

EXPORT MARKET DEVELOPMENT GRANTS ACT 1997

Export Market Development Grants (Export Performance Requirements) Amendment (2019-20 Grant Year) Instrument 2020

Explanatory Statement

Authority

The Export Market Development Grants (Export Performance Requirements) Amendment (2019-20 Grant Year) Instrument 2020 is made by the Minister for Trade, Tourism and Investment under paragraph 63(3)(f) of the *Export Market Development Grants Act 1997* (the EMDG Act).

Background

The EMDG Act provides for a financial assistance scheme under which small and medium Australian exporters committed to and capable of seeking out and developing export business are repaid part of their expenses incurred in promoting those products.

Allocation of funding under the EMDG Act

The maximum amount of financial assistance a recipient of a grant made under the EMDG Act could receive each grant year is the provisional grant amount. This provisional grant amount is calculated in accordance with section 63 of the EMDG Act. For certain applicants applying for their third to eighth grant, their provisional grant amount is calculated using one of two processes, chosen by the applicant:

- Option A, calculated as the lesser amount of:
 - The amount calculated in accordance with the Export Market Development Grants (Export Performance Requirements) Instrument 2018 made under paragraph 63(3)(f); or
 - The amount calculated in accordance with paragraph 63(1), which is 50% of the applicant's eligible expenses for the grant year less \$2,500.
- Option B, calculated in accordance with the Export Market Development Grants (Australian Net Benefit Requirements) Determination 2018 made under section 10 of the EMDG Act.

Purpose

The Export Market Development Grants (Export Performance Requirements) Amendment (2019-20 Grant Year) Instrument 2020 amends the Export Market Development Grants (Export Performance Requirements) Instrument 2018.

Under this amendment the Export Market Development Grants (Export Performance Requirements) Instrument 2018 will not apply for grant year 2019-20. This means for applicants to whom paragraph 63(3) apply and who choose Option A when applying for grant year 2019-20, the alternative calculation of 50% of all the applicant's eligible expenses less \$2,500, prescribed under paragraph 63(1) will be applied.

Consultation

Consultation outside the Australian Government was not undertaken for the amendment. The amendment is part of the Australian Government's overall immediate response to the

COVID-19 pandemic. Additionally, the amendment does not have direct or indirect negative effect on business.

Commencement

This instrument commences the day after it is registered.

Statement of Compatibility with Human Rights

The amendment does not raise any human rights issues and is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

This is a legislative instrument for the purpose of the *Legislation Act 2003*.