DRAFT STATE INFRASTRUCTURE STRATEGY

CCIQ submission to the Department of State Development, Infrastructure, Local Government and Planning

OCTOBER 2021

CCIQ Powering business potential

Contents

Introduction

The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to comment on the Draft State Infrastructure Strategy (the Strategy). CCIQ has prepared this response to the Draft Strategy to represent the interest of Queensland small businesses.

CCIQ is Queensland's peak industry representative organisation for small and medium enterprises (SME's). We represent over 448,000 Queensland SME's who employ 44% of Queenslanders working in the private sector. CCIQ works with the regional and local chamber network across Queensland to develop and advocate for policies that are in the best interests of Queensland businesses, economy, and community.

Queensland Context

Economy: SME context
The importance of small business in Queensland

Queensland is a "small business" state, with **more than 97 per cent of businesses** operating as sole traders or employing teams of up to 19 staff. These businesses **employ more than one in three** working Queenslanders and contribute $122B (or 33.9%) to the state's economy.

Queensland SME's create investment opportunities in the economic and community infrastructure, stimulate regional economic growth, and allow for further employment opportunities.

SME's are also an intrinsic part of local communities. Not only do they provide substantial livelihoods to their employees and their families, but they act as focus points for residents to gather and provide significant support to community groups in their surrounding localities.

This is especially the case in regional areas. 140,036 regional Queensland small business, representing 31.4 per cent of the Queensland's small businesses, contribute over $38.4 billion towards Queensland's economy (10.6%). Almost two thirds (90,169, or 64.4%) are non-employing and the remainder (49,867) employ between 1 and 19 employees. Collectively, regional small businesses in Queensland supports 301,000 jobs, or 11.8 per cent of the State's total workforce. Toowoomba, Cairns, Townsville, Mackay and Bundaberg are the five largest local government centres for small business in regional Queensland, in terms of both regional employment and economic contribution, despite collectively having only 13,666 small businesses across their local government areas.

Where are we now

SMEs have been hit hard by the COVID-19 pandemic and our recovery still remains in the balance.

Latest results for the CCIQ Pulse Survey[1] in the June 2021 quarter indicated that Queensland's economy and business community are not out of the woods yet and **economic recovery is far from assured**. In the 12 month outlook, general business conditions, total sales revenue and employment levels had all fallen in the June quarter compared to the March 2021 quarter.

There are concerns around record increases in labour costs, high operational costs causing profitability to deteriorate, and capital expenditure being placed on hold. Furthermore, expectations for the September quarter were fragile, with re-emerging uncertainty associated with lockdowns (and business shut-downs) interstate associated with the delta variant of COVID-19 and slow vaccine roll out. These issues continue to undermine business confidence and in turn economic recovery. A snapshot of these economic indicators from the June quarter is shown below.

CCIQ Pulse Survey – June quarter snapshot[1]

SNAPSHOT

WEAKER   SAME   STRONGER

Current index score   Quarterly change

12-MONTH OUTLOOK (QUEENSLAND) 55.0 (↑0.3)   SATISFACTORY
- Queensland's business confidence has plateaued but remains considerably above this time last year and the longer term trend (10 year average: 44.1).
- The 12 month outlook remains virtually unchanged with the index at 55.0 (up 0.3) indicating slightly strengthening growth prospects.
- Surprisingly Queensland businesses continue to believe the National economy will outperform the State economy over the next twelve months.

| 26% | 38% | 36% |

12-MONTH OUTLOOK (NATIONAL) 58.7 (↓5.5)   SATISFACTORY
- Business confidence in the Australian economy over the next twelve months has dipped by 5.5 points to 58.7 but continues to indicate satisfactory growth prospects.
- The Index decline indicates that Australia is not yet out of the woods with lockdowns to combat the delta COVID-19 variant and slow vaccine roll out hindering confidence and in turn recovery.
- The positive takeaway is the Index remains 39 points up on this time last year and above the ten year average of 47.5.

| 22% | 39% | 39% |

GENERAL BUSINESS CONDITIONS 54.4 (↓3.9)   SATISFACTORY
- The recent improvement in business conditions stalled in the June quarter largely as a consequence of sales tapering, rapidly increasing labour and operational costs squeezing business profitability.
- The latest index score of 54.4 sees a decline (-3.9) on the March quarter PBI of 58.3 but remains considerably above this time last year (26.0) and also well above its 10 year average of 44.0.
- General business conditions are expected to further ease in the September quarter with an expected PBI of 52.5.

| 30% | 34% | 36% |

SALES AND REVENUE 53.3 (↓4.5)   SATISFACTORY
- The sales and revenue PBI of 53.3 is 4.5 index points down on the previous March quarter index of 57.8 and is the first reduction recorded for this indicator since the June quarter of last year.
- The tapering in sales revenue during the quarter is consistent with the progressive easing of stimulus measures coupled with re-emerging uncertainty and another 3 day lockdown in SEQ and Townsville which covered 65 per cent of the Pulse Survey sample.
- On average businesses believe they are only half way through recovering lost business activity as a result of the COVID-19 economic crisis.
- Total sales revenue is expected to remain above 50 in the September quarter, albeit only fractionally with a PBI of 51.6.

| 33% | 29% | 39% |

OPERATING COSTS 68.1 (↑4.0)   HIGH
- Operating costs during the June quarter 2021 continued to rise with the PBI increasing by 4.0 index points from 64.1 in the March quarter to 68.1.
- Rent, utility and insurance costs have started to rise as a result of a cessation of assistance relief coupled with global supply chain shortages fuelling business input price rises as switching occurs to more expensive domestic suppliers but also overseas suppliers increase prices to reflect supply issues.

| 2% | 53% | 45% |

LABOUR COSTS 68.2 (↑2.4)   HIGH
- Labour costs in the June quarter 2021 increased and are now at a historic high with a PBI of 68.2.
- This result is 2.4 index points above the preceding March quarter (65.8) and well above this time last year (42.1) and the ten year trend of 59.3.
- This result reflects a catch up following pay freezes, reduced pay but also businesses increasing their hours of work offered and employee headcount.

| 5% | 48% | 47% |

PROFITABILITY 40.8 (↓4.4)   WEAK
- A tapering of sales coupled with compounding increases in operating and labour costs has seen profitability deteriorate in the June quarter 2021.
- The profitability PBI fell by 4.4 points from 45.2 in the March quarter to 40.8. Nearly one in two businesses indicated their profitability fell during the quarter.
- Businesses anticipate a slight improvement in their profitability in the September quarter, with the Index forecast to grow by 1.9 points to 42.7.

| 47% | 31% | 22% |

EMPLOYMENT LEVELS 49.7 (↓1.6)   SATISFACTORY
- Employment levels declined in the June quarter 2021 with the PBI falling back below 50. The employment PBI reduced by 1.6 index point from 51.3 in the March quarter to 49.7.
- The PBI does however remain 16.8 index points above this time last year (32.9) and above the 10 year average (44.8).
- Employment levels are expected to remain largely unchanged in the September quarter with the employment PBI expected to increase by 0.8 index points to 50.5.

| 23% | 57% | 21% |

CAPITAL EXPENDITURE 51.4 (↓0.5)   SATISFACTORY
- Declining profit levels and uncertainty in the June quarter 2021 have flowed through to a reduction in capital expenditure particularly as cash reserves have been depleted and business owners have had to reinject cash into their business.
- The capital expenditure PBI in the June quarter fell by 0.5 index points from 51.9 in the March quarter to 51.4.
- Unsurprisingly given the quarter's overall results capital expenditure is expected to dip unfortunately back below 50 and begin to weaken with a profitability PBI of 46.6 in the September quarter.

| 23% | 49% | 28% |

Future infrastructure planning considerations

CCIQ advocates on behalf of the Queensland business community for a **future-focused, sustainability-led economic transformation**. Transforming Queensland's economy to build resilience, eco-efficiency and productivity is critical to the viability of our communities and businesses.

The Queensland Government must prioritise **smart infrastructure investments** that better **connect regions**, and policies that advance our economy and enable industry **diversification**, **competitiveness** and **resilience**.

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[1] CCIQ, Pulse Survey June Quarter 2021, www.cciq.com.au/business-voice/pulse

CCIQ advocates for a future-focused, sustainable and transformative approach to support economic growth and opportunities in Queensland. This includes the following key strategic planning and infrastructure investment priorities:

- **Accelerating eco-efficient infrastructure**

    - Prioritise projects under the 10-year roadmap for resource recovery, waste and circular economy projects in regional locations

    - Ensure allocation of waste levy funds towards the building of new circular economy projects

    - Commit to City Deals for additional Queensland regions as a vehicle for agreed projects and funding models

- **Refocusing investment in road, rail, runway and ports**

    - Last-mile rail connectivity to ports of entry

    - Improve connectivity between transport nodes, for example fast rail

    - Invest in strategic airline route development to support domestic and international recovery

- **Sustainable transformation of communities**

    - Funding for local councils to develop plans for transition to sustainable and resilient communities

    - Investment into a low carbon living program

- **Improving digital capacity**

    - Prioritising high-speed internet for regional Queensland

Environment: SME context
The Goal: Transforming Queensland's economy to be diversified, resilient and competitive through sustainability.

Sustainability led transformation is increasingly driven by global, national, state and local government imperatives. Achieving transformative industry diversification, and economic resilience and competitiveness is possible through the uptake of sustainable practices and approaches.

This sustainability led change responds to a growth in consumer preference and government policies across the globe demanding products and services with a lower or offset environmental footprint. The growing demographic of environmentally conscious consumers presents a new and rapidly growing market for businesses that adopt sustainable practices. Businesses that embrace changes such as consumer shifts to sustainability led practices will find themselves more resilient to shocks.

Government policy is also driving sustainability led transformation, with the Queensland government setting both a net-zero emissions target and an ambitious renewable energy target, both to be achieved by 2050. The Queensland Government has also set targets for waste management and resource recovery. These targets include a 25% reduction in household waste, diversion of 90% of waste from landfill and 75% recycling rates across all waste types. To achieve these targets, business needs to adapt

– the focus needs to be on accelerating that change through policy and budget settings to support the transformation.

Government policy and budget levers must incentivise and accelerate the ability for business and communities to adopt sustainable practices. A pipeline of budgeted investments is required, enabling **infrastructure for recycling, resource recovery and circular economy industries**, incentives for businesses to invest in new technologies and the subsequent need for training and skills in new and emerging areas.

Australia has a global reputation and competitiveness as a supplier of "clean, green" products and services, such as in our food and in the delivery of service industries such as ecotourism. Pursuing the delivery of our state infrastructure though a sustainability lens presents a significant opportunity to build on these strengths, transform our economy whilst achieving environmental targets.

Community: SME context
Where are we now

Disconnected

Telecommunication services that are available, reliable, functional and meet the needs of businesses and communities are essential to prosperous communities and the functioning of a modern, competitive and resilient economy, regardless of metropolitan, fringe, regional, rural or remote location. Unfortunately, this is not a current reality for a large majority of communities across Queensland.

Businesses in regional, rural and remote areas are already at a disadvantage in terms of access, affordability, reliability and investment certainty of improved telecommunications. The effects on the community and businesses are significant, critically impacting:

- The ability to be productive and effective
- The ability to be competitive
- Constraints on all areas of growth
- Safety (including the effectiveness of emergency services and the ability to seek help)
- Liveability

Lacking Resilience

The sustainable transformation of communities will support the transition of households and business to building their own resilience. In the face of more frequent adverse weather events, as well as other significant disruptions such as the pandemic currently being experienced, adopting sustainable practices can support community resilience.

An example of this could be supporting regional communities to transition to renewable energy sources to be less vulnerable to energy network outages, or the impacts of climate change and natural disasters.

Vision and Objectives of the Strategy

Q. Will the strategy's 20-year vision and four objectives support the right infrastructure outcomes for Queensland?

Prior to the 2020 State elections, CCIQ submitted five policy pillars and supporting priorities that have the potential to effect the transformational change required to support the growth of a sustainable, diversified, resilient and competitive Queensland business community.

These pillars are as follows:

- **Sustainable Practices –** Developing and enhancing products and services for future sustainability.
- **Business Friendly Government –** Governments that reduce operating costs and complexity.
- **Connected Businesses –** Advancing technology to generate opportunities.
- **Smart Infrastructure –** Connecting regions to build resilience.
- **Skilled Workforce –** Support upskilling emerging industries and markets.

CCIQ have taken a 3-year approach that enables the step change required over the next term to accelerate transformation approach to support policy levers and budget. This allows the Queensland government and the business community to collaborate over multiple years over a clear set of agreed priorities.

CCIQ acknowledges the Queensland Government for the strong focus on sustainability, resilience and innovation in the vision and objectives of the Draft State Infrastructure Strategy, and look forward to seeing how this translates into smart infrastructure priorities in the yet-to-be-developed Regional Infrastructure Plans.

CCIQ's advocacy agenda is future-focused, for transforming Queensland's economy to be **diversified**, **resilient** and **competitive** through **sustainability**. CCIQ therefore recommends that all classes of infrastructure reflect this future-focused perspective, with sufficient focus and investment in sustainability.

Our response to the Draft Strategy in this document reflects these needs.

Q. To what extent do you agree with these objectives to support the right infrastructure outcomes for Queensland?

Objective 1. Encourage jobs, growth and productivity

CCIQ agrees that jobs, economic growth and productivity are at the core of Queensland's needs for economic recovery. In the quarter up to July 2021, Queensland's unemployment rate stood at 5.2%[2] compared to 4.5% in both Victoria and New South Wales. In the quarter up to September 2021, Queensland had Australia's 2nd highest unemployment rate at 4.9%[3]. Similarly, Queensland's Gross State Product (GSP) declined by 1.1% in the 2019-20 financial year[4], a steeper decline than New South Wales and Victoria.

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[2] Australian Government Labour Market Information Portal (accessed 18 October 2021)
[3] Australian Bureau of Statistics release (14 October 2021)
[4] Australian Bureau of Statistics release (20 November 2020)

While the current Australia-wide labour shortages as a result of the COVID-19 pandemic dominate headlines, the broader labour conditions behind Queensland's pre-COVID unemployment and low growth concerns need a specific focus. **A pipeline of well-planned infrastructure projects will help to certainty of business, enable businesses to invest and employ, and lay the ground for future growth. It will also allow the retention of skills, as businesses can plan their investment and training with a clear project pipeline in sight.**

Objective 2. Develop regions, places and precincts

Queensland is Australia's second largest state by land area, but this size belies significant differences between regions in the state. Economic output and population growth are heavily tilted towards South East Queensland. There is great opportunity to further develop the economic potential of regional Queensland.

This is not unachievable – in the 20 years between 1999 and 2019, the Gold Coast and Sunshine Coast experienced 16.6% and 9.4% population growth respectively, while Central Queensland and Darling Downs – Maranoa experienced 2.7% and 1% respectively[5]. The growth of the regions does not mean a drain on capital city economies, but rather growth all round.

The introduction of seven *Regional Infrastructure Plans* to focus on the critical short-term and strategic long-term needs of each region, is a welcome approach. CCIQ recognises the **benefits of a regional and place-based approach** for a state as diverse as Queensland, with each region having unique strengths, experiencing unique challenges and barriers to remaining resilient and competitive, and unique opportunities for development, economic diversification and growth.

CCIQ has recently consulted widely with regional chambers and businesses from across Queensland to develop detailed regional economic profiles capturing the economic strengths and opportunities for business, with considerations of the **diversification, resilience and competitive needs of each region**. We look forward to sharing these insights in upcoming consultations to inform the *Regional Infrastructure Plans.*

Objective 3. Enhance sustainability and resilience

Sustainability is a major priority for Queensland. CCIQ's has advocated for a sustainability-led transformation of the Queensland economy, to build resilience, eco-efficient and productivity. In order to achieve the commitment to a net-zero emissions target by 2050, the state government must prioritise investments and policies that accelerate and advance a sustainable economy, enable industry diversification through sustainability, and develop future-focused workforce skills.

A strong emphasis on sustainability is, therefore, a welcome inclusion in the Draft State Infrastructure Strategy.

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[5] Queensland Government Statistician's office - Population Growth highlights and trends, Queensland regions, 2020 edition

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Objective 4. Adopt smarter approaches

CCIQ supports better ways to use existing assets, while also investing in future-focused technologies and new infrastructure. The social and economic return can be further enhanced by supporting the creation of and scaling of emerging and sustainable industries such as renewable energy, hydrogen, recycling, and the circular economy. This smart infrastructure will play a key role in laying the ground for future economic growth, the establishment of new industries and resilience to risks such as extreme weather.

It is critical to prioritise and fund a strong pipeline of projects under the 10-year roadmap[6] for resource **recovery, waste and circular economy projects** in key regional locations. This allows new regional industries to grow and utilise existing skills. An estimate from the Queensland Government showed that waste diversion can create 9 jobs per 10 000 tons and this shows the job-creating potential of this sector, particularly for regional Queensland[7]. A 10-year roadmap also **allows businesses to plan their investment in equipment and skills** and to retain skilled labour throughout the project cycle.

Through the development of the ***Regional Infrastructure Plans*** it will also be important to remain open to innovative approaches from industry in order to get the most efficiency, productivity, and development potential in the delivery and performance from regional infrastructure.

Smart Infrastructure: Connecting regions to build resilience

CCIQ notes that the following smart infrastructure investments will add significant value for Queensland.

Waste levy to fund circular economy projects and infrastructure

The 10-year roadmap included a Waste levy to be charged for waste going to landfill. Business strongly opposed this levy as it added a financial burden to businesses that lacked viable alternatives to using landfill. Despite the business community's strong opposition, the levy came into effect on 1 July 2019. It is now critical for the funds raised from this levy to fund the development of circular economy projects and infrastructure.

City Deals

City Deals provide for collaboration between the three tiers of government to provide for much-needed infrastructure. The South East Queensland[8] and Townsville[9] City Deals provide an opportunity to achieve these important goals in two major parts of Queensland.

Renewable Energy Zones
With the number of completed renewable energy projects rising exponentially[10], it is necessary to ensure that their smooth integration into the grid. The investment in Renewable Energy Zones to streamline planning and integration into the transmission network is a critical part of this. CCIQ encourages continued investment in REZs to ensure renewable energy integration without raising costs.

Hydrogen Infrastructure

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[6] Queensland Resource Recovery Industries 10 Year Roadmap and Action Plan
[7] https://www.qld.gov.au/__data/assets/pdf_file/0021/69042/qld-waste-industry-economic-opportunities-interim-report.pdf (accessed 21 October 2021)
[8] www.infrastructure.gov.au/territories-regions-cities/cities/city-deals/south-east-queensland
[9] https://www.infrastructure.gov.au/territories-regions-cities/cities/city-deals/south-east-queensland (accessed 20 October 2021)
[10] The Queensland Department of Energy and Public Works has calculated that $9.9 billion of investment has gone into renewable energy projects as at March 2021 (data accessed on 20 October 2021)

CCIQ agree that the investment in hydrogen infrastructure could constitute an entirely new competitive industry in Queensland, positioning our state to take advantage of the global shift to clean energy. Hydrogen infrastructure gives Queenslanders the opportunity to tap into expected demand growth in trading partners such as Japan[11] and South Korea.

Water security projects

Queensland is susceptible to natural disasters, and the incidence and severity of these is increasing. The state has been hit by 80 significant disaster events in the past decade, necessitating $15.7 billion of expenditure by the Queensland Reconstruction Authority.[12] Floods and droughts feature prominently in this list of disasters and that makes water security projects examples of smart infrastructure. Projects such as these can help to mitigate the effects of floods, harness excess precipitation and support economic activity in drought prone areas.

Keeping existing assets fit for purpose

A smarter approach with consideration for the lifecycle of infrastructure, responsibility of asset owners for the operations and maintenance, and sustainable approach to maintenance is also needed. The Draft State Infrastructure Strategy should provide strong strategic guidance for keeping existing assets fit for purpose, to support investment in maintaining, extending or evolving the life of existing assets where possible.

Digital by Default

CCIQ's 2020 Digital Readiness Survey showed that 78% of businesses surveyed were optimistic about using technology in the future. The business community is ready for a smarter approach incorporating digital tools and technology.

The emphasis on "digital by default" is welcomed as it makes doing business more efficient and acknowledges modern ways of doing business with government.

CCIQ has advocated for:

- **Targeted funding for digital grants for SMEs**
- **Investing in whole-of-government knowledge sharing and collaborative platforms for interactions with SMEs**
- **Developing a digital approach that promotes e-commerce as best practice**
- **Incentivising the digitization of paper-based processes**

Government also needs to be a leader in adopting advancing, innovative and new emerging technologies. Recent thought-leadership by CEDA[13] support this, with their 2021 research agenda on Public Interest Technology focusing on how emerging technologies can be designed, developed and used in the public interest, such as a reimaging an economy led by technology. Government should

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[11] Queensland government-owned Stanwell Corporation is leading a consortium of Australian and Japanese companies exploring the viability of a renewable energy hydrogen export terminal
[12] Bureau of Infrastructure and Transport Research Economics (BITRE)
[13] CEDA 2021, Public Interest Technology, www.ceda.com.au/reserach-and-policy/Current-research-focus

consider their role in how a focus on smart digitised infrastructure can uplift the Queensland economy, such as through advanced and emerging industries, skills, education and export services.

Q. Do you have any suggestions to improve these objectives?

Suggestion: Small business friendly procurement processes

Opportunities exist for the government to unlock the potential of small businesses through reforming procurement processes to make them small business friendly. As it stands, the Queensland Government spends approximately $4 billion on general goods and services per annum and plans to spend over $50 billion on an extensive four-year capital works program. Small businesses have the capacity to supply a significant proportion of this while delivering favourable outcomes for their region but are currently hampered by the challenge of navigating the current procurement system.

CCIQ frequently hears from small businesses that have either missed out on opportunities, as well as those which are simply unwilling to engage in tendering processes due to the perceived time and monetary costs. Procurement reform for SMEs could produce significant economic benefits for our state, including supporting a significant portion of the states businesses to invest in jobs, capital, and technology to grow and scale their businesses.

Focus Areas of the Strategy

Focus area 1. Realising our future as a renewable energy superpower

CCIQ agrees that, as stated in the *Draft State Infrastructure Strategy*, "*as the world transforms its energy use, Queensland has the potential to become a renewables and hydrogen superpower, creating new jobs in the growing clean energy economy.*"

A headline focus on renewable energy to help drive a Queensland economic competitive advantage is welcomed. CCIQ has long advocated for a smart, future-focused and sustainable energy infrastructure plan, and a plan which also helps accelerate eco-efficient infrastructure across the state.

The uptake of renewable energy further supports Queensland's drive towards the **sustainability-led transformation of our economy**. Affordable, reliable power is the principal requirement for Queensland businesses, a this focus also supports small business across Queensland to be more resilient, low-footprint, diversified and competitive.

Investment in renewable energy also makes good economic sense. Renewable energy costs have fallen to the point where they are the cheapest form of energy generation. A 2020 joint study by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Energy Market Operator (AEMO)[14], concluded the wind and solar photovoltaic (solar pv) are the cheapest forms of energy generation on the market. The study also takes storage capacity and network investment into account, meaning that this lower investment cost does not compromise reliability. Cleaner energy helps to meet changing consumer expectations, reduces emissions, and reduces the risk of Australian exports facing higher import tariffs from trading partners that penalise high emissions.[15]

The focus on the renewable hydrogen opportunity is also welcomed. Queensland's major trading partners, such as Japan and South Korea, have released hydrogen strategies that mark them as potential customers for Queensland hydrogen production[16]. Japan's Green Growth Strategy identifies hydrogen as a key fuel for transport, power generation, business, and household use. Queensland is already a major liquified natural gas (LNG) exporter, with an estimated $15.8 billion[17] exported in the 12 months to April 2020. Our extensive LNG extraction, storage and export infrastructure that can be adapted to hydrogen.

Sustainability led transformation of Queensland's economy can only be achieved by a strong policy focus, therefore it is encouraging to see the Queensland Government's focus on renewable energy, including across multiple infrastructure classes.

CCIQ agree that renewable energy is a key enabler for other sectors to reduce emissions. With the Queensland government setting both a **net-zero emissions target and an ambitious renewable energy target**, both to be achieved by 2050, the test will be how the projects planned will bring the state closer to realising our renewable energy goals, and providing ways for Queensland business to play a part in this and take our state further forward as a leader in this field. To become leaders, or "superpowers" in this space would require the state government to **bring the business community on the journey,**

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[14] Graham, P., Hayward, J., Foster J. and Havas, L.2020, GenCost 2020-21: Consultation draft, Australia

[15] Note: The European Union, Japan and the USA are supporters of a Carbon Border Adjustment Mechanism (CBAM) targeted at imports from "carbon-intensive" countries

[16] Japanese Government, Ministry of Economy, Trade and Industry, January 2021, *Green Growth Strategy Through Achieving Carbon Neutrality in 2050*, www.meti.go.jp/english/press/2020/pdf/1225_001a.pdf

[17] Trade and Investment Queensland, June 2020, Trade Data: COVID impacts but LNG, beef grow. www.tiq.qld.gov.au/trade-data-covid-impacts-but-lng-beef-grow

investing in business to support this progression to "superpower" status, and not just through the delivery of new assets.

Focus area 2. Connecting our regions

CCIQ agrees with the need to better connect our regions both digitally and physically, within our state, Australia, and the rest of the world. Well-connected, smart infrastructure is critical for connecting a state as geographically large as Queensland, and for supporting business viability and competitiveness.

Representing the interests of Queensland businesses, CCIQ hears daily the struggles businesses have with connecting their products and services with their markets:

- **Effective road, rail and ports infrastructure** is required to enable exporters to efficiently traverse the distance from production to customer, particularly critical for our major resources and agricultural sectors, however there is currently a gap in "last mile" connections between rail and ports. As Queensland's high-value agricultural exports grow in volume and value, effective investment in infrastructure will unlock even more opportunities. A Deloitte Access Economics (DAE) study confirmed that moving 35% of freight to rail by 2035 could have an $820 million economic benefit for Queensland. A dedicated rail link to the Port of Brisbane is a crucial part of this plan and could increase Gross Regional Product by $5.4 billion between 2018 and 2045.
- There also needs to be **better connectivity between transport nodes**, and sufficient means to transition goods from one node to another with minimal delay.
- **Telecommunications connectivity** is a significant barrier to businesses in regional and rural areas of Queensland. Prioritising high-speed internet for regional Queensland is a critical need to better connect our regions.

Focus area 3. Creating liveable communities

CCIQ supports the focus on liveability in the Draft State Infrastructure Strategy. CCIQ recognises that population growth, including from inter- and intra-state migration, is placing significant pressure on many cities and regions in Queensland. This impacts on liveability, but also the resilience and sustainability of these cities and regions.

Suggested enhancement of the Liveability agenda: the Sustainable Transformation of Communities

To help support the development, growth and scalability of business in Queensland, CCIQ is an advocate for the sustainable transformation of communities. This would require a commitment of funding for local councils to develop plans for transition to sustainable and resilient communities, the implementation of regional transformation plans (including a key program of sustainable community initiatives within the Regional Infrastructure Plans), and investment in low carbon living programs.

The sustainable transformation of our communities will support future liveability as well as economic opportunities.

Focus area 4. Building a 2032 Games legacy

The Games are projected to cost $4.5 billion to deliver, provide an estimated $7.4 billion in "quantifiable economic benefits" and an uplift of approximately $20.2 billion in international visitor expenditure up to

2036.[16] A "legacy first" approach to the Olympic and Paralympics Games provides an opportunity to create long-term value and benefits for Queensland businesses, as does the goal to deliver the first ever net positive Games.

However, **creating a positive economic and environmental legacy from the 2032 Games** will clearly take effort and collaboration. **An Olympics organising group must also include business voices within it**, to ensure the economic opportunities represent the interests of SMEs and that benefits flow to Queensland-owned and operated businesses.

An enhanced procurement framework for small business in preparation for this infrastructure spend will constitute a positive economic legacy that begins in the near term and extends beyond 2032. The planned multi-billion-dollar infrastructure spend provides an opportunity to build a part of this legacy before the first fans arrive in South East Queensland for the 2032 Games – and for the state government to procure from local businesses, including providing the opportunity for small and medium business to scale and capture the benefits too.

CCIQ is advocating for the Queensland Government to set a bold small and medium enterprise (SME) procurement target. An SME procurement target that goes beyond existing Queensland government policy should also be considered to help distribute opportunities across the Queensland economy, break procurement barriers for local SMEs, and build capacity and a **legacy** for the procurement of other products and services longer term.

Legacy infrastructure

The International Olympic Committee (IOC) and the Queensland Government have committed to a 'legacy first' approach to the 2032 Olympics. Creating a positive economic legacy from the 2032 Games will clearly take effort and collaboration beyond what most host cities have mustered to date. The planned multi-billion-dollar infrastructure spend provides the perfect opportunity to cement this legacy before the first fans arrive in South East Queensland for the 2032 Olympic and Paralympic Games (2032 Games). The Games are projected to cost $4.5 billion to deliver, provide an estimated $7.4 billion in "quantifiable economic benefits" and an uplift of approximately $20.2 billion in international visitor expenditure up to 2036.[16]

Suggested legacy: Procurement Reform

This commitment to a building a legacy should not only focus on infrastructure outcomes, but also processes and procurement. Procurement reform for small and medium businesses should be one of the key legacy items to emerge from the Games. An enhanced procurement framework for small business in preparation for this infrastructure spend will constitute a positive economic legacy that begins in the near term and extends beyond 2032. A bold small and medium enterprise (SME) procurement target that goes beyond existing Queensland government policy should also be considered to help distribute opportunities across the Queensland economy and also build capacity for the procurement of other products and services longer term.

Opportunity: Legacy of a Business-Friendly Government through SME procurement

Business-friendly governments are those that reduce barriers, operating costs and complexity of doing business within the state, and reducing the barriers, costs and complexity of tendering products and services to government. As it stands, the Queensland Government spends approximately $4 billion on general goods and services, in addition to more than $50 billion over a four-year horizon on an extensive

capital works program. Opportunities exist for the government to unlock the potential of small businesses through procurement processes.

Small businesses have the capacity to supply a significant proportion of this while delivering favourable outcomes for their region. However, CCIQ frequently hears from small businesses that have either missed out on opportunities, as well as those which are simply unwilling to engage in tendering processes due to the perceived time and monetary costs. **Procurement reform for small and medium businesses should be one of the key legacy items to emerge from the Brisbane 2032 Games.**

A sustainable Brisbane 2032 Games

CCIQ support the vision of the Brisbane 2032 Games being the first ever climate-positive Games, and supports the commitment to adopting environmental sustainability measures for new infrastructure projects. An enhancement of this sustainability commitment would be to **support locally owned and made sustainable products and services** in procurement, to demonstrate supply-chain benefits from adopting more sustainable practices and to support the emerging sustainability sectors in Queensland.

CCIQ is a strong advocate for sustainable business practices as a way to accelerate a sustainability led transformation of the Queensland economy. **Incentivising Queensland businesses on the journey to being more sustainable** is a proven method for uplift in this area, through grants and subsidies, but also but reducing red tape and regulatory burdens. CCIQ look forward to working with the Queensland Government to find ways to deliver the most sustainable Games ever, and build a sustainability legacy for our economy.

Focus area 5. Driving infrastructure performance

CCIQ supports this renewed focus on driving infrastructure performance, as this is in line with best practice and is good governance. A smarter approach in consideration for the lifecycle of infrastructure, responsibility of asset owners, and approach to maintenance is needed.

The *Regional Infrastructure Plans* must provide clear and transparent direction that allows for smart planning, monitoring, analysis and reporting of regional infrastructure projects. It will also be important to remain open to **innovative approaches from industry** in order to get the most efficiency, productivity, and development potential in the delivery and performance of infrastructure. Eco-efficient, digitally connected, and co-located infrastructure can provide economic opportunities beyond the assets core purpose. This is especially the case for transport, water and energy infrastructure, but also applies to industry specific infrastructure providing enhanced opportunities to a broader sector, such as health, education, and tourism infrastructure as well. **Consultation with industry can inform these opportunities.**

A recent Grattan Institute study on major infrastructure projects in Australia[18] strongly emphasised the need for adequate scheduling and planning for infrastructure" megaprojects". They assert that a failure to do this results in significant cost escalations and project delays, and ongoing impacts to the economy. The report[19] further illustrates the need for collecting benchmarking data on infrastructure costs over time to better inform performance management processes and decision making.

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[18] Grattan Institute, 2021, Megabang for megabucks: Driving a harder bargain on megaprojects. grattan.edu.au/report/megabang-for-megabucks.
[19] Ibid p.10

Partnerships and private investment

How can the State Infrastructure Strategy and its priorities better facilitate private sector investment?

CCIQ encourages the Queensland Government to facilitate private sector proposals for infrastructure development, maintenance and advancement. There are innumerable opportunities for Queensland small business to service these needs, and build the skills and capabilities among Queensland based businesses

However, industry will need a clear outline of the scale and timeliness of the opportunities, an understand of the procurement and proposal processes in order to plan.

It is critical that there is extensive industry involvement in the yet-to-be-developed Regional Infrastructure Plans, to:
- **identify issues and opportunities for regional infrastructure as it impacts on key and emerging regional industries,**
- **explore the opportunity for local procurement and break barriers to realising these opportunities,**
- **explore opportunity for industry-led infrastructure proposals with proven regional development potential to be considered in the priority assessment, and**
- **explore the opportunity for innovative approaches to infrastructure delivery to best benefit industry and regional development.**

Recommendations identified by infrastructure class

Several partnership and private investment opportunities and recommendations have been identified and suggested in our response to each infrastructure class. Please refer to the relevant sections for these recommendations for how the Queensland Government can drive improve private sector partnerships and investment opportunities.

Cross Government

13. To what extent do you agree with the identified cross-government themes?

Working with the private sector

Our priorities for private investment

CCIQ supports the identification and publication of significant infrastructure opportunities that are suitable and would benefit from private investment. However, **projects should not only focus on opportunities that do not require government funding** or long-term concessions, but **also include partnership opportunities and opportunities with ongoing concession such as community benefit contributions**. Broadening the scope of projects the private sector can deliver only enhances their capacity to do so.

Identifying where opportunities exist for local and small and medium sized businesses would also be strongly supported.

Longer-term pipeline development

CCIQ supports the goal to progressively build a longer-term view of infrastructure proposals to inform the Queensland Government Infrastructure Pipeline. **Transparency with data and decision-making** on pipeline development is also strongly recommended.

CCIQ would like to see **eco-efficient infrastructure both expanded and prioritised** in the Queensland Government Infrastructure Pipeline, especially **resource recovery, waste and circular economy projects**. This would contribute significantly to the Queensland Government **net-zero emissions and ambitious renewable energy targets**, both to be achieved by 2050.

More collaborative approaches with industry

CCIQ is a strong supporter of **procurement roadshows**, as well as and the need for more **government-led information forums,** such as for telecommunications, for regional business support and engagement.

Enhancing governance

CCIQ supports improved data-driven governance processes to capture and enhance the understanding of infrastructure impacts beyond the build, optimise performance, and the realisation of benefits. Clear, verifiable data on drivers of infrastructure planning decisions, and which support life-of-project analysis and assessment, is good governance.

Embedding digital and data innovation

CCIQ supports the focus and investment in digital and data innovation. This could be **enhanced** by building knowledge sharing capabilities withing government and with the private sector.

CCIQ has advocated for the investment in a whole-of-government knowledge sharing to better connect with businesses. and collaborative platforms for interactions with SMEs.

CCIQ support digital twin technology as a means to assess and predict life-of-project assessment, and provide for improved long-term infrastructure planning.

Infrastructure planning with a focus on place

CCIQ supports the delivery of Regional Infrastructure Plans, and alongside our industry and local government colleagues are keen to be involved in the planning and consultation of this process to **ensure the needs of industry and small business are well represented and considered.**

CCIQ can assist the Queensland Government to connect with the regional chamber network and the businesses they represent.

CCIQ further support the prioritisation of growth areas for infrastructure planning, and recommend finalising **City Deals** as one way of accomplishing this, as well as **committing to City Deals for additional Queensland regions.**

CCIQ requests **further information** on how "Facilitating growth precincts to drive regional jobs" is to be proposed and implemented; how this will operate in practice to achieve the desired outcomes.

Resilience and Sustainability

Better performing buildings

CCIQ support the investment in better performing buildings to drive sustainability and lower energy costs. **CCIQ recommends the investment in better performing building be an incentive-based program, with targeted funding for SMEs to become more sustainable.**

Zero-net emissions infrastructure plan

CCIQ supports the intention of a zero-net infrastructure plan, provided if it does not raise costs for business. CCIQ recommends that this be achieved via supporting and incentivising businesses rather than mandating compliance.

14. Are there any further cross-government priorities that need to be considered? Some examples include:

Tackling waste and the circular economy

CCIQ urges the Queensland Government to prioritise projects for resource recovery, waste and circular economy in regional locations. The circular economy presents significant environmental and economic opportunity for Queensland, including opportunities for or regional areas to become more diversified, resilient and competitive.

Further, CCIQ recommends the **allocation of waste levy funds** to be put towards the building of new **circular economy projects**. This would represent a sensible, smart allocation of revenue raised and reinvested in sustainable waste projects.

15. To what extent do you agree with the cross-government priority actions identified that support these focus areas?

Encourage jobs, growth and productivity

CCIQ welcomes that a core remit of the newly established *Growth Areas Team* is **consultation, collaboration and partnership with industry**. This can help drive better outcomes for not only the delivery of infrastructure projects by helping to **bridge the gap between economic development and strategic planning priorities**, but also produce better outcomes for the business sectors and communities they support.

Enhance sustainability and resilience

CCIQ believes there is more that could be done to enhance sustainability and resilience, beyond better performing buildings. Suggestions are provided below.

16. Do you have any additional cross-government priority actions you would like to suggest?

- **CCIQ recommends the Queensland Government commit to further City Deals for additional Queensland regions, as a vehicle for agreed projects and funding models.**
- **CCIQ recommends the Queensland Government commit funding to local councils to develop plans for the transition to sustainable and resilient communities.**
- **CCIQ recommends the Queensland Government invest in a low carbon living program to support the sustainable transformation of communities.** This will benefit not only communities, but also support the sustainable practices of businesses in the communities, and contribute towards Queensland's net-zero emissions target.
- **CCIQ urges the Queensland Government to prioritise projects for resource recovery, waste and circular economy in regional locations.**
- CCIQ recommends the **allocation of waste levy funds** to be put towards the building of new **circular economy projects**.

Infrastructure classes

Transport

What Transport infrastructure means for Queensland small business

Smart infrastructure is critical for connecting a state as geographically large as Queensland, and for **supporting business viability and competitiveness**. It is also required to enable **exporters** to traverse the distance from production to customer, particularly critical for our major resources and agricultural sectors.

As Queensland's high-value agricultural exports grow in volume and value, investment in transport infrastructure will unlock even more opportunities. A Deloitte Access Economics (DAE) study confirmed that moving 35% of freight to rail by 2035 could have an $820 million economic benefit for Queensland. A dedicated rail link to the Port of Brisbane is a crucial part of this plan and could increase Gross Regional Product by $5.4 billion between 2018 and 2045.

Better connecting our regions is clearly a priority for both the public and the business community. Queensland is Australia's 2nd largest state by land area and is also highly decentralised. This necessitates greater connectivity between the different parts of the state.

In South East Queensland alone, more efficient connectivity between the different transport nodes at the Gold Coast and the Sunshine Coast will **improve the opportunities to do business for many small businesses** across the broader South East Queensland region. Beyond South East Queensland, efficient and affordable road, rail and air connectivity between different parts of the state will also make it easier to travel and do business.

As part of this process, it is critical for the Queensland government to provide transparent data on the business cases and delivery for transport connectivity and "last mile" rail infrastructure, to **build the confidence required to support ongoing business investment.**

Challenges

CCIQ agrees with the challenges identified in the Draft State Infrastructure Strategy are critical improvements needed to our states transport infrastructure.

Network security and resilience

CCIQ supports the Draft State Infrastructure Strategy's focus on building network security and resilience. With Queensland's susceptibility to extreme weather, network security and resilience is a major issue in the event of bushfires, floods and other disasters.

Freight on rail, and Journey times and freight efficiency

CCIQ has advocated for a refocused investment in road, rail, runway and ports – especially to support export capability and to reduce producer to consumer transit times. **Last-mile connectivity, improved connectivity between transport nodes, and enhanced rail freight** capacity and efficiencies are examples

of improvements which could significantly improve the productivity and competitiveness of Queensland businesses.

Road Safety

CCIQ supports the Draft State Infrastructure Strategy's focus on improving road safety, not only for the **safety** of Queenslanders, but also for the **efficiency** of Queensland's road networks to support freight and the ability to do business.

Opportunities

In addition to the opportunities identified above concerning the challenges of Queensland's transport infrastructure, CCIQ agrees with the opportunities identified in the Draft State Infrastructure Strategy to further improve, including:

Environmental sustainability

CCIQ supports the Draft State Infrastructure Strategy's focus on improving the eco-efficiency of Queensland's transport infrastructure, and investing in low and zero emission vehicles and vessels, and encouraging the use of low or zero emission passenger transport options.

CCIQ recommends the climate resilience also be a strong consideration for any maintenance or new development of transport infrastructure in Queensland as well.

Brisbane 2032 Games

CCIQ agrees that the Brisbane 2032 Games, and the goal to deliver the first net-zero emission Games ever, provides a unique opportunity to deliver sustainable, accessible and inclusive transport infrastructure across the state. Low or zero emissions transport infrastructure helps communities and businesses also reduce their operational footprint, and contribute to Queensland's net zero emission target.

CCIQ recommends targeted funding for SMEs to adopt sustainable practices, and invest in sustainable technologies, including the adoption of low or zero emissions transportation options.

Increased connectivity and accessibility

CCIQ supports the focus on increased transport connectivity and accessibility through integrated public transport journey planning, information and payments. This will help support Queenslanders, and visitors to Queensland, connect with destinations and services efficiently.

Use technology to improve mobility

CCIQ supports the exploration and adoption of new technology and services to improve access and connectivity across Queensland, such as drones, delivery bots and automated vehicles. **CCIQ encourages the private sector engagement and partnership to explore these opportunities, and support the growth of STEM skills and sectors in Queensland to deliver these products and services.**

Response to Priority Actions for Transport

Improved freight reliability and efficiency
CCIQ recommends a focus on "last mile" rail infrastructure to ports to improve efficiency of freight movement, as well as improved connectivity between transport nodes (for example, fast rail).

SEQ rail network and faster rail
CCIQ supports the investment in improved and faster rail networks, especially in growth areas.

Incentivising low and zero emission Transport solutions

CCIQ support the proposed initiative to incentivising low to zero emission transport solutions, and recommend this be targeted at SME to increase the adoption of sustainable transportation across a large segment of Queensland businesses.

Queensland Electric Super Highway

CCIQ support the investment in Queensland's Electric Super Highway, and proposed partnership opportunities with industry.

CCIQ encourages the private sector engagement and partnership to support the growth of STEM skills and sectors in Queensland to deliver these products and services for Queensland's Electric Super Highway.

Reduce transport emissions

CCIQ recommends incentives are utilised to encourage the reduction of transport emissions by Queensland businesses.

Port network management

CCIQ strongly supports measures to improve efficiency and lower costs within the port network.

Planning for the Brisbane 2032 Games

CCIQ supports smart advanced planning for the Brisbane 2032 Games to ensure the right infrastructure is planned for the right reasons, and provides enhanced economic opportunities as a legacy.

CCIQ recommends the Queensland Government provides a small business friendly procurement policy which enables and encourages small businesses, and local businesses, to bid for and secure contracts.

Energy

What Energy infrastructure means for Queensland small business

Queensland's small businesses need affordable, reliable power. CCIQ supports investment in energy infrastructure enabling these two goals. With Queensland being a large state with a highly dispersed population, generating, transmitting and distributing electricity can be both complex and expensive. According to the Reserve Bank of Australia[20], more decentralised energy generation, transmission and distribution can have a redistributive effect on jobs and industries as the required infrastructure is often in regional Queensland.

Affordable, reliable electricity is a basic business need. If the right investments occur in renewable energy infrastructure, this has the opportunity to help stimulate local industries and jobs, while lowering production and operating costs for businesses.

The uptake of renewable energy further supports Queensland's drive towards sustainability and achieving our net zero emission target. Cleaner energy helps to meet changing consumer expectations, reduces emissions, and reduces the risk of Australian exports facing higher import tariffs from trading partners that penalise high emissions.[21]

Challenges

COVID-19 impacts

The COVID-19 pandemic has disrupted ways of working for many Queensland businesses, and by extension the energy use and mix consumed by households and industry. CCIQ also acknowledges this has also disrupted the strategic planning for energy infrastructure.

Energy security, reliability, and affordability, including energy in remote communities

Energy security, reliability and affordability is a key concern and operational cost for many Queensland businesses.

CCIQ supports the Queensland Governments commitment to maintaining energy affordability into the future, and encourages ongoing industry consultation on this topic.

Opportunities
CCIQ supports the strong focus on renewable energy as a key growth opportunity and to drive sustainable solutions for Queensland's economy, through:

- Industrial decarbonization
- Supply chain development, including hydrogen production and value chain development opportunities in Queensland

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[20] Reserve Bank of Australia, 2020, Renewable Energy Investment in Australia. www.rba.gov.au/publications/bulletin/2020/mar/renewable-energy-investment-in-australia.html#fn2

[21] The European Union, Japan and the USA are supporters of a Carbon Border Adjustment Mechanism (CBAM) targeted at imports from "carbon-intensive" countries

- Co-locating industrial hubs alongside renewable energy production, to ensure best capitalization for both energy infrastructure and industry
- Enhance the ability for utilising a broader future energy mix in Queensland, across sectors and consumer products.

CCIQ Response to Priority Actions for Energy

50 per cent renewable energy target

CCIQ supports the adoption of a clear renewable energy target and date to drive investment decisions.

CCIQ recommends business be incentivised to adopt sustainable business practices, including a shift to renewable energy sources.

Developing a 10-year energy plan

CCIQ supports the development of a holistic 10-year plan on energy plan.

CCIQ recommends extensive industry consultation on the energy needs of industry in the development of the Regional Infrastructure Plans.

Develop Queensland's Hydrogen Industry

CCIQ supports the development of a hydrogen industry in Queensland, including production and broader value chain opportunities, and the commitment to work with private enterprise to explore these opportunities.

Queensland Renewable Energy and Hydrogen Jobs Fund

CCIQ supported the establishment of the Queensland Renewable Energy and Hydrogen Jobs Fund.

CCIQ recommends the Queensland Renewable Energy and Hydrogen Jobs Fund ensures ease of application and ease of administration to allow smaller businesses to explore opportunities and access to this fund.

Energy Storage

CCIQ support energy storage investment to allow greater renewable energy integration and reliable power supply.

CCIQ recommends extensive industry consultation on the energy storage and access needs of industry in the development of the Regional Infrastructure Plans.

Northern QREZ, Central QREZ, and Southern QREZ

CCIQ supports QREZ projects to enable renewable energy integration in the Northern, Central and Southern parts of Queensland, and to unlock opportunities for further economic development in these areas.

CCIQ recommends increased investment in Renewable Energy Zones to improve the cost-effective integration of renewable energy into the grid.

Stand-alone power systems

CCIQ supports the exploration and investment in improving electricity access in rural and remote areas of Queensland.

CCIQ recommends extensive industry consultation on the energy access concerns of industry, and the need and demand for stand-alone power systems, in the development of the Regional Infrastructure Plans for rural and remote areas.

CCIQ strongly advocates that any renewable energy integration must not raise electricity costs for Queensland business and households.

Water

What Water infrastructure means for Queensland small business

Challenges

CCIQ agrees with the water infrastructure related challenges identified in the Draft State Infrastructure Strategy, and encourages the Queensland Government to apply an economic lens to water infrastructure projects and policy for a full assessment of the vulnerabilities and needs of Queensland businesses and communities.

Achieving greater efficiency and reducing wastage

CCIQ acknowledges the inherent challenges in reducing wastage from existing infrastructure, and supports an efficiency focused approach to improving existing assets, including the investment in new technology and governance processes to achieve greater efficiencies.

Climate change

Queensland is susceptible to natural disasters, and the incidence and severity of these is increasing. The state has been hit by 80 significant disaster events in the past decade, necessitating $15.7 billion of expenditure by the Queensland Reconstruction Authority.[22] **These events do not discriminate on type of property or activity, and households and businesses are equally vulnerable.**

Water security

Floods and droughts feature prominently in the list of natural disasters impacting our state, with water security a key concern for many regions. Water security projects aim to mitigate the effects of floods and droughts, harness excess precipitation, and help to support the resilience of economic activity in drought prone areas. **Water security is critical for the economic resilience of many Queensland regions.**

Opportunities

Making the most of existing infrastructure

This could include maintenance and incremental improvement to enhance resilience and effectiveness of existing assets, such as:

- Improved stormwater drainage to increase resilience (and reduce insurance premiums) in flood-prone areas
- Enhanced water transfer pipelines and reservoirs in drought prone areas
- Continued investment in pipelines linking water reservoirs in connected regions[23]

Aligning water infrastructure planning with regional economic strategies

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[22] Bureau of Infrastructure and Transport Research Economics (BITRE)
[23] Note: The SEQ Water grid is one example, and includes 12 dams, 35 water treatment plants, 28 bulk water reservoirs covering South East Queensland

CCIQ recommends extensive industry consultation on the water infrastructure needs of industry in the development of the Regional Infrastructure Plans.

Improving water trading and optimising markets, and embracing alternative water supplies

CCIQ supports innovating and optimising solutions to addressing water security in our state. Reliable access to potable water and resilience from floods and droughts will provide a major boost to Queensland's small business community as it will reduce trading disruptions and damages, revitalise water-stressed communities and precincts, and allow additional business investment.

CCIQ Response to Priority Actions for Water

Robust consideration of bulk water infrastructure

CCIQ supports the appropriate due diligence, feasibility planning and consideration of investment in bulk water infrastructure and any other water investments, taking climate change into account. CCIQ supports prudent, environmentally sensitive, evidence-based decisions on water security investments.

Safe and secure water supply for all communities

CCIQ supports the goal of safe and secure water supply for all communities as that will support business operations and viability. **CCIQ recommends extensive industry consultation on the water infrastructure needs of industry in the development of the Regional Infrastructure Plans.**

Water to catalyse regional economic development

CCIQ recommends extensive industry consultation on the water infrastructure needs of industry in the development of the Regional Infrastructure Plans.

What is also needed are firm commitments to commence viable water security projects. To achieve this, CCIQ recommends the Queensland Government:

- **Commit to City Deals for additional Qld regions as a vehicle for agreed projects and funding models. This could prove effective for high producing regions with water security issues**
- **Commit to developing and finalising business cases for priority water security projects in critical need regions as a priority.**
- **Finalise and publish business cases for priority water security projects**, to improve business confidence and support business investment and planning.

Communicating the benefits of water efficiency

CCIQ supports the communication of water efficiency benefits and encouragement of sustainable practices.

CCIQ recommends targeted funding for SMEs to adopt sustainable practices, including water efficiency, as a model for business growth and diversification.

CCIQ recommends grants for SMEs to invest in technologies that accelerate improved water usage efficiencies.

Health

What Health infrastructure means for Queensland small business

Challenges

Recent enhanced pressures on the health system due to the COVID-19 pandemic are not isolated from the growing demands from **population growth and an ageing community**. Keeping pace with **shifting consumer needs** can be aided by providing further opportunity for the private sector to help service those shifting demands, integrated as part of public health service business models, and co-located where possible to encourage collaborative delivery.

Health equity for all Queenslanders is critical, including those living in regional and remote areas, as well as Indigenous communities. CCIQ members in remote areas have consistently given feedback on the health and safety dangers of poor infrastructure, especially combined with the tyranny of distance to access health services. Improving access to virtual healthcare is both an opportunity and a challenge, as well as the digitalisation of health services in general, however this is reliant on supporting civil infrastructure.

A holistic approach is needed when considering the accessibility of health services to disadvantaged communities, including the telecommunications infrastructure and transport infrastructure to help access those services.

Opportunities

CCIQ agree with the opportunities to co-locate health, community, disability and housing services. A place-based, precinct approach for related sectors and services can create opportunities for enhanced economic development through agglomeration. Additional benefits and opportunities derive when firms and people locate near one another in cities and clusters. In the strategic planning of these precincts, **CCIQ recommends due consideration be given to the opportunity for private operators to also co-locate with government-based centres and services.** This supports the opportunity to provide more jobs in healthcare, and grow Queensland's health knowledge economy.

CCIQ Response to Priority Actions for Health

Partnering with key private sector and non-government providers

CCIQ agrees that the state government exploring partnership models with the private sector and non-government providers can realise efficient and effective health infrastructure. Especially in a period of public health crisis such as the COVID-19 pandemic, **partnerships with the private sector should be explored to help manage service demand pressures as well as other shortages that arise in the health sector.**

Improve health care services in rural and remote areas

Regional, rural and remote areas require the same level of access to health services as those located in larger towns and cities. Providing good access to health care service promotes population retention and better community health in these areas. **The objective of improving health service accessibility to all**

Queenslanders must be a consideration across a range of infrastructure classes, and involves applying a health equity perspective to transportation, telecommunications and energy projects.

Grow our rural and remote digital infrastructure and technology

This action assumes the objective for all Queenslanders to be able to get the care they need, when they need it, in ways that are user-friendly, achieve the desired result and provide value for money. Productive, efficient and effective health care supports the Queensland economy and community.

This could be achieved by:

- **Further promoting digitalisation of health services in rural and remote areas.**
- **Ensuring virtual health services are integrated into existing health services and not distinct.**

Achieve the Queensland Government's zero net emission by 2050 target

To progress this journey, the Queensland Government should provide incentives to the private sector, specifically, **grants to small and medium sized businesses to invest in sustainable practices and operations**.
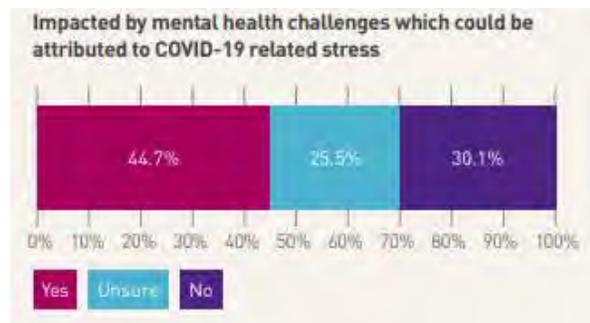
First Nation health equity strategies

The health of our First Nations peoples must be serviced equally and afforded the same level of accessibility to both public and private health services.

The Queensland Government needs to place First Nations peoples voices at the centre of healthcare service delivery. They can do this by supporting Aboriginal and Torres Strait Island Community Controlled Health Organisations (ATSICCHO) in supporting their communities through holistic and culturally appropriate health care and create partnership opportunities for the private sector to all contribute services and close the healthcare gap in these communities.

Mental health and wellbeing of Queenslanders

Small business represent not only a significant part of the Queensland economy but also our communities. In representing the interests of Queensland businesses, in the CCIQ Pulse Survey of the June quarter 2021, CCIQ sought to better understand the mental health impacts of the COVID-19 pandemic on small and medium businesses. The findings found that over two in five businesses indicate that either they as a business owner or someone within their business had experienced mental health challenges associated with COVID-19 stressors, as shown below.

Impacted by mental health challenges which could be attributed to COVID-19 related stress

Yes 44.7% | Unsure 25.5% | No 30.1%

CCIQ supports any targeted public health focus on supporting the mental health and wellbeing of small business owners and managers.

COVID-19 has seen a rise in mental ill-health, spikes in respiratory conditions and an increased demand for technological and low-contact automation in health care has had a real impact on the health sector's workforce.[24] We need to ensure that funding and necessary experience is provided in vocational and higher education. **This can be done through industry partnership and consultation to ensure that we are providing skilled graduates and re-skilling or upskilling workers that are essential to meet the needs of the future health sector workforce.**

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[24] AIHW, 2021, 'COVID-19: looking back on health in 2020.' https://www.aihw.gov.au/reports-data/australias-health-performance/covid-19-and-looking-back-on-health-in-2020

Education and Training

What Education and Training infrastructure means for Queensland small business

Challenges

Population growth in the southeast corner

It is important that the right education and training infrastructure is planned to channel a growing population into employment opportunities.

State schooling capacity in emerging communities

It is important that appropriate school infrastructure is available to ensure that high levels of numeracy and literacy skills are attained across all regions and communities in Queensland. This is particularly important for regional towns that need schools to retain families and businesses in the area (and fight the 'brain drain' from regional areas), and for areas with already disadvantaged social groups.

Maintaining and renewing an ageing infrastructure base

The Queensland Government needs to ensure that maintenance and renewals are provided to upkeep current infrastructure and maintain its viability now and into the future.

Opportunities

Aligning training infrastructure renewal with contemporary industry and workplace needs

An education sector effective servicing the Queensland economy must ensure that training is aligned with industry and workplace's needs, now and into the future. We can do this by:

- **Developing skill hubs where individuals can access flexible and accessible VET and university training that will better reach regional workforce needs.**
- **Consulting with industry to ensure that the skills that are being developed create direct pathways into the workforce.**

Leveraging new technologies to advance learning, teaching, and working

Leveraging innovative technologies and advanced learning, teaching, and working will be essential to keeping up with changes and disruptions in the future. Firstly, it will assist with making sure that the delivery of emerging industries, sustainable skills and advanced training STEM will be possible. Secondly, technology is important as it can facilitate greater access to a wider range of skills for individuals and workplaces located in regional, rural, and remote areas.

CCIQ Response to Priority Actions for Education and Training

Leveraging new technologies to advance learning, teaching, and working

Leveraging innovative technologies is important to make sure that we are able to teach the skills of the future. It is important that Queensland businesses are keeping pace with digital advancements and realising the increased efficiencies that come with them. In 2015 CEDA predicted that automation would replace 40% of Australia's workplace by 2035.[25] Rather than erasing jobs, as is the common misconception, automation will result in less workers doing routine labour tasks and instead focus human labour in areas that require analysis, problem-solving, emotional intelligence and creativity.[26]

Harnessing technology also allows for more eLearning possibilities for businesses where education or training access is impacted by location. In consultation, businesses raised the issue of location impacting the ability of the local population accessing skills. 50% of regional businesses consider a lack of access to suitably qualified employees and labour as a major and critical disadvantage due to their location.[27] Investing in technology for training is essential to improve access across Queensland.

This could be achieved by:

- **Investing in the private sector to explore the most innovative technologies to utilise within educational institutes and facilities, aligned to future the needs of industry.**
- **Aim to increase the number of STEM graduates in Queensland from 2022 base year.**
- **Partnering with industry to ensure that our education institutions and infrastructure keeps pace with digital advancements.**
- **Partnering with business to ensure that graduates are given the general capabilities needed to perform highly skilled work in the future workforce.**

Local Skills, Local Jobs

The biggest concern for Queensland regional businesses in 2020 was their **access to suitably qualified employees** with over half of respondents stating that this was a major or critical concern for them. [28]

The unemployment rate in Queensland during COVID-19 was one of the highest in Australia. In May 2020 Wide Bay (12%), Outback (11.8%) and Toowoomba (8.6%) were the worst hit regions sitting well above Queensland's state average (7.9%) and Australia's average of (7.1%).[29] Youth unemployment (15-24 years) in Queensland for May 2019 was 14%, this rose to 15% in May 2020 and this year sat at 14.4%.[30] Youth unemployment has and continues to be an important issue that Queensland needs to address.

This highlighted the need to make sure that the local population was adequately skilled to fill vacancies in the local area, particularly in times of disruption. Making sure that skills are accessible locally for young Queenslanders as well ensures that they have a direct path into employment.

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[25] CEDA. (2015). Australia's future workforce?
www.ceda.com.au/CEDA/media/ResearchCatalogueDocuments/Research%20and%20Policy/PDF/26792-Futureworkforce_June2015.pdf
[26] PwC, 2018, Workforce of the future: The competing forces shaping 2030. www.pwc.com.au/people-business/assets/workforce-of-the-future.pdf.
[27] CCIQ, Challenge of being an Employer in Regional Queensland Survey, 2020.
[28] CCIQ, Challenges of being an Employer in Regional Queensland Survey, 2020.
[29] ABS, Labour force: Australia, May 2020.
[30] ABS, Labour force: Australia, May 2019, 2020, 2021.

Business feedback on this issue:

- *"Even though we are only two hours to Brisbane and the Coast, we cannot entice professional staff to leave a city lifestyle for a rural lifestyle. The drain of people from rural areas to the Coast is another problem that I have no solution for."*
- *"Lack of qualified tradesman in area due to mining. Mining wages has driven up the cost of employing a tradesman beyond what a retail trade business can afford."*
- *"Inability to attract people to region to cover for leave absences, inability to earn to cover penalty rates [Easter Saturday is a major grip], inability to earn bang for buck with wage increases, penalties etc."*
- *"Inability to attract quality employees - they prefer the greater social opportunities on the coast Inability to replace employees at short notice."*
- *"Extremely difficult to find qualified skilled staff anywhere in Australia who will work in rural Qld."*

Improvements could be achieved by:

- **Strengthening linkages between universities and TAFE to provide flexible delivery and access to training and skills that better meet regional workforce needs.**
- **Committing to workforce planning programs across all regions to target skills and training needs.**

Partnering with industry

The Queensland Government needs to partner with industry to ensure that skills are meeting the needs of business and that there are adequate pathways into the workforce. In Queensland, with the current employment shortage, regional businesses are complaining about the **gap between what is being offered in training and the actual skill needs in the workforce**. The state government and education and training facilities need to continue to work closely with industry to ensure that the curriculum being taught reflects the skills needed in industry.

Feedback we received for training to better prepare graduates in the workforce included:[31]

- *"Get graduates to have real live action lessons in the industry they are going for."*
- *"Definitely, give them practical experience through the programs."*
- *"Further hands-on knowledge in a wide range of fields for the Relevant stream."*
- *"Their lecturers need to be employed in small business four months of the year."*
- *"More onsite school-based training."*

Improvements could be achieved by:

- **Co-design, dual-purpose institutions and collaboration with industry bodies, regional organisations, councils, and local chambers of commerce. This would achieve the flexibility in delivery and access needed to provide training and skills to better meet regional workforce needs.**

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[31] CCIQ, 2020, COVID Skills Consultation.

Enabling contemporary training facilities

Training facilities require regular renovations and updating so they are able to keep pace with industry needs, new skill demands, increased student volumes, and evolving methods of training delivery.

Enabling contemporary training facilities can be achieved by creating spaces that have direct industry linkages with training also occurring onsite. Embedding training into these spaces, enables a direct pathway into work. This could also be achieved through dual institute TAFE/ Universities, bridging and creating pathways between vocational and higher education.

The University of Queensland's Institute for Teaching and Learning Innovation has illustrated that learning is now something that those in the modern workforce will constantly need to do. Individuals have longer lifespans, change careers and will need to compete with automation. Technological changes are reshaping how we need to upskill, reskill and re-invent our skill acumen over time.[32]

CCIQ recommends the Queensland Government establishes partnerships between Government, industry, and educational institutions to ensure that education is kept up to date with industry needs.

Developing contemporary IT systems and digital-rich learning spaces

Making sure that IT and digital technologies are integrated into all curriculum is integral to address future skill needs. Businesses have experienced, and are experiencing, a huge shift to digital technology and automation.

There is a need for digital literacy to be embedded in vocational and higher education and offered as an upskilling opportunity for those who lack digital literacy.

Feedback CCIQ received on how business practice has changed over the last 10 years due to technological advancements included:[33]

- *"Much more product is used that has a digital technology base plus much onsite paperwork is now on an iPad"*
- *"Significantly to increase speed and accuracy of results."*
- *"What used to be guess work and paper based decision making is now automated data analysis."*
- *"A shift to innovation and technology to streamline processes but the skills of those coming through are limited in education to soft skills."*
- *"We are in the digital technology business; we have to keep ahead of the curve."*
- *"Dramatically gone from paper to digital end to end."*
- *"Strong movement to AI and sophisticated search tools."*

CCIQ recommends that:

- **Government training funding is targeted at new and emerging skills needs aligned with industry demands.**
- **The Queensland Government strengthen and continue investments in STEM skills to support emerging sectors demanding these skills.**

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[32] Matthews, K et al, 2018, The Higher Education Landscape: Trends and Implications, Institute for Teaching and Learning Innovation, The University of Queensland.
[33] CCIQ, 2020, COVID Skills Consultation.

Further opportunities

There are further opportunities to ensure there is a defined **role for small businesses**, including**:**

- in the procurement process for updating and transforming education and training facilities, and
- ensuring local linkages are encouraged between universities, TAFE, Registered Training Organisations, industry, and small businesses.

Digital

What Digital infrastructure means for Queensland small business

CCIQ is an active advocate on behalf of Queensland business for better connecting regions and advancing technological capacity to generate resilience, competitiveness, and new economic opportunity in our regional areas. The issue of telecommunications service delivery, particularly for regional Queensland, has been a consistent barrier and opportunity for our members and chamber networks. Of particular concern, is the need to ensure businesses and communities has access to **high-speed internet** to enable the **digital capacity, connectivity and advancement of industry**.

This section of our response draws on feedback from consultation with CCIQ's regional stakeholder managers, the local chamber network across Queensland, and Queensland small businesses in regional areas.

Challenges

CCIQ provides response to the following challenges identified in the Strategy concerning Digital Infrastructure.

Tyranny of distance

Business feedback regarding rural and regional Queensland digital connectivity and services:
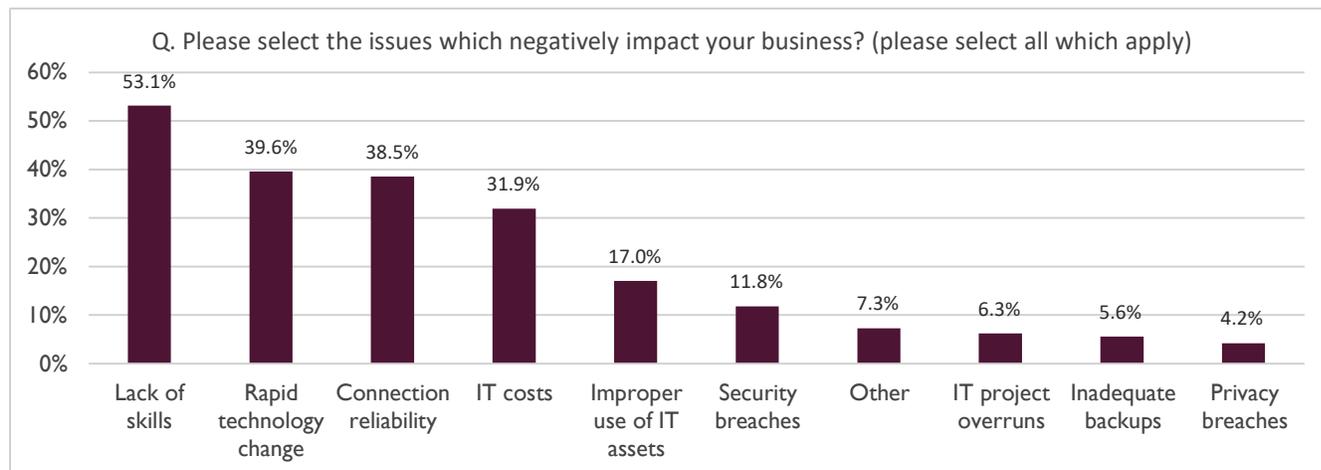
- *"Coverage and reliable service should be available for everyone. People need to be able to run businesses, connect with community and seek assistance and support from their own homes and business locations."*
- ***"Bring us up to 'city' standards and keep the cost to that also."***
- *"The government policies have helped, but service providers are still looking for returns on investment, which only comes with volume of customers. **Compatible services for rural areas** must be **subsidised** further for the smaller customer base in rural areas. **Charging councils is just robbing the community."***
- *"They just don't want to upgrade our network in regional Qld."*
- *"Slow to put best practice communications infrastructure into regional Australia – short-term policy."*
- *"Many government policies associated with telecommunications reflect a **lack of understanding** of the impact of distance, isolation, the impacts of accidents and disasters in rural and remote regions and the differences caused by terrain i.e one person on a hill may get internet/mobile coverage and his neighbour across the road in a slight valley will not."*
- *"It seems that we tend to be forgotten about. Perhaps actually visit these locations and speak with the locals about the access, or lack thereof."*

Business feedback regarding regional Queensland telecommunications coverage issues and black spots:

- ***"More mobile Blackspot work** would be great."*
- *"Provide basic **service beyond township boundaries."***
- *"Mobile phone towers & or satellites to be installed along roads that **connect regions**."*

Digital literacy

CCIQ's Digital Readiness Survey of Queensland businesses for 2021[34] found that the lack of skills, at 53.1%, was the issue most negatively impacting small business, followed by rapid technology change, at 39.6%. Digital literacy is a key obstacle to enhancing the digital opportunities for Queensland business, particularly compounded for demographics with disadvantaged digital inclusion (discussed in further detail below).

Q. Please select the issues which negatively impact your business? (please select all which apply)

Issue	Percentage
Lack of skills	53.1%
Rapid technology change	39.6%
Connection reliability	38.5%
IT costs	31.9%
Improper use of IT assets	17.0%
Security breaches	11.8%
Other	7.3%
IT project overruns	6.3%
Inadequate backups	5.6%
Privacy breaches	4.2%

Great digital divide

In a 2019 report by Telstra, *Measuring Australia's Digital Divide: Australian Digital Inclusion Index 2019[35],* powered by the Roy Morgan Research Single Source Survey, the top 10 disadvantaged demographic for digital inclusion were ranked. Low socioeconomic groups, those with mobile access only, and seniors aged 65+ had the lowest Australian Digital Inclusion Index, as shown in the table below.

Ranked score for groups with low digital inclusion (ADII 2019)[35]

Rank	Select Demographic	ADII Score	Points change since 2018
1	Household Income Q5 (Under $35k)	43.3	+2.1
2	Mobile Only	43.7	+1.1
3	Aged 65+	48.0	+2.1
4	Less than secondary education	49.4	+2.1
5	Disability	52.0	+2.4
6	Household Income Q4 ($35-60k)	53.1	+1.8
7	Not in labour force	53.8	+1.9
8	Indigenous Australians	55.1	+1.0
9	Completed Secondary	59.6	+1.1
10	Aged 50-64	60.4	+2.3
	Australia	61.9	+1.7

[34] CCIQ, Digital Readiness Survey 2021
[35] Telstra (2019), *Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2019.*

Their research found also found that Indigenous Australians had an Australian Digital Inclusion Index (ADII) of 55.1, compared to the total Australia ADII of 61.9. In consultation with stakeholders in northern Indigenous business networks for the preparation of this response, it was shared with CCIQ that (confidential) community consultations held in 2017 in remote and rural Northern Queensland found that:

- 85% people in remote locations had no computer at home

- 65% had low to very low literacy

- 90% had low to very low internet capability

It is critical to address any telecommunications-related projects in Indigenous communities by keeping in mind these literacy challenges and barriers to access, use and affordability of technology in a holistic manner.

The research by Telstra also reported the following key insights relevant to this review:

- *"While Indigenous Australians score below the national average on each of the three ADII sub-indices, **Affordability** remains the key issue for this group". The prevalence of **mobile-only connectivity**, which carries higher costs per gigabyte than fixed connections, contributes to poor levels of Affordability amongst Indigenous Australians."*

- *"ADII Supplementary survey research conducted in the far north Queensland remote Indigenous community of Pormpuraaw and the central Australian remote Indigenous community of Ali Curung suggest **digital inclusion for Indigenous Australians further diminishes with remotenes**s, particularly with regards to Access and Affordability."*

In a consideration of the Australian Government's commitment to Closing the Gap[36], CCIQ recommends that a program of (community-led) research is funded to measure and monitor digital inclusion in Indigenous communities, to holistically consider the improvements needed concerning the accessibility and affordability of telecommunications services in regional, rural and remote Indigenous communities.

Increasing reliance

Business feedback on reliable connectivity:

- *"A lot of companies and people have a **strong digital presence now**, this means that **outages create significant losses to businesses."***

- *"Reliability issues **make us look incompetent** and not worthy of consideration for provision of services. In a **disaster situation it makes a dangerous** situation exponentially worse."*

- *"The **inability to schedule regular online events due to reliability issues** prevents business competing on a level playing field with those in better areas."*

- *"We already have to deal with the tyranny of distance when trying to access supplies in a timely and affordable manner which is then **compounded by high levels of unreliable access** to relied-on communication services."*

- ***"Rural business owners are at a disadvantage with slow internet**, especially when using an online platform to advertise or sell products. Slow internet slows the business down."*

Additional challenge: Safety and Liveability

Business feedback regarding the need for improved connectivity for safety and liveability:

- *"Service is unreliable (mobile) from 15 Km outside of major population centres (up to 140km between villages) - health and safety risks barrier to business; outages without access to communications **pose major risks to personal health and safety**; mental well-being; business cannot operate."*

- *"As an **emergency service, mobile phone, radio and satellite phone reception is important** as our business is providing prehospital care to our patients in rural and remote areas. Some cases require choppers to pick up patients from properties and mobile phone reception is imperative to patient outcome."*

- ***"Impacts liveability. Impacts safety. Impacts ability to work remotely in regions."***

- ***"Professionals in health and enforcement require access at all times in case of emergency to assist community."***

- ***"Check in for COVID tracing is not possible**."*

- *"Reduces **personal well-being** via lack of connection to extended family."*

- *"We are dependent of communications. Unlike towns, we can't just 'pop down the road' if the internet goes down and we need something. **Communication is essential in keeping our lives going - both at a business and personal level."***

- ***"First and foremost it is a safety issue**, people working in a paddock should be able to call for help when needed just as easily as someone working in an office. Lack of consistent phone service does not allow for that and has often been the reason people have lost limbs and lives."*

- ***"Outages during emergencies and natural disasters have been life-threatening** and very anxiety-producing."*

- *"Sometimes the phone drops out in the middle of counselling sessions. Sometimes calls don't go through due to lack of signal in some areas. **Without effective communication in times of natural disaster, some people could be at great risk, e.g. domestic violence situations** - they can't access supports."*

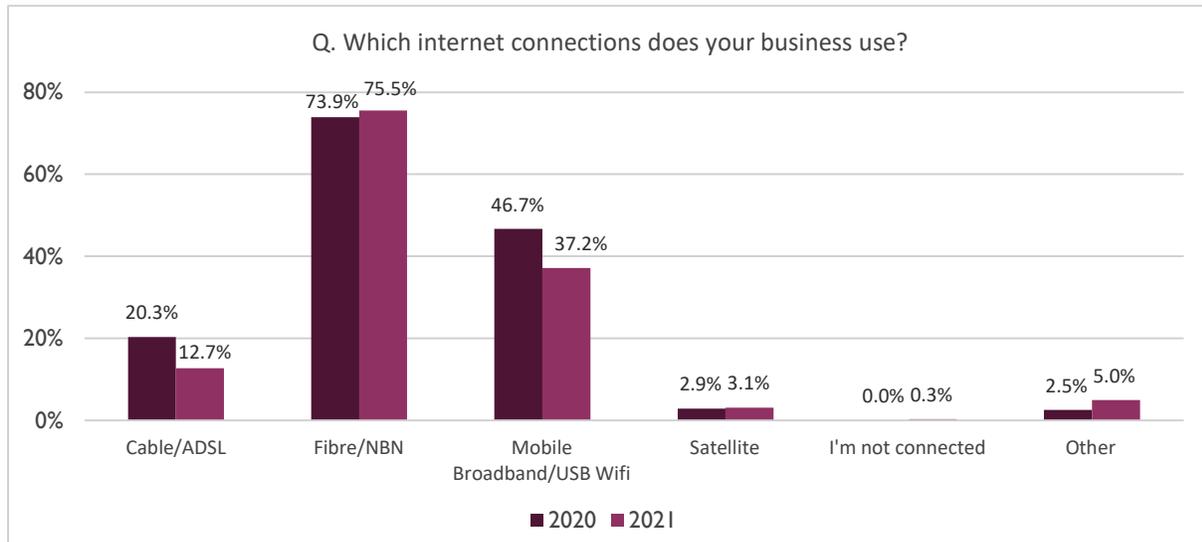*Additional challenge: Digital inclusion and service standardisation*

Business feedback regarding the need for improved digital inclusion:

- *"Coverage and reliable service should be available for everyone. People need to be able to run businesses, connect with community and seek assistance and support from their own homes and business locations."*

- ***"Bring us up to 'city' standards and keep the cost to that also."***

- *"More accessible via **training** and use **information."***

- "Community **education** is required."

- *"The government policies have helped, but service providers are still looking for returns on investment, which only comes with volume of customers. **Compatible services for rural areas** must be **subsidised** further for the smaller customer base in rural areas. **Charging councils is just robbing the community."***

Opportunities

Enabling market competition

CCIQ's *Digital Readiness Survey 2021*[37] of Queensland businesses found that Fibre/NBN was still the most common form of internet connection, with this service slightly increasing from the previous year, while Mobile broadband/USB wifi services decreased, as shown below.

Q. Which internet connections does your business use?

	Cable/ADSL	Fibre/NBN	Mobile Broadband/USB Wifi	Satellite	I'm not connected	Other
2020	20.3%	73.9%	46.7%	2.9%	0.0%	2.5%
2021	12.7%	75.5%	37.2%	3.1%	0.3%	5.0%

This shows the increasing business market demand for Fibre/NBN services as the preferred form of internet connection in Queensland. However some locations do not yet have this option. Prioritising the delivery of-high speed internet is critical, especially in regional areas.

Improved access and service from providers is needed in regional areas. Access to telecommunications is limited across rural and regional Queensland. Business feedback regarding the need for more available service options in rural and regional Queensland:

- *"There needs to be a **mix of services** from mobile to point to point as well as "on the go" options for farms and larger properties."*

- *"Choice of provider."*
- *"**Consistency across service providers and consistency in service quality**, not just in town but across rural area."*

- *"**Deals that match metropolitan areas**."*

Subsidised telecommunications services for rural and remote regions should be explored, in order to offer connections at market equitable price to an otherwise disadvantaged demographic.

Enabling the digital economy

Connectivity plays a fundamental role in reducing the tyranny of distance faced by regional businesses. This is especially true in the 21st century economy where internet and mobile networks have become the primary facilitator of communication and trade. There is also a rapid expansion of technological
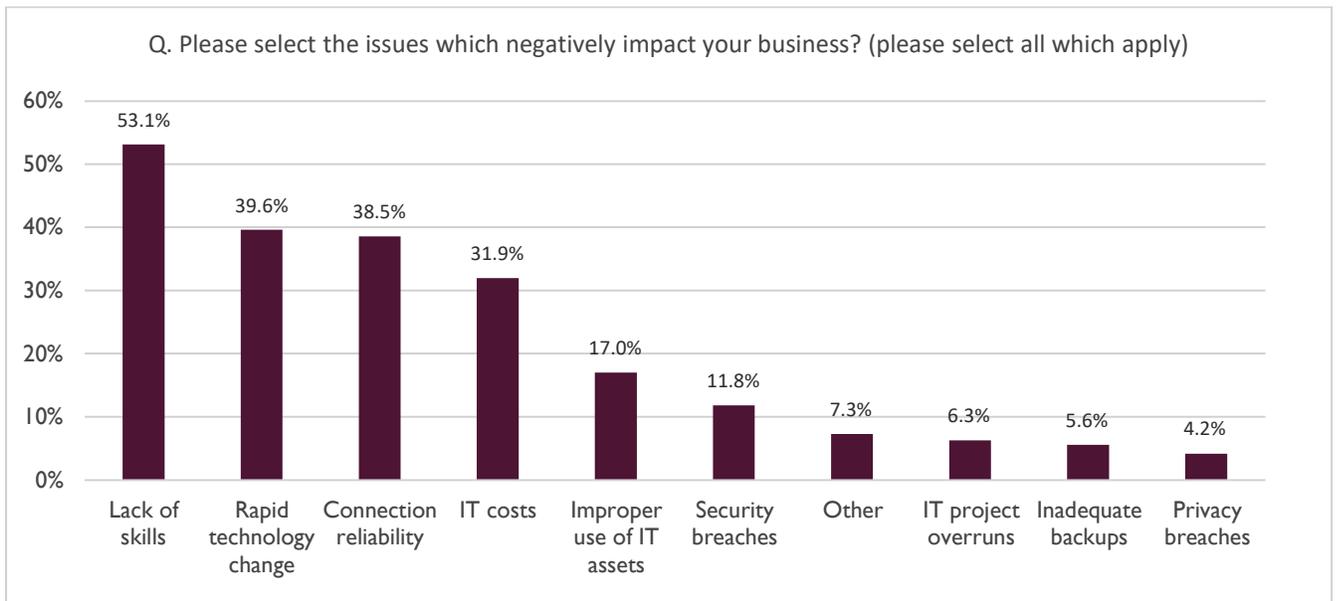
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[37] CCIQ, Digital Readiness Survey 2021

capital in industries such as Advanced Manufacturing, Health Care and the Resources sector, to name a few.

Enabling an expansion of the digital economy can be supported by:

- **Prioritising high-speed internet for regional Queensland**
- **Servicing telecommunications reliability issues as a priority**
- **Addressing coverage issues and black spots, to provide basic service beyond township boundaries in rural and regional areas, and better connect regions**
- **Improve the understanding of the digital needs regional areas through better consultation.**
- **A commitment to digital inclusion and service standardisation**
- **Continual upgrades and maintenance of telecommunication assets to ensure they remain fit-for-purpose.**

Considering all the digital-related issues which may negatively affect a business, CCIQ's Digital Readiness Survey of Businesses in Queensland[37] found that **connection reliability** ranked the third-highest, at 38.5% of all businesses surveyed.

Q. Please select the issues which negatively impact your business? (please select all which apply)

Issue	Percentage
Lack of skills	53.1%
Rapid technology change	39.6%
Connection reliability	38.5%
IT costs	31.9%
Improper use of IT assets	17.0%
Security breaches	11.8%
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IT project overruns	6.3%
Inadequate backups	5.6%
Privacy breaches	4.2%

The survey also found that the **risk of digital attacks** had recently increased[37], with 78% of businesses reporting they were affected by email spam in the past 12 months, up 14% from prior to COVID-19, and 11.8% reporting security breaches as an issue negatively impacting their business. Ensuring digital infrastructure supports a safe online environment with sufficient cyber-security measures is critical for the resiliency of Australian businesses.

Leveraging existing investment

Digital inclusion and equitable telecommunications access should form a key part of **strategic planning** across all levels of Government in order to advance the liveability and economic potential of regional Australia. This would represent a true commitment to digital inclusion.

Investment in **trade and investment attraction** could also be leveraged, such as by subsidising telecommunication services for key growth sectors. Subsidised telecommunications services for rural and remote businesses should be explored, in order to offer connections at market equitable price to an otherwise disadvantaged demographic. This could be considered as a key opportunity for regional trade and investment attraction for identified growth areas and sectors.

A commitment to **improved and timely delivery** of telecommunications projects could also provide improved confidence for investment in regional businesses. The NBN was designed to reduce the digital disadvantage of regional and remote Australia[35]. However **the capacity of the NBN to meet the future needs and economic potential of regional and remote areas will require further investment**.

Government could also support or lead the delivery of **telecommunication information forums** for service providers to collectively address industry and community. At present, this type of forum is only supported by industry groups and with limited capacity in some remote areas. For example, the National Broadband Network service opportunities for industry needs to be presented alongside service providers to fully identify the opportunities and challenges for regions and targeted at specific industry development needs.

CCIQ Response to Priority Actions for Digital

Championing digital infrastructure

CCIQ recommends:
- **Prioritising high-speed internet for regional Queensland**
- **Servicing telecommunications reliability issues as a priority**
- **Improve the understanding of the digital needs regional areas through better consultation with industry**

Bridging the digital divide

CCIQ recommends:
- A commitment to digital inclusion and service standardisation
- Address any telecommunications-related projects in Indigenous communities by keeping in mind digital literacy challenges, barriers to access, use and affordability of technology

Leveraging government expenditure

CCIQ recommends:
- Digital inclusion and equitable telecommunications access should form a key part of **strategic planning** across all levels of Government
- Investment in **trade and investment attraction** could also be leveraged, such as by subsidising telecommunication services for key growth sectors

Improving network redundancy

CCIQ recommends continual upgrades and maintenance of telecommunication assets to ensure they remain fit-for-purpose

Addressing mobile blackspots

CCIQ recommends:
- **Addressing coverage issues and black spots with the objective to provide basic service beyond township boundaries in rural and regional areas, and better connect regions**
- **Mobile phone towers & or satellites to be installed along roads that connect regions**

Sharing mobile infrastructure

Government could support or lead the delivery of **telecommunication information forums** for service providers to collectively address industry and community on regional opportunities and servicing options

Increasing public safety

Any lack in reliable, well-connected telecommunications must be considered a public safety concern, and should be further explored in the Regional Infrastructure Plans.

Arts, Culture, Recreation and Tourism

What Arts, Culture, Recreation and Tourism infrastructure class means for Queensland small business

CCIQ agrees with the challenges and opportunities presented in the Draft State Infrastructure Strategy concerning infrastructure which supports the arts, culture, recreation and tourism sectors. These leisure sectors are large employers in Queensland,

CCIQ agrees with the challenges and opportunities presented in the Draft State Infrastructure Strategy concerning infrastructure which supports the arts, culture, recreation and tourism sectors. Despite the disruptions these leisure sectors have faced due to the COVID-19 pandemic, the represent significant opportunity for the development and competitiveness of our state.

CCIQ Response to Priority Actions for Arts, Culture, Recreation and Tourism

CCIQ believes there should be a strong focus on **sustainability**, **resilience** and **diversification** where possible to enhance the **economic opportunity** and **competitiveness** of any leisure-related infrastructure in our state.

CCIQ supports the priority actions for arts, culture, recreation and tourism infrastructure provide in the Draft State Infrastructure Strategy, however we are **keen to explore more region-specific opportunities** for economic development through the Regional Infrastructure Strategy consultation process with our members.

CCIQ supports the needs to value arts, cultural and recreation infrastructure, but also nature-based tourism attractions for the purpose of adequate valuing the economic contribution to the economy. This could help ensure adequate maintenance budgets, as well as supporting the case for new investment.

Investing in tourism

CCIQ supports the need to develop an **Action Plan for Tourism Recovery**, as well as the opportunity the presented to further invest in Arts, culture, recreation and tourism infrastructure, through the below opportunities.

Optimising Brisbane 2032 Games infrastructure and legacy

New infrastructure builds for the Games should present a solid business case for **supporting growth in tourism and recreation utilisation** after the Games

Attracting private sector investment, Developing partnerships for active places and spaces, and *Encouraging better use of public facilities*

Business cases for the development or redevelopment of active or leisure-based public places and spaces should involve market sounding for private investment, provide scope for **commercial**

opportunities for private operators, and provide clear information and guidelines for any EOI submission process.

Supporting nature-based tourism, and *Revitalising National Parks*

National parks and other nature-based tourism destinations are economic assets, and similar consideration should be given to their maintenance, asset management and future use as any infrastructure would. Investing in the public infrastructure in national parks supports the ability for the tourism economy to grow, be resilient, and extend the seasonal experience. The flow-on benefits to local small businesses can be significant.

Rebuilding aviation connectivity

Investing in aviation route recovery following the losses caused by the COVID-19 pandemic, and to captialise on the resurgence of domestic tourism, especially to regional locations.

Integrating First Nations arts and culture into infrastructure projects

CCIQ supports both the social and commercial opportunities this could bring for Queensland's Indigenous-owned businesses and communities. Incorporating local names, histories and songlines to build awareness and understanding can provide support, and break cultural barriers, for Indigenous-owned businesses and help their businesses grow.

Identified Gaps

Q. Are there additional priority actions that need to be considered for the infrastructure classes?

Resource recovery infrastructure

A missed opportunity in the Draft State Infrastructure Strategy is a **clear plan for the delivery of resource recovery infrastructure**. This needs to be explicitly addressed and provided for in the strategy as it enables sustainability, job creation and retention, industry creation and potential reinvigoration of regional industry.

Resource recovery infrastructure has the potential to enable waste to eb valued as a resource and commodity, creating more sustainable regions and creating new industries and jobs. The Queensland government projection of "9 jobs per 10 000 tons of diverted waste" can help create jobs in regional Queensland, where economic growth and skills retention have traditionally lagged South East Queensland.

CCIQ recommends that resource recovery infrastructure be built with funds already collected from the waste levy that came into effect in July 2019, and must not impose an additional cost burden on Queensland's business community.

Further Enquiries

CCIQ thanks the Department of State Development, Infrastructure, Local Government and Planning for the opportunity to provide a response to this important Draft State Infrastructure Strategy. If there are any further questions in relation to this submission, please contact our Policy team at cciqadvocacy@cciq.com.au.

Next Steps

CCIQ are keen to be involved in the consultation process for the Regional Infrastructure Plans. Please reach out to our Policy team at cciqadvocacy@cciq.com.au to discuss how CCIQ can assist in identifying and engaging with chamber and industry stakeholders from across Queensland to feed into this important process. The voice of business must be included in the development of the Regional Infrastructure Plans for true economic recovery and development to be aligned with the needs and opportunities of business.