



Future work for small business

Skills, capabilities and potential



**Jobs
Queensland**

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Executive summary

The contribution of small businesses to the Queensland economy is significant. They are an important creator of investment and employment opportunities, particularly in Queensland's regions. The impact of COVID-19 on small businesses in Queensland has been significant.

Jobs Queensland's research and stakeholder engagement consistently identifies business, leadership, management and digital skills and capabilities as critical to the creation, viability and growth of small businesses. In a period of rapid change in our economy, owners and managers of businesses, particularly smaller ones, need the skills and capabilities required to improve the viability and resilience of their business and develop the potential for growth, should it be desired. Importantly, skills and capabilities underpin future work as they help enable innovation, the development of new markets and product diversification.

With over 400,000 small businesses in Queensland across all industry sectors, the skills and capability needs of owners and managers are diverse. They vary according to their business size, objectives, location and the industry and markets they operate in. There are a variety of institutions and organisations that provide a range of accredited and non-accredited offerings and services to meet the needs of small businesses.

The utility of what is available is largely dependent upon how owners and managers perceive them to be fit-for-purpose, timely and affordable.

The demand for skills and capability development differs across small businesses due to their differing size, location and contrasting objectives. The needs of a business that wants to grow differ to those of a business wanting to consolidate or realign its operation. The ambitions of each should be considered equally valid.

A one-size-fits-all approach to skills and capability development will not be effective. The approach must be adaptable, multi-faceted and coordinated to meet the varying needs of small business owners and managers, spanning all industry sectors and regions. Industry and regional organisations can play an important role in engaging, partnering and activating initiatives that promote skills and capability development for small business owners and managers. All levels of government and, most importantly, small businesses themselves also have critical roles to play.

This report examines mechanisms through which the skills and capability of small business owners and managers in Queensland can be strengthened. It identifies six key areas where the Queensland Government can and should act:

- Establish a strong evidence base to inform future government action.
- Foster strategic partnerships with industry and regional organisations to build small business resilience and sustainability.
- Facilitate enhanced access to skills and capability development through vocational education and training.
- Enable more targeted skills and capability development opportunities for those small businesses with a desire and potential for growth.
- Support digital transformation through expanding existing programs and developing a network of trusted advisors.
- Improve skills and capability program and service coordination to assist small businesses to access offerings.

Queensland's small businesses are important to the recovery of our economy and our communities. A focus on developing the skills and capabilities of small business owners and managers will underpin their resurgence and continuing success and prosperity.



Future work: Background and context

“Business skills and capabilities are critical for economic growth in a global market place with complex value chains and supply chains. Enterprises, particularly smaller ones, must develop their business skills and capabilities to ensure their ongoing viability and assist their expansion.”

Future work, future jobs: Preparing Queensland for the evolution of work, Jobs Queensland (2019)

Jobs Queensland is investigating what work in 2030 could look like for Queenslanders and our economy. This includes consideration of the implications for skills and employment policy of changing technology, social and demographic trends and institutional frameworks.

In 2019 Jobs Queensland released the *Future work, future jobs* report, outlining five key themes and 18 recommendations that provide a framework for the Queensland Government to support a positive future to 2030. The report also identified areas for further investigation, including the demand for business skills and capability development, including leadership and management.

In producing this report, an additional round of expert interviews was conducted, along with a focus group of small business owners and managers. This consultation built upon the findings of the statewide consultation and social research undertaken in an earlier phase of the project.

The impact of COVID-19 on the Queensland economy and on small business in Queensland has been unprecedented. It has highlighted the importance of a robust small business environment for the Queensland economy, especially in regional communities. Across the state, small businesses owners and managers have had to change their business models and develop new skills and capabilities to survive. These new skills and capabilities will need to be built upon and expanded to support the recovery of small business and communities across Queensland.

The current report presents the findings of the investigation into the call for development of business skills and capability, including management and leadership for Queensland small businesses.¹ The objective of this work is to identify the extent to which skills and employment policy settings can promote and facilitate the acquisition of business skills and capability to inform future policy development and support Queensland's economic recovery in this important area.

¹ For this report, small business is defined as those businesses employing less than 20 people; inclusive of micro businesses (employing less than five people), sole traders and non-employing businesses, and individuals working in the 'gig economy' (Parliament of Australia, 2015). Gig economy is defined as the collection of markets for short-term, project-based, outcome-defined work. (Australian Industry Group, 2016).

Small business: A cornerstone of the Queensland economy

KEY FINDINGS



Small businesses are an important driver of regional development and a major creator of employment opportunities in Queensland.



Fostering resilient small businesses is an essential component of a strong economy.



Developing owners' and managers' entrepreneurial skills and capabilities is essential to small businesses taking advantage of emerging opportunities.



Many small business owners and managers know they need to respond to an increasingly complex and globalised operating environment but are unsure how to access support.

Small businesses operate in all industry sectors and make important contributions to Queensland's economic, entrepreneurial, employment and commercial footprint. In 2018, 97.7 per cent of all businesses in Queensland were small businesses and they employed approximately 44 per cent of all private sector workers.²

Small businesses contribute around \$113 billion to the Queensland economy each year.³ Despite their contribution to the economy, more than half of all small business owners registered with the Australian Taxation Office have a net income of less than \$25,000 per annum.⁴

The economic benefits of small businesses are more acutely experienced in regional areas of Queensland. The ratio of small businesses to larger businesses is higher outside of Brisbane. On average, there are 86 small businesses per 1,000 residents in Queensland and this increases to over 100 small businesses per 1,000 residents in the Sunshine Coast, Gold Coast, and western Queensland and outback regions.⁵

A healthy small business sector is a prerequisite for a growing economy and plays a critical role in driving economic development and employment opportunities, particularly in regions.⁶ While much of the small business landscape is similar across Queensland, there are location and industry context differences. These include factors such as remoteness, infrastructure, access to education, training and external support, labour market shortages, supply chain challenges, and business models and markets.

Jobs Queensland's research has identified three key drivers of change that are shaping future work: technology; demographic and social changes; and legal, institutional and policy influences. These drivers are also contributing to an increasingly complex operating environment for small businesses in Queensland and have clear implications for workforce development.

In recent years, the Australian economy has been characterised by declining competition with over half of the industries in Australia becoming more concentrated.⁷ As a result, competition for business is more challenging than ever for many small businesses.⁸

2 Bakhtiari, S., 2019. *Trends in Market Concentration of Australian Industries*, Research paper 8/2019, Office of the Chief Economist, Australian Government. <https://www.industry.gov.au/data-and-publications/trends-in-the-market-concentration-of-australian-industries>.

3 Australian Bureau of Statistics, 2019a. *Counts of Australian Businesses, including Entries and Exits, June 2014 to June 2018*. Australian Bureau of Statistics, 2019b. 8155.0 Australian Industry unpublished data, 2016–17. Australian Bureau of Statistics, 2019c. 5220.0 Australian National Accounts and State Accounts. Canberra.

4 The Australian Small Business and Family Enterprise Ombudsman, 2019. *Small Business Counts: Small business in the Australian economy*. Commonwealth of Australia.

5 Queensland Government, 2017. *Advancing Small Business Queensland Strategy 2016-20*. Brisbane. <https://www.publications.qld.gov.au/dataset/advancing-small-business-queensland/resource/93b03880-e1f7-41d4-9127-56244ef5e4bc>.

6 The Australian Small Business and Family Enterprise Ombudsman, 2019. *Small Business Counts: Small business in the Australian economy*. Commonwealth of Australia.

7 Hambur, J. and La Cava, G., 2018. Business Concentrations and Mark-ups in the Retail Sector, *Bulletin*, December 2018. Reserve Bank of Australia.

8 Office of the Queensland Chief Scientist, 2016. *Health of Queensland Science and Innovation 2016*. Brisbane. https://www.chiefscientist.qld.gov.au/__data/assets/pdf_file/0023/49811/health-qld-science-2016.pdf.

To be innovative and competitive, many Queensland businesses are embracing new paradigms for competing in a global market – customisation, business model innovation, collaborative R&D, design-led thinking, digitisation, value-adding along the supply chain, adopting a systems approach, capability alignment and accessing global value chains.

Policies, initiatives and programs that support these new guiding principles are critical for skills development, future jobs and the economic prosperity of Queensland.

Health of Queensland Science and Innovation, Office of the Queensland Chief Scientist (2016)

As competition intensifies, the ability to innovate and do things faster, more cost effectively or with greater differentiation is essential for business sustainability.⁹ Innovation in product or service design, processes, and business strategy enables small businesses to grow in existing markets or adapt to new or evolving markets.

The importance of innovation and agility for small business has been on display as business owners and managers have pivoted to respond to the impacts of COVID-19 on the Queensland economy. Small businesses that innovate are agile and rapidly employ workers, demand higher skills, pay higher wages and offer more stable prospects for their workforce.¹⁰

The major barriers to innovation for most small business are access to capital and a lack of skills.¹¹ For many businesses, particularly in Queensland's regions, adequate planning for weather events can help mitigate impacts. As Queensland moves to a low carbon future in response to climate induced risk, leadership and planning can help position small businesses to adopt innovative ideas and products and take advantage of new business opportunities as they emerge.

Entrepreneurial skills and capabilities are essential to conducting business in an increasingly complex, competitive operating environment, and enabling small businesses to be ready to take advantage of opportunities across the Queensland economy. At the same time, investment in risk management, financial management and strategic and workforce planning skills and capabilities can support the resilience of small businesses. Small business owners or managers undertake most or all of these functions often without adequate skills, capabilities or capacity.

Many small businesses have no desire to grow. However, for those that do, business skills and capability development can underpin their growth strategy.

For businesses seeking external investment to support their expansion, the skills and capabilities of owners and managers are a key consideration for potential investors.

The expansion of the digital economy and increasingly globalised markets are impacting small businesses in all industry sectors, but the impact is uneven. For example, the first wave of automation bypassed many small manufacturing businesses as the cost and specialisation of these technologies were a barrier to uptake. However, improved functionality and falling costs are making robotics and automation more accessible for small businesses.

Increasingly, small business owners and managers across all industry sectors need to adopt technology to drive competitiveness, adapt to the changing nature of supply chains and meet evolving consumer preferences. For many small businesses, technology has been key to surviving COVID-19 as e-commerce and remote working have changed business models. This process of change presents challenges and at the same time may provide opportunities if owners and managers have the skills and capabilities to innovate, strategise and plan. Unlike their small business counterparts, larger businesses will often have systems, structures and resourcing in place to respond to these challenges and opportunities.

A consistent message through Jobs Queensland's consultation is that small business owners and managers know that they need to put in place actions to respond to this increasingly complex operating environment but many are unsure how to respond, where to find help or lack the capacity to address these needs.



⁹ Tunney, M., 2016. *Innovation in Small Business*, Dublin City Local Enterprise Office. Ireland. <https://www.localenterprise.ie/DublinCity/Start-or-Grow-your-Business/Knowledge-Centre/General-Business-Advice/Small-Business-Innovation/>.

¹⁰ OECD, 2015. *Small Businesses, Job Creation and Growth: Facts, Obstacles and Best Practices*. Geneva. <https://www.oecd.org/cfesmes/2090740.pdf>.

¹¹ The Australian Small Business and Family Enterprise Ombudsman, 2019. *Small Business Counts: Small business in the Australian economy*. Commonwealth of Australia.



Small business skills and capability needs are diverse

KEY FINDINGS



The skills and capability needs of business owners and managers differ according to a variety of factors such as business type, maturity and industry or regional context.



The diversity of individuals and enterprises engaging in business is becoming greater.



Leadership, management and digital skills and capabilities are particularly important in enabling small businesses to harness opportunities and adapt to changing markets.



A wide range of capability development options are delivered by many organisations based in and outside of Queensland.

Business skills and capability development, including leadership and management, can be a key contributor to enabling both new and established small businesses to improve their viability, resilience, sustainability and capacity for growth.

According to the 2019 *IMD World Competitiveness Report*, of the 63 countries rated, Australia's ranking for management practices fell from 31 in 2018 to 38 in 2019. Australia also ranked 51st for credibility of managers and 57th for entrepreneurship.¹²

These rankings support stakeholder feedback calling for improved leadership, management and business skills and capabilities for enterprises, such as entrepreneurship and workforce planning, needed to develop and expand a business.

Part of the strength of the small business sector in Queensland is its significant diversity. With over 428,000 small businesses across Queensland, it is unsurprising that substantial variance exists in the business capability needs of owners and managers.

These differences can be seen across four key areas:



Business type,
age and maturity



Business growth plans
(noting that most small
businesses do not aspire to grow¹³)



Business size



Differing business context
and environment across
industries and regions

Greater diversity is emerging amongst the individuals and enterprises engaging in business. The expansion of the gig economy, independent contractors and individuals in portfolio careers¹⁴ have all contributed to this increasing diversity. These forms of work are not new, but they are becoming more prevalent in different parts of our economy and labour market. Individuals engaged in alternative forms of work have identified the need for business skills and capabilities and several barriers to acquiring them, particularly around accessibility and cost.¹⁵

Figure 1 outlines the skills and capability development areas that are broadly consistent across small business.

¹² CEDA, 2019. *WCY Australia Summary Results 2019*. Melbourne: CEDA. https://www.ceda.com.au/CEDA/media/ResearchCatalogueDocuments/PDFs/WCY-Australia-Summary-Results-2019_CEDA.pdf.

¹³ Mazzarol T. & Clark D., 2016. The evolution of small business policy in Australia and New Zealand, *Small Enterprise Research*, 3:23, pp. 239-261.

¹⁴ Mqamelo, R. 2019. *The Rise of the Portfolio Career*. San Francisco: YearOn. <https://www.yearon.com/blog/the-rise-of-the-portfolio-career>.

¹⁵ Jobs Queensland, 2019. *Queensland Future Work Social Research Report*. Ipswich. <https://jobsqueensland.qld.gov.au/projects/futurework/>.

There are five key areas that encompass all small businesses and a sixth that captures elements that are specific to an individual enterprise. Importantly, while a series of common skills and capability needs were identified, their applicability to any small business may vary.

Leadership, management and digital skills and capabilities are consistently identified as a priority through Jobs Queensland's research and consultation with stakeholders throughout the State. The demand for these specific skills and capabilities feature prominently in the industry case studies.

FIGURE 1: SKILLS AND CAPABILITY DEVELOPMENT AREAS FOR SMALL BUSINESSES¹⁶



¹⁶ Business Queensland, 2020. *Running a business*. Brisbane: Queensland Government. <https://www.business.qld.gov.au/running-business>.
Gekara, V., Snell, D., Molla, A., Karanasios, S. and Thomas, A. 2019. *Skilling the Australian workforce for the digital economy*. Adelaide: NCVET. https://www.ncver.edu.au/__data/assets/pdf_file/0026/5744123/Skilling-the-Australian-workforce-for-the-digital-economy.pdf.

Leadership and management skills and capabilities

Effective leaders and managers are generally more productive and innovative and deliver better financial returns.¹⁷ Skilled leaders and managers enable enterprises to navigate interconnectivity between systems, machines and people. They must be adept at dealing with uncertainty and changing landscapes. The Australian Industry Group (Ai Group) notes that leadership and management skills are taking on a renewed focus as industries transition towards an increasingly digital economy. According to the *2018 Workforce Development Needs Survey*, 62 per cent of respondents believe that a lack of leadership and management skills is having a high impact on their business.¹⁸

Building the leadership and management skills and capabilities of the small business sector can create a source of competitive advantage for the Queensland economy, both nationally and internationally. To fully realise this potential, a much wider focus on the development of leadership and management skills and capabilities across the breadth of the Queensland economy and labour market is required. The demand is especially acute in small businesses where the owner or manager's formal skills development is in a technical area relevant to their product or service rather than the core skills needed to run a business successfully.

The business landscape in Queensland has a vibrant and varied profile. This section investigates six industries with a focus on those with many small businesses, including both non-employing businesses, and those with 1 to 19 employees in Queensland.



¹⁷ Australian Workforce and Productivity Agency, 2013. *Future focus: 2013 National Workforce Development Strategy*. Commonwealth of Australia.

¹⁸ Australian Industry Group, 2019. *Skilling: A National Imperative*. Melbourne.
https://cdn.aigroup.com.au/Reports/2018/Survey_Report_WFDNeeds_Skilling_Sept2018.pdf.



An industry perspective



Construction industry¹⁹

(>17%) small
business
profile in QLD



60%
sole
trader



Rental, Hiring and Real Estate Services industry²⁰

(>11%) small
business
profile in QLD



84%
sole
trader

Characterised by:

The most common pathway for a construction business manager is a building and construction trade apprenticeship. Some professions require a degree-level qualification e.g. civil engineering.

According to Construction Skills Queensland, the business and leadership capability gaps in this industry are:

- various contract management and business management capabilities required to enhance market competitiveness;
- improving digital skills and understanding data, especially regarding cloud technologies and platforms;
- industry expert mentors, coaches and support for apprentices and trainees to develop their skills in supervision, leadership, and business, and to support the adoption of innovation;
- building of indigenous business capability and capacity;
- improving financial acumen e.g. budgeting, due diligence and mentoring for new business owners; and
- knowledge of legislation, regulations, standards and codes and the policy implications for businesses.

Some professions may require a degree-level qualification. With flexible hours and on-the-job training, the Rental, Hiring and Real Estate industry is suited for traineeships and some apprenticeship pathways.

Industry training can be important for some occupations. Others require professional registration or accreditation e.g. real estate agent.

According to Artibus Innovation, the business and leadership capability gaps in this industry are:

- e-commerce capabilities and use of digital platforms for marketing and transaction purposes;
- legislation and regulation that impact the business operational environment;
- auditing and reporting skills; and
- change management to adapt their operating models in alignment with the industry's rapid developments.

¹⁹ Construction Skills Queensland, 2019. Industry Outlook 2019-20 for Queensland's Construction Industry. Brisbane. https://www.csq.org.au/wp-content/uploads/2020/07/CSQ-Industry_Outlook_2019-20.pdf.

²⁰ Artibus Innovation, 2018. *Property Services Skills Forecast*. Hobart. http://www.artibus.com.au/wp-content/uploads/2019/03/PropertyServices_SkillsForecast_2019.pdf.



Professional, Scientific and Technical Services industry²¹

(>11%) small business profile in QLD



58%
sole trader



Agriculture, Forestry and Fishing industry²²

(>9%) small business profile in QLD



77%
sole trader

Characterised by:

Most professions require a degree-level qualification e.g. accounting. Some professions have additional licence, permit and registration requirements that involve additional vocational courses or qualifications.

Continual industry training can be a requirement of professional registration. Many professions expect continuous professional learning and development e.g. emerging technologies, and changing policies, practices and standards.

According to Ai Group, the business and leadership capability gaps in this industry are:

- critical enquiry and problem solving complemented by technical capability to work in different environments;
- science, technology, engineering and mathematics (STEM) capabilities and higher-level digital skills;
- workforce planning capability to assess existing workers' skills and to support integrated workplace learning; and
- leadership and management capabilities and advanced risk management capabilities to navigate change in the industry.

Many occupations have no qualification requirements. The agricultural workforce generally has lower levels of formal education than the general Australian workforce.

According to Queensland Farmers' Federation, the business and leadership capability gaps in this industry are:

- digital and technical capabilities to maximise the use of technologies and scientific developments in agriculture;
- leadership capabilities that improve the ability of small businesses to recruit, train and retain workers; and
- business management and financial capabilities to ensure sustainability and resilience to external risks.

²¹ Australian Industry Group. 2019. *The Fourth Industrial Revolution: Australian businesses in transition*. Melbourne. https://cdn.aigroup.com.au/Reports/2018/Survey_Report_WFDNeeds_Skilling_Sept2018.pdf.

²² Queensland Farmers' Federation. (n.d.). *Rural Industries Jobs and Skill Research*. Brisbane. <https://www.qff.org.au/projects/rural-jobs-skills-alliance>.



Transport, Postal and Warehousing industry²³

(>17%) small business profile in QLD



76%
sole trader



Retail Trade industry²⁴

(>5%) small business profile in QLD



45%
sole trader

Characterised by:

Many occupations have no qualification requirements. Many occupations require industry licences and permits depending on transport equipment used and the type of goods being transferred or stored.

According to Business Australia, the business and leadership capability gaps in this industry are:

- digital capabilities that enable the utilisation of new technology and to improve access for customers;
- customer service skills;
- technical capabilities that equip workers with the skills required for equipment maintenance and upgrades; and
- training and change management capabilities to run businesses within changing environments as well as to upskill workers to adapt to changing job demands.

Many occupations have no qualification requirements. Entry into careers in retail is usually at the Certificate II level while vocational education in supervisory skills is available at the Certificate III level.

According to the Productivity Commission (2011), the business and leadership capability gaps in this industry are:

- digital skills and knowledge of website interface technology to support the growth of online retailing;
- e-commerce skills to enable businesses to adopt new payment platforms;
- enhanced customer service skills to increase productivity and to receive an adequate return on investment; and
- entrepreneurial skills to develop innovative responses to heightened retail industry competitiveness.

²³ Business Australia, (n.d.). *Transport, postal and warehousing industry fact sheet*. Canberra: Australian Government. <https://www.business.gov.au/planning/templates-and-tools/industry-factsheets/>.

²⁴ Productivity Commission, 2011. *Economic Structure and Performance of the Australian Retail Industry*. Canberra. <https://www.pc.gov.au/inquiries/completed/retail-industry/report>.

Building digital capacity and capability

KEY FINDINGS



Small business owners and managers recognise that being digitally savvy is essential for sustainability and competitiveness, but many don't know where to start.



Building the digital capabilities and capacity of small businesses is key to harnessing existing and emerging economic and social opportunities, especially for regions.



There are many barriers to building digital capabilities and adoption of digital technologies.



Digital transformations begins with trusted and unbiased advice.

Through extensive research and stakeholder consultation, Jobs Queensland has identified significant demand for knowledge and skills to respond to technology changes and the emergence of the digital economy.²⁵ The adoption of digital technologies varies widely, both by industry and enterprises within industries, based on perception of cost and benefit.²⁶

In Queensland, uptake also varies across regional locations, driven in part by a lack of infrastructure, inadequate digital connectivity or limited knowledge about how to integrate digital technology into business operations.²⁷



Digital exclusion can have substantial social and economic consequences for communities such as poorer education, employment and health outcomes.²⁸

The greater the distance a small business is from major population centres, the more difficult it is to access reliable internet provision and digital skills and capability development opportunities.²⁹

A recent survey by CCIQ of businesses in Queensland found that 90 per cent identify a need to become more digitally savvy.³⁰ This need has been thrown into sharp focus as small businesses across Queensland have responded to COVID-19 restrictions. Australia-wide, 47 per cent of small businesses have moved their workforce online and 87 per cent plan to continue these working arrangements into the future.³¹ However, the impact of COVID-19 risks increasing the digital divide that exists between large and small business.³²

25 Jobs Queensland, 2019. *Future work, future jobs: Preparing Queensland for the evolution of work*. Ipswich.

26 Australian Productivity Commission and New Zealand Productivity Commission, 2019. *Growing the digital economy in Australia and New Zealand*, Maximising opportunities for SMEs, Joint Research Report. Canberra.

27 Jobs Queensland, 2019. *Future of Work Social Research Report*. Ipswich.

28 The Cairns Institute, 2018. *Connectivity and digital inclusion in Far North Queensland's agricultural communities: Policy-focused report*. Cairns: James Cook University. <https://www.ruraleconomies.org.au/media/1203/cairns-institute-recoe-connectivity-and-digital-inclusion-policy-document-v6-compressed.pdf>.

29 *ibid*

30 CCIQ, 2019. *Digital Readiness Study 2018*. Brisbane. <https://www.cciq.com.au/assets/Digital-Readiness/CCIQ-DigitalReadiness2018-infographic-1.pdf>.

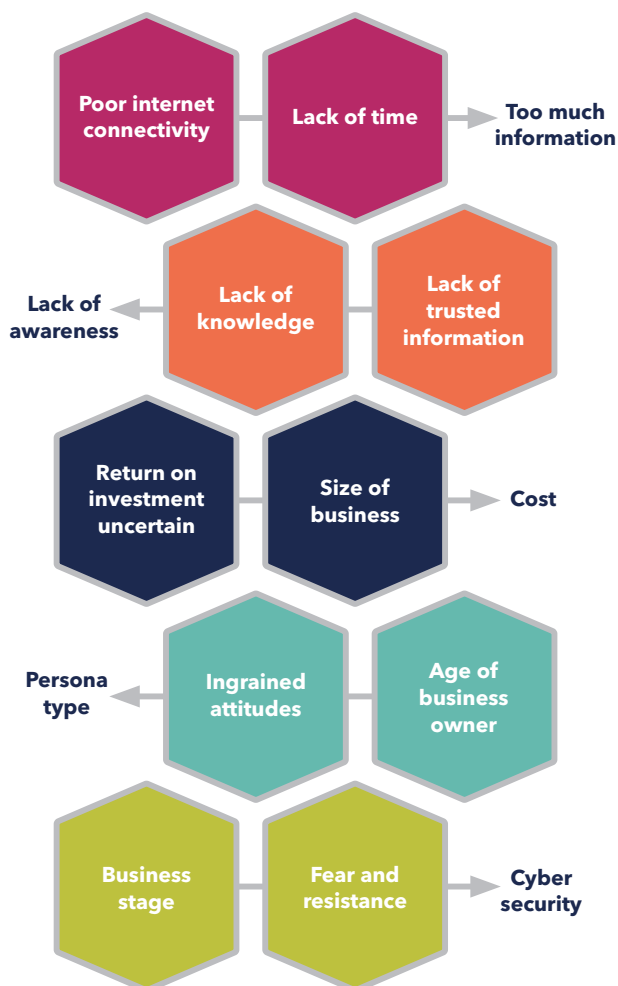
31 Hammond, A., Bahr, I. and Rossi, L. 2020. *A Global Perspective Of Current & Future Remote Working Trends*. North Sydney: Capterra <https://www.capterra.com.au/blog/1520/global-perspective-current-future-remote-working-trends>.

32 CEDA, 2020. *How COVID-19 is worsening digital inequality*. Melbourne: CEDA. <https://www.ceda.com.au/Digital-hub/Blogs/CEDA-Blog/April-2020/How-COVID-19-is-worsening-digital-inequality>.

“Digitisation is now essential for a small business to be truly competitive.”

*New figures show digitisation a key driver of small business success,
Australian Small Business and Family Enterprise Ombudsman (2020)*

Digital capability and adoption of digital technologies among small businesses remains low in Australia.³³ This is driven by:



Source: Australian Government. 2018. *Small Business Digital Taskforce: Report to Government*. Canberra.



Prior to the pandemic, the ongoing development of digital skills and capabilities was considered essential for all small businesses to ensure their ongoing sustainability and competitiveness. Small and medium-sized businesses that have advanced levels of digital engagement are 50 per cent more likely to be growing revenue, earning 60 per cent more revenue per employee when compared to similar businesses with basic levels of digital engagement.³⁴

Small businesses that are not already engaging with digital technologies to deliver their products and services are at significant risk of being left behind. For many small businesses, the cost of digital technology is a significant challenge with six out of ten small employers citing this as their main reason for not adopting.³⁵

33 Barraket, J. and Wilson, C. 2020. *Digital Inclusion and COVID-19: CSI Response*. Melbourne: Centre for Social Impact. https://www.csi.edu.au/media/uploads/csi-covid_factsheet_digitalinclusion.pdf.

34 Deloitte Access Economics, 2017. *Connected Small Businesses 2017*. Sydney: Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-connected-small-businesses-google-161017.pdf>.

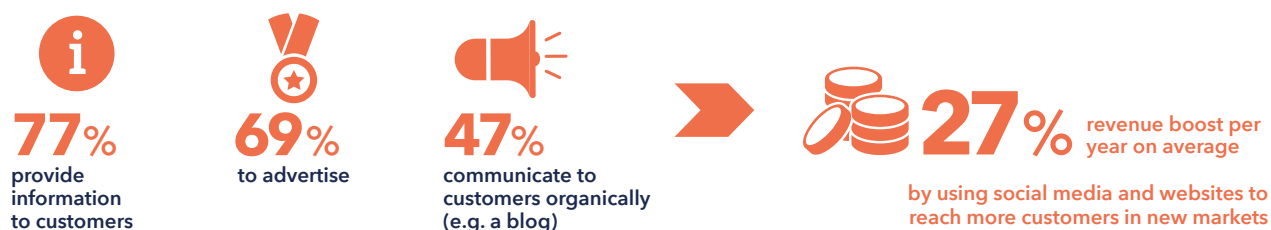
35 Jobs Queensland, 2019. *Queensland Future Work Social Research Report*. Ipswich. <https://jobsqueensland.qld.gov.au/projects/futurework/>.

Opportunities to SMEs from building their digital capabilities include:

IMPROVING BUSINESS OPERATIONS

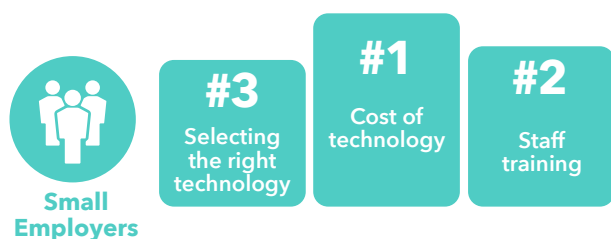


CONNECTING WITH NEW AND EXISTING CUSTOMERS



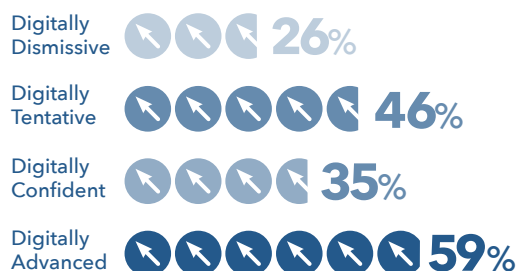
Challenges faced by SMEs in building their digital capabilities include:

ACQUISITION AND IMPLEMENTATION



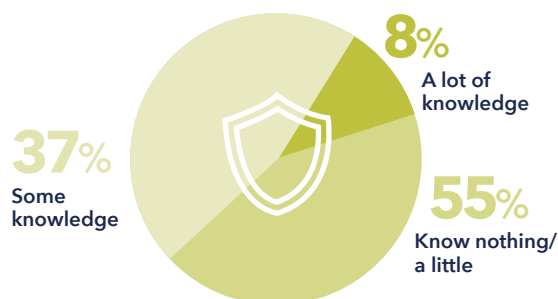
DEVELOPING THE RIGHT MINDSET

Social media usage by digital mindset



CYBER SECURITY

Knowledge of cyber attacks and cyber security



Concern level



Sources: Queensland Future Work Social Research Report, Jobs Queensland (2019); The Digital Economy: Transforming Australian Business, ANZ (2018).

"Technology certainly for me and my team's perspective allows us to be equally as productive or more productive for less effort."

Queensland Future Work Social Research Report, Jobs Queensland (2019)

Growing the digital capabilities of small businesses will be crucial in developing resilient and sustainable small businesses. Small business owners and managers need the capabilities to develop digital transformation plans. The amount of information and the range of digital technologies available make informed decision-making difficult. Often the person offering advice is the person trying to sell a particular product or service.

Access to a trusted advisor can assist in minimising risk and maximising return on investment for most small businesses. Small business owners look to their industry associations or local networks for advice.³⁶ There is a need to expand existing programs and to support industry associations, regional organisations and local networks to develop the capabilities and capacity to provide unbiased advice.

The skills and capability needs of small businesses are diverse. Electronic invoicing and social media marketing are now essential for many small businesses, regardless of industry or location. Otherwise, digital skills vary according to the industry in which the business operates.



Construction

Improving digital skills and understanding data, especially in regard to cloud technologies and platforms.



Rental, Hiring and Real Estate

E-commerce capabilities to redesign business processes as well as to make use of digital platforms for marketing and transaction purposes.



Agriculture, Forestry and Fishing

Digital and technical capabilities in order to maximise the use of smart technologies and new scientific developments in agricultural production.



Professional, Scientific and Technical Services

STEM capabilities and higher-level digital skills that prepare people to work in increasingly technology driven businesses. Digital literacy and advanced risk management capabilities to build strong cyber secure and resilient businesses.



Transport, Postal and Warehousing

Digital capabilities that enable the utilisation of new technology, such as connected devices, to improve transport access for customers.



Retail Trade

Digital skills and knowledge of website interface technology to support the growth of online retailing. E-commerce skills to enable businesses to adopt new payment platforms.

³⁶ Small Business Digital Taskforce, 2018. Report to Government. Canberra: Australian Government.
https://www.industry.gov.au/sites/default/files/small_business_digital_taskforce_-_report_to_government.pdf?acsf_files_redirect

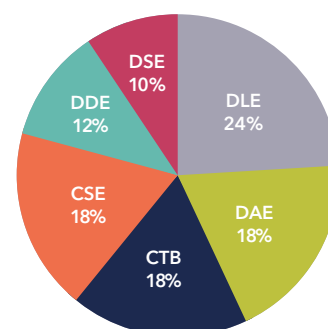
Targeted skills and capability development are needed to extend beyond generic digital capabilities. It is especially important for businesses with a high degree of exposure to national or global markets or for industries experiencing significant technological disruption. For many small businesses, the ability to respond to cyber security threats and manage significant amounts of data are becoming critical.^{37,38} In response to COVID-19, the Queensland Government provided access to free online training in a number of digital-related micro-credentials. Enrolments showed strong demand with over 17,500 enrolments in the period from their introduction in April to December 2020.³⁹

According to a recent CCIQ survey⁴⁰, small business identified a lack of digital and IT skills as having the second greatest negative impact on their business, with 45 per cent of respondents identifying this as a significant issue. Only 13 per cent of businesses intend making staff training their biggest digital investment in 2020. Jobs Queensland social research found that, in addition to cost, the key barrier to training was finding the time within already busy days.⁴¹

Queensland Government funded micro-credentials

Qualification Level	Number of Enrolments	Number of Completions
Digital Literacy Essentials (DLE)	4169	2249
Data Analysis Essentials (DAE)	3267	1728
Communication Technologies for Business Success (CTB)	3177	1847
Cyber Security Essentials	3102	1904
Digital Data Essentials (DDE)	2049	1341
Data Security Essentials (DSE)	1768	1182
Total	17,532	10,251

Proportion of enrolments



Supporting small business to harness digital and technology opportunities



Supporting small business to harness digital and technology opportunities will be key for Queensland's recovery and future economic growth. It will require commitment and collaboration between government, industry, small businesses and education across three areas.

Developing the skills and capabilities of the small business workforce needs to be supported through access to trusted advice to inform decision making and support to invest in and adopt appropriate digital technology. Action in one area alone will not be sufficient.

37 Deloitte Access Economics, 2017. *Connected Small Businesses 2017*. Sydney: Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-connected-small-businesses-google-161017.pdf>.

38 The Australian Small Business and Family Enterprise Ombudsman, 2017. *Cyber Security: A Small Business Best Practice Guide*. Canberra: Commonwealth of Australia. <https://www.asbfeo.gov.au/sites/default/files/documents/ASBFE0-cyber-security-research-report.pdf>.

39 Queensland Department of Employment, Small Business and Training, 2020.

40 CCIQ, 2020. *Digital Readiness Report 2020*. Brisbane: CCIQ.

41 Jobs Queensland, 2019. *Queensland Future Work Social Research Report*. Ipswich. <https://jobsqueensland.qld.gov.au/projects/futurework/>.

Team Woori

Why do I need hygiene?

Often we are so busy that we don't usually defend ourselves against many germs. Having healthy skin is one of the ways we can do this.

Often our natural defences are weakened when we are not well, or when we are stressed.

Each time you

Minimising Infection

Good hand hygiene is the most effective way to prevent the spread of infection. If you don't use hand hygiene, you are more likely to get sick.

Use hand hygiene to stop the spread of infection in your family and home.

For further information contact:
The Infection Control Unit at your hospital or



Hand Hygiene Australia
www.hha.org.au



Hand Hygiene Australia
www.hha.org.au

Preventing the Spread of Infection

There is a link between poor hand hygiene and the spread of infection. It is important to use hand hygiene to prevent the spread of infection.

Use hand hygiene to prevent the spread of infection in your family and home.



Existing development options

Small business owners and managers seek to build their business skills and capabilities in a variety of ways. There are a wide range of development offerings and services delivered by many organisations in Queensland and beyond.

A scan of available offerings in Queensland identified hundreds of different programs, courses, initiatives, or services. These are delivered by an equally large number of institutions and organisations and fall into five broad categories:

1. Government support

Governments of all levels make available business resources and tools to support small businesses. In Queensland, the Advancing Small Business Queensland Strategy 2016-2020 provides a plan to enable the small business sector to meet the challenges of a changing economy by creating a stronger environment for small businesses to start, grow and employ.⁴²

Through Business Queensland, the Queensland Government offers tools and resources to support small businesses, covering topics such as business planning, risk management and managing business relationships. A range of other programs are also available, such as Mentoring for Growth (providing eligible businesses with access to volunteer business experts) or contextualised programs like the Tourism Industry Business Capability Program's digital mentoring for tourism businesses.⁴³ Additionally, the Advance Queensland initiative is designed to provide opportunities for small businesses to grow, innovate and access new markets for their goods and services.⁴⁴

As part of its COVID-19 response, the Queensland Government expanded the range of tools and resources available and successfully provided access to free training through micro-credentials and online non-accredited training. An important policy consideration for the future is in relation to the level of business, government and student contribution to the cost of micro-credentials.

The Australian Government also has a range of initiatives that focus on building business skills and capabilities, including:

- the Entrepreneurs' Programme⁴⁵, which provides eligible businesses with a range of services to support innovation, competitiveness and growth; and
- the Australian Small Business Advisory Services Digital Solutions⁴⁶ initiative, which provides small businesses with low cost advice on a range of digital solutions to help them meet their business needs and grow their digital capabilities.

2. Industry or localised support

Peak bodies and corporate institutions provide a range of services for their customers or members. This includes resources, tools and professional learning opportunities on topics such as business planning, managing cash flow and tax, operation checklists, and human resources advice.

Several industry bodies, regional organisations and other groups coordinate information sharing, networking, communities of practice and peer-to-peer services that provide a form of capability development for some small businesses.

3. Nationally recognised training

A range of nationally recognised qualifications are also available. For example, the Business Services (BSB) training package contains a suite of leadership and management qualifications (Certificate IV, Diploma and Advanced Diploma level), including the Certificate IV in Small Business Management and a Graduate Diploma of Strategic Leadership that have potential application to many small businesses. Some other training packages also contain qualifications designed to develop leadership and management capabilities that can be contextualised to small businesses.

42 Queensland Government, 2017. *Advancing Small Business Queensland Strategy 2016-2020*. Brisbane.

43 Queensland Government, n.d. *Digital Ready, Tourism Industry Business Capability Program*. Brisbane. <https://www.qtic.com.au/industry-development/business-programs/digital-ready/>.

44 Queensland Government, 2020. *Advance Queensland Initiative*. Brisbane. <https://advance.qld.gov.au/advance-queensland-initiative>.

45 Australian Government, n.d. *Entrepreneurs' Programme*. Canberra. <https://www.business.gov.au/Grants-and-Programs/Entrepreneurs-Programme>.

46 Australian Government, 2020. *Australian Small Business Advisory Services (ASBAS) Digital Solutions*. Canberra. <https://www.business.gov.au/Expertise-and-Advice/Australian-Small-Business-Advisory-Services-ASBAS-Digital-Solutions>.

Higher education providers offer a variety of qualifications in business management that range from undergraduate degrees to postgraduate offerings such as a Master of Business Administration, however these may not always be contextualised for small businesses.

4. Non-accredited training

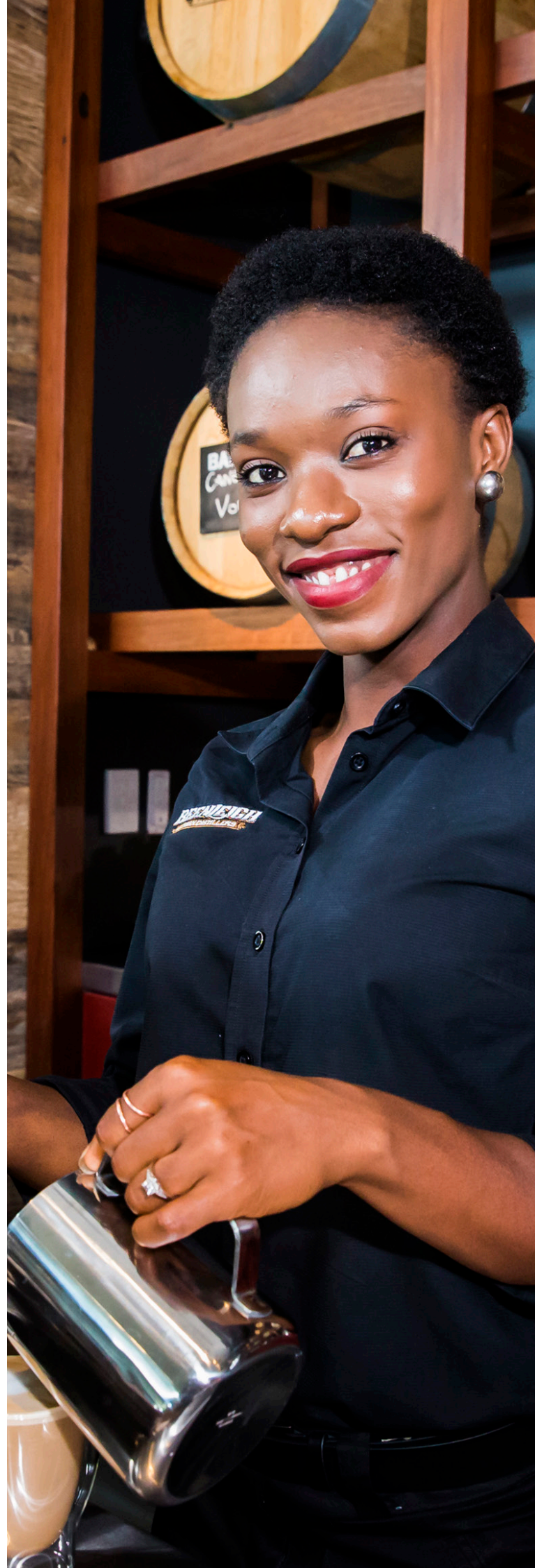
There are many training programs that are not nationally accredited that deliver structured training with a specific outcome e.g. industry-recognised outcome or certificate of completion. These are delivered by a wide variety of education institutions, industry bodies, private companies and more. Offerings range from basic to intensive and, in some cases, include assessment processes that lead to formal industry endorsed certifications.

Additionally, there are many informal, reputable, web-based, open-source information portals that address the need for non-accredited training, such as Technology, Entertainment and Design (TED) and various university sites including Harvard, Yale and Cambridge.

5. Commercial services

A variety of organisations also offer capability development through mentoring, coaching and advisory services on a fee-for-service basis. This ranges from large, specialised business advisory firms through to sole trader business coaches.

Despite the range of available offerings and government policy aimed at the small business sector, the need for investment in skills and capability building persists.



Timely, affordable and fit-for-purpose

KEY FINDINGS



Time, price and purpose are key considerations for small businesses in accessing skills and capability development.



Small businesses generally prefer just-in-time skills and capability development that allows them to receive information and develop practical skills to address a specific knowledge gap.



Small businesses value information and vocational education from sources where they are confident that the information can be trusted and is relevant to them.



A culture of lifelong learning and ongoing skills and capability development is required across the business sector in Queensland.

While there is an identified need for skills and capability development for small businesses, and a significant range of skills and capability development options available, there are barriers to uptake by small businesses.

Time

Small businesses cite a lack of time to focus on building business skills and capabilities, and that their focus tends to be on day-to-day operations.⁴⁷

Small businesses prefer just-in-time skills and capability development that allows them to receive information and develop practical skills to address a knowledge gap.⁴⁸

The generally shorter time commitment required to complete a non-accredited business skills or capability course makes them an attractive option for many Queensland small businesses. A benefit of non-accredited training, particularly micro-credentials, is its ability to provide small business owners and managers with targeted and contemporary skills gap solutions faster than potentially accredited alternatives. An opportunity exists to consider how the recently announced micro-credentialing pilot⁴⁹ in Queensland could be used to facilitate access to shorter capability development options for small businesses in Queensland.

The comparatively long time needed for small business owners and managers to undertake a formalised qualification is widely recognised as a major reason for a lack of uptake of such courses.^{50,51} Nationally recognised qualifications are most beneficial when delivered in a manner that is tailored to the needs of small businesses and contextualised to their industry sector.

Price

Investing in vocational education for skills and capability building has direct financial implications for small business owners and manager, most obviously, the price of a course.

"I know that if I spend that (money), I've got to spend weeks and weeks of my time learning it, trying to implement it. Will it work? Will it not work? It's a big risk."

Small-medium employer, Cairns

47 Telstra, 2018. *Telstra Small Business Intelligence Report 2018*. Melbourne. <https://smarterbusiness.telstra.com.au/2018-telstra-small-business-intelligence-report>.

48 Susomrith, P., & Coetzer, A. J., 2013. An Exploratory study of factors influencing the participation in training and development of engineers in small businesses. *27th Australian and New Zealand Academy of Management Conference 2013: Managing on the Edge*, 4-6 December 2013, Hobart, Tasmania (pp. 1-18).

49 Department of Employment, Small Business and Training, 2019. *Micro-credential Pilot Program Policy 2019-22*. Brisbane. https://desbt.qld.gov.au/_data/assets/pdf_file/0009/11016/micro-credentialing-pilots-program-policy.pdf.

50 Susomrith, P., & Coetzer, A. J., 2013. An Exploratory study of factors influencing the participation in training and development of engineers in small businesses. *27th Australian and New Zealand Academy of Management Conference 2013: Managing on the Edge*, 4-6 December 2013, Hobart, Tasmania (pp. 1-18).

51 Mitchell, J., 2007. *Overcoming "I'm too busy" - An audit of small business training in Western Australia*. Perth: Department of Education and Training.

Even free opportunities have indirect opportunity costs such as income lost whilst participating in a course.

For most business owners and managers, the return on investment must offset the price of participating.

The value proposition of investing in skills and capability development, in whatever form, is not always obvious.⁵² Small businesses are generally willing to pay a reasonable fee to access skills and capability development provided they have a level of confidence and trust in the product or service and the organisation providing it. Selecting the right option can be extremely challenging in a marketplace with such a wide array of skills and capability development options.

Social research facilitated by Jobs Queensland found that smaller employers are significantly less likely than larger employers to provide most types of vocational education, accredited or otherwise. In addition, only 11 per cent of small businesses surveyed by Jobs Queensland had a formal vocational education budget, compared to 30 per cent of medium-sized employers and 48 per cent of large employers.⁵³ These findings highlight the difficulties that many small businesses experience in finding and prioritising resources for this purpose, be it for their workforce or for themselves as the owner or manager.

The Queensland Government funds entry- and higher-level skills programs that offer subsidised Certificate I to Advanced Diploma qualifications and a range of industry endorsed skill sets. This includes Certificates III in Business, Business Administration and Micro Business Operations and Certificate IV in Small Business Management.⁵⁴ There are also fee-free initiatives and higher concessional subsidies to support participation by priority cohorts such as people with disability. Some small business owners or managers holding a non-business qualification may be ineligible for these programs.

Purpose

It is important that small business skills and capability building initiatives can be tailored to the distinct needs of a business.

Jobs Queensland's stakeholder consultation found that small businesses value information and skills and capability development from sources where they are confident that the information can be trusted is relevant to them. Small businesses look toward their networks and 'champions', including other business operators and industry associations, for advice relevant to their circumstance and to assure them that a particular course is worth undertaking.⁵⁵

Vocational education must be small business specific, otherwise this presents a barrier to uptake and/or application of the content. The needs for skills and capability development emphasised by stakeholders were that it:

- is practical, framed in relatable language and contextualised to the environment of the small business as opposed to generic, theoretical offerings without industry context;
- demonstrates how an issue can be addressed in a practical way that leads to recognisable business outcomes and solutions relevant to the specific small business; for example, through relevant case studies;
- provides evidence-based information and advice by someone with the experience of having owned a small business, ideally in a relatable industry context; and
- tailored and individualised coaching and mentoring. This was identified as a highly relevant form of capability development for small businesses as it can often assist in identifying areas where improvement is required that had not previously been recognised by the small business owner or manager themselves.

"My executive coach was able to identify what I actually needed and not what I thought I needed... it was hard but valuable in providing the check and challenge to grow."

Small business owner, Brisbane

52 Griffin, T., 2016. *Costs and benefits of education and training for the economy, business and individuals*. Adelaide: NCVER.

53 Jobs Queensland, 2019. *Queensland Future Work Social Research Report*. Ipswich.

54 Queensland Department of Employment, Small Business and Training, 2020. *Priority Skills List (Queensland VET Investment Programs 2019-2020)* Brisbane. <http://www.skillsgateway.training.qld.gov.au/content/user/subsidy/SUBSIDIES-LIST.pdf>.

55 Australian Technology Network of Universities (ATN), PricewaterhouseCoopers (PwC), 2018. *Lifelong skills: equipping Australians for the future of work*. Australian Technology Network of Universities. <http://www.atn.edu.au/siteassets/publications/lifelong-skills.pdf>.



In an evolving economy, all Queenslanders, including small business owners and managers, must prepare for change or risk being left behind. Businesses that align strategic, business and workforce planning are better placed to identify commercial opportunities and define their current and future workforce requirements. Aligning these processes allows for workforce decisions which respond to changes that threaten business viability and sustainability.

Smaller enterprises are less likely to engage in strategic planning than larger enterprises, which potentially limits their ability to evaluate future business opportunities and the associated skills and capabilities required to effectively harness them. Almost 67 per cent of Australian businesses with an employment size of 0-4 persons and 51 per cent of those employing 5-19 persons had no strategic plan or policy in place in 2015-16.⁵⁶

Jobs Queensland's research has found that both employers and workers in Queensland are generally focused on the present and lack consideration of the ways in which work will change into the future.⁵⁷ Small businesses tend to seek opportunities for learning when they need to solve an immediate business problem rather than preparing for the future.⁵⁸

As the drivers of future work impact the economy and the business environment, business owners need to engage in learning to assure the viability of their enterprise. A lifelong learning culture and ongoing commitment to skills and capability development are required across Queensland's small business sector. Developing skills and capabilities for doing business today is important, but just as important is developing the skills and capabilities that will underpin being in business tomorrow.

⁵⁶ Australian Bureau of Statistics, 2019. *Management and Organisational Capabilities of Australian Businesses, 2015-16*. 'Table 1: Strategic plan or policy in place, by innovation status, by employment size, by industry, 2015-16', data cube: Strategic plans. Canberra.

⁵⁷ Jobs Queensland, 2019. *Queensland Future Work Social Research Report*. Ipswich.

⁵⁸ Webster, B., Walker, E. and Brown, A., 2005. Australian small business participation in training activities. *Education + Training*, 47(8/9), pp.552-561.

The way forward

KEY FINDINGS



There is a strong case for an increased focus on skills and capability development for Queensland's small businesses.



A multifaceted approach is required.



Industry bodies, regional organisations, all levels of government and, most importantly, small businesses themselves, all have a critical role to play.



Six specific areas have been identified where the Queensland Government can act to build the skills and capability of small business owners and managers.

"How to market yourself and digital commerce. That stuff is really hard. I've done a lot of that with no training. It's intense."

Gig economy worker, Brisbane

The demand for skills, like the Queensland economy, is more dynamic than ever. The skills and capability needs of the small business sector are no different. The case for an increased focus on skills and capability development amongst Queensland's small business owners and managers is clear, as are the opportunities this presents.

The needs of these owners and managers, and how their needs are best responded to, are extremely diverse. Solutions to improving skills and capabilities must consider that small businesses are not homogenous, nor are the motives for undertaking development opportunities. There are key differences in the needs and potential skills and capability development requirements across sole traders, micro and small businesses (see Figure 2).

The inclusion of gig workers in the sole trader category is important. These individuals typically have a strong focus on their "craft", usually providing this service in a local region, but are often working in a very similar manner to a sole trader. Other forms of alternative workers such as digital nomads or those undertaking portfolio careers fall into a similar category.

These workers commonly identify gaps in relation to business skills and capabilities, including marketing, business development and financial sustainability. It will be important to include consideration of the needs of this cohort of small businesses when developing strategies to build small business skills and capability development.

The differences in capability needs across businesses of differing size are further amplified when considering their contrasting objectives. A business that has a desire for growth will have different needs to a business for whom ongoing sustainability or even planned reduction in operations is their primary objective. Both objectives should be considered equally valid.

One-size-fits-all approaches to skills and capability development will not be effective. The approach must be adaptable, multifaceted and coordinated to meet the varying needs of small businesses spanning all industry sectors and regions.

FIGURE 2. DIVERSITY OF SKILLS AND CAPABILITY DEVELOPMENT NEEDS.



A strategy to drive the development of small business skills and capabilities in Queensland should be underpinned by six key elements:



A strong evidence base

Embed research and detailed evaluation of the impact of small business skills and capability development into initiatives to build an enhanced evidence base to inform future policy.



Respond to diversity of needs

A more targeted approach to business skills and capability building for small businesses that caters for their differences in maturity, size, regional location and industry needs.



A focus on business sustainability

Promoting the importance of and facilitating access to skills and capability development that positions small businesses for ongoing sustainability and resilience.



Support for those with a desire for growth

Making available targeted skills and capability development that is tailored to the needs of those small businesses with a desire and capacity for growth.



Program integration

Promoting improved coordination of information, resources and initiatives focused on small business skills and capability development across government and industry and peak bodies.



Digitally savvy small businesses

Support small business to harness digital and technology opportunities for a stronger economy.





Small businesses, industry bodies, regional organisations and all levels of governments have critical roles to play in responding to these six elements. That said, there are several specific areas where action can be taken by the Queensland Government.

RECOMMENDATION 1

Obtain evidence

Facilitate research around the impacts of government supported skills and capability building strategies and programs to inform future policy development. This includes detailed evaluation of current and future small business strategies and programs, and an emphasis on gathering empirical evidence of medium to long term outcomes and benefits for participating businesses.

Evidence-based decision-making

There is a lack of contemporary national and international research on the design and impact of policy and programs regarding small business skills and capability building. This is a barrier to effective policy development and program design in this area. Empirical evidence of benefit and impact would strengthen the argument for government to expand support for small businesses to include investment in skills and capability building including leadership and management.

Future policy and programs around skills and capability building must be targeted in its design and resourcing in order to gather this evidence. Government offerings should focus on the use of robust evaluation strategies and emphasise review of outcomes rather than simple measures of inputs and outputs. This includes focusing on longitudinal assessment of outcomes in relation to the ongoing sustainability and where appropriate, growth of a business.

RECOMMENDATION 2

Partner with industry

Actively encourage and promote the importance of ongoing business skills and capability development across all small business-focussed policies, programs and communications. This should include co-design and delivery of and tailored skills and capability development opportunities through partnerships with industry bodies, regional organisations and other relevant bodies.

Resilient and sustainable small businesses

The importance of business skills and capability development to underpin the resilience and sustainability of Queensland's small businesses now and into the future is a priority for the state's economic recovery.

Fostering strategic partnerships with industry bodies, regional organisations and other relevant groups to co-design and deliver targeted programs and advice will address the diversity of needs within small businesses. Through these partnerships and other relevant engagement mechanisms, there is also an opportunity to promote the development of a culture of lifelong learning and ongoing skills and capability development across Queensland's small business sector.

Building business skills and capabilities including leadership and management that enhances viability, resilience and sustainability of established small businesses in a transitioning economy should be a core focus of future programs. There should be flexibility in the specific topic areas, type of training delivered and the modes of delivery to enable flexibility to respond to the needs of specific cohorts of small businesses.

RECOMMENDATION 3

Improve access

In consultation with Queensland's small business sector and regional communities, review and adjust program settings to improve access to industry endorsed subsidised vocational education in business leadership and management for established small business owners and managers.

Access to skills and capability development

Small business owners and managers will consider accredited vocational education that is contextualised, pragmatic and contemporary, provided it is also fit-for-purpose, timely and reasonably priced. Accredited training can be delivered so that it is relevant and responsive to the needs of individual small business owners and managers. While not all small business owners and managers will select accredited training, there are some for whom this option is the preferred method of skills and capability development.

Regional small businesses in particular struggle to access appropriate and affordable skills and capability development programs. Programs that link specialised business advice and mentoring with a formal qualification, such as the Certificate IV in Small Business Management, have the potential to be highly beneficial to owners and managers. There is also a need for whole-of-business access to digital skills and capability development programs targeted to the specific needs of the small business. These programs may sit outside of accredited vocational education offerings. Consideration needs to be given to supporting access to such programs where there is a strong business case.

Technical knowledge and skills in an industry field does not necessarily prepare an individual to operate a business successfully. Some Queensland small business owners or managers may be ineligible to pursue government subsidised, business related qualifications because they already hold a qualification related to their occupation. An argument exists for reviewing this position.

RECOMMENDATION 4

Support growth potential

Develop and implement an intensive business skills and capability development program and a co-funding model that targets established small businesses with desire and potential for growth.

Capitalising on business growth

The economic and employment benefits from small businesses successfully capitalising on growth opportunities through new products, services or markets can be significant and can inspire others to do the same.

Business skills and capability development is key to harnessing growth opportunities. There is a strong case for government to consider investing in such development for established businesses with an identified desire and potential for growth. In some cases, the most appropriate solution may be non-accredited offerings that are broadly supported and recognised by industry.

Programs targeted at businesses actively pursuing growth are available commercially and there are examples supported by governments in various jurisdictions. They have in common co-funding arrangements, intensive delivery of content, and blending group learning with individualised mentoring and coaching over an extended period. Such programs need clear eligibility criteria and must ensure that small businesses with comparatively low turnover are not unduly excluded, especially those in regional Queensland.

RECOMMENDATION 5

☑ **Trusted advisor**

Develop and support a network of trusted advisors to provide unbiased advice and assistance for small business to undertake digital transformation activities through expansion of existing programs and partnerships with industry associations, regional organisations and local networks.

Supporting digital transformation

Throughout Queensland, small businesses acknowledge that they need to be more digitally savvy if they are to not only survive the current economic crisis, also to thrive in our rebuilt economy. For many small businesses, investing in digital technology and skills is challenging. There is an overwhelming amount of information available, mostly linked to a particular product or service, that making informed decisions around what is right for an individual business is not easy. Small businesses look for a 'trusted advisor' to minimise risk and maximise return on investment. This is often industry associations, regional organisations or local networks.

Access for small business owners and managers to unbiased advice and assistance with developing and implementing a digital transformation plan could support the uptake of digital technologies and reskilling/upskilling of workers. To meet the needs of diverse and dispersed small businesses within Queensland, a range of approaches to providing that advice and building digital capacity within small businesses may need to be adopted. Programs exist that could be adapted or extended to incorporate the provision of trusted advice to support digital transformation. Investing in building a network of trusted advisors through developing the capacity of industry associations, regional organisations and local networks could increase the range of options available.

RECOMMENDATION 6

☑ **Coordinate government effort**

Improve coordination between government agencies in the development, implementation and promotion of initiatives focussed on business capability development to assist small businesses to locate and use the available offerings.

Program integration

Jobs Queensland's research consistently identifies that stakeholders find government information and resources to be poorly coordinated and difficult to access. Government support of the small business sector in Queensland is no exception.

There are many initiatives targeting small businesses that are administered by different government agencies, sometimes in partnership with an industry sector, such as Advance Queensland and Business Queensland. These initiatives often have unique policy objectives, access requirements and eligibility conditions.

Improved coordination between government agencies and consistent cross-promotion would help stakeholders locate and use the range of support that is available. More effort is needed to ensure that information is simple to access and presented in a way that meets the requirements of the user.

Aligning government support to the unique requirements of Queensland small businesses requires small business and industry sector representatives having a place at the table with key government policy-makers. Given the diverse nature of Queensland's regions, local small businesses need to be represented and have a voice in the design and implementation of strategies and programs in regional Queensland. Existing structures such as the Queensland Small Business Advisory Council and the small business consultation panel pilot may fulfil these roles.

The small business sector is diverse and, as such, diversity in program offerings should be emphasised for maximum impact. As the range of offerings increases, ensuring these are effectively coordinated is critical to program cohesion.

Collective consideration of and response to these recommendations will enable the Queensland Government to effectively realise their role in supporting the continued prosperity of small business in Queensland.

Notes



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