Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (9.32 am)—I move:

That this bill be now read a second time.

The Export Market Development Grants Scheme remains the government’s key financial assistance program for aspiring and current exporters. This financial year the EMDG Scheme will deliver export marketing assistance to more than 4,900 small and medium enterprise exporters.

In the government’s first term we have modernised the scheme through legislation in 2008 and we have increased its funding in 2008-09 by $50 million and again in 2009-10 by $50 million. This increased funding of $100 million over two years was made at exactly the right time to support our important SME exporters during the global financial crisis.

The modernisation of the scheme and increased funding has received a very positive response from business; over the last two years the number of applications has increased 21 per cent.

As international markets continue to improve and as the government brings the budget back into surplus it is now appropriate to review the provisions of the scheme to focus its assistance on those SME exporters who can benefit most.

Accordingly this legislation:

- reduces the maximum number of grants from eight to seven, a significant increase on the Mortimer review recommendation of five grants;
- limits the maximum grant to $150,000;
- increases the minimum level of expenditure required to qualify for a grant from $10,000 to $20,000—I note that this is a lower threshold than the $30,000 threshold proposed by the Mortimer review; and,
- caps the maximum amount claimable for intellectual property expenses at $50,000.

The bill sets out the provisions of the grant scheme going forward and most importantly extends the life of the grant scheme by five years to 2015-16. This five-year extension will clear the way for business to plan their export marketing efforts in the knowledge that the EMDG Scheme will be there to support them as they develop crucial overseas markets.

In preparing this legislation we have consulted closely with business, and they understand the realities of the environment we are in at the moment. They understand the need for a focused and balanced program. They have indicated to my colleague the Minister for Trade, who has portfolio responsibility for the scheme, that they support this legislation.

In conclusion, the government is confident that the amendments contained in the EMDG Amendment Bill 2010 will provide a sound basis for the EMDG Scheme into the future and will be warmly welcomed by the business community.

I commend the bill to the House.

Debate (on motion by Mr Andrews) adjourned.