

Media release

8 March 2013

**BusinessNZ welcomes moves to make procurement more accessible to Kiwi manufacturers**

BusinessNZ and ManufacturingNZ welcome plans by the Government to make it easier for local firms to participate in Government tenders.

Executive Director of ManufacturingNZ, Catherine Beard says BusinessNZ has been working on this issue with officials in the Ministry of Business, Innovation and Employment for some time.

“We welcome the comments from Minister Steven Joyce that the Government is looking to reduce barriers to New Zealand firms winning Government tenders, or at least participating somewhere in the supply chain.

Things we would like to see would include Government Procurement Managers getting to know the local capability in the market before they go out to tender, as well as giving longer lead times to allow local companies to respond and put together joint venture proposals on larger jobs.

“We would like to see a requirement for Government Procurement Managers to consider the “whole of life” cost of a project, not just go for the lowest price, which can be a false economy when it leads to costly repairs. Local firms tend to provide a higher quality product which is better value. They also have the ability to tailor make a solution and are on the ground for back up and support.

“We would also like to see the introduction of local industry participation plans, which are used in Australia and many other countries. They stipulate that on large projects, Procurement Managers have to show that they have considered local capability and where it could fit in the supply chain.

“Central and local Government and SOE’s make up a big part of our economy and are often responsible for the big projects as well. We need to get our firms better engaged with a view to them winning bigger jobs and in turn becoming businesses of scale that can compete globally.”

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