

## **1. Country Report of Australia<sup>1</sup>**

### **1.2 Current Status of Women Entrepreneurs of Australia**

Australian women's labour force participation has increased slightly over the past decade (from 62% to 65% of the population aged 20-74 years), while men's participation has remained largely stable (at around 78%). Although the gap between men's and women's participation rates has narrowed, it is still considerable (13% points at January 2014). Research estimates that closing this gap would boost the level of Australia's GDP by 11 per cent.

The number of Australian businesswomen has grown considerably over the past two decades. Just over a third of Australia's business operators are women (34%), and their numbers are rising<sup>2</sup>. This represents a substantial increase in the number of Australian women running their own business since the turn of the century (a 21.7% increase since 2000, compared to 8.2% for men). Although men are still more likely than women to start their own business, Australian women are increasingly becoming business operators, perhaps to gain economic independence, having trouble re-entering the workforce post bearing children, improve their family's social and economic wellbeing, remain attached to the labour force and better manage their work-life balance<sup>3</sup>.

There is a large, active group of women-led enterprises operating across a variety of industries and markets. These are typically young SME founded within the past four to eight years. These firms have been quick to embrace global opportunities. Over two-fifth (42%) internationalised within 12 months of start-up, and 81 per cent within the first five years. A third of these enterprises (33%) earn more than 50% of their revenue through international sales<sup>4</sup>.

While the number of Australian women operating their own micro or SME has steadily increased over the past 20 years, in line with other OECD countries they remain substantially under-represented as entrepreneurs. As of June 2016, the number of actively trading enterprises in Australia increased 2.4% from 2015 to a total of 2,171,544 businesses, 60.7% of which had no employees<sup>5</sup>. MSME (micro enterprises are classified under small enterprises in Australia) make up the largest proportion of enterprises in Australia, so despite their under-represented numbers, women entrepreneurs are a significant force in the Australian economy.

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<sup>2</sup> A profile of Australian Women in Business, Report prepared by the Australian Bureau of Statistics for the Office for Women, 2015

<sup>3</sup> ABS, *6105.0 Australian Labour Market Statistics*, July 2012.

<sup>4</sup> Sammartino, A. & Gundlach, S. (2015). Women, Global Trade and What it Takes to Succeed. University of Melbourne.

<sup>5</sup> ABS 8165, June 2016

**Table 1.** SME Classification

Enterprise	Category	
	By Turnover	By Number of Employees
<b>Small</b>	< less than A\$2 million	0 – 20 employees
<b>Medium</b>	> more than A\$2 million	20 – 199 employees

Source: Australian Bureau of Statistics

Despite the growing numbers of women engaging in entrepreneurship, significant barriers remain, such as access to finance, resources and information. Of all the issues being tracked in regards to barriers experienced by women entrepreneurs, the barrier that has most consistently increased is lack of access to capital. Over 55 per cent of female entrepreneurs rate accessing finance as their biggest challenge. Much like most international women-led enterprises, Australian women entrepreneurs primarily rely on personal savings and reinvested profits to fund expansion.

Internationally, Australia's experience is similar to that of the United Kingdom, where in recent years the number of women in self-employment has been increasing at a faster rate than the number of men (although in both countries men still dominate the sector). In 2012, the OECD found that in Europe and the United States women were under-represented as employers, but the gender gap was smaller for own-account workers (sole operators). In June 2014, employed Australian women were almost half as likely to be employers (4.5% compared with 8.1% of employed Australian men), and two-thirds as likely to be sole operators (6% compared with 9% of employed Australian men). The OECD study also found that the number of women who were employers had remained stable over the last decade, while the number of men who were employers had been slightly decreasing. In Australia, this proportion has decreased slightly for both women and men, with the proportion of women employers dropping slightly over the last decade from 5.2% of all employed women in June 2004, and the proportion of men who were employers dropping from 8.9% of all employed men in June 2004<sup>7</sup>.

While women have played a significant role in business in Australia for the last several decades, many of their efforts continue to go unrecognised. When it comes to global business development, the role of women is even more undervalued. At a time when international engagement by Australian businesses and entrepreneurs is on the rise, Australian women entrepreneurs represent a valuable but underestimated resource driving greater Australian engagement in the global economy, while receiving minimal support and gathering little attention in media or government reporting. The relatively low profile of entrepreneurial activity among women signals a clear under-utilisation of entrepreneurial human capital in the Australian economy. Until it was folded

<sup>11</sup> Table 2: SME Classification

<sup>7</sup> OECD 2013, 'Gender gaps in entrepreneurship are large and persistent', fact sheet in Entrepreneurship at a Glance 2013, OECD Publishing.

in 2016, Australia's Women in Global Business (WIGB) program was the only program providing dedicated support to female entrepreneurs wishing to engage in international business, the most common mode of which is exporting goods and services.

Australian women entrepreneurs do not fit the stereotype of young brash entrepreneurs. Rather the female success stories generally are not young women entrepreneurs with 62% are over 50 years of age that go it alone. Thus the women running their own organisations tend to be 'baby boomers' while those in management roles within organisations are, on average, a decade younger<sup>8</sup>. This case study fits that profile.

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<sup>8</sup> Gundlach, S., & Sammartino, A. (2013). *Australia's underestimated resource: Women doing business globally*. Women in Global Business and University of Melbourne. Retrieved 09/08/14 from <https://www.austrade.gov.au/ArticleDocuments/1414/Australias-underestimated-resource-women-doing-business-globally-exec-summary.pdf.aspx>.