

## CANSEC 2014 Trade Show Report

### CANSEC

- CANSEC is Canada's premier annual defence trade show. Put on by the Canadian Association of Defence and Security Industries (CADSI), it is the largest of its kind in Canada, featured more than 10,000 registrants, over 330 companies exhibiting products and services, over 120,000 square feet of display space, and 31 international delegations from around the globe. Interestingly, it was announced that [redacted], President of [redacted], will take up a new role and VP Government Relations at [redacted] in Vancouver (NZTE has a good relationship with Mr [redacted]).
- At the show several keynote speakers brought insight and updates on developments about new initiatives and defence procurements, procurement-related reforms underway at Canada's Department of National Defence (DND), and how the defence and security business can deliver more through greater collaboration.
- Canada's Department of National Defence (DND) procurement division (DGIP) arranged a programme of meetings for the NZ delegation with Canadian defence companies, prime contractors and with senior military officials within the Canadian Forces.

### NZ Delegation

- A New Zealand delegation attended CANSEC with the objective of strengthening NZ's defence relations with Canada and engaging with Lockheed Martin Canada (LMC) and the Canadian Forces over New Zealand's ANZAC Frigate System Upgrade (FSU).
- The delegation consisted of [redacted]
- The NZ Delegation was a collaboration of 'NZ Inc.' partners including NZTE, the NZ Ministry of Defence (MoD), the NZ Defence Advisor to Canada based in Washington DC, and MFAT ( [redacted] ) e.g. [redacted] was invited, along with NZTE, to lunch events hosted by LMC and the Canadian DND.
- It was learned that [redacted] (Royal NZ Navy) will be arriving in [redacted] in [redacted]; [redacted] will either share NZDA responsibilities for Canada with [redacted] or [redacted] could become NZDF Airforce Advisor for the US – this will be [redacted]'s decision to make.
- Along with the rest of the NZ delegation to CANSEC, one of NZTE's key objectives was to promote NZ marine capability and gather intelligence to improve the knowledge and position of NZ firms interested in bidding on Canadian Navy, Coast Guard and other commercial workboat opportunities in the Canadian market.

### Outcomes

- NZDF discussed requirements for the [redacted] work to begin in 2016, including key points of contact, responsibilities, RNZN's expectations, timing, [redacted] use of [redacted] resources, etc. These discussions will form the basis of a more formal MOU to be drafted between [redacted] ( [redacted] will take lead) and [redacted]. Some concern expressed by [redacted] and [redacted] about resources as [redacted] will be involved in [redacted].
- There appears to be commitment from [redacted] to use NZ content in the [redacted]. In addition to other NZ companies to provide pre-installation work and through-life-support that will take place in New Zealand.
- In confidence, MoD and NZDF report some key points summarised below:

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- The selection of [redacted] as prime contractor is for risk reduction. Specifically, to avoid challenges encountered with the [redacted] where

Of the

- After installation a further small number of classified components will be sourced directly by [redacted]
- Capital limit is \$ [redacted] m (up from [redacted] m) and [redacted] m contingency, so \$ [redacted] m
- Several NZ marine companies have been identified as potential suppliers to [redacted] & [redacted] on [redacted] or other shipbuilding programs. The Cabinet report mentions (drawn from [redacted] Industry Day):

- (Note that [redacted], [redacted], and [redacted] were not on [redacted] list nor mentioned by [redacted], although [redacted], [redacted], [redacted], had indicated written interest).
- We discussed NZ capability with [redacted] and [redacted], and both mentioned:
  - [redacted] ( [redacted] - mentioned [redacted] were more cost competitive than anything they have been able to source in North America)
  - [redacted] ( [redacted] )
  - [redacted] ( [redacted] ) - and [redacted] both mentioned problems in communicating with [redacted], finding them unresponsive and that things stalled after [redacted] was asked to sign a NDA. [redacted] was a bit less clear about [redacted] and thought there was another small company involved that sounded like [redacted]. [redacted] to follow up with [redacted].
- Note: still some [redacted] scope definition going on
- Interest confirmed from the [redacted] to visit NZ and attend the [redacted]. NZTE and NZDF could be involved in helping organise the programme with NZ company involvement. [redacted] with [redacted] was more positive about a visit but [redacted], the [redacted] of [redacted] who would be making the visit was less committal – this was reflected in a follow up meeting that [redacted] had with [redacted]. While not ruled out, budget appears to be an issue. The looming [redacted] could also take over [redacted] priority.
- Positive discussions with [redacted] who are involved in the [redacted]
- In addition to meetings with [redacted], [redacted], [redacted], [redacted], the NZ delegation met with [redacted] and others. [redacted]
- Other Observations:
  - Good example of how 'NZ Inc' collaboration can work in the defence sector with NZTE, ICN, MoD, NZDA, NZDF and MFAT working together with the shared objective [redacted]

of promoting NZ defence companies with innovative technologies capable of supplying products or services to major Canadian defence programmes.

- Good example of leveraging a project ( ) to potentially gain access to a much larger value program).
- It also demonstrates that NZ innovative marine technologies can attract the interest of large defence integrators, like .
- With both New Zealand and Canada operating and maintaining similar defence assets the mission was also effective in discussing each country's experience with common platforms. The NZ delegation gained valuable insights into Canada's military experience with its operation of , and other shared platforms.

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