

State of Small Business

2019–20

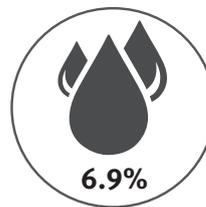
Small businesses are the engine room of the Queensland economy, working across every industry sector. They make up 97 per cent of all businesses in Queensland and employ more than 914,000 people. Small businesses are both economically and socially vital to our regions; they provide local jobs and reinvest back into their local communities.

The facts



There are more than **445,000 small businesses in Queensland**, an increase of 2.0% in 2018–2019¹.

Fastest growing small business in Queensland¹



Electricity,
Gas, Water
and Waste
Services



Information
Media and
Telecommu-
nications



Health Care
and Social
Assistance

Top five small business industries in Queensland¹

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



These businesses employ more than **914,000 people**, around **42%** of the state's private sector workforce².



Small businesses contribute around **\$120 billion per year** to Queensland's economy^{2,3}.



COVID-19 response

In responding to the outbreak of COVID-19 in early 2020, the Queensland Government immediately reprioritised resources to assist impacted small businesses in Queensland.

To assist small businesses struggling due to the COVID-19 crisis, the government has appointed Maree Adshead the new temporary Queensland Small Business Commissioner. The role includes providing information and advocacy support to small businesses, and informal resolution and mediation of COVID-19 affected small business retail leasing disputes.

A range of support measures were developed to ease financial pressure and assist small and medium Queensland businesses impacted by COVID-19. These included:

- a **\$1 billion** concessional Jobs Support Loan facility, interest free for the first 12 months, to support businesses to keep Queenslanders in work
- up to **\$950 million** payroll tax relief including a two month refund, a three-month freeze from paying payroll tax, a further six-month payroll tax deferral for the 2020

calendar year and a payroll tax exemption on JobKeeper payments

- **\$400 million** in support for retail and commercial tenants, delivered as land tax relief and payment deferrals
- rent relief for businesses and sole traders renting premises from the State Government
- **\$500 million** in utilities bill relief for households and businesses, including a **\$200 credit** for all **2.1 million** Queensland homes to offset the cost of water and electricity
- **\$100 million** in electricity bill rebates for eligible small and medium sized businesses
- a **\$500 rebate** on power bills for 2020

Round 1 of the Small Business Adaption Grants package announced 19 May 2020 comprised **\$96 million** in small business grants of up to \$10,000 each and **\$4 million** in online training for businesses to counter the impact of COVID-19.

A second round of the Small Business Adaption Grants package opened on 1 July 2020, with an additional **\$100 million** made available to support Queensland businesses.

Case study

Like an (Aqua) duck out of water

In late January 2020, the Aquaduck teams on the Gold Coast and at Airlie Beach had to cut their hours, dramatically reduce costs and recover as much money from debtors as possible to manage the financial fall-out from the COVID-19 pandemic.

Managing Director, Sarah Colgate said: “We accessed the Queensland Government’s free Mentoring for Growth program when COVID-19 started to impact our business and the mentors were excellent.

“They referred us to a range of Queensland and Australian Government support programs centrally available on www.business.qld.gov.au including relevant loan programs, the \$500 electricity rebate, JobKeeper payments for our staff and also suggested we contact the Chamber of Commerce and Industry Queensland for advice.”



One of the first actions the Aquaduck team did was develop a pathway for recovery which included 30-day operations plan and a 90-day sales and marketing plan using a range of government support programs.

“These plans were important as Aquaduck is part of the tourism industry. Our sector was the first to be impacted by COVID-19 back in January and will likely be one of the last to recover as we rely on people travelling to keep our businesses afloat.”

Building business resilience

The Queensland Government is supporting Queensland businesses to build resilience so they can be better prepared when impacted by natural disasters.

In 2019–20 over **308 disaster recovery grants** totalling **\$2.9m** were allocated to businesses impacted by the North and Far North Queensland Monsoon Trough flooding event that occurred from 25 January to 14 February 2019.

The grants enabled businesses to engage expert advice to rebuild business confidence and increase resilience for the future.

In response to the devastation caused by the Monsoon Trough, a **\$10 million** jointly funded Commonwealth and Queensland government Disaster Recovery Funding Arrangements package was announced to help small businesses in the impacted local government areas to recover and rebuild.

Initiatives under the package included:

- the appointment of Small Business Recovery and Resilience Champion to work with small businesses, small business partners, local, state and federal agencies to support the resilient and adaptive growth of small business.
- the establishment of a Townsville-based Small Business Recovery Centre (SBRC) in mid-February 2019 to offer small businesses a one-stop shop for support. Since opening (and to 30 June 2020), the SBRC has responded to over 3177 phone calls, 1576 unique small business visits and supported 245 Mentoring for Growth sessions.

Mentoring for Growth sessions were also provided to small businesses in the Southern Downs and Scenic Rim Regional Councils impacted by bushfires and drought in 2019.

Case study

Supporting a diverse small business sector

Marawah Law grew and created more jobs through a grant allocated under the Advancing Indigenous Business initiative.



Founder and Principal Solicitor, Leah Cameron, wanted to gain business planning skills to grow and expand Marawah Law’s presence across Queensland.

The Indigenous owned firm was awarded a grant to develop a business growth model that would inform a more strategic approach to business planning and marketing messages.

“The project has helped to support me with confidence and strategies which have enabled me to acquire another two legal practices, one in Brisbane and one in Cairns. In addition, we have recently expanded and relocated our Cairns-based operations from a home-based practice to a commercial premises”.

Marawah Law’s client base has tripled since receiving the grant funding, with four new staff employed, of which the majority are Aboriginal people and Torres Strait Islander people.

Diversity

Indigenous business owners

- The number of Aboriginal and Torres Strait Islander small business operators in Queensland increased **44%** between 2011 and 2016⁴.
- More than **27%** of Australia's Indigenous small businesses are located in Queensland⁴.

Female business owners

- Small businesses owned by women increased by **6.3%** between 2011 and 2016⁴.
- 35% of small businesses are owned or run by women, the second highest rate in the country behind the Northern Territory.⁴



Clinton Schultz from Sobah Beverages

We are building the foundations for prosperity

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 2019–20, more than **\$42.8 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.

Almost **86.9%** of all applications for Back to Work initiatives have been from small businesses – helping to employ **2,736** skilled job seekers.

In 2019–20, we have also:

- engaged with more than **3,300 participants** at **93** departmentally hosted or funded events
- reached more than **6.3 million** users through the Business Queensland website – a one-stop-shop for business owners to source government information from 14 agencies
- delivered **665** mentoring activities to **633** Queensland businesses, including **212** sessions for businesses seeking assistance with COVID-19 impacts.

¹ Australian Bureau of Statistics, 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019, released 20 February 2020. Definition of small business: businesses employing fewer than 20 people.

² Australian Bureau of Statistics – 8155.0 Australian Industry, 2018–19

³ Australian Bureau of Statistics – 5220.0 Australian National Accounts: State Accounts, Australian Bureau of Statistics, 2018–19.

⁴ Australian Bureau of Statistics, 2016 Census Table Builder (Based on place of work).