

# State of Small Business

2018

Small businesses are the backbone of our regions and vital to Queensland's economy. The Queensland Government is committed to supporting the growth and development of new and existing business. Working in collaboration with the sector and stakeholders, we will continue building on a strong foundation to create jobs and more sustainable communities that will contribute to regional prosperity and a stronger Queensland economy.

## The facts



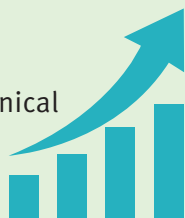
There are more than **426,000 small businesses in Queensland**, an increase of 2.9% in 2016–2017<sup>1</sup>.

These businesses employ more than **900,000 people**, around 44% of the state's private sector workforce<sup>2</sup>.



### Top five small business industries in Queensland<sup>1</sup>

1. Construction
2. Rental, hiring and real estate
3. Professional, scientific and technical
4. Agriculture, forestry and fishing
5. Financial and insurance



Small businesses contribute around **\$113 billion per year** to Queensland's economy<sup>2</sup>.



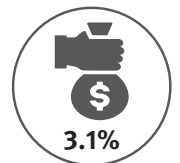
### Fastest growing small business in Queensland<sup>2</sup>



Transport,  
postal and  
warehousing



Construction



Financial and  
insurance  
services

### Queensland business confidence:

**2 point** increase in the Sensis business confidence index.<sup>3</sup>

**62.0%** of small businesses survived four years of operation to June 2017. An increase of 2.3 percentage points on the four years to June 2016 – highlighting Queensland provides the right conditions for businesses to grow and be sustainable<sup>1</sup>.

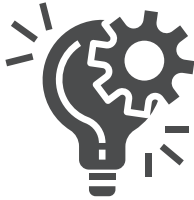


**99.8%** of new or existing businesses reported increased capability, including in the digital space, after taking part in one of our small business grant programs.

# Innovative in business

According to the CommBank Business Insights – Navigating a changing market through innovation, National Report (2017–18)<sup>4</sup>:

- It is estimated that businesses that actively innovated in 2017, generated additional earnings of **\$592,000** through improvements in products, processes, marketing and their organisation – injecting approximately \$110 billion into the national economy.
- Queensland-based businesses recorded the most significant increase in innovation with the CommBank Innovation Index rising from **23.7 in 2016** to **37.7 in 2017**, making Queensland the top national innovation hotspot.



The Queensland Government continues to foster innovation for Queensland small business through a number of grants including Small Business Entrepreneur Grants, Small Business Digital Grants and Business Growth Fund.



## Case study

### Mentoring for growth

John Burkett is a sales-led technology entrepreneur and currently Managing Director of Advicepoint Business Consulting, as well as Chairman of various advisory boards. He has volunteered as a mentor and panel Chairman for the Mentoring for Growth program for several years.

John explains the mentoring experience:

“Basically, a whole bunch of people like me who have been around the block a couple of times, come together from time to time and we sit down with a business, be it an early start up or an established business, and really just help them deal with some of the issues they might be facing.

We don't pretend that we know any more than them about their business, or that we can run the business better than the owners, that would be crazy. What we can do is stimulate them into thinking differently about certain things, I think that's the value that we add.

We can't guarantee a result, we never would do that, but I think the opportunity to sit around the table, have a chat with some experienced business people about your business, where it's at, where it's going, doing that can generally only add value. Best of all you get it for free, so it's a kind of a low risk proposition really.”





# Diversity

## Indigenous business owners

- The number of Aboriginal and Torres Strait Islander small business operators in Queensland increased **44%** between 2011 and 2016<sup>5</sup>.
- More than 27% of Australia's Indigenous small businesses are located in Queensland.
- During 2017–18, 50 grants were received by Aboriginal and Torres Strait Islander business owners totalling \$375,000, and 15 Aboriginal and Torres Strait Islander people participated in mentoring chats and panels.

## Female business owners

- Small businesses owned by women increased by **6.3%** between 2011 and 2016<sup>5</sup>.
- During 2017–18, 484 grants were awarded to women with an overall investment of \$2.1 million. In addition, there were 275 women business owners that participated in mentoring chats and panels.



## Case study

### Social enterprises supporting jobs growth

In 2018, Hello Parent was awarded an Entrepreneurs Grant to help establish this social enterprise to support parents of newborns and toddlers in their parenting journey.



The \$5,000 grant enabled the business, based in the Brisbane bayside suburb of Lota, to formulate a comprehensive 12 month business plan and marketing plan providing a strategic, well-researched foundation for future success.

The business will connect new parents to qualified professionals who are able to provide advice and guidance on topics like infant health, sleep, feeding and behaviour through online workshops and support.

Having been able to invest in planning to establish the business, the social enterprise believes their turnover will grow substantially over the next 12 months.

According to the business owner, the key project outcome was a 'better understanding of my market, identification of my competitors and the way forth for marketing. It has also provided me a great plan to approach Angel Investors with.'

# We are building the foundations for prosperity

We are committed to supporting Queensland small businesses reach their full potential and succeed. Through our funding and support programs and services, we have continued to build a prosperous environment for small businesses in Queensland.

In 2018, we announced **1069 grants** totalling **\$6.2 million** to Queensland small businesses.

Since 2015, the government has invested in a range of Back to Work initiatives to build Queensland businesses capacity to engage employees, including apprentices and trainees.

In 2018, more than **\$88.7 million** has been provided through the Back to Work program, which gives employers the confidence to take on new employees and supports small business growth.

More than 84.8% of all applications for Back to Work initiatives have been from small businesses – helping to employ 5,822 skilled job seekers.

In 2018, we have also:

- engaged with more than **7500 attendees** through **170 events** featured at Queensland Small Business Week 2018
- reached more than **five million users** through the **Business Queensland website** – a one-stop-shop for business owners to source government information from 14 agencies
- delivered **444 mentoring activities to 434 Queensland businesses**.

## Case study

### Grant supports growth



Gold Coast entrepreneur and Small Business Entrepreneur Grants Program recipient, MyCupcakeAddiction creates online video tutorials for baking and sweet creations.

The new media company has made more than 3 million YouTube followers and more than 5 million Facebook followers.

Grant funding was used to obtain advice on external investment and growth strategies for the US market. As a result the business is expected to take on five new employees.

The business has been provided with relevant information to support planning to produce an action plan. The action plan developed following advice from the Queensland Government's mentoring for growth program will enable MyCupcakeAddiction achieve their mid-term goals.

<sup>1</sup> Australian Bureau of Statistics, 8165.0 Counts of Australian Businesses, including Entries and Exits, Jun 2013 to Jun 2017, released 20 February 2018. Definition of small business: businesses employing fewer than 20 people.

<sup>2</sup> Australian Bureau of Statistics – 8155.0 Australian Industry unpublished data, 2016–17, and 5220.0 Australian National Accounts: State Accounts, Australian Bureau of Statistics, November 2017.

<sup>3</sup> Sensis Business Index September 2018 publication comparing September 2017 and September 2018. <https://www.sensis.com.au/about/sensis-business-index>

<sup>4</sup> CommBank Business Insights. National Report: FY18.

<sup>5</sup> Australian Bureau of Statistics, 2016 Census Table Builder (Based on place of work).