



An Australian Government Initiative



Regional Development Australia Gippsland Supplementary Submission September 2026

Reducing barriers to business dynamism

RDA Gippsland Feedback

RDA Gippsland welcomed the opportunity to contribute to the Australian Government's understanding of greatest barriers for operating a business in Australia. RDA Gippsland's submission provided specific responses under each of the five identified priority areas for investigation into barriers to business entry, expansion and exit. The responses covered the key issues, impacts and suggestions for improvement under each priority area. RDA Gippsland provides this supplementary submission to build on the points made in its earlier submission.

Much of the discussion around business dynamism is centred on metropolitan businesses, innovation hubs and the ability to scale. The barriers to starting and growing can be quite different when operating in regional areas of the country. In addition to the key issues, impacts and suggestions already documented, RDA Gippsland provides the below response.

Key issues:

- 1) Regional businesses are faced with additional freight costs for bringing in stock and export delivery.
- 2) Businesses in some regional areas, including Gippsland, are highly vulnerable to seasonal changes in economic activity, creating challenges for workforce availability and business sustainability.

Impacts:

- 1) Increased costs to access limited freight lines and often less frequent freight options, impact business costs, timeframes and reliability of operations.

"The result is that we end up absorbing some of that cost ourselves. We discount our products to offset freight costs for customers. In effect, we are subsidising our own geography."

Quote from a Gippsland business.

- 2) Seasonal fluctuations can create cash flow pressures for businesses, despite operating costs, taxes and regulatory obligations remaining constant throughout the year.

"If a business is forced to prioritise large, rigid tax payments during a stagnant winter period, something else has to give. Often that means reducing staff, delaying investment or losing skilled people."

Quote from a Gippsland business.

Suggestions:

- 1) Improve freight connectivity across key corridors, including last-mile upgrades, heavy vehicle routes and stronger links to ports and export supply chains. Develop regional transport and logistic hubs linked to key assets such as ports, airports, rail terminals and intermodal freight facilities.
- 2) Consider seasonal tax smoothing, allowing businesses in highly seasonal, tourism-dependent regions to plan and stage payments around their known trading cycles.

Any questions regarding this submission can be directed to Sara Rhodes-Ward, Director Regional Development, RDA Gippsland at [REDACTED] We welcome opportunities to discuss or engage on these points further.

Yours sincerely,

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Chair
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Gippsland