

Manufacturing engineered

Twenty years ago Paul Raethel woke up one morning to find himself the owner of a new engineering company in Kawerau: a "scary step".

At the time Tasman Pulp and Paper had decided to divest itself of non-core businesses; Allied Industrial Engineering (AIE) was spun off and now Paul was in charge.

"One day I took off my overalls as workshop foreman and an employee, and the next day I had a business to run with six staff and their families relying on me to get it right and pay them each week," Paul says.

To start with AIE had existing contracts to maintain the pulp and paper mill but it was soon seeking other opportunities and projects to make use of the company's talent, heavy engineering plant and competitiveness.

Now the company employs 60 fulltime.

Over the years AIE has developed its knowledge base to offer services to the marine, defence, oil and gas, dairy, pulp and paper as well as other sectors, building a reputation for excellence also in refurbishing and manufacturing power generation equipment in the hydro, thermal, geothermal, wind and wave energy sectors.

A recent development has been in providing 'water to wire' hydro-electric packages for mini and micro hydro schemes. These packages

include the engineering, manufacture, assembly, delivery and commissioning of all components and systems required to generate electricity: electrical, mechanical, protection and governing systems.

"These are 'run of the river' schemes," Paul says. "They don't depend on the damming of rivers. They're green. More and more people want their power supply to be green and local."

GREEN PROJECTS

The company has completed projects for New Zealand hydro power producers Westpower (Amethyst, 7MW), Trustpower (Patearoa, 2.1MW, Esk-Toronui 1.7MW and Rimu 2.4MW) and to the Australian hydro power producers Somerset (100KW) and Tasmanian Irrigation (Midlands 7.1MW).

He notes that as environmental consciousness becomes a higher priority in South East Asia and the Pacific, the removal and replacement of diesel generators presents an opportunity to partner with larger consultancies to provide mechanical and electrical solutions.

To capitalise on their technical IP and experience AIE works with New Zealand Trade and Enterprise and the

New Zealand Export Credit Office to develop a more specialist and 'in house' approach for the delivery of renewable energy projects offshore.

Additionally, AIE has undertaken work in Fiji, Papua New Guinea and the Philippines, looking to further capitalize on its experience in the South East Asia market and within geothermal, having worked closely with Mighty River Power and Contact Energy on several geothermal projects.

Asked how an engineering company can thrive from a regional base in Kawerau, Paul notes that, "Whakatane and Rotorua are close by, giving lifestyle options for staff (our biggest asset), as is the Port of Tauranga, giving world class shipping access right to our front door.

"There's a wealth of resources right here. Some of the world's best geothermal reservoirs are underfoot, the Kaingaroa forest is accessible by miles of off-road highways delivering logs for processing to Kawerau, clean water flowing from Lake Tarawera via the world famous Tarawera falls, and industrial land is still relatively cheap.

"It's a resource and industry super hub that is yet to be fully utilized.

"However, as I mentioned earlier,

excellence in Kawerau

for a business to thrive, you need good people.

"I quickly realized that if the business was to fulfil all it could be then I needed to employ people better than myself to do the jobs they were better at than me," Paul says. "Without good people, we have nothing".

Some of their people include Paul Sommerville who heads up the Technical Services Dept, Tim Whalley running the workshop teams, and sales and marketing manager Jevon Priestley who has spearheaded the drive into 'water to wire' hydro projects, and most recently AIE's new chief executive, Kelvin Wright.

GROWTH PLANS

"Most recently we have looked at where the business was at and where it needs to go," Paul says. "That's when we made a step change in the day-to-day running of the business by appointing Kelvin as CEO.

So, where does AIE see itself going, going forward?

Kelvin says: "In terms of growth, AIE has had some challenging years as local manufacturing options have become pressured. Globalisation has allowed previously distant original equipment manufacturers (OEMs) to offer very competitive replacement components from offshore, hence the traditional local manufacture of replacement parts has decreased as OEM capability, often based in Asia, has expanded.

"Although we have some exciting development opportunities in the renewable energy sector we see this as more of a change in the mix of work we do.

"In the longer term we will look to grow the Allied group through the acquisition of companies that are



High working on large Francis Hydro Runner



Mike loading ship propeller into vertical lathe



Kapiti Coast District Council Sludge Dryer leaving AIE

complementary to our core business."

Chatting with other staff, you get the impression that Paul and Kelvin are not the only ones enthusiastic about the business and the region. They say:

- "AIE is a great place to work and The Eastern Bay is an absolute paradise."
- "With an easy half hour

commute to AIE, there's the ocean and fishing, the bush and hunting, the beach and surfing, the lakes and trout ... it's a beautiful part of New Zealand."

And Paul's thoughts looking back on 20 years of business?

"It's not scary anymore," he laughs. ■



Paul Raethel (l) and Kelvin Wright



Weld overlay on turbine rotor