1. Small and Medium Enterprises (SMEs) are integral to supporting Queensland’s economic and employment growth, particularly given their direct regional and local economic impacts, and will continue to play a critical role as part of the response to and recovery from the COVID-19 pandemic.
2. Measures to support SME participation in Queensland Government procurement and improved payment terms are tangible ways the Queensland Government supports market access and cashflow.
3. A progress update on the implementation of the On-Time Payment Policy (OPP) and SME procurement target shows -

* The OPP has been fully implemented and government agencies have incorporated this key measure into standard business processes.
* The introduction of the SME procurement target has ensured that continued focus remained on supporting Queensland SMEs as a lever for sustaining the local economy through government procurement opportunities. In the first year of implementation (2020-21), government agencies exceed the procurement target.

1. Cabinet approved payment terms for small businesses under the On-Time Payment Policy remain at a maximum of 20 calendar days, with minor improvements to reporting arrangements and actions to further embed the policy and drive continuous improvement.
2. Cabinet approved annual reporting arrangements for the Small and Medium Enterprise (SME) procurement target.
3. Cabinet noted that in 2020-21, the Queensland SME procurement target of 25 per cent of procurement by value was exceeded and that this target increases to 30 per cent by 30 June 2022.
4. *Attachments*:

* Nil.