

2018 NEW ZEALAND DEFENCE INDUSTRY SURVEY RESULTS AND ACTIONS UNDERTAKEN

This customer satisfaction survey was established in 2016 as a repeatable annual assessment to measure Defence Industry’s satisfaction with their engagements with New Zealand Defence (MoD and NZDF) and prime contractors.

The feedback from the 2018 survey has been taken on board and incorporated into work plans. Some of these plans are already underway (see below).

SUMMARY OF FINDINGS

164 individuals completed the survey. The respondents came from 120 different organisations.

Respondents answered questions about the organisations they engaged during the 2018 calendar year. Figure 1 shows there were 75 responses for the Ministry of Defence, 131 for the New Zealand Defence Force, and 121 for prime contractors.

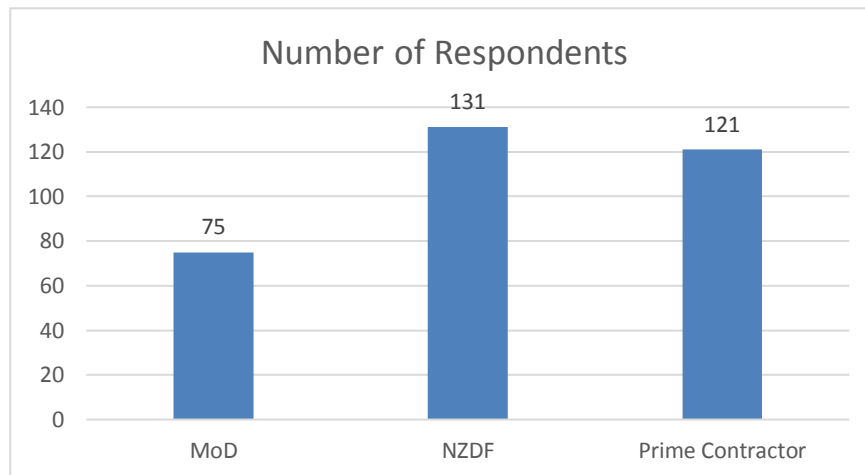


Figure 1. The number of respondents answering questions on the organisations they engaged with in 2018

For the overall satisfaction questions, just under 70% of respondents recorded that they were “somewhat satisfied” or “very satisfied” with the New Zealand Defence Force and the Ministry of Defence and just under 50% were “somewhat satisfied” or “very satisfied” with Prime Contractors (see Figure 2).

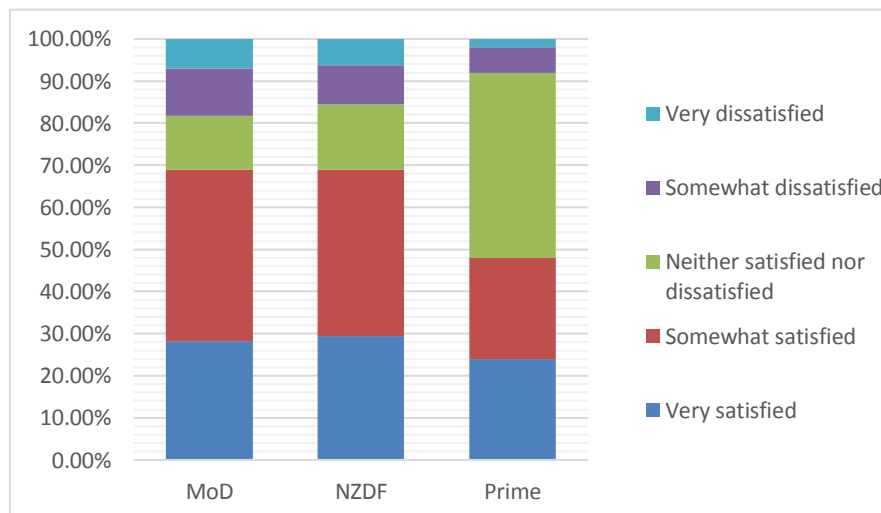


Figure 2. Overall satisfaction with the organisations respondents engaged with in 2018

There were a number of satisfaction questions specifically about the Ministry of Defence and the New Zealand Defence Force. Figures 3 and 4 highlight the responses with the highest and lowest combined “somewhat satisfied” and “very satisfied” responses for the two organisations. The results for both organisations were very similar.

The highest satisfaction scores for the Ministry of Defence (Figure 3) were for “knowledge of personnel”, “information on upcoming projects” and “access to personnel”. The lowest scores were for “partnering opportunities with other NZ suppliers”, “partnering opportunities with international suppliers”, and “feedback on tender submissions”.

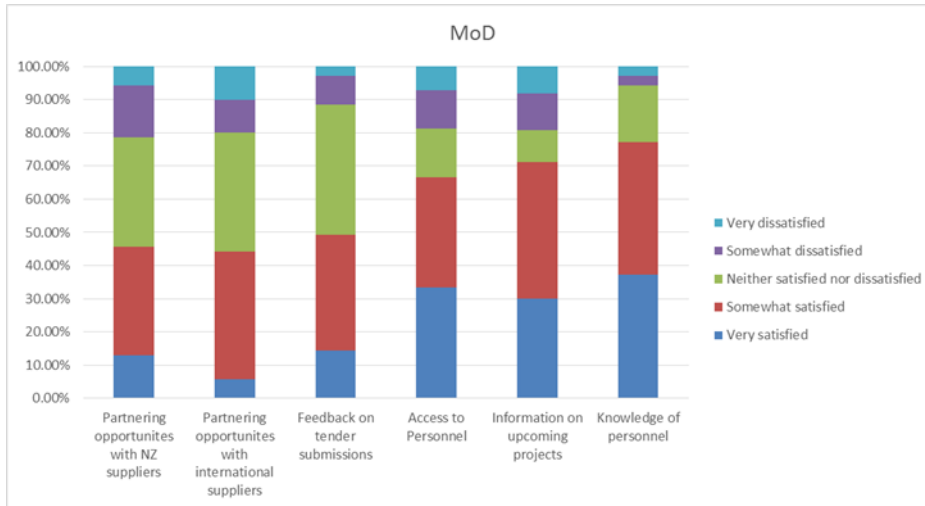


Figure 3. Questions with the highest and lowest satisfaction scores for MoD

The highest satisfaction scores for the New Zealand Defence Force (Figure 4) were for “knowledge of personnel”, “access to personnel”, and “early engagement”. The lowest scores were for “partnering opportunities with other NZ suppliers”, “partnering opportunities with international suppliers”, and “feedback on tender submissions”.

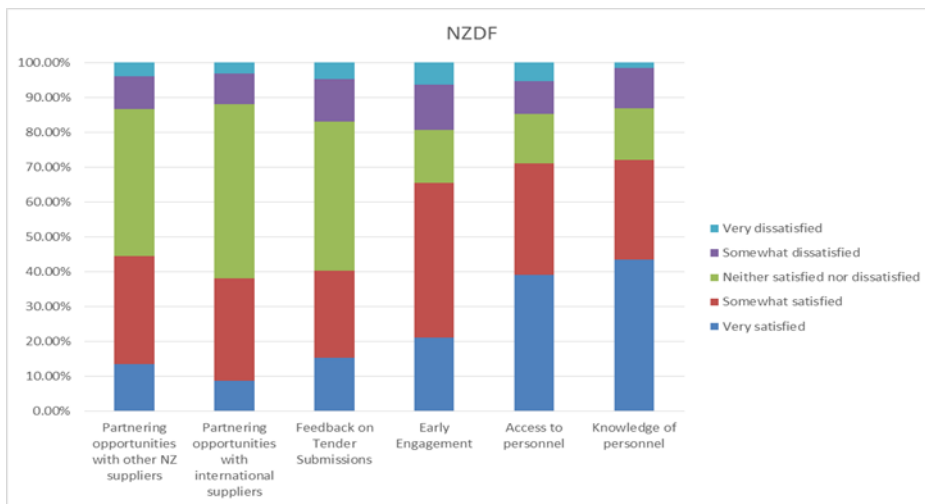


Figure 4. Questions with the highest and lowest satisfaction scores for NZDF

The survey included 4 open-ended questions where respondents could provide feedback. There is some very positive and encouraging feedback from the survey about the progress MoD and NZDF are making. However there were also a number of comments on areas where more work needs to be done.

The topics with the largest number of comments in response to the open-ended questions in 2018 were around communication, information, budget certainty and the tender process. There were a number of comments about the need to improve the clarity, channels, and frequency of communications from the MoD and the NZDF to Defence Industry and to improve the security clearance process. Respondents also want more information provided from MoD and NZDF, especially around the tender process and how MoD and NZDF operate.

ACTIONS UNDERTAKEN

Response

- In light of the above findings, the following action items have been, or will be undertaken by the Ministry of Defence and the NZDF.

Ministry of Defence and the NZDF

Information on upcoming projects

- The forthcoming Defence Capability Plan will include more information relevant to Industry, including cost ranges and more robust indicative timings when projects will commence early market engagement and formal market engagement (release of an RFT or RFP).
- An updated Defence Industry Security Guide has been produced and is available in hardcopy and on the Ministry of Defence website. The guide is produced by Directorate of Defence Security. All Defence-led projects will place a notification on the Government Electronic Tenders Service (GETS) three months prior to the release of tender documentation where potential suppliers will require security clearances. This will enable interested parties to commence the security vetting process.
- The Ministry of Defence will ensure its Annual Procurement Plans is complete and will indicate which decisions remain subject to Government and budget approvals. This will augment the Annual Procurement Plan provided by the NZDF which together will provide a full picture to industry of the immediate-term Defence procurement landscape.

Recognising Industry Excellence

- The Ministry of Defence and the NZDF will review the criteria for awarding the Minister of Defence Industry Awards of Excellence so that it aligns with the Defence outcomes of delivering value to the Community, Nation and World, as well as changes to Government Procurement Rules and the focus on 'public value'.

Defence-led projects

Improving opportunities for companies to partner with Primes and/or other New Zealand Suppliers

- Changes have been made to Schedule 8 of the Ministry of Defence Request for Tender template. Prime suppliers must now identify the steps they have taken to ensure their proposals provide the Crown with best value for money through the use of New Zealand industry to provide goods and services for the Contract, including for through-life support. Primes must submit an Activity Report listing the names and addresses of the New Zealand companies approached, the goods and services proposed to be supplied by such New Zealand companies, and the value of the good and services supplied. Where a Tenderer chooses not to use New Zealand companies the value for money must be demonstrated.
- The changes to Schedule 8 are being supported by a requirement for Defence-led projects to have at least two structured touch-points with industry prior to the release of a RFT or RFP. These touch-points will provide an opportunity for Prime suppliers and New Zealand companies to explore partnering opportunities, and for Primes to commence work on their activity reports.
- The Ministry of Defence's commercial practice guidance will be reviewed in light of forthcoming changes to Government Procurement Rules and the focus on "public value" and "secondary benefits" of government procurement.

Feedback on the tender process

- Following a model used by NZ Transport Agency (NZTA), additional functionality will be added to the Industry Portal so that innovative ideas on how we might improve our engagement, tendering, and/or contracting process can be received from industry. Responses from Industry will be considered by a panel of dedicated Ministry experts empowered to make changes.

NZDF-led projects

Information on upcoming projects

- The NZDF has updated and republished its *Framework for External & Industry Engagement* and published a booklet outlining the opportunities for Defence and Industry to engage freely and frankly at its Auckland Business Hub.
- The NZDF will continue to encourage early engagement with industry across all functions through the delivery of events, activities and opportunities for NZDF personnel and industry to discuss current and future opportunities to provide solutions to actual issues faced by the NZDF.
- The NZDF is focused on delivering a more robust Annual Procurement Plan across the NZDF to aide industry in their planning and responses. This has been communicated directly to those involved in significant procurement activities across the organisation.
- The NZDF will investigate technology options to enhance relationship management across the NZDF.

Improving opportunities for companies to partner with Primes and/or other New Zealand Suppliers

- The NZDF will work with its key Prime suppliers of maintenance, repair and overhaul (MRO) services and other enabling functions to ensure that maximising their domestic supply chain engagement is an area of focus. This will be delivered by encouraging early engagement focused on the identification of opportunities that will benefit both industry and the NZDF.
- NZDF has begun a large parcel of work analysing its supply networks. Though this work has a 'security' focus, a useful by-product of the analysis will be the identification of possible matches between prime and secondary supply chain members which can be passed to potentially matched members.

Feedback on the tender process

- Reinforce the early engagement requirement across Capability Branch, Business units and Defence Commercial Services (DCS) expected through the Capability Management Framework, Industry and External Engagement Framework.
- Continue to reinforce the importance of simple, accurate, concise and informed tender documentation across Capability Branch, Business units and DCS to ensure the best possible outcome for NZDF.
- Continue to understand and upskill our teams on the supply of timely, constructive and effective feedback to tenders. With an aim of increasing capability in the supply chain tendering as a result.
- Investigate technology options to enhance relationship management across the NZDF.

If you have any further feedback or questions please contact:

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