

Submission

Submission to	Committee Secretary Clean Economy Jobs, Resources and Transport Committee Parliament House George Street Brisbane Qld 4000
On	Clean Economy Jobs Bill 2024
By	Business Chamber Queensland
Date	March 7 2024

About

Business Chamber Queensland is the state's peak business body. We represent businesses in every industry, of every size and in every part of the state. For 155 years, we have supported Queensland businesses to create a resilient, diversified and competitive economy.

Our extensive business knowledge, built on decades of data and research and direct engagement with businesses provides invaluable insight into business sentiment, expectations and conditions.

Our consistent and timely reporting of issues affecting Queensland businesses ensures regular and comprehensive research and consultation is undertaken to drive policy decisions. This data and these insights have informed our submission.

Our vision

To lead the accelerated adoption of sustainable business practices so Queensland businesses can thrive now and into the future.

Introduction

We welcome the opportunity to make a submission to the committee on the Clean Economy Jobs Bill 2024. Government consultation with industry and business is critical during policy planning and development and we encourage further consultation on this important policy area.

We recognise the significant collective power mobilising the business community can provide to meeting the aspirations for future economic opportunity like the Olympic and Paralympic Games, delivering the energy transition, creating a resilient and accessible society and enabling economic growth and diversification.

As Queensland's peak business body, we are committed to building a stronger, more resilient business community. The goals and targets put forward in this Bill and across wider energy and climate policy provide a call-to-action for business.

The reduction targets set in the Clean Economy Jobs Bills 2024 are ambitious but, if realised, will go a long way in securing Queensland on the path to net zero and leading carbon emissions reduction standards in Australia.

But, as with any legislation, the state's business community needs to know how this will be realised, what their role is as a business and employer and what they need to do to be competitive and compliant in the lead up to and beyond 2035.

We know business will be integral in the state achieving this target, collectively the state's business community has a big role to play. Businesses need support to transition to this low carbon future.

Certainty and security in climate and energy policy is critical, to allow businesses to plan and invest for their important part in this transition.

This submission centres on:

- Managing the just clean economy transition
- Regulatory compliance
- Workforce challenges in meeting infrastructure demand

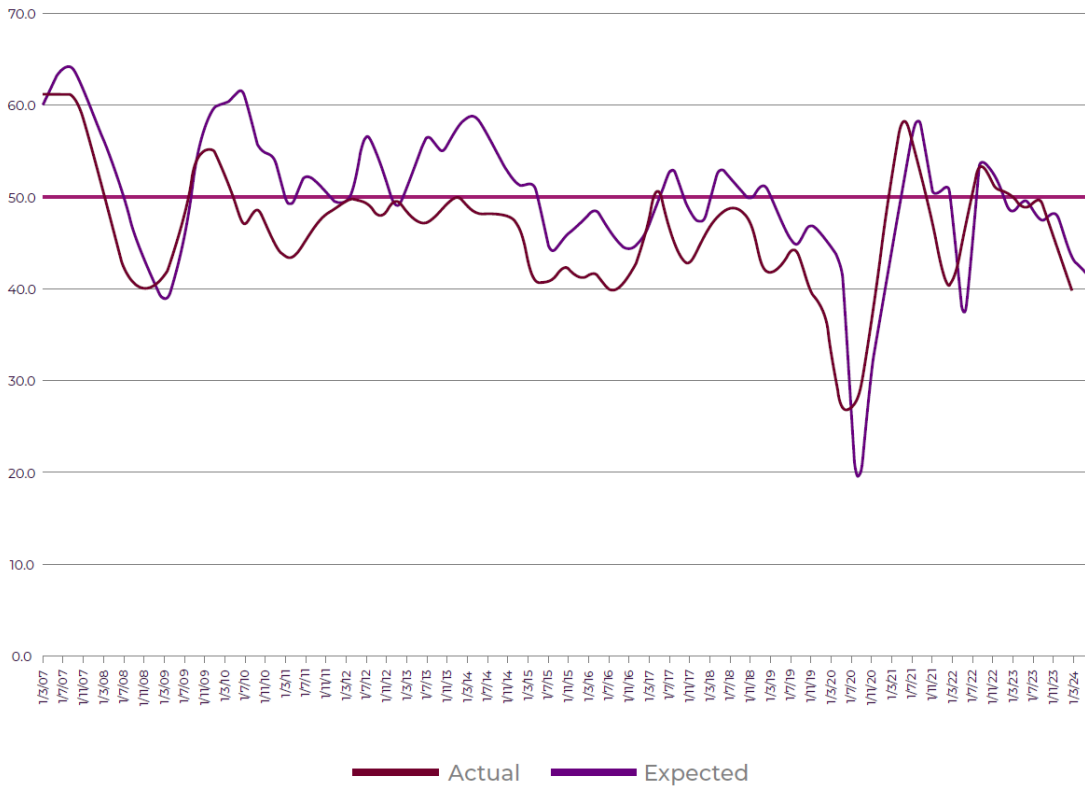
The Queensland business operating environment - a snapshot

Queensland businesses are best placed to take up future opportunities for growth, diversification and to scale. At the same time, businesses continue to face challenging day-to-day operating conditions and long-term constraints. A series of micro and macroeconomic challenges mean confidence in the future of the state and national economies is weak.

Business confidence was unchanged during the December 2023 quarter, with weaker levels only seen during 2020 and the Global Financial Crisis in 2008. More than half of businesses expect the Queensland economy to weaken over the next 12 months. Two in three businesses indicated their profitability declined in the December quarter.

Continued weak general business conditions are driven through a series of business pressures, including a weakening economy, workforce challenges and inefficient government regulation.

General business conditions, December quarter 2023

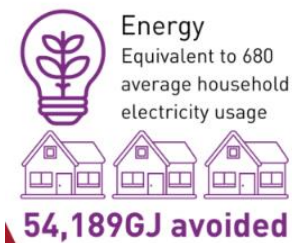


Source: Business Chamber Queensland December 2023 Pulse Report

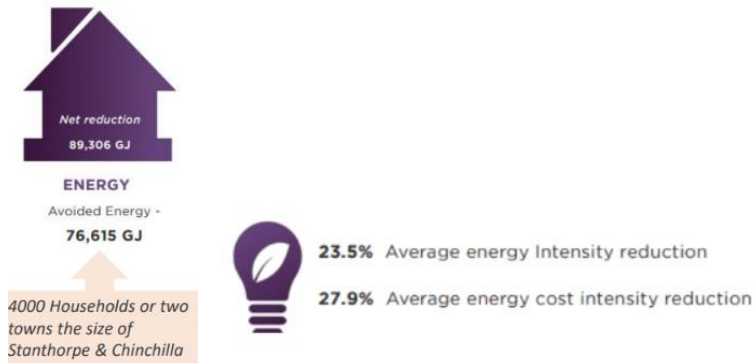
Our sustainable business commitment

Business Chamber Queensland has been working with the Queensland Government to deliver the ecoBiz program for more than 10 years. The program delivers one-on-one expert advice for businesses to reduce their water, waste and energy consumption and costs. The program has demonstrated real-time usage and cost efficiencies for business, but also positive in-direct qualitative outcomes, for example in demonstrating a sustainable business focus to workforces, customers and supply chains.

2018-2022 program impact – energy



2022-23 FY program impact – energy



Planning is currently in progress to scale the ecoBiz program into:

- Modernizing the program, including more focussed approach for micro and remote businesses
- Introducing carbon, climate risk and other modules to enable lower carbon and more sustainable business pathways

Managing the just clean economy transition

At the forefront, it is essential Queensland businesses are supported to manage their role in the clean economy transition to remain competitive in the immediate and long term.

While key opportunities are clearly articulated through Queensland Government's Energy and Jobs Plan, the New Industry Development Strategy and the 2032 Olympic and Paralympic Games Legacy Strategy, Q2032 Procurement Strategy, and more recently, the Clean Economy Jobs Bill, to properly leverage the significant opportunities, business readiness is key.

Our state business community is comprised of 99% small and medium enterprises, those which need support, guidance and practical tools to make doing business easier, more affordable and more resilient.

This is particularly relevant when considering clean energy, sustainability and ESG, where targets are being set, imminent reporting regulation enacted, significant climate challenges, increasing energy prices and a greater emphasis on understanding the environmental and social impact across the whole value chain are key business and consumer considerations.

From working directly with diverse businesses across the state, we are acutely aware businesses need support "where they are at" on their sustainability journey, as each business has a different understanding and motivation for sustainable progression and growth.

Our Business Sustainability Maturity Report demonstrates the broad spectrum of sustainability maturity across the state, across three indicators - motivation, accountability and ownership (below).

MOTIVATION

ACCOUNTABILITY

OWNERSHIP



on a scale of zero to five, representing

- DISREGARD
- COMPLIANCE
- OBLIGATION
- EFFICIENCY
- LEADERSHIP
- PURPOSE

From this research, we know 53% of businesses are currently at Compliance or below in sustainability maturity, with 14% yet to acknowledge the value of sustainability to their business. However, despite mixed levels of maturity, businesses have told us they are motivated and ready to embed sustainability. However, they lack practical tools and resources to assist them.

Our focus is to support businesses by developing and delivering these practical tools, using business insights and lived business experience to inform us. Our proposed ESG Fundamentals Training (details provided to Department of State Development, Infrastructure, Local Government and Planning) is developed using Queensland business feedback, with Queensland businesses in mind and will be delivered by business for business.

Regulatory compliance

We support opportunities for investment in clean energy and resulting supply chain outcomes but greater clarity is needed on how existing business challenges will be managed against new regulation and requirements.

The time and cost to businesses of complying with inefficient government regulation has doubled in the past two years and is a significant constraint on business growth, innovation and investment.

Data from our 2023 Efficient Regulation Report reveals 82% of businesses saw an increase in costs associated with regulatory compliance since 2021, with the median cost for Queensland businesses reported at \$50,000 in 2023, up from \$25,000 in 2021.

Close to 80% of Queensland businesses said inefficient regulatory requirements were a constraint on growth. Of those regulations, more than 80% of businesses reported environmental requirements had a moderate to high impact on their operations.

More than 70% of businesses we surveyed said reducing regulatory burden would have a positive or very positive impact on their business.

Coherent, long-term government strategy can improve the operating environment for businesses in Queensland and ensure opportunities for growth. Government investment to reduce inefficient and onerous regulations will empower businesses to reallocate time and resources towards innovation, expansion, and job creation.

Business Chamber Queensland made a series of recommendations in the State Budget 2024-25 submission to reduce regulatory burden.

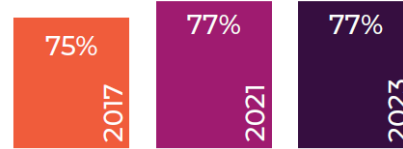


82%

82% of businesses indicated the costs associated with red tape has increased since 2021.

\$50,000

The median cost of regulatory compliance for Queensland businesses in 2023 was reported to be **\$50,000**. In contrast, the reported median cost of regulatory compliance by Queensland businesses in 2021 was \$25,000.



77%

77% of Queensland businesses indicated *inefficient regulatory requirements had prevented their business growth, which represents no improvement since 2021.*

Source: Business Chamber Queensland Efficient Regulation Report 2023

Workforce challenges in meeting infrastructure demand

Workforce challenges are the most significant constraint on business growth. This includes attracting and retaining suitably qualified workforces, direct and indirect workforce costs and managing a complex and changing employment regulatory environment.

Businesses need sustainable and future-ready workforces to capitalise on the opportunities in the next decade and beyond, including those likely to be a result of the Clean Economy Jobs Bills 2024, Energy and Jobs Plan, the New Industry Development Strategy and the 2032 Olympic and Paralympic Games Legacy Strategy, Q2032 Procurement Strategy. This requires investment in skills that will allow them to meet their ongoing and future workforce needs.

Continued workforce challenges are likely to be exacerbated through the projected infrastructure pipeline.

Our research indicates:

- There is an identified current national shortage of infrastructure workers (229,000 full-time workers from October 2023) (Infrastructure Australia, 2023);
- This is likely to be further exacerbated as many of the Queensland Government's strategies and plans project and promote infrastructure delivery and economic growth opportunities that lead to job growth and new workforce demands i.e. Energy & Jobs Plan, Queensland SuperGrid Infrastructure Blueprint and the New Industry Development Strategy.
- Regional areas such as Central Queensland are likely to be further impacted due to a hotspot for regional jobs growth as a result of these plans and strategies, with the energy transformation alone driving 70% of job growth in regional areas (Queensland Government, 2023).
- Significant regional investment will lead to downstream job demands due to increased people in regional areas and therefore increased needs for goods and services.

To meet the demand, skilled migration has been identified as a way to unlock additional workforce. The Federal Government's new migration strategy targets temporary skilled migration and prioritises regional needs to address shortages.

While the main critical sectors in healthcare, infrastructure and the digital economy (2023 Migration Strategy) will be a focus for this workforce, all aspects of the community will need to respond and accommodate new types of workers and key worker families, particularly in regional Queensland.

In the 2024-25 State Budget Submission made in February 2024, we recommended a series of measures to support Queensland businesses to manage, grow and diversify their workforce in the immediate and long term. These recommendations can also help the government achieve outcomes through the Clean Economy Jobs Bill 2024.

At the same time, a critical commitment is required to align housing and economic strategies to support increased housing investments in regional and remote communities where infrastructure and workforce demands will increase. Increased housing investments in regional areas can facilitate workforce mobility and support clean economy infrastructure delivery.

Summary

The reduction targets set in the Clean Economy Jobs Bills 2024 will go a long way in securing Queensland on the path to net zero and leading carbon emissions reduction standards in Australia.

For businesses to meet their role in the state's transition to a low carbon economy future, and to allow businesses to plan and invest for their important part of this transition, certainty and security in climate and energy policy is critical.

External sources:

Infrastructure Australia, 2023. 'Infrastructure Market Capacity 2023 Report'

Queensland Government, 2023. 'Queensland's Clean Energy Workforce Roadmap'