

ICN Mailer

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ICN survey results

ICN survey shows more room for capability growth

The Industry Capability Network (ICN) recently undertook a survey of around 90 local suppliers and buyers to help identify what it would take for local companies to become more engaged in major projects in Australia and New Zealand. The ICN works to promote local content into projects and assists project owners to identify capable and competitive local providers. However, there is still a need for an ongoing development of local skills and capability to be able to address the prequalification issues many projects have in terms of track record, industrial capacity, people skills, financing and so on to take advantage of the potential to improve local company share of major projects work.

The study showed that leading local suppliers compete effectively because they have invested in their systems; product innovation and capabilities; and have excellent customer relationship systems in place making them valued partners in major supply chains. Below the top tier there are a number of good local firms that could win more in their niche. Major buyers considered the following attributes (in order) as being the most important – competitiveness and delivering value; good performance; strong customer focus; effective management systems covering quality, safety, risk management etc.; and the ability to work with major supply chains. The latter was also noted as a key area for improvement if local companies wanted to win more work – knowing what major supply chains expected, how they worked and improving their

capabilities to do this. In terms of local suppliers who have been successful they noted that having a good relationship was critical, as well as having the right capability, delivering good performance and getting a good supplier engagement with the client.

Key take outs for action for local companies therefore included really understanding expectations of performance, getting better information on opportunities and planned work, and smaller companies collaborating on some work packages to provide a total solution. There was also seen a need for local companies to realistically benchmark themselves against international competition, understand the tendering process better and improve at it.

There is assistance already in New Zealand for much of this. There are a number of tender opportunity portals in Australia and New Zealand – including ICN Gateway, and NZTE Australia's ProjectLink; as well as the Government Electronic Tender Service (GETS), TenderLink and a range of Australian project opportunity sites. Companies should be looking at all of these and combining this information with that from their own marketing and sales teams. There are also local companies that



assist in training about and preparing tender responses. However, one of the key things is encouraging major projects owners to actively look for and engage with potential local suppliers. The ICN has been supporting this approach for many years having been involved in the Kupe project, a number of hospital projects, energy, rail and defence projects – all the with aim of assisting the buyer to engage with capable local suppliers and to find and develop local capability. One of the tools the ICN uses to do this is local industry participation plans – which provide project owners with a structure to develop this engagement process. These are used extensively in Australia and the ICN has it available here for projects (see the procurement section of www.icn.govt.nz). Our experience is the more informed and the more engaged major projects owners are with local capability the more likely they are to discover products and services that will save them time and money, and the more likely local suppliers are invited to tender.

ICN promoting local companies

ICN helps introduce new technologies and innovations to offshore defence and security markets

ICN is playing an increasing role in introducing and promoting local technology companies and their innovative products and services to Original Equipment Manufacturers (OEMs), Multinational Prime Contractors, Integrators and Offshore Government Agencies. Currently the focus is Defence, Homeland Security, Emergency Response and Public Safety, but we'd like to expand to other sectors over time.

The ICN is linked into many defence OEM and multinational companies. We're also working closely with NZTE staff, from around the world, who are engaged with key overseas Government departments and potential buyers

Recently ICN has assisted with two successful events aimed at getting NZ companies in front of major Defence purchasers and potential partners.

The first was the Lockheed Martin Engagement with Industry Day (March 11) where senior Lockheed Martin staff presented to 89 representatives of some of New Zealand's most innovative companies. Each company also had an opportunity for one-on-one meetings with Lockheed Martin to promote their product. Several of these initial meetings have lead to follow-up meetings, introductions to other key Lockheed

Martin staff and the start of sound working relationships.

A second successful event for innovative NZ companies was the US Immersion Programme which ICN assisted with. This was run in Washington (11 May) by NZTE and aimed to educate companies on the requirements and opportunities within the US public sector market. More than 20 New Zealand companies attended the two-day and/or the networking events with key stakeholders from the US Government, OEM and Prime Contracting companies. These introductions have lead to follow-up meetings, further introductions and agreements across a wide range of industries and potential buyers.

ICN will continue promoting local companies with products or services that are technically advanced or unique and capable of meeting tough requirements of the defence or security markets. Further programmes are planned with a range of potential buyers and partners. So if you have an innovative local product that ICN doesn't yet know about or service that you think could be of interest to the buyers in these demanding sectors, ICN would like to know about it and assist you. Please contact the ICN.

Nationwide seminars

Following up the survey for major projects, ICN teamed with Business NZ to run seminars and networking drinks in Auckland, Wellington and Christchurch to explain the results. Deb Archbold of Deb Wilson Consulting of Brisbane presented the survey results. The seminars were also a chance for local companies to hear from procurement professionals and local companies on what they expected from their suppliers as well as an update from the Ministry of Economic Development on their procurement reform agenda. Speakers included representatives from ICN, Business NZ, the Auckland City Council, Grayson Engineering, DIA, Ministry of Defence, NZ Police, and Transit.

Clean Energy Centre



The New Zealand Clean Energy Centre, with funding from NZTE, opened in April 2011. The centre houses a cluster of clean energy companies, is a demonstration venue for clean energy innovation and solutions and will be a venue for events. More information can be found at www.cleanenergycentre.co.nz

The centre itself is a showcase of energy efficient design and clean energy technologies. From 13-16 October 2011 the NZCEC will host a Clean Energy Expo showcasing clean energy innovation to local and international visitors.

If you are interested in visiting or exhibiting at the event, please contact Rob McEwen by email rmcewen@nzcleanenergycentre.co.nz or on +64 (0)21 728 875. ICN continues to be involved in the cleantech space and has a dedicated National Sector Manager for cleantech based in ICN's NSW office.



Christchurch reconstruction effort

ICN to assist Christchurch reconstruction effort

ICN will soon be placing a staff member in Christchurch with the Canterbury Development Corporation (CDC), the Christchurch City Council's economic development agency, to assist with the reconstruction effort to help buyers and to maximise local content. With over 1,000 buildings to be demolished and major reconstruction to occur over the next few years, ICN will be working to maximise local content in the reconstruction effort by providing a link between developers, project managers, architects, engineers and contractors - and local suppliers. The commercial and industrial reconstruction work is not likely to start in earnest for many months as demolition and residential work continues but ICN is already starting to develop links in the area with the Canterbury Earthquake Reconstruction Authority (CERA), Canterbury Development Corporation, the local Canterbury Employers Chamber of Commerce (CECC) and the Alliance - to be positioned well for local companies wanting to participate. In the meantime local companies should ensure they are registered on the ICN's capability database through www.icn.govt.nz



Australian Pacific LNG project

The ICN recently attended the Australian Pacific LNG (APLNG) Project update and supplier opportunities briefing as the project has now received financial approval. The APLNG is the largest of the LNG projects that are currently being constructed in Queensland.

The project will span from the gas fields in the Surat and Bowen Basins in Queensland along a 450km pipeline to an LNG facility near Laird Point on Curtis Island off Gladstone. There are three main components to the project:

- further development of APLNG's existing coal seam gas fields in the Surat and Bowen Basins
- construction of the gas transmission line
- development of the LNG facility including gas processing, liquefaction and marine infrastructure.

Senior managers and procurement specialists from the project's joint venture companies, Origin and Conoco Phillips as well as Bechtel gave presentations.

The ICN and the APLNG Project team encourages companies in supplying goods and services to the project to register their interest through <http://gateway.icn.govt.nz>

Companies that register through ICN Gateway and complete the registration process will be included in the future procurement process with the opportunity to supply goods and services to the project.

ICN Queensland is working on the APLNG project and are happy to assist you. Contact Eddo Roggeveen at ICN Queensland or you can email Bob Murdoch at ICN NZ.

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Thales industry day

ICN supports Thales run an industry day in Auckland



ICN supported Thales run an industry engagement day in Auckland on 2 August. Like other multi-nationals ICN works with, Thales is interested in identifying innovative and capable local companies that have the potential to team with them on various opportunities. Around 40 local representatives attended the full industry engagement day and companies found the one to one engagement very helpful in understanding what was required to work with Thales.



Australian news

Australian company beats international competition to secure major wind farm contract

Victorian supplier Olex Cables has proved it is able to compete in both price and capability with overseas manufacturers after securing a contract to supply medium voltage cable to south west Victoria's \$1 billion Macarthur wind farm project. ICN Great South Coast Regional Manager Peter McCracken advised Olex Cables that the product was potentially to be imported.

The company subsequently submitted a competitive bid to supply the product, highlighting the benefits of using a local manufacturer. Leighton's and Vestas contractors are constructing the Macarthur wind farm project, on behalf of the AGL Energy Limited and Meridian Energy joint venture. It is anticipated to generate 220 construction jobs until completion in 2013, with 30 ongoing jobs for the life of the wind farm.

For further information on this project please contact Peter McCracken on +61 407 505 477 or pmccracken@icnvc.org.au



Peter McCracken, ICN Great South Coast Regional Manager; Andrew Monahan, Project Manager Power Development - AGL Energy Limited; Geoffrey Simpson, Business Development Manager - Olex Cables.

ICN Gateway

ICN uses a web based database known to clients as "Gateway", but to ICN consultants the system has a different look and is called "Toolbox". Our consultants use Toolbox as a CRM system and to find opportunities for local firms and to help get them into larger supply chains. We also use it to match companies to enquiries we receive.

It is however, vitally important the information we have on your company is up to date and we recommend that you review the information at least annually and update it as required. The recent earthquakes in Canterbury has lead to a number of Government agencies aligning and agreeing to use the ICN Gateway as the main portal for opportunities arising from the rebuild and it is also being used to store information on companies wishing to offer their products and services to the rebuilding effort. Thus it is now even more important to be registered on the database, or to make sure your information is current. The URL for Gateway is <http://gateway.icn.govt.nz>



Health Projects - Taranaki DHB/ Project Maunga

Fletcher Construction has been announced as the main contractor for the Taranaki Hospital redevelopment project. The development includes six new operating theatres (up from the current four) day stay services, a new bigger inpatient ward block and overall will provide significantly better quality environment for patients and staff, including a building of very high seismic standard. The new Project Manager, Chris Goldsbury arrived on site in mid July from Wellington. Construction is expected to commence shortly.

Government Electronic Tender Service (GETS) Upgrade

The Ministry of Economic Development manages and hosts GETS, the Government Electronic Tender Service. Originally developed and run by the ICN, GETS has been in continuous operation for the last 15 years and despite one minor and one slightly bigger upgrade it has continued virtually unchanged for all those years. That is a long time for a website and testament to the quality of the original design and platform. However, it is time to improve and this year is probably the last for GETS in its current form as MED is currently talking to several providers about the "Next Generation GETS". We are looking forward to the new version being as resilient and long lived as the one we created all those years ago and also seeing the improved capabilities which should make it easier for you!

NZ Export Credit Office



The New Zealand Export Credit Office (NZECO) provides financial guarantee products for New Zealand exporters. Their products help exporters manage risk and capitalise on trade opportunities around the globe, including major infrastructure projects. The ECO can be particularly useful for companies in the major projects space looking for finance options when traditional options can be challenging.

Further information and contact details for the New Zealand Export Credit Office can be found at www.nzeco.govt.nz

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