

Getting down to business

A profile of women in
small business in NSW

Women NSW

Department of Family and Community Services

Level 4, 219–241 Cleveland Street, Strawberry Hills NSW 2012
(02) 9248 0800

www.women.nsw.gov.au

This work is copyright. It may be reproduced in whole or in part for study or training purposes subject to inclusion of an acknowledgement of the source. It may not be reproduced for commercial usage or sale. For reproduction of any part of the work for a purpose other than the purposes indicated in this copyright statement, written permission is required from Women NSW, Department of Family and Community Services.

Minister's foreword



I am pleased to present the *Getting down to business: A profile of women in small business in NSW* Report. The purpose of this report is to assist and encourage informed decision-making, research and discussion within the government and broader community by improving knowledge and understanding of the significance of women in the small business sector and their contribution to the NSW economy.

Small businesses are central to a thriving economy. As Minister for Women and a believer in the entrepreneurial spirit of women, I am a strong advocate for increasing women's engagement in small business ownership.

I am encouraged by the report findings showing the large number of women who are small business owners in NSW and that NSW represents one of the highest proportions of women in small business in Australia. It is also wonderful that women from rural and regional areas and women from non-English speaking backgrounds are actively engaged in small business ownership and thus contributing to the diversity and geographic coverage of our small business sector.

The report also highlights a number of areas for improvement. Research shows female business owners in NSW are disadvantaged by factors such as a lack of access to sources of capital and female orientated networks. Gender equity issues such as balancing work and family commitments are also impacting women's pursuit of small business ownership.

Highlighted in this report are a number of case-studies which tell the story of four inspirational small businesses that were built from the ground up. These profiles highlight the motivations, risks and challenges faced by NSW women and how they have achieved success through commitment, patience and hard work.

The NSW Government recognises and appreciates the valuable contribution women in business make to the NSW economy and is committed to supporting the growth and development of new and existing businesses, so they can reach their full potential and succeed. This means ensuring female business owners are supported, encouraged and recognised. The NSW Government is working in collaboration with the sector and stakeholders to build a prosperous environment through a range of initiatives outlined in this report. The focus of many of these initiatives is on providing connections to other female business women, and on resource development.

I am sure you will find the *Getting down to business: A profile of women in small business in NSW* Report a valuable resource. As always, I welcome your comments, reflections and debate, as we work towards ensuring every woman in NSW has the choices, the opportunities and the support she deserves – and to break down barriers and end unacceptable discrimination.

The Hon. Bronnie Taylor MLC
Minister for Women



A healthy small business sector is a prerequisite for a growing economy



I Introduction

A healthy small business sector is a prerequisite for a growing economy. It can increase employment opportunities¹ and make an important contribution to the social and economic vibrancy of communities by creating employment, providing essential goods and services, and establishing communities as attractive places to live and visit.²

Small businesses are prevalent in all sectors of the NSW economy. There is no 'typical' small business, rather, a diverse sector covering many different types of business activity. From a regular coffee shop, personal trainer, beautician, courier service, photographer or an event planner, small businesses are everywhere, in cities, country towns and regional and remote areas of NSW.

Small businesses particularly do the following:

- create job opportunities³
- are a source of innovation⁴ and encourage it⁵ which in turn increases competition and productivity and overall economic activity⁶
- complement the economic activity of large companies by providing them with components, services and distribution of their products⁷
- provide opportunities for many people, including women, to achieve financial success, independence and pride in their accomplishments.⁸

¹ Hendrickson, L., Bucifal, S., Balaguer, A. and Hansell, D., (2015) *The employment dynamics of Australian entrepreneurship*, Department of Industry and Science Research Paper 4/2015, https://www.industry.gov.au/sites/g/files/net3906/f/June%202018/document/pdf/the_employment_dynamics_of_australian_entrepreneurship.pdf

² NSW Small Business Commissioner (2014) *Small Business in NSW: Our Story*, available at https://www.smallbusiness.nsw.gov.au/__data/assets/pdf_file/0003/68250/NSW-SBC-Statistics-FINAL.pdf

³ Acharya, N., (2019), 'Small Business are having a bigger impact on job creation than large corporations', *Forbes*, available at <https://www.forbes.com/sites/nishacharya/2019/05/05/who-is-creating-jobs-in-america/#44cf87d9597d>

⁴ ABS defines innovation as new types of goods or services, operational processes, organisational/managerial processes, or marketing methods. ABS cat. 8158.0, *Innovation in Australian Business, 2016-17*.

⁵ ABS (2019) cat. 8167.0, *Characteristics of Australian Business 2017-18*, data cube: Business innovation and collaboration.

⁶ Steffens, P., Omarova, A., O'Connor, A., (2018) *Global Entrepreneurship Monitor (2017/18)*, report available at https://blogs.adelaide.edu.au/ecic/files/2019/06/GEM-SA-Report-2017_2018.pdf

⁷ *The importance of Small Business to the US economy* (2011) available at <https://courses.lumenlearning.com/baycollege-introbusiness/chapter/reading-the-importance-of-small-business-to-the-u-s-economy/>

⁸ Ibid.



Increasing women's participation in small business ownership can lead to a variety of benefits for them and their families. It can lead to improved financial returns and increased flexibility.⁹ Research shows that women are as successful as men in sustaining a business once it is established.¹⁰ Research also shows that women have higher risk-awareness than men, have a more cautious approach¹¹ and show an ability to deliver strong returns when receiving venture capital.¹² Despite this, women represent a minority of small business owners in NSW, a pattern that is consistent nationally.¹³

This report provides an overview of the current status of female business ownership in NSW and considers the challenges and opportunities for women in business. Drawing on the latest data and research this report aims to encourage informed decision-making, research and discussion among public policy makers and the broader business community.

Unless referenced otherwise, the data in this report have been sourced from the Australian Bureau of Statistics (ABS), 2006, 2011 and 2016 Census of Population and Housing.

What is a small business?

The most common way of defining an Australian small business is by annual turnover or the number of employees.

The ABS defines a small business as an actively trading business with less than 20 employees. As we are using data from the ABS Census in this paper, we define small business as an actively trading business with 0–19 employees.

The census only requests detailed information on a person's primary job, therefore those people who describe their business as a secondary job are not included.

⁹ Saxon, R., (2003) *Female entrepreneurship in Australia* (Doctoral dissertation, Swinburne University of Technology)

¹⁰ Rose, A., (2019) *The Alison Rose Review of Female Entrepreneurship*, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF

¹¹ Ibid.

¹² Abouzahr, K., Brooks Taplett, F., Krentz, M & Harthorne, J (BCG) (2018) 'Why women owned startups are a better bet'. Available at <https://www.bcg.com/en-us/publications/2018/why-women-owned-startups-are-better-bet.aspx>

¹³ ABS (2016) *Census of Population and Housing, 2016*. Accessed 20 October 2019 using *TableBuilder*. Adult population based on people aged 15–64 years.

Small business ownership in NSW

In 2017-18, there were 765,387 small businesses employing less than 20 people across NSW, accounting for over 95 per cent of all NSW businesses.¹⁴ While women make up 51 per cent of the NSW adult population,¹⁵ they make up 47 per cent of the workforce¹⁶ and just 33 per cent of small business owners.



33 per cent of small business owners.

Despite fewer women than men owning a small business, in 2016, NSW had the highest number of female small business owners (164,292) and ranked second to Queensland (10 per cent) in having the highest percentage of female small business owners-managers as a proportion of all women employed (9.9 per cent).¹⁷

Figure 1: Percentage of female small business owners as a proportion of total female employed, by state



Note: Denominator based on status in employment response excluding 'not stated' and 'not applicable'.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 8 October 2019 using *TableBuilder*.

¹⁴ ABS (2018) *Counts of Australian Businesses, including Entries and Exits, June 2014 to June 2018*, cat.no. 8165.0, <https://www.abs.gov.au/ausstats/abs@.nsf/mf/8165.0>, accessed 30 September 2019.

¹⁵ ABS (2016) *Census of Population and Housing, 2016*. Accessed 20 October 2019 using *TableBuilder*. Adult population based on people aged 15-64 years.

¹⁶ ABS (2019), *Labour Force Australia*, cat. 6202.0, NSW trend data, table 4, October 2019 employment figures.

¹⁷ This report will use the term 'business owners' in place of the 'owner managers' used by ABS census. It includes those in the census defined as owner-manager of incorporated or unincorporated enterprises with fewer than 20 employees, including those with no employees. See glossary for definition of owner-manager.

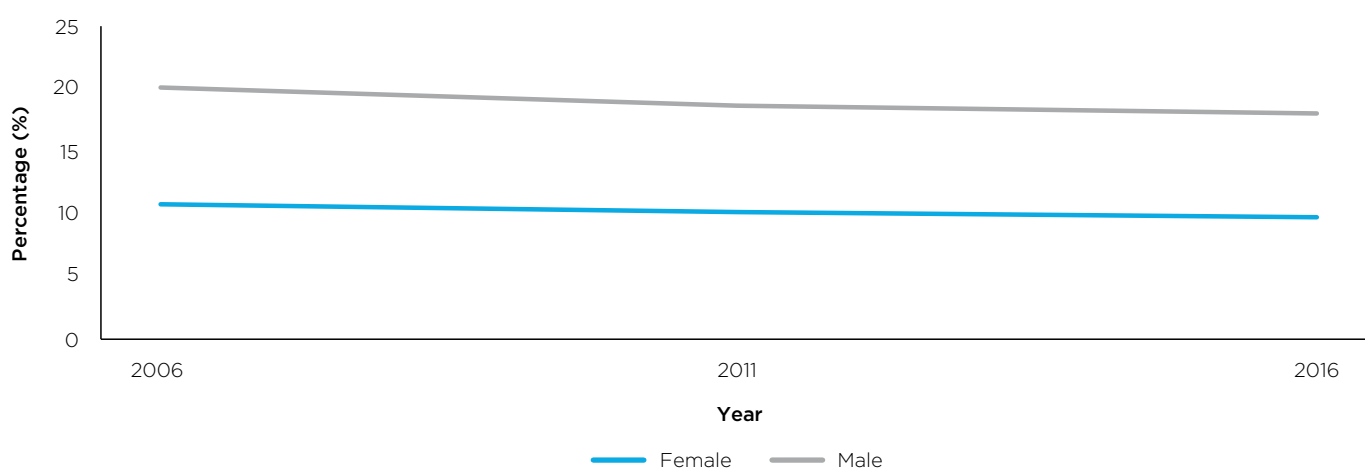
However, the percentage of female business owners in NSW has been decreasing over the 10 years to 2016, as shown in Figure 2. In 2006, 10.9 per cent of the female labour force were small business owners. This dropped to 10.2 per cent in 2011 and 9.9 per cent in 2016.

While the labour force is growing, less women appear to be starting their own business. This pattern is also seen in male small business ownership in NSW. The percentage of women as a share of all small business owners has barely increased in the past 10 years. In 2006, female small business owners made up 31.5 per cent of all small business owners. Ten years later, the share of female small business owners has only increased to 32.9 per cent.



While the labour force is growing, less women appear to be starting their own business. This pattern is also seen in male small business ownership in NSW.

Figure 2: Percentage of NSW small business owners between 2006 and 2011 as a percentage of total employed, by sex



Note: Denominator based on status in employment response excluding 'not stated' and 'not applicable'. Small business defined as owner manager of incorporated and unincorporated businesses with fewer than 20 employees.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 17 October 2019 using *TableBuilder*.



Diversity driving business performance

Diversity has been highlighted as an important element of business success. International research indicates that:

- businesses at the highest quartile of *gender* diversity at executive level were 21 per cent more likely to financially outperform the national industry average compared with the least gender diverse businesses at executive level
- businesses with the highest quartile of *ethnic* diversity at executive level were 33 per cent more likely to financially outperform the national industry median compared with the least ethnically diverse at executive level.

The research suggests that businesses which are gender and culturally diverse may be more capable of understanding and responding to customers, may improve their access to talent and increase employee satisfaction and decision-making which can in turn increase returns.¹⁸

With about 30 per cent of people born overseas and 51 per cent having at least one parent born overseas,¹⁹ NSW is a truly diverse state that has an advantage in promoting cultural diversity within small business ownership to drive its economy.

2016 Census data indicates that in NSW, one in four female small business owners are from non-English speaking backgrounds. Data shows that women from non-English speaking backgrounds are more likely (10.4 per cent)²⁰ than Australian born women (9.5 per cent)²¹ to be running their own small business.

The top three most common countries of birth for women born overseas who are small business owners are China (14.7% per cent), England (12.4% per cent) and New Zealand (6.2% per cent). The main industry²² for women born in China is the 'Retail trade', followed by "Accommodation and food services". For women born in England and New Zealand, the main industries are "Professional, scientific and technical services", followed by "Healthcare and social assistance".

Figure 3: Top 6 countries of birth of female small business owners as a proportion of all NSW female small business owners born overseas



¹⁸ Hunt, V., Prince, S., Dixon-Fyle, S., & Yee, L., (2018) 'Delivering through diversity', McKinsey and Company, https://www.mckinsey.com/-/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx. Businesses were divided into quartiles in the study.

¹⁹ ABS (2016) *Census of Population and Housing, 2016*. Accessed 29 October. Denominator excludes 'supplementary codes' and 'not stated'.

²⁰ Total female non English speaking background small business owners divided by total non English speaking background female labour force. It excludes females who were born in countries like Australia and other territories, New Zealand, Canada, England, Ireland, United States of America and South Africa.

²¹ This is calculated by number of NSW Australian born female small business owners divided by NSW Australian born female total labour force.

²² Industry classifications are based on descriptions used in the ABS Census of Population and Housing.

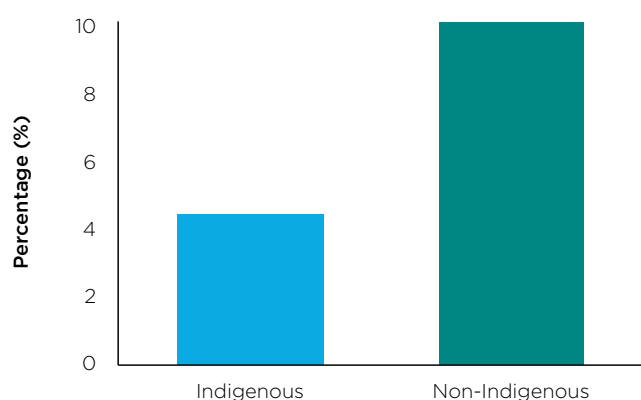
Indigenous small business owners

NSW has the highest number of Indigenous people in the country. However, Indigenous people are less likely to be small business owners than non-Indigenous people. While 10 per cent of the female non-Indigenous labour force are small business owners, just 4.4 per cent of the female Indigenous labour force are small business owners.



Indigenous people are less likely to be small business owners than non-Indigenous people

Figure 4: Percentage of female small business owners as a share of female employed by Indigenous status, NSW



Notes: Denominator includes 'Contributing family member' as a category of employment but excludes 'Not stated' and 'not applicable'.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 18 October 2019 using *TableBuilder*.

In NSW, Indigenous women tend to work in different business sectors to non-Indigenous women (as a proportion of their respective populations, see Figure 5).²³ Female Indigenous small business owners are most highly represented in the "other services" sector (18.0 per cent compared to 10.6 per cent). This broad category includes "repairs and maintenance", and "personal and other services", such as "personal care services", "religious services and civic", "professional and other interest group services".

The proportion of female Indigenous business owners is also higher than female non-Indigenous small business owners in "administrative and support services" (13.6 per cent compared to 9.1 per cent), "construction" (6.5 per cent compared to 5.0 per cent), "arts and recreation services" (4.9 per cent compared to 2.8 per cent), "transport, postal and warehousing" (3.7 per cent compared to 2.3 per cent), "public administration and safety" (1.4 per cent compared to 0.5 per cent) and "mining" (0.2 per cent compared to 0.1 per cent).

²³ Ibid.

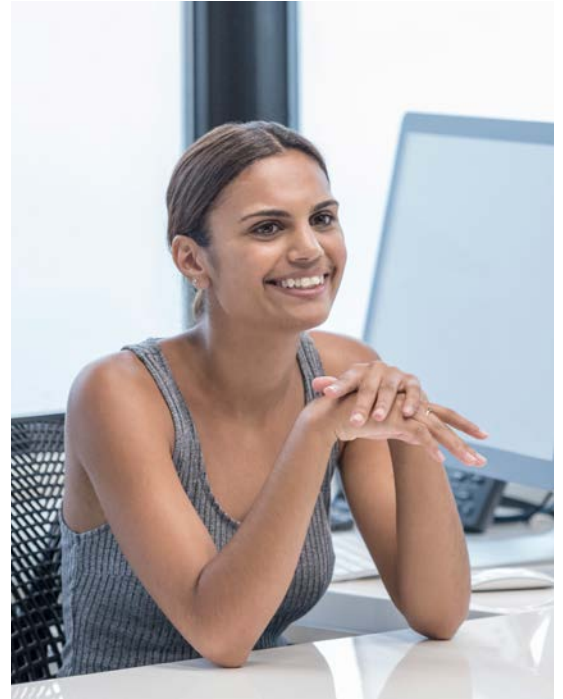
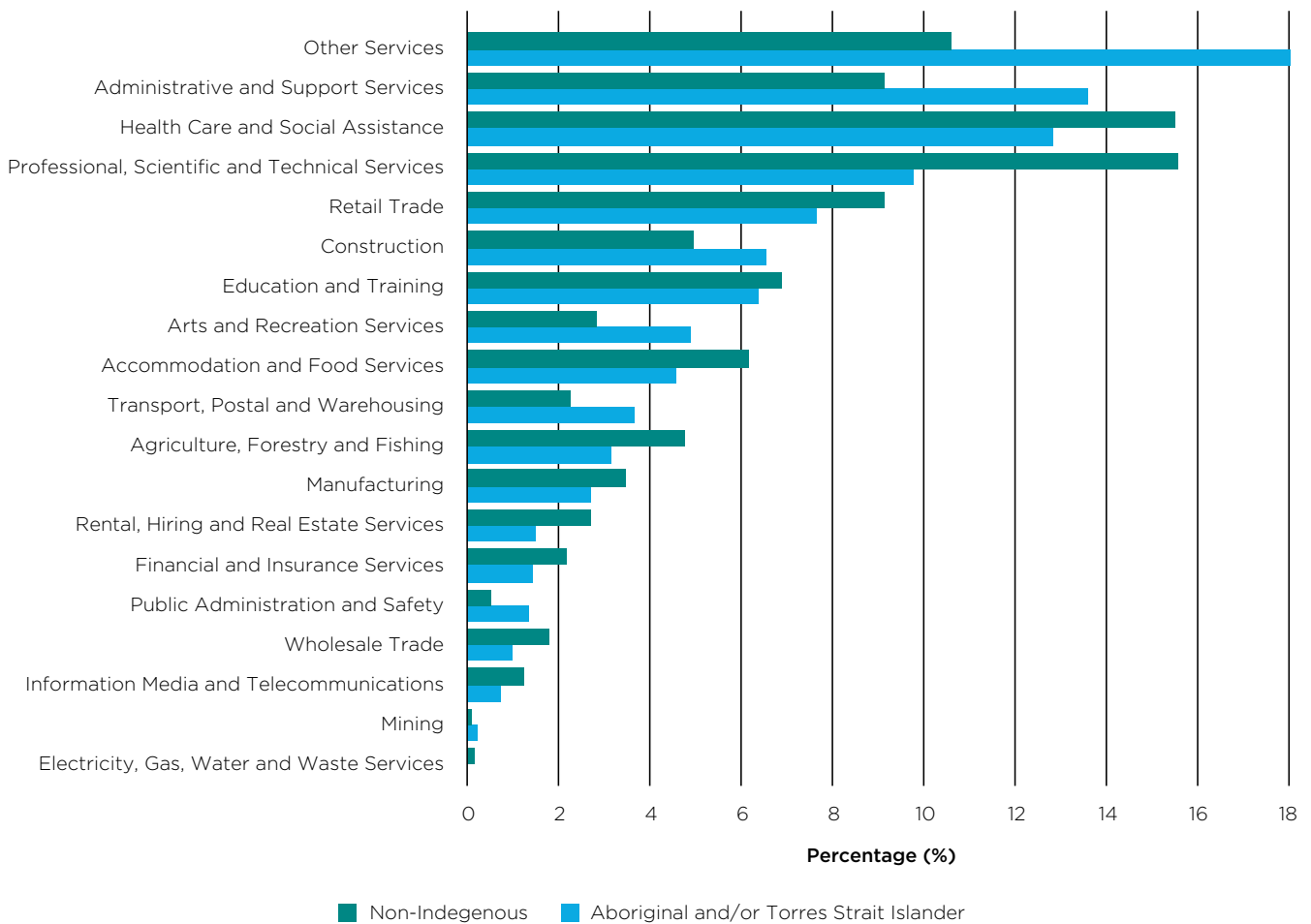


Figure 5: Proportion of female small business owners by industry and Indigenous status, NSW



Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 8 October 2019 using *TableBuilder*.

Goanna Hut: Jo-Ann's story

Passion for a product, service or experience can be a powerful motivation in a person's decision to set up a small business. For Jo-Ann Wolles, trained chef and founder of Goanna Hut, a passion for sharing her knowledge of indigenous ingredients and her culinary expertise are proving the perfect combination for a successful catering business.

As a Wiradjuri woman, Jo-Ann is part of one of the largest Indigenous Nations in New South Wales.

"Cooking with native foods is rewarding and allows everyone to have a taste of these amazing ingredients," Jo-Ann says.

Local gourmet markets in Sydney provided a launch pad for Jo-Ann's unique cuisine. "I loved the direct feedback from customers," says Jo-Ann of this very direct form of marketing. "I could try new ideas and see instantly how people reacted."



Goanna Hut now caters regularly for large corporate, public and cultural events around Australia, bringing a mix of contemporary flavours and native produce in modern Koori fusion dishes.

Diversification of products and services, combined with a core focus on indigenous culture, and a staged approach to expansion have worked well for Jo-Ann. "Goanna Hut is also helping to save Australia's native culture," she says. "I am showing people we have our own superfoods and that many foods have more than one use."

Jo-Ann's creative, energetic approach has been a key factor in establishing and growing her business. Help from family and friends has also been vital. Her business name reflects the importance of family in Jo-Ann's life – her grandmother called her Joanna Goanna when she was getting into mischief as a child. Juggling the demands of a successful small business may leave less time for mischief, but she has not compromised her love of family or fun.

Goanna Hut demonstrates how passion, skills, support and creativity can be transformed into a small business that aligns with a founder's culture, ethics and personality. As Goanna Hut continues to grow, Jo-Ann aims to provide more employment and training opportunities for members of her local Koori community.



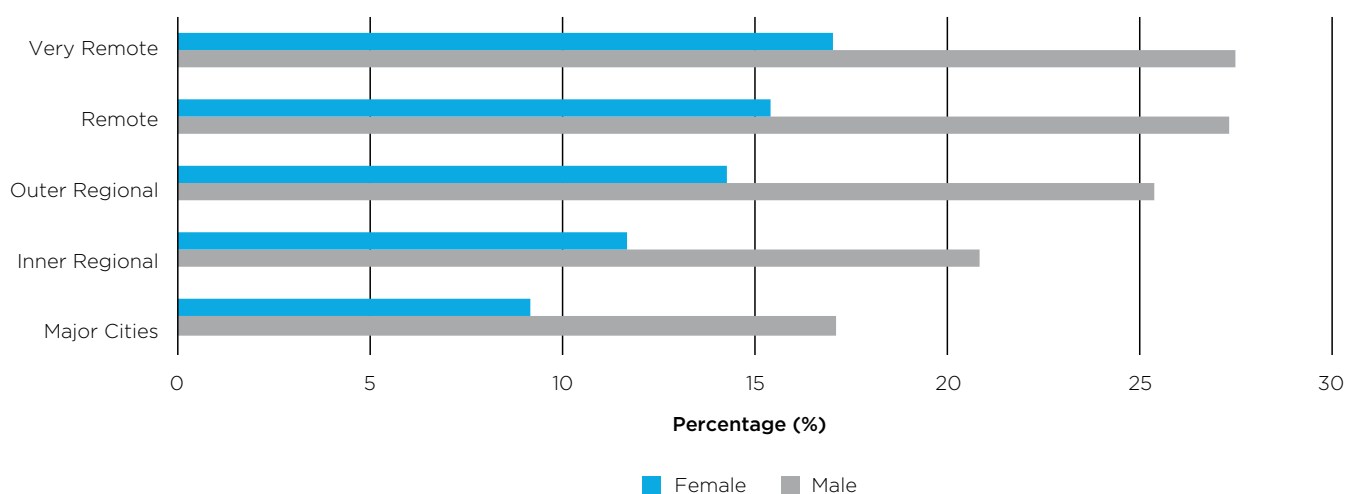
Small business owners: where they live

Starting a business in a remote or regional area can present additional barriers to those facing new business owners in major cities. However, the data suggests that as a share of employment, the percentage of small business owners increases as the remoteness index moves towards 'very remote'.

Figure 6 demonstrates that, as a proportion of the labour force, women in very remote areas are more likely to be small business owners (17.0 per cent), declining towards metropolitan areas where the percentage is smallest (9.2 per cent). This pattern is similar for male small business owners and is likely a consequence of the need to create one's own employment due to a lack of other employment opportunities.



Figure 6: Percentage of small business owners as a share of labour force by remoteness and sex, NSW



Notes: Denominator includes 'Contributing family member' as a category of employment but excludes 'not stated' and 'not applicable'.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 9 October 2019 using *TableBuilder*.

The impact of geography on the composition, motivations and function of female-owned businesses in Australia is outlined in research by the Australian Women Chamber of Commerce and Industry.²⁴ An online survey conducted in 2011 to analyse the experiences of female business owners in remote, regional and metropolitan areas in all Australian states and territories demonstrated:

- Female business owners in metropolitan areas were more likely to be involved in the professional services (31 per cent compared to 22 per cent in remote and regional), education and training (9 per cent compared to 5 per cent in remote and regional) and healthcare and social assistance (6 per cent compared to 4 per cent in remote and regional) industries.
- Female business owners in rural areas were more likely to be involved in the agriculture (10 per cent compared to 0 per cent in metropolitan), retail (17 per cent compared to 11 per cent in metropolitan) and accommodation (3 per cent compared to 1 per cent in metropolitan) sectors.
- Female business owners in metropolitan areas were more likely to use personal savings (68 per cent compared to 60 per cent in remote and regional) or credit card debt (10 per cent compared to 7 per cent in remote and regional) to finance a start-up.
- Female business owners in regional areas were more likely to finance a start-up using funds from banks or credit unions (23 per cent compared to 11 per cent in metropolitan).
- Female business owners in metropolitan areas reported flexibility (44 per cent compared to 39 per cent in remote and regional), seeing a product/service potential (36 per cent compared to 30 per cent in remote and regional) and a desire to escape corporate management and culture (32 per cent compared to 22 per cent in remote and regional) as motivations for starting a business.
- Female business owners in regional areas were more likely to report a lack of employment opportunities as a motivator (11 per cent compared to 8 per cent in metropolitan).
- Businesses in regional areas on average were likely to be more established, at 10 years old, compared to businesses in metropolitan areas at seven years old.

Motivations for starting a business

Motivations for starting a business can generally be grouped around three factors or a combination thereof: opportunity, flexibility and necessity. People who start a business motivated by opportunity often see a gap in the market. Those motivated by necessity are often pushed into business ownership by a lack of opportunities elsewhere. Those motivated by a need for flexibility may find business ownership attractive because it can accommodate family demands and commitments.

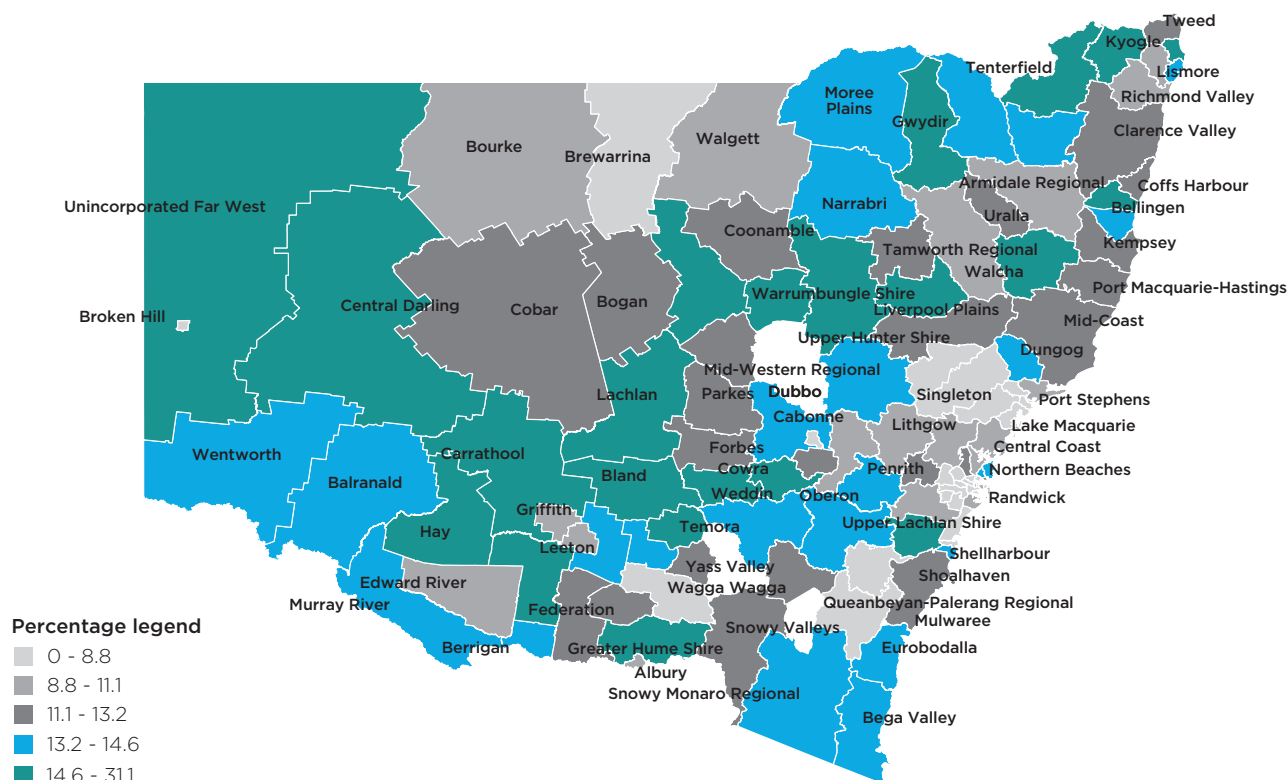
Women's motivations to start up an enterprise have been found to be quite different to men's. Women have been frequently found to engage in entrepreneurship out of necessity, rather than be driven to pursue a new market opportunity or novel business idea. The necessity driver often stems from a desire to achieve a work-family balance.¹

1. Seno-Alday, S., (2017), *Voices of women in entrepreneurship*, University of Sydney, available at https://investinginwomen.asia/wp-content/uploads/2018/01/FS_Voices-of-women-in-entrepreneurship.pdf

The variability in the percentage of female small business owners as a proportion of the female labour force across Local Government Areas (LGAs) in NSW is illustrated in Figures 7 and 8. It can be seen that regional and remote areas generally have higher levels of female small business owners than metropolitan areas, with pockets in regional areas showing similar rates to metropolitan areas. Figure 8 shows that within the Sydney region, female business owners are more likely to live in the Northern Beaches, Ku-ring-gai and Central Business District (CBD) than in Western and Southern Sydney.

²⁴ Australian Women Chamber of Commerce and Industry (2013) *National Research on Women Business Owners & Female Entrepreneurs*, available at https://www.security4women.org.au/wp-content/uploads/AWCCI_National-Research-RegionalvsMetro_12.pdf

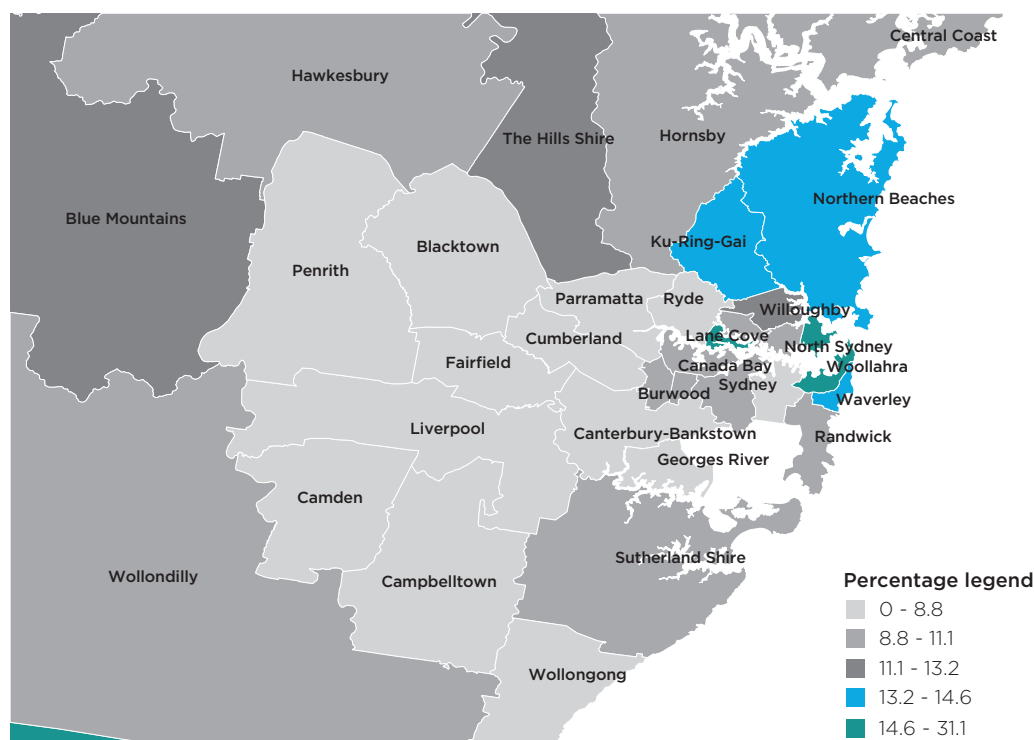
Figure 7: Percentage of female small business owners as a proportion of female labour force by LGA, NSW



Notes: Denominator includes 'Contributing family member' as a category of employment but excludes 'not stated' and 'not applicable'. Map shows five quintiles.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 24 October 2019 using *TableBuilder*.

Figure 8: Percentage of female small business owners as a proportion of female labour force by LGA, Greater Sydney region



Notes: Denominator includes 'Contributing family member' as a category of employment but excludes 'not stated' and 'not applicable'. Map shows five quintiles.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 24 October 2019 using *TableBuilder*.

Birth Beat: Edwina's story

When Tamworth's private hospital maternity unit closed down, Edwina Sharrock stepped in to ensure critical prenatal classes continued. Edwina turned to technology to increase her classes' reach, building her own website, testing the market and growing the business from there.



"If ever there was a market ripe for disruption, childbirth education is it," she says. By innovating and providing antenatal classes online, Birth Beat bridges the access gap many people experience due to geographic, social and financial isolation in pregnancy. Helping overcome the access gap is paramount to Edwina's motivation and excitement in growing Birth Beat.

"As a small business owner, I have both the freedom and the pressure of knowing that my business is contributing to a bigger mission, that is, to improve the birth experience for all," she says.

Managing change and growing the market base is one of the many challenges at all stages of owning a small business. "The online education space is rapidly changing and growing, so scaling effectively through digital marketing is something that requires constant attention, experimentation and refinement. What worked 12 months ago with a digital marketing campaign might not necessarily work now."

For Edwina, grit is the key to managing these challenges. She also believes in the power of mentoring and networking. On the flip side, one of the biggest challenges she has faced as a solo female founder of a digital health tech platform has been the negative judgments of other women.

"I've been judged for the time I spend working and the level of commitment to my business and my clients," she says.

Edwina's solution to this negativity is to put physical and emotional distance between that judgment and herself, and surrounding herself with strong mentors and support.

"I work out of the University of New England Smart Region Incubator (UNE SRI) with a community of start-up entrepreneurs. This has created a network of people who are all experiencing the same growing pains, issues and breakthroughs, but because we are all at different stages on the journey, we can help and support each other," she says. "I have an incredible team and am committed to empowering all women."

Looking to the future, Edwina's goal for Birth Beat is to increase its presence and brand awareness across Australia before moving into international markets. With 300,000 births annually in Australia, and three million in the USA, the potential market is vast for Edwina's vision to positively impact the birth experience of as many women as possible.

Edwina's tips for success

- **Believe in others and their ability**
– hiring the right people and trusting them to do their job.
- **Integrity**
– do the right thing, even when no one is looking.
- **Commit to and deliver on promises**
– aim to over deliver and delight customers.
- **Empathise**
– understand another's point of view and treat them with respect, even when you don't agree with them.
- **Positivity**
– raise the bar, don't get into the trenches. Ask, what is the solution? Don't dwell on the problem.
- **Humility**
– regardless of the success you achieve, always remain humble.
- **Courage**
– get in and have a crack. Acknowledge the fear and move forward. Just get started, it might not be perfect but done is better than perfect.

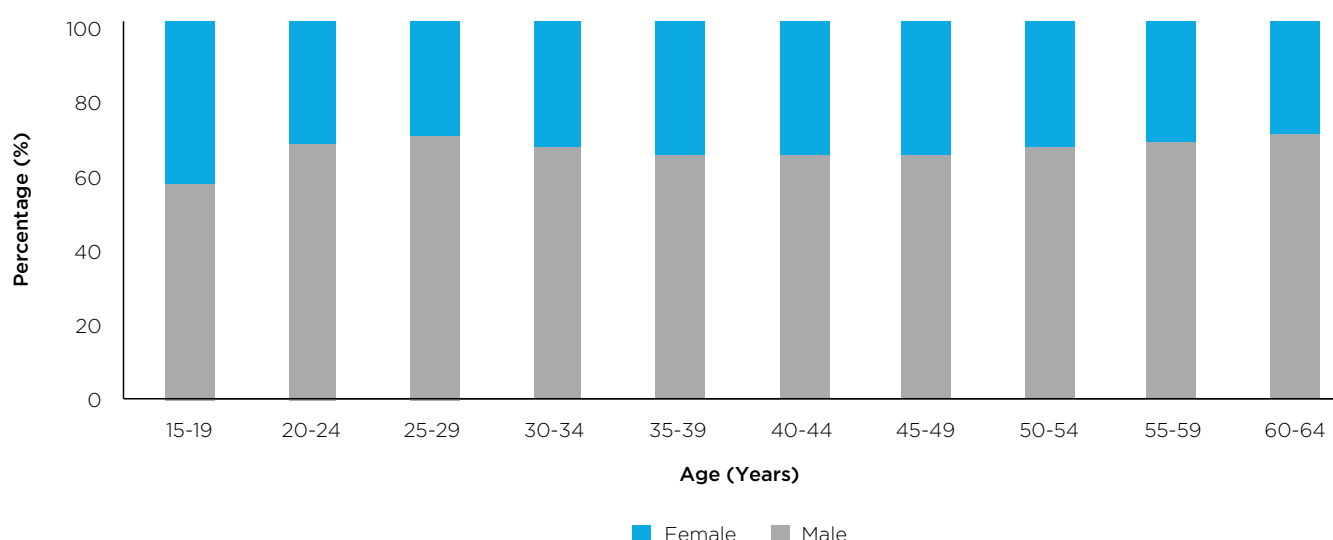
Small business owners: age profile

Total early-stage Entrepreneurship Activity (TEA) is particularly high in Australia between 35-54 age groups.²⁵ The predominant number of business owners in NSW are aged between 40-59 years old. There is a slightly higher number of male business owners in 50-59 years than 40-49 years but this trend is reverse in female business owners.

Overall, younger NSW residents are less likely to try their hand at small business than to become employees, while NSW residents aged 40 years and over are more likely to take the small business plunge. At every age group, women are less likely to start a business.

In NSW, in 2016, the median age for female small business owners was 45 years, which is slightly younger than the median age for males (46 years). The ratio of male to female small business owners almost doubles from the age of 20 onwards, with one female small business owner for every two male small business owners between 20-34 years old and between 50-64 years old.

Figure 9: Share of small business owners by sex, NSW



Note: Denominator excludes 'not stated' and 'not applicable'.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 16 October 2019 using *TableBuilder*.

²⁵ Steffens, P., Omarova, A., O'Connor, A., (2018), *Global Entrepreneurship Monitor (2017/18) report* available at https://blogs.adelaide.edu.au/ecic/files/2019/06/GEM-SA-Report-2017_2018.pdf

Small business owners: education background

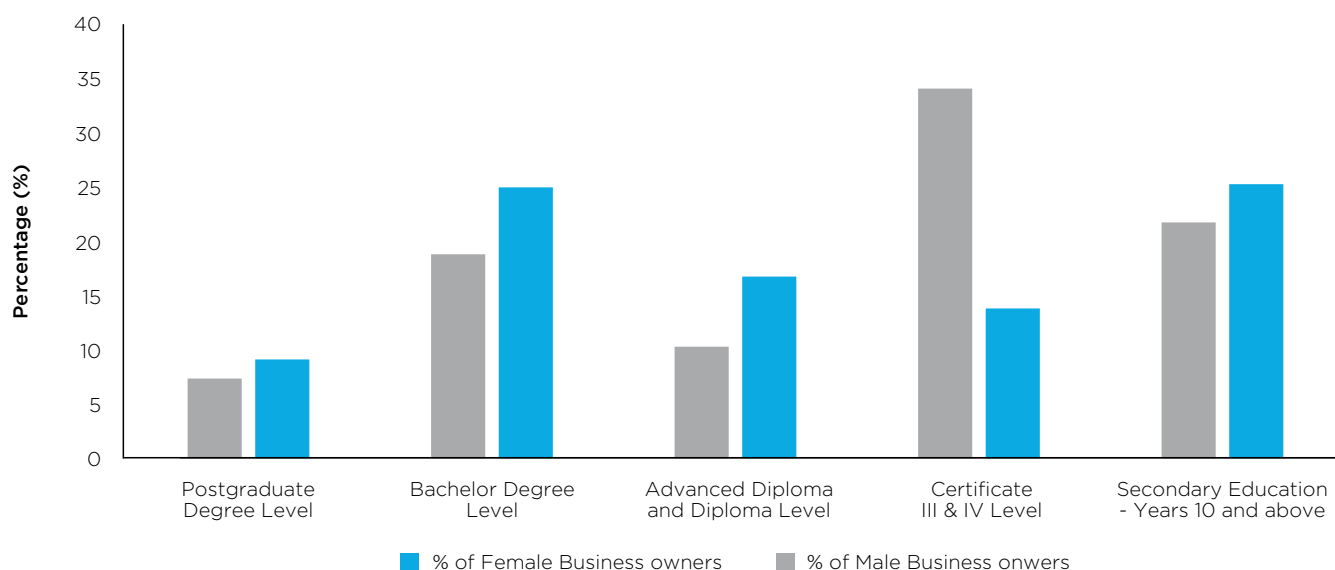
Education levels of small business owners in NSW tend to be higher for women than men. Figure 10 shows that women are more likely than men to nominate having a bachelor degree (24.7 per cent versus 18.6 per cent), a postgraduate degree (9.0 per cent versus 7.2 per cent) or having an advanced diploma (16.6 per cent versus 10.1 per cent) as their highest level of education.



Education levels of small business owners in NSW tend to be higher for women than men

The most common small business industries²⁶ for both men and women with a university degree is “professional, scientific and technical Services” and “health care and social assistance” industries.

Figure 10: Most common education levels for NSW small business owners by sex, 2016



²⁶ Industry classifications are based on descriptions used in the ABS *Census of Population and Housing, 2016*.

Starting a small business: the role of venture capital

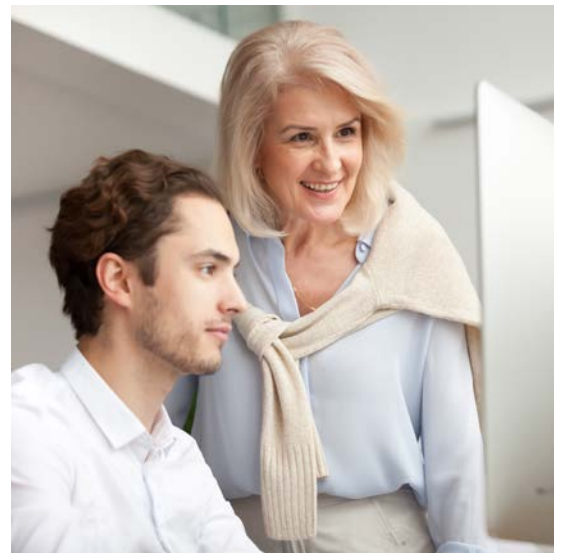
Venture capital is one way in which small businesses can stimulate innovation and turn an invention into a reality.²⁷ However, women are not receiving funding from venture capitalists at the same rate as men in Australia or internationally.

Analysis from the Wade Institute found that, on average, only 29.4 per cent of Australian companies that had at least one female founder received funding, while companies with male-only founders received 70.6 per cent of all venture capital funding.²⁸ Internationally, the picture is even more discouraging, with 83 per cent of venture capital deals in the United Kingdom (UK) in 2017 going to businesses with no women in the founding team.²⁹

There are many arguments for why women do not receive venture capital. One of the key factors is the lack of female *investors* in venture capital firms.

This has the effect of male investors being more inclined to invest in areas that they understand, which may not include female-orientated products.³⁰

How women define their new business venture, their motivations for starting it and their appetite for growth may also impact their propensity to seek or secure venture capital. Someone who sees themselves as an *entrepreneur* is often described as keen to grow and innovate in their business, while a *small business owner* may be content to keep their business small.³¹



²⁷ EY Global (2018) 'Can corporate venture solve the innovation paradox?', https://ey.com/en_gl/growth/can-corporate-venture-solve-the-innovation-paradox. Accessed 8 October 2019.

²⁸ Wade Institute (2017) *Women and Entrepreneurship*, http://wadeinstitute.org.au/wp-content/uploads/2019/04/Women_and_Entrepreneurship%20report_small.pdf

²⁹ British Business Bank (2019) *UK VC & Female Founders*, https://www.british-business-bank.co.uk/wp-content/uploads/2019/01/UK_VC_and_Female_Founders_Report_British_Business_Bank.pdf

³⁰ PitchBook (2019) 'Why women investing in women matters', <https://pitchbook.com/news/articles/why-women-investing-in-women-matter>

³¹ Filion, L.J., (2011) 'Defining the entrepreneur' in *World encyclopedia of entrepreneurship*, pp. 41-52.



The funding applicants' responses in turn impacted their level of funding, with risk management responses providing lower funding outcomes from funders.

Studies demonstrate that funders asked different questions, depending on the gender of the entrepreneur. In this form of unconscious bias, women were more likely to be asked *prevention*-focused questions that highlighted the risks associated with their venture and the potential for the start-up to fail. Men were more likely to be asked *promotion*-focused questions highlighting the benefits of their venture and the potential for gains.³²

The funding applicants' responses in turn impacted their level of funding, with risk management responses providing lower funding outcomes from funders. The study also found that when women could reframe the prevention-focused question to provide a promotion-focused response that highlighted the benefits, they were more likely to receive funding.³³

Networking is also an important skill for securing venture capital, and one at which women are often at a disadvantage. The international study above found successful pitches to venture capital networks were 13 times more likely to reach an investment committee and be funded with a warm introduction than those with a cold introduction or no prior contact with the venture capital fund.³⁴

There is also an argument that women begin businesses in areas traditionally considered low-growth options, such as social enterprises,³⁵ while investors are predominantly interested in male-dominated products like computer software.³⁶ In NSW in 2016, 26.1 per cent of people with an Information Technology (IT) qualification were female but only 19.7 per cent of employees whose occupation was listed as Information and Communication Technology (ICT) Professionals were female. Just 13.4 per cent of IT-related small business owners and 11.3 per cent of medium and large business owners were female.³⁷

³² Dent, G., (2018) 'Raising capital still bridge too far for many women', *Australian Financial Review*, available at <https://www.afr.com/companies/raising-capital-still-bridge-too-far-for-many-women-20180306-h0x3s9>

³³ Kanze, D., Conley, M. A., and Higgin, E. T., (2018) 'We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding', *Academy of Management Journal*, Vol. 61, No2.

³⁴ British Business Bank (2019) *UK VC & Female Founders*, <http://www.diversity.vc/wp-content/uploads/2019/05/British-Business-Bank-UK-Venture-Capital-and-Female-Founders-Report.pdf>

³⁵ Youngson, L., (2017) *Women & Entrepreneurship Report*, Wade Institute of Entrepreneurship, http://wadeinstitute.org.au/wp-content/uploads/2019/04/Women_and_Entrepreneurship%20report_small.pdf

³⁶ KPMG (2018) 'Venture Pulse: Q3 2018: Global analysis of venture funding', <https://assets.kpmg/content/dam/kpmg/xx/pdf/2018/10/kpmg-venture-pulse-q3-2018.pdf>

³⁷ ABS (2016) *Census of Population and Housing, 2016*. Accessed 15 October 2019 using *TableBuilder*.

Industrial and occupational segregation

The segregation by gender of industries and occupations has been well documented in NSW and nationally, including by *Women in NSW* reports, as well as its impact on issues of workplace equality, such as the gender pay gap.

While one might expect women to dominate as small business owners in the areas in which they are most *employed*, this is not always the case. In NSW, women dominate the health and education industries (79.7 per cent and 71.9 per cent respectively) as employees but make up just 59.9 per cent and 58.8 per cent respectively of small business owners.

By contrast, in male-dominated industries the employee share closely matches the small business ownership share. In mining, for example, male employees are 88.0 per cent of the workforce and male small business ownership in the sector is 84.3 per cent. In construction, male employees are 85.5 per cent of the workforce and the male small business ownership in the sector is 91.7 per cent.

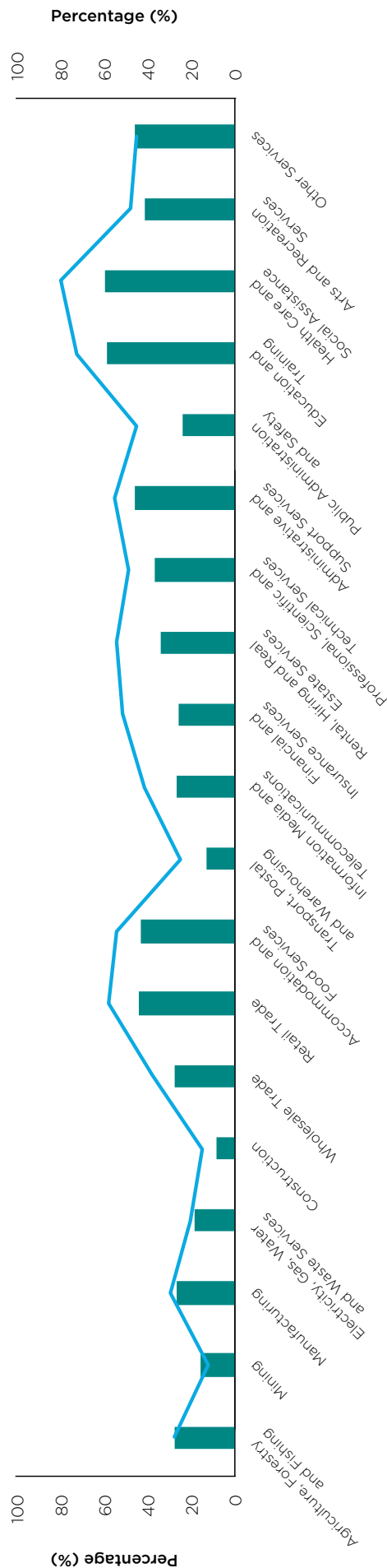
The changing state of the Australian economy may put women in NSW at a significant advantage when it comes to being successful in entering small business ownership in the future. The economy is shifting from being a goods-producing to a services-orientated economy.³⁸ These are the fields in which women have tended to dominate, and their extensive experience and expertise may help them to recognise gaps – and opportunities – in the market.



The changing state of the Australian economy may put women in NSW at a significant advantage when it comes to being successful in entering small business ownership in the future.

³⁸ Heath, A., (2017) 'Structural changes in Australian Industry: The Role of Business Services', Speech to the Economic Society of Australia, Hobart, 6 September 2017, Reserve Bank of Australia, <https://www.rba.gov.au/speeches/2017/sp-so-2017-09-06.html>

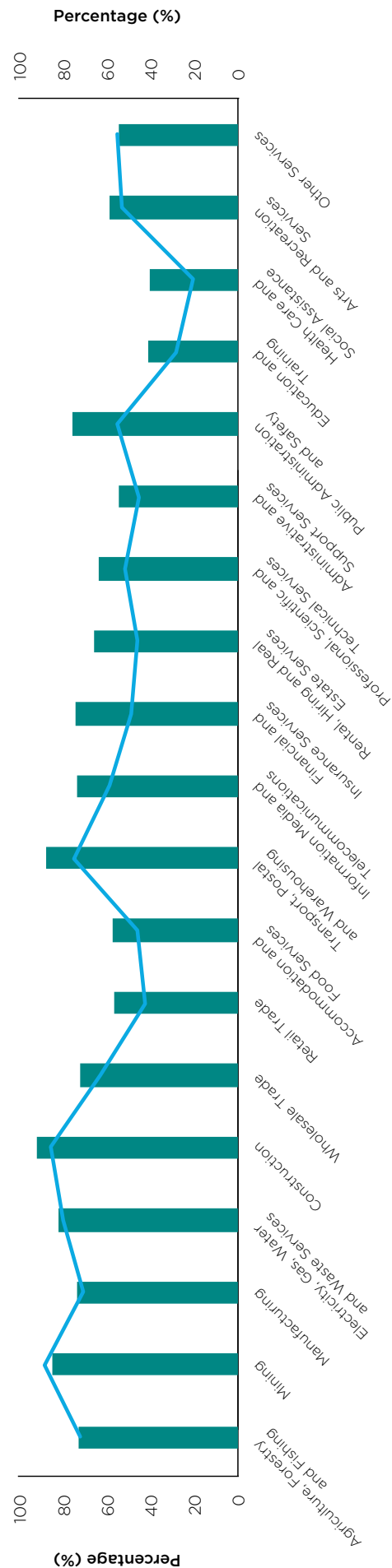
Figure 11: Share of female employment and small business ownership by industry



Notes: While the population for small business is having a business between 0-19 employees, employees are not limited to a business employment size. 'Contributing family member', 'not stated' and 'not applicable' not included in analysis.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 8 October 2019 using *TableBuilder*.

Figure 12: Share of male employment and small business ownership by industry



Notes: While the population for small business is having a business between 0-19 employees, employees are not limited to a business employment size. 'Contributing family member', 'not stated' and 'not applicable' not included in analysis.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 8 October 2019 using *TableBuilder*.

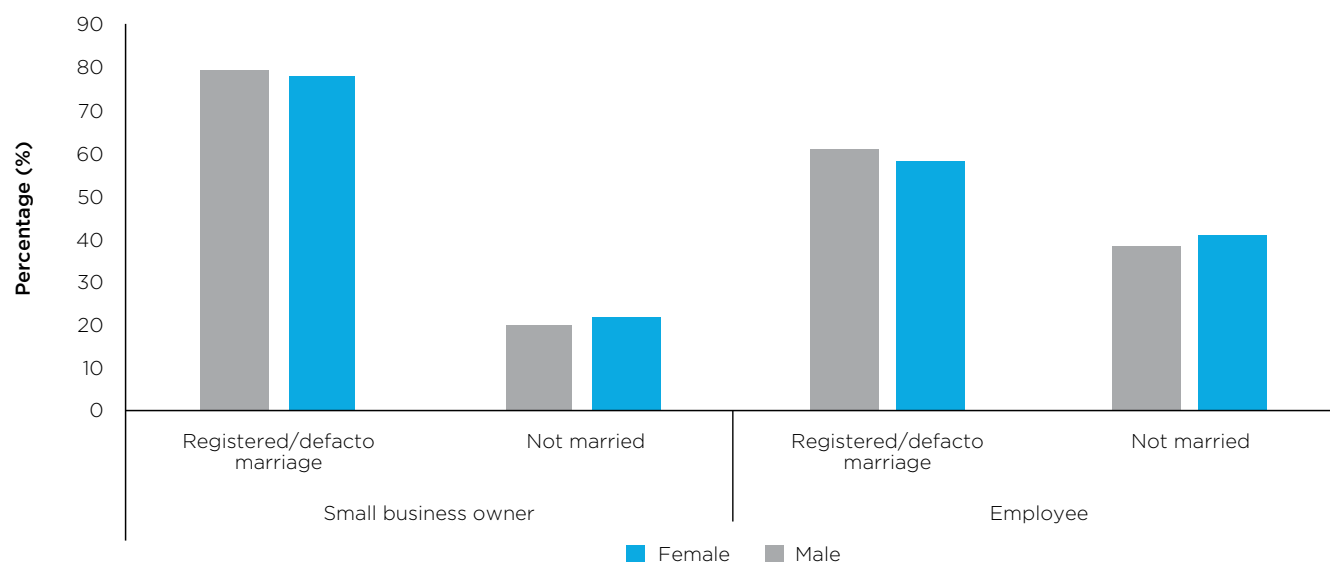
I Family and flexibility

Both male and female small business owners are more likely to be in a de facto or registered marriage than people who are employed (see Figure 13). Studies suggest that family support is an important element in helping women manage the stresses involved in running a small business. Family support may also provide financial security to mitigate some of the risks associated with running a small business.³⁹

While one of women's stated motivations for starting a business is to increase flexibility,⁴⁰ and despite progress in gender equality, they are still more likely to do the majority of household tasks and care work, including looking after children.⁴¹ Caring for children or other family members may motivate both men and women to start their own small business in the expectation that it will provide better work-life balance.⁴²

Female small business owners in NSW are more likely to have had a child (79.7 per cent) than employed women in NSW (57.9 per cent), with most female small business owners having had two children (36.5 per cent see Figure 14). This is unsurprising, given the likelihood of being a female small business owner increases with age and the majority of female small business owners are over 35 years old.

Figure 13: Marital status of small business owners and employed persons, by sex, NSW



Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 10 October 2019 using *TableBuilder*.

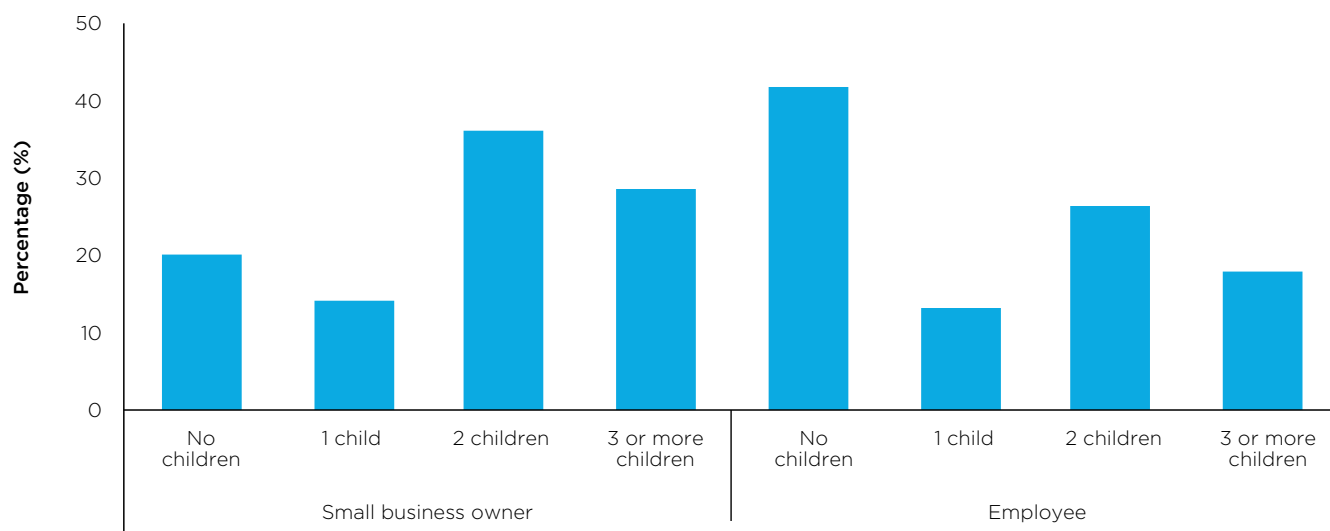
³⁹ ABS (2015) *A profile of Australian women in business*, produced for the Office for Women, https://www.pmc.gov.au/sites/default/files/publications/profile_of_australian_women_in_business.pdf

⁴⁰ Business Women Australia and Core Data (2017), *National Research*, Female Business Leaders, September 2017, p.6

⁴¹ Wilkins, R., Laß, I., Butterworth, P., and Vera-Toscano, E., (2019) *The Household, Income and Labour Dynamics in Australia (HILDA) Survey: Selected Findings from Waves 1 to 17*. Melbourne Institute: Applied Economic and Social Research, University of Melbourne.

⁴² McGowan, P., Redeker, C.L., Cooper, S.Y., & Greenan, K., (2012) 'Female entrepreneurship and the management of business and domestic roles: Motivations, expectations and realities', *Entrepreneurship & Regional Development*, Volume 24: Issue 1-2, pp. 53-72.

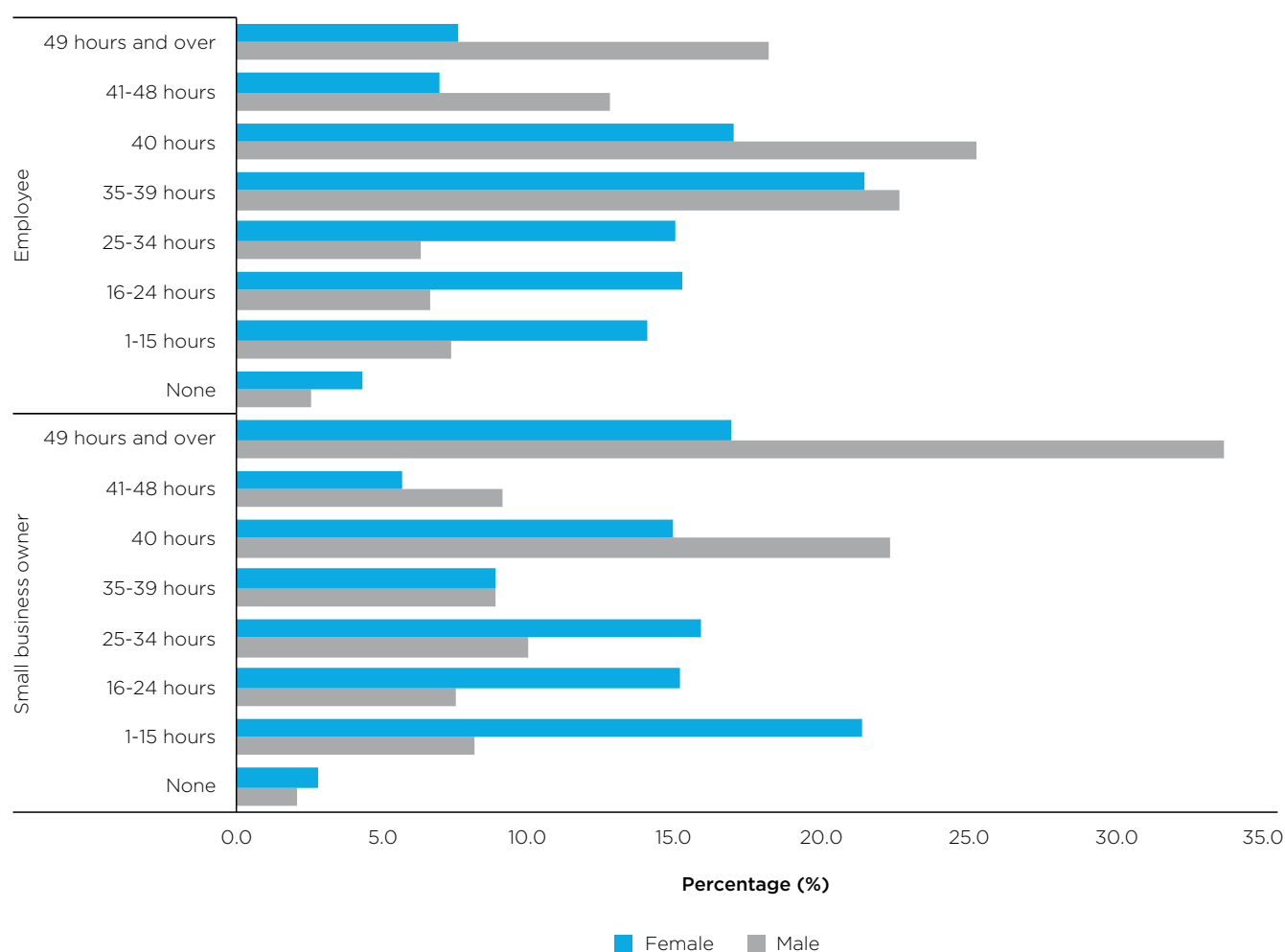
Figure 14: Percentage of female small business owners and employees who have ever had a child, by number of children, NSW



Note: Child age is not available.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 10 October 2019 using *TableBuilder*.

Figure 15: Number of hours worked by small business owners and employees by sex, NSW



Note: 'not stated' and 'not applicable' not included in analysis.

Source: ABS (2016) *Census of Population and Housing, 2016*. Accessed 10 October 2019 using *TableBuilder*.

Female small business owners in NSW are more likely to report working fewer hours than male small business owners in NSW, which may support the notion that women are prioritising flexibility. Female small business owners most commonly report working 16-24 hours a week (21.1 per cent), while male small business owners most commonly report 40 hours a week (22.0 per cent). By contrast, female *employees* most commonly report working 35-39 hours a week (21.1 per cent).

Topmarx: Sue's story

Reassessing options for a return to the paid workforce led Sue Marx to a light bulb moment. She decided against a return to the corporate world in favour of working for herself in her area of passion – health and wellbeing. Based in Sydney, she now runs a flourishing business from her home-based, purpose-built exercise studio.



"I became passionate about wanting to support others with their overall wellness journey after personally experiencing optimal physical and mental wellness thanks to incorporating a more balanced approach to include many forms of exercise," she says.

Operating since 2010, Sue has gained an impressive list of qualifications to run small group exercise and movement classes, ranging from high intensity sessions to mind/body and meditation classes. The business has also now expanded into offering Reiki sessions and coaching in holistic wellness, including food and nutrition.

"As a small business owner, I love that I can work from home and be available for my children, as well as being able to expand the business as they grew older and more independent," she says. "I am completely autonomous and in control of all the business decision-making processes, such as setting the core Studio hours, choosing the areas to specialise in, and choosing the services I provide."

Sue says it is challenging to find the time to manage the administration and expenses, accounts, website, advertising, insurance, ensuring all legal requirements are met, and maintaining professional development.

"I often think that in many industries, small businesses share a similar cost for expenses as a larger business but without having the specialist resources to assist," she says.

Sue draws support from family members with expertise in areas that she needs, and by basing the business at home and growing it progressively, she avoids the need for a business loan to finance her venture.

Her locally-based, specialised and personal approach quickly established a good foundation of clients, reinforced now by word of mouth, an internet presence, and occasional community-based advertising. Networking is also important, with Sue maintaining contact with other people in the industry.

Most importantly, though, Sue feels passion is critical to the success of her small business.

"Being passionate about what I do means I look forward to what each day brings. I think my passion is then contagious and inspiring for my clients. If people desire a change to get to where they want to be, as a Coach I can support them with this journey. I feel if more people improve their health and find their passion in life, it leads to more intrinsic happiness which can also create a more compassionate and better world".

Topmarx is bringing exercise and wellness to a diverse clientele, including children with disability and autism, people with Alzheimer's disease and older people. Sue has shown that following her belief in a personalised exercise experience and a passion for what she does has resulted in a sustainable, home-based, flexible small business.

Personal Income and Superannuation of small business owners

The shorter hours worked by female small business owners may be why they are more likely to report lower earnings than male small business owners.

Female small business owners most commonly report an income (excluding superannuation) of \$500 - \$649 a week, or \$26,000 - \$33,799 a year. By contrast, male small business owners most commonly report almost double the income: \$1,000 - \$1,249 a week, or \$52,000 - \$64,999 a year. 11.4 per cent of male owner managers earn \$3,000 or more per week (\$156,000 or more annually) as compared to 6.7 per cent of female owner managers.

This income range is also the most reported for male employees but is considerably less than that reported by female employees, which is \$800 - \$999 a week, or \$41,600 - \$51,999 a year.

In terms of retirement savings, for small business owners, the responsibility of making regular superannuation contributions lies solely with them as they are not bound by law to make payments into a superannuation fund. Research has shown that many business owners in general stopped making superannuation contributions once they transitioned from being an employee to a business owner.⁴³ Many small business operators rely almost entirely on the value of their businesses for their retirement savings, but this strategy can be risky as business can close prematurely or end up in bankruptcy.⁴⁴ It is however important to keep business and personal finances separate and build wealth (superannuation) for their future that is separate from their business.

According to the latest research from the Association of Superannuation Funds Australia:⁴⁵

- About 20% of self-employed people in Australia have no superannuation at all.



Most self-employed people who do have superannuation accumulated it while they were working as an employee

- Self-employed people generally have lower superannuation balances than employees across all age groups.
- Only 30 per cent of self-employed people aged 60 - 64 years have more than \$100,000 in superannuation, compared to almost 60 per cent of employees who do.
- The average superannuation balance of self-employed men aged 60 - 64 years is approximately \$143,000. Male employees aged 60 - 64 years have an average superannuation balance of about \$283,000.
- The average superannuation balance of self-employed women aged 60 - 64 years is approximately \$83,000. Female employees aged 60 to 64 have an average superannuation balance of about \$175,000.

⁴³ Santhebennur, M., (2017) 'Business owners need to pay themselves super', *Money Management*, available at <https://www.moneymanagement.com.au/news/superannuation/business-owners-need-pay-themselves-super>

⁴⁴ Robinson Voss Partners various articles - 'Building personal wealth for business owners' and 'You need more than the sale of your business to take care of your retirement'. Also Parliament of Australia House of Representative standing committee on Economics, Finance and Public Administration, 'Superannuation issues for certain groups', available at [file:///H:/Chrome%20Downloads/http___www.aphref.aph.gov.au_house_committee_efpa_super_report_chapter6%20\(2\).pdf](file:///H:/Chrome%20Downloads/http___www.aphref.aph.gov.au_house_committee_efpa_super_report_chapter6%20(2).pdf)

⁴⁵ Craston, A., (2018) *Superannuation balances of the self-employed*, *The Association of Superannuation Funds of Australia Limited*, available at https://www.superannuation.asn.au/ArticleDocuments/359/1803-Superannuation_balances_of_the_self-employed.pdf.aspx?Embed=Y

Barriers affecting women in business

One of the key barriers for women starting a business is balancing work and family commitments. The Westpac-Melbourne Small Business Index reported that though achieving flexibility is a primary reason for women deciding to start a business, 88.7 per cent of women still defined the difficulty of balancing work and family as a barrier to women starting or operating a business. This suggests that there is still insufficient understanding and mechanisms to support greater flexibility.⁴⁶



88.7 per cent of women still defined the difficulty of balancing work and family as a barrier to women starting or operating a business

Accessing finance can be an issue for all people starting a business, but more so for women. As cited earlier in this report research indicates that male founders of Australian companies are more than twice as likely to receive funding than female founders.⁴⁷

Psychological barriers such as risk aversion may prevent women entering small business. Australian research indicates that women tend to be more risk averse around finances than men with 59 per cent of women indicating that they were unprepared to take any financial risk, compared with 45 per cent of men. However, research also shows that women in business are twice as likely to take risks as women employees.⁴⁸ Research also shows that while women have higher risk-awareness than men, and have a more cautious approach⁴⁹ they also tend to deliver strong returns when receiving venture capital.⁵⁰

⁴⁶ Westpac (2015) 'Gender barriers restrict women in small business', Media release, 20 May 2015, <https://www.westpac.com.au/about-westpac/media/media-releases/2015/20-may-15/>

⁴⁷ Wade Institute (2017) *Women and Entrepreneurship*, http://wadeinstitute.org.au/wp-content/uploads/2019/04/Women_and_Entrepreneurship%20report_small.pdf

⁴⁸ ABS and Office of Women (2015), *A Profile of Australian Women in Business*, available at https://www.pmc.gov.au/sites/default/files/publications/profile_of_australian_women_in_business.pdf

⁴⁹ Rose, A., (2019) *The Alison Rose Review of Female Entrepreneurship*, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF

⁵⁰ Abouzahr, K., Brooks, Taplett F., Krentz, M. and Harthorne, J., (BCG) (2018) 'Why women owned startups are a better bet'. <https://www.bcg.com/en-us/publications/2018/why-women-owned-startups-are-better-bet.aspx>



Despite an unequal playing field, women are still reporting the same entrepreneurial success, expected revenue growth and business longevity as men.⁵⁴

Networking skills are another important part of successful business ownership.⁵¹ Research suggests that women are more likely to make use of informal networks, that are less likely to be associated with business growth, than men.⁵² Although women are more likely to value networks, they can find it difficult to find suitable mentors and role models. Fewer role models and mentors may contribute to the perception that entrepreneurship is a male-only endeavour.⁵³

Despite odds being stacked against women, research has shown that women entrepreneurs are overwhelmingly successful. Despite an unequal playing field, women are still reporting the same entrepreneurial success, expected revenue growth and business longevity as men.⁵⁴ Success or failure in business does not have anything to do with gender.

⁵¹ Mazzarol, T., Volery, T., Doss, N. & Thein, V., (1999) 'Factors influencing small business start-ups: A comparison with previous research', International Journal of Entrepreneurial Behaviour & Research, 5:2, 48-63

⁵² Watson, J., (2012) 'Networking: Gender differences and the association with firm performance', International Small Business Journal, 30:5, 536-558

⁵³ Shaheen, J., (2017) 'Tackling the gender gap: What women entrepreneurs need to thrive', available at https://www.sbc.senate.gov/public/_cache/files/2/5/25bd7ee9-a37b-4d2b-a91a-8b1ad6f5bd58/536DC6E705BBAD3B555BFA4B60DEA025.sbc-tackling-the-gender-gap.december-2017-final.pdf

⁵⁴ Dell for Entrepreneurs (2019) 'The rising return on investment (ROI) of investing in woman entrepreneurs', available at <https://venturebeat.com/2019/07/17/the-rising-roi-of-investing-in-woman-entrepreneurs/>

BuyfromtheBush: Grace's story

Grace Brennan's BuyfromtheBush business was born of the horrific drought in her adopted home town of Warren in western New South Wales. From this adversity, she and her community showed resilience to not only survive, but to thrive.



In Grace's own words: "The last 18 months have been very ordinary. Recently, there have been families leaving the community, school fundraisers cancelled and a collective feeling of disenchantment. Although, like most rural communities, there is also an ever-present resilience and hope that change is just around the bend."

Grace Brennan grew up in Sydney and moved to the community of Warren about ten years ago after falling in love with a farmer. She has a background in community development and, more recently, has been working as the co-Founder of a start-up business called AgDraft, an online employment platform for the agriculture sector.

While community development introduced Grace to the power of community-driven change, the start-up world taught her to define the problem (the need) and develop a solution (the product). BuyfromtheBush is a direct result of these two very distinct working backgrounds coming together.

"I have watched my husband work through this drought feeling very helpless. No words or consoling cuddles can salve the relentless stress and fatigue caused by drought. My prayers have not made it rain. And yet, I desperately wanted to create a solution to this enormous problem of drought," she says.

After a friend told her that her family were 'buying from the bush' for their Kris Kringle this year, the seed was planted. Grace created an Instagram and Facebook page and began showcasing beautiful boutiques and wares available to buy from rural communities facing drought.

"Having grown up in Sydney, I was really aware of how much people in the city want to show their support if given a chance." The social media pages were a simple way that city dwellers could invest in the future of rural communities (and tick off their Christmas list at the same time!). Other volunteers have also supported the campaign, like Georgie Robertson, who has contributed her public relations expertise and secured widespread attention in media outlets, including major newspapers, television and radio.

While the campaign initially focussed on Christmas shopping, Grace wants to build on this initial traction and extend the BuyfromtheBush project to ensure long-term outcomes for bush businesses. In a drought like this, the survival of small rural communities is at stake. It is not just farmers who are affected. Some of the earliest casualties of drought are small businesses that rely on cash flow from agricultural businesses.

"Ultimately, I hope that by introducing city consumers to some of the gems on offer in the bush, we can encourage a change of mindset and get people looking to invest in the bush more broadly, not just in times of crisis."

BuyfromtheBush shows the incredible innovation, creativity and productivity of bush women. It's a reminder that in the worst of conditions, impressive women (and men) are working hard, running great businesses and creating brighter futures.

What the NSW Government is doing

The NSW Government is committed to improving the lives of women across the state, including by helping them to realise their dreams to start and grow a small business.

The NSW Government has initiated wide-ranging dialogue and collaboration to create pathways for female entrepreneurs and small business owners, to enhance their awareness of the growth industries and gain the skills required for the economy of the future.

The NSW Government has developed a range of strategies and actions to meet the challenges associated with increasing the number of female small business owners.

NSW Women's Strategy

The *NSW Women's Strategy 2018-2022* outlines the NSW Government's commitment to improving the financial wellbeing and security of women and girls throughout the state by supporting diverse, flexible employment opportunities for women and girls, including within the small business sector.



Specific initiatives in the Women's Strategy that aim to support participation of women and girls in entrepreneurial endeavours across NSW include:

Sydney School of Entrepreneurship

Sydney School of Entrepreneurship (SSE) is a collaboration between 11 NSW universities and TAFE NSW that aims to educate and drive the next generation of Australian entrepreneurs. Through SSE, we want to open more entrepreneurial opportunities to women in NSW. SSE Speaker Series events draw on inspirational female role models, including NSW Women of the Year award winners, to empower more young women to be entrepreneurs. SSE also involves outreach activities to engage with women entrepreneurs in regional and rural areas.

NSW TAFE online program for women

This educational program will help women to start up, run and expand their own small business. Women will be offered access to online training to build their business skills, together with mentoring, networking and coaching opportunities. The program commenced in January 2020.

Financial Literacy Initiative

The NSW Council for Women's Economic Opportunity (CWEO) and Women NSW are developing a web-based tool to improve access to information about financial planning, management and wellbeing. The resources will include information for women on small business establishment and operation. CWEO was founded in 2012 to provide the NSW Government with specialist advice on enhancing women's economic opportunities.

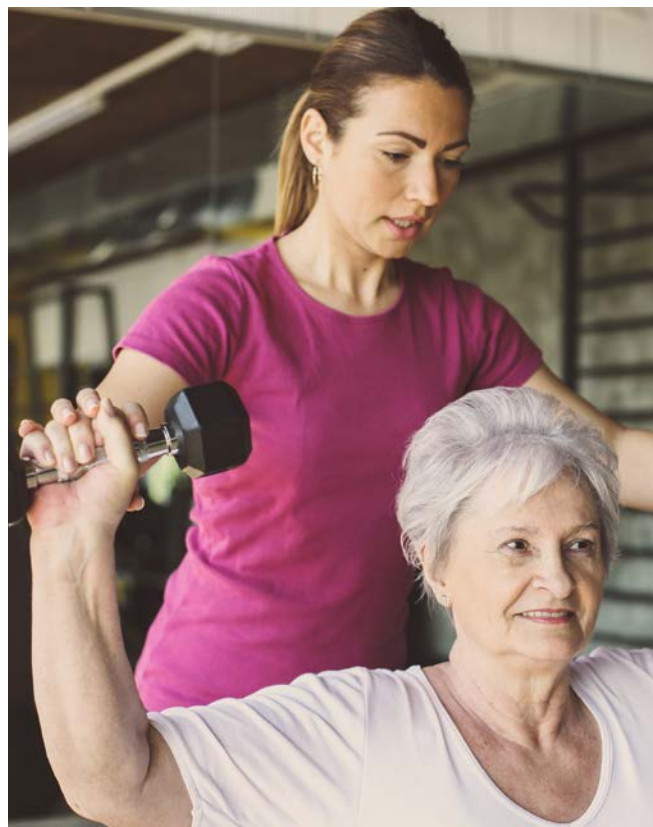
NSW Small Business Strategy

Women and girls will benefit from the NSW Government's broader commitment to the small business sector. The *NSW Small Business Strategy (2017)*⁵⁵ commits to supporting small business investment, growth and innovation, through:

- exploring opportunities for further taxation relief to encourage small business growth
- investing in new skills for business
- creating fair procurement opportunities
- enabling better access to cash flow and capital
- making it easier to start a business
- providing tools to build resilient businesses.

Women will benefit from the \$30 million Business Connect program, which provides advice to start-ups and small-to-medium sized enterprises on how to start and grow businesses in NSW.

The Department of Planning, Industry and Environment also provides resources specifically for women in business on its website.⁵⁶ These resources include a link to the Women's Entrepreneurs Online Network (WON), a platform capable of supporting and championing women entrepreneurs through their business journey. The network has been created by female industry leaders and is a one-stop-shop connecting aspiring and existing entrepreneurs with the resources, knowledge and people to help them create and grow their business.



⁵⁵ <https://www.business.nsw.gov.au/support-for-business/assistance-and-support>

⁵⁶ <https://www.business.nsw.gov.au/support-for-business/assistance-and-support/women-in-business>

I The way forward

There are further opportunities to increase the number and success of women in small business in NSW.

Improving financial literacy amongst women

Financial literacy is an important skill for all business owners. Almost half of men were able to answer all five financial literacy questions correctly, while only 35 per cent of women were able to answer all questions correctly,⁵⁷ in the national 2016 Household, Income and Labour Dynamics in Australia (HILDA) Survey. This indicates a need to invest in education opportunities that may improve women's financial literacy, including for women who are Aboriginal or Torres Strait Islander and women from culturally and linguistically diverse backgrounds.

Improving support for women in regional areas

An opportunity exists to increase women's ownership in small business in regional areas by supporting them to grow their business by developing online markets to deliver their products and services. While regional areas may be impacted by lower levels of foot traffic, online marketplaces offer the opportunity to increase market reach and a customer base beyond the immediate surrounds. It is predicted that by this year, one in 10 items will be bought online.⁵⁸ Online businesses can 'level the playing field' for small businesses, while social media can be a useful tool for drawing attention to products and services in regional areas.⁵⁹ Online networks or platforms also have the potential to act as a directory for small business (see BuyfromtheBush case study).

Improving opportunities for mentorship, networking and role models

Showcasing successful female small business owners can highlight the possibilities inherent in small business ownership. It also allows women to build networks and potential mentoring relationships to help them develop their business initiatives. Mentoring programs aimed at fostering inclusive business networking would be useful to break down informal connections of established and male-dominated networks. Mentoring streams within established non-gendered business circles targeted to women with a different background or experiences may be useful, as well as fostering online business networks, for inclusivity and engaging a wide audience.

Promoting and supporting female founded or led venture capital funds may improve women's access to finance for their business. This might include encouraging financial institutions to set targets for female leadership roles and implementing in-house programs that provide leadership training and mentorship. These actions, in turn, would advance gender diversity in male-dominated industries.

Improving flexibility for women

Practical steps can also be taken to improve flexibility for women, such as improving access to flexible and occasional childcare to allow women to access care at short notice. More flexible public/private work spaces that are child friendly with Wi-Fi connectivity would allow women to work while attending to children.

⁵⁷ Wilkins, R., (2018) 'HILDA Survey reveals striking gender and age divide in financial literacy. Test yourself with this quiz', *The Conversation*, 31 July 2018, <http://theconversation.com/hilda-survey-reveals-striking-gender-and-age-divide-in-financial-literacy-test-yourself-with-this-quiz-100451>

⁵⁸ Australia Post (2018) 'Inside Australian online shopping', https://auspost.com.au/content/dam/auspost_corp/media/documents/2018-ecommerce-industry-paper-inside-australian-online-shopping.pdf

⁵⁹ ABC News, "#buyfromthebush calls on city consumers to keep small-town shops open during drought", 24 October 2019, <https://www.abc.net.au/news/2019-10-24/buy-from-the-bush-social-media-campaign/11630358>

Methodology

- Data used in this analysis is taken from the Australian Census of Population and Housing. NSW data is based on a person's usual place of residence
- Status in Employment (SIEMP) included the following categories:
 - Employee
 - Owner manager of incorporated enterprise with employees
 - Owner manager of incorporated enterprise without employees
 - Owner manager of incorporated enterprise - employees not stated
 - Owner manager of unincorporated enterprise with employees
 - Owner manager of unincorporated enterprise without employees
 - Owner manager of unincorporated enterprise - employees not stated
 - Contributing family worker
- Labour force included anyone in the SIEMP status indicated above.
- Business owner included the following categories:
 - Owner manager of incorporated enterprise with employees
 - Owner manager of incorporated enterprise without employees
 - Owner manager of incorporated enterprise - employees not stated
 - Owner manager of unincorporated enterprise with employees
 - Owner manager of unincorporated enterprise without employees
 - Owner manager of unincorporated enterprise - employees not stated
- Small business owner included business owners (see above) in the following categories:
 - Nil employees
 - 1-19 employees
- While 'not applicable' and 'not stated' were not included in the totals for status in employment, they were included in the totals derived for number of employees.



Type of Legal Organisation (Glossary)

Owner managers of incorporated enterprises:

An owner manager of an incorporated enterprise is a person who works in his/her own incorporated enterprises, that is, a business entity which is registered as a separate legal entity to its members or owners (also known as a limited liability company).

Owner managers of unincorporated enterprises:

An owner manager of an unincorporated enterprise is a person who operates his/her own unincorporated economic enterprise, that is, a business entity in which the owner and the business are legally inseparable, so that the owner is liable for any business debts that are incurred. It includes those engaged independently in a profession or trade.



