



Cash flow tax benefits for marine panel manufacturer



Ayres' marine panels are lightweight and fire resistant, and were used for the US Army's HSV2 Swift.

Not many Australian small businesses can name NASA as one of their customers – but *Ayres Composite Panels* can do just that.

The Bayswater company develops and manufactures lightweight panels for the marine industry.

The panels are used by shipbuilding companies such as Austal and Incat in high-speed commercial, military and private vessels.

But *Ayres'* unique panel technology – which provides strength and fire resistance – is reaching further afield. It has also been purchased by NASA to protect its solar panels, and by University of Western Australia students for their winning Formula SAE vehicle and hydrogen car.

Ayres Composite Panels was formed 12 years ago by Graham Cameron and Colin Ayres after they discovered a gap in the market for lightweight marine panels.

“I had a plastics company at the time, and customers in the marine industry kept asking us if we had a lightweight but strong material they could use,” Graham said.

Colin was a product manager for a large European composites company and when it merged with a US company, the two decided to form their own company. Since then the company has grown strongly and now exports nearly 50 per cent of its products to Europe, the Middle East and Asia Pacific.

Two years ago it formed a company in the US, enabling *Ayres* to supply its lightweight panels to the US navy and commercial ship builders, which have to comply with legislative restrictions on domestic shipbuilding.

“Once our business started growing and we began exporting, we realised the importance of registering for *Tradex*,” Graham said.

Ayres Composite Panels is registered for *Tradex*.

“*Tradex* is all about cash flow. Virtually all of our raw materials are imported, and we can have three months worth of stock at any one time, so there is a considerable benefit in not having to pay GST and customs duty up front.

“While the Free Trade Agreement covers some of our raw materials, we are still making considerable savings on GST, and the exemption is certainly an important bonus for our business.”

Tradex exempts businesses from paying customs duty and GST on imported goods when they are exported.

Graham says *Ayres* differs from other composite panels suppliers because they specialise primarily in the marine market.

“We provide all appropriate compliance certificates for our customers – in short we are easy to deal with and are serious about quality assurance,” Graham says.

“Our Ayrlyte panels meet the stringent standards of the International Maritime Organisation, European Union Marine Equipment Directive, and US Coast Guard. We are a quality assured company accredited to the latest ISO standard.”

The company also views its employees highly, and prides itself on the fact that many staff stay with the company long term.

“Our company motto is ‘Lighten Up!’

“This applies to the effect our panels have on the vessels but the same could also be said for our work philosophy,” Graham said.

“If you are not having fun, then you should find something else to do.

“Our employees tend to stay with us for the long haul and find us a good company to work for.”

Ayres Composite Panels employs 16 people in Western Australia, one in Europe and six in the United States.



The University of Western Australia motorsport team won the Formula SAE Championships in Detroit with its innovative car, which uses *Ayres*' lightweight panels. Panels have also been provided for use in the university's hydrogen car project.

Ayres has a strong relationship with university graduates around Australia, and supports research into projects involving alloy composition and hot press methods.

Ayres Composite Panels was awarded the ‘Nobel prize’ for composites, the JEC Innovation award, in Paris in 2008.

The award was for a lightweight fire insulation panel system developed by *Ayres*, along with supplier Thermal Ceramics, and customer Colbeck & Gunton.

Ayres' innovative fire insulation panels meet stringent International Marine Organisation and European Union standards, and use a unique hot press curing process. The system passed tests for US Coast Guard qualification.

Ayres' innovation, and business success has also been recognised in a string of other awards including WA Exporter of the Year, and the export category of the Logistics Mercury Award – both in 2007.

In 2001 the company won a Telstra Small Business award.

Tradex

Tradex provides financial relief to import/export businesses through an up-front exemption from customs duty and GST.

The exemption is on imported goods which are to be exported or to be used as inputs to exports.

Businesses must apply for this program before importing their goods. Once granted, a *Tradex* order remains in place until revoked.

The program aims to help Australian companies strengthen their international competitiveness. Because the exemption is provided up front, *Tradex* can provide significant cash flow benefits.

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