



An Australian Government Initiative

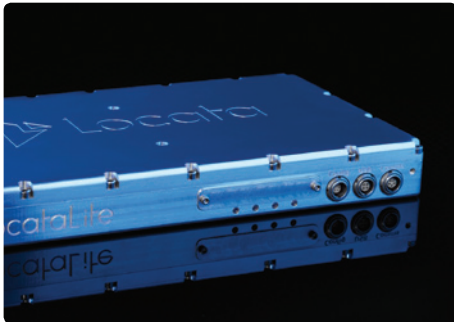
AusIndustry™

BUILDING BUSINESS · POWERING PRODUCTIVITY

CUSTOMER STORY · TRADEX / R&D TAX INCENTIVE

World first for Locata: GPS sans satellites

For the past decade the founders of Canberra's Locata Corporation have been convincing sceptics they have invented what is widely considered as impossible – satellite-free technology that provides a ground-based signal replicating GPS.



Locata's technology performs the same function as a \$US 100 million GPS satellite.

Now their invention is being taken seriously by leaders in the field – Locata has a major international partnering agreement with Leica Geosystems (Switzerland) as well as a contract with the United States Air Force.

“Locata has proven once and for all that it has achieved an incredible technological breakthrough for the positioning market,” said Nunzio Gambale, who founded Locata with inventor David Small.

“This is a world-first achievement for Locata and Australian high-tech innovation,” Nunzio said.

Nunzio said Locata began more than a decade ago as “two guys in a garage” but now employs 32 staff and is growing rapidly.

“Locata is built on innovation,” Nunzio said. “We currently have 85 granted patents and more than 160 others in process.”

Locata's technology can work anywhere, even in places where GPS is marginal or fails completely, such as indoors or in mines.

The core technology is contained in a device called a LocataLite, which is the size of a VHS cassette but performs the same function as a US\$100 million GPS satellite. The technology creates ground-based high-precision radio positioning networks.

“Delivering completely independent high accuracy GPS-style positioning when GPS is not available is no trivial task,” David Small said.

Nunzio said no-one predicted the possibility of this type of technology emerging.

“One of the greatest obstacles we faced early on was from people who thought we were crazy because no one believed it was even possible,” Nunzio said.

“Luckily we received a fair hearing from AusIndustry's managers when we submitted our first grant application.”

Nunzio says assistance from AusIndustry made a huge difference to the company's ability to innovate.

“AusIndustry is the reason Locata remained in Australia in 2005,” Nunzio said.

Locata was awarded an Australian Government \$1.6 million innovation grant in its early days, and in 2005 another grant of \$4.93 million helped the company further develop its technology to work reliably indoors and in other difficult areas.

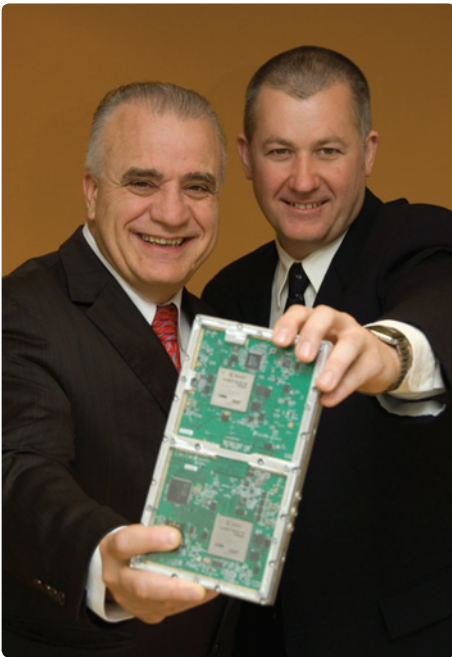
Locata has accessed the R&D Tax Concession for ten years, and is now looking forward to the benefits of the R&D Tax Incentive, which doubles the rate of assistance for small business.

Start-ups like Locata may also benefit from cash payments when they need them most, as companies with an annual turnover of less than \$20 million can claim a 45 per cent refundable tax offset.

“We were completely blown away with the Australian Government's commitment to innovative projects and the AusIndustry staff members are always very helpful,” Nunzio said.

“The Australian Government's new R&D Tax Incentive will help Locata continue to do important – and expensive – research work.” →





Nunzio Gambale (left) and David Small. Locata began as “two guys in a garage” but now employs 32 and is growing rapidly.

Locata also benefits from another AusIndustry program – the Tradex Scheme, which provides up-front exemptions from import duties and GST. Tradex provides an immediate cash flow benefit and reduces paperwork.

Nunzio said Locata’s technology had achieved impressive results in the mining industry.

“Leica’s new Locata-powered fleet management system delivers better than 2.5cm positioning for the mining machinery in the pit, over a 5km diameter,” he said.

Nunzio said there were many other applications for Locata’s technology, including future apps for smart phones,

as well as industrial applications for machine guidance, factory automation, robotics and indoor positioning.

“Companies like Apple, Google and others building personal, phone-based applications, feed a growing realisation that GPS satellites will never be able to deliver the reliability and accuracy their mobile apps require,” Nunzio said. “All you have to do to understand the problem is turn on your smart phone inside a mall and watch the GPS not available message!”

“Watch this space. Locata will become one of the most important and successful technology companies ever to emerge from Australia.”

HIGHLIGHTS IN 2011 INCLUDE:

- The official global launch of Locata’s technology in September at the prestigious Institute of Navigation Conference in the United States.
- Leica Geosystems, the world’s largest professional GPS company, releasing a fleet management system powered by Locata for the mining industry. The first commercial deployment is in Western Australia at one of the world’s largest gold mines.
- The US Air Force confirming Locata passed all of their technical validation hurdles as part of its sole-source supplier contract with the company.
- The US Air Force successfully testing Locata’s technology at White Sands missile range in New Mexico. When GPS is jammed, Locata’s technology provided highly accurate centimetre-level positioning at a range up to 50km.

TRADEX

Tradex aims to make Australian exporters more competitive by providing up-front customs duty and GST exemptions on goods imported for subsequent export. The exemptions apply to eligible imported goods intended to be exported or incorporated into other goods to be exported. Export may be carried out by the importer or a third party. Tradex can provide significant cash flow benefits.

THE R&D TAX INCENTIVE

The new R&D Tax Incentive is a targeted tax offset designed to encourage more small companies to engage in research and development in Australia. It has two core components:

- a 45 per cent refundable tax offset for eligible entities with a turnover of less than \$20 million per annum
- a non-refundable 40 per cent tax offset for all other eligible entities.

The Incentive effectively doubles the support for small firms to 15 cents in the dollar and increases support for all other firms by a third, to 10 cents in the dollar.

The R&D Tax Incentive is jointly administered by AusIndustry and the Australian Taxation Office.

The R&D Tax Incentive will apply to income years beginning on or after 1 July 2011. Applications for registration may be submitted from 1 July 2012 for companies with a standard income year (i.e. 1 July 2011 to 30 June 2012).

About AusIndustry

AusIndustry is a specialist program delivery division within the Department of Industry, Innovation, Science, Research and Tertiary Education · innovation.gov.au.

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