

Supplementary
Submission
No 42a

**INQUIRY INTO PROCUREMENT PRACTICES OF
GOVERNMENT AGENCIES IN NEW SOUTH WALES AND
ITS IMPACT ON THE SOCIAL DEVELOPMENT OF THE
PEOPLE OF NEW SOUTH WALES**

Organisation: Business NSW.

Date Received: 19 July 2024

BUSINESS NSW

16 July 2024

Standing Committee on Social Issues
Legislative Council
6 Macquarie Street, Sydney
NSW 2000

Dear Ms Kaine and the Committee

RE: Inquiry into the procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales

We thank you for the opportunity to appear on the 2 April 2024. We write to add clarification of our position, noting subsequent proposals by others, relating to Secure Jobs Code in NSW.

As stated during our appearance, our members have told us consistently about the growing complexity of interactions with the NSW Government procurement system. They also report on the sense of a constantly increasing regulatory burden, with 51% of businesses telling us that their regulatory burden has increased in the last 12 months.

At a time when the cost of doing business is a real threat to the livelihoods of many NSW families and communities, we should all be looking to sensibly reduce unnecessary red tape and replace it with a new focus on the ease of doing business in this state. Additional and complex requirements are particularly burdensome for small and medium-sized enterprises (SMEs), which often lack the in-house resources to navigate the compliance as it stands already.

The requirement for businesses to obtain and maintain further certificates, complete comprehensive plans, and undergo regular compliance is already largely firmly in place through many other existing checks and balances from a multitude of agencies in local, state, and federal government.

Government should be prepared to grow strong suppliers through ease of engagement and supportive contracts, rather than set the bar to entry higher, and replicate existing contract conditions elsewhere. We welcome recent moves to ensure that insurances can be obtained on preferred supplier status, or the like, and submit that this principle can be applied to other costly barriers to businesses to bid for government contracts.

Owning and running a small and medium sized business has rarely been harder, and this feeds straight through to hard-working NSW families.

Any changes to the procurement system needs to ensure an *overall easing* of compliance burden on small and medium size businesses in NSW. We need to allow them to grow and flourish, not adding an extra hurdle in an already complex system - which might primarily benefit consultants and bureaucrats.

Business NSW appreciates the opportunity to provide a supplementary submission to this inquiry and would welcome the opportunity to discuss any of these findings in more detail when appropriate. If you have any questions about this submission or would like to discuss it further, please contact Mustafa Agha, Head of Policy, Business NSW;

Yours Sincerely,

David Harding

Executive Director
Business NSW