

Media Release

NECA welcomes NSW Faster Payments Policy pilot for subcontractors

The **National Electrical and Communications Association** (NECA) welcomes a new pilot program to help small businesses, by extending faster payment obligations further along the NSW Government's goods and supply chain.

An expanded Faster Payments Policy was announced by NSW Minister for Finance and Small Business, Damien Tudehope, earlier this week.

Under the existing NSW Faster Payments Policy, payment by most agencies to registered businesses with direct government contracts is required within five business days.

This new pilot will see small business subcontractors that supply goods and services to larger businesses doing work for the NSW Government being paid within 20 business days.

The NSW Government expects the pilot to be completed by June 2021, with government wide implementation expected following the completion.

Oliver Judd, NECA CEO said:

"Security of payment for the materials you buy and the work you perform is absolutely critical for every business.

"Extending faster payment obligations further along the supply chain is a positive move and we thank the Berijiklian Government for taking this important step forward.

"Time and again we see small businesses being treated like an interest free credit card for big business.

"Cashflow is one of the biggest challenges for small electrotechnology businesses. The pilot program will promptly put money in the pockets of small businesses so their staff and bills are paid on time.

"NECA will support the pilot in any way needed so it becomes permanent policy."

"We encourage other State Governments whose prompt payment policies stop at the top of the supply chain to introduce similar initiatives."

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