29. New Zealand

29.1. SMEs in the national economy

Small businesses dominate in New Zealand, with 99% of enterprises classified as SMEs (less than 50 employees) in 2015. These firms had 880 120 employees, representing around 43% of the country’s workforce.

Table 29.1. Distribution of firms in New Zealand, 2015
(By firm size, percentage of all firms)

<table>
<thead>
<tr>
<th>Class</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero employees</td>
<td>353 070</td>
<td>70.3</td>
</tr>
<tr>
<td>Micro (1-5)</td>
<td>97 293</td>
<td>19.4</td>
</tr>
<tr>
<td>Small (6-19)</td>
<td>37 239</td>
<td>7.4</td>
</tr>
<tr>
<td>Small-medium (20-49)</td>
<td>9 459</td>
<td>1.9</td>
</tr>
<tr>
<td>Medium (50-99)</td>
<td>2 847</td>
<td>0.5</td>
</tr>
<tr>
<td>Large (100+)</td>
<td>2 262</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>502 170</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (OECD, 2017[1]).

29.2. National policy framework to support SMEs in public procurement

The country’s approach to supporting SMEs in public procurement comprises making engagement with government easier for all businesses, rather than allowing preference, arranging set-asides, or imposing content requirements for particular types of businesses. Government policy focuses on the “ease of doing business” for all businesses in New Zealand. To that end, procurement policy aims to treat all businesses fairly, be open and transparent, simplify processes and documentation, and encourage good procurement practice.

Some of the key procurement measures to facilitate access for all businesses, including SMEs, to public procurement market include:

- reducing compliance costs, for example through government model contracts, tender documents and simple Government Rules of Sourcing
- making information available on line – e.g. through the Government Electronic Tenders Service
- providing online resources/tools for businesses operating in New Zealand
- early notice of procurement opportunities
- guidance for procurement in the social sector.
29.3. Implementation mechanisms

The central purchasing body (CPB) carries out informational sessions for New Zealand businesses – such as introductory courses on the Government Rules of Sourcing and workshops for suppliers around the country centred on accession to the World Trade Organization Government Procurement Agreement (WTO GPA). Furthermore, the CPB provides information for Regional Business Partners (contracted by government to provide information to local businesses and, if appropriate, funding) and business and industry associations to work with local businesses interested in tendering to government and other large organisations.

Further guidance is provided for contracting authorities as well as for suppliers, which is available on line.

29.4. Monitoring performance

The Procurement Capability Index (PCI) self-assessment enables an agency to identify its strengths and weaknesses in relation to its procurement capability, and benchmark its performance against “best in class” expectations and other agencies. Completing the PCI self-assessment annually can help agencies track actual, measurable improvements in their procurement capability at the agency level over time.

Agencies can use their PCI self-assessment results to put together their agency procurement capability plan. They can provide information on those areas where agencies need to devote greater efforts in order to reach an acceptable level of performance, or take a high-performing team to the next level.

Reference

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