

LOCAL SUPPLIERS WIN

THE RACE

The company

Arena Engineering is in the field of general engineering, specialising in manufacturing urgent and difficult to obtain parts and repairing worn components. The company provides a whole range of services including lathe work, drilling, metal spraying, fitting, fabrication, mobile line boring, arc welding and C.N.C machining. The company was originally established in Mt Isa in 1989, and moved to their current location in Townsville in 2000.

The opportunity

On July 10 2009, the inaugural Townsville 400 V8 Supercar race will kick off, celebrating the best of V8 Supercars over a 3 day period. The \$29 million project, funded by the Federal and State Governments and Townsville City Council is expected to deliver \$10 million a year in economic benefits for the Townsville region, with 230 full-time equivalent jobs created during construction. The development of the Race Precinct includes;

- multi-use pit facility in Reid Park;
- motor racing circuit, landscaping and other civil works;
- new bridge over Ross Creek;
- three temporary pedestrian bridges; and
- fencing and other temporary race infrastructure.

Leighton Contractors is the company in charge of building the street circuit and Townsville company Mendi Constructions, was awarded the contract for the civil construction works and track construction in Reid Park (north of Boundary Street) and in Railway Estate Park (south of Boundary Street).

The benefits

Arena Engineering won the contract to supply the debris fences for the project. Michael Arena, Managing Director of Arena Engineering said “this is the firm’s biggest fabrication contract in its 20 year history, and we were able to secure ongoing employment of our staff in tough economic times thanks to ICN Queensland.”

The steel debris fences sit on top of concrete crash barriers lining each side of a circuit running more than 3km through Townsville streets. “The fence is in modular form and constructed in segments that are each 3 to 4 metres long and of various heights. They need to be made in prefabricated modular form for ease of installation and storage” said Arena.

The company was also making storage units that could house up to 20 fence modules. Arena said his firm undertook work for the mining industry, earthmoving companies, refineries and the aerospace industry. “We are accredited to undertake aerospace work, manufacturing and certifying aircraft parts and equipment,” he said.



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Prior to winning the contract, Arena Engineering developed a relationship with ICN Queensland. Arena said Townsville-based Brett Guldbransen, ICN Regional Manager North Queensland, visited to see for himself the firm's capabilities.

Guldbransen said his job was to examine a business and determine "its current capabilities and what they are looking to do in the future. Michael Arena said he would like to develop the fabrication arm of his business. Then the Supercar project came up and I found out the project managers were looking for fabricators to make the debris fences. They had targeted two companies in Brisbane. But I spoke to the project manager and said we had enough capability and capacity to do the job in Townsville, and I mentioned Arena Engineering and three other firms," he said.

Arena said ICN put his firm on a shortlist provided to the Supercar precinct's project managers. "I am very thankful for that introduction, that's why I would recommend ICN. They ask if you can handle the job and, if you say yes, they then get the client to contact you. You have to win the contract on your own, but the initial introduction is a valuable part of the process" said Arena.

Arena would not disclose the exact value of the contract for the debris fence, but said it was more than \$1 million and represented "the biggest project we have handled. In the current economic climate it's been a blessing by helping to keep staff employed. Also, because of the work we have and the way the business is going, I felt comfortable putting on two apprentices and training people for the future" he said.

The job had also been good for others in the Townsville business community. "We have bought a lot of raw materials locally, including the steel, so we have been able to support other local businesses" said Arena.

Guldbransen said Arena Engineering had won the job after competing against "two very, very reputable" Brisbane-based companies. "It's a real credit to Michael Arena that he has been able to secure the contract," he said.

Because of Queensland Government funding for the race precinct project, contractors and project managers had to abide by the government's local industry participation policies. Guldbransen said "But the policy wording only says they must offer reasonable opportunities to locals. It doesn't say they must give business to the local companies. So that's the best part – Arena Engineering has proved to be very competitive."

According to the *Manufacturing Sector Impacts Report 2007*, compiled by ICN and Australian Economic Consultants Group, every \$1 million of manufacturing business retained in Australia or freshly generated by Australian companies creates 12 full-time jobs. Every \$1 million of manufacturing business retained or generated by Australian manufacturers also generates \$394,000 in taxes and charges, which benefits Australians as the government can re-inject it into the economy.

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