Survey Report

NORSTA Capability and Capacity Survey

September 2025

On behalf of NORSTA, thank you to all suppliers who contributed to the second 2025 survey.

The insights shared are helping us build a clearer understanding of the evolving maritime sustainment supply chain sector.

We hope this report offers value for our supplier network and Defence stakeholders. As always, your feedback is welcome at: rmpne.procurement@norsta.com.au

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Background

The Capability and Capacity Survey is NORSTA's bi-annual Defence Industry management survey. It serves as a tool to measure the maturity and performance of the Defence Industry in support of the Maritime Sustainment Model. The survey enables NORSTA to assess and highlight key issues currently shaping the sector.

This is the second report for 2025, covering responses collected during August and September. The survey continues to combine quantitative and qualitative methods, ensuring both measurable data and detailed insights are captured. In doing so, it provides NORSTA with an evidence base to guide supplier development and continuous improvement activities across the maritime sustainment supply chain in north-east Queensland.

Structure of the report

This report is structured around several key areas: business profile; supplier experience; relationships, regulations and compliance; quality management; financial; people and workforce including challenges and drivers. Each section summarises how suppliers reported their experiences in these areas.

Data Collection

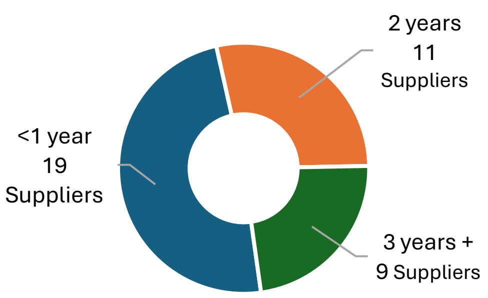
The survey combined Likert scale questions and a couple of open-ended responses to capture both measurable data and detailed qualitative insights.

Survey Demographics and Characteristics

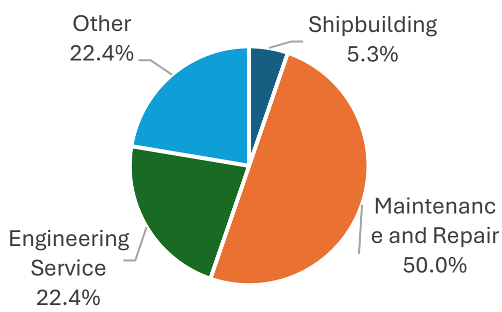
Participating entities

The survey received 54 responses, maintaining the strong level of engagement seen earlier this year. Participants represented the full maritime sustainment supply chain, from small enterprises to major organisations; underscoring the sector's diverse capability.

Length of Supplier Engagement

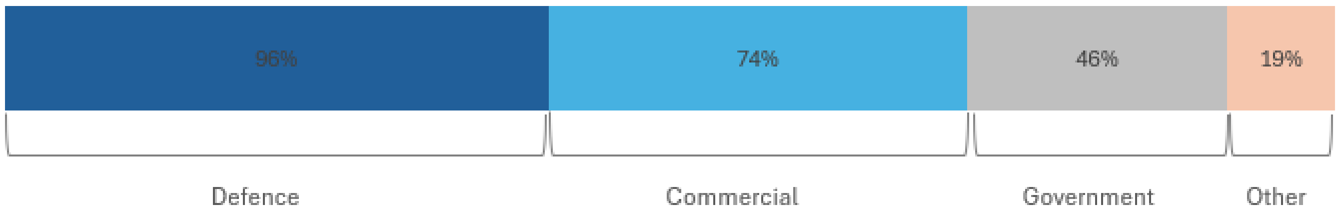


Respondents Primary Business Activity



Supplier Market Focus

Most suppliers reported activity across more than one market sector. Defence was the most prominent, with 96% of respondents (52 companies) identifying involvement. This was followed by 74% in Commercial (40 companies), 46% in Government (25 companies) and 19% in Other sectors (10 companies). Because companies could select multiple options, these percentages overlap and do not add to 100%.



Survey Results

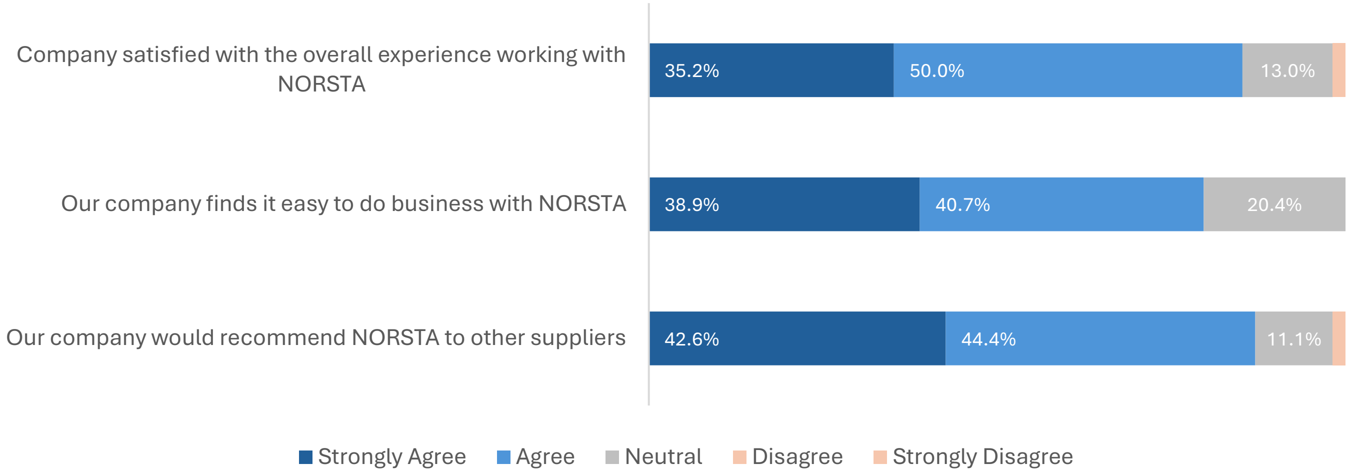
Supplier Experience

The survey results indicate a strong and positive perception of NORSTA among the supplier base. When asked about their overall experience working with NORSTA, 85.2% of respondents expressed satisfaction, with 35.2% strongly agreeing and 50.0% agreeing. Neutral responses accounted for 13.0%, and only a very small proportion registered disagreement, suggesting that dissatisfaction is minimal.

Suppliers also reported positively on ease of engagement. 79.6% agreed that NORSTA is easy to do business with, comprising 38.9% strongly agreeing and 40.7% agreeing. While 20.4% remained neutral, no significant negative sentiment was recorded.

Endorsement of NORSTA remains strong, with 87.0% of respondents indicating they would recommend NORSTA to other suppliers. This included 42.6% strongly agreeing and 44.4% agreeing, while 11.1% were neutral. Negative responses were negligible.

Overall, these findings confirm that NORSTA has built a cooperative and reliable supplier relationship model, characterised by satisfaction, ease of engagement and a high level of confidence within its supply chain.



Relationships, Regulations and Compliance

The survey results show strong confidence in NORSTA's role within the Maritime Sustainment Model. Almost all respondents reported a clear understanding of NORSTA's relationship with the Defence Regional Maintenance Centre, with 95% agreeing or strongly agreeing. A similar level of clarity was evident in understanding the intent of the Maritime Sustainment Model, with 94% in agreement.

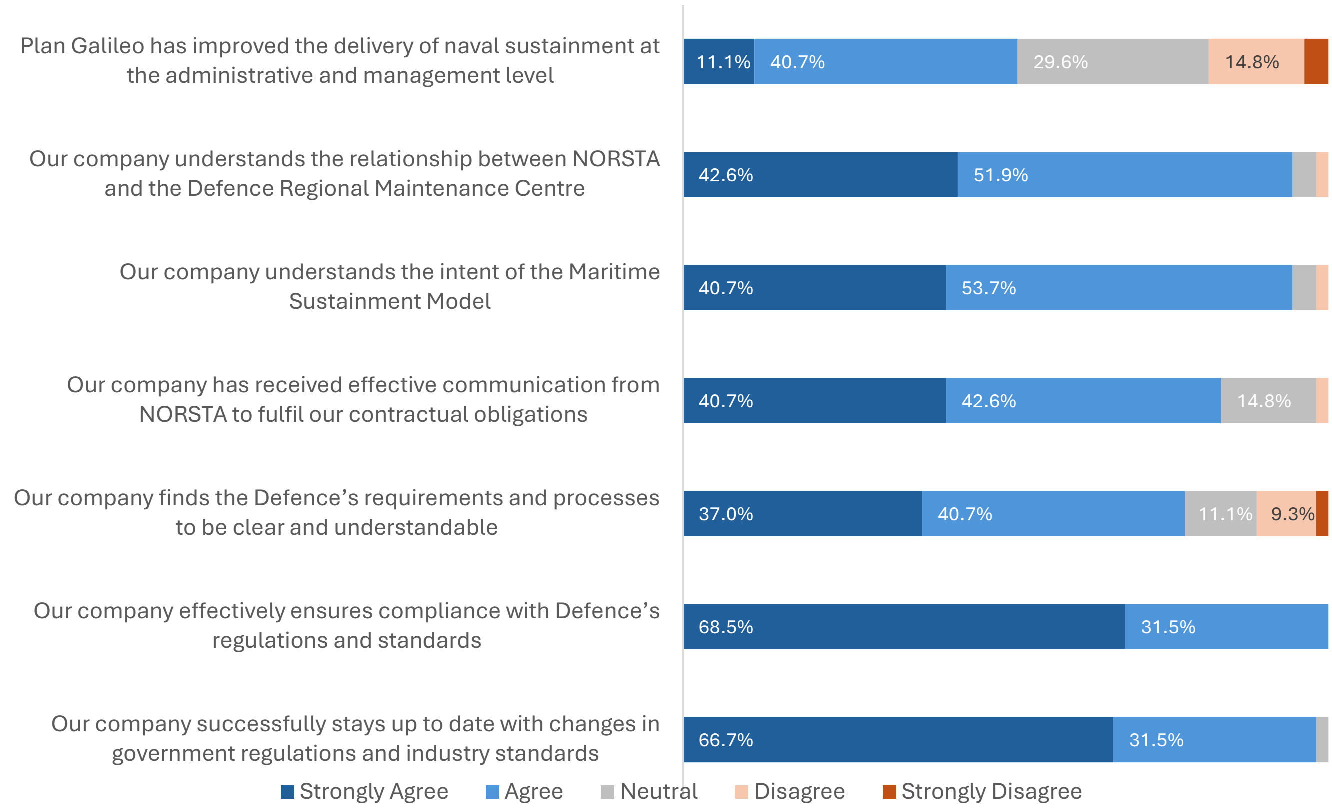
Perceptions of Plan Galileo were more mixed. Just over half of respondents (52%) agreed it has improved the delivery of naval sustainment at the administrative and management level, while 30% were neutral and 15% disagreed, indicating that experiences of its impact vary across the supply base.

Communication was generally viewed positively, with 83% agreeing or strongly agreeing that NORSTA provides effective communication to meet contractual obligations, though 15% selected neutral, suggesting room for improvement.

When considering Defence's requirements and processes, 78% agreed they are clear and understandable, while 20% expressed neutrality or disagreement, highlighting this as an area for continued attention.

Confidence in compliance remains very high. 100% of respondents agreed they effectively ensure compliance with Defence standards, and 98% reported they remain up to date with changes in government regulations and industry standards.

These results reflect a well-informed supplier network and a high level of confidence in NORSTA's role and regulatory oversight, while signalling scope to strengthen communication and reduce perceived complexity in Defence requirements.

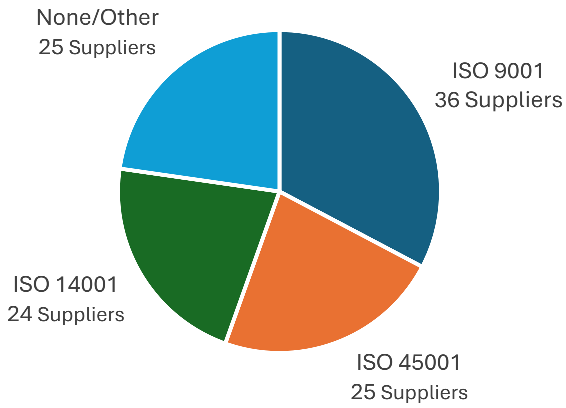


Quality Management Systems

The survey findings indicate that while many suppliers have formal quality management systems in place, the level of ISO certification varies across the network. ISO 9001 remains the most widely adopted standard, with 36 suppliers reporting certification. Adoption of ISO 45001 (occupational health and safety) and ISO 14001 (environmental management) was also strong, with 25 and 24 suppliers respectively.

At the same time, 25 suppliers reported either using alternative systems or having no formal quality management framework in place. This spread suggests that while a large proportion of the supply base aligns with recognised international standards, others continue to rely on internal systems tailored to their operations.

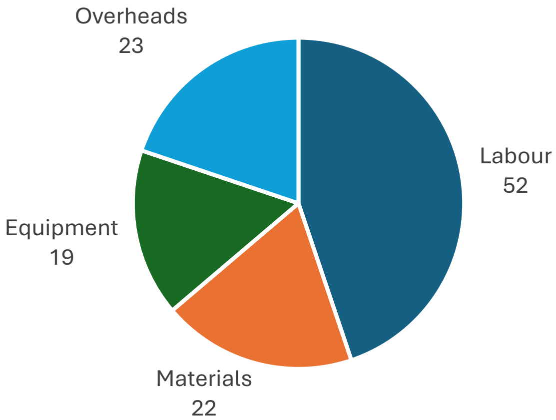
These results highlight both the widespread commitment to quality assurance across the sector and the opportunities for further alignment with ISO standards to strengthen consistency and compliance.



Financial

The survey results confirm that labour is the most significant cost driver, identified by 52 suppliers. Other major inputs included materials (22 suppliers), overheads (23 suppliers) and equipment (19 suppliers).

As suppliers could select multiple cost categories, the findings reflect the layered nature of financial pressures across the sector. While overheads, equipment and materials all contribute, the consistent and near-universal identification of labour costs underscores the workforce-driven structure of the maritime sustainment industry.



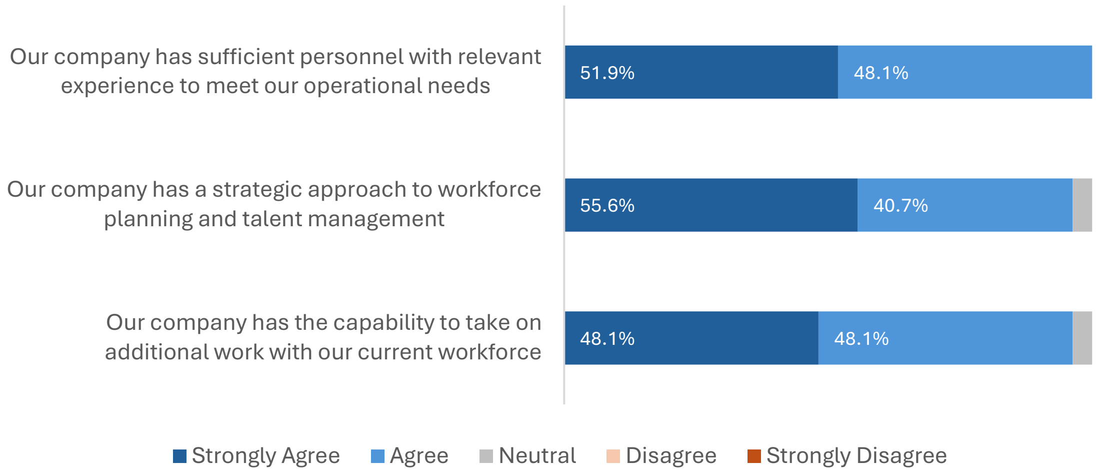
People and Workforce

The survey results highlight strong confidence among suppliers in the capability and management of their workforce. All respondents agreed they have sufficient personnel with relevant experience to meet operational needs, with 51.9% strongly agreeing and 48.1% agreeing.

A similar level of consensus was evident in workforce planning. 96% of suppliers reported having a strategic approach to workforce planning and talent management, including 55.6% strongly agreeing and 40.7% agreeing, reinforcing a proactive and forward-looking stance.

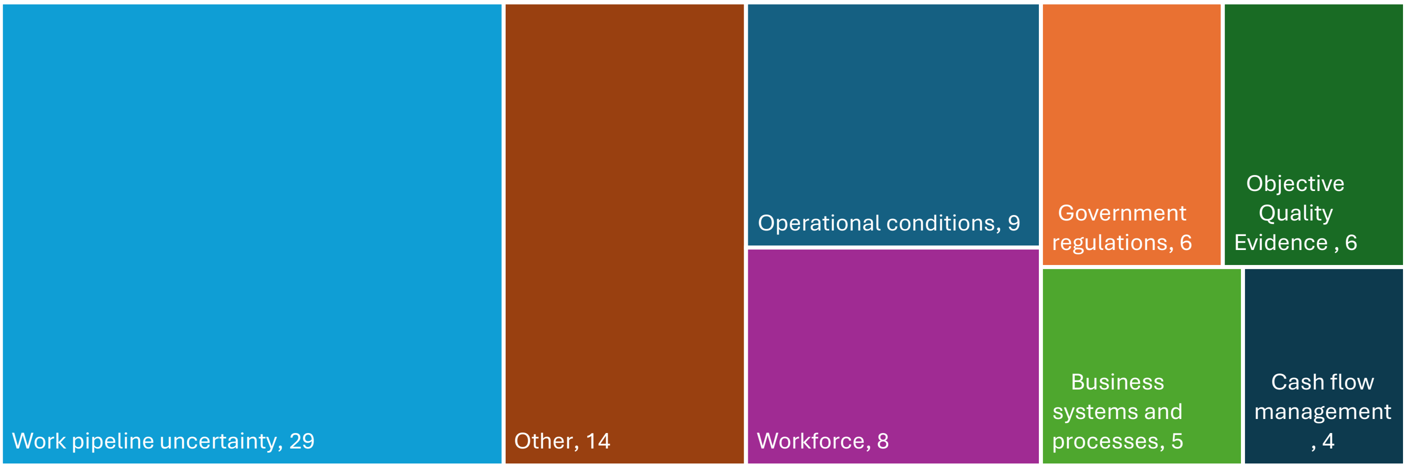
Capacity to take on additional work was also viewed positively, with 96% in agreement. Almost half (48.1%) strongly agreed their current workforce could accommodate more work, matched by another 48.1% who agreed. Only a negligible minority were neutral or disagreed.

These findings reflect a high degree of confidence in workforce readiness, strategic planning and the ability of suppliers to scale their operations to meet future sustainment demands.



Challenges and Drivers

The survey results show work pipeline uncertainty as the most significant challenge, cited by 29 companies, underscoring ongoing concern across the sector. Other prominent pressures include operational conditions (9), workforce availability and capability (8), and business systems and processes (5). Moderate concerns were also noted in relation to objective quality evidence (6) and government regulations (6), while cash flow management (4) was less frequently raised. Notably, no responses pointed to technology or equipment issues, suggesting this is not a current barrier. A further 14 companies highlighted diverse “other” challenges, reflecting the wide range of operational realities uncaptured across the supply chain.



Select verbatim responses: supplier perspectives

The feedback highlights a concern about inexperienced subcontractors, duplication of roles and the impact this has on cost, risk and schedule. It also points to the need for clearer communication and better coordination to manage workload surges and sustain effective delivery. Supplier perspective feedback has been provided to relevant section heads to consider.

Opportunities	Opportunities
...we are increasingly seeing New Vessel Managers and Water Front Supervisors with little Marine Experience being Employed as Sub Contractors. Without the Experience they are not able to Understand the Full Scope of a Task and Compare Apples with Apples when Comparing Quotes. This then leads to Variations and Schedule Hold Ups. I am also unsure of how the Operational Risk is managed when you have 2 people doing the Same Job, one on a base salary to the prime contractor, and another employed as a Sub Contractor on Considerably more Money with Considerably Less Responsibility. Gone are the days of Subject Matter Experts being Empowered to Conduct tasks that have been Successfully Completed Multiple Times in the Past.	*Unpredictability of the work and the high over heads required to be ready to service Defence Vessels. Requirements other industries do not need, therefore require a large volume of Defence work in which to justify the additional expense in software, insurance and asset management systems.* *Effective and open communication between both NORSTA and Cleared is the key to driving outcomes. Awareness of the market, resources and conditions will sustain effective delivery for both parties.* *There have been times when, if we're overwhelmed by a sudden influx of Commonwealth vessels, it can create bottlenecks and affect our ability to prioritise effectively.*

Overall, the survey shows a resilient maritime sustainment sector aligned with Defence priorities, with work pipeline uncertainty the main challenge. Feedback is welcome at rmpne.procurement@norsta.com.au