

2017-18 STATE BUDGET SUBMISSION

BACK TO BUSINESS BUDGET

BIG BOOSTS
FOR SMALL
BUSINESSES

CCIQ Powering business potential



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EXECUTIVE SUMMARY

STATE BUDGET FUNDAMENTALS ARE A KEY DETERMINANT OF BUSINESS CONFIDENCE. AS THE PEAK ASSOCIATION FOR EMPLOYERS ACROSS QUEENSLAND, THE CHAMBER OF COMMERCE AND INDUSTRY (CCIQ) BELIEVES THE 2017-18 STATE BUDGET MUST BE A BUDGET THAT LIFTS BUSINESS CONFIDENCE AND PROVIDES STABLE, CONSISTENT, FISCAL AND ECONOMIC POLICY TO ENSURE BUSINESSES CONTINUE TO INVEST AND EMPLOY IN QUEENSLAND.

It is critical that the 2017-18 State Budget sets a clear direction about the State Government's priorities in a potential election year, as well as provide the short-to-medium term incentives to spur business investment and encourage private sector job creation, particularly throughout regional Queensland.

CCIQ is uniquely positioned to advise the State Government on how best to target an anticipated operating surplus, due to higher coal prices. Nevertheless, despite the predicted operating surplus, there remains a fiscal deficit of \$1 billion, with the Chamber consistently sighting concerns about general government sector expenditure.

The challenge for the 2017-18 State Budget is for the State Government to exercise expenditure restraint to below long-run average revenue growth, continue to rule out any new taxes or charges on business, and appropriately target the unexpected surplus throughout Queensland's regions, as well as invest in incentives to encourage economic activity and job creation.

CCIQ believes it is possible to provide well-targeted stimulus measures while concurrently improving the State's financial position with prudent management of government spending. In the context of a transitioning economy, investment in infrastructure and regional job-creation projects is key to securing a diversified and productive economic future for Queensland.

There are a number of State Government policies that will benefit small businesses in Queensland and align with CCIQ's current suite of initiatives, providing opportunity for collaboration. These include the Jobs and Regional Growth Fund, Jobs Queensland, Back-to-Work, Building Queensland, and the ongoing promotion of the 2018 Commonwealth Games on the Gold Coast.

In tandem to these, Queensland's small business community urges the State Government introduce five key measures as part of the 2017-18 State Budget that will immediately provide a boost to small businesses, thereby spurring economic activity across Queensland's economy:

1. Lift the **payroll tax** exemption threshold, which is a tax on employment and a penalty for giving someone a job;
2. Improve regional employment outcomes by prioritising **workforce skilling** to get young people into jobs;
3. Increase **infrastructure investment** to create jobs, boost apprenticeship numbers, and increase productivity;
4. Introduce measures that will immediately **reduce electricity price rises**; and
5. Introduce targeted programs to **promote small business growth**.

In short, this State Budget must be one that brings business back to the budget as a priority by implementing a number of effective boosts to small businesses.



SNAPSHOTS OF QUEENSLAND

QUEENSLAND'S DIVERSE ECONOMY PRODUCED
\$314 BILLION
WORTH OF OUTPUT DURING 2015/16

6.4%

UNEMPLOYMENT RATE
(AS OF MARCH 2017)

425,819

THE TOTAL NUMBER OF REGISTERED BUSINESSES IN QUEENSLAND

THE TOP EMPLOYING INDUSTRIES ARE

- 1 HEALTH CARE AND SOCIAL ASSISTANCE
- 2 RETAIL TRADE
- 3 CONSTRUCTION
- 4 EDUCATION AND TRAINING
- 5 PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

THE LARGEST INDUSTRIES CONTRIBUTING TO TOTAL OUTPUT ARE

- 11.6% CONSTRUCTION
- 7.9% HEALTH CARE & SOCIAL ASSISTANCE
- 7.4% MINING
- 6.7% MANUFACTURING
- 6.4% FINANCIAL & INSURANCE SERVICES

TOP 5 EXPORTS
INCLUDES GOODS & SERVICES

- COAL
- BEEF
- TOURISM
- EDUCATION
- COPPER

TOP 5 EXPORT DESTINATIONS

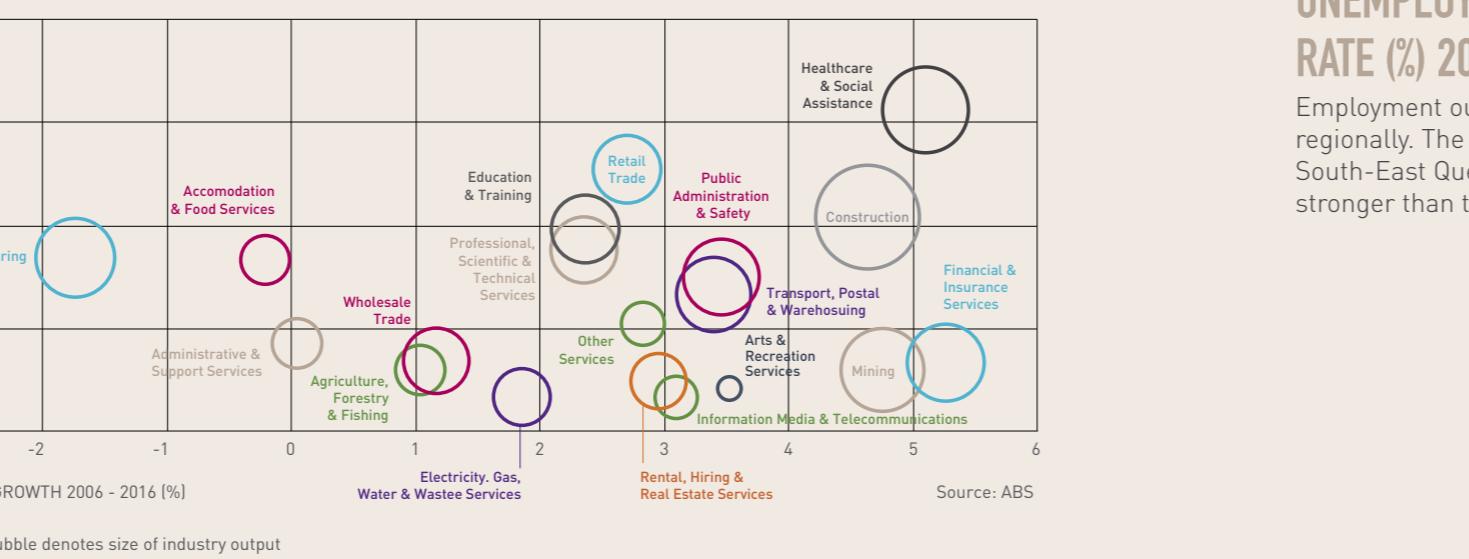
- CHINA
- JAPAN
- REP. OF KOREA
- INDIA
- USA

Source: ABS, 2016-17



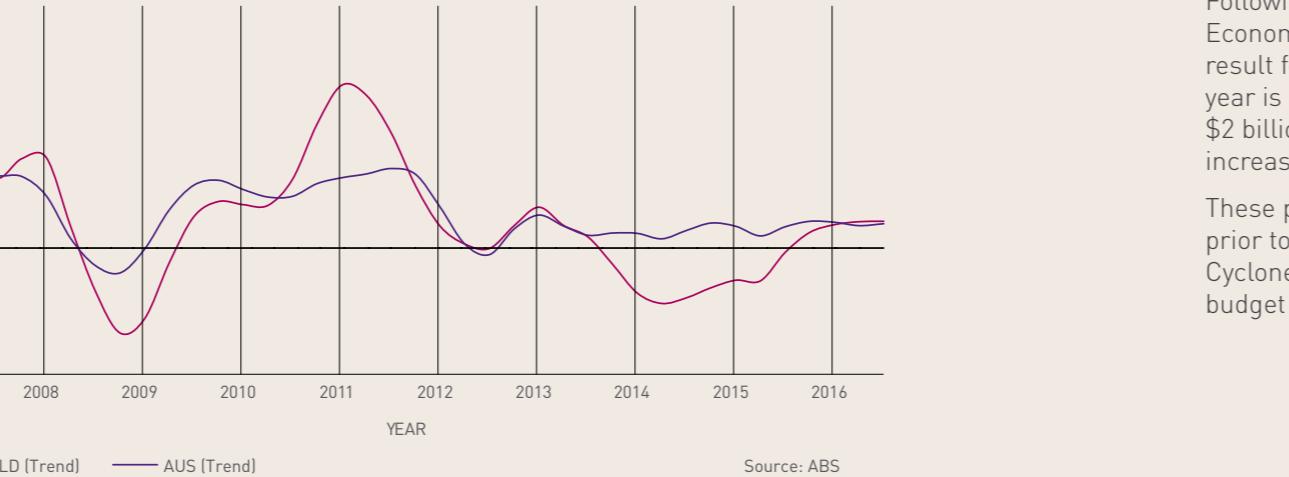
SECTOR GROWTH

Over the past decade, the sectors of Health Care and Social Assistance, Construction, Mining and Financial Insurance Services have all grown at an annual growth rate of greater than 4 per cent (2006-16).



STATE FINAL DEMAND

The Queensland economy is emerging from a sluggish period. Growth in State Final Demand is positive and trending upwards.



UNEMPLOYMENT RATE (%) 2000-2017

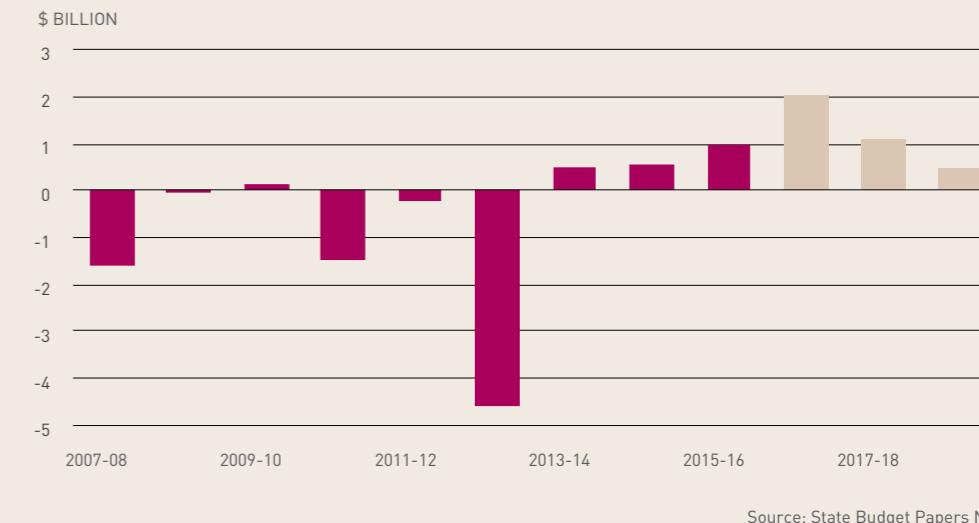
Employment outcomes are diverse regionally. The labour market in South-East Queensland has been stronger than the rest of the state.



BUDGET BALANCE

Following the Mid-Year Fiscal and Economic Review, the operating result for the 2016-17 financial year is expected to be a surplus of \$2 billion due mainly to a temporary increase in royalty revenues.

These projections were made prior to the effects of Ex Tropical Cyclone Debbie's impacts on the budget and economy.





AN ECONOMY IN TRANSITION

QUEENSLAND IS TRADITIONALLY ONE OF AUSTRALIA'S STRONGEST STATES FOR GROWTH. HOWEVER, FOR SEVERAL YEARS NOW, DOMESTIC ACTIVITY AS MEASURED BY STATE FINAL DEMAND HAS BEEN SLUGGISH.

These poor conditions have been reflected in Suncorp Group CCIQ's quarterly Pulse Surveys which have shown relatively pessimistic conditions since the start of 2015. The recent commencement of full operations at Gladstone LNG facilities signals the conclusion of the mining investment boom in Queensland. The transition post mining investment boom has been slow and during this period unemployment has risen to high levels, particularly for regional Queensland.

Outcomes in the labour market have significantly deteriorated since the second half of 2014, seeing regional unemployment spike to over 7 per cent. Meanwhile, unemployment in South-East Queensland has steadily declined to 5.6 per cent.

Growth in the Queensland economy has slowed in recent years as the level of mining investment has declined. As LNG exports begin to ramp-up, the headline growth figures in Gross State Product (GSP) will appear very strong.

The tourism industry has also buoyed our State post the mining investment boom. The lower dollar has spurred international visitations and overseas student numbers are picking up. The residential construction sector has also been the other pillar of strength as construction activity rose 34 per cent through this current upturn in the construction cycle (since December 2013). Household spending accelerated and residential construction boomed during the second half of 2016.

The outlook over the next two years for the Queensland economy is expected to show a strong recovery in GSP, to be attributed to a significant lift in exports from the mining sector. But it will be the diversification of growth to the services and trade exposed sectors, which are some of Queensland's largest employing industries, that holds the key going forward to improving employment conditions.

The surge in mining export volumes will not help make inroads to Queensland's stubbornly high unemployment rate. The operations phase of mining activity is less labour intensive than the construction phase, with smaller multiplier impacts on local industries such as manufacturing, transport and professional services. Meanwhile, the residential construction sector is nearing the peak of its cycle and cannot be relied upon to deliver further jobs growth after 2017.

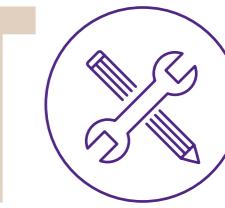
It is also critical that forecasting in the 2017-18 State Budget does not assume the short-term boost to the budget bottom line by coking coal prices and LNG exports will continue indefinitely. Queensland has a structural budget problem that will need to see the State Government reign in expenditure in the general government sector for at least a decade.

The government has an important role to play going forward and the 2017-18 State Budget will set the tone and policy vision for the State Government in a likely election year.

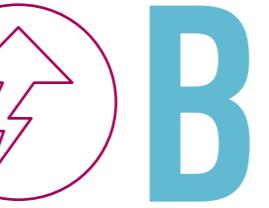
Government assistance will help aid the recovery from Tropical Cyclone Debbie and ensure businesses are back on their feet quickly. The other key role for government is to arrest the declines in public infrastructure investment (34 per cent since 2010) and commence delivering a suite of critical projects across digital, health, ICT, utilities, recreation and transport to cater for new population growth and prevent service standards slipping.

While Queensland is continuing to transition to a post-mining boom economy, with some industries and regions adapting to the new environment easier than others, there lies a number of challenges facing the economy to which CCIQ together with State Government can address. The top priorities, as identified by small businesses, are what form the foundation of this submission.

THIS STATE BUDGET MUST BE ONE THAT



BRINGS BUSINESS BACK TO THE BUDGET AS



A PRIORITY BY IMPLEMENTING A NUMBER OF



EFFECTIVE BOOSTS TO SMALL BUSINESSES





TOP 5 PRIORITIES FOR SMALL BUSINESS

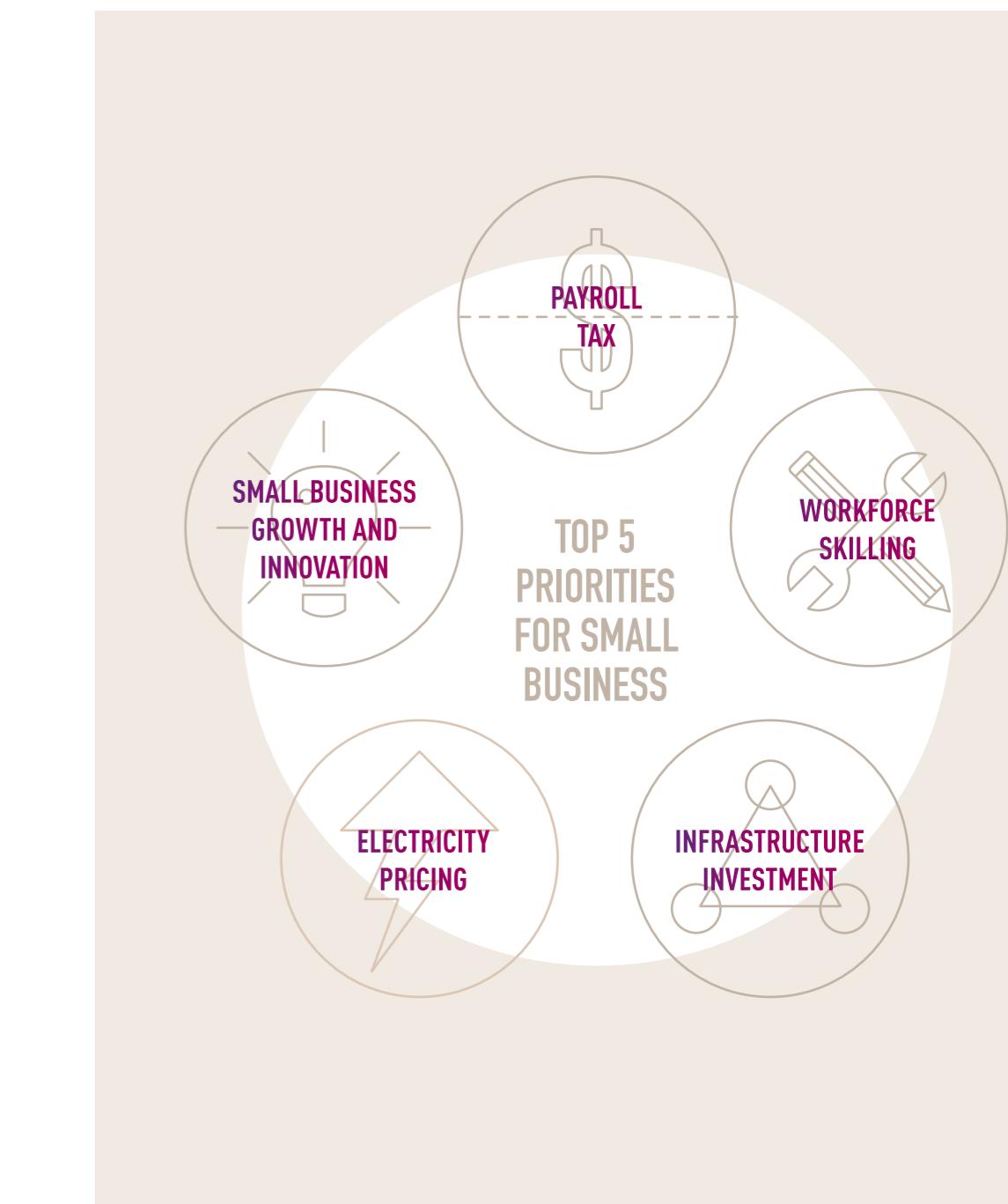
QUEENSLAND IS HOME TO ALMOST 20 PER CENT OF ALL SMALL BUSINESSES IN AUSTRALIA, WITH 406,000 SMALL BUSINESSES EMPLOYING AROUND 43 PER CENT OF QUEENSLAND'S PRIVATE SECTOR WORKFORCE. THIS PERCENTAGE INCREASES TO ALMOST 70 PER CENT WHEN MEDIUM-SIZED BUSINESSES ARE INCLUDED. SME'S ALSO MAKE UP 99.86 PER CENT OF ALL BUSINESSES IN QUEENSLAND, CONTRIBUTING AROUND \$100 BILLION TO QUEENSLAND'S GROSS STATE PRODUCT.

The 2017-18 State Budget represents a perfect opportunity for the State Government to introduce measures to kick-start Queensland's small business economy in a time of transition.

CCIQ's submission to the 2017-18 State Budget puts forward a series of levers available to the State Government to which all sides of politics can pledge their mutual support to ensure small business remains front and centre in driving Queensland's economy forward into the future.

The 2017-18 State Budget must be one that boosts the small business economy by making Queensland the best state to do business in Australia. CCIQ has identified five critical areas for reform that if incorporated into the State Budget will immediately stimulate economic activity, as well as attract and retain investment in Queensland to ensure jobs growth.

These suggested budgetary measures will provide a big boost to Queensland's small businesses and support a strong and productive economy in Queensland. It narrows its focus on five key areas that, if adopted, will bring about meaningful change to Queensland's business operating environment. It covers tax reform, employment and education reform, the importance of infrastructure investment, reducing input costs for small business, and looking to the future to small business growth and innovation.





PRIORITY 1

PAYROLL TAX

THE PAYROLL TAX RATE IN QUEENSLAND SITS AT 4.75 PER CENT, WITH AN EXEMPTION THRESHOLD OF \$1.1 MILLION. SURVEYS OF BUSINESS SENTIMENT CONSISTENTLY CONFIRM THAT THE BUSINESS COMMUNITY VIEWS PAYROLL TAX AS A TAX ON EMPLOYMENT AND A PENALTY FOR GIVING SOMEONE A JOB.

The biggest impact payroll tax has on business decisionmaking occurs when the total payroll approaches the exemption threshold. The effective marginal cost of employing additional labour increases once the employer moves through the exemption threshold and becomes liable for payroll tax.

As a direct result, payroll tax limits the expansion of small and medium businesses in Queensland, particularly those below but approaching the tax-free threshold. Payroll taxes increase compliance costs of small businesses, diverting crucial resources away from business operations and discourages small businesses from creating additional jobs.

CCIQ's modelling shows that by lifting the payroll tax threshold from \$1.1 million to \$1.5 million, tax relief could be offered to approximately 15,500 Queensland businesses. By lifting the payroll tax threshold these changes will deliver 2000 direct jobs in addition to flow on effects for indirect jobs across Queensland.

Ultimately, the payroll tax should be abolished. In the short term, the threshold should be raised to \$1.5 million, progressively lifted to \$2 million beyond that, and then abolished.

PAYROLL TAX RATE AND ANNUAL THRESHOLDS NATIONALLY 2016-17

	Tax Rate	Annual Threshold
ACT	6.85%	\$2,000,000
NT	5.5%	\$1,500,000
TAS	6.1%	\$1,250,000
QLD	4.75%	\$1,100,000
WA	5.5%	\$850,000
NSW	5.45%	\$750,000
SA	4.95%	\$600,000
VIC	4.85%	\$575,000 (to be lifted to \$650,000 over the next 3 years)



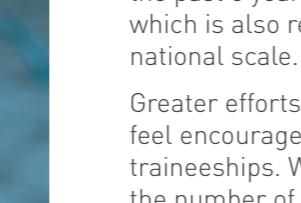
RECOMMENDATIONS:

- Lift the payroll tax threshold from \$1.1 million to \$1.5 million to create more than 2,000 jobs in the private sector.
- Progressively lift the threshold by increments of \$100,000 to \$2 million over 5 years, at which time payroll tax should be abolished.



PRIORITY 2

WORKFORCE SKILLING



QUEENSLAND'S EDUCATION AND TRAINING SYSTEM WILL NEED TO KEEP PACE WITH ECONOMIC AND TECHNOLOGICAL CHANGES, AND PROVIDE THE RIGHT TEACHING STRUCTURE AND COURSES TO ALLOW FOR CONTINUAL UPSKILLING. THIS WILL BE VITAL GIVEN LIFELONG LEARNING WILL APPLY TO BOTH LOW-SKILLED AND HIGH-SKILLED EMPLOYEES IN A 21ST CENTURY GLOBAL ECONOMY.

Businesses are constantly frustrated by lost opportunities when they have difficulty recruiting appropriately skilled staff. This loss is not only felt by the businesses who are not able to capitalise on growth opportunities, but the economy as a whole loses out when individuals cannot take advantage of available job opportunities.

Youth unemployment has been a pressing issue for Queensland, with the youth unemployment rate remaining stubbornly high across Queensland's regions. Regions outside of the South-East corner are experiencing a youth unemployment rate of up to 18.4 per cent.

CCIQ believes one of the most effective ways to boost jobs growth is to provide the right suite of incentives to employers to take on an apprentice or trainee. Looking specifically at the Vocational Educational Training (VET) system and particularly at apprenticeship and traineeship numbers, the number of students has been rapidly declining over the past 5 years, at a decline rate of 45 per cent, which is also reflective of the decline seen on a national scale.

Greater efforts are required to ensure businesses feel encouraged to embrace apprenticeships and traineeships. Without such reform, the decline in the number of those entering apprenticeships and traineeships will continue to occur.

Findings from a 2016 CCIQ survey found that more than 50 per cent of businesses have indicated subsidies, in addition to more relevant qualifications, is the best incentive for employers to take on apprentices and trainees.

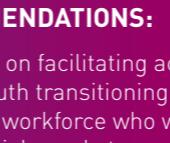
To increase uptake the State Government must assist in de-risking businesses by offering attractive incentives, cutting red tape and providing additional support for apprentices and trainees through programs such as Skilling Queenslanders for Work.

Another program which had a high uptake from businesses was the previous Queensland Apprenticeship Pledge, a \$36 million scheme, which incentivised businesses who had not previously employed an apprentice to consider taking one on. This program had the aim of creating 10,000 new apprenticeships over a period of 3 years.

APPRENTICES AND TRAINEES IN-TRAINING ('000) (SEASONALLY ADJUSTED); QUEENSLAND; 2006-16



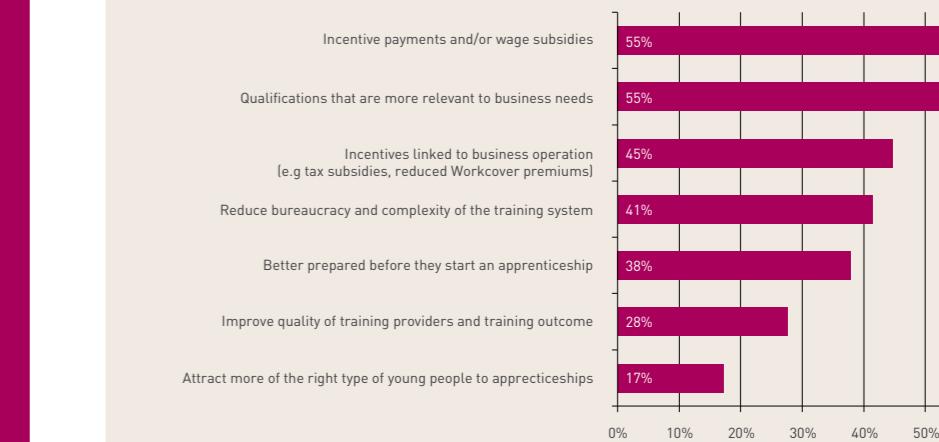
Source: NCVER States and Territory Tables September 2016



RECOMMENDATIONS:

- Focus on facilitating access to education and training not only for youth transitioning from school but also for those already in the workforce who want or need to upskill to remain active in the job market.
- De-risk businesses when they take on apprentices and/or trainees through providing more attractive incentives, reducing the amount of red tape associated with taking on an apprentice/trainee and providing more support programs for apprentices and trainees.
- Provide a funding boost to successful State Government programs that are addressing unemployment as well as escalating youth unemployment particularly in the regions, such as the Back-to-Work program and Skilling Queenslanders for Work.
- Re-introduce a similar program to the Queensland Apprenticeship Pledge which incentivised businesses that had not previously employed an apprentice to become involved.

Q) WHICH OF THE FOLLOWING WOULD ENCOURAGE YOUR ORGANISATION TO GET MORE INVOLVED IN APPRENTICESHIPS/TRAINEESHIPS?



Source: CCIQ Workforce, Education and Training Survey 2016

PRIORITY 3

INFRASTRUCTURE INVESTMENT



INFRASTRUCTURE INVESTMENT REQUIRES MORE THAN JUST POURING MONEY INTO ROADS AND HIGHWAYS. WHILE TRANSPORT INFRASTRUCTURE REMAINS A STATE PRIORITY, INFRASTRUCTURE REQUIRED FOR ALL OF OUR MAJOR SERVICES ARE CURRENTLY RECEIVING FAR LESS INVESTMENT THAN IS REQUIRED.

The scope of infrastructure projects needed in Queensland ranges from digital, health ICT, water, energy, and recreation to major port and rail infrastructure. Investment in projects across all these sectors will lead to quality infrastructure that boosts economic activity and lifts our standard of living.

It is particularly critical that the 'right' infrastructure is invested in to ensure public infrastructure underpins Queensland's future economic growth prospects. CCIQ has consistently called for a refocus on stimulating the supply of productive infrastructure. The State Government must increase infrastructure investment to at least 4.25 per cent of Gross State Product to create more jobs, boost apprenticeship numbers and increase productivity. Investing in new infrastructure allows cities and towns to work more efficiently, and for infrastructure to adapt to the lifestyles of Queenslanders rather than the other way around. New technology and changes in how people travel, work and live mean that existing infrastructure may not be able to meet modern-day needs.

Infrastructure investment has also proven to generate wealth through increased returns on private assets, which leads to improved living standards. New infrastructure has long been a catalyst for further investment into the areas in which it affects, including the establishment of new businesses, increased living densities and more major projects.

Private sector involvement through Market Led Proposals, as well as through National Public-Private Partnership agreements between the Queensland Government and the Australian Government (relevant for projects with a capital cost in excess of \$50 million), can make projects that benefit Queenslanders happen sooner and deliver whole-of-life innovation and efficiencies in design, construction and operating phases when executed successfully.

When there is recognition of infrastructure as a priority and not just a political football, a shift towards the kind of long-term planning that Queensland desperately needs will no doubt take place. Achieving a high level of cooperation between local, state and federal governments, such as through signing a "City Deal", will undoubtedly stimulate the supply of productive infrastructure.



- #### RECOMMENDATIONS:
- Increase infrastructure investment to at least 4.25 per cent of Gross State Product to create more jobs, boost apprenticeship numbers and increase productivity.
 - Facilitate regional "City Deals" to create a long-term model that will secure sustainable infrastructure investment, attract investors and revitalise our regional centres.
 - Further refinements to the market-led proposal framework that can streamline and simplify the process, including more definitive timelines for assessment and some best practice guidance for risk allocation to assist proponents to revise and finalise their proposals.
 - Ensure transparent and rigorous cost-benefit analyses and business cases are developed and released during planning processes.

PRIORITY 4

ELECTRICITY PRICING



QUEENSLAND SMALL BUSINESSES CONSISTENTLY SIGHT ELECTRICITY PRICE RISES AS THE MOST SIGNIFICANT ISSUE FOR THEIR BUSINESS. MANY HAVE ALSO INDICATED THAT THEY HAVE DONE ALL THEY CAN TO REDUCE THE EXORBITANT INCREASES BY EXERCISING OPERATIONAL EFFICIENCIES. THIS IS NO DOUBT A COMPLICATED POLICY MATTER HOWEVER THERE ARE A NUMBER OF MEASURES THE STATE GOVERNMENT CAN INTRODUCE IN THE 2017-18 STATE BUDGET THAT WOULD ALLEVIATE ELECTRICITY PRICE RISES IN THE IMMEDIATE TERM.

REGIONAL NOTIFIED PRICES AND REGIONAL COMPETITION

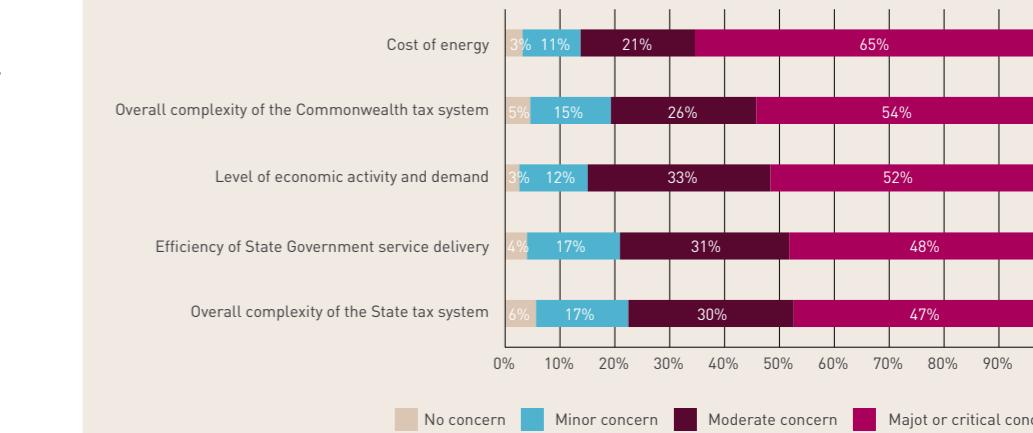
In the past 10 years, electricity prices have doubled across Queensland, impacting residents and small businesses. Electricity prices are set to rise again in the coming financial year by over 1.5 per cent in 2016-17, off the back of a 15 per cent increase last financial year. Currently prices in regional Queensland are regulated by the Queensland Competition Authority (QCA). Notified prices for regional consumers are calculated based on the standing offers of South-East Queensland. In SEQ however, price regulation was removed in 2016, allowing for retailers to enter the market offering more competitive rates for SEQ consumers. CCIQ believes the State Government must, as soon as reasonably practicable, ensure regional customers have same access to a competitive retail electricity market as SEQ. CCIQ is well-positioned to work alongside the government and other relevant bodies to ensure effective competitive practices are introduced in regional Queensland to generate price relief for small business consumers.

EDUCATION INITIATIVES

A report released by Energy Consumers Australia indicated Queenslanders have low confidence the energy market is working in their best interests. Since the deregulation of electricity prices in South-East Queensland, CCIQ have run education programs to encourage small businesses to exercise operational efficiencies through awareness-raising.

CCIQ stresses the importance of consumer ongoing awareness and education. The State Government must continue to increase small business awareness of the choices available and ensure small businesses have the necessary information and tools to understand and compare offers.

TOP 5 BUSINESS ISSUES



Source: Suncorp Group CCIQ Pulse Survey, 2015

THE COST OF ENERGY IS THE NUMBER ONE ISSUE FOR QUEENSLAND SMALL BUSINESS

REDUCE RETURN OF REVENUE

Currently 55 per cent of consumers' bills are network charges. Transmission and Distribution networks in Queensland net over \$3 billion per annum. CCIQ believes the State Government ought to collect less revenue from consumers below the Australian Energy Regulator's prescribed maximum. This measure will give instant price relief to small business consumers right across Queensland.

END SOLAR BONUS SCHEME

Significant costs have also been incurred by distributors in complying with the State Government's Solar Bonus Scheme (SBS). The cost of solar feed-in tariffs are passed on to small business customers thereby increasing bills by around 9 per cent.

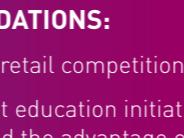
CCIQ supports the recommendations made by the Queensland Productivity Commission (QPC) in their draft report on electricity pricing in Queensland to end the SBS earlier than the planned 2028 closure. CCIQ believes the State Government should commit to removing the burden of costs associated with the solar bonus scheme to relieve pressure from consumers subsidising excessive feed-in-tariff rates.

END THE SOLAR BONUS SCHEME TO IMMEDIATELY RELIEVE ELECTRICITY PRICES FOR SMALL BUSINESS

COMPOSITION OF A CONSUMER BILL

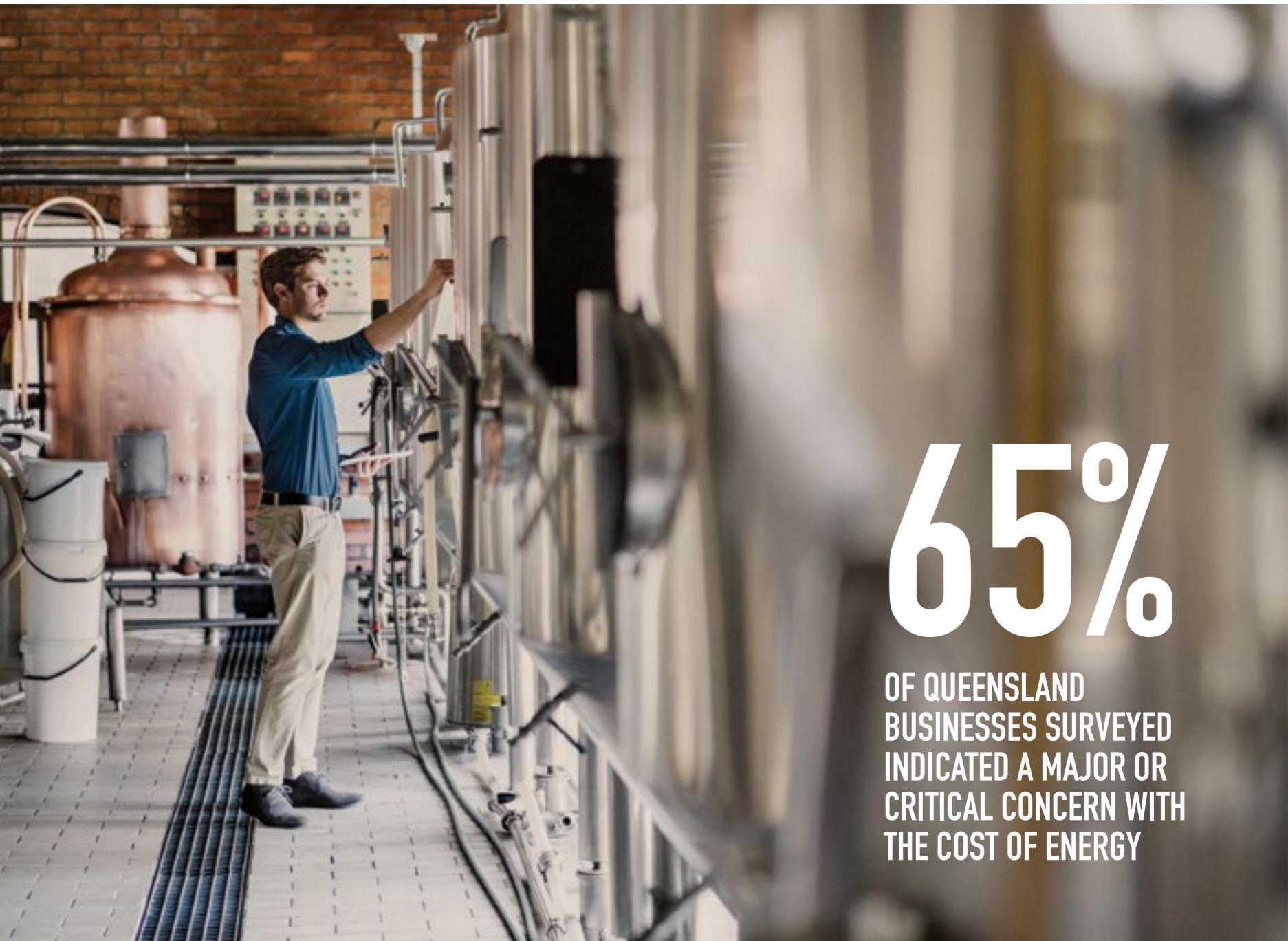


Source: QCA, 2016-17



RECOMMENDATIONS:

- Introduce retail competition into regional Queensland.
- Implement education initiatives encouraging businesses to understand the advantage of retail competition.
- Reduce return of revenue from Transmission and Distribution network for an immediate reduction for all Queenslanders this financial year due to an unexpected surplus.
- End the Solar Bonus Scheme prior to 2028.



PRIORITY 5

SMALL BUSINESS GROWTH & INNOVATION



A circular icon containing a lightbulb is positioned in the center of the title text.

SMALL BUSINESSES HAVE PROVEN THEMSELVES TO BE INNOVATIVE AND NIMBLE, TIME AND TIME AGAIN. THE MAKEUP OF SMALL BUSINESSES MEANS THEY CAN MORE EASILY TAP INTO THEIR CUSTOMERS FOR GREATER INSIGHTS AND DELIVER A SOLUTION THAT BETTER ALIGNS TO MARKET DEMANDS.

Grants are a vital component in the innovation ecosystem, although small businesses are often ineligible, or perceive themselves to be ineligible, due to a disproportionate focus on technology firms and start-ups. Furthermore, 70 per cent of Queensland businesses do not necessarily see themselves as being innovative, believing that it is something for larger or corporate businesses or that it will not contribute to their competitiveness or viability.

Innovation programs need to be reorientated to capture interest from existing small businesses, not just technology businesses or start-ups. Programs are needed that support incremental innovations in already established small business when changes are made to production, services and/or processes - no matter their size or what industry they are in.

Governments can also make it easier for small businesses to grow and diversify through the government procurement process. Introducing programs that allow for small businesses to develop products to increase the efficiency or replace government services is a certain way to open new channels for small business innovation.

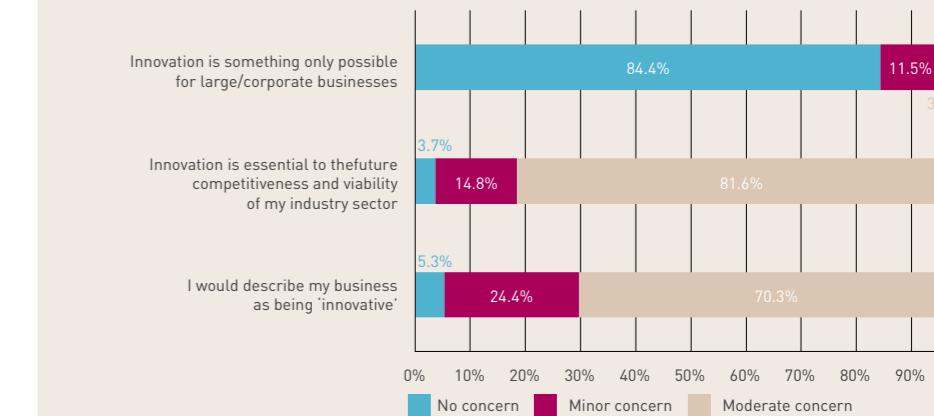
The State Government must continue to empower small businesses to ensure they are strongly positioned to grow and employ. Recent examples of cooperation with the private sector has resulted in the creation of initiatives which have provided small businesses with resources, education and opportunity. CCIQ believes further collaboration must take place between the public and private sectors to continue to stimulate small business growth and innovation.



RECOMMENDATIONS:

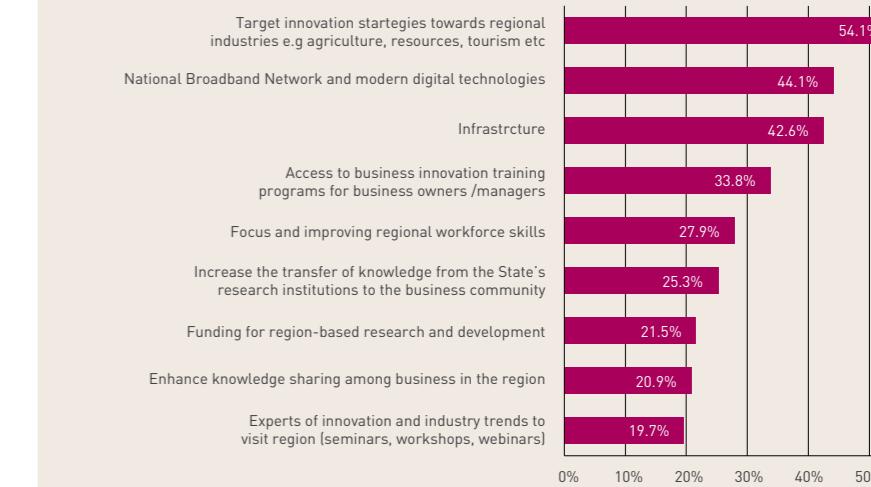
- Enable small business partnerships and clustering for greater participation in government procurement and to solve public sector service challenges.
- Small business innovation policy should be developed to encompass all components and industries (not just high-tech) of the ecosystem rather than seeking to 'cherry pick' areas of special interest.
- Refocus on building from existing industries that have formed naturally within the region, seeking to generate new industries, and address the small business challenges that are barriers to growth.

Q) TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?



Source: CCIQ, The Ideas Advantage, 2014

Q) PLEASE INDICATE WHAT YOU BELIEVE THE TOP THREE PRIORITIES FOR GOVERNMENT SHOULD BE FOR GROWING INNOVATION IN QUEENSLAND.



Source: CCIQ Pulse Survey, March Quarter 2016

SUMMARY OF RECOMMENDATIONS



PRIORITY 1: PAYROLL TAX

Lift the payroll tax threshold from \$1.1 million to \$1.5 million to create more than 2,000 jobs in the private sector.

Progressively lift the threshold by increments of \$100,000 to \$2 million over 5 years, at which time payroll tax should be abolished.

De-risk businesses when they take on apprentices and/or trainees through providing more attractive incentives, reducing the amount of red tape associated with taking on an apprentice/trainee and providing more support programs for apprentices and trainees.

Provide a funding boost to successful State Government programs that are addressing unemployment as well as escalating youth unemployment particularly in the regions, such as the Back-to-Work program and Skilling Queenslanders for Work.

Re-introduce a similar program to the Queensland Apprenticeship Pledge which incentivised businesses that had not previously employed an apprentice to become involved.



PRIORITY 2: WORKFORCE SKILLING

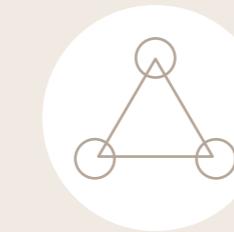
Focus on facilitating access to education and training not only for youth transitioning from school but also for those already in the workforce who want or need to upskill to remain active in the job market.

Implement education initiatives encouraging businesses to understand the advantage of retail competition.

Facilitate regional "City Deals" to create a long-term model that will secure sustainable infrastructure investment, attract investors and revitalise our regional centres.

Further refinements to the market-led proposal framework that can streamline and simplify the process, including more definitive timelines for assessment and some best practice guidance for risk allocation to assist proponents to revise and finalise their proposals.

Ensure transparent and rigorous cost-benefit analyses and business cases are developed and released during planning processes.



PRIORITY 3: INFRASTRUCTURE INVESTMENT

Increase infrastructure investment to at least 4.25 per cent of Gross State Product to create more jobs, boost apprenticeship numbers and increase productivity.

Reduce return of revenue from Transmission and Distribution network for an immediate reduction for all Queenslanders.

End the Solar Bonus Scheme prior to 2028.



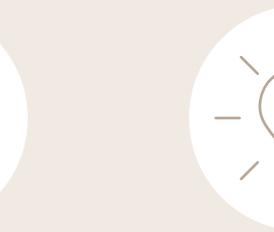
PRIORITY 4: ELECTRICITY PRICES

Introduce retail competition into regional Queensland.

Enable small business partnerships and clustering for greater participation in government contracts and to solve public sector service challenges.

Small business innovation policy should be developed to encompass all components and industries (not just high-tech) of the ecosystem rather than seeking to 'cherry pick' areas of special interest.

Refocus on building from existing industries that have formed naturally within the region, in addition to seeking to generate new industries, and address the small business challenges that are barriers to growth.



PRIORITY 5: SMALL BUSINESS GROWTH AND INNOVATION

Enable small business partnerships and clustering for greater participation in government contracts and to solve public sector service challenges.

Small business innovation policy should be developed to encompass all components and industries (not just high-tech) of the ecosystem rather than seeking to 'cherry pick' areas of special interest.

Refocus on building from existing industries that have formed naturally within the region, in addition to seeking to generate new industries, and address the small business challenges that are barriers to growth.



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