



Australian Government



Government Response to the Small Business Digital Taskforce

December 2018

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The Australian Government is committed to supporting small businesses to help them create jobs, harness digital opportunities and grow in the digital economy.

The nearly 3.3 million small businesses in Australia are an essential driver of the Australian economy. They represent 99 per cent of businesses, employ around 50 per cent of Australia's workforce and contribute 33 per cent of Australia's GDP. Many small businesses, however, are not realising the full potential of digital technologies.¹

Research shows that using digital tools saves small businesses 10 hours per week and boosts revenue by 27 per cent. Collectively, this amounts to 22 million hours saved per week and an additional \$385 billion per year in revenue across all Australian small businesses.²

The Government announced the Small Business Digital Taskforce (led by Mark Bouris AM) on 20 November 2017 to increase awareness among Australian small businesses of the value of using digital technology. The Taskforce provided a final report to Government in March 2018 with nine recommendations on how to best accelerate small business digital adoption.

In 2018, the Government consulted with representatives from technology companies, financial institutions, small business and industry associations, and federal, state and territory governments on each Taskforce recommendation.

Acknowledging the Taskforce's finding that the ecosystem for providing small businesses with digital information and advice is disjointed and in need of repair, the Government supports the report's primary recommendation to establish a new independent body to coordinate digital information and advice for small businesses, lift their digital capability and help them to grow.

The Government continues to build on the Taskforce's recommendations and existing programs to ensure Australian small businesses can take advantage of rapid and global technological changes and opportunities.

Taskforce Recommendation 1: A non-government organisation (NGO)

A central, national point for information and advice on digital opportunities for small businesses and their advisors. The NGO would:

- consolidate, disseminate and simplify information and advice on digital options provided by the public and private sector
- establish a two-way flow of information between the NGO and industry associations and Small Business Commissioners
- provide a multi-channel approach to address diversity of small business digital needs
- be the main vehicle through which the federal government will promote awareness of the benefits of digital adoption for small business
- establish and enhance business-to-business information sharing and best practice
- develop and deliver business benchmarking tools to assess the 'digital health' of a business
- promote and coordinate awareness campaigns on digital issues of concern to small business.

The Government supports this recommendation.

The Government supports the Taskforce's recommendation to coordinate information, advice and resources on digital opportunities for small businesses and their trusted advisers.

The Taskforce found that Australian small businesses are diverse and their digital needs may vary depending on the sector in which they operate, the mindset of the owner, and their stage of development. The Taskforce reinforced the importance for small businesses to have access to a trusted and coordinated source of up-to-date digital information and advice, tailored to their needs.

The Taskforce concluded that the ecosystem that provides small businesses and their advisers with information and advice about 'going digital' is disjointed. Small businesses can quickly become overwhelmed by the amount of information they receive online and often find it difficult to know what information to trust.

¹ Small Business Digital Create Report, Department of Industry, Innovation and Science, February 2018.

² ANZ, The Digital Economy: Transforming Australian Businesses, August 2018.

The Government will support the establishment of an NGO to build and enhance small business digital awareness and capability. It will provide seed funding to support the establishment or expansion of an independent digital organisation through an open, competitive grant process. The grant process will seek matched funding and drive an ongoing sustainable self-funding model for the NGO.

The NGO will be expected to leverage business.gov.au as the well-established, trusted point of information for Australian business. Business.gov.au is a one-stop shop that provides practical information and tools for business including registrations and licencing, grant opportunities, events and adviser information. The Government will continue to expand the relevance and usability of business.gov.au for small business, including through the business.gov.au Advisory Group.

Taskforce Recommendation 2: Annual event for small business

To highlight and explore emerging digital technology developments and issues impacting small businesses. The event would include a marketplace to enable vendors and suppliers to showcase new applications and services.

The Government supports in principle this recommendation.

The Government's preferred approach is to support, coordinate and promote existing events that highlight and explore emerging digital technology developments and issues impacting small businesses, in partnership with industry associations and the private sector.

There are already a variety of annual events for small business, ranging from festivals and conferences to marketplaces and workshops. Distributed throughout each state and territory, and supported by local, state and federal governments, the options for small business are far reaching. These include the Council of Small Business Australia (COSBOA) Small Business Summit and the Family Business Australia Conference.

The Government provides coordinated information on small business events on business.gov.au. The website helps businesses to find events across Australia, searchable by event type, location and business stage with relevant links to information and registration. Other Commonwealth agencies offer similar assistance, such as the Australian Taxation Office's 'Let's Talk' seminars which provide small businesses with relevant information on taxation topics.

The Government sees value in building or extending existing events to incorporate digital themes, rather than establishing new events.

Taskforce Recommendation 3: Small Business Awards program

Sponsored by industry to complement existing business awards. Would highlight 'unsung' small business owners who are loved by their customers or those that use technology to enhance their customer experience. The awards would form part of the annual event.

The Government supports in principle this recommendation.

Small business award programs are provided by a range of organisations across the telecommunications, information technology and accounting sectors as well as by various chambers of commerce, industry associations and local councils. Award categories and criteria are expansive and cater for businesses of different sizes, stages and industries.

The Government considers that the Taskforce's recommendation for industry to sponsor a small business awards program as part of an annual small business event could duplicate existing events.

While primarily a matter for industry, the Government acknowledges that small businesses incur both costs and time in applying for business awards which may not lead to a significant change in business behaviour towards digital adoption.

Assisting small businesses to overcome perceived barriers to digital adoption through better access to coordinated information and advice is the Government's preferred mechanism for supporting them to build their digital knowledge and capability.

Taskforce Recommendation 4: Video and audio case studies

Develop and distribute case studies and success stories of small businesses that have gone digital. Work with digital platforms and peer-to-peer services to identify small businesses using these services to grow and scale their business.

The Government supports this recommendation.

The Government supports the development of case studies of small business who have 'gone digital' as part of the *Small Business Digital Champions* initiative. The program will assist selected small businesses to transform their operations using hardware, software and digital training. Case studies of 'Digital Champions' and their mentors, will also document and showcase their digital transformation to inspire and help other small businesses to 'go digital'.

The Government notes there are currently many useful case studies regarding digital adoption available online. Case studies are a valuable mechanism of disseminating information to small businesses as they not only provide motivation and inspiration, but a relatable medium for communicating with small businesses. Industry consultation supported the curation of existing case studies and success stories to identify gaps where small businesses could be further supported.

Recent user research³ incorporating the views of over 75 small businesses, recommends that for case studies to resonate with small businesses, they need to provide content that is tailored, relatable and inspirational. They should be delivered by a trusted provider and ideally, provide links to a practical action plan. Involving stakeholders in co-design will also foster further use and support.

The Government considers the most useful case studies for small business are those that are concise yet provide sufficient detail outlining how the nominated small business was able to achieve their desired outcome so that others can replicate similar forms of success.

Taskforce Recommendation 5: University student-based connection

Utilise university students studying IT, marketing, business and related fields for short term and project work to help raise the digital capability of businesses and make students more job ready.

The Government supports this recommendation.

The Government supports the utilisation and promotion of the Researchers in Business (RIBIT) initiative to facilitate this recommendation. Recent government research⁴ identified the value in further leveraging the RIBIT platform and expanding its remit.

The RIBIT platform, developed by the CSIRO and Data61, pairs university students with Australian career-related work opportunities while they complete their university studies. The initiative provides a platform for improved engagement between industry and the higher education sector.

Taskforce Recommendation 6: Awareness and communications campaign tools

Leverage trusted advisors of small business (accountants, industry associations, banks). Provide a digital health check tool to assess the level of digital maturity of a business, where they rank among peers, and receive advice and resources to raise their digital sophistication.

The Government supports in principle this recommendation.

The Government supports in principle the Taskforce's finding that the best way to accelerate the rate of small business digital use is to equip their trusted adviser (their accountant, industry association or financial institution) with the right tools, information and skills so they can expertly assist the small businesses they engage with.

Research shows that at least 40 per cent of small businesses with medium to advanced digital uptake engaged a professional for advice on digital adoption.⁵ Often, it is the trusted adviser who gives small business advice on what technology to use, where to purchase it, and how to implement it.

³ Small Business Digital Create Report, Department of Industry, Innovation and Science, February 2018.

⁴ Small Business Digital Create Report, Department of Industry, Innovation and Science, February 2018.

⁵ ANZ, The Digital Economy: Transforming Australian Businesses, August 2018.

While small businesses trust their accountants' advice on digital issues, the profession lacks a central, authoritative reference point to source information and advice. This shortfall will be addressed through the NGO (Recommendation 1) which will provide a coordinated, online platform of digital information and advice for small businesses and their trusted advisors. The NGO will also be expected to establish a two-way flow of information between the NGO and industry associations and Small Business Commissioners.

Taskforce Recommendation 7: Digital capability of industry associations

Work with industry associations to develop specific digital playbooks or best practice guides for their specific business sector. Initially pilot industries with low levels of digital uptake.

The Government supports in principle this recommendation.

The Government supports in principle the recommendation to work with industry associations to tailor advice to specific industry sectors and to develop best practice guides as a tool for small businesses to determine appropriate questions to ask their trusted advisor.

The Government would expect the NGO to establish and build relationships with industry associations to improve digital awareness among small businesses and develop industry specific digital best practice guides.

The Government's *Small Business Digital Champions* initiative will provide small businesses with practical and relatable advice through the development of targeted case studies. The NGO, industry associations and small business commissioners provide the ideal platform to promote these case studies to small business.

Through the program, the Government will also enhance the capacity of industry associations to provide sector-specific digital advice to the Digital Champions and more broadly to the associations' membership.

Taskforce Recommendation 8: Exploring scaling the Queensland Local Digital Champions program

Establish and promote local digital champions as a touchpoint for information and advice to help local businesses use digital technologies more effectively.

The Government supports this recommendation.

The Advance Queensland Community Digital Champions program aims to support digital advocates from industry, community and all demographic groups to give back to their communities by encouraging others to benefit from digital adoption.

The Government supports the Taskforce's recommendation to explore scaling this program nationally. Face-to-face local support for small businesses has been identified as being useful in assisting small businesses to understand the benefits of digital technology.

The *Small Business Digital Champions* initiative will provide a tangible demonstration of the benefit of adopting digital technology to the broader small business community. It will also support the Government's digital economy strategy by helping small businesses begin their digital journey by facilitating their access to digital tools.

The program will support nominated 'Digital Champions' to receive mentoring from high-profile business leaders, and funding to undergo a digital makeover of their business. Digital Champions will have their progress documented and publicised through various online and media channels.

Taskforce Recommendation 9: Digital roadshows for regional communities

Explore existing roadshow models and public-private partnerships to create 'pop-ups', travelling 'fix-it' squads and digital business experts to travel where businesses are.

The Government supports in principle this recommendation.

Acknowledging the success of recent roadshows particularly for small businesses located in regional and rural areas, the Government supports in principle the Taskforce's recommendation to explore existing roadshow models and partnerships between public and private industries.

User research conducted by the Government also strongly recommended the use of roadshows to facilitate awareness among small businesses of the benefits of adopting digital technologies and as a means of providing personalised support. Research confirmed that small businesses who are less confident using digital tools require face-to-face advice to support them when learning about digital technologies.

It also identified that the key barriers to the successful implementation of digital roadshows were largely in relation to connectivity and geographical challenges faced in rural and remote areas, associated costs, and scale.⁶

Mapping current roadshow offerings and identifying gaps where small businesses may require further assistance will ensure roadshows remain targeted and assist small business.

Government initiatives such as the National Broadband Network and the Mobile Black Spot Program strive to ensure all Australians have access to basic digital services regardless of their geographical location. The Australian Small Business Advisory Services also offers low cost, high-quality and tailored advice and support to build sustainable and productive businesses in regional areas.

⁶ Small Business Digital Create Report, Department of Industry, Innovation and Science, February 2018.