

#### Making work by making things work



#### R&D Tax Concession provides Parkes Hydraulic Services with just the lift it needed.

People and jobs are very high on founder and Managing Director Ian Allen's list of priorities for Parkes Hydraulic Services, a privately owned company specialising in the design, manufacture, sales and service of hydraulic equipment and machinery.

The company was founded in 1993, when Ian returned to Parkes after 20 years' working in the industry in Sydney. Established to meet a growing regional need for a hydraulic equipment repair and manufacturing facility, the company now services a wide area of inland NSW as well as interstate customers.

Originally employing just two people, the company now boasts 10 staff, making it an important contributor to the local economy at a time when many regional centres are experiencing economic difficulties. According to Ian Allen, Commonwealth Government assistance can take credit for at least part of this growth by enabling the company to bring various R&D projects to fruition.

Ian says the assistance from the Commonwealth Government's business unit, AusIndustry, gave the company a boost just when it needed it most, providing it with a more stable outlook and the

confidence to create more jobs in the knowledge that it could sustain that growth. "Basically, we made work out of it, we could take on more challenges, invest in more new projects. It encouraged us to put just that bit more energy into what we were doing."

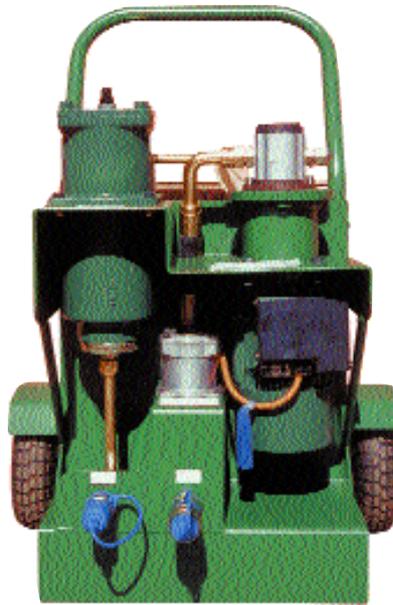
Since Parkes Hydraulic Services first applied for assistance through the AusIndustry R&D Tax Concession program in 2000, its commitment to excellence coupled with a high level of skill in hydraulic design has seen the company reaping the benefit of the investment in R&D. Its financial position has steadily improved to the extent that the company has been able to purchase additional machinery and employ extra staff.

Among Parkes' successes is a purpose-built cable reeler for installing and reclaiming large electrical cable used in mining operations. As Ian Allen explains, "In the past, the difficulty of retrieving cables meant mining operators often simply abandoned them once an operation ceased, leaving literally kilometres of valuable copper cabling behind. The cable reeler allows this cable to be reclaimed and reused, providing substantial cost and environmental benefits".

Given the global nature of the mining industry, these benefits give the cable reeler substantial export potential.

Other developments have included a portable fibre-optic cable reeling machine that uses pressure feedback to control the rate at which communication cables are fed through conduits, minimising cable damage and breakage during installation; a hydra fracture unit for breaking rock below surface level; and a 30 KW test facility for in-house hydraulic equipment testing and research. Current projects include a purpose-built carry station of quick-hitch design for mining, and a timber laminate hydraulically powered table.

The company has a strong customer focus, gearing its R&D to the needs of the various industries it serves and combining tailor-made solutions to individual customer requirements with the development of in-house technologies that can be applied to a variety of purposes. With a customer base ranging from mining through to manufacturing and any number of industries in between that use hydraulic equipment,



Parkes Hydraulic Services has plenty of opportunities to exercise its design skills.

Future R&D will continue to concentrate on designing and manufacturing purpose-built equipment to meet customer requirements as well as the manufacturing of testing facilities to further improve the company's repair services. With customers increasingly demanding almost instant responses to equipment failures, enhancing the company's ability to isolate, identify and solve problems quickly is a major consideration.

Parkes Hydraulics Services will be 10 years old in November 2003 – on Ian's own admission the first milestone in the company's history that he's consciously thought of. Obviously proud of his company and the dedicated team that makes up its staff, he still expresses surprise at the way it has grown, commenting "the work just seems to grow out of what we do!".

However, Ian is very sure of one thing, and that's what's behind this particular success story – "the right team, the right equipment, the right support at the right time".

### Contact

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The R&D Tax Concession is the Commonwealth Government's principal incentive to enhance and increase the amount of R&D being conducted within Australia. It is broad-based and market-driven and supports much of the industry R&D in Australia.

The Tax Concession was enhanced as a result of the Government's *Backing Australia's Ability* innovation statement. Changes to the R&D Tax Concession which came into effect on 1 July 2002 include: *the new 175% Premium R&D Tax Concession; the new R&D Tax Offset (Rebate); and (from 1 July 2002) the R&D Plan.* The 125% R&D Tax Concession will continue as before.

More information on the new 175% Premium R&D Tax Concession and the new R&D Tax Offset (Rebate) can be found at: [www.ausindustry.gov.au](http://www.ausindustry.gov.au) (also includes links to the ATO website).

The R&D Tax Concession is administered jointly by the Industry Research and Development Board, through AusIndustry and the Australian Tax Office (ATO) Companies must first register with the IR&D Board before they can claim the Tax Concession with the ATO as part of their normal business tax return.

## R&D Tax Concession

For further information on R&D Tax Concession or the range of AusIndustry innovation programs contact:

AusIndustry Hotline **13 28 46**  
Any of AusIndustry's State and Territory Offices

AusIndustry website at [www.ausindustry.gov.au](http://www.ausindustry.gov.au)  
or email: [ir&dboardR&DTAXCON@industry.gov.au](mailto:ir&dboardR&DTAXCON@industry.gov.au)