

Submission: 2025-26 Queensland Budget Submission

Submission to	The Hon David Janetzki MP Treasurer, Minister for Energy and Minister for Home Ownership 1 William Street Brisbane QLD 4000
On	2025-26 Queensland Budget
By	Business Chamber Queensland
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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 2025-26 State 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.

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.

Queensland businesses are in a unique position to benefit from forward economic opportunities, with the 2032 Olympic and Paralympic Games, increased global demand for Queensland-made goods and products, the energy transition and statewide infrastructure investment all presenting significant opportunities for private sector involvement and benefit. Businesses tell us they see public investment as a business opportunity, and a proportion of the work and value should 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 that aligns economic and social policy is essential to address these challenges, strengthen business capability and secure opportunities for growth and innovation.

Our 2025-26 Queensland Budget submission

Our recommendations are structured around six priority areas, which reflect Queensland's business and community needs and align with government policy priorities.

The recommendations build on actionable insights from the 2024 Business Blueprint and align with the government's objectives and directions outlined in Ministerial charter letters. By implementing these recommendations, the Queensland Government has an unparalleled opportunity to create a vibrant economic and business environment.

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

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

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

⁴ Business Chamber Queensland, *2023 Efficient Regulation Report*

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

Pillar	Policy priorities
<p>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 Queensland Government can foster a thriving business landscape, reduce red tape and restore economic confidence.</p>	<ul style="list-style-type: none"> • Regulatory burden • Operating cost relief • Taxation reform • Payment times and on-time payments
<p>Enhancing productivity Addressing digital connectivity gaps, fostering innovation, and increasing workforce efficiency are critical to boosting productivity.</p>	<ul style="list-style-type: none"> • Digital connectivity and infrastructure • Workforce constraints • Fostering innovation • Government efficiency
<p>Growing workforces Workforce shortages are a key business constraint. By improving training accessibility, funding skills development, and enhancing mobility, the Queensland Government can ensure a pipeline of skilled workers.</p>	<ul style="list-style-type: none"> • Training quality and accessibility • Skills development • Workforce mobility • Workforce Evolve
<p>Resource and energy efficiency Transitioning to low-cost renewable energy and simplifying environmental regulations will reduce business costs and support resilience.</p>	<ul style="list-style-type: none"> • Green tape • ecoBiz • Mandatory climate reporting • Energy efficiency and diversity • Insurance • Resilient business
<p>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. It's especially important as Queensland prepares for the 2032 Olympics, to export to global markets and to capitalise on the global digital economy.</p>	<ul style="list-style-type: none"> • Procurement opportunities • Digital and cyber capability • Olympics readiness and legacy • Global competitiveness
<p>Thriving communities Housing accessibility, community safety, and mental health are not just social issues but critical business concerns. Integrated housing policies, infrastructure investments, and support for mental health initiatives will ensure Queensland businesses are part of vibrant, sustainable communities.</p>	<ul style="list-style-type: none"> • Housing policy • Crime and community safety • Business enabling infrastructure • Mental health and wellbeing

Business-friendly government

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

Regulatory burden

Urgent action is needed to reduce the compounding regulatory burden on Queensland'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, to \$50,000⁶. 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.

Business Chamber Queensland acknowledges the government's early efforts to reduce red tape. This includes refocusing the Small Business Commissioner on red tape reduction, gathering feedback from the broader chamber network through the Minister for Open Data and Customer Service and the Minister for Small and Family Business, establishing a Local Government Red Tape Reduction Taskforce, and launching the Building Reg Reno initiative. These measures are important steps towards improving efficiencies across key sectors. However, it is essential reform is coordinated to maximise benefits and ensure consistency across the whole-of-government experience.

Business Chamber Queensland has been leading this significant issue for more than a decade, and working with all levels of government to not only highlight the impact inefficient regulation has on business but to identify opportunities for reform. Since 2009, we have been conducting a Red Tape Survey every two years to understand the impact of inefficient regulation and requirements on Queensland businesses and to track changes to the burden of regulatory compliance. We will continue leading this research in 2025 and beyond and sharing these insights with all parts of government, particularly the Productivity Commission.

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.

⁶Business Chamber Queensland, 2023 Efficient Regulation Report

⁷ Business Chamber Queensland, 2024 December quarter Pulse Report

Recommendations:

- Commit to a series of key measures to reduce regulatory burden to directly support Queensland businesses, including:
 - Communicating and consulting with businesses when developing new regulations.
 - Engaging with industry to ensure a full regulatory impact statement for each new piece of legislation.
 - Reducing regulation duplication between levels of government and across state departments.
 - Reducing the frequency of reporting requirements to a minimum.
 - Reducing the amount of information requested to a minimum.
 - Providing a single location for all regulatory information and announcements.
 - Committing to one central economic agency that drives regulatory reform.
 - Implementing pre-populated forms and reports and establishing reliable electronic and web-based reporting.
 - Amending regulation release so businesses can prepare and be compliant.
- Continue to work with Business Chamber Queensland in forming the Productivity Commission to ensure it is enabled to review ways to reduce the cost of doing business, address regulatory burden, lift workforce productivity and support business innovation and resilience⁸, including consulting with industry to provide the Productivity Commission with expertise in reducing business costs, addressing regulatory burdens, and enhancing innovation and resilience.

Operating cost relief

Businesses are experiencing record-high operating costs, with energy, insurance and regulatory compliance among the most significant contributors⁹. Our engagements across the state show businesses of all sizes, industries, and regions share operating cost pressures. 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, or 19% in North Queensland¹⁰. Our data shows insurance premiums are consistently among the highest operating cost constraints.

Continued energy relief is also vital in managing operational costs for Queensland businesses. Extending these measures would provide stability and allow businesses to focus on growth and innovation in a competitive economic environment.

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 priority¹¹.

⁸ Business Chamber Queensland, Queensland Productivity Commission Bill Submission 2024

⁹ Business Chamber Queensland, 2023-24 Pulse Reports

¹⁰ Business Chamber Queensland, 2022 Business Insurance Report

¹¹ Business Chamber Queensland, 2024 December quarter Pulse Report

Recommendations:

- Support insurance affordability and accessibility (see sustainability and energy – insurance).
- Remove stamp duty on insurance premiums and collaborate with providers to develop affordable insurance coverage options.
- Review stamp duties to identify reforms that promote investment.
- Invest in reinsurance pools as insurance of last resort to address gaps in coverage and help businesses mitigate the financial risks of disaster.
- Extend and expand the Electricity Bill Relief to small businesses.

Taxation reform

A competitive tax system is essential for Queensland to attract and retain business investment, especially in an increasingly globalised economy. The current tax framework must be reformed to reduce the burden on business and improve Queensland's attractiveness as a business destination.

In particular, 61% of businesses surveyed said they were concerned about payroll tax¹² and 53.78% of businesses believe cost relief associated with payroll tax should be a high or critical budget priority¹³.

Recent commitments to remove stamp duties for first-home buyers and payroll tax for general practitioners highlight these taxes as being costly for consumers and businesses alike. Addressing these nuisance taxes aligns with the Government's *Right Priorities for Queensland's Future* and the Business Chamber's 2024 State Election Blueprint to ensure Queensland remains an attractive destination for investment and innovation.

Recommendations:

- Increase the payroll tax threshold to reflect wage growth and account for accelerating wage costs while using the national cabinet as a forum for broader payroll tax reform.
- Conduct a comprehensive review of stamp duties on insurance, property transfers, and vehicle registration. Adjust these duties to improve business profitability.
- Address the rising burden of land tax on small businesses by capping increases and implementing phased assessments. Introduce exemptions for businesses that significantly contribute to the local economy.

Improve payment times and on-time payments

Cash is king for all businesses. Timely payments are essential for businesses to meet financial obligations, avoid debt and maintain business operations. Small businesses have positively responded to the government's commitment to reducing payment times, which is critical to addressing cash flow issues. However, leadership is needed to extend these guarantees to a broader range of businesses, as cash flow challenges impact businesses of all sizes. Expanding the On-Time Payment Policy to include all businesses and introducing a penalty interest system for overdue payments would set a new standard for supporting business liquidity and provide certainty to businesses that supply to the government.

¹² Business Chamber Queensland, *2024 State Election Business Blueprint*

¹³ Business Chamber Queensland, , 2024 December quarter Pulse Report

More than 40% (44.92%) of businesses surveyed said reducing payment timeframes and improving on-time payments would positively or very positively impact their business and 32.77% of businesses believe these measures should be a high or critical budget priority¹⁴.

Recommendation:

- Extend the On-Time Payment Policy to include all businesses and introduce penalty interest on unpaid invoices to all businesses.

Enhancing productivity

Productivity must improve to maintain Queensland's current economic position in a rapidly evolving domestic and international context. Establishing the Productivity Commission provides a vital opportunity to address challenges that impact business growth, including regulatory burdens, workforce inefficiencies, and barriers to innovation. Business Chamber

Queensland is committed to contributing to this work of the Committee by providing actionable insights and evidence-based recommendations.

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 economy¹⁵.

Digital connectivity infrastructure

Digitisation fuels business growth in Queensland, yet digital connectivity is inadequate. Regional businesses struggle due to limited 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 businesses' daily operations.¹⁶ 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, foster innovation, and build business capability.

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 business 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 they always experienced poor connectivity. The majority of impacted businesses (76%) operate in regional areas¹⁷.

¹⁴ Business Chamber Queensland, 2024 December quarter Pulse Report

¹⁵ Business Chamber Queensland, 2024 December quarter Pulse Report

¹⁶ Business Chamber Queensland, 2024 Digital Future of Work Report

¹⁷ Business Chamber Queensland, 2024 Digital Future of Work Report

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

Businesses need support to navigate and manage an increasingly complex regulatory environment, particularly in regard to human and industrial relations. Our most recent Efficient Regulation Report shows businesses reported regulation associated with employing people as the most significant regulatory cost to their operations¹⁸. When many businesses are already struggling with weak business conditions, a tight employment market and significant time and financial costs to comply with regulation, support to manage workforces is critical. Businesses must be the forefront of regulatory and legislative changes that impact their day-to-day operations and potentially harm productivity through cost and complexities.

The evolving Workplace Health and Safety framework places increasing obligations on employers to manage psychosocial risks, such as workplace stress, role conflict, and job demands, which can significantly impact employee wellbeing 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.

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 growth¹⁹.

¹⁸ Business Chamber Queensland, 2023 Efficient Regulation Report

¹⁹ Business Chamber Queensland, 2024 December quarter Pulse Report

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 IR reforms on employers.
- Continue to invest in direct support methods to ensure businesses can understand and manage new HR and IR laws. 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 to put 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 productivity²⁰. Productive businesses that are supported and incentivised to innovate will position Queensland as a global leader in key industries and be sustainable, competitive, and viable in the long term.

The government's commitment to opening regional innovation hubs is welcome, however, it is essential to work with Business Chamber Queensland and other stakeholders to ensure funding is targeted to effectively support industry needs. With unparalleled industry insights, we are well-placed to guide the prioritisation of resources for maximum impact.

Recommendations:

- Leverage Business Chamber Queensland's industry insights to implement best practice supports and deliver regional innovation hubs reflective of industry needs.
- Invest in business growth measures such as grants for innovation, subsidies for workforce training and incentives for expanding into new markets, and ready businesses to capitalise on grant opportunities relevant to business capacity and needs.

Government efficiency

Streamlining bureaucratic processes and adopting digital transformation initiatives are critical steps in reducing the administrative burden on businesses and fostering a more agile, business-friendly environment to enhance productivity.

²⁰ Business Chamber Queensland, *2024 State Election Business Blueprint*

Recommendations:

- Accelerate the digitalisation of government services, making it easier for businesses to interact with the government.
- Implement a program of digital transformation to streamline government processes.
- Partner with Business Chamber Queensland to initiate a program that enhances the government's understanding of business needs, improving the quality of engagement between the public and private sectors and fostering a more supportive business environment.

Growing workforces

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

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 growth²¹. 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 skills²².

Recommendations:

- Partner with skills councils and industry leaders to co-design 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

Building sustainable and future-ready workforces will allow Queensland businesses to capitalise on opportunities over the next decade and beyond. This requires investment in skills that will allow businesses to meet their ongoing and future workforce needs. A skilled and adaptable workforce is essential for Queensland's economic success. Queensland must prioritise education and skills development to remain competitive on the local, national and global stage, ensuring businesses have access to the talent they need to thrive.

²¹ Business Chamber Queensland, 2023-24 Pulse Reports

²² Business Chamber Queensland, 2024 State Election Business Blueprint

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 over the past five years. In addition, 54.23% of businesses said retaining and recruiting suitably qualified employees was a major or critical constraint on their business growth.²³

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.
- Provide funding support for partnerships between industry and educational institutions to ensure training programs are relevant and effective, creating a pipeline of skilled workers.

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 state. 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 we surveyed said support for growing workforces would have a positive or very positive impact on their business²⁴.

Recommendations:

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

Extend 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.

²³ Business Chamber Queensland, 2024 December quarter Pulse Report

²⁴ Business Chamber Queensland, 2024 December quarter Pulse Report

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 wider government 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*

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 work²⁵.

Recommendations:

- Link business and workforce outcomes by facilitating partnerships between the 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.

Resource and energy efficiency

Improving resource efficiency (energy, water and waste minimisation) through embedding new technologies and changing business behaviours is key to reducing operational costs and ensuring Queensland transitions to a resilient, low-carbon economy. Queensland businesses face increasing challenges related to climate resilience, rising energy costs, and insurance barriers, which require coordinated and innovative solutions.

The government's initiatives, including renewable energy projects and the Resilient Homes Fund, are welcome, and these recommendations can build on and support that momentum.

²⁵ Business Chamber Queensland, *Workforce Evolve, 2024 participant survey*

Green tape

Businesses are increasing efficiencies and reducing business input costs to meet supply chain and global consumer expectations for sustainably produced goods and services, which are increasingly required to win work in the private sector and procure to 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 sustainably²⁶. 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 practices²⁷.

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 burden without corresponding environmental benefits.
- Remove duplication between state and territory environmental regulation and approval processes.

Extend 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 an SME-specific sustainability and business cost reduction program that supports thousands of Queensland SMEs to reduce their operating costs in energy, waste and water, improve sustainability practices and, importantly, remain competitive into the future.

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.

Data demonstrates the program is increasingly relevant as mandatory climate reporting impacts downstream supply chains, and climate risks and circularity become front and centre in decision-making related to business strategy and product development. Expansion of the program will position Queensland as a leader in sustainable and economically stable practices.

Business Chamber Queensland's ecoBiz program has the established architecture and expertise to demonstratively avoid carbon emissions and support the state's net zero targets. 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.

²⁶ Business Chamber Queensland, *2023 Advancing Business Sustainability Report*

²⁷ Business Chamber Queensland, *2023 Advancing Business Sustainability Report*

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.

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)²⁸*

Recommendation:

- Provide funding for Business Chamber Queensland to continue and expand the successful ecoBiz program, which supports businesses in improving operational efficiency, reducing operational costs, and strengthening their competitiveness. This initiative will continue to assist businesses in navigating evolving regulatory requirements and future-proofing their operations against supply chain risks.

Mandatory climate reporting

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 the Queensland business community. The program not only helps larger businesses 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 change²⁹.

Recommendation:

- Support the ecoBiz program to enhance ESG maturity in businesses, aligning them with mandatory reporting, global demand and expectations, and future supply chain requirements, ensuring consistency, long-term sustainability, and compliance outcomes.

²⁸ Business Chamber Queensland, 2024 ecoBiz program data

²⁹ Business Chamber Queensland, 2024 State Election Business Blueprint

Energy efficiency and diversity

Energy costs are among the most significant contributors to record high business input costs³⁰. An 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 to manage energy costs long-term. Renewable energy resources can also enable ongoing energy supply during times of supply disruption, for example, in natural disasters.

Recommendations:

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

Insurance

Poor insurance affordability and accessibility disproportionately impacts businesses in areas with higher disaster risk and high crime. Businesses consistently report insurance premiums as among the most significant business input costs. Our insurance data shows businesses are forced to decrease their cover due to high premiums³¹. Additionally, businesses implementing adaption responses are not yet widely recognised as a mechanism to put downward pressure on insurance premiums. Adequate insurance cover is critical to protect businesses from crisis and enable them to participate in procurement, funding, and supply chain opportunities which 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 Queensland³². Our data also shows insurance premiums are consistently among the highest operating cost constraints³³.

Recommendations:

- Invest in reinsurance pools as insurance of last resort to provide businesses with greater protection and stability.
- Further 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 adequate risk identification and management, including climate and transitional risks.

³⁰ Business Chamber Queensland, 2023-24 Pulse Reports

³¹ Business Chamber Queensland, 2022 Business Insurance Report

³² Business Chamber Queensland, 2022 Business Insurance Report

³³ Business Chamber Queensland, 2023-24 Pulse Reports

Resilient business

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. 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 an 'always on' method for businesses to report disaster impacts directly to government to activate joint state and federal Disaster Recovery Funding Arrangements in a disaster event more accurately, effectively, and efficiently.
- 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.
- Provide grants for small and medium businesses to access accountancy and business management software, with additional funding for training to optimise software usage.
- Fund on-going capability building programs and support to build SME's resilience through guidance in planning for and recovering from natural disasters.
- Fund Business Chamber Queensland to deliver a resilient regional business program to support thriving regional business communities.

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 Olympic and Paralympic Games can have a transformative impact on a businesses' growth trajectory, providing confidence to innovate and expand.

Procurement opportunities

Positioning Queensland as an attractive destination for global business investment will secure our place on the world stage and enable local businesses to partner, innovate and grow. This is critical as Brisbane and the state prepares to host the 2032 Olympic and Paralympic Games and we see growth in population, infrastructure spend and the energy transition. Local businesses must be supported to participate in and benefit from the growth ahead in our state.

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. This will contribute to a lasting legacy for the Queensland business community and economy and provides a robust program to de-risk supply chains and legacy outcomes.

Business Chamber Queensland data indicates nearly 87% of businesses agree major infrastructure investment should ensure a significant proportion of contracts are awarded to local businesses³⁴.

Lessons from the Paris 2024 Olympics show the potential for success: 90% of procurement was sourced from French businesses, with 75% coming from SMEs³⁵. These outcomes were achieved through clear procurement expectations, early market engagement, and defined schedules that gave businesses the confidence to invest and innovate.

Partnerships play a crucial role in enabling benefits and opportunities for businesses of all sizes and in all parts of the supply chain. A collaborative approach to procurement and innovation promotes a model of mutual benefit for a wide range of businesses. Furthermore, partnerships play a vital role in efficiently delivering large-scale projects and fostering innovation, driving economic growth.

Recommendations:

- Establish a Cabinet taskforce to manage long-term cross-portfolio initiatives to achieve better outcomes for procurement in Queensland.
- Break-up tenders for SMEs.
- Simplify tender processes.
- Develop a dashboard for a procurement pipeline.
- Set an ambitious target for local procurement for the 2032 Olympic and Paralympic Games.
- Accelerate funding for procurement capability programs for SMEs.
- 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 Artificial Intelligence (AI) uptake is imperative.

³⁴ Business Chamber Queensland, *2024 State Election Blueprint*

³⁵ Ex-ante economic impact study of the Paris 2024 Olympic and Paralympic Games

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 AI, 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 AI.

Our research shows 50% of businesses have a basic or below understanding of AI and technology in business and 15% of businesses we surveyed said they had experienced a cybersecurity incident in the past year³⁶.

Recommendations:

- Work with industry experts and leverage existing programs 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 national small business sector's economic stability.

Olympics readiness and legacy

For Queensland'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 businesses agree it is important the regions benefit from the Olympics, however, only 18.3% say they are confident their business can benefit³⁷.

³⁶ Business Chamber Queensland, *2024 Digital Future of Work Report*

³⁷ Business Chamber Queensland, *2024 State Election Business Blueprint*

Recommendations:

- Engage business in the planning and preparation process to ensure clarity and relevancy in building suitable infrastructure for the Games.
- Finalise planning and commit to funding for Games legacy infrastructure projects to give investment certainty.
- Accelerate priority transport connectivity projects.
- Fund Business Chamber Queensland to build business capability and measure legacy impact, for example, through the Chamber's existing Workforce Evolve and ecoBiz programs.
- Provide funding to Business Chamber Queensland to establish an Olympics readiness capability-building program (see local and global business - procurement opportunities).

Global competitiveness

Queensland's export economy is critical in driving 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 would give these businesses the financial leverage to navigate and establish themselves in global markets.

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. Similarly, investment in trade infrastructure, such as port expansions, can bolster connectivity and capacity, enabling the efficient movement of goods and improving competitiveness. These initiatives represent transformative opportunities for local businesses to strengthen their foothold in international trade, ensuring sustainable economic growth and diversification.

More than one fifth (21.71%) of businesses surveyed said improved export readiness would have a positive or very positive impact on their business³⁸.

Recommendations:

- Prioritise infrastructure projects that improve Queensland's global connectivity.
- Reward business-led research and development in these industries to attract global businesses to Queensland 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 Business Chamber Queensland and industry to 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

³⁸ Business Chamber Queensland, 2024 December quarter Pulse Report

Thriving communities

Thriving communities are the backbone of a successful economy. Addressing critical issues such as housing, community safety, and mental health will ensure businesses can attract and retain talent while contributing to vibrant local economies. These priorities align with Business Chamber Queensland's recommendations and the Government's focus on fostering strong and sustainable communities.

Housing policy

Queensland business communities are diverse but economically have shared challenges and opportunities with those across the state. What were previously considered community issues are now business and economic issues, and policy must address these challenges for both social and economic outcomes. Businesses across the state consistently tell us unaffordable and inaccessible housing is a barrier to business. Businesses cannot employ people if there is nowhere for them, or their families to live. Integrated housing policy must align social and business needs. Business Chamber Queensland welcomes recent State Government commitments to reform council and business sector red tape as mechanisms to streamline housing development and these recommendations support that momentum.

Recommendations:

- Implement housing policies that promote affordable housing development, particularly for essential workers and growing industries and regions.
- Reevaluate urban planning to ensure housing policies are balanced with land supply available to meet housing demand.
- Report and publish yearly progress of the 20% target for new social and affordable housing by 2046.
- Work with industry peak bodies to achieve integrated policy outcomes.
- Fund Councils to ensure streamlined planning, development and building approvals.

Crime and community safety

A tourism business in the North Queensland said increasing crime rates and anti-social behaviour meant they had no choice but to employ security to keep their staff and premises safe. It's one example of how private businesses are forced to take accountability for societal issues, like crime and anti-social behaviour, to protect their operations and ensure their business safety. Like housing, crime and community safety is a community issue which has become a barrier to business. Crime solutions must balance community and business needs.

Business Chamber Queensland acknowledges the Government's commitment to supporting safe retail precincts through initiatives such as the Secure Communities Partnership Program. This program, with its focus on funding safety measures such as CCTV, lighting, and alarm systems, is a positive step towards deterring crime and minimising the compounding costs of crime on businesses. However, commercial and retail precincts should not be forced to adapt their business practices to accommodate societal issues such as law and order and antisocial behaviour. These issues require a broader approach and stronger governmental action.

Further support must be provided to ensure the safety of patrons and workers, creating secure environments that encourage economic demand and foster thriving communities. Safe spaces not only enhance consumer confidence but also strengthen the economic resilience of businesses within these precincts.

Recommendations:

- Implement measures to enhance public safety, particularly in high-crime areas that impact business operations.
- Increase police presence, address anti-social behaviour and improve lighting and surveillance in commercial and safe retail districts.
- Provide financial support for businesses who are experiencing ongoing crime and anti-social behaviour so they can manage their business operations.

Business enabling infrastructure

Regional business communities see state, national, and global economic opportunities, like the renewable energy transition and the 2032 Olympic and Paralympic Games, as the chance for local businesses to participate and benefit. Balanced business enabling infrastructure development will allow businesses across the state to participate in the Big Build and benefit from long-term legacy infrastructure. At the same time, our regional Queensland consultations highlighted shared challenges in telecommunications, transport and connectivity as barriers to business.

While the Brisbane Metro and Cross River Rail bolster CBD transport, Southeast Queensland's (SEQ) rapid growth poses challenges. Increased rail frequency strains local roads, hindering business logistics. Open-level rail crossings exacerbate congestion, impacting productivity.

Emulating Victoria's successful fund model can resolve these issues, improving transportation efficiency. This strategic approach would streamline logistics, enhancing business productivity and stimulating economic growth. Upgrading road infrastructure is vital for SEQ's economic resilience, particularly with the upcoming 2032 Olympic Games.

Recommendations:

- Develop a business enabling infrastructure plan that addresses regional and workforce needs.
- Remove open-level rail crossings in SEQ and invest in road and rail infrastructure for urban and regional growth and connectivity.
- Establish a High Street Renewal Fund to revitalise Queensland's high streets, particularly in regions affected by economic downturns, including providing grants for building refurbishments, public space improvements, and business support initiatives.
- Identify priority projects for telecommunications infrastructure upgrades by seeking input from industry, councils, and communities (see enhancing productivity – digital connection and infrastructure).
- Prioritise investment in transport networks, especially in high-traffic areas and regional zones.

Mental health and wellbeing

Our data shows 90% of businesses see mental health issues as having some impact on their business now, with one in three anticipating a major or critical impact in the future³⁹.

Recommendations:

- Continue to work with industry to develop initiatives to support the mental health and wellbeing of the business community through ongoing engagement and resources under the small business concierge service.
- Extend existing business mental health programs to ensure increased uptake and support.
- Establish financial grants to enable businesses to implement best-practice mental health programs for employees.

Summary

A coordinated government strategy that aligns economic and social policy is essential to address business challenges experienced across the state, strengthen business capability and secure opportunities for growth and innovation. The priority recommendations in this submission can reform the business operating environment in Queensland.

These recommendations centre on six priority areas:

1. Business-friendly government
2. Enhancing productivity
3. Growing workforces
4. Resource and energy efficiency
5. Local and global business
6. Thriving communities

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 2025-26 State Budget Submission that reflects immediate and future business and economic needs.

³⁹ Business Chamber Queensland, *2024 Future of Work Report*