Advancing Small Business
Queensland
Strategy 2016–20

Queensland
the place for small business
to start, grow & employ
Foreword

The Queensland Government recognises the economic contribution of our small businesses to the State and is committed to their growth and success.

To strengthen our support for the sector, we are creating an Office of Small Business to deliver our Advancing Small Business Queensland Strategy 2016–20.

The Advancing Small Business Queensland Strategy is our plan to enable small business to meet the challenges of a changing economy by creating a stronger environment for small businesses to start, grow and employ.

Through a range of new funding programs – such as the Small Business Digital Grants program – it will help support small businesses to take advantage of the opportunities available in the digital economy.

This Strategy aligns with our Advance Queensland agenda, a comprehensive suite of programs that will create jobs, drive productivity improvements and harness innovation. Its programs can help small to medium sized enterprises across the State innovate, partner and create jobs.

By leveraging the innovation agenda, the Advancing Small Business Queensland Strategy will ensure small businesses in Queensland are provided an opportunity to work smarter, be sustainable and achieve their growth aspirations.

Working in collaboration with all levels of government and with our stakeholders, the Advancing Small Business Queensland Strategy will be our pathway to creating jobs and more sustainable communities that will contribute to regional growth and a stronger Queensland economy, bringing benefits for all.

The Honourable Annastacia Palaszczuk MP
Premier of Queensland and Minister for the Arts

The Honourable Leeanne Enoch MP
Minister for Innovation, Science and the Digital Economy and Minister for Small Business
Summary

The Advancing Small Business Queensland Strategy will create an environment in which Queensland is the place for small business to start, grow and employ.

This strategy focuses on stronger advocacy for small business, simplified and coordinated service delivery, connecting small business to opportunity and empowering small business to grow and employ.

The Advancing Small Business Queensland Strategy will deliver:

• targeted support for small businesses to get a better start, survive the tough first 4 years, increase their digital capabilities and reach their ambitions to grow and employ

• a more coordinated approach across Queensland Government to deliver services and connect small businesses to opportunities

• strengthened support for regional small businesses, recognising that they are vital to their communities

• increased collaboration and connectivity between government and key stakeholders

• stronger advocacy for small business at state and federal government levels.

What does a strong small business sector mean for Queensland?

• More jobs for Queenslanders
• Successful businesses
• Stronger communities
• Regional growth
• A stronger Queensland economy
Our vision

Queensland is the place for small businesses to start, grow and employ

By 2020, our vision for the Queensland small business landscape will result in:

- more small businesses opening with a plan for success
- increased business survival due to a better start and an increased focus on growing strongly in the first four years
- more jobs for Queenslanders
- more medium-size businesses
- business owners working smarter not harder
- more small to medium-size businesses that are globally connected
- small businesses as stronger contributors to regional economies
- simplification of government compliance and streamlined processes
- improved connectivity between small businesses, stakeholders and the Queensland Government.

Focus areas

Advocate
- A champion for small business
- Knowledge and data hub

Enable
- Make it easier to do business
- Regional activation
- Connect business, stakeholders and government

Empower
- Smarter small business
- Starting small business
- Stronger small business
- Growing small business
Key programs

**Advocate**
- Small business advocacy function
- Strengthening government and stakeholder connections
- Researching key small business issues
- Data analysis to strengthen policy and decision-making
- Queensland Small Business Advisory Council
- Annual report on the state of small business in Queensland
- Policy development

**Empower**
- Small Business Digital Grants program
- Small Business Entrepreneur Grants program
- Supporting women business owners and Indigenous businesses
- Enhanced Mentoring for Growth program
- Survive to 5 and Evolve to Thrive programs
- Accelerate Small Business Grants program
- Understanding procurement, including Partners in Business Briefings and Talk it Up programs
- Helping businesses to Be Games Ready (Gold Coast 2018 Commonwealth Games)

**Enable**
- Red Tape Reduction Advisory Council
- Annual update on red tape reduction
- Small Business in a Day program
- Snapshots of Small Business in regional Queensland
- Enhancing Business Queensland online (Business and Industry Portal)
- Database of government programs for small business
Economic contribution

We recognise that small businesses make a major contribution to our economy:

- **Queensland is a great place for small business. We have a cost-competitive business environment, including the lowest payroll taxes in Australia, low commercial property rates and access to a skilled workforce and world-class training facilities. Queensland offers an enviable lifestyle, with safe, secure and family-oriented communities stretching from Cairns to the Gold Coast and west to the outback.**

- **Small to medium-size enterprises make up 99.86% of all businesses in Queensland, of which 97% are small businesses.**

- **Over 406,000 small businesses employ around 43% of Queensland’s total private sector workforce. This percentage increases to almost 70% when medium-size businesses are included.**

- **Nationally, small businesses contribute around 33% of gross national product.** In 2014–15, they contributed around $100 billion to Queensland’s gross state product.

**Definition**

- According to the Australian Bureau of Statistics (ABS), a small business employs less than 20 staff. The ABS defines a medium-size business as one employing 20–199 staff.
- They may be sole traders (no employees), micro businesses (1–4 employees) or small businesses (5–19 employees).
- Businesses with over 20 employees often consider themselves to be a small business.
- All of the programs in this strategy will benefit small and medium-size businesses.
Our businesses to benefit from working smarter

Small businesses are less likely to use e-commerce than larger businesses, with 59% of small businesses placing orders online in 2015, 42% receiving orders and 51% receiving payments.5

The number of small businesses that innovate—through products, services, processes or marketing methods—is considerably less than medium-size or large businesses. In 2013–14, 34% of micro businesses and 54% of small businesses were innovative, compared to 60% of medium-size and 73% of large businesses.6

Small business is important to our regions

- On average there are 85 small businesses per 1000 residents in Queensland.4
- This increases to over 100 small businesses per 1000 residents in the Sunshine Coast, Gold Coast, western Queensland and outback regions.

What do we want for small business in Queensland?

Our businesses to be stronger

Over 50 000 businesses start in Queensland each year. Unfortunately, 15% don’t make it past their first year, with a further 20% exiting within two years and 40% exiting within four years.1 This is often due to poor business cases, lack of relevant advice, low use of technologies and lack of planning.
More businesses run by Aboriginal and Torres Strait Islander people

Aboriginal and Torres Strait Islander people make up around 4.2% of Queensland’s population and almost one-third of Australia’s total Indigenous population. While the number of businesses owned by Aboriginal and Torres Strait Islander people increased from 4,600 in 1991 to 12,500 in 2011, only 0.6% of all businesses in Australia are owned by Aboriginal and Torres Strait Islander people. The majority of businesses are small or micro in size and primarily found in major urban areas.

More women in business

Nationally, the number of women operating businesses has increased by 46% over the past 20 years and they now make up 33% of all business operators in Australia. Over 70% of businesses owned by women are established businesses, with 35% operating for 3–9 years and 37% operating for more than 10 years.

More businesses to employ staff

Queensland has a higher proportion of small businesses with the potential for high growth compared to the national average (11% vs 8%). Compared to other small businesses, these enterprises have a greater focus on managing business expansion and adopting technology, and a greater capacity to finance growth.
Characteristics of an Australian small business owner

- **66%** male
- **33%** female
- **0.6%** Aboriginal and Torres Strait Islander people

- More likely to operate in a major city
- **65%** sole operators
- **67%** completed a non-school qualification (certificate, diploma, degree)
- Average age **47**
- Almost **60%** of full-time business operators work more than 40 hours/week
- **56%** have been in business more than 5 yrs
- Almost **70%** born in Australia
Drivers for a small business strategy

Small business owners are often time-precious, low users of technology and may be unsure about where to access the right information and services. They are particularly vulnerable to a range of pressures, including fluctuations in the Australian dollar, changing levels of consumer confidence and natural disasters—often feeling the impact of these pressures more than larger businesses.

In addition to external pressures, small businesses face different challenges at different times in their lifecycle.

There is an opportunity to improve the small business landscape by helping people turn their ideas into businesses, helping firms reach their high growth aspirations, creating the conditions for small businesses to employ and assisting businesses facing tough challenges to increase their resilience and likelihood of success.

Using digital technologies is now the primary way organisations can conduct business effectively. Small business can benefit from using e-commerce and technologies though increased competitiveness, as well as saving time and money.

Many small businesses face global competition through the increase of low capital-intensive e-commerce models. Queensland small businesses will be in a stronger position to respond to competition, embrace new opportunities and grow into globally competitive businesses through utilising technologies, working smarter and fostering an entrepreneurial culture.

The adoption of technologies by Australian small business is low and seen as a key barrier to growth. Globally, over 900 million people are on social media and 360 million participate in cross-border e-commerce. It is estimated the Queensland economy could receive a boost of $11.3 billion over the next 10 years through greater uptake of digital technologies by businesses.
A strategic approach

The Advancing Small Business Queensland Strategy focuses on three key areas:

1. **Advocate** for small business.
2. **Enable** small business to do business and connect with government.
3. **Empower** businesses to drive innovation, growth and employment.

This strategy will be delivered by the Office of Small Business within the portfolio of the Minister for Small Business. The Office of Small Business will promote a coordinated approach to service delivery and informed decision-making, and drive a collaborative approach to implementation across Queensland Government.

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**Boost for Capricornia businesses**

The Capricornia Business Dashboard was developed using data collected to identify the key challenges facing businesses in the region and help find solutions. It was developed through a partnership between the Queensland Government, the Capricornia Chamber of Commerce and Regional Development Australia Fitzroy and Central West.

Data was gathered from 240 businesses via digital polling and an e-survey. Analysis identified the top priorities for businesses in the region, including a need for digital expertise, which enabled the Queensland Government to target service delivery to meet business needs.

This resulted in the 2015 Business Boost program, which included a Digital Week featuring presentations from digital experts, interactive workshops and one-on-one mentoring. Digital Week was enthusiastically embraced by the region, with up to 100 participants.
Advocate

We will **advocate** for small business.

**A champion for small business**

- Establish an advocacy function to provide a voice for small business and act as the primary interface between the Queensland and Australian Governments.
- Strengthen connections across government and with key stakeholders for greater collaboration, knowledge sharing and delivery of programs.
- Support the Queensland Small Business Advisory Council so they can provide advice and solutions to small business issues and opportunities.

**Small business knowledge and data hub**

- Establish a small business knowledge and data hub to research key issues impacting on Queensland small businesses and draw on targeted research and publications across government.
- Prepare an annual report on the state of small business in Queensland that includes key quantitative and qualitative measures, identifying trends and potential areas requiring support.
- Analyse data to strengthen policy and decision-making across Queensland Government.
- Lead policy development related to small business.

Enable

Our focus on **enabling** will facilitate greater connections between government and business.

**Make it easier to do business**

- Support the Queensland Government’s Red Tape Reduction Advisory Council to undertake research to identify red tape issues impacting small business and deliver recommendations to the government on how to simplify compliance.
- Release an annual update on how the Queensland Government is making compliance easier and reducing red tape for business.

**Regional activation**

- In partnership with key stakeholders, deliver Small Business in a Day programs across the state, targeted at small business challenges and opportunities.
- Investigate the development of ‘snapshots of small business in regional Queensland’ to identify the current status of the local economy, trends in local business activity and how government initiatives can better support business growth in the region.

**Connect business, stakeholders and government**

- Enhance the Business Queensland website (Business and Industry Portal) to ensure it continues to be customer focused and easy to use. A range of contemporary technologies will improve access to the site from a range of devices. Enhancements, including smart forms, will make it easier to transact with government and comply with regulations.
- Investigate development of an online database of government programs relevant to small businesses in Queensland, helping businesses to find the programs and support that are right for them.
- Inform businesses about contemporary business practices by including information on the Business Queensland website about modern forms of business planning and customer engagement, as well as the use of co-working spaces.
Your Digital File

Your Digital File (YDF) is the leading global cloud solution for the secure management of confidential documents online. YDF patented their technology and launched in the Australian market in March 2014.

In 2015, CEO Jamie Wilson contacted the Mentoring for Growth team to seek advice on attracting investment. YDF received guidance, direction and constructive criticism on their investment pitch, and gained the confidence to take their pitch to potential investors.

As a result, within one month YDF had won $250,000 in funding, enabling them to expand their team by employing four new employees. YDF is now looking to raise a further $1 million to increase resources and facilitate the commercialisation of their product.

With the assistance of the Mentoring for Growth program, YDF is now able to maximise their position as an innovative, cutting-edge leader in global cloud solutions.

Empower

By empowering small business, we will drive innovation, stronger businesses, growth and employment.

Smarter small business—encouraging innovation and the uptake of technologies

- Deliver a Small Business Digital Grants program to help small businesses work smarter and be more innovative. The program will provide grants of up to $10,000, matched by participants, to embrace digital technologies and opportunities arising from digital disruption.
- Enhance the Advance Queensland Community Digital Champions program to encourage more nominations for small businesses from intermediaries, key stakeholders and small businesses.
- Encourage more small businesses to take advantage of the suite of Advance Queensland programs. These include the Ignite Ideas Fund, Knowledge Transfer Partnerships, PhD Industry Experience and programs offered by Innovate Queensland.
Starting small business—delivering the entrepreneurs of tomorrow

• Deliver a New Business for Tomorrow program to help people develop their idea and turn it into a business. New Ideas Forums and workshops will be held throughout the state, supported by online resources.

• Deliver a Small Business Entrepreneur Grants program to enable businesses to get a better start. Grants of up to $5000, matched by participants, will help new businesses through planning, coaching and training.

• Develop women in business by encouraging more women to start and grow their business through targeted engagement such as forums, mentoring sessions and connecting with women in business groups.

• Develop Indigenous businesses to encourage more Aboriginal and Torres Strait Islander people to start a business and help established businesses to be stronger and grow. This includes online business kits and exploring new business models.

Shannon-Leigh Hawkes—Floral Artisan

Shannon-Leigh Hawkes loves to see the joy she brings to people through her love of creating artistic floral arrangements. Shannon gave up her full-time role in real estate to pursue her passion of becoming a florist.

Shannon was one of two small businesses in the Capricorn Coast region to receive support from the Queensland Entrepreneurs of Tomorrow Home-based Business Grants program.

Shannon said the money was extremely helpful, allowing her to launch her new business to the wider community.

‘I love the creative side of it and seeing something you’ve worked on all come together. I’m working on building my studio from home.’

‘Going through the workshop process with the business consultant was great because it forced me to think about the business from different perspectives, which helped to identify areas of opportunity and risk that I hadn’t previously considered.’

‘Engaging a consultant to assist with these thought-provoking processes is probably not something I would have done without the financial assistance provided by this grant.’

Stronger small business—helping businesses to stay in business

• Expand the Mentoring for Growth program to enable more mentoring sessions to be held across the state, providing targeted advice to small businesses on strategies for growth, investment, export and resilience. Eligibility criteria will be reviewed for businesses in regional Queensland to make it easier for them to access critical mentoring support.

• Deliver Monthly Mentor Chats to provide people with access to experienced mentors to discuss a new business idea or current challenges within their business, and to understand how mentoring can help them start or grow their business.
In 2015, almost 600 businesses were assisted through the Mentoring for Growth program and 160 mentor panels delivered. For participating businesses, this led to a 24% increase in employment, a 29% increase in turnover and an 11% increase in gross profit.

All Purpose Coatings

All Purpose Coatings is a family-owned company specialising in the formulation and supply of specialist floor coatings. Charmaine Ashford approached the Mentoring for Growth program in 2014 for guidance on how to manage the growth of their business.

‘I was very excited to learn that our business had been selected to participate in the Mentoring for Growth program’, Charmaine said. ‘Following our first meeting, I felt extremely positive about the support available for a business such as ours. I no longer felt isolated and appreciated all the information, expertise and contacts.’

The company returned for a second Mentoring Panel session to explore options for the future expansion of All Purpose Coatings Pty Ltd.

‘Continued growth from both our companies has allowed us to purchase our own factory at Sumner Park in Brisbane where we can manufacture and formulate our epoxy flooring products’, Charmaine said. ‘Our future goal is to be known Australia-wide as the brand to turn to for quality flooring solutions, training and advice.’

Thanks to Mentoring for Growth, All Purpose Coatings has doubled their number of staff and purchased new, larger premises. They have started work on establishing a national distribution network, which will include warehouses in each major interstate market.

• Deliver the Survive to 5 program to provide support and tools to help new businesses make it to five years—the challenging period during which many businesses fail. Businesses will be assisted through mentoring, workshops and webinars to increase business skills and improve business processes and planning.

• Deliver the Evolve to Thrive seminars to raise awareness and provide the tools for businesses to adapt their business model in order to stay in business and meet the changing demands of customers.

• Deliver programs to help businesses manage their workplace health and safety, including workers compensation, to help more small businesses comply with government regulations and provide a safe workplace for their employees.

• Continue to support food and agriculture businesses through the government’s mobile services, drought assistance scheme, industry development programs and the Queensland Agriculture Workforce Network. More food producers will be encouraged to use the micro-lab testing and food research facilities provided by the government.
Growing small business—helping businesses grow and employ

• Deliver the Accelerate Small Business Grants program to provide targeted assistance to businesses that have high growth and employment aspirations. Eligible small businesses can seek funding of up to $10,000, matched by participants, to engage high-level expertise for their business.

• Deliver the Partners in Business Briefings to enable businesses to better understand procurement processes, expectations of suppliers and receive information on how to maximise these opportunities.

The Queensland Government’s Talk it Up program has enabled technology suppliers to pitch targeted products and services to government procurement officers.

Through an expansion of this program, a wider range of small businesses will be able to pitch their capabilities to government agencies and network with other businesses. This speed-networking program will be targeted around key procurement opportunities for government agencies.

• Encourage businesses to register on the Industry Capability Network (ICN) to help connect them to opportunities to supply to private or public sector major projects. Workshops will also be held to help small businesses prepare for government tendering opportunities.

• Encourage businesses to supply information technology products or services to the government to continue in alignment with the Queensland Government ICT SME participation scheme policy.

• Assist businesses to go international through programs that help them to export, supply Asia’s e-commerce market, access opportunities arising from Australia’s Free Trade Agreements and navigate international supply chains.

• Encourage businesses to participate in the Advance Queensland Small Business Innovation Research initiative, which uses government procurement to provide innovative businesses with seed funding to develop their ideas, while at the same time solving public sector challenges.

• Encourage businesses to Be Games Ready by better understanding how they can make the most of Queensland hosting the Gold Coast 2018 Commonwealth Games and prepare for opportunities that may arise before, during and after the Games.
Dot Dash

Brisbane-based Dot Dash is a world-leader in major event ‘wayfinding’ services, and as a small business with 12 employees, size has been no impediment to its success.

‘Wayfinding’ refers to the strategy behind the information and signage that guides people through a physical environment. For sports venues and major event precincts, a clear, intuitive wayfinding strategy is an essential element of the design process.

Dot Dash’s first major sports event contract with the Sydney 2000 Olympic Games triggered a steady flow of major event contracts from around the world, and having built a strong portfolio of international project experience, Dot Dash has secured a number of projects associated with the Gold Coast 2018 Commonwealth Games (GC2018).

Dot Dash has worked on the Gold Coast Aquatic Centre and the Queensland State Velodrome, and is currently working on plans for the Parklands Project—a development that will play host to 6600 athletes and officials as the site for the Games Village and provide long-term legacy outcomes for Queensland.

Dot Dash Director, Despina Macris, said major sports events such as GC2018 provide diverse opportunities, enabling innovative small businesses to identify a niche, fill it well and pursue the niche internationally.
Implementation and reporting

Key strategic outcomes to be achieved through the Advancing Small Business Queensland Strategy are:

• job creation
• more small businesses employing staff and growing to medium-size businesses
• higher business survival rates
• more small businesses embracing digital technologies and innovation.

In addition, we will achieve:

• increased collaboration across Queensland Government and with the federal government
• increased connectivity with key stakeholders
• creation of an environment that makes it easier to do businesses.

The Advancing Small Business Queensland Strategy will be implemented from 1 July 2016 to 30 June 2020. Implementation and reporting will be led by the Office of Small Business within the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

Find out more


Connect with Business Queensland:

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- facebook.com/businessqldgov
- linkedin.com/company/business-queensland
- www.instagram.com/businessqld
- twitter.com/businessqldgov
- #QLDsmallbiz
Endnotes

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4. Derived from Queensland regional profiles, statistical area level 4, Queensland Treasury, March 2016
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