1. The Government is committed to transitioning government contract payment terms to ensure all bills from suppliers to Government involving contracts up to $1 million are paid within 30 days from 1 July 2013 and to introduce a daily rate of interest payable to suppliers on any monies owed.
2. This commitment was stated in the *Queensland Small Business Strategy and Action Plan 2013-15* published in May 2013.
3. To facilitate implementation of the commitment, the capability to monitor departmental payment timeframes was deployed to all departments on 31 July 2012, except the schools in the Department of Education, Training and Employment, where the reporting capability was deployed in March 2013.
4. Cabinet approved that it be Government policy to pay all contracted payments within 30 calendar days on correctly rendered undisputed tax invoices from 1 July 2013.
5. Cabinet approved the payment of interest penalty to small business for bills dated from 1 July 2013 and paid greater than 30 calendar days on correctly rendered undisputed tax invoices for contracts up to $1 million.
6. Cabinet approved the use of the Office of State Revenue Unpaid Tax Interest rate for determination of the daily rate of interest penalty payable on overdue accounts (currently set at 11.66 per cent).
7. Cabinet approved a general exemption for contracts with agreed payment terms outside of 30 days.
8. Cabinet approved the development of a set of consistent exemptions eg where payments are due in the compulsory Christmas closure period, as well the development, subject to appropriate approvals and publication, of agency-specific exemptions.
9. Cabinet noted the requirement for suppliers to notify of late payment and that this is consistent with other Australian jurisdictions that administer a late payment policy.
10. Cabinet noted that a review of the late payment policy would be undertaken within 12 months.
11. Cabinet noted that interest penalty would not be paid where the amount of interest penalty payable is less than $20.
12. Cabinet noted that agencies would individually monitor, report and publish their payment performance.
13. *Attachments*
* Nil.