

2018 budget a positive for SME exporters... but there's still a long way to go

'Overall, this is positive budget for SME exporters' said Heath Baker, head of policy at the Export Council of Australia (ECA). 'But it's an incremental step forward, not a major leap.'

'The government has rightly been a champion of trade and has trumpeted its achievements in signing FTAs', said Mr Baker. 'But if you want to grow trade, FTAs are only part of the answer. This budget goes some way to addressing SME exporters' other needs—but there's still more to be done.'

The ECA welcomes the \$20 million allocated to establish an SME export hubs program, as well as extending funding for the export growth centres. These programs should help many SMEs make the jump into international business and we look forward to seeing the detail.

DFAT's economic diplomacy efforts receive a valuable injection of \$15 million. This will go towards expanding FTA outreach, helping businesses better access DFAT's economic and security insights, as well as developing a strategy to address the 'non-tariff measures' that stop businesses from exporting. Austrade has received a small boost, including \$3.2 million to develop a new national brand. Future budgets will need to commit significant money to implementing this brand if it has any chance of succeeding.

Australia's offshore agricultural counsellors play an essential role in facilitating trade in food and agriculture—adding six new counsellors is a wise investment. We also welcome additional funding for initiatives to increase agricultural access in key markets.

Getting goods out of Australia should become a little easier with additional infrastructure spending, including the \$400 million Port Botany line duplication. There's also a \$10.5 million commitment to complete a business case for a 'single window' for international trade—but this is slow progress given that implementing a single window was a 2016 election commitment.

Aviation security will tighten, which could complicate exporters' supply chains. While exporters accept the need to ensure aviation safety, these measures need to be implemented in a business-friendly way, and supply chain participants will need adequate time to adjust.

On the down-side, the Export Market Development Grant is still underfunded. This blunts some of the good measures in place to grow exports, as new exporters will only be able to fully realise international opportunities if they invest in building their brands overseas. Underfunding EMDG means they will lack the certainty and confidence to fully commit to building their brands.

The ECA's 2018 trade policy recommendations highlight practical steps the government can take to increase the number of SMEs exporting and the value they export. You can read the ECA's recommendations [here](#).

The ECA is the leading industry body focused on Australia's international businesses, particularly small to medium-sized enterprises. Our core activities include research, advocacy, skills development and events.

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