

**3 SEPTEMBER 2024**

## **NEW RULES FOR GOVERNMENT CONTRACTS A WIN FOR LOCAL BUSINESS**

New rules designed to give local businesses a fairer go at winning government contracts will deliver long-term benefits to NSW, according to peak business organisation Business NSW.

Starting January 1, 2025, NSW Government agencies will be required to justify why contracts exceeding \$7.5 million are awarded to foreign suppliers instead of local ones.

“Creating an ‘if not, why not’ hurdle when deciding on whether or not to give local businesses government contracts is a huge win for NSW communities across the state,” Business NSW Daniel Hunter said.

“Awarding a large government contract to a local supplier is an investment that pays immediate and long-term dividends for the NSW economy.”

Last year, more than 130,000 businesses supplied goods and services to the NSW Government worth approximately \$42 billion.

Small and medium enterprises currently have an \$8 billion share in this. Business NSW is working with the NSW Government to increase that spend to at least \$10 billion.

“This initiative will supercharge our local manufacturing base as well as boost local skills development and drive innovation,” Mr Hunter said.

“NSW has the biggest and most sophisticated private enterprise economy in the country, and this decision will go some way to ensuring we remain the best place to start and develop a business.

“NSW’s small and medium businesses have always been happy to compete with the big players when it comes to winning government contracts - they just need a level playing field.

“Like the NSW Government’s renewed focus on buying local, there is a strong appetite among NSW businesses to buy local, according to our Business Conditions Survey,” Mr Hunter said.

“However, 68% said there are no local options which means there is a significant amount of unmet demand. There is also a strong desire to give custom to local businesses who support the local community.

“Two-thirds of our members have reported significant difficulties in winning government contracts – including applications being too expensive and time consuming, as well as problems in understanding the selection criteria.

“Members have told us there is a significant lack of awareness about what opportunities are available. This needs to change.”

### **About Business NSW**

Formerly the NSW Business Chamber, ***Business NSW*** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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