10	
	3.2	Assista	nce for eligible SME exporters	10	
	3.3	Assista	nce for representative bodies	12	
	3.4	Will I a	llways get the amount I apply for?	12	
	3.5	When	will I know how much my grant is for?	12	
4	Who is eligible to apply for a grant?13				
	4.1	Eligible	applicants and Conditions that apply to all applicants	13	
	4.2	Conditi	ons that apply to SME exporters	14	
		4.2.1	Eight-year cap and total grant amount cap	14	
		4.2.2	Tier 1 applicants: new to export	15	
		4.2.3	Tier 2 and Tier 3 applicants: expanding your marketing	16	
		4.2.4	Tier 3 applicants: making a strategic shift in your marketing	16	
	4.3	Repres	entative bodies	16	
	4.4	A plan	to market	17	
5	Elig	Eligible products 19			
	5.1	Substa	ntially Australian origin: eligible goods	19	
		5.1.1	Goods that are not eligible	20	
	5.2 Substantially Australian origin: eligible services		ntially Australian origin: eligible services	20	
		5.2.1	Substantially Australian origin: eligible tourism services	20	
		5.2.2	Substantially Australian origin: eligible services other than tourism services	21	
		5.2.3	Services that are not eligible		
	5.3		ntially Australian origin: eligible events		
	5.4	Substantially Australian origin: eligible intellectual property and know-how22			
	5.5	Substantially Australian origin: eligible software			
6					
6			xpenses – what the grant money can be used for		
	6.1		e expense types		
		6.1.1	Maintaining a representative in a foreign country		
		6.1.2	Short trips to a foreign country		
		6.1.3	Consultants		
		6.1.4	Short trips within Australia		
		6.1.5	Foreign buyer visits	24	

	6.1.6	Soliciting for business in foreign country	25
	6.1.7	Free samples	25
	6.1.8	Promotional and advertising material	25
	6.1.9	Intellectual property rights	25
	6.1.10	Training activities – representative bodies	26
	6.1.11	Training activities – Tier 1 applicants	26
6.2	What t	he grant money cannot be used for	26
	6.2.1	Expenses covered by other financial assistance schemes	26
	6.2.2	The sale or export of products that contravenes Australian law	26
	6.2.3	Soliciting sponsorship for events	26
	6.2.4	Capital expenses	26
	6.2.5	Trade with New Zealand	26
	6.2.6	Paid expenses	27
	6.2.7	Government costs	27
	6.2.8	Sales-related expenses	27
	6.2.9	Remuneration and remuneration-like expenses	27
	6.2.10	Illegal activities	28
	6.2.11	Detrimental impact	28
6.3	Design	ated connection	28
	6.3.1	Goods	28
	6.3.2	Services	28
	6.3.3	Events	28
	6.3.4	Intellectual property and know-how	28
	6.3.5	Software	29
	6.3.6	Representative bodies	29
Hov	v to ap	oply	30
7.1	Can so	meone help me apply and make milestone reports?	31
7.2	Prepari	ng information for your application	32
7.3	Timing	of the grant opportunity	33
7.4	Questio	ons during the application process	33
The	grant	assessment and notification process	34
8.1	Who wi	ill approve grants?	34
8.2	Notifica	ation of application outcomes	34
Elia	ible a	rant applications	. 35
9.1		ant agreement	
	9.1.1	Grant agreement variations	
9.2	_	egislation, policies and industry standards	
9.3		ncement of grants	

7

8

9

10 How we pay the grant	37
10.1 Frequency of payments	37
10.2 Milestone Reports	37
10.3 Milestone Payment Administration	38
10.4 Grant payments and GST	38
11 Rights of review of a decision	39
11.1 How to seek a review of a decision	39
12 Program Administration	40
12.1 Keeping us informed	40
12.2 Improving the program	40
12.2.1 Follow-up report or survey	40
12.3 Probity	40
12.3.1 Enquiries and feedback	40
12.3.2 Conflicts of interest	41
12.3.3 Privacy	41
12.3.4 Confidential Information	42
12.3.5 Freedom of information	42
13 Glossary	43

Export Market Development Grants process



Key details

Opening date:	09:00 AEST, 16 August 2021
Closing date and time:	17:00 AEDT, 30 November 2021
Commonwealth policy entity:	Australian Trade and Investment Commission (Austrade)
Administering entity	Austrade
Enquiries:	Phone 13 28 78
	Email <u>EMDG.help@austrade.gov.au</u>
Date guidelines released:	1 July 2021
Type of grant opportunity:	Eligibility-based, demand-driven

The Export Market Development Grants (EMDG) program is designed to achieve Australian Government objectives

EMDG is designed to bring benefits to Australia by encouraging the creation, development, and expansion of foreign markets for Australian products.

Austrade has worked with stakeholders to plan and design the grant program according to the enabling Act.



The grant opportunity opens

We publish the grant guidelines on <u>Austrade.gov.au</u> and <u>GrantConnect</u>. Applications open on the online application portal, which can be accessed via the Austrade website.



You submit a grant application

You apply for a grant by completing the online application form, addressing all the eligibility criteria.



We assess your grant application

Austrade (we) will assess all grant applications we receive against objectives of the EMDG Act and the eligibility criteria to determine whether you are eligible. The decision maker (the CEO of Austrade or delegate) will make a decision on each application.



We enter into a grant agreement

We will offer a grant agreement to each applicant who is eligible to receive a grant.

This grant agreement sets out the terms and conditions for your grant,
including the amount of funding you will receive.



Delivery of grant

You undertake your marketing and promotion activities as set out in your grant agreement.



Milestone payments

Your grant agreement will set out when your milestone grant payments will be made and what you have to do to receive those payments. We will work with you to manage the milestone payments in accordance with your grant agreement.



Improving the program

We evaluate the overall performance of the program. We base this on information you and other grantees provide to us and that we collect from various sources.

1 Introduction

These Grant Guidelines (the Guidelines) contain information for the Export Market Development Grants (EMDG) program (the program) for the 2021–22 round of funding (the grant opportunity). The Australian Trade and Investment Commission (Austrade) is responsible for administering the program. Austrade (we) will publish the opening and closing dates for this grant opportunity and any other relevant information on Austrade.gov.au and GrantConnect.

You must read this document before applying for a grant.

This document sets out:

- the purpose of the grant opportunity
- a description of eligibility criteria for applicants and grantees, export products and expenses, with reference to the governing legislation
- how we consider and assess grant applications
- how we notify applicants, enter into agreements with grantees and make payments
- how we monitor and evaluate grantees
- responsibilities and expectations in relation to the opportunity.

These Guidelines must be read in conjunction with:

- the Export Market Development Grants Act 1997 (the EMDG Act), and
- the Export Market Development Grants Rules 2021 (the EMDG Rules).

We may update these guidelines from time to time, so you should make sure you have the current version from the Austrade website.

In these Guidelines, unless a contrary intention appears, all defined terms have the meanings given to them in the EMDG Act, the EMDG Rules and the list of definitions in these Guidelines section 13 – Glossary. To the extent of any inconsistency, the EMDG Act and the EMDG Rules prevail over the Guidelines.

2 About the grant program

EMDG is a key Australian Government export financial assistance program. Each year it helps some 4,000 Australian small and medium enterprises (SMEs) to start or expand their export business. This grant program contributes to Austrade's Budget Portfolio Outcome 1.

The program is designed to bring benefits to Australia by encouraging the creation, development and expansion of foreign markets for Australian products. This is done by providing targeted financial assistance, for promotional activities and development of marketing skills, to Australian SMEs and their representative organisations.

For those familiar with EMDG, these Guidelines describe a new EMDG model that:

- is reoriented from a reimbursement model to a grants application program, with much simpler application processes and rules
- is more responsive to the needs of exporting businesses with different types of grants for those new to export, those expanding, and those making strategic shifts
- provides greater up-front funding certainty with grant agreements specifying the amount to be funded for each year over 2 or 3 years
- has expanded help for those looking to export for the first time to become export-ready
- continues to support industry bodies and alliances, described as <u>representative bodies</u>, to undertake promotional activities on behalf of their exporting members, and expands the assistance available to them to include training members to become export ready.

The principles underpinning EMDG remain, and are:

- Help is focused on export market development and promotion.
- Grantees must spend at least an <u>equal amount</u> of their own money on eligible expenses.
- The EMDG grant is an entitlement-based grant no comparison between applicants is made. Applicants who are eligible will be offered a grant agreement.
- SMEs have access to grants up to a total of <u>8 years</u>, reflecting the time it takes to build a presence in the market.
- A wide range of <u>expenditure is eligible</u>, reflecting how businesses approach markets in different ways.

Grants are paid in accordance with a grant agreement between Austrade and a grantee.

Some EMDG conditions apply only to representative bodies, while others apply to all other applicants/grantees. For simplicity, the Guidelines will refer throughout to those applicants/grantees as SME exporters.

3 Grant amount and grant period

3.1 Application period and closing date

This grant opportunity will open on 09:00 AEST, 16 August 2021 and close at 17:00 AEDT on 30 November 2021, for eligible expenses from 1 July 2021.

Late applications will not be accepted.

3.2 Assistance for eligible SME exporters

If you are an eligible SME exporter, you will be able to apply for grants up to \$770,000 per applicant over 8 financial years for promotional activities to market eligible products in foreign countries, or training activities to develop skills in such marketing. The 8 years do not need to be consecutive. (See also section 4.2.1)

Grants will be available in 3 tiers, designed to provide different levels of support to you during different stages of your export journey:

- **Tier 1**: for eligible SME exporters who are ready to export in the grant year grants of up to \$40,000 per financial year for up to 2 years.
- **Tier 2**: for eligible exporters who are exporting eligible products and seeking to expand export promotion activity for eligible products grants of up to \$80,000 per financial year for up to 3 years.
- **Tier 3**: for eligible exporters who are exporting eligible products and seeking to expand export promotion activity and make a strategic shift in the marketing of eligible products in a foreign country grants of up to \$150,000 per financial year for up to 3 years.

When deciding the grant amount you are applying for, you should remember that you must spend at least an equal amount of your own money on eligible expenses.

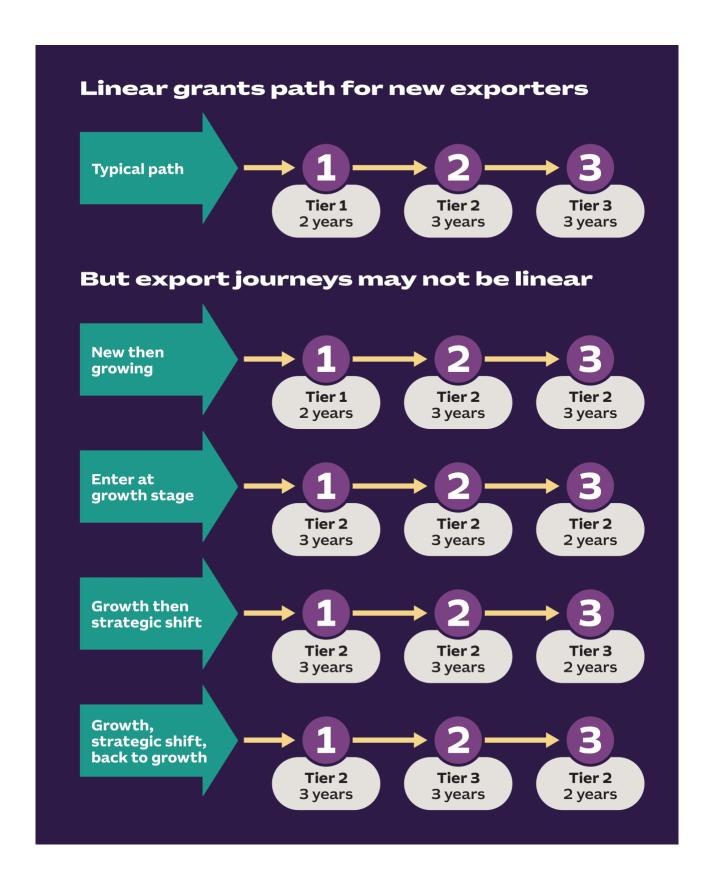
To be eligible, SME exporters will need to have a <u>turnover</u> of less than \$20 million for financial year 2020–21, which is the financial year before the financial year in which you are making an application.

For Tier 1 you will need to be ready to start exporting. For Tiers 2 and 3 you will have already exported.

You can apply for any tier level that suits your organisation. You do not have to progress through each Tier. You do not have to proceed through the tiers in any particular order (see below).

You might, for instance, successfully apply for a Tier 1 grant as you commence exporting, then 2 years later apply for a Tier 3 grant because you wish to shift to a more attractive market. Then after a further 3 years you could apply for a Tier 2 grant to help you to consolidate and expand your operations in that different market.

During assessment if your application is found to be not eligible for the tier you applied for Austrade will consult with you as to whether you are eligible for a different tier.



3.3 Assistance for representative bodies

If you are a <u>representative body</u>, you are able to access a grant to:

- enable you to undertake promotional activities on behalf of your members in international markets, and
- help you to provide training to your members to help them become export-ready.

Your grant will be for up to \$150,000 per year over 3 years.

There is no limit on the number of times you can apply for a grant. You can only have one grant agreement operating at a time.

3.4 Will I always get the amount I apply for?

Your grant agreement may be for less than the amount you applied for.

- Each year the Government allocates a set amount of money for EMDG (the appropriation).
- EMDG is an eligibility-based grant program. This means that all SME exporters who apply and are eligible will receive a grant.
- Therefore, where applications total more than the amount provided in the appropriation, Austrade must distribute that money among all applicants.
- How that distribution is calculated will be notified to all approved applicants and on the Austrade website.

3.5 When will I know how much my grant is for?

Once all applications have been received, Austrade will calculate the distribution of available funds for all eligible applications. Following assessment, if you are eligible, you will receive a grant agreement that will tell you how much your grant is for.

Your obligation is to match, at a minimum, the dollar value of the grant monies you receive, noting:

- If you spend more, you will not receive more grant money. The amount in your grant agreement is the maximum you will receive.
- If you spend less, you will only receive an amount equal to the amount you contributed.

4 Who is eligible to apply for a grant?

Your application must satisfy all the relevant eligibility criteria.

The EMDG Act at sections 15 and 16 and the EMDG Rules at Part 2 provide the <u>full description</u> of who is eligible for an EMDG grant.

To be eligible for a grant, you must be Australian and be ready to export (Tier 1), or already exporting (Tiers 2 or 3), products of substantially Australian origin, or be a representative body.

4.1 Eligible applicants and Conditions that apply to all applicants

To be eligible for a grant you must be an eligible kind of person within the meaning of the EMDG Rules, being one of the following:

- an individual whose principal place of residence is in Australia
- a body incorporated under the Corporations Act 2001
- an association, or cooperative, incorporated under an Australian law
- a partnership that is Australian, that is if the partnership was formed and operates under a law of a State or Territory, and at least half the partners are Australian persons
- a trust that is Australian within the meaning of the <u>EMDG Rules</u>, that is the trustee, or each trustee, of the trust is an Australian person
- a body corporate established for a public purpose by or under an Australian law
- a representative body.

Partnerships and trusts are treated as if they are persons under the Act and Rules, but with the changes set out in sections 105A and 105B of the Act.

At the time you apply for a grant, and at all times while you are a grantee, you must have an Australian Business Number (ABN).

At the time of signing a grant agreement, and at all times while a grantee, you must not:

- have any outstanding disqualifying convictions (refer to the <u>EMDG Rules</u> section 15)¹
- be under insolvency administration (refer to the EMDG Rules section 16).

Other Commonwealth restrictions will also apply. You are ineligible for Commonwealth grants if you are listed as ineligible under the National Redress Scheme.

Austrade will provide grant funds through accounts at an Australian authorised deposit taking institution.

¹ Disqualifying convictions encompass convictions for many different types of fraud offences, including fraud offences against the Commonwealth. The offences are outstanding for a period of 5 years from either the time of conviction, or if you were imprisoned for the offence, from your time of release.

4.2 Conditions that apply to SME exporters

If you are an SME exporter, at the time you apply for a grant you must also:

• have a turnover for the last financial year (2020–21) of less than \$20 million (annual turnover is the total ordinary income that you derive in the income year in the course of running your business).

If your grant application is successful, at the time you enter into a <u>grant agreement</u> you must be one of:

- ready to export <u>eliqible products</u> (Tier 1)
- exporting eligible products and seeking to expand your export promotion activity (Tier 2), or
- exporting eligible products, seeking to expand your export promotion activity and make a strategic shift in your export promotion activity (Tier 3).

4.2.1 EIGHT-YEAR CAP AND TOTAL GRANT AMOUNT CAP

You can receive EMDG grants for 8 financial years. The 8 financial years need not be consecutive.

All grant payments you receive for activities undertaken from 1 July 2021 onwards (that is, under the grant model) will be counted in financial years. If you receive more than one milestone payment in a financial year, the total you receive for that financial year is counted as one year.

You can only receive a total of \$770,000 under the EMDG program. If you reach this cap before the 8 financial years cap you cannot receive further EMDG grants.

4.2.1.1 Transitional arrangements

Note: If this is your first EMDG application, you can ignore this section.

To determine whether you are under the 8 financial years and \$770,000 maximum funding caps, you will need to include the following considerations:

- The cap calculations include all EMDG grants received by you under the EMDG Act on or after 1 July 1990.
 - This includes any grant you receive under the reimbursement scheme during the 2021–22 financial year for expenses incurred before 1 July 2021.
- One grant under the reimbursement scheme is counted as one financial year.
 - A grant under the reimbursement scheme is the actual amount you received from Austrade for a claim.
 - Under the reimbursement scheme your claim may have been paid in one or 2 tranches.
 If you received a payment in 2 tranches, the total of the 2 tranches is counted as one grant.
 - The first time you received a grant under the reimbursement scheme was a special case. You were able to claim for expenses you incurred during the previous financial year or the immediately preceding year (see subsection 29(c)(i) of the Export Market Development Grants Act 1997 prior to 17 June 2021). You will have made one claim and therefore this counts as one grant.

• Between 1 July 1990 and 1 July 1997, EMDG grants were paid under the *Export Market Development Grants Act 1974*. Similarly, each claim paid under that legislation is considered as one grant when determining whether you have reached your EMDG caps.

If you or your organisation has received 8 EMDG grants, or \$770,000, since 1990, you have reached your cap and you are not eligible for further EMDG funding.

To make this transition easier, Austrade will connect your records to your application for this grant round. Details of the number of grants you have received, and the amounts should automatically fill into the application form. However, it is your responsibility to check that these records are accurate.

Please contact EMDG helpdesk if you require assistance or if you think the records that appear in your application form are inaccurate.

4.2.1.2 Organisational restructuring

When assessing whether you have reached either the 8-year cap or the \$770,000 cap on total grant funding available to you under EMDG, Austrade will include the grants of another grantee where Austrade considers organisational restructuring activity has occurred that means you are, in substance conducting the business the previous grantee conducted. This is done by assessing whether your business is similar in substance to a previous EMDG grantee (including a grantee that has ceased to exist).

Austrade makes this assessment having regard to:

- the nature and assets of the businesses conducted by you and the other person
- the individuals controlling or constituting you and the other person
- any other matters the CEO of Austrade or the <u>Delegate</u> considers relevant.

If Austrade is satisfied that you are, in substance, conducting the business that the previous EMDG grantee conducted, we will include:

- the number of financial years in which grants were payable or paid to them into your total years funded, and
- the total amount of funding received by them in your total of funding received under the EMDG program.

This decision is reviewable.

4.2.2 TIER 1 APPLICANTS: NEW TO EXPORT

To be eligible for a <u>Tier 1</u> grant you must be ready to export. You are considered ready to export <u>eligible products</u> if:

- you have not previously exported eligible products, and
- you have appropriate skills in marketing eligible products in a foreign country, demonstrated by either:
 - a declaration by you that you have used Austrade's Export Readiness Tool and as a result believe you are ready to export
 - you have completed export readiness training with a representative body or another provider. Austrade does not endorse any specific training provider (EMDG Rules section 5).

4.2.3 TIER 2 AND TIER 3 APPLICANTS: EXPANDING YOUR MARKETING

To be eligible for a <u>Tier 2</u> and <u>Tier 3</u> grant you must show you are expanding your marketing activities. This will be shown in your <u>plan to market</u>.

4.2.4 TIER 3 APPLICANTS: MAKING A STRATEGIC SHIFT IN YOUR MARKETING

To be eligible for a <u>Tier 3</u> grant, you also need to show in your plan to market that you are making a <u>strategic shift</u> in your marketing activities – a change in direction in order to target a new market or market segment driven by your business goals.

A new market could be a new country but could also include a different market in a large country, such as in the United States, starting to market in the East Coast versus West Coast). Your <u>plan to market</u> should provide a high-level explanation that outlines how your promotional activities will support your new strategy.

Expanding and strategic shift: Shown in your plan to market

Tier 2: your marketing activities are expanding

Tier 3: your marketing activities are expanding and you are making a strategic shift

Show where you are now, and compare that to where you want to be in 3 years

What is a strategic shift?

Changes to your marketing activities driven by longerterm business goals such as:

- targeting a new market
- targeting a different type of customer or demographic
- launching a new product or service
- a new way to target your market, such as starting to engage through e-commerce.

4.3 Representative bodies

If you are a representative body applicant, you must be an organisation that:

- promotes the interests of members of a group from an industry, a substantial part of an industry, or from more than one industry, where all or a substantial number of those members are exporting or seeking to export eligible products, and
- does not export eligible products, or the export of eligible products is not one of your primary activities, and
- does not distribute income to members or shareholders.

At the time you apply for a representative body grant you must:

- if the application is for a grant to undertake promotional activities on behalf of your members, have a plan to market
- if the application is for a grant to undertake training activities, have the skills and experience necessary to deliver, or arrange for the delivery of, training that enables your members to become ready to export.

4.4 A plan to market

All applications from SME exporters will require a plan to market.

Plan to market

It could be:

- A one-page statement
- A copy of your strategic roadmap for promotions
- Any otherwise internal planning document

What it should explain:

- Why are you undertaking the proposed marketing? What business goals are you seeking to achieve through your promotions?
- How do you plan to measure success of your promotional activities?
- What is your overall promotional activities budget for each financial years?
- Where and what customers or demographic will your promotional activities be targeted towards?
- What promotional activities are you planning? This can be as detailed or strategic as you like.

If you are a representative body undertaking promotional activities on behalf of your members, your application will need to include a plan to market.

If you are a representative body and only applying for EMDG grant funding for training activities, you do not need to provide a plan to market.

A plan to market is a high-level document that shows us what you intend to do to market your product overseas in the next 2 or 3 years and why. If you are a representative body, your plan to market should show how you plan to market your members' products.

Like a business plan, a plan to market would be a living business management document, which you may need to modify and adapt through the life of your exporting business as circumstances warrant. Where modification is needed, you would include the updated plan to market with your scheduled milestone reporting, as outlined in your grant agreement.

Your plan to market could be a one-page statement, a copy of your strategic planning roadmap for marketing, or any other internal planning document that answers the following:

- Why are you undertaking the proposed marketing? In other words, what business goals are you seeking to address through your promotional activity?
- How will you measure success for your promotional activities?
- What is your overall budget for each financial year (2 financial years for Tier 1; 3 financial years for Tier 2, Tier 3 and representative bodies)? An overall budget does not require details of individual expenses.
- Where and what customers or demographic will your promotional activities be targeted towards?
- What promotional activities will you undertake? This can be as detailed or as strategic (big picture) as you like.

If you are applying for a <u>Tier 1 grant</u>, your plan should describe the next 2 years. For all other applicants, your plan should describe the next 3 years.

If you are applying for a <u>Tier 2 grant</u>, your plan should also show how you are expanding your promotional activities.

If you are applying for a <u>Tier 3 grant</u>, your plan should also show how you are expanding your promotional activities and making a strategic shift in your promotional activities.

In both Tiers 2 and 3, this can be done by showing where you are now, and comparing that to where you want to be in 3 years' time.

5 Eligible products

EMDG grant funds must be used for promotional activities to market eligible products in foreign countries, or for training activities to develop skills in such marketing.

The EMDG Act Division 4 and the EMDG Rules Part 3 give detailed descriptions of what constitutes eligible products. The following sections give broad summaries of eligible and ineligible products. However, you should ensure you understand the relevant sections of the EMDG Act and EMDG Rules.

To be an eligible product, your product(s) must be of **substantially Australian origin** and be:

- goods
- services
- events
- intellectual property or know-how
- software.

Some products are not eligible (see sections 5.1.1 and 5.2.3).

5.1 Substantially Australian origin: eligible goods

To be of substantially of Australian origin, goods must be:

- primary produce, or mainly made from primary produce (that is mined, harvested, raised or fished) within Australia
- manufactured or assembled in Australia partly or wholly from imported materials or components that, in Australia, undergo or are part of a process or operation that does one of:
 - results in the manufacture of a new product
 - substantially transforms the nature of the materials or components
 - is an important stage in the manufacture of a product to be produced outside Australia using those goods
- are made outside Australia and at least 3 of:
 - the assets used to make the goods ready for sale (other than assets used in manufacture) are mainly or substantially based in Australia
 - the activities resulting in the goods being made ready for sale (other than manufacture) are mainly or substantially carried on in Australia
 - a significant proportion of the value of the goods is added in Australia
 - the making of the goods directly generates significant employment in Australia.

5.1.1 GOODS THAT ARE NOT ELIGIBLE

Goods that are manufactured or assembled in Australia partly or wholly from imported materials or components are excluded if the process or operation is designed to circumvent rules relating to the origin or origins of the product, or consists of only grading, packing or sorting the materials or components.

Goods are excluded if they relate to any of the following:

- pornographic material including pornographic material in publications, films, computer games, or accessible on the internet
- · activities or products that are unlawful.

5.2 Substantially Australian origin: eligible services

Eligible services are divided into:

- eligible tourism services
- · eligible services other than tourism.

5.2.1 SUBSTANTIALLY AUSTRALIAN ORIGIN: ELIGIBLE TOURISM SERVICES

Tourism services must be supplied in Australia to foreign persons, and are the supply of any of the following:

- passenger transport by land, including vehicle hire (but not a transfer service for foreign tourists)
- passenger transport by water or air
- overnight accommodation unless for a business purpose or study
- tours
- paid admission to:
 - a place that has one or more outstanding natural features or is of historical interest
 - a park, nature reserve or botanical garden
 - a wildlife sanctuary or zoological garden
 - a museum, art gallery or craft centre
 - a place that is, or provides, an amenity appropriate to tourists
 - an event
- services at a place the main purpose of which is to provide a venue and associated facilities for meetings, conventions and exhibitions
- the services of a restaurant or cafe
- services directly related to the act of gambling in a licensed casino.

5.2.2 SUBSTANTIALLY AUSTRALIAN ORIGIN: ELIGIBLE SERVICES OTHER THAN TOURISM SERVICES

To satisfy the eligibility requirement that products are substantially of Australian origin, services must be supplied (whether in or outside Australia) to foreign persons and be at least 3 of the following:

- the assets used to make the services ready for sale or supply are mainly or substantially based in Australia
- the activities resulting in the services being made ready for sale or supply are mainly or substantially carried on in Australia
- for services supplied outside Australia a significant proportion of the value of the services is added in Australia
- the supply of the services directly generates significant employment in Australia.

5.2.3 SERVICES THAT ARE NOT ELIGIBLE

Services are excluded if they relate to any of the following:

- migration to Australia, including proceedings or actions to enter or remain in Australia
- · adoption, custody or welfare of a child
- proceedings about the maintenance of a person
- proceedings under the Family Law Act 1975
- identification, procurement, lease, sale or purchase of assets in Australia (whether tangible or intangible), including cash, real estate, stocks, options or shares
- protection, operation or maintenance of assets held in Australia
- · compliance with the laws of Australia
- prostitution
- pornographic material, including pornographic material in publications, films, computer games, or accessible on the internet
- activities or products that are unlawful
- provision of a gambling service by a person not licensed under an Australian law to provide the service
- any service supplied in Australia to foreign tourists that is not a tourism service
- selection or recruitment of students to work in Australia.

5.3 Substantially Australian origin: eligible events

Events like trade shows held in Australia are eligible if they are being held to market or promote Australian products or services to international customers. If the event is online, the event must be provided by an <u>Australian person</u>.

5.4 Substantially Australian origin: eligible intellectual property and know-how

To be an eligible product, intellectual property or know-how must be as follows:

- for intellectual property rights relating to a trade mark, the trade mark was first used in Australia, or has increased in significance or value because of being used in Australia
- for intellectual property rights relating to any other thing, or for know-how, the thing, or know-how, is the result, wholly or substantially, of research or work done in Australia.

5.5 Substantially Australian origin: eligible software

To be an eligible product, software must be a work in which copyright subsists, and the work is the result, wholly or substantially, of research or work done in Australia.

6 Eligible expenses – what the grant money can be used for

It is important you understand what eligible expense are. You will need to show your expenses are eligible to receive <u>payments</u> during the course of your grant agreement. You will not receive your milestone payments unless your expenses are eligible expenses.

Your expenses are eligible where:

- it is in respect of promotional activities undertaken for the purpose of marketing <u>eligible</u> <u>products</u> in foreign countries and you have a <u>designated connection</u> to the eligible product, or
- if you are a <u>Tier 1</u> or <u>representative body</u> grantee, training activities undertaken for the purpose of developing skills in marketing eligible products in foreign countries.

You will be required to indicate in your application your overall budget for each financial year you are applying for, and if requested, be able to show how you estimated the planned eligible expenditure. The types of eligible expenses are described below.

You must spend your grant money on eligible expenses between the start date and end date for your grant agreement.

6.1 Eligible expense types

As explained above, all expenses must relate to promotional activities to market your <u>eligible</u> <u>products</u> in foreign countries, or training activities to develop skills in such marketing.

Your expenses must also meet any other requirements in your <u>grant agreement</u>, including the particular requirements of the <u>Tier</u> for which you have received a grant. For example, if you have entered into a Tier 3 grant agreement your expenses must be for activities that are an expansion of your previous promotional activities and for activities that are a <u>strategic shift</u> from your previous promotional activities, as outlined in your plan to market. These Tier 3 specific requirements will be a part of your grant agreement.

Expenses you wish to claim must fall into one or more of the following categories.

6.1.1 MAINTAINING A REPRESENTATIVE IN A FOREIGN COUNTRY

Maintaining a representative in a foreign country for more than 6 months in a financial year so far as the representative is either:

- conducting research into the market in that country for your eligible products
- undertaking promotional activities to market your eligible products in that country.

This includes expenses such as salaries and wages of the representative, office rental costs, education of the representative's children if relocated for the role, relocation expenses, and recruiting a replacement representative.

Where your representative is undertaking other activities outside these 2 activities described above, it is not an eligible expense. At the milestone payment stage, you may be asked to demonstrate what part of your representative's time was allocated to these activities. In this situation it is advisable to keep records detailing this distinction from the beginning of their engagement to make milestone payments easier.

6.1.2 SHORT TRIPS TO A FOREIGN COUNTRY

Up to 21 days' continuous travel for you or your representative, between Australia and a foreign country.

This includes expenses such as airfares, accommodation expenses, incidentals, ground transport and food.

Trips may be longer than 21 days, and incorporate activities other than export promotion. If so, then only those days dedicated to export promotion, up to a maximum of 21 continuous days, would be eligible.

When estimating travel budgets, the daily expense allowances used by the <u>Australian Tax</u> <u>Office</u> describe the upper limits allowable under EMDG. These limits will be described in your grant agreement.

The ATO determination is updated every year and will take into account cost changes in your markets. Austrade will provide details about how to find the determination through our website.

6.1.3 CONSULTANTS

Engaging a consultant to undertake either:

- research into the market in a foreign country for your eligible product
- promotional activities to market your eligible product in that country.

This includes expenses such as original research, export planning and export pricing strategies and designing marketing materials (see also <u>sales-related expenses</u> and <u>remuneration-like expenses</u>).

6.1.4 SHORT TRIPS WITHIN AUSTRALIA

Up to 21 days' continuous travel within Australia for you or your representative, to undertake activities relating to marketing your eligible product to potential foreign buyers.

This could include expenses such as food and accommodation, transport, and participation in trade shows in Australia where buyers for overseas markets are present.

It does not include ordinary remuneration for you or your representative.

6.1.5 FOREIGN BUYER VISITS

Up to 21 days' continuous travel between Australia and a foreign country, and within Australia, of a prospective foreign buyer of your eligible product so you can undertake promotional activities to market your eligible products to that buyer.

This includes expenses such as airfares to and from Australia, accommodation, food and incidental travel expenses.

6.1.6 SOLICITING FOR BUSINESS IN FOREIGN COUNTRY

Expenses for activities undertaken by you or your representative to solicit for business in a foreign country for your eligible products, where undertaken in a foreign country. This could include expenses such as trade show exhibits.

6.1.7 FREE SAMPLES

Providing free samples of your eligible product either:

- to a person in the foreign country
- if your eligible product is tourism services, then in Australia to a person from the foreign country.

This includes expenses that are attributable to the actual cost of providing product samples free of charge. Your samples must be the same as your product that would be provided under any future sales agreements. This includes costs such as postage or freight to deliver samples overseas.

Expenses for free samples do not include samples given away as discounts or for sales-related adjustments to the recipient, or where they relate to product or prototype development.

6.1.8 PROMOTIONAL AND ADVERTISING MATERIAL

Producing and providing material to promote or advertise your eligible product in the foreign country.

This includes expenses such as website design and build costs, virtual events, social media marketing, Google advertising, and design and printing of brochures.

The cost for the promotional activities must be your costs. The promotional activities can be undertaken by someone else on your behalf.

There are many different types of contractual arrangements that reflect the relationship between yourself and the person undertaking the promotional activities targeted at an overseas market for your product. For the expense to be eligible you must be able to demonstrate the cost to you as the grantee.

An example of this might be where a distribution company pays royalties to you for sales of your intellectual property or software in a foreign country. That company might agree to bear the promotional costs in that foreign market and account for this by reducing royalty payments to you. In essence, you are being paid for the sale of your product and then charged for your promotional expenses.

To claim this arrangement as an eligible expense you will need to provide evidence of the total amount that the distribution company is charging, in other words the cost to you, for undertaking promotional activities. This is likely to be described in your contract.

6.1.9 INTELLECTUAL PROPERTY RIGHTS

Seeking the granting, registration or extension of intellectual property rights of your eligible product in a foreign country.

This includes expenses such as payments to patent and trade mark attorneys and to relevant government trademark and patent offices.

6.1.10 TRAINING ACTIVITIES - REPRESENTATIVE BODIES

If you are a <u>representative body</u>, delivering (or arranging to be delivered) training to members of the represented group so they can better market their eligible products in foreign countries.

6.1.11 TRAINING ACTIVITIES - TIER 1 APPLICANTS

If you are a <u>Tier 1</u> applicant, obtaining training so that you or your staff can better market your eligible products in foreign countries.

Your training expenses are not eligible if that training is being funded under a grant agreement with a representative body.

6.2 What the grant money cannot be used for

6.2.1 EXPENSES COVERED BY OTHER FINANCIAL ASSISTANCE SCHEMES

If you have received financial assistance for an expense through another Commonwealth scheme for financial assistance or a scheme provided by a State or Territory, it is not an eligible expense.

At the time a <u>milestone payment</u> is due, we may request a copy of any relevant grant agreement so that we can verify there is no overlap.

If, after a grant is paid to you for an eligible expense, and you then receive financial assistance that covers the expense under another scheme, you may be required to repay the grant.

6.2.2 THE SALE OR EXPORT OF PRODUCTS THAT CONTRAVENES AUSTRALIAN LAW

If your expenses relate to a product where the sale or export of the product contravenes an Australian law it is not an eligible expense.

This includes all sanctions under the *Charter of the United Nations Act 1945* and its regulations, the *Autonomous Sanctions Act 2011* and the Autonomous Sanctions Regulations 2011. Information on Australia's sanctions can be found at:

dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.

6.2.3 SOLICITING SPONSORSHIP FOR EVENTS

Expenses to solicit sponsorship for an event are not eligible expenses.

6.2.4 CAPITAL EXPENSES

Expenses of a capital nature are not eligible expenses. However, an expense covered by the EMDG Rules section 36 (intellectual property rights) is not considered to be of a capital nature.

6.2.5 TRADE WITH NEW ZEALAND

Expenses with respect to trade with New Zealand are not eligible expenses.

6.2.6 PAID EXPENSES

Expenses in respect of something for which you have been, or are entitled to be, paid are not eligible expenses.

6.2.7 GOVERNMENT COSTS

Payment of a tax, levy or other contribution under an Australian law are not eligible expenses. This does not include the payment of a charge imposed by the *Passenger Movement Charge Act 1978*.

6.2.8 SALES-RELATED EXPENSES

Any sort of remuneration or remuneration-like expenses are not eligible expenses if they are made by reference to sales or other commercial transactions in relation to the eligible product such as salaries, retainers, fees, discounts, or credits.

6.2.9 REMUNERATION AND REMUNERATION-LIKE EXPENSES

Expenses that are a normal part of remuneration are not eligible expenses for any of the following:

- an individual who is ordinarily employed by the grantee or a related entity of the grantee
- if the grantee is a company a director of the company
- a director of a company that is a related entity of the grantee
- if the grantee is a partnership a partner in the partnership
- if the grantee is a trust a trustee of the trust.

This exclusion only applies to the following expense categories described in 6.1 above:

- · short trips to foreign country
- consultants
- short trips within Australia
- foreign buyer visits
- soliciting for business in a foreign country
- promotional and advertising material
- intellectual property rights.

For clarity, this exclusion therefore does not apply to the following expense categories described in 6.1 above:

- maintaining a representative in a foreign country
- free samples
- training activities

Travel allowances, such as *per diems* and accommodation costs when travelling, are **not** considered to be a normal part of remuneration. This means, travel allowances are eligible expenses for the expenses categories listed in 6.1 above.

6.2.10 ILLEGAL ACTIVITIES

Expenses are not eligible expenses where they relate to a thing done by you or your representative that is illegal in the country in which it is done.

Expenses are also not eligible expenses where they relate to something you or your representative do that would be illegal if you had done it in Australia.

6.2.11 DETRIMENTAL IMPACT

Expenses are not eligible if Austrade thinks your expense or product might have a detrimental impact on Australia's trade reputation.

This decision under this subsection is <u>reviewable</u> (see Rule 55 of the EMDG Rules and Section 97 of the EMDG Act).

6.3 Designated connection

As described above, you must have a **designated connection** to the eligible product for your promotional activity expenses to be eligible.

For most grantees the designated connection to a product will be that you own the product. Other types of designated connection relationships differ depending on the type of product you are marketing, as explained below.

6.3.1 GOODS

You have a designated connection to an eligible good if you or a related entity either:

- own the goods
- own or hold an exclusive licence for one or more intellectual property rights relating to the goods.

6.3.2 SERVICES

You have a designated connection to an <u>eligible service</u> if you supply the services.

6.3.3 EVENTS

You have a designated connection to an <u>eligible event</u> if you either:

- provide the event
- are the promoter of the event under a written arrangement with the person providing the event.

6.3.4 INTELLECTUAL PROPERTY AND KNOW-HOW

You have a designated connection to an <u>eligible intellectual property or know-how</u> product if you either:

- · own the intellectual property or know-how
- are licensed to promote the intellectual property or know-how by its owner.

6.3.5 SOFTWARE

You have a designated connection to an <u>eligible software</u> product if you own, or hold an exclusive licence to use, copyright in the software or that part of the software that is in the form of intellectual property.

If the software is also in the form of either goods, services, intellectual property or know-how, then you must also satisfy the designated connection requirements for that eligible product type above.

6.3.6 REPRESENTATIVE BODIES

If you are a <u>representative body</u>, and members of the group you represent have a designated connection to one of the above eligible product types, then you also have a designated connection to the same product type.

7 How to apply

Before applying, you should read and understand these guidelines. It is also advisable you read and understand the <u>EMDG Rules and the EMDG Act</u>. It will also help you if you read the sample application form and the sample grant agreement.

These documents may be found on the <u>Austrade website</u>. Any alterations and addenda² will be published on the same sites. If you register for updates, you will be automatically notified of any changes.

To apply you must:

- complete the online grant application form via the link fond on the Austrade website
- provide all the information requested
- address and meet all <u>eligibility criteria</u>
- include all necessary attachments
- submit your online application by the closing date on the cover page of these Guidelines.

You are responsible for ensuring your application is complete and accurate. Giving false or misleading information in an application for funding is a serious offence under the <u>Criminal</u> <u>Code Act 1995</u>. We will investigate any false or misleading information and may exclude your application from further consideration.

If you find an error in your application after submitting it, you should send an email immediately to EMDG.help@austrade.gov.au. If additional information is provided after the closing time it may affect how we assess your application.

If we find an error or information that is missing, we may ask for clarification or additional information from you that will not change the nature of your application.

When we request further information from you, we will specify the date by which you must provide the information. If you do not provide the information by that date, we may not consider your application any further (see EMDG Act section 101). If you need extra time to gather the requested information, please contact us as soon as possible.

You should keep a copy of your application and any supporting documents.

We will acknowledge that we have received your application by email.

If you need more information about the application process or if you are unable to submit an application online contact us:

Phone: 13 28 78

Email: EMDG.help@austrade.gov.au

² Alterations and addenda include but are not limited to corrections and additions to currently published documents, and changes to close times for applications.

7.1 Can someone help me apply and make milestone reports?

You can engage someone to help you apply for an EMDG grant and make <u>milestone reports</u>. If you want that person to submit an application or milestone report on your behalf, we must have evidence, through a written authorisation, that you want that person to represent you and that you authorise them to submit the application and milestone reports.

If you have authorised someone to do one or all of these 3 things that authorisation must be supplied with the application.

Even where a person is authorised to submit an application or milestone reports on your behalf, you are responsible for the accuracy of the information provided in the application and milestone reports.

If you want a person who represents you to receive your grant money through their trust fund, you must provide clear and specific written authorisation for money to be deposited into that account. We will not pay into an account that is not authorised by you as the grantee. This authorisation should also be provided with the application.

7.2 Preparing information for your application

Before you start your application, you should prepare the following information:

Applicant	Attachment	Why do we need it?
SME exporters – all tiers	2020–21 Profit and Loss Statement	To substantiate that your <u>turnover</u> is less than \$20 million.
SME exporters – all tiers Representative bodies planning to market on their members' behalf	Plan to market (submission)	To establish tier eligibility. Template will be provided but your own documents may be used. If you are a representative body and only seeking funding for training, then this is not required.
Some SME exporters – all tiers	Balance Sheet as at 30 June 2021	If your goods and services are made outside Australia it provides evidence for the <u>substantially Australian origin</u> requirement. To help us to identify any related entities when assessing whether <u>organisational</u> restructuring has occurred.
SME exporters – Tiers 2 and 3	Documentary evidence for your most recent export sale of an eligible product	To establish <u>tier eligibility</u> .
SME exporters operated by a trust – all tiers	Trust deed including any amendments (if applicable) and including current trustee details.	To establish the <u>eligibility of the trust</u> and its trustee as eligible persons.

Some applicants will also need to provide information through an EMDG template (available on the Austrade website):

Applicant	Template to use	Why do we need it?
SME exporters with goods made outside Australia – all tiers	Goods made outside Australia eligibility submission	To establish eligibility of goods made outside Australia as <u>eligible products</u> .
SME exporters with services other than tourism – all tiers	Service product eligibility submission	To establish eligibility of services other than tourism services as eligible products. Template will be provided.
Representative bodies	Representative body submission	To establish representative body eligibility. Template will be provided.

Some information will be evidenced through declarations made by you prior to submitting your application as part of the application form. You are responsible for ensuring those declarations are accurate.

These include:

- declarations concerning your insolvency status
- declaration concerning disqualifying convictions.

If you apply for a Tier 1 grant, you will need to provide evidence of export readiness training, through a declaration that you are <u>ready to export</u> and that you have completed any suitable export readiness training course or <u>Austrade's export readiness assessment tool</u>. You will also need to declare that you have not previously exported.

If you are applying for a Tier 2 or 3 grant, you will need to declare that you are exporting an eligible product.

7.3 Timing of the grant opportunity

You must submit your application between the published <u>opening and closing dates</u>. We cannot accept late applications.

We will endeavour to assess your application and advise you of the outcome within 8 to 10 weeks of the closing date. At this time, we will provide you with a <u>grant agreement</u> for you to sign.

7.4 Questions during the application process

If you have any questions during the application period, please contact:

Phone: 13 28 78

Email: EMDG.help@austrade.gov.au

8 The grant assessment and notification process

We will check your application to ensure it meets the eligibility criteria.

If sufficient information has not been provided in the application to determine whether the eligibility criteria has been met, we will request further information.

If the assessment process identifies unintentional errors in your application, you will be contacted to correct or explain the information.

8.1 Who will approve grants?

A decision maker in Austrade (the <u>Delegate</u> for the Austrade CEO) decides which grants to approve. There is no overview or veto of these decisions by the Australian Government or the Minister for Trade, Tourism and Investment.

The Delegate will also determine the <u>amount of funding</u> to be provided under the grant agreement. This decision will take into account the availability of grant funds for the program and the number of applications received in this round.

8.2 Notification of application outcomes

We will advise you of the outcome of your application in writing. If you are successful, we will advise you of any specific conditions attached to the grant. If you are unsuccessful, we will notify you in writing and give you reasons for our decision.

9 Eligible grant applications

If you are eligible, you will receive a grant agreement from Austrade. Once you enter into a grant agreement you will be a **grantee**.

9.1 The grant agreement

A grant agreement is a legally binding agreement with Austrade on behalf of the Commonwealth.

Both you and the Commonwealth must sign the grant agreement before we can make any payments.

Each agreement has standard terms and conditions that cannot be changed. A sample grant agreement is available on the <u>Austrade website</u>.

As with any financial arrangement, it is advisable to be cautious about financial commitments until the financial arrangement is finalised.

The approval of your grant will have specific conditions determined by the assessment process or other considerations made by the <u>Delegate</u>. We will identify these in your grant agreement.

The Commonwealth may recover grant funds if there is a breach of the grant agreement (see section 10(2)(b) of the EMDG Act and your grant agreement).

You should sign your grant agreement within 21 days from the date of written offer. During this time, we will work with you to finalise the details.

The offer may lapse if you do not sign the grant agreement within this time. Under certain circumstances, we may extend this period. We base the approval of your grant on the information you provide in your application and any further information we seek for clarification.

9.1.1 GRANT AGREEMENT VARIATIONS

We recognise that unexpected events may affect delivery of the grant activities. In these circumstances, you can request a variation to your grant agreement, including:

- changing grant milestones or the timeframe for completing milestones, but not beyond the total grant period
- suspending the grant for a period
- changing grant activities where necessary
- terminating a grant agreement early, for whatever reasons. In some circumstances you may do this so that you can apply for a new grant in a different tier or different product.

Variations to your grant agreement must still comply with the overall <u>caps on total grant funds</u> <u>and years</u>.

Note: you cannot request an increase of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the grant outcome
- consistency with the <u>EMDG Act and EMDG Rules</u>, program policy objectives, grant guidelines and any relevant policies of Austrade
- changes to the timing of grant payments.

9.2 Other legislation, policies and industry standards

You must comply with all relevant laws and regulations in undertaking your grant activity. These include Australian laws and the laws within the country in which you are undertaking your activities.

Some of these relevant laws include:

- the Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- relevant human rights legislation
- workplace health and safety
- working with children and working with vulnerable people
- the Privacy Act 1988.

The CEO of Austrade may consider any breaches of these and any other relevant laws when deciding whether your expenses or product might have a <u>detrimental impact</u> on Australia's trade reputation.

9.3 Announcement of grants

If you enter into a grant agreement with Austrade, your grant will be listed on Austrade's website and the GrantConnect website within 21 days after the date of effect.³

This information may include things such as:

- name of your organisation
- your industry
- · Australian Business Number
- business location.

Should further details be required to be published, we will notify you.

10 How we pay the grant

Your grant agreement will state the maximum grant amount we will pay to you each financial year.

We will not exceed the maximum grant amount under any circumstances. If you spend more on eligible expenses, you must meet those expenses yourself.

10.1 Frequency of payments

Payments will be made by way of annual payments, with the timing of those payments to be determined as part of the grant agreement.

10.2 Milestone Reports

You must provide us with a milestone report before we make a milestone payment.

Your <u>grant agreement</u> will specify when you should provide us with a milestone report and what it must detail. You must submit reports in line with the timeframes detailed in the grant agreement.

We will only make grant payments when we receive satisfactory milestone reports. This will be a condition in your grant agreement. Milestone payments will only be made if:

- you meet the eligibility requirements for a milestone payment as described above
- your expenses are eligible expenses in relation to an eligible product
- you meet your commitments under your grant agreement, particularly those that relate to the <u>type of grant</u> you are receiving (Tier 1, 2 or 3 or representative body). So we can assess your milestone report, you need to show us that your planned activities have been undertaken and that you have met the goals identified in your <u>plan to market</u>.

You must keep payment records of all eligible expenditure, and be able to explain how the costs relate to the conditions of your grant agreement.

Under section 102 of the EMDG Act, Austrade can ask you as a <u>grantee</u> for information, documents or a statement about any relevant matters, including records of the eligible expenses you have paid. Those relevant matters are any of the following:

- whether you, as a grantee, are eligible for a grant
- whether you, as a grantee, have had or will have eligible expenses in relation to eligible products
- whether grant money has been used to meet your agreed eligible expenses in relation to eligible products
- whether you, as a grantee, are otherwise complying with the EMDG Act, the EMDG rules and your grant agreement.

We will ask you in writing for that information and specify a date by which you must provide the information. If you do not provide these records when requested, **we cannot pay your grant** (see subsection 102(3) of the EMDG Act). Austrade will endeavour to provide payment within 14 days of acceptance of the milestone report.

Occasionally we may need to re-examine claims, seek further information or request independent audits of claims and payments.

10.3 Milestone Payment Administration

We will provide sample templates for your milestone reports in your <u>grant agreement</u>. Your milestone reports must:

- summarise your eligible expenses, noting your obligation to provide at least <u>matching</u> funding for eligible expenses
- include the evidence as specified in the grant agreement
- include a declaration that the eligible expenses were spent in accordance with the grant agreement

We will make milestone payments into the bank account specified by you and described in your grant agreement. Your account will be with an Australian authorised deposit taking institution.

When you receive your grant agreement, you will also receive a link to your organisation dashboard in Austrade's online portal. On this dashboard you will be provided with an option to lodge any upcoming milestone reports. Reminders of upcoming report requirements will be emailed to you close to the due dates.

You must discuss any milestone reporting delays with us as soon as you become aware of them.

10.4 Grant payments and GST

Payments will be GST exclusive.

Grants are assessable income for taxation purposes, unless exempted by a taxation law. We recommend you seek independent professional advice on your taxation obligations or seek assistance from the <u>Australian Taxation Office</u>. We do not provide advice on your particular taxation circumstances.

11 Rights of review of a decision

The <u>EMDG Act and EMDG Rules</u> describe the decisions of Austrade for which you can seek review. If Austrade makes one of these decisions, you will be given the reasons for the decision and more detail about how you can seek review:

- The decision of Austrade not to enter into a grant agreement (see section 9 of the EMDG Act).
- A decision that you are not eligible for a grant, or have not had or will not have eligible expenses in relation to eligible products (see section 11(1)(b) of the EMDG Act).
- A decision that you have not met a requirement under the EMDG Rules in relation to a grant payment (see section 11(1)(c) of the Act).
- A decision that your expenses are excluded because the expense or the product might have a <u>detrimental impact</u> on Australia's trade reputation (see section 47 of the EMDG Rules).
- A decision that you are conducting a business that is substantially the same as a previous EMDG recipient (<u>organisational change</u>) (see sections 13(5)(b) and 48(5)(b) of the EMDG Rules).

There is no right to seek review of the following decisions of the <u>Delegate</u>:

- the amount of funding for each grant agreement
- the terms and conditions of the grant
- milestone reporting requirements.

11.1 How to seek a review of a decision

For those decisions where you can seek a review described in section 8.1 of these guidelines the following steps should be followed if you disagree with a decision:

Clarification: In the first instance please contact us to discuss the decision to seek clarity. We will put you in contact with the original decision maker.

Seek internal review: If you still disagree with our decision you can ask for an internal review of the decision of the Delegate. This review will be undertaken by a more senior staff member who was not involved in the first decision. This request must be made in writing (writing includes email).

Review by the Administrative Appeals Tribunal: if you are still not satisfied with our decision you can seek a review by the Administrative Appeals Tribunal (AAT) who may undertake an independent review of the decision.

To appeal, the AAT Act requires the affected applicant to:

- submit an application to the AAT. The time limit to apply is 28 days of receipt of Austrade's decision advice (section 29 of the AAT Act) (<u>aat.gov.au/apply-for-a-review/other-decisions/time-limits</u>)
- pay an application fee (aat.gov.au/apply-for-a-review/other-decisions/fees).

Please see aat.gov.au/apply-for-a-review/other-decisions/how-to-apply for further details.

12 Program Administration

12.1 Keeping us informed

We need to know of any key changes to your organisation or its business activities, particularly if they affect your ability to carry on business and pay debts due.

You must also inform us of any changes to your:

- name
- addresses
- nominated contact details
- bank account details.

If you become aware of a breach of terms and conditions under the <u>grant agreement</u> you must contact us immediately.

12.2 Improving the program

We will evaluate the program to measure how well the outcomes and objectives have been achieved. We may use information from your application and reports for this purpose. We may also ask you for more information to help us understand how the grant affected you and to evaluate how effective the program was in achieving its outcomes.

12.2.1 FOLLOW-UP REPORT OR SURVEY

Your <u>grant agreement</u> will detail what we want to know from you in a follow-up report or endof-grant survey.

A follow-up report or survey is a high level information request that will help us to monitor the effectiveness of the EMDG program.

12.3 Probity

The Australian Government will make sure that the grant opportunity process is fair, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the <u>EMDG Act and EMDG Rules</u>.

These guidelines may be changed from time-to-time by Austrade. When this happens the revised guidelines will be published on the Austrade website and on GrantConnect.

12.3.1 ENQUIRIES AND FEEDBACK

Austrade's complaints handling procedures apply to complaints about the EMDG grant. All complaints about a grant process must be provided in writing.

Any questions you have about grant decisions for this grant opportunity should be sent to:

EMDG.help@austrade.gov.au

If you do not agree with the way Austrade has handled your complaint, you may complain to the Commonwealth Ombudsman. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with Austrade.

The Commonwealth Ombudsman can be contacted on:

Phone: 1300 362 072 (toll free)

Email: ombudsman.gov.au

Website: ombudsman.gov.au

12.3.2 CONFLICTS OF INTEREST

Any conflicts of interest could affect the performance of the grant program. There may be a conflict of interest, or perceived conflict of interest, if Austrade's staff, and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer
- has a relationship with or interest in, an organisation, which is likely to interfere with or restrict a grantee from meeting the terms of their <u>grant agreement</u> fairly and independently, or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives a grant under the grant program.

You will be asked to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest for you or any of your personnel.

If you later identify an actual, apparent, or perceived conflict of interest, you must inform Austrade in writing immediately.

Conflicts of interest for Australian Government staff will be handled as set out in the <u>Australian Public Service Code of Conduct (Section 13 (7))</u> of the <u>Public Service Act 1999</u>. Committee members and other officials including the decision maker must also declare any conflicts of interest.

We publish our conflict of interest policy on the Austrade website at <u>austrade.gov.au</u>.

12.3.3 PRIVACY

We treat your personal information according to the <u>Privacy Act 1988</u> and the <u>Australian Privacy Principles</u>. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- to whom we give your personal information.

Your personal information can only be disclosed to someone for the primary purpose for which it was collected, unless an exemption applies.

The Australian Government may also use and disclose information about grant applicants and grant recipients in any other Australian Government business or function. This includes disclosing grant information on Austrade's website and GrantConnect and giving information to the Australian Taxation Office for compliance purposes.

12.3.4 CONFIDENTIAL INFORMATION

Other than information available in the public domain, you agree not to disclose to any person, other than us, any confidential information relating to the grant application and/or agreement, without prior written approval. The obligation will not be breached where you are required by law, Parliament or a stock exchange to disclose the relevant information or where the relevant information is publicly available (other than through breach of a confidentiality or non-disclosure obligation). The obligation will also not be breached where you need to disclose this information to a third-party agent acting on your behalf, such as your accountant, solicitor or an agent assisting with your EMDG application.

12.3.5 FREEDOM OF INFORMATION

All documents in the possession of the Australian Government, including those about this grant opportunity, are subject to the <u>Freedom of Information Act 1982</u> (the FOI Act).

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

All Freedom of Information requests must be referred to the Freedom of Information Coordinator in writing.

By mail: FOI Contact Officer

Austrade GPO Box 2386

CANBERRA ACT 2601

By email: foi.coordination.officer@austrade.gov.au

13 Glossary

This Glossary lists defined terms that are not defined in the <u>EMDG Act and EMDG Rules</u>. In all cases, the EMDG Act and the EMDG Rules take precedence over the Guidelines.

Term	Definition
administering entity	The entity responsible for the administration of part or all of the grant administration processes.
date of effect	The date on which a grant agreement is executed by Austrade on behalf of the Commonwealth or the specified starting date in the grant agreement.
Decision maker, Delegate	The person in Austrade who makes a decision to award a grant. Under the EMDG Act the decision maker is the CEO of Austrade. Under the Austrade Trade and Investment Commission Act (the Austrade Act) the CEO can delegate certain decisions to certain persons in Austrade.
<u>GrantConnect</u>	The Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants.