

2020-21 Pre Budget-Submission to the Department of the Treasury, Australian Government
Gendered Crisis; Gendered Solution
Global Sisters, economic recovery and creating new jobs for women

24th August 2020

“We must enable our businesses to earn our way out of this crisis. That means focusing on the things that can make our businesses go faster”

Prime Minister Morrison - 26 May 2020

“By boosting female entrepreneurs and business owners, we will make sure we unlock our maximum potential to jump start the economy and drive economic growth”

Karen Andrews MP - 4 June 2020

To whom it may concern,

We appreciate the opportunity to contribute to the Australian Government 2020-21 budget. This submission provides Global Sister's recommendations for the 2020-21 Australian Government Budget.

We agree wholeheartedly with the views of the Government that enabling businesses, and female entrepreneurs in particular, is key to creating the jobs Australia needs. A gendered understanding of the barriers to economic participation that women face in the COVID recession and a gendered solution by creating income earning options for women through policy change and investment in flexible self-employment is critical.

In this submission, Global Sisters recommends that the Australian Government:

- releases a COVID responsive **Women's Economic Security Statement** with a strong emphasis on making business possible for Australian women
- create a Single Mothers Enterprise Incentive Scheme, to help single mothers ideate, create and develop businesses. In many cases as an alternative to welfare or low-paying, insecure work.
- invest into **women's Small & Micro Businesses** (SMBs), to create new jobs and flexible economic participation opportunities for women in the post COVID economy
- includes women experiencing disadvantage in the policy response and investment.

Context

Global Sisters helps women set up new businesses and grow existing ones.

We are a not-for-profit organisation that works with women that are unemployed, underemployed, on welfare or are in low-paid, unstable work. We support them long term, every step of the way to create successful businesses, that allow them to become financially independent and at the same time boost their contribution to the economy and society.

The COVID-19 crisis 'disproportionate impact on women has seen the need and demand for the support we provide increase exponentially. Women's over-representation in casual work means they have been hit hard by the COVID-19 recession, and women's over-representation in caring roles often makes it harder for women to find paid work that fits with their responsibilities.

The result has been, what many are coining, a '**pink recession**'. Unemployment and underemployment data from the ABS is showing that women have lost their jobs at a rate 34% faster than men, and paid working hours have fallen 50% fasterⁱ. Much of this is due to women being over-represented in the industries hardest hit by the COVID-19 economic crisis. Recent ABS data shows the hardest hit sector of the economy has been accommodation and food services, with about a third of this entire workforce losing their jobs. The next hardest hit sector has been arts and recreation services, where employment dropped 27 per centⁱⁱ. Most of the workers in these sectors are women. Women have also been more likely to be excluded from Jobkeeper due to their higher rates of short-term casual work.

The increase in women's unemployment from the loss of casual jobs and the lack of flexible, family friendly jobs available meant we have found ourselves supporting more women to earn an income via a Small or Micro Business (SMB) than ever before. Self-employment allows many women to work more flexibly than would otherwise be possible. In addition to creating work and independence for the female founders of new businesses, Global Sister's program creates jobs for those who work in the newly established businesses as well as providing economic and social benefits to the families and communities of which the new entrepreneurs are a part.

The government's effort to stimulate the economy have been welcome, but the largest program of industry stimulus has been focused on construction. \$1.5 billion has been committed to build infrastructure projects, and a further \$688 million for renovators and home builders. 88% of the workers in the construction industry are men, largely leaving women, the most impacted group in this crisis, underprioritised¹. We believe substantial investments into women's small and micro businesses will go a long way in redressing this imbalance.

Global Sisters has a proven record of creating a pathway to self-employment for Australian women. The Department of Social Services (DSS) has funded our work in Victoria since 2016 and we were one of two organisations nationally selected by DSS to run a social impact scaling demonstration project to share learnings with the sector.

The Prime Minister has made clear that Government is committed to a business led recovery. We affirm this approach. Global Sisters bears witness to the power of effectively empowering women to ideate, create and develop businesses to drive economic growth and jobs. Our recommendations for investment into this crucial area are below.

Recommendations

Global Sisters recommends that the Australian Government:

1. Develops and releases a COVID responsive **Women's Economic Security Statement** to address the structural and systemic barriers to women's economic participation, and to increase their income and financial security. The initiative and funding that result from the statement must recognise that COVID has had a gendered impact and requires a gendered solution—and one critical part of that solution is **making business possible for Australian women**.
2. The business led recovery must include **investment into women's Small & Micro Businesses** (SMBs), to create new jobs and flexible economic participation opportunities for women in the post COVID economy. Investments and programs that develop the pipeline of women in business (i.e. through

¹ ABS 4125.0 – Gender Indicators, Australia, November, 2019
<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Nov%202019~Main%20Features~Economic%20Security~4>

Parents Next), backs the establishment of women led businesses (i.e. through grants and government support) and invests into crucial infrastructure for these businesses (i.e. accessible and affordable quality rural internet) will create more opportunities for women to develop financial independence, create jobs and reduce the burden on welfare.

3. Implement a **Single Mother Enterprise Incentive Scheme** to assist single mothers to ideate, create and develop businesses, often as an alternative to welfare or low-paying and insecure work. Such a scheme can build upon the good work and learnings of the government's New Enterprise Incentive Scheme. It would enhance and tailor the design of the current scheme to make it useable and effective for single mothers (i.e. by providing a 2 year grant at the rate of parenting payment single, ensuring flexible program delivery and reporting requirements, and by providing business support and coaching for would be Australian business women).
4. Ensure that women's business and entrepreneurship support is not exclusively focused on the start-up sector but include **women experiencing disadvantage** and barriers to economic participation, especially single mother's, women living in regional areas and older women.

To learn more about us, please see the impact overview and visit our website which is full of great examples of what we do and how we have helped thousands of women into work <https://globalsisters.org>. Or if you would like to know more about our proposed Single Mother Enterprise Incentive Scheme, please email mandy@globalsisters.org.

Yours sincerely,



Mandy Richards
Chief Executive Officer and Founder
Global Sisters

ⁱ www.abc.net.au/news/2020-05-05/almost-one-million-australians-lose-jobs-due-to-coronavirus/12215494

ⁱⁱ ABS 6202.0 - Labour Force, Australia, May 2020 <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>