



New Zealand Government Procurement Business Survey 2024

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

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Introduction

NEW ZEALAND GOVERNMENT PROCUREMENT

New Zealand Government Procurement (NZGP), a branch within the Ministry of Business, Innovation and Employment (MBIE), runs an annual business survey to understand businesses' experiences of government procurement. The survey identifies businesses' perceptions of the quality of government procurement and their experiences when doing business with government.

New Zealand's Public Service chief executives have autonomy over how their departments operate, including accountability for their procurement. These results (along with other data) help us to track the impacts of government's efforts to improve procurement practice.

THE RESEARCH

We sent an invitation to participate in the survey to everyone who has subscribed to a tender on the Government Electronic Tenders Service (GETS). We included a link to the survey on GETS, the NZGP website and newsletters, and MBIE's social media pages.

The survey took place over three weeks in October 2024. We received 712 responses. This compares to 755 responses in 2023, and 1,717 responses in 2021. The survey was not run in 2022.

STRUCTURE OF THE REPORT

This report is structured around six key areas: business profile, engagement with government, tender activity, contract management, supplier relationships and the complaints process. Each section summarises how businesses reported their experiences in these areas.

LIMITATIONS

Sample size: The survey response rate for 2024 was similar to the 2023 rate, although both are lower than the 2021 response rate.

Sample profile: It is important to note that the sample profile for the 2023 and the 2024 survey is significantly different to the 2021 survey in many ways. There are some proportional changes in the sample profile, but the impact of these on the survey results is not known. Any changes in the survey results from previous years may be a result of the change in the sample profile.

Note: The changes in the sample profile are proportional and the comparatively small sample size may undermine the representation of the sample for the whole population of businesses engaging with government and the validity of the findings.

Unspecified or blank responses: In order to accurately compare the results between years, we have removed 'not applicable' responses from the report since this option was not used in previous surveys.

Survey findings

KEY FINDINGS

Overall, the 2024 survey results are largely consistent with the 2023 survey results, with results lower in some areas and improved in others.

- Nearly all respondents (90%) said they would at least sometimes recommend government as a customer to other businesses.
- There is a clear improvement in overall satisfaction across most aspects of the government contract manager's performance. However, positive perceptions of the quality of wider contract management systems and supplier relationships with government, decreased between 2023 and 2024.
- There has been an increase in businesses being offered opportunities for a debriefing after a bid between 2023 and 2024. A combined total of 43% always/often find these debriefs/feedback useful.
- There is a higher overall awareness of complaints processes compared to 2023.
- Government receives the highest rating for supplier relationships at 41% total good (combined 'very good' and 'good'), followed by contract management (34%). Tender activity is identified as the weakest, with 26% rating this as good and 42% poor.
- Positive perceptions of the quality of government tender activity continues to follow a downward trend since 2021.
 - 53% of respondents said tender documents provided by government agencies include all the information that the business needs to make a bid to supply products and/or services.
 - 46% said the information provided by government agencies in these tender documents is easy to understand.

AREAS FOR IMPROVEMENT

Key areas of improvement identified from the open responses given by businesses who responded to the survey include:

More focus on the post contract award phase with contract and supplier relationship management

- Reduce payment times for services or goods that have been delivered – pay more promptly.
- Increase reporting on contract delivery and performance – which can help suppliers build their reputations.

Tendering processes should be simplified

- Tenders should be concise and straight-forward.
- Simplify the contracting process for tenders less than \$50,000 - \$100,000.

Agencies need to focus on accountability and transparency

- Have more open and honest dialogue throughout the tendering process.
- Agencies consistently provide quality debriefs for both successful and unsuccessful businesses.

Better support for small businesses

- Be reasonable and realistic with timelines to respond to tenders especially for small businesses.
- Agencies become more aware of the resource requirements for responding to tenders.

Encourage innovation and thinking beyond price

- Agencies should work in collaboration with suppliers to determine the best solution to meet the agencies' needs.
- Signal in advance upcoming work and opportunities.
- Agencies should be more focused on value, innovation, or what can best support the New Zealand economy rather than simply price.

Build and maintain relationships between businesses and government

- Agencies engage earlier and provide more clarity on what is required.
- Those running the procurement should be accessible – suppliers can ask questions for clarity and receive a prompt response.
- Make decisions in a timely manner and be accountable for delays and decisions.
- Agencies offer opportunities to communicate in-person, beyond online communications.

Sample profile

BUSINESS BASE

In which region is your main office in New Zealand based?

70% of businesses that responded to the survey were based in either Auckland or Wellington. There was a relative consistency in the percentage of respondents based in each region between the 2023 and 2024 surveys.

Region	2021	2023	2024	Region	2021	2023	2024
Auckland	36%	35%	38%	Taranaki	2%	1%	1%
Wellington	19%	34%	32%	Manawatu-Whanganui	3%	2%	1%
Canterbury	10%	9%	7%	Nelson	1%	1%	1%
Bay of Plenty	4%	3%	5%	Tasman	1%	0%	0%
Waikato	7%	3%	5%	Marlborough	1%	0%	0%
Otago	2%	2%	2%	Gisborne	1%	1%	0%
Northland	3%	2%	2%	Southland	1%	0%	0%
Hawke's Bay	2%	2%	2%	West Coast	1%	0%	0%
Not based in New Zealand	6%	4%	1%	None of the above	0%	0%	0%

Base size, respondents who answered this question: 2021 – 1703, 2023 – 755, 2024 – 707

BUSINESS SUPPLY REGIONS

In which New Zealand region(s) does the business supply products and/or services to government?

At least 50% of the businesses that responded to the survey supply products and services to government throughout New Zealand. Almost a third of the businesses mainly supply to Auckland or Wellington.

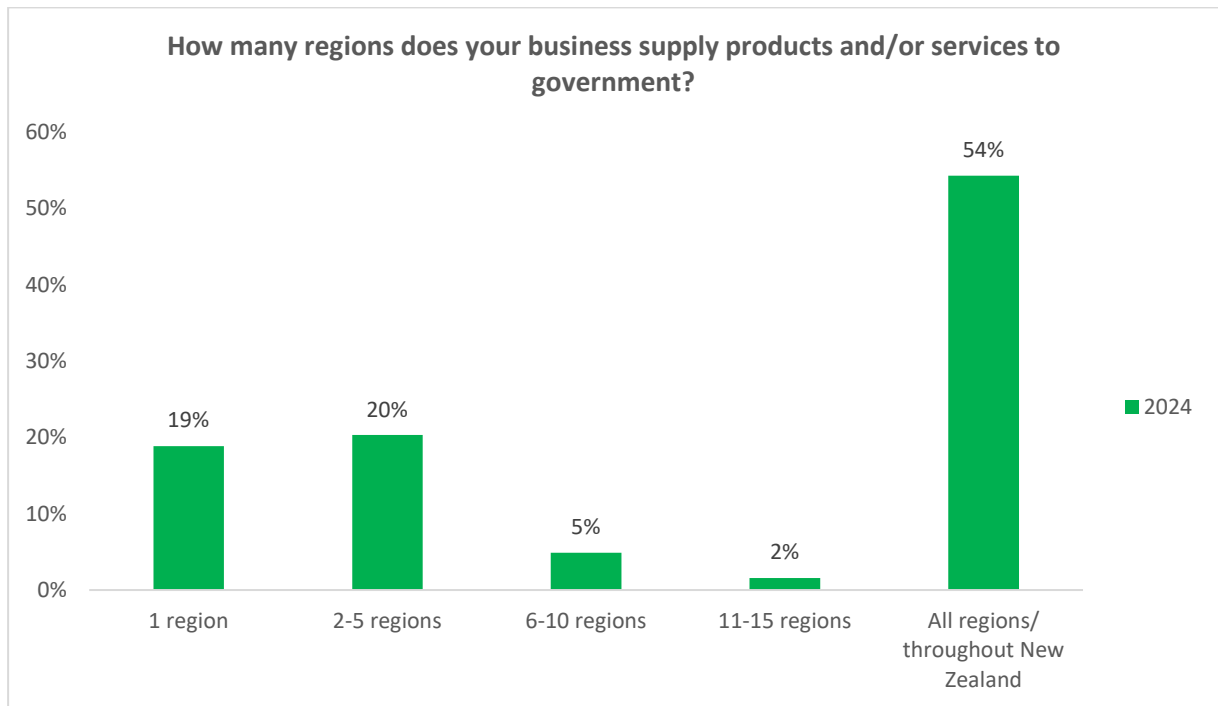
Note that the “All of the above/throughout New Zealand” option was introduced in the 2024 survey. This option was not offered in the 2021 or 2023 survey. As such, the 2024 results are not directly compared to the other years.

Region	2024	Region	2024
All the above/ throughout New Zealand	54%	Manawatu-Whanganui	9%
Wellington	30%	Taranaki	7%
Auckland	26%	Nelson	7%
Waikato	14%	Gisborne	5%
Canterbury	14%	Southland	5%
Bay of Plenty	11%	Marlborough	5%
Hawke's Bay	9%	West Coast	5%
Northland	9%	Tasman	4%
Otago	9%		

Base size, respondents who answered this question: 2021 – 1590, 2023 – 735, 2024 – 694

Number of regions the business supply products and/or services to government

Just over half of businesses who responded to the survey supply to government across all regions in New Zealand. About one fifth provide to only one region and two to five regions respectively.

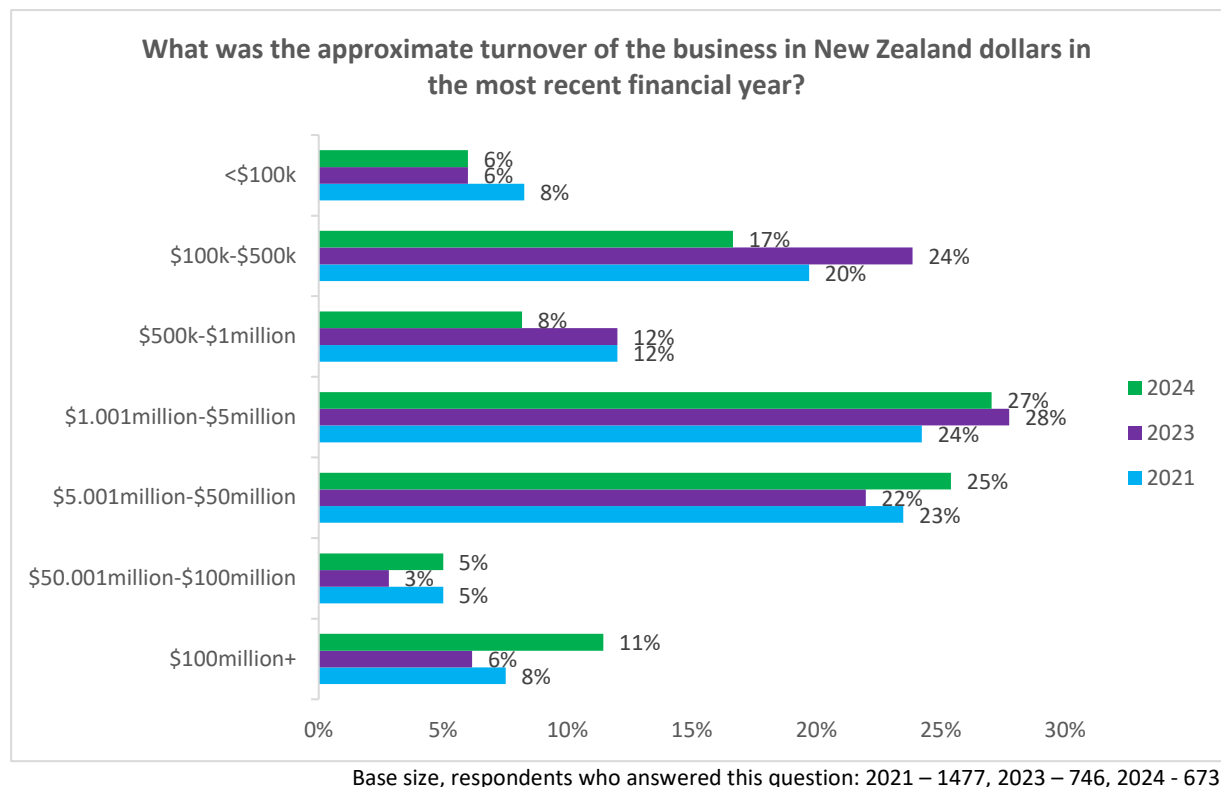


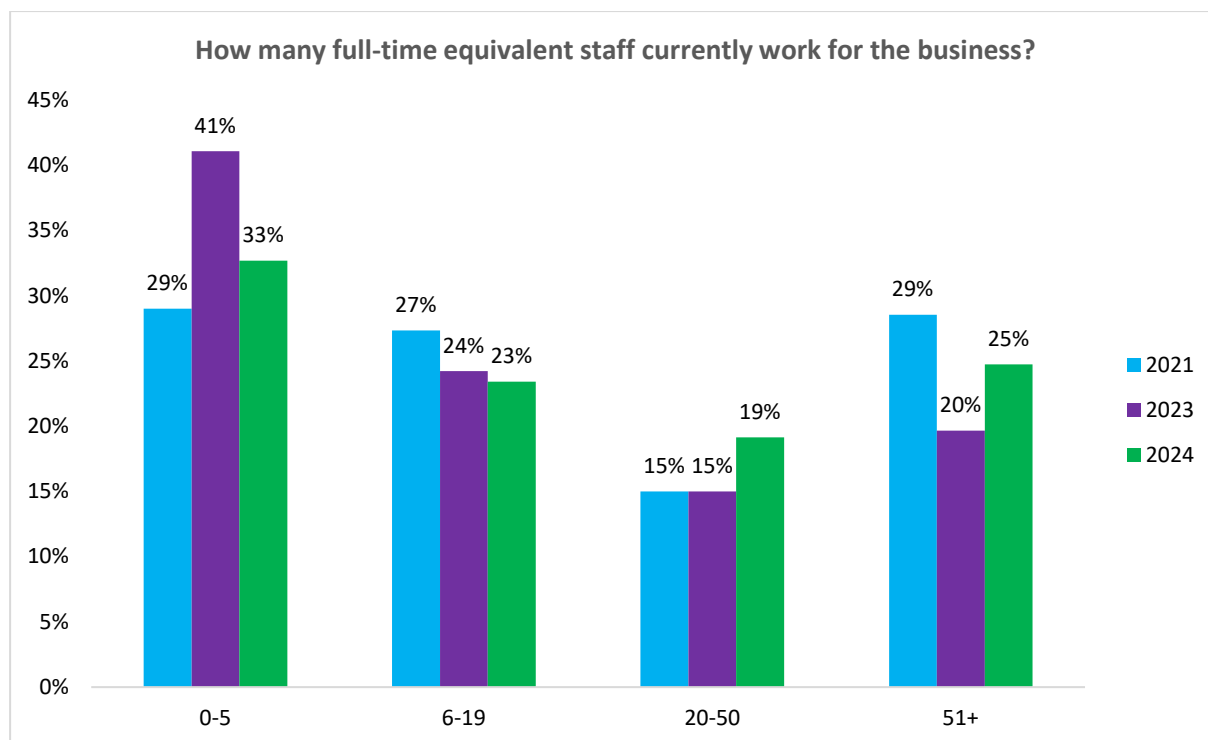
Base size, respondents who answered this question: 2024 – 694

SCALE OF BUSINESS

Number of staff and annual turnover

A diverse range of businesses have completed the survey. 31% of businesses had an annual turnover of one million or less. Most of the businesses that responded to the survey in 2024 had 19 or less employees. There was an increase between 2023 and 2024 of businesses 51+ employees (20% to 25%), while a decrease in the businesses with 0-5 employees (41% to 33%).





Base size, respondents who answered this question: 2021 – 1499, 2023 – 747, 2024 – 679

What is the legal structure of your business?

The majority of businesses who responded to the survey identify as a company (86%) while the next highest category was sole traders (only 6%).

What is the legal structure of your business?	2021	2023	2024
Company	75%	87%	86%
Sole trader	4%	5%	6%
Partnership	3%	3%	4%
Registered charity	9%	3%	1%
Government agency	1%	0%	1%
Trust	3%	1%	0%
Incorporated society	4%	1%	0%
Co-operative	0%	0%	0%
Other	1%	1%	1%
I don't know	0%	0%	0%
Māori authority	0%	0%	0%

Base size, respondents who answered this question: 2021 – 1498, 2023 – 752, 2024 - 679

INDUSTRY

What main industry/field does the business operate in?

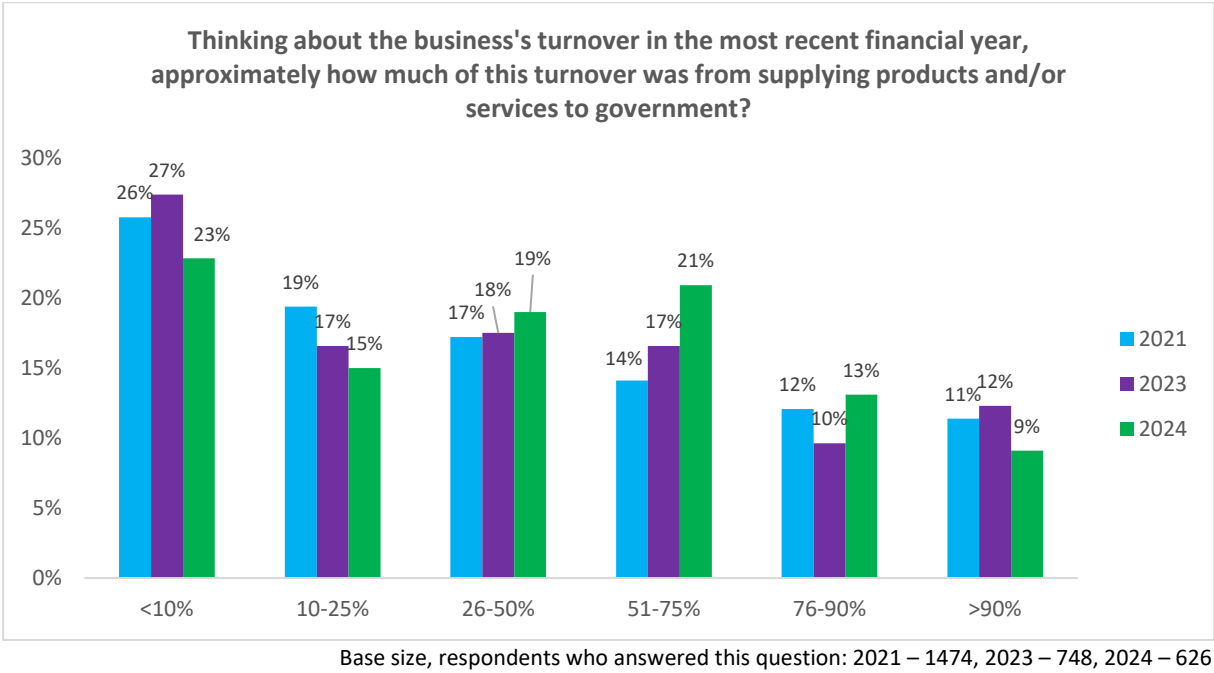
Businesses from a diverse range of industries have completed the survey. The most common industries are consultancy, and construction, infrastructure and manufacturing. There was a relative consistency in the percentage of respondents in each industry between the 2023 and 2024 surveys.

Base size, respondents who answered this question: 2021 – 1493, 2023 – 746, 2024 – 644

Industry	2021	2023	2024	Industry	2021	2023	2024
Consultancy	14%	29%	26%	Office solutions	1%	1%	1%
Construction, infrastructure and manufacturing	16%	9%	12%	Vehicles	0%	1%	1%
Engineering solutions (including architecture)	3%	6%	8%	Operational goods and services	2%	1%	1%
Information and communication technology (ICT)	11%	9%	7%	Energy and utilities	2%	1%	1%
Marketing and media	3%	7%	7%	Facilities	2%	1%	1%
Personnel related (including training and professional development)	2%	5%	6%	Logistics	0%	1%	0%
Services (other, this includes research services)	4%	6%	6%	Agriculture, Forestry, Fisheries	1%	1%	0%
Travel, events and accommodation (including catering)	1%	1%	3%	Waste management	0%	0%	0%
Professional services temporary staff	1%	2%	3%	Other (please specify)	12%	11%	10%
Community and social services (health, justice, education and welfare)	18%	5%	3%				
Clinical, medical and laboratory	4%	1%	2%				
Financial and banking services	1%	1%	1%				

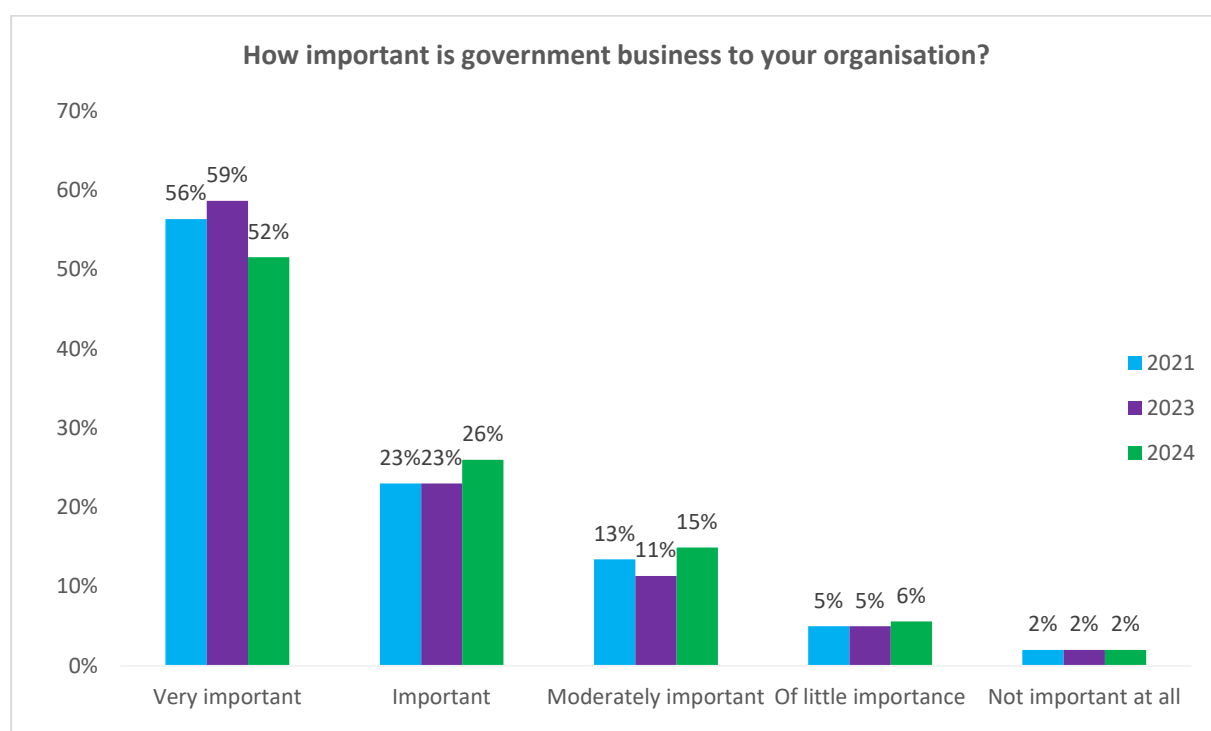
GOVERNMENT TURNOVER

57% of the businesses that responded to the survey sourced 50% or less of their turnover by supplying products and/or services to government. This is a decrease of 5% compared to the 2021 and 2023 surveys. The remaining 43% of respondents sourced 50% or more of their business’s turnover from supplying products and/or services to government.



IMPORTANCE OF GOVERNMENT BUSINESS

Government business is important to most of the businesses that responded to the survey (very important or important = 78%). This is a decrease from the 2023 result of 82%.



Base size, respondents who answered this question: 2021 – 1487, 2023 – 750, 2024 – 623

IMPORTANCE OF GOVERNMENT BUSINESS BY KEY GROUPS

How important is government business to your organisation?

More than half of each key group rated government business as total important (very important or important). Total importance for Wellington businesses was higher than the *overall* total.

Importance of government business to your organisation	Total important
TOTAL	78%
Business base	
Auckland	77%
Canterbury	66%
Wellington	87%
Rest of North Island	64%
Rest of South Island	69%
Business type	

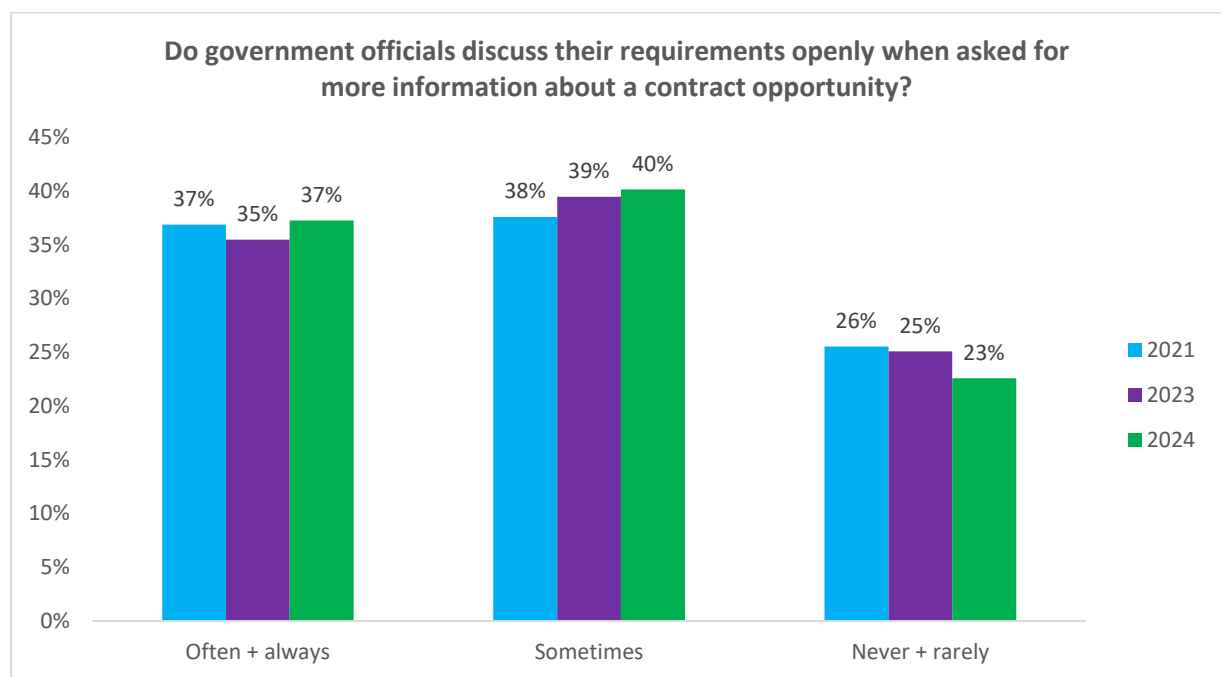
Importance of government business to your organisation	Total important
50%+ owned by New Zealanders	76%
Defined/identified as a Māori business	79%
Described/identified as a Pasifika business	79%
Industry	
Community and social services	93%
Construction, infrastructure and manufacturing	78%
Consultancy	80%
Others	39%
NZ Annual turnover	
Less than \$500K	70%
\$501K - \$1 million	69%
\$1.001 million - \$5 million	75%
\$5.001 million - \$50 million	83%
\$50.001 million +	88%

Base size, respondents who answered this question: 2024 – 623

Engagement with government

OPENNESS OF OFFICIALS

Perceptions of the openness of government officials, when asked for more information about a contract opportunity have remained consistent over time. 37% reported that government officials are often or always open, 40% reported that they were sometimes open, and 23% said never or rarely.

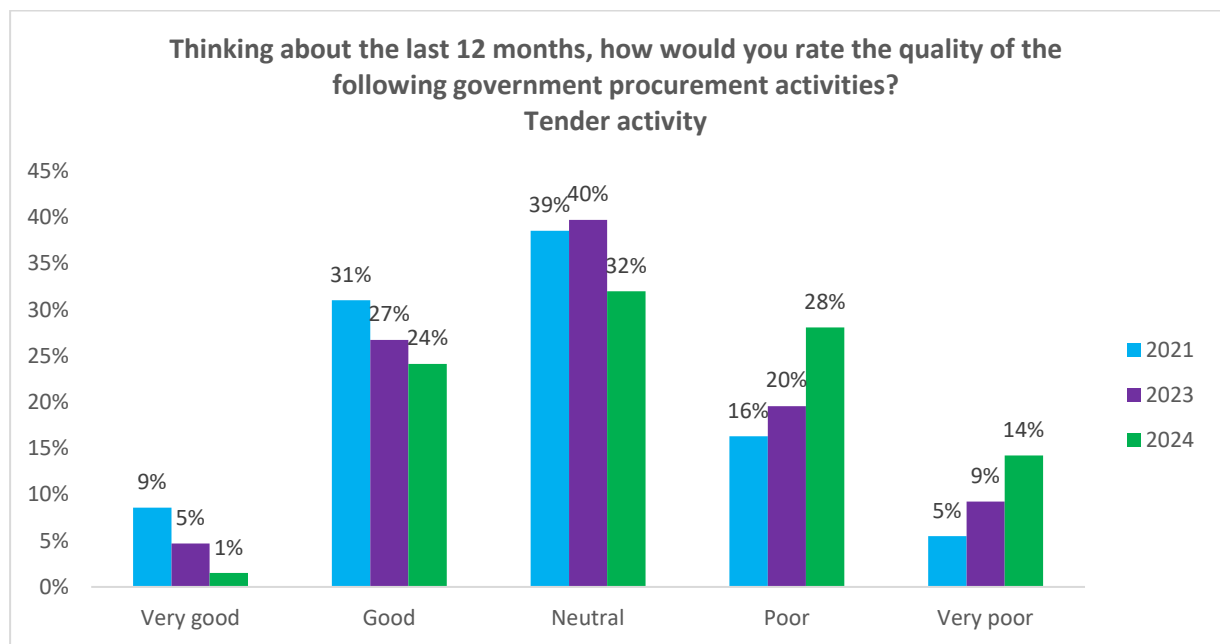


Base size, respondents who answered this question: 2021 – 1253, 2023 -702, 2024 – 558

Tender activity

QUALITY OF TENDER ACTIVITY

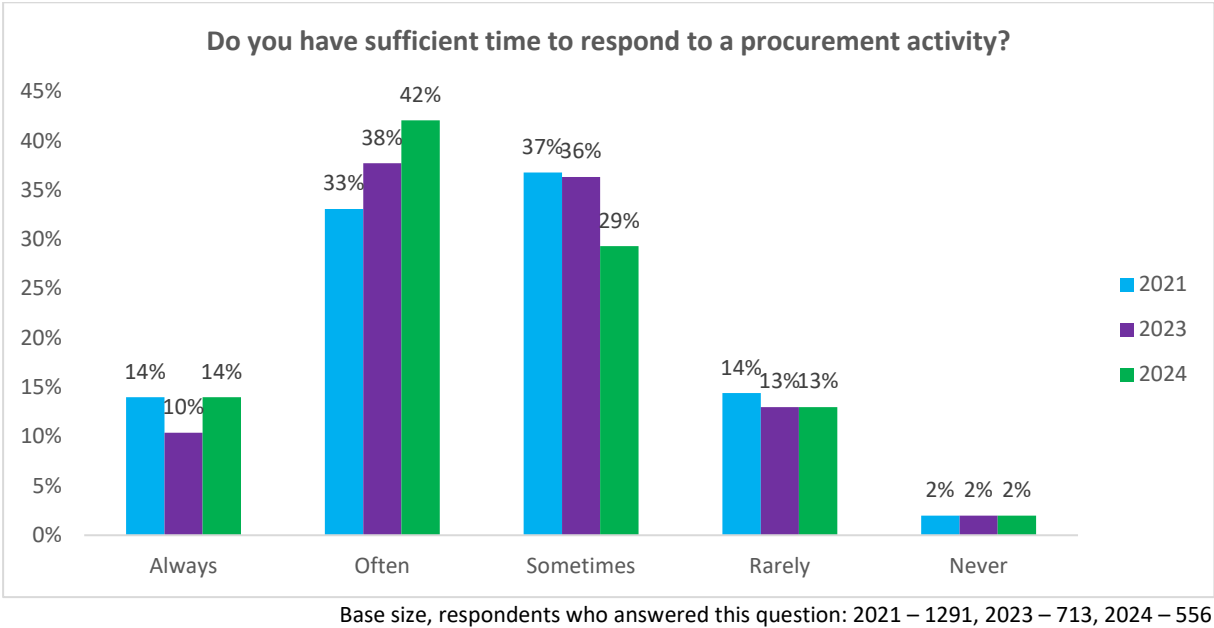
Perceptions of the quality of government tender activity have dropped between 2023 and 2024. Total good (very good or good) has dropped from 32% to 25%. Total poor (very poor or poor) has increased from 29% to 42%.



Base size, respondents who answered this question: 2021 – 1201, 2023 – 725, 2024 – 534

TIME TO RESPOND TO A TENDER

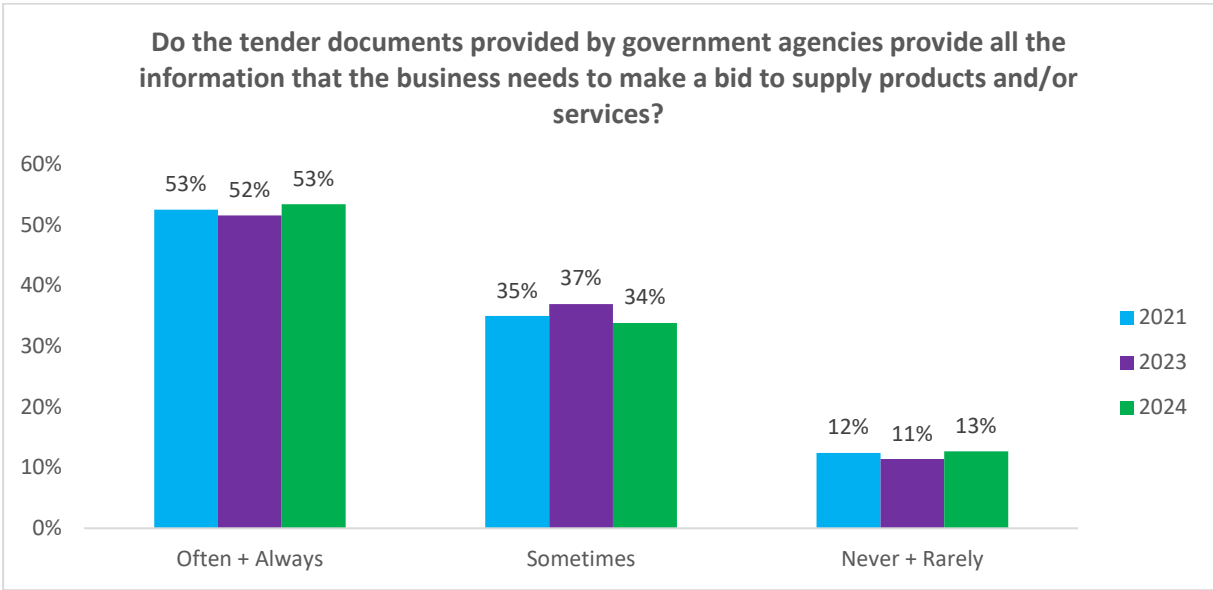
Perceptions of the time given to respond to a procurement activity have increased compared to 2023. In 2024, 56% reported that they often or always have sufficient time, 29% said sometimes and 15% said rarely or never. Since 2021, there has been a decrease in those who said sometimes, and an increase in the second highest level of rating (often).



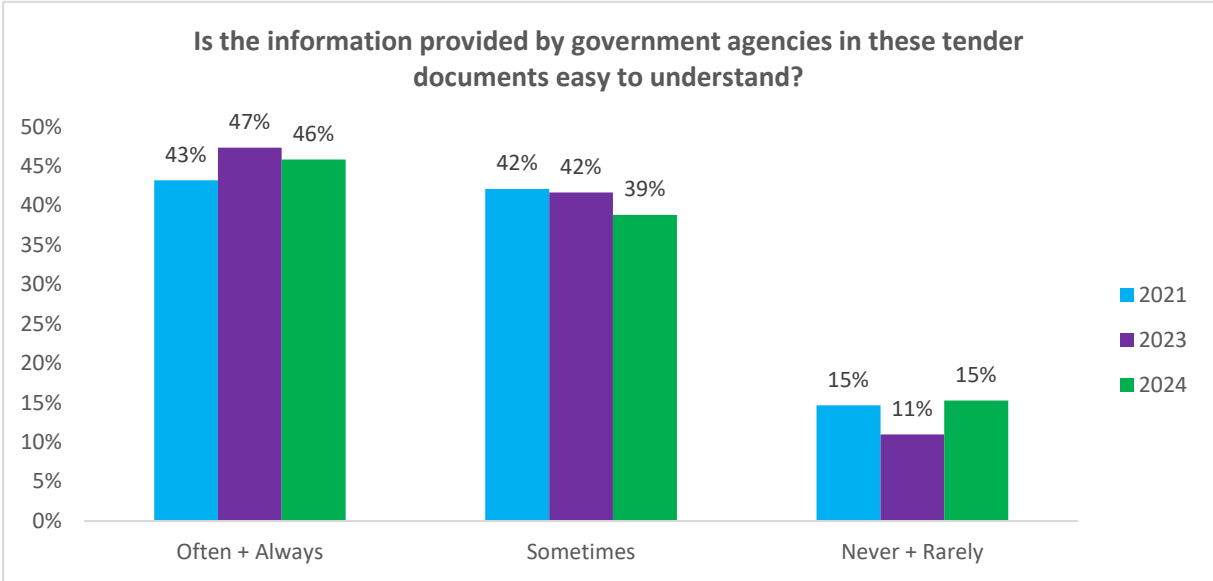
TENDER DOCUMENTATION

Perceptions of the information provided in government tender documents have remained mostly consistent over time. 53% responded that the tender documents often or always provide all the information, while 34% said sometimes. 13% said never or rarely which is a slight increase since 2021.

The perception of the clarity of government tender documents have also remained mostly consistent over time.



Base size, respondents who answered this question: 2021 – 1286, 2023 – 719, 2024 – 567

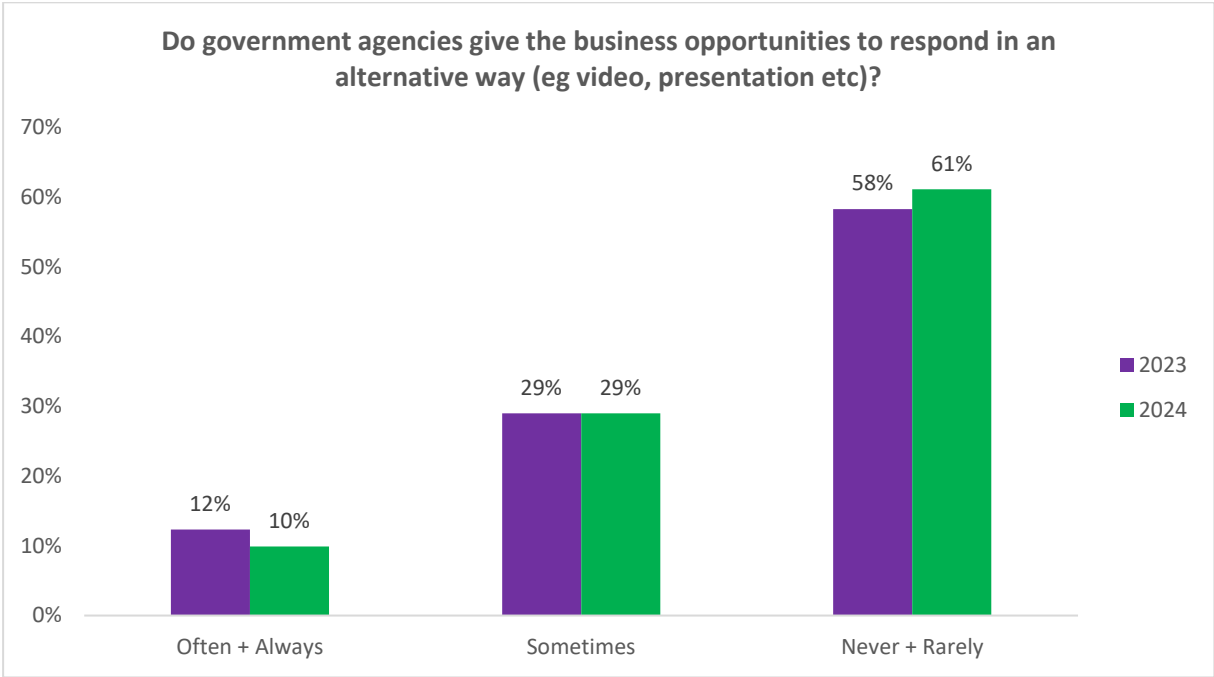


Base size, respondents who answered this question: 2021 – 1287, 2023 – 720, 2024 – 569

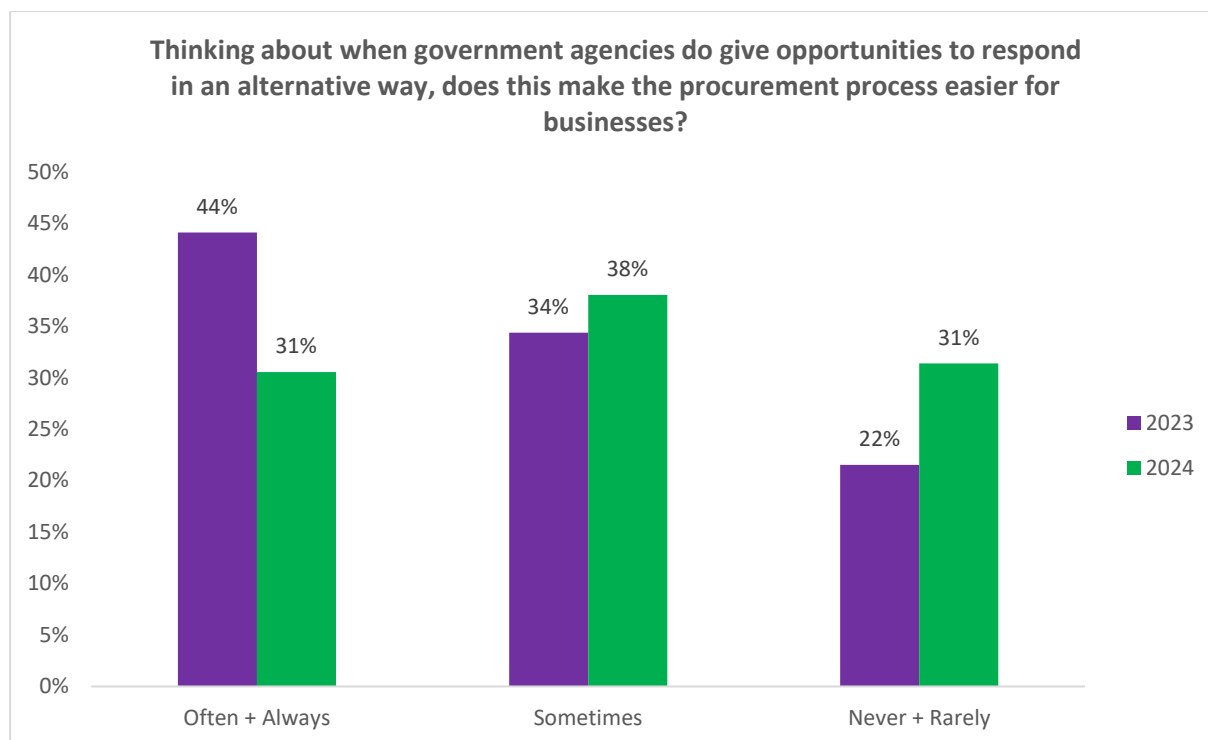
ALTERNATIVE WAYS OF RESPONDING TO A TENDER

The option to respond to government tenders in alternative ways remained mostly consistent with the 2023 results. Only 10% of respondents said they are often or always given the option to use alternative ways to respond to tenders, while 61% said never or rarely.

However, in 2024, the results reflected that when government agencies do give opportunities to respond in an alternative way, this does *not* necessarily make the procurement process easier. The percentage of respondents who said it is often or always easier decreased from 2023 to 2024 (44% to 31%), while the percentage of respondents who said it is never or rarely easier increased from 2023 to 2024 (22% to 31%). Note that there were no questions about alternative ways of bidding in the 2021 survey.



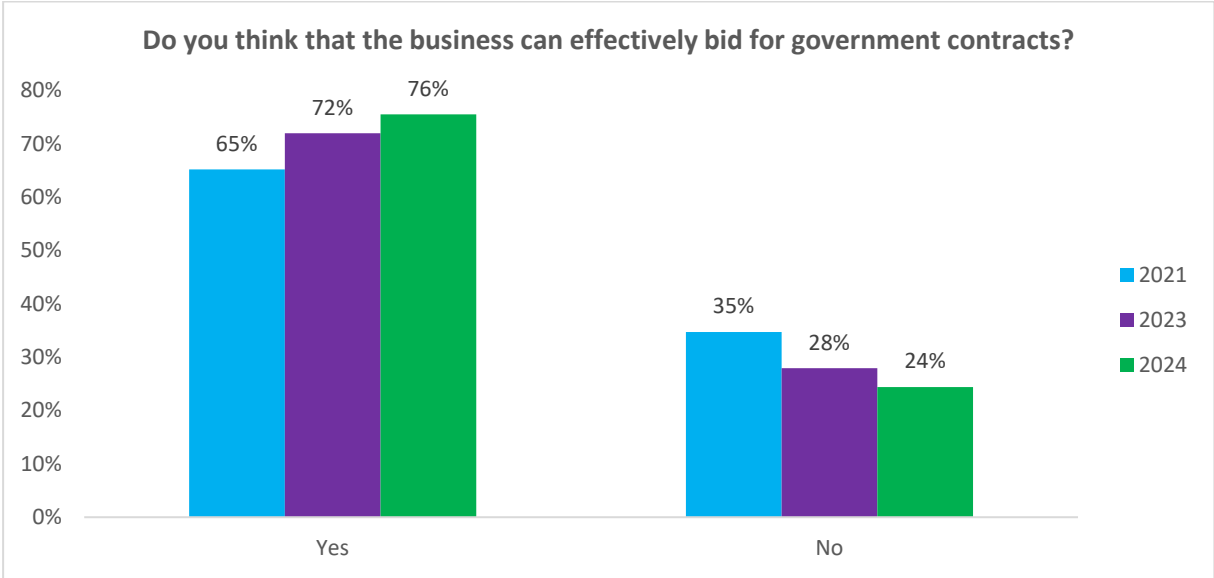
Base size, respondents who answered this question: 2023 – 616, 2024 – 494



Base size, respondents who answered this question: 2023 – 483, 2024 – 360

ABILITY TO BID EFFECTIVELY

Perceptions of businesses’ ability to effectively bid for government contracts have improved over time. In 2024, 76% agreed that businesses can effectively bid for government contracts while 24% disagreed.



Base size, respondents who answered this question: 2021 – 1384, 2023 – 733, 2024 – 602

ABILITY TO BID EFFECTIVELY BY KEY GROUPS

Do you think that the business can effectively bid for government contracts?

Auckland based businesses and those with an annual turnover of more than \$1 million were more likely (than the total) to agree that businesses can effectively bid for government contracts. Those less likely to agree were businesses based in Wellington and those with an annual turnover of less than \$1 million.

Ability to effectively bid for government contracts	Yes
TOTAL	76%
Business base	
Auckland	82%
Canterbury	74%
Wellington	73%
Rest of North Island	71%
Rest of South Island	57%
Business type	

Ability to effectively bid for government contracts	Yes
50% + owned by New Zealanders	74%
Defined/identified as a Māori business	77%
Described/identified as a Pasifika business	71%
Industry	
Community and social services	87%
Construction, infrastructure and manufacturing	78%
Consultancy	70%
Others	46%
NZ Annual turnover	
Less than \$500K	57%
\$501K - \$1 million	53%
\$1.001 million - \$5 million	77%
\$5.001 million - \$50 million	90%
\$50.001 million +	94%

Base size, respondents who answered this question: 2024 – 602

FACTORS THAT HELP EFFECTIVE BIDDING

What are the main factors that help your business to effectively bid for government contracts? (respondents chose from a list)

The main factors that help most respondents to effectively bid for government contracts are experience in the marketplace/service area (80%), engagement and dialogue with government agencies (39%), the size of the business (34%) and clarity of information (34%). While there are some proportional changes in each factor, the ranking of factors that help effective bidding were consistent between 2023 and 2024.

Factors that help effective bidding	2021	2023	2024
Experience in this marketplace/service area	86%	84%	80%
Engagement and dialogue with government agencies	40%	47%	39%
Clear information	34%	35%	34%
The size of the business	35%	32%	34%
Easy to follow procurement processes	31%	40%	33%
The transparency of new government tendering opportunities	NA	31%	24%
Being situated in an urban centre	15%	17%	19%
Investment in this marketplace/ service area	20%	20%	18%
Supplier engagement programmes from government agencies	18%	21%	15%
Support from industry bodies	16%	15%	10%
Other (please specify)	13%	12%	10%

Base size, respondents who answered this question: 2021 – 1321, 2023 – 733, 2024 – 588

FACTORS THAT MAKE IT DIFFICULT TO BID

What are the main factors that make it difficult for your business to effectively bid for government contracts? (respondents chose from a list)

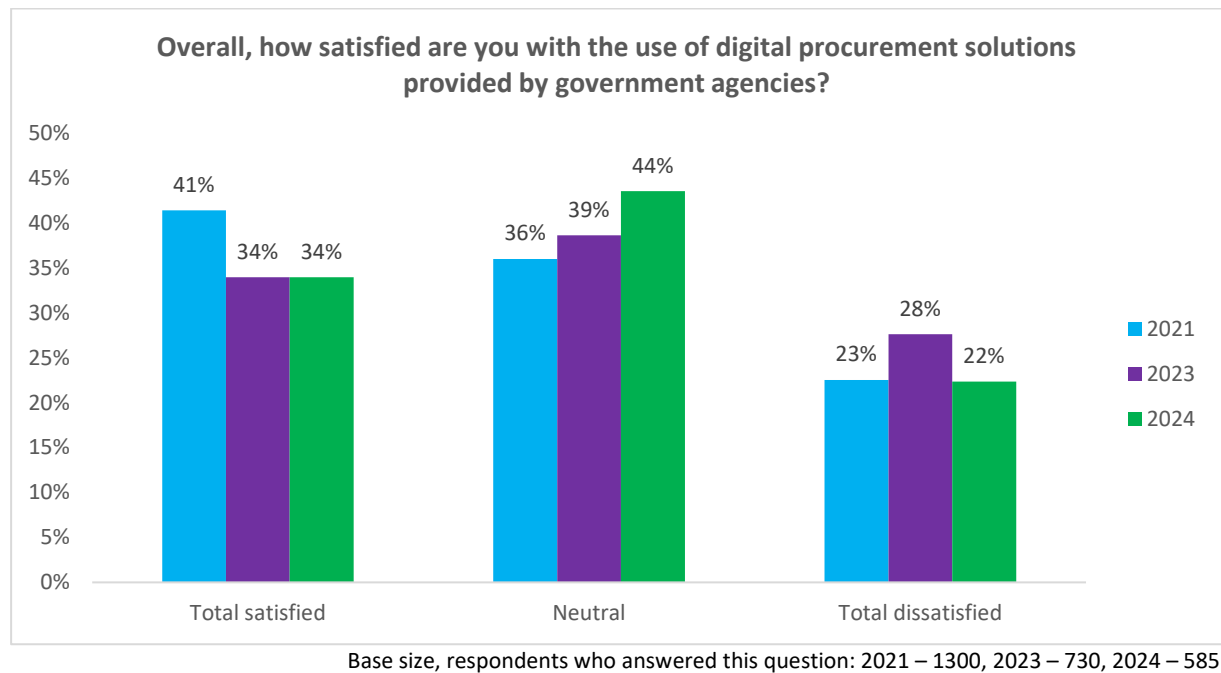
The factors that negatively impact on respondents' ability to effectively bid on government contracts are complicated procurement processes (55%), lack of engagement and dialogue with government agencies (54%) and a lack of information on new government tendering opportunities (35%). Complicated procurement processes have decreased as a negative factor on the bidding ability (64% to 55%), indicating a positive recognition of improvement made to the procurement process.

Factors that make it difficult to bid	2021	2023	2024
Complicated procurement processes	62%	64%	55%
Lack of engagement and dialogue with government agencies	50%	54%	54%
Lack of information on new government tendering opportunities	NA	36%	35%
Lack of support from government agencies	35%	35%	33%
The size of the business	33%	34%	31%
Complex information	37%	38%	30%
Other (please specify)	27%	27%	28%
Lack of investment in this marketplace	9%	7%	7%
Being situated in the regions, away from the urban centres	8%	8%	7%
Lack of support from industry bodies	10%	8%	6%
Lack of experience in this marketplace	8%	13%	6%

Base size, respondents who answered this question: 2021 – 1300, 2023 – 730, 2024 – 585

DIGITAL PROCUREMENT

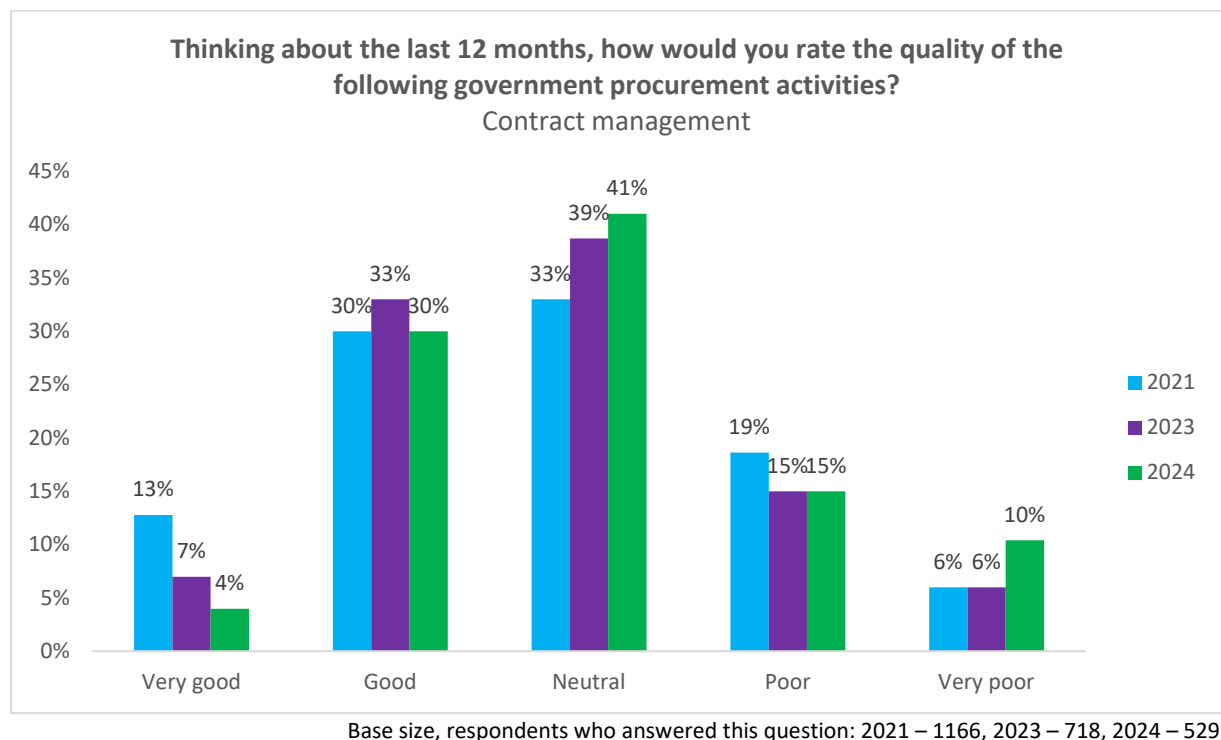
34% of respondents were total satisfied (very satisfied or satisfied) with government's use of digital procurement services, this is consistent with the 2023 results. Total dissatisfied (very dissatisfied or dissatisfied) decreased from 2023 to 2024 (28% to 22%).



Contract management

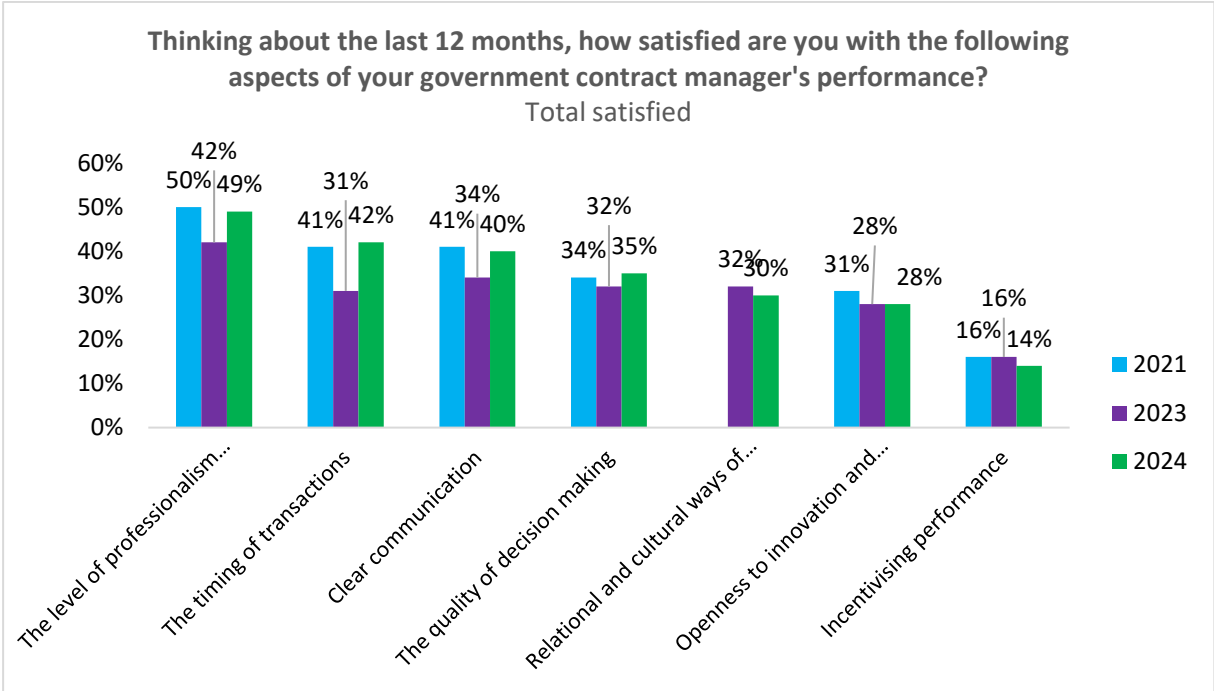
QUALITY OF CONTRACT MANAGEMENT

Positive perceptions of the quality of government contract management have had a slight decrease between 2023 and 2024. Total good (very good or good) decreased from 40% in 2023 to 34% in 2024. Total poor (very poor or poor) had a slight increase from 21% in 2023 to 25% in 2024.



COMPETENCIES OF CONTRACT MANAGERS

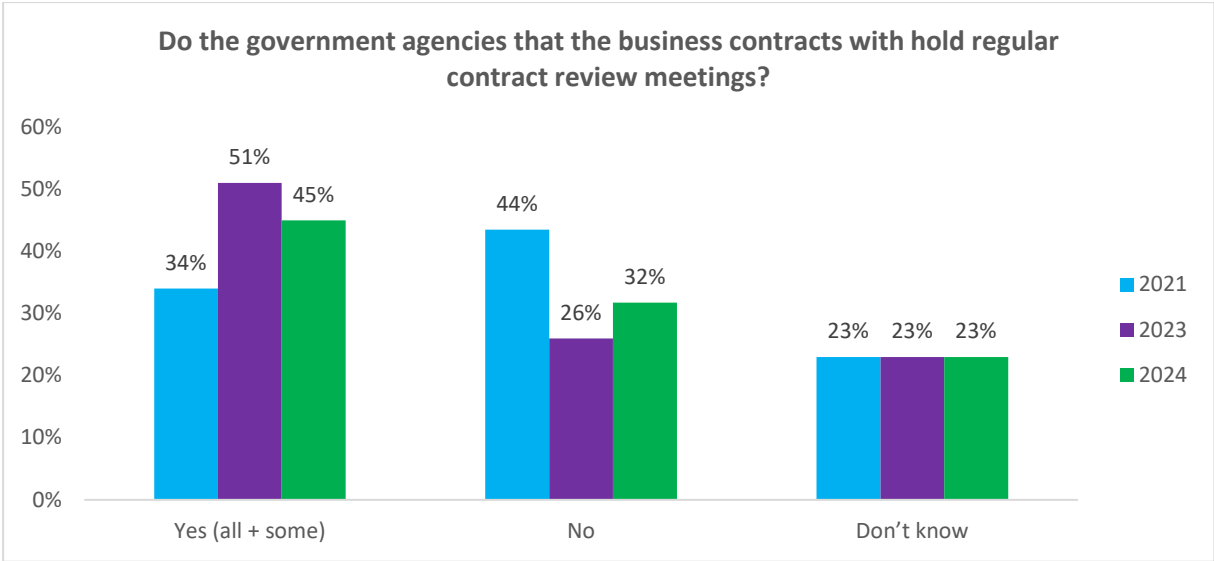
Businesses have rated government contract managers highly compared to 2023 results. Between 2023 and 2024, levels of total satisfaction have increased for professionalism and knowledge (42% to 49%), the timing of transactions (31% to 42%), and clear communication (34% to 40%). Levels of total satisfaction have decreased or remained consistent for the quality of decision making, relational and cultural ways of working, openness to innovation and new ideas and incentivising performance in 2024.



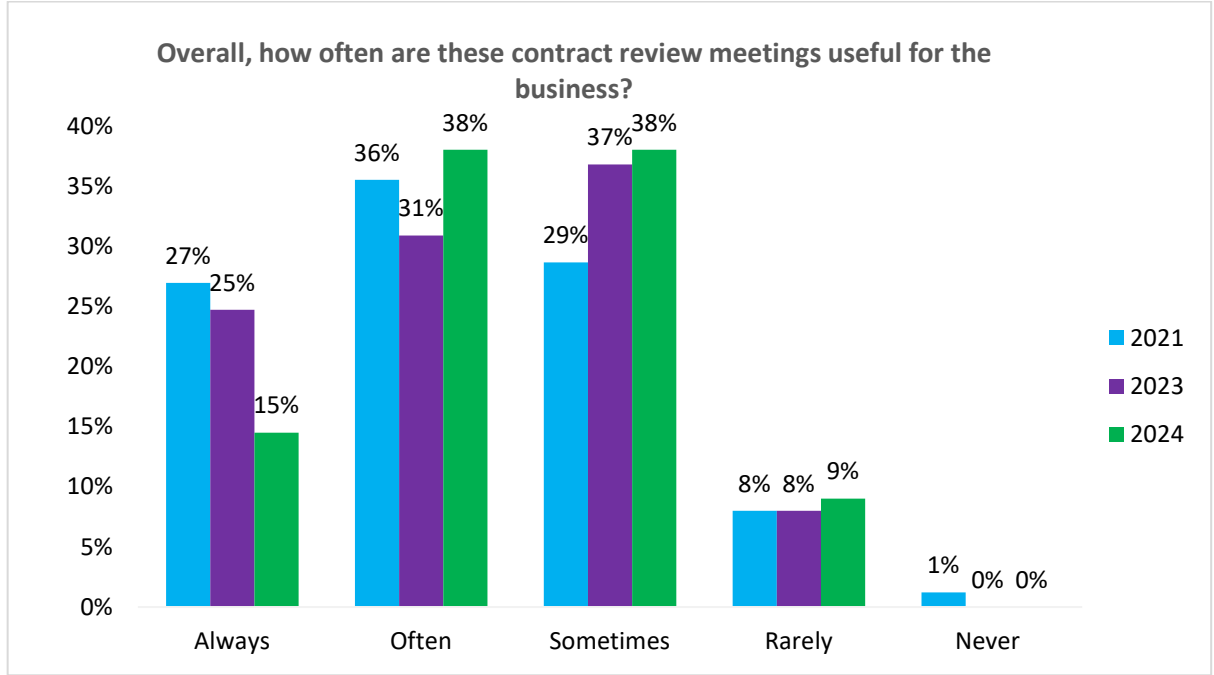
Base size, respondents who answered this question: multiple bases for different competency aspects

CONTRACT REVIEW MEETINGS

In 2024, 45% of the businesses said at least some government agencies hold regular contract review meetings. This is a decrease from the 2023 result of 51%. 32% of the businesses said they do not hold regular contract review meetings, which is an increase from the 2023 result of 26%. Of the businesses that sometimes have contract review meetings, nearly all respondents said the meetings were at least sometimes useful (91%).



Base size, respondents who answered this question: 2021 – 1248, 2023 – 735, 2024 – 573

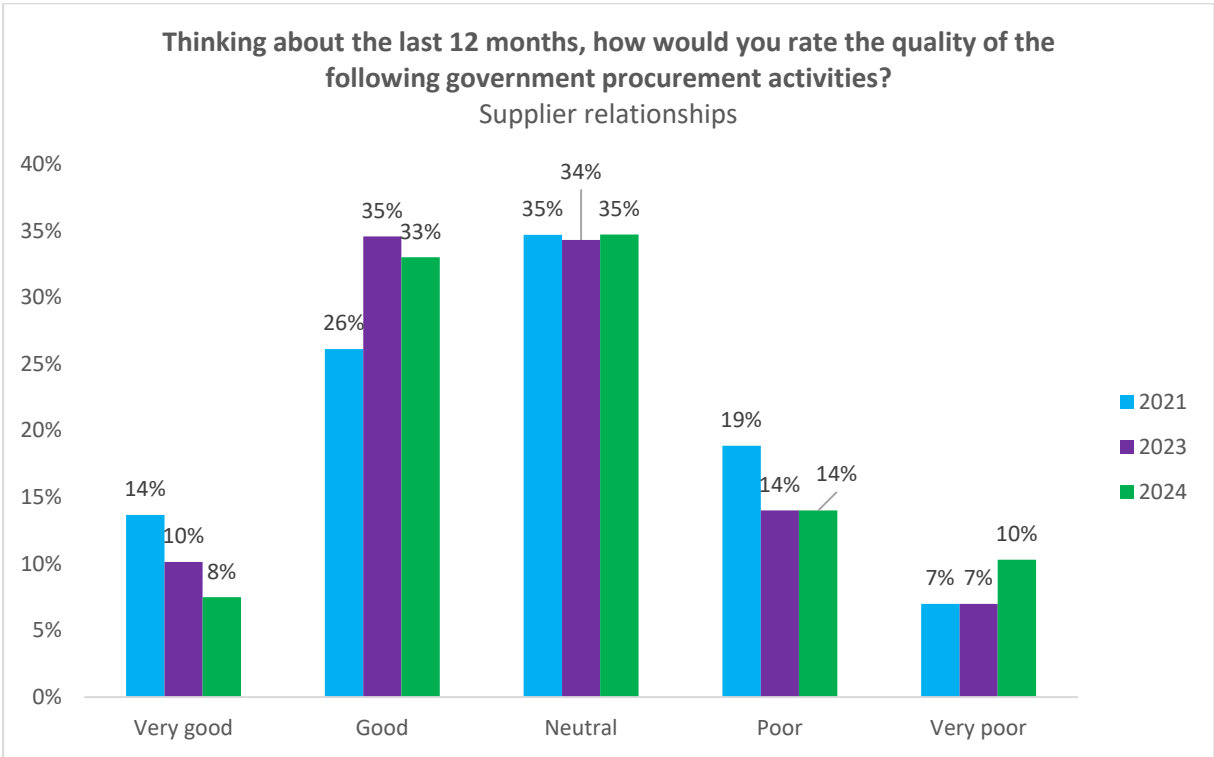


Base size, respondents who said they do have contract review meetings: 2021 – 419, 2023 – 375, 2024 - 257

Supplier relationships

QUALITY OF SUPPLIER RELATIONSHIPS

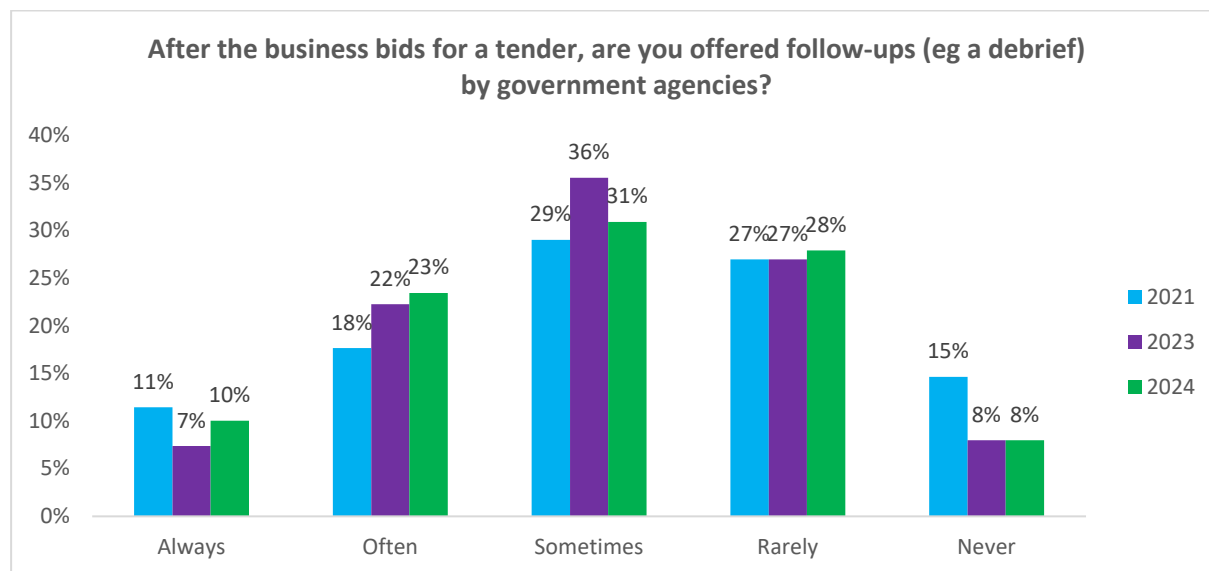
The percentage of respondents who rated the quality of their supplier relationships with government as total good (very good or good) has remained mostly consistent with 45% in 2023 and 41% in 2024. The percentage who rated as total poor (very poor or poor) has also remained mostly consistent between 2023 and 2024, with 21% and 24% respectively.



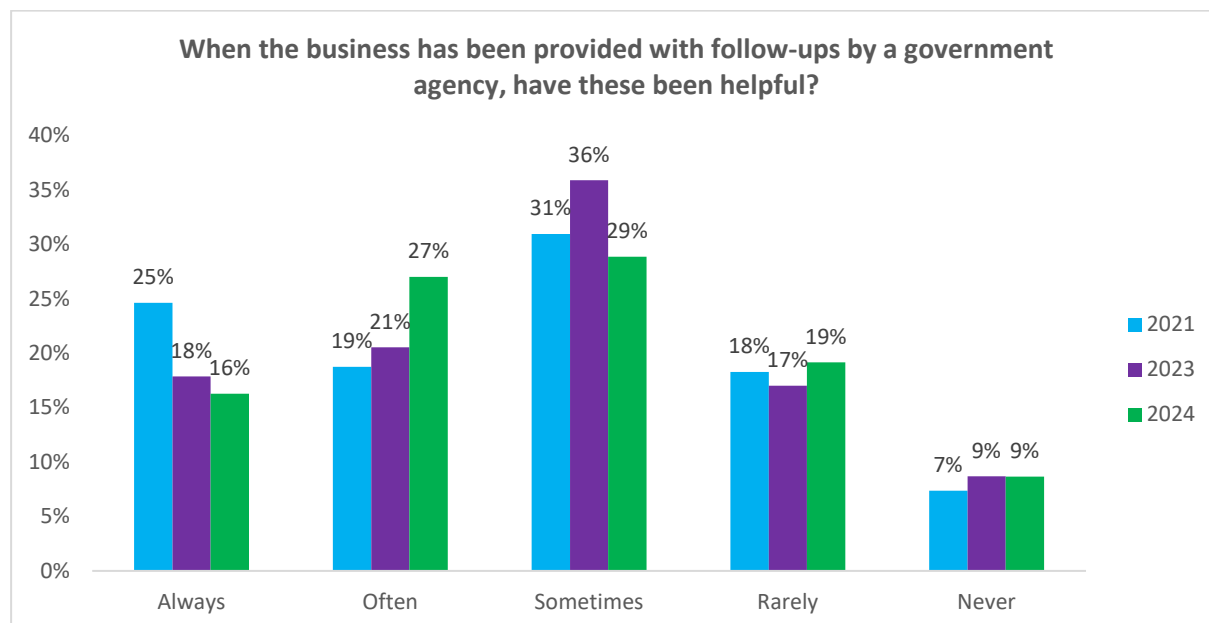
Base size, respondents who answered this question: 2021 – 1156, 2023 – 720, 2024 – 529

DEBRIEFING SUPPLIERS

In 2024, 33% of businesses said they are always or often offered opportunities for a debriefing after a bid, 31% said sometimes and 36% said rarely or never. A combined total of 43% always/often find it useful when they have been provided with follow-ups by a government agency.



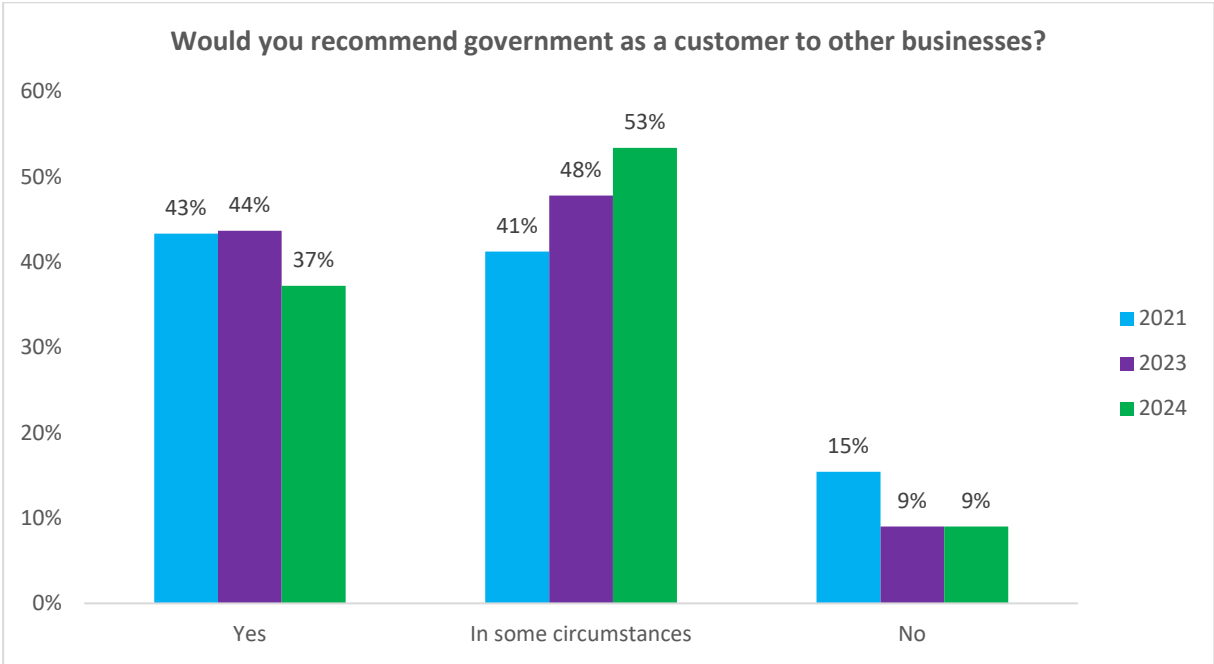
Base size, respondents who answered this question: 2021 – 1223, 2023 – 678, 2024 – 537



Base size, respondents who answered this question: 2021 – 1072, 2023 – 599, 2024 – 485

RECOMMENDING GOVERNMENT AS A CLIENT

In 2024, 90% of respondents said they would at least sometimes (yes/in some circumstances) recommend government as a customer to other businesses. This is mostly consistent with the 2023 result. Those who said they would not recommend government as a customer to other businesses has remained consistent with the 2023 result of 9%.

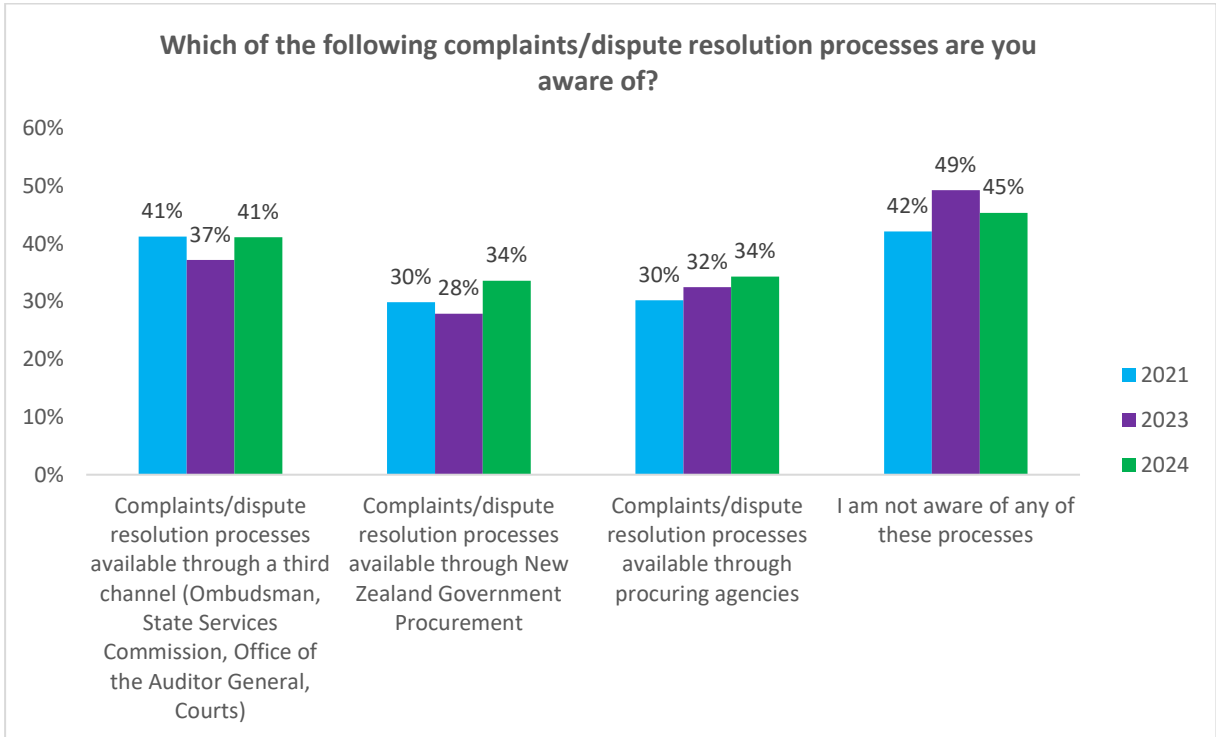


Base size, respondents who answered this question: 2021 – 1285, 2023 – 705, 2024 – 532

The complaints process

AWARENESS OF COMPLAINTS PROCESSES

Awareness of complaints/dispute resolution processes in 2024 have remained consistent with the 2023 results. There has been a slight increase of respondents who are aware of the complaints/dispute resolution processes available through NZGP (28% to 34%).



Base size, respondents who answered this question: 2021 – 1195, 2023 – 742, 2024 – 571

The overall quality of procurement

QUALITY OF GOVERNMENT PROCUREMENT

Supplier relationships and contract management categories had positive ratings compared to tender activities. In 2024, 26% of businesses who responded to the survey were generally satisfied with the overall quality of government procurement, 33% were neutral and 41% were dissatisfied. Total dissatisfaction continues to follow an upward trend from 2021.

