



Davey Water brings Aussie water know-how to cities



Peter Puts readies the firefighter® front castings at the Davey Water Products factory (left); RainBank® automatically provides rainwater to toilets and washing machines and will provide water backup if the tank becomes empty (right).

Davey Water Products is well-known by Australian farmers and fire fighters, but now the company's products are in increasing demand in cities here and overseas.

Davey is an Australian-owned company founded in 1934. Around a fifth of *Davey* products – or \$30 million worth – of products are exported to more than 60 countries.

Davey spokesman Max Ekins says traditionally the company manufactured agricultural and fire-fighting pumps, but water shortages have created a market for water saving, water treatment, and energy efficient devices – in Australia and overseas.

“Until five years ago, most of our products were sold outside cities, but now we are targeting the metropolitan water conservation and treatment market,” Max said.

As an exporter, *Davey* uses the Australian Government's *Tradex* scheme, which exempts the company from paying customs duty and GST on imported goods that are intended for export.

“*Tradex* is an important product for us because of the cash flow benefits,” Max said.

“Because we do not need to claim back duty and GST on our imported goods, we save time spent on paperwork and administration. This is time we can spend on our business. *Tradex* makes life easier for us.”

Davey, with a 15-strong engineering team, has developed new products to meet the growing water conservation market.

RainBank® is the first product that allows home owners to automatically use stored rain water for toilets and laundries with mains water backup.

Davey Water Products is registered for *Tradex* and the *R&D Tax Concession*.

Aquashield® – which won the 2008 GreenPlumbers product of the year – is an automatic treatment package for pressure boosting and disinfecting rainwater. It can save 240 million litres of water each year.

“Australia is traditionally used to drought, but the world climate is changing and now places like the United States and Europe are becoming increasingly water conscious,” Max said.

“Research and development is our strongest form of competition. By Australian standards we dedicate a lot of resources into this area.

“With competitors in other countries producing generic copies with inferior reliability and features we need to be five or six years ahead of our competition in terms of new products.

“Innovation and reliability are the key to our success, and it is the reason that our products are so highly regarded here and overseas.

“With such a focus on research and development, the Australian Government’s *R&D Tax Concession* is also important.

“Davey Water Products is a GUD Company (which also owns Sunbeam, Oates, Ryco Wesfil, Lockfocus & Goss), and as a group, the company is able to claim the *Incremental (175% Premium) Tax Concession*. This benefits us greatly.”

Photos: Davey products include Aquashield®, Torrium®, and Silensor® (from top). Also pictured is the Silensor® in operation, and company headquarters in Scoresby, Melbourne.



Reducing the Davey factory footprint

Davey Water Products was awarded the 2008 Victorian Premiers Sustainability Award, recognising the company’s suite of water products as well as internal approaches to sustainability.

“We have always been a lean manufacturer, and it was a natural progression to look at our own practices to be green manufacturers by improving the footprint of our factory,” Max said.

“In the past 18 months we have reduced our landfill by 82 per cent, water use by 50 per cent, and emissions by 30 per cent.

“We were surprised at how simple it was to be more sustainable. Instead of paying to dump our waste, other people now pay us to come and collect it. All that was required was to clean stream our waste.

“Another thing we did was to change the way we packaged our pumps. Before they were surrounded by foam when they were packaged, but now we use crumpled recycled paper.

“It has given a message to staff that we care about their health and the environment, and this has been tremendous for morale. It has been very positive for the work culture of the company.”

Davey won the 2008 GreenPlumbers award for Aquashield, an automatic water treatment system. The company has been inducted into the Victorian Manufacturers Hall of Fame.

Tradex and the R&D Tax Concession

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.

The *R&D Tax Concession* allows companies to deduct 125% of their research and development expenditure when lodging their tax returns.

An *Incremental (175% Premium) Tax Concession* and an *R&D Tax Offset* are also available.

Companies need to register their activities with AusIndustry each year to claim a concession.

AusIndustry is the Australian Government’s principal business program delivery division in the Department of Innovation, Industry, Science and Research.

AusIndustry delivers a range of more than 30 programs worth about \$2 billion to more than 10,000 businesses, and 80,000 individuals, every year.

Programs include innovation grants, tax and duty concessions, small business skills development, industry support and venture capital.

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