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SMALL BUSINESS TO GET MORE OF THE ACTION WITH GOVERNMENT CONTRACTS

The region's peak business organisation, Business Illawarra, has welcomed changes to NSW Government procurement rules that will unlock opportunities for small to medium sized enterprises (SMEs) with less than 200 employees.

The NSW Government has announced it will increase the threshold for direct engagement with SMEs on government contracts from \$150,000 to \$250,000.

Business Illawarra Executive Director Adam Zarth said that access to government procurement opportunities had been an ongoing issue for members, and that the change is a win for small-to-medium enterprises (SMEs) across the region.

"We have been hearing for many years about the difficulty our members face in winning business from government, which the largest customer – but also commonly the most challenging to deal with," said Mr Zarth.

"This move opens the door wide open for SMEs to get a greater slice of the action on government contracts without the hassle of tedious tender processes."

"With the threshold raised, SMEs will be able to engage directly on contracts up to \$250,000 – this will make it easier for smaller businesses to access larger contracts, and ultimately will help NSW's small businesses to grow."

"We are pleased to see requirements for businesses to be insured will only come into effect on confirmation that a contract has been won. We know businesses have been deterred from bidding for government contracts in the past due to the need to secure hefty insurance coverage - regardless of whether they win the contract."

Each year, the NSW Government spends over \$9 billion on goods and services obtained directly from 46,000 small and medium businesses in NSW and this change to procurement will deliver more government contracts going to these businesses and a bigger slice of government procurement spend.

"The NSW Government purchases around \$40 billion worth of goods and services each year. The greater the share of this that goes to SMEs in the Illawarra, the better."

For further information see [buy.nsw](https://buy.nsw.gov.au)

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About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.