



**Business
Chamber**
QUEENSLAND

We know
business
matters.

Submission: 2025-26 Pre-Budget Submission

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On	2025-26 Pre-Budget Submission
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About Business Chamber Queensland

Business Chamber Queensland is the state's chamber of commerce and industry. We're Queensland's largest business body and represent businesses in every industry, of every size and in every region in Queensland. For more than 157 years, we have supported Queensland businesses to create a resilient, diversified and competitive economy. We're an independent, not-for-profit organisation dedicated to supporting Queensland businesses to thrive.

Our extensive business knowledge, built on decades of data, research, and direct engagement with businesses, provides invaluable insight into Queensland business sentiment, expectations, and conditions. Our consistent and timely reporting of issues affecting Queensland businesses ensures regular and comprehensive research and consultation are undertaken to drive policy decisions across all parts of government.

This data and insights have informed our submission. In preparing these recommendations, we consulted businesses across the state, local chambers of commerce, and our peer industry groups to prepare a timely, comprehensive, and critical 2025 Federal Budget Submission that reflects immediate and future business and economic needs.

The Queensland business environment

Queensland businesses are well placed to capitalise on future economic opportunities and growth but face persistent operational pressures and long-term constraints. High interest rates, inflation, labour shortages, and increasing regulatory compliance costs weigh heavily on business confidence, expectations and sentiment.

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Business Chamber Queensland data shows:

- **Business confidence**, while showing slight improvement post the 2024 Queensland State Election, remains at historically low levels and is fragile amidst ongoing economic uncertainty¹.
- **Workforce challenges** continue to be a key constraint, with businesses increasingly focused on upskilling and adopting new technologies to navigate a rapidly evolving landscape².
- **Operating costs**, driven by energy, insurance, and labour expenses, are elevated. More than three quarters of businesses we surveyed (75.18%) experienced an increase in operating costs in the December quarter³.
- **Regulatory inefficiencies** are stifling growth. Business Chamber Queensland's 2023 Efficient Regulation Report shows 82% of businesses have faced rising compliance costs, averaging \$50,000 annually⁴.
- The **digital evolution is accelerating**. Business Chamber Queensland's 2024 Digital Future of Work Report highlights while businesses are adapting to emerging technologies, many struggle to keep pace with advancements in artificial intelligence and automation⁵.

Australian businesses are in a unique position to benefit from forward economic opportunities, with the 2032 Olympic and Paralympic Games, increased global demand for Australian-made goods and products, the energy transition and nation-wide infrastructure investment presenting significant opportunity for private sector involvement and benefit. Businesses tell us they see public investment as a business opportunity for a proportion of the work and value to come from local suppliers.

Public investment can allow businesses to participate and benefit in the wider domestic and global economy in the immediate and long term.

A coordinated government strategy which aligns economic and social policy is essential to address these challenges, strengthen business capability and secure opportunities for growth and innovation.

Our 2025-26 Federal Budget submission

As part of the national chamber network, Business Chamber Queensland has contributed to and supports the recommendations outlined in the [Australian Chamber of Commerce and Industry's submission](#) across productivity and business competitiveness, skills and workplace, open market and dynamic economy, affordable energy and environmental protection and digital capability. The Business Chamber Queensland submission provides additional recommendations, many of which are directly relevant to the Queensland business experience and have the potential for successful application in businesses nationwide. Investing in these recommendations is an investment in Queensland businesses and businesses across the nation.

¹ Business Chamber Queensland, *Pulse Report September quarter 2024*

² Business Chamber Queensland, *2024 Digital Future of Work Report*

³ Business Chamber Queensland, *Pulse Survey December quarter 2024*

⁴ Business Chamber Queensland, *2023 Efficient Regulation Report*

⁵ Business Chamber Queensland, *2024 Digital Future of Work*

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These recommendations centre on five priority areas:

1. **Business-friendly government**
Creating a supportive and predictable business environment is essential for investment and growth. By reducing regulatory burden, providing operating cost relief, and reforming tax structures, the Australian Government can foster a thriving business landscape, reduce red tape and restore economic confidence.
2. **Enhancing productivity**
Addressing digital connectivity gaps, fostering innovation, and increasing workforce efficiency are critical to boosting productivity.
3. **Growing workforces**
Workforce shortages are a key business constraint. By improving training accessibility, funding skills development, and enhancing mobility, the Australian Government can ensure a pipeline of skilled workers.
4. **Sustainability and energy**
Transitioning to low-cost renewable energy and simplifying environmental regulations will reduce business costs and support resilience.
5. **Local and global business**
Enhancing procurement opportunities, preparing for the 2032 Olympic and Paralympic Games, and investing in programs to expand digital access and upskill businesses in emerging technologies like AI and cybersecurity will equip businesses to be competitive globally.

Business-friendly government

Creating a supportive business environment is fundamental to Australia's economic success. By reducing regulatory burdens, relieving high operating costs, and reforming taxation, businesses will have the certainty and flexibility needed to invest in their business and workforce, resulting in an improved business operating environment.

Regulatory burden

Urgent action is needed to reduce the compounding regulatory burden on Australia's already stressed and stretched business community. Queensland businesses consistently tell us inefficient regulation stifles business growth, innovation and competitiveness. The median cost of complying with inefficient government regulation in Queensland doubled in the two years to 2023, reaching \$50,000.

Businesses are, on average, employing a full-time employee to manage regulation⁶. Reducing regulatory burden and ensuring regulations are streamlined, efficient, and supportive of business needs is essential. Removing barriers to business and improving the business operating environment in Australia must be a critical priority.

Experience also shows the best way to achieve real business outcomes is for government to partner with industry to resolve these prevailing issues.

⁶ Business Chamber Queensland, *2023 Efficient Regulation Report*



More than 70% of businesses we surveyed (72.27%) said reducing regulatory burden would positively or very positively impact their business, and more than half (56.48%) said it should be a high or critical budget priority.

Regulatory burden also impacts productivity with 54.01% of businesses saying the burden and cost of regulation had a high or critical impact⁷.

Recommendations:

- Fund national regulatory burden reform covering key measures to reduce the regulatory burden, including:
 - Directly communicating and consulting with businesses when developing new regulations and before implementation.
 - Engaging with industry to ensure a complete regulatory impact statement for each new piece of legislation.
 - Reducing regulation duplication between levels of government and their departments.
 - Reduce the frequency of mandated reporting to the minimum necessary for compliance, aligning with risk-based regulatory approaches and international best practices.
 - Limit the volume of information businesses must provide by ensuring data-sharing across government agencies and eliminating duplicate requests.
 - Establish and maintain a single, user-friendly online platform where businesses can access all regulatory requirements, updates, and compliance deadlines.
 - Assign a single, central economic agency—such as the Treasury or the Department of Finance—to oversee and drive national regulatory reform, ensuring consistency and accountability.
 - Expand the use of pre-populated forms and automated reporting systems through secure digital platforms to reduce business' administrative burdens.
 - Introduce a structured notice period for regulatory updates, ensuring businesses receive sufficient time to adjust, implement compliance measures, and provide feedback before new rules take effect.
 - Review the definition of Small Business to provide consistency across all legislation and regulatory tools.

Operating cost relief

Businesses are experiencing record-high operating costs, with energy, insurance and regulatory compliance among the most significant contributors⁸.

Continued energy bill relief is vital in managing operational costs for businesses. Extending and expanding existing measures while establishing new cost saving measures would provide stability and allow businesses to focus on growth and innovation in a competitive economic environment. While direct cost relief, for example energy and insurance, can relieve businesses from immediate cost pressures, indirect cost relief is generated through resilience, sustainability and workforce measures.

On top of already record-high costs, more than three quarters of all businesses surveyed (75.18%) experienced an additional increase in operating costs in the December quarter 2024.

⁷ Business Chamber Queensland, *Pulse Survey December quarter 2024*

⁸ Business Chamber Queensland, *2023-24 Pulse Reports*



Additionally, more than 80% (80.25%) said electricity bill relief would positively or very positively impact their business, and more than 60% (61.92%) believe electricity costs should be a high or critical budget priority⁹.

Recommendations:

- Support insurance affordability and accessibility (see sustainability and energy – insurance).
- Use national cabinet as a forum for broader payroll tax reform to simplify payroll tax across states and territories (see business-friendly government – national taxation reform).
- Fund national regulatory burden reform covering key measures to reduce the regulatory costs (see business-friendly government – regulatory burden).
- Extend and expand the Electricity Bill Relief to small businesses beyond 2025.

National taxation reform

A competitive tax system is essential for Australia to attract and retain businesses, especially in an increasingly globalised economy. National tax reform can reduce the burden on business and increase Australia's attractiveness as a business destination.

In particular, 61% of businesses we surveyed said they were concerned about payroll tax¹⁰ and 53.78% of businesses believe cost relief associated with payroll tax should be a high or critical budget priority¹¹.

Recommendation:

- Use national cabinet as a forum for broader payroll tax reform to simplify payroll tax across states and territories.

Enhancing productivity

Enhancing productivity will ensure Australia's economy thrives in a rapidly evolving landscape.

More than 80% (80.83%) of businesses surveyed said productivity was of high or critical importance to their business, and 86.72% believe it to be of high or critical importance to the national economy¹².

Digital connectivity infrastructure

Digitisation fuels business growth, yet digital connectivity in Queensland is inadequate. Regional businesses in particular struggle with high-speed internet access, hindering their participation in broader markets and limiting equitable participation in local and global digital markets. Our research shows poor internet access disrupts 21.4% of business' daily operations¹³. Addressing disparities in digital literacy and accessibility ensures equitable growth and empowers businesses to adopt innovative technologies effectively. Initiatives to enhance productivity must focus on digital-first strategies, fostering innovation, and building business capability.

⁹ Business Chamber Queensland, *Pulse Survey December quarter 2024*

¹⁰ Business Chamber Queensland, *2024 State Election Business Blueprint*

¹¹ Business Chamber Queensland, *Pulse Survey December quarter 2024*

¹² Business Chamber Queensland, *Pulse Survey December quarter 2024*

¹³ Business Chamber Queensland, *2024 Digital Future of Work Report*

Additionally, a digital, AI and cyber resilience capability building program will equip businesses with the necessary resources to protect their digital assets, ensuring continued operation and businesses growth in an increasingly digitalised economy. See local and global business – digital, AI and cyber capability.

45.6% of businesses surveyed said they considered telecommunications infrastructure a major or critical concern for their business. Additionally, 22% said they experienced poor internet connectivity very often and 7% reported always experiencing poor connectivity. The majority of impacted businesses (76%) operate in regional areas¹⁴.

Recommendations:

- Identify priority projects for telecommunications infrastructure upgrades by seeking input from industry, councils, and communities.
- Invest in high-speed internet and digital infrastructure, focusing on regional areas with inadequate digital connectivity to improve connectivity and enhance digital opportunities.
- Invest in raising business awareness and connect businesses with available digital infrastructure.

Workforce constraints

The Federal Government's recent industrial relations reforms, including the Secure Jobs, Better Pay, Protecting Worker Entitlements, and Closing Loopholes amendments to the Fair Work Act, have introduced significant changes that are compounding the impact on businesses, diverting valuable time and resources away from their core business operations.

The pace and complexity of these reforms have created challenges for employers working to understand and implement new compliance requirements while continuing to support their workforce and contribute to the economy. When introduced too quickly or without sufficient transition measures, reforms can create unintended pressures, particularly for smaller businesses with limited capacity to absorb rapid change. A more measured, consultative approach would help achieve policy objectives while allowing businesses the necessary time to adapt. Employers play a critical role in the economy as job creators, and balanced reform should seek to support both businesses and employees in a way that fosters long-term economic stability and growth.

The evolving Workplace Health and Safety (WHS) framework places increasing obligations on employers to manage psychosocial risks, such as workplace stress, role conflict, and job demands, which can significantly impact employee well-being and business performance. While large organisations often have the resources to navigate these complexities, small and medium businesses frequently lack access to expert guidance and tailored solutions, putting them at a heightened risk of non-compliance and potential legal and financial repercussions. Furthermore, the current tools provided by the Federal Government, such as the People at Work survey, only support businesses with 20 or more employees, which means there is a significant gap for small businesses. These small businesses require a specialised consulting service that provides bespoke, business-contextualised risk mitigation strategies to ensure they meet psychosocial hazard legislation and protect their workforce. By addressing these risks proactively, businesses can foster safer, healthier, and more productive work environments, ultimately contributing to a more resilient workforce.

¹⁴ Business Chamber Queensland, *2024 Digital Future of Work Report*

This initiative aligns with government priorities on workplace health, safety, and productivity, ensuring businesses are compliant and competitive in a rapidly evolving regulatory landscape.

Close to half of all businesses surveyed (46.53%) identified compliance and complexity associated with IR laws as a major or critical constraint on their business growth¹⁵.

Recommendations:

- Remove regulatory duplication between State and Federal IR laws to reduce complexity and overlap.
- Establish a dedicated State-Federal Government Industry Consultation Taskforce to enhance collaboration and mitigate the impact of industrial relations reforms on employers.
- Continue to invest in direct support methods to ensure businesses can understand and manage new HR and IR laws. In Queensland, Business Chamber Queensland is best placed to offer this HR and IR support in a similar and expanded method to other information and advisory services the Chamber already provides on behalf of government.
- Fund Business Chamber Queensland to support small businesses with 20 employees or less, particularly those in regional and high-risk industries, in navigating and implementing the new psychosocial hazard legislation.

Fostering innovation

Businesses tell us they are working harder but not seeing the productivity outcomes to match. High costs, restrictive workforce and regulatory environments, weak consumer confidence and weak profitability compound pressure on business productivity. Overall, it's taking businesses more to do less. More than two-thirds of businesses told us in 2024 they're concerned about economic productivity¹⁶. Productive businesses that are supported and incentivised to adopt, adapt, and improve innovation will position Queensland—and the nation—as global leaders in key industries and be sustainable, competitive, and viable long-term. By committing to fostering innovation, Australia can create a supportive ecosystem that encourages greater private sector involvement and advances the nation's competitive edge.

Recommendations:

- Invest in business growth measures such as grants for innovation, subsidies for workforce training and incentives for expanding into new markets, increasing circularity and preparing businesses to capitalise on grant opportunities relevant to capacity and needs.

Growing workforces

Targeted investments in training, skills development, and workforce mobility are essential to address persistent workforce shortages and equip businesses for a rapidly evolving economy.

¹⁵ Business Chamber Queensland, *Pulse Survey December quarter 2024*

¹⁶ Business Chamber Queensland, *2024 State Election Business Blueprint*

Training quality and accessibility

Workforce challenges, including attracting and retaining skilled staff, direct and indirect wage costs and managing a complex and changing regulatory environment, are among the most significant and persistent constraints on business growth¹⁷. It is critical to prioritise relevant and work-ready programs to deliver a mix of targeted training programs to meet specific business, region, and market needs and keep up with industry advancements. Improving training quality and accessibility can unlock future workforce needs.

67.3% of Queensland businesses have major concerns about recruiting employees with appropriate skills¹⁸.

Recommendations:

- Partner with skills councils and industry leaders to codesign and fast track curriculum and training package updates to keep pace with industry advancements.
- Work with professional bodies and skills councils to ensure appropriate skills mapping and recognition of overseas qualifications to significantly fast track skilled migrants' ability to be professionally recognised in their industry.

Fund and enable skills development

Business Chamber Queensland welcomes the Federal Government's recent announcement of up to \$10,000 in support payments for apprentices in the construction industry, aiming to address workforce shortages and support housing targets.

To maximise the effectiveness of such initiatives, it is crucial to coordinate and sequence the substantial investment pipelines managed by federal and state governments. Aligning these investments with skills development priorities will ensure Australia's workforce is well-equipped to meet current and future demands.

Over the past five years, more than half of all businesses surveyed (51.48%) identified skills shortages and a lack of skilled workers as having a high or critical impact on their productivity growth. In addition, 54.23% of businesses said retaining and recruiting suitably qualified employees was a major or critical constraint on their business growth¹⁹.

Recommendations:

- Increase support for apprenticeships and traineeships, particularly in sectors facing skills shortages, including financial incentives for businesses to hire and train apprentices, and streamlined processes for recognising overseas qualifications.
- Fund partnerships between industry and educational institutions to ensure relevant and effective training programs, creating a pipeline of skilled workers.

¹⁷ Business Chamber Queensland, *2023-24 Pulse Reports*

¹⁸ Business Chamber Queensland, *2024 State Election Business Blueprint*

¹⁹ Business Chamber Queensland, *Pulse Survey December quarter 2024*



Workforce mobility

Improved workforce mobility addressed skills mismatches, and enhanced relocation and upskilling programs that meet industry needs can unlock future-ready workforces across the country. Increased regional investment can stimulate local economies, creating more opportunities for workers and businesses. However, regional communities often struggle to find the right skills to fill positions, which limits their ability to fully capitalise on growth opportunities. Recruitment initiatives should focus on attracting and retaining skilled workers by offering incentives for businesses to promote continuous learning, development and upskilling, particularly in high-demand sectors.

More than half of businesses surveyed said support for growing workforces would have a positive or very positive impact on their business²⁰.

Recommendations:

- Facilitate geographic mobility, address skills mismatch and enhance existing relocation and upskilling programs.
- Enhance recruitment initiatives to attract and retain skilled workers in Australia by providing incentives for businesses that promote continuous learning, development, and upskilling for employees, particularly in high-demand sectors.

Workforce Evolve

At a time when many businesses, particularly small and medium, are already challenged by weak business conditions and significant time and financial costs to comply with regulations, support for hiring, managing, training, and retaining workforces is critical.

Business Chamber Queensland's Workforce Evolve program, delivered in partnership with the Queensland Government, has responded to this critical issue by helping businesses develop capability and evolve hiring and retention strategies to build fit-for-purpose and future-ready workforces.

Workforce Evolve also directly supports increased workforce participation among under-represented groups in the community and helps businesses in regional areas, with access to a smaller talent pool, get the most out of their local workforce. Workforce Evolve provides specific workforce support to enhance outcomes from federal employment services, disability employment, NDIS and skilled migrant programs.

Since 2023, Workforce Evolve has supported more than 1,000 businesses through online training, tailored one-on-one coaching, and/or practical tools and resources spanning the entire lifecycle of a workforce, including:

- *Workforce planning*
- *Recruitment processes*
- *Diversity and inclusion strategies*
- *Employment legislation*
- *Professional development*

²⁰ Business Chamber Queensland, *Pulse Survey December quarter 2024*



When surveyed, more than 70% of Workforce Evolve participants said the program provided them with the resources they needed to improve their workplace relations knowledge, create or enhance talent attraction and retention practices and appeal to a broader range of workers. Businesses have also told us Workforce Evolve gives them not just the knowledge but the confidence to employ people from diverse backgrounds. More than 85% of participants intend to make changes to incorporate diversity and inclusion in their workplaces after engaging with the program, enabling Queensland to cultivate a dynamic workforce that reflects its diverse population and meets the requirements of the future of work²¹.

Recommendations:

- Link business and workforce outcomes by facilitating partnerships between the Federal Government employment and disability employment service providers and Business Chamber Queensland to deliver Workforce Evolve.
- Partner with Business Chamber Queensland to expand the Workforce Evolve program nationwide.

Sustainability and energy

Sustainability and energy efficiency are key to reducing operational costs and ensuring the nation transitions to a resilient, low-carbon economy. Businesses face increasing challenges related to climate resilience, rising energy costs, and insurance barriers, which require coordinated and innovative solutions.

Environmental regulation

Businesses are increasing efficiencies and reducing business input costs to meet evolving supply chain and global consumer expectations for sustainably produced goods and services, increasingly required to win work in the private sector and procure to the government while attracting and retaining a workforce that shares their sustainable business values. Queensland businesses are making sustainability decisions beyond minimum standards, but more than half are missing out on efficiency benefits from working sustainably¹¹. Simplifying environmental regulation and streamlining environmental approval processes is critical to enabling businesses to realise sustainable business benefits.

More than one fifth of businesses surveyed (22.2%) identified the cost of compliance and regulatory barriers as hindering their ability to adopt sustainable business practices²².

²¹ Business Chamber Queensland, *Workforce Evolve, 2024 participant survey*

²² Business Chamber Queensland, *2023 Advancing Business Sustainability*

Recommendations:

- Simplify environmental regulations to reduce business compliance costs while maintaining high environmental standards.
- Streamline environmental approval processes and eliminate redundant requirements that add unnecessary burdens without corresponding environmental benefits.
- Remove duplication between national, state and territory environmental regulation and approval processes.

ecoBiz

Business Chamber Queensland, in partnership with the Queensland Government, has successfully delivered the ecoBiz program in Queensland for more than 10 years. ecoBiz is a SME-specific sustainability and business cost reduction program and supported thousands of Queensland small to medium businesses to reduce their operating costs in energy, waste and water, improve sustainability practices and, importantly, remain competitive into the future.

Business Chamber Queensland data demonstrates the program is increasingly relevant as mandatory climate reporting impacts downstream supply chains, supply chain requirements increasingly request sustainability data, and climate risks and circularity become front and centre in decision-making related to business strategy and product development. The program demonstrates a strong case study for national expansion.

Business Chamber Queensland's ecoBiz program has the established architecture and expertise to deliver a nationwide solution that supports the Federal Government's efforts to increase ESG awareness and readiness while also demonstratively avoiding carbon emissions. With its proven ability to address sustainability and energy efficiency challenges, ecoBiz is uniquely positioned to help SMEs to reduce operational costs, improve climate resilience, and align with a low-carbon economy.

As businesses face incoming mandatory reporting obligations, ecoBiz's comprehensive approach is critical to ensuring they are prepared to meet these requirements, maintain access to supply chains, and remain competitive. A key strength of ecoBiz lies in its ability to work hand-in-glove with SMEs to track and analyse data, providing valuable insights into capability and capacity increases within the SME community. This collaboration empowers businesses to adopt innovative environmental and social governance practices, manage rising energy and insurance costs, and secure long-term competitiveness. At the same time, expansion of the program will position Australia as a leader in sustainable and economically stable practices.

ecoBiz is the only free program in the country, if not the world, that helps SMEs with an action-based approach to sustainability, following a theory of change model. The program leverages industry knowledge and direct business engagement to deliver a tailored SME program that overcomes very real sustainability, ESG and carbon paralysis. This ensures SMEs achieve tangible sustainability results.

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Last financial year, ecoBiz participants in Queensland:

- *Avoided 62,577GJ of energy, the equivalent of 3160 households, or energy for a small town the size of Charters Towers*
- *Avoided 48,151 kL of water use or 20 Olympic swimming pools*
- *Avoided 1,035 tonnes of waste or 14,000 wheelie bins*
- *Avoided 12,077 tCO₂e of carbon, the equivalent of 3,000 passenger vehicles on roads for a year*
- *Reduced, on average, 21.8% of energy intensity costs (21.8% cost reduction per productivity measure)*

Recommendation:

- Provide funding for Business Chamber Queensland to expand its ecoBiz program to small and medium businesses across Australia. This will bolster ESG maturity, assist with compliance with mandatory reporting and future supply chain requirements, enhance competitiveness, and contribute to Australia's carbon reduction targets.

Insurance

Poor insurance affordability and accessibility disproportionately impact businesses in areas with higher disaster risk and high crime areas. Businesses consistently report insurance premiums as among the most significant business input costs.

Our insurance data shows businesses are forced to decrease their coverage due to high premiums²³ Additionally, businesses implementing adaptation responses are not yet widely recognised as a mechanism to put downward pressure on insurance premiums. Adequate insurance cover is critical to protecting businesses from crisis and enabling them to participate in procurement, funding, and supply chain opportunities that require insurance for eligibility.

Investing in reinsurance pools as an insurance of last resort can address gaps in coverage and help businesses mitigate financial risks associated with extreme weather events. These measures, alongside ongoing renewable energy investments, can ensure economic stability.

Investment in immediate insurance bill relief will help secure adequate insurance, which is essential for business continuity and resilience.

Our 2022 Business Insurance Report found 12% of Queensland businesses were underinsured, rising to 19% in North Queensland²⁴. Our data also shows insurance premiums are consistently among the highest operating cost constraints⁸.

²³ Business Chamber Queensland, *2022 Business Insurance Report*

²⁴ Business Chamber Queensland, *2022 Business Insurance Report*

Recommendations:

- Invest in reinsurance pools as insurance of last resort to provide businesses with greater protection and stability.
- Support SMEs to adapt to changes, mitigate risk and build resilience through funding to expand programs such as Business Chamber Queensland's ecoBiz program to facilitate the adequate risk identification and management, including climate and transitional risks.

Energy efficiency and diversity

Energy costs are among the most significant contributors to record high business input costs²⁵. Investment in low-cost, renewable energy resources can provide a long-term sustainable method to put downward pressure on day-to-day energy costs and support businesses in managing energy costs long-term. It is equally important businesses are supported in the just renewable energy transition. Renewable energy resources can also enable ongoing energy supply during times of supply disruption, for example, natural disasters.

Recommendations:

- Invest in low-cost, renewable energy sources to restore Australia's comparative energy advantage .
- Fund research and development in clean energy technologies and infrastructure projects that increase energy efficiency and diversity.

Mandatory climate reporting

We know businesses need support to manage mandatory reporting and changes in supply chain requirements. Continuing the positive 10-year legacy in delivering the ecoBiz program in partnership with the Queensland Government, Business Chamber Queensland is best placed to deliver this support to not only the Queensland business community, but also nation-wide. The program not only helps larger business reduce their scope three emissions to meet reporting outcomes, but also provides a consistent SME-specific method for data collection, tracking and consolidated reporting.

More than a quarter of businesses we surveyed are concerned about access to support to address the physical and transitional impacts of climate change²⁶.

Recommendation:

- Partner with Business Chamber Queensland to deliver the ecoBiz program nationally to enhance ESG maturity in businesses, aligning them with mandatory reporting and future supply chain requirements, ensuring consistency, long-term sustainability, and compliance outcomes.

Resilient businesses

Business resilience encompasses more than just financial security and disaster preparedness. Sustainable enterprises are capable of adaptation and growth, particularly in their capacity to engage in modern supply chains and demonstrate their ability to meet mandatory reporting requirements.

²⁵ Business Chamber Queensland, *2023-24 Pulse Reports*

²⁶ Business Chamber Queensland, *2024 State Election Business Blueprint*

Embracing sustainable practices not only fortifies businesses but also benefits the broader community, enabling agility in the face of unforeseeable events and proactive adaptation to global market shifts. Supporting business sustainability, with a focus on resilience, efficiency and long-term economy-wide benefits, will allow businesses to be competitive and viable in the immediate and long term.

Recommendations:

- Extend the Resilient Homes Fund program to include commercial properties, helping businesses protect their assets from environmental risks and maintain business continuity.
- Provide grants for small and medium businesses to access accountancy and business management software, with additional funding for training to optimise software usage.
- Incentivise government and private sector collaboration to drive sustainability initiatives, including co-funding projects that promote environmental stewardship and developing programs that support businesses in achieving sustainability goals.

Local and global business

Well-defined procurement pathways are a significant catalyst for businesses to expand their offerings, branch into new markets, innovate, and enhance sustainability. Winning a government contract, particularly one related to the 2032 Olympics, can have a transformative impact on a business's growth trajectory, providing confidence to innovate and expand.

Procurement

Effective procurement is a powerful economic driver that can strengthen Queensland's business community, enhance local job creation, and promote innovation. To maximise its potential, procurement processes must be accessible, transparent, and strategically aligned with the state's long-term economic vision.

Business Chamber Queensland data indicates nearly 87% agree major infrastructure investment should ensure a significant proportion of contracts are awarded to local businesses²⁷. Lessons from Paris 2024 Olympics show the potential for success: 90% of procurement was sourced from French businesses, with 75% coming from SMEs²⁸. These outcomes were achieved through clear procurement expectations, early market engagement, and defined schedules that gave businesses the confidence to invest and innovate.

These principles need to be applied and expanded in Australia to ensure equitable access for all businesses to opportunities arising from government contracts and significant project investments.

²⁷ Business Chamber Queensland, *2024 State Election Blueprint*

²⁸ Ex-ante economic impact study of the Paris 2024 Olympic and Paralympic Games



Recommendations:

- Establish a National Cabinet taskforce to manage long-term cross-portfolio initiatives to achieve better outcomes for procurement in Australia.
- Reduce government payment times to support cash flow and financial stability.
- Break-up tenders for SMEs.
- Simplify tender processes.
- Develop a dashboard for a procurement pipeline.
- Support the Queensland government in establishing an ambitious target for local procurement for the 2032 Olympic and Paralympic Games.
- Incentivise successful bidders to partner with other businesses through their supply chains to tender for government contracts.
- Provide funding to Business Chamber Queensland to establish an Olympics Readiness capability-building program for small to medium businesses so they remain competitive, can take up the procurement opportunities available in Queensland ahead of the Games, and can meet changing procurement expectations.

Digital and cyber capability

Partnering with organisations like Business Chamber Queensland to establish a business enabling digital program to assess businesses' digital maturity, provide training and encourage new technologies including AI uptake is imperative.

A digital, AI and cyber resilience capability building program, drawing on the proven frameworks established through existing programs, will equip businesses with the necessary resources to protect their digital assets, ensuring continued operation and business growth in an increasingly digitalised economy. This program will prioritise workforce productivity, leveraging digital solutions to streamline workflows and upskill employees to meet future demands. The tool will play a vital role in preparing businesses for the increasing use of artificial intelligence, presenting both opportunities and challenges that necessitate proactive digital resilience measures. Leadership in adopting AI and workforce automation, supported by upskilling programs, can bridge the business knowledge gap regarding artificial intelligence.

Our research shows 50% of businesses have a basic or below understanding of AI and technology in business while 15% of businesses we surveyed said they had experienced a cybersecurity incident²⁹.

Recommendations:

- Work with industry experts to prioritise relevant and work-ready programs in cybersecurity, artificial intelligence, and digital strategy to support businesses in developing digital skills.
- Partner with Business Chamber Queensland to build and support digital, AI and cybersecurity capabilities for SMEs. This would enhance digital resilience, increase productivity, reduce the financial impact of cybercrime, and protect the economic stability of the nation's small business sector.

²⁹ Business Chamber Queensland, *2024 Digital Future of Work Report*

Olympics readiness and legacy

For Queensland and Australia's business community, the Olympic and Paralympic Games are a once-in-a-generation opportunity to reimagine and refashion local businesses as contemporary and competitive global players in the lead-up to and beyond 2032.

Alongside an expected influx in investment that accompanies travel, tourism and Games attendance, this will further deliver a strong legacy through an injection in employment and industry in those, and their neighbouring regions. To go alongside Games related infrastructure, there must be an equally committed focus on transport and logistics, including road and rail infrastructure.

77.1% of survey respondents agree it is important the regions benefit from the Olympics, however, only 18.3% say they are confident their business can benefit³⁰.

Recommendations:

- Engage business in the planning and preparation process to ensure clarity and relevancy in building suitable infrastructure for the Games.
- Accelerate priority transport connectivity projects.
- Partner with Business Chamber Queensland to build business capability and measure legacy impact, for example, through the Chamber's existing Workforce Evolve and ecoBiz programs.

Global competitiveness

Australia's export economy, particularly in Queensland, is critical in driving national prosperity. It strongly relies on resource-based industries, agricultural commodities, and emerging sectors like advanced manufacturing and renewable energy. Despite this, many businesses face significant barriers when entering international markets, including limited resources and knowledge of trade intricacies. Targeted export grants could give these businesses the financial leverage to navigate and establish themselves in global markets.

Similarly, investment in trade infrastructure, such as port expansions, can bolster connectivity and capacity, enabling the efficient movement of goods and improving competitiveness. A dedicated program to equip potential exporters with the expertise to understand global business environments and market trends would empower businesses to position themselves for strategic success. These initiatives represent transformative opportunities for local and national businesses to strengthen their foothold in international trade, ensuring sustainable economic growth and diversification.

More than one fifth (21.71%) of businesses surveyed say improved export readiness would have a positive or very positive impact on their business³¹.

³⁰ Business Chamber Queensland, *2024 State Election Business Blueprint*

³¹ Business Chamber Queensland, *2024 December quarter Pulse Report*



Recommendations:

- Prioritise infrastructure projects that improve Australia's global connectivity.
- Reward business-led research and development in these industries to attract global businesses to Australia and encourage local businesses to innovate.
- Introduce tax incentives specifically designed to attract high-growth and high-value industries such as technology, advanced manufacturing and renewable energy.
- Invest in a program to equip potential exporters with relevant expertise for successful business positioning.
- Partner with industry and invest in a targeted export capability building program for new and existing exporters to:
 - Enter, scale and grow in international markets
 - Enhance knowledge and competitiveness in ESG, market diversification and productivity
 - Expand export capability in local businesses.
 - Meet changing requirements in other jurisdictions.

Summary

A coordinated government strategy that aligns economic and social policy is essential to address business challenges experienced across the country, strengthen business capability and secure opportunities for growth and innovation. This submission is made in conjunction with ACCI's submission and provides additional recommendations, many of which are relevant to the Queensland business experience but, where implemented, have the potential to prove valuable to businesses in all Australian states and territories.

These recommendations centre on five priority areas:

1. Business-friendly government
2. Enhancing productivity
3. Growing workforces
4. Sustainability and energy
5. Local and global business

Our consistent and timely reporting of issues affecting Queensland businesses ensures regular and comprehensive research and consultation are undertaken to drive policy decisions across all parts of government. This data and insights have informed our submission. In preparing these recommendations, we consulted businesses across the state, local chambers of commerce, and our peer industry groups to prepare a timely, comprehensive, and critical 2025 Federal Budget Submission that reflects immediate and future business and economic needs.