

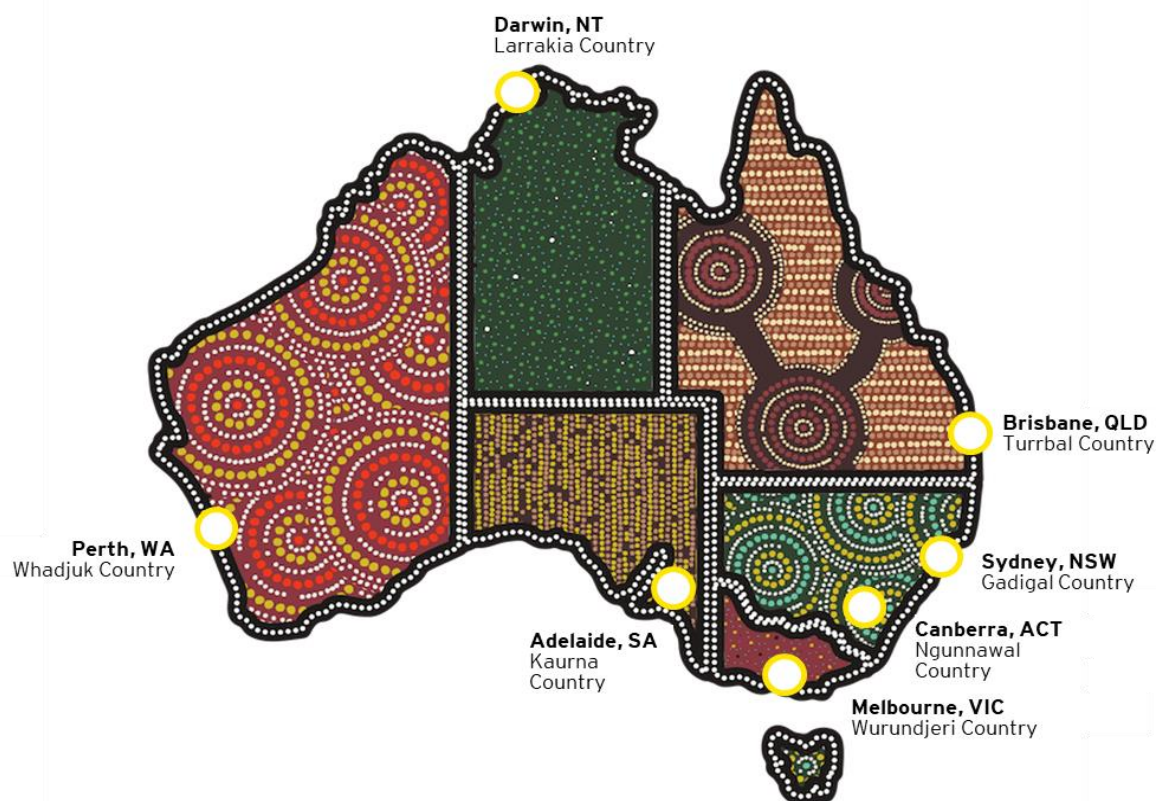
Advancing women-owned businesses in the COVID-19 recovery

June 2021



Building a better
working world

Acknowledgment of Country



EY acknowledges Aboriginal and Torres Strait Islander people as the first peoples of Australia and Traditional Custodians of this land its waters. We pay our respects to Elders, knowledge holders and leaders both past and present.

We respectfully acknowledge Traditional Owners whose country EY's offices are located including Turrbal, Gadigal, Ngunuawal, Wurundjeri, Karuna, Whajuk, and Larrakia Nations.

We respect Traditional Owners' relationship, connection and association to "country" and that it is an integral part of their identity and cultural expression.

We understand and respect that Country is sacred, and we will work diligently and culturally responsively in partnership to build a strong future for the People and Country.

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Executive Summary

The economic impacts of COVID-19 are significant and are likely to be felt for years into the future. Although data suggests Australia has recovered strongly in the first quarter of 2021, the negative effects of COVID-19 cannot be dismissed, especially when there is evidence that women were disproportionately affected by the negative impacts of COVID-19.

Women already experience a gap in economic potential and lack of resources in economic structures. The economic impacts of COVID-19 only exacerbated existing vulnerabilities and put women at an even greater disadvantage. Policy and programs provide mechanisms to attempt to correct market failures that constrain women business owners but also facilitate economic benefits and promote economic empowerment for women.

In the context of the Federal Government's 2020 and 2021 Budget response to the impact of COVID-19 on women, there remains a strong case for targeted investment in increasing the participation of women in the labour market. One possible strategy is to encourage greater investment in women-owned businesses. The research shows that women-owned business certification is an effective mechanism to support women's economic empowerment because they:

- ▶ Facilitate access to value chains
- ▶ Increase women's labour force participation
- ▶ Provide commercial benefits
- ▶ Increase access to finance and funding
- ▶ Enhance networks and mentorship
- ▶ Improve training and skills
- ▶ Promote gender equality

Supplier Diversity, when implemented correctly, benefits all stakeholders in the supply chain, the community and as a consequence all levels of governments by way of additional taxation revenue. When under-utilised companies grow, they create employment and opportunities for growth.

The purpose of this report is to progress the discussion beyond the importance of social procurement at a business to business /consumer level. The aim is to commence a serious conversation about mandating an MMR (Minimum Mandatory Requirement of a notional %) on women-owned businesses.

Supporting women through the economic insecurity they face as a result of the negative impacts of COVID-19 is possible if effective policy mechanisms are introduced to embed more targeted investment in supply chains. In addition to the pure fiscal benefits, this type of investment could also:

Benefits of women-owned business targets

Create opportunities to build brand and corporate image.

Expand and enhance supplier diversity, customer bases and brand loyalty.

Leverage other sources of competitive advantage.

Create superior cost economies from increased competition in the supply chain.

Improve access to rapidly growing minority markets.

Enhance access and trust relationships to international business markets.

Promote innovation and supplier efficiencies and enhance knowledge transfer and exchange.

Introduction

Australia is known for introducing strong government supports in response to financial downturns. To ensure Australia's post-COVID-19 recovery is fair and equitable, consideration must be given to how governments can encourage innovation and growth in traditionally under-supported and under-utilised areas.

This report seeks to:

1. Provide a snapshot of the impact COVID-19 has had on the Australian economy and the impact it has had on women.
2. Summarise the current initiatives in place across Australia, both at a Federal and State level, that help to encourage economic growth and recovery for all Australians, but in particular for women who were made increasingly vulnerable by the economic crisis.
3. Explore the benefits of investing in women-owned businesses, and whether a certification model will be effective in driving that investment.

Our approach

EY has developed a report, commissioned by Global Forwarding Pty Ltd, that evidences the value of women-owned business certification and how this could be used to increase the role of women-owned businesses.

We undertook a desktop literature review relying on publicly available sources to identify the:

- ▶ Certification processes for women-owned businesses globally and in Australia;
- ▶ The economic benefits of supporting women-owned businesses and gender equality initiatives;
- ▶ Certification models for women-owned businesses that are accessible and evidence-based including lessons learnt;
- ▶ Implementation of certification models; and
- ▶ The high-level economic and fiscal benefits of the proposed policy.

This report also includes a number of case studies. These case studies were provided by known women-owned business owners and were not prepared through a formal interview process.

Finally, the motivation and context for women-owned business certification is based on secondary research and the path for implementation put forward in this report is high-level and conceptual in nature.

Context

The COVID-19 pandemic triggered a deep economic crisis not seen since the Great Depression. The OECD reported an OECD-wide GDP drop of 1.8% in the first quarter of 2020, an unprecedented drop of 9.8% in the second quarter of 2020, a rebound of 9% in the third quarter and a growth of 0.7% in the last quarter. As the world left 2020 behind, the economic ramifications of COVID-19 continue to have an impact, with the OECD reporting GDP growth of only 0.3% in the first quarter of 2021.¹

Although, the negative economic impacts of COVID-19 were substantial, it is important to note that not only was the impact of COVID-19 less acute in Australia than other countries, but economic recovery has been swifter. By the first quarter of 2021, Australia's economic performance was among the best in the world, with the size of the economy and labour market returning to pre pandemic levels. Moreover, 15 out of 19 industry sectors expanded in the first quarter of 2021.² This is due in part to the easing of restrictions and the financial supports provided by the Federal Government, the largest fiscal measure in Australia's history.²

Although there is strong momentum in Australia's economy in 2021, the economic impacts of COVID-19 are still significant and are likely to persist for years to come. A timely reminder of this being the Victorian snap lockdown of May -June 2021. These types of lockdowns, although short in nature, continue to impact, in particular for individuals who have insecure or casual employment arrangements, are self-employed or business owners who may work in low-paid roles.

Figure 1 - Australia's GDP Growth^{3,4}



¹ OECD, OECD National accounts: Quarterly Gross Domestic Product (GDP)

² EY, Quarterly Update, Q1 2021: The economy is back!

³ Australian Bureau of Statistics, Labour Force Data 2020-2021

⁴ Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product 2020-2021

Although 2021 is showing positive signs, Australia faced two significant crises in 2020. Australia started 2020 with unprecedented bushfires, quickly followed by the COVID-19 pandemic and its economic impacts which exacerbated the vulnerabilities created by the bushfires and were far more universal.

In Australia, the unequal impact of the crisis was particularly pronounced. People working in secure employment were able to adapt to the work from home requirements without significant impact on their employment or income. Those in the top earnings quartile were 63% more likely to work from home in April 2020 than those in the bottom quartile, who were also 2.4 times more likely to have stopped working.⁵ Groups that were more severely impacted by the pandemic were people who were self-employed, temporary and low-paid workers, women and young people.

Australia's economy was already gendered prior to the devastating impacts of COVID-19, and health crises can exacerbate existing gender inequalities.⁶

The economic impacts of COVID-19

Australia in 2020 - impacts of bushfires and COVID-19 on the economy

The impact of COVID-19 has been less severe in Australia than some other countries, but the economic impacts have still been significant and are likely to persist for years to come. Australia started 2020 with unprecedented bushfires in terms of loss of flora and fauna, but also in terms of the impact the bushfires had on Australia's regional communities, particularly in NSW and the ACT.

It was estimated that the economic impact of the bushfires totalled around \$5 billion: even greater than the 2009 bushfires in Victoria.⁷ The estimated GDP impact was 0.2-0.5% in the first quarter of 2020.⁸ The bushfire-related insurance losses since November 2019 totalled approximately \$2.31 billion with 38,181 claims and far-reaching consequences for regional areas.⁹

Between March and May 2020, COVID-19 caused ripple-effects across societies and economic markets in the following ways:

Figure 2- COVID-19 ripple-effects across societies and economic markets ^{10,11,12,13,14}

COVID-19 effect

⁵ OECD, *OECD Employment Outlook 2020: Worker Security and the COVID-19 Crisis - How does Australia compare?*

⁶ Workplace Gender Equality Agency (WGEA), *Gendered impact of COVID-19*, <<https://www.wgea.gov.au/topics/gendered-impact-of-covid-19>>.

⁷ Westpac, *Counting the Cost of Bushfire's Fury*, 10 January 2020.

⁸ Westpac, *Counting the Cost of Bushfire's Fury*, 10 January 2020.

⁹ Insurance Council of Australia, *Bushfire Preparation*, <<https://www.insurancecouncil.com.au/for-consumers/consumer-tips/bushfire-preparation>>.

¹⁰ Australian Bureau of Statistics, *Measuring the Impacts of COVID Mar-May 2020*.

¹¹ Australian Bureau of Statistics, *Measuring the Impacts of COVID Mar-May 2020*.

¹² Australian Bureau of Statistics, *Measuring the Impacts of COVID Mar-May 2020*.

¹³ Australian Bureau of Statistics, *Measuring the Impacts of COVID Mar-May 2020*.

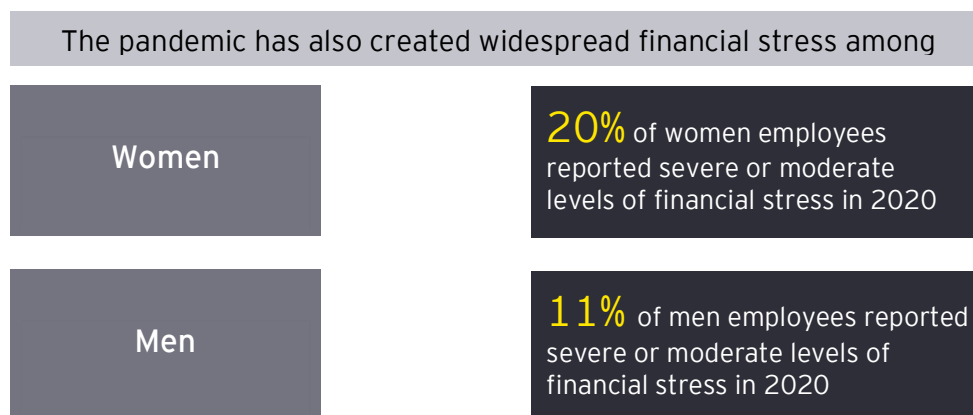
¹⁴ Australian Bureau of Statistics, *Measuring the Impacts of COVID Mar-May 2020*.

- ▶ The pandemic has affected the economic landscape greatly, with 55% of businesses accessing government support in 2020.
- ▶ 22% of businesses reported a revenue decrease in by November 2020.
- ▶ Certain sectors have been more adversely affected by the pandemic's effects, such as the accommodation and food services industries, with the total reduction in employee jobs in this area deteriorating by 33.4% over this period.
- ▶ The retail trade sector has also suffered as a result of the economic downturn, with a decline of 17.9% in profits as restrictions continued.
- ▶ The government travel restrictions have also had direct consequences for the travel sector, with a significant decline in overseas arrivals to Australia.

Gendered impact of COVID-19

The COVID recession has affected men and women in Australia in different ways, both at home and at work. At home, women shouldered most of the unpaid burden and in terms of employment, women bore the brunt of upfront job losses because they are over-represented in part-time and casual work, which tends to be more vulnerable in an economic downturn.¹⁵

Figure 3 - Financial stress reported in 2020 ¹⁶



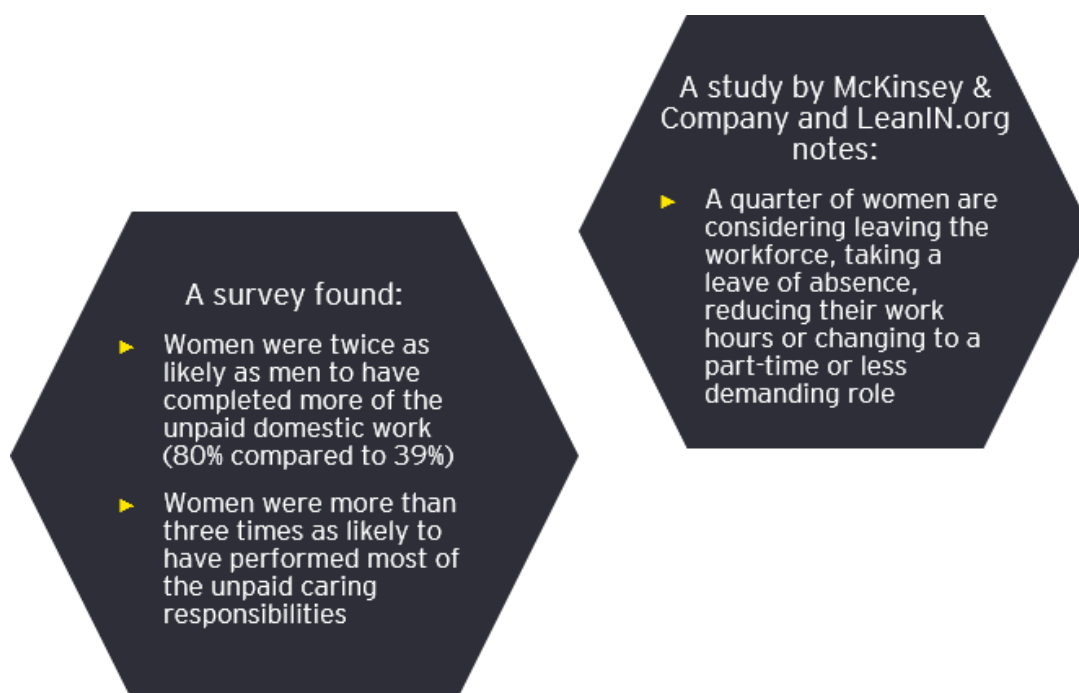
Furthermore, women also carry significant responsibilities beyond work, which has made maintaining employment during COVID-19 more difficult. They are often the primary caregiver and more women than men reported spending time caring for children and adults while doing household chores.¹⁷ As such, as schools and childcare facilities closed, the rise in unpaid work was disproportionately borne by mothers, further reducing women's paid work.

¹⁵ Grattan Institute, Women's work: The impact of the COVID crisis on Australian women, March 2021.

¹⁶ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

¹⁷ Workplace Gender Equality Agency, COVID-19 and the Australian Workforce, Factsheet Series: August 2020.

Figure 4 - Difficulty in maintaining employment for Women during COVID-19 ^{18,19}



A recent international study found that almost 25% of women interviewed considered quitting the workforce during the COVID-19 pandemic.²⁰ This was due to an increased workload both at home and at work with women feeling a lack of support to manage both responsibilities. The survey interviewed women from 10 countries, including Australia, the UK and the US, and included women working in a range of industries, from hospitality to finance.

In addition, economic conditions were difficult for those women looking, and able, to work or work more hours. The underemployment rate may provide a basis to analyse the extent to which lower workforce engagement for women is due to availability of work, as opposed to a decision due to personal circumstances. The Grattan Institute reported that the COVID recession was the first recession where female employment had fallen more than male employment in Australia.¹⁵ The underemployment rate for women reached a high of 15.4% in April 2020, and while it has since declined to 9.2% in April 2021, that is still 2.7 percentage points above male under-employment.

The severe job losses and unpaid caretaking duties faced by women in the context of a recession may create further obstacles to full economic participation. Since the peak of COVID-19 restrictions in the early part of 2020, the Australian labour market has recovered strongly for men and women, with employment for women now 1.2% higher than its pre COVID-19 level, and employment for men returning to its pre-pandemic level.²¹ Even though women's employment has rebounded to pre-pandemic levels, at the same time, gender inequality in the labour market remains. Moreover, even though jobs

¹⁸ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020

¹⁹ Workplace Gender Equality Agency, COVID-19 and the Australian Workforce, Factsheet Series: August 2020.

²⁰ ABC news, *Almost one in four women have considered leaving the workforce during COVID, study finds*, 25 May 2021, <<https://www.abc.net.au/news/2021-05-25/one-in-four-women-considered-leaving-work-after-covid/100163110>>.

²¹ Commonwealth of Australia, Women's Budget Statement 2021-2022

have returned for many women, some women, particularly those from vulnerable groups, remain out of the workforce and deeply impacted by the economic ramifications of the pandemic in 2020. Overcoming these obstacles will require targeted efforts to address the distinct barriers facing women to ensure that economic recovery following the pandemic is not only fair and equal, but also enables economic prosperity through more equal participation in business and in the labour market.

The gender gap in business ownership

Australia's economy was already gendered prior to the devastating impacts of COVID-19. The economic consequences of COVID-19 have only exacerbated existing vulnerabilities in our economic structures, putting economically vulnerable groups, like women, at even greater disadvantage.

It is important to understand the gender gap in business ownership and the socio-economic factors that influence women's access to economic participation. These factors have constraints for women's economic empowerment and programs to increase entrepreneurial activity for women such as women-owned business certification, cannot be seen in isolation to broader gender inequalities.²²

Women are under-represented among the population of business owners.²³ They tend to operate smaller businesses than men and are more likely to operate in non-capital-intensive sectors including personal services, which often have lower potential for generating a high and sustainable income.²⁴

One explanation for the gap in self-employment rates between men and women, as well as differences in business characteristics and performance, is that women have different motivations for going into self-employment. Many studies suggest that work-life balance and family care responsibilities have a greater influence on entrepreneurial activities by women, particularly if they have dependent children.²⁵ Other studies find that many women employees move into self-employment as a way to overcome the "glass ceiling" in the workplace, which limits the career potential for many women.

The other key factor in explaining the gender gap is the social and institutional context. Paradoxically, national-level gender equality can be negatively associated with women's self-employment choice compared to men's,²⁶ suggesting that gender equality policies in the labour market may cause women to prefer employment over self-employment.²⁷ Similarly, more supportive work-family institutions are associated with larger gender gaps in the probability of women starting or operating businesses, as well as greater gender gaps in terms of business size, growth aspirations, innovativeness and use of technology.²⁸ This appears to indicate that it is important to look beyond simple

²² Enhancing the productivity of women-owned enterprises

²³ Policy brief on Women's entrepreneurship OECD

²⁴ Policy brief on Women's entrepreneurship OECD

²⁵ European Institute for Gender Equality (2015), "Gender equality and economic independence: part-time work and self-employment: Main findings", available at http://eige.europa.eu/sites/default/files/documents/MH0214669ENC_Web.pdf.

²⁶ Klyver et al., Women's self-employment: An act of institutional (dis)integration? A multilevel, cross-country study (2013)

²⁷ Nielsen, S., K. Klyver and M. Ewald (2010), "Denmark", in: Fielden, S. and M. Davidson (eds.), International Research Handbook on Successful Women Entrepreneurs. Edward Elgar, Cheltenham.

²⁸ Thébaud, S. (2010), "Gender and Entrepreneurship as a Career Choice: Do Self-Assessments of Ability Matter?" Social Psychology Quarterly, Vol. 73(2), <http://dx.doi.org/10.1177/0190272510377882>.

proportions of women and men business owners to the motivations and quality of the business, with the hypothesis that greater gender equality may improve good quality businesses and business creation based on positive choices by women.

This also shows that efforts to date to encourage and support women to fully participate in the labour market make salaried employment more attractive and sustainable than self-employment and business ownership. The reasons for this are varied, and are often structural, highlighting the importance of government intervention to eliminate these barriers.

Gaps in economic potential

Despite advocacy for women's economic empowerment over the past few decades, women still lack access to the resources needed to reach their economic potential.²⁹ Evidence suggests that if these barriers to entry are addressed, the potential economic contribution from the greater participation of women entrepreneurs is significant.³⁰ In particular, 50% of women's productive potential is underused, compared to 22% of men's.³¹

The credit gap - the difference between the desired and actual levels of debt for credit constrained small businesses - for formal women-owned small and medium sized enterprise (SMEs) globally, is 30 percent of the estimated total credit gap for SMEs, roughly \$280 billion.³² In Australia, 32% of women found that financial barriers hindered their business, as well as a lack of alternative sources of capital (29%).³³ Therefore, increasing women's ability to own SMEs by addressing barriers to access to finance and other structural barriers to participation would, in principle, bring significant economic gains.³⁴

According to The World Bank, despite having less productive potential, women still represent a large part of the economy and have a significant impact on value chains. In particular (see Figure 5 below):

²⁹ De Haan, A. (2016), 'Enhancing the productivity of women-owned enterprises: A background paper for the UN High Level Panel on Women's Economic Empowerment', International Development Research Centre, iii.

³⁰ De Haan, A. (2016), 'Enhancing the productivity of women-owned enterprises: A background paper for the UN High Level Panel on Women's Economic Empowerment', International Development Research Centre, iii.

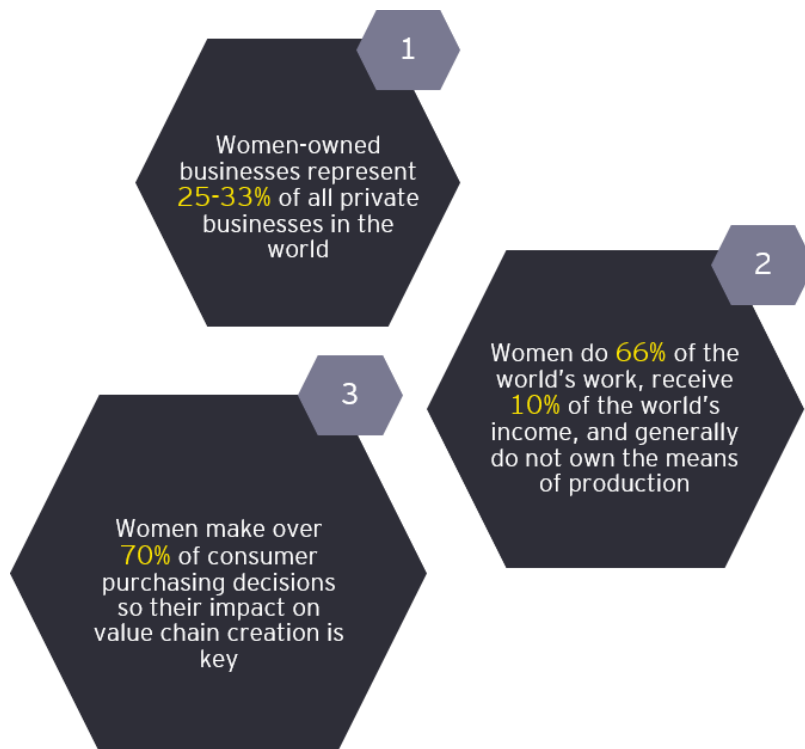
³¹ ILO (2016). Large gender gaps remain across broad spectrum of global labour market. ILO Newsroom. Accessed May 26 from: http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_457267/lang-en/index.htm.

³² IFC, International Financial Corporation. (2013). 'Establishing a Baseline for Lending to Women-Owned SMEs among IFC-Financed Financial Institutions', <<https://www.ifc.org/wps/wcm/connect/44b004b2-ed46-48fc-8ade-aa0f485069a1/WomenOwnedSMes+Report-Final.pdf?MOD=AJPERES&CVID=kiiZZDZ>>.

³³ Australian Bureau of Statistics, Profile of Australian Women in Business, 2015.

³⁴ IFC, International Financial Corporation. (2013). 'Establishing a Baseline for Lending to Women-Owned SMEs among IFC-Financed Financial Institutions', <<https://www.ifc.org/wps/wcm/connect/44b004b2-ed46-48fc-8ade-aa0f485069a1/WomenOwnedSMes+Report-Final.pdf?MOD=AJPERES&CVID=kiiZZDZ>>.

Figure 5 - Women as a large part of the economy



Even in developed countries, for both men- or women-owned businesses, there is limited understanding about which businesses grow and why and which become formal or informal. Women-owned businesses have on average lower sales and assets. Women business owners tend to be over-represented in the smallest and informal enterprises, where the gender gaps tend to be larger. Gender gaps exist across production factors needed for business growth, particularly for women accessing value chains. Women represent 50% of the world's population, but they are almost invisible in global value chains as suppliers, signalling that economies and markets are performing below potential.³⁵

Figure 6 - Gender equality by 2025³⁶



³⁵ De Haan, A. (2016), 'Enhancing the productivity of women-owned enterprises: A background paper for the UN High Level Panel on Women's Economic Empowerment', International Development Research Centre.

³⁶ Enhancing the productivity of women-owned enterprises.

The gap in economic potential of women-owned businesses indicate that enhancing women's participation would provide significant economic gains. According to The World Economic Forum, reduced gender inequality can equate to enhanced economic competitiveness.

An already gendered economy: a pre-COVID-19 picture

In addition to the challenges facing women as entrepreneurs, women traditionally participate less in the labour market, and are poorly represented in leadership positions and across certain high earning sectors in the market.

Australian women were working at **54.4% of available hours** in the September 2020 compared to Australian men who were working at **77.04%**

Underutilisation of women in the workforce

There is a stark underutilisation of women in the workforce, not only as business owners, but also as employees of a business. When analysing the number of hours available across genders, Australian women were working at 54.4% of available hours to work in the September 2020 quarter compared to 57.04% in December 2019 in employment.³⁷ Contrastingly, Australian men worked at 77.04% of available hours in September 2020 compared to 81.94% in December 2019.³⁸

Although there have been improvements in workforce participation rates for women for several decades, participation took a hit during Covid with female participation rates falling from 61.5% in January 2020 to 57.5% in May 2020. Alongside economic recovery, female participation hit a fresh record high of 61.9% in March 2021.

However, women are overrepresented in the figures regarding part-time workers nationally. Part-time refers to all employed persons who usually work less than 35 hours a week.³⁹ As at February 2021, the workforce participation rate was 61.2% for women and 71.2% for men.⁴⁰ Women constitute 37.9% of all full-time employees and 67.2% of all part-time employees.⁴¹ Therefore, working women in Australia are overrepresented as part-time workers and are also more likely to be underutilised in the workforce.

The demographic of women business-owners is rapidly growing. Over the last two decades, there has been an increase in women business-owners of 46%.⁴² This can be contrasted to male business operators, who have only increased in number by 27% between 1994 to 2014.⁴³ Of the women business owners, around 4.6% were owner managers of incorporated enterprises (paying themselves a wage as employees), while 7.9% were owner-managers of unincorporated enterprises who are classed as employers if they have staff or sole operators if they do not.⁴⁴ The ABS Profile of Australian Women in Business Report found that Australian women may increasingly become business owners

³⁷ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

³⁸ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

³⁹ Workplace Gender Equality Agency, Gender Workplace Statistics at a Glance 2021, 25 February 2021.

⁴⁰ Workplace Gender Equality Agency, Gender Workplace Statistics at a Glance 2021, 25 February 2021.

⁴¹ Workplace Gender Equality Agency, Gender Workplace Statistics at a Glance 2021, 25 February 2021.

⁴² Australian Bureau of Statistics, Profile of Australian Women in Business, 2015.

⁴³ Australian Bureau of Statistics, Profile of Australian Women in Business, 2015.

⁴⁴ Australian Bureau of Statistics, Profile of Australian Women in Business, 2015.

to remain attached to the workforce, improve their family's social and economic wellbeing and manage work-life balance.⁴⁵

However, small business owners are still disproportionately men - only 35.4% of Australia's business operators were women as of 2020.⁴⁶ The growing trend may be promising, but there are barriers which persist.

Additionally, while women are undertaking more formal education as compared to men, these educational outcomes for women are not necessarily being translated into improved labour force participation. In the last few years, educational enrolment levels for women have continued to decline relative to enrolments by men.⁴⁷ There has also been a worsening in the ranking in labour force participation (from 15th to 44th) and women representation in leadership.⁴⁸ Additionally, women continue to face gender pay gaps after graduation from formal studies in areas such as health and education.⁴⁹ Women also dominate jobs in sectors which have lower pay outcomes compared to many male-dominated areas such as information and technology.⁵⁰

Lower levels of women participation in the labour market, reflected through utilisation figures and the percentage of women engaging in part-time and full-time work, make it clear that there are structural barriers preventing women from fully accessing the labour market.

Caretaking and the impact it can have on labour force participation for women

In Australia, the gap between women's and men's labour force participation widens with the arrival of children and reduces as children enter school.⁵¹ In 2013-14, mothers with children under five had a much lower labour force participation rate than fathers of children the same age (58% compared with 94%).⁵² Becoming a business-operator is a common way for women to continue to participate in the labour force after they have children because it is more conducive to flexible working.⁵³ In 2012-2013, 51% of women business owners over 18 years old who worked less than 35 hours a week felt it was 'very important' to be able to do some or all of their work at home.⁵⁴

Women-owned businesses are often more supportive of staff when it comes to caring for children while working. One of the main reasons women report being unavailable to start work in the *Barriers and Incentives for Labour Force Participation Report 2018-2019*⁵⁵ was 'caring for children' (48%).⁵⁶ By contrast, the main reason men were unable to start work was 'long term sickness or disability' (32%).⁵⁷

⁴⁵ Australian Bureau of Statistics, Profile of Australian Women in Business, 2015.

⁴⁶ Australian Government, Australian Small Business and Family Enterprise Ombudsman, Small Business Counts December 2020.

⁴⁷ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

⁴⁸ Australian Parliament of Australia, A Pink Recession - so why the Blue Recovery Plan Discussion Paper 2020.

⁴⁹ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

⁵⁰ Financy, Economic Equality Progress is Volatile, Women's Index: September Quarter 2020.

⁵¹ Australian Bureau of Statistics, A Profile of Australian Women in Business, 2015.

⁵² Australian Bureau of Statistics, A Profile of Australian Women in Business, 2015.

⁵³ Australian Bureau of Statistics, A Profile of Australian Women in Business, 2015.

⁵⁴ Australian Bureau of Statistics, A Profile of Australian Women in Business, 2015.

⁵⁵ Australian Bureau of Statistics, Barriers and Incentives to Labour Force Participation, 2019-2020.

⁵⁶ Australian Bureau of Statistics, Barriers and Incentives to Labour Force Participation, 2019-2020.

⁵⁷ Australian Bureau of Statistics, Barriers and Incentives to Labour Force Participation, 2019-2020.

Gender segregation in the labour market

Even when women participate in the labour market, their employment, and by extension their remuneration, is not equal to how and where men are employed. There are high levels of gender segregation in the Australian labour market. Women are less likely to own their own business or be in senior leadership positions in other organisations. The segments of the labour market significantly dominated by women (care sectors, hospitality, retail and tourism) tend to be lower-earning, or there continues to be gender segregation within women-dominated industries - for example the healthcare industry - when it comes to senior positions.

Women are under-represented as owners of small/medium businesses

There is also some evidence to suggest that women-led small and medium enterprises may be more impacted by COVID-19. This is because many women-owned businesses are typically operating with less capital and rely more on self-financing.⁵⁸ In addition, many of the sectors dominated by women, such as services sectors, have been impacted by requirements for social distancing and density quotients. The number of Australian women operating their own businesses has steadily increased over the past 20 years, but in line with other OECD countries, they remain substantially under-represented as entrepreneurs.⁵⁹

Additionally, there is a discrepancy between the earnings of businesses owned by women, as opposed to businesses owned by men. The average weekly cash income from an unincorporated business for women was \$423, compared with \$890 for men.⁶⁰ Women employers were also likely to have less money per week from all sources than males who owned businesses (\$587 as compared to \$1,031). Women who were employed also earned on average \$413 more per week than women who owned businesses.

Lack of women in leadership roles

The number of women with ASX 200 board positions has increased in 2021, increasing from 32.1% as of October 2020 to 33.6% as at 21 May 2021.⁶¹ Another sign of progress in this area is that according to the Australian Institute of Company Directors, 123 company boards have reached the 30% gender diversity target set in 2015.⁶² There is only one company - Silver Lake Resources - that does not have a women board director.⁶³

⁵⁸ Workplace Gender Equality Agency, Gendered Impact of COVID-19.

⁵⁹ Department of Premier and Cabinet, A Profile of Australian Women in Business, September 2015.

⁶⁰ Department of Premier and Cabinet, A Profile of Australian Women in Business, September 2015.

⁶¹ Australian Institute of Company Directors, Board Diversity Statistics, 9 June 2021, <<https://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>>..

⁶² Australian Institute of Company Directors, Women now occupy 32.9 per cent of ASX 200 board positions, 22 March 2021, <<https://aicd.companydirectors.com.au/advocacy/board-diversity/women-asx-board-appointments-off-to-a-strong-start-in-2021>>.

⁶³ Australian Institute of Company Directors, Board Diversity Statistics, 9 June 2021, <https://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>; Australian Institute of Company Directors, Women now occupy 32.9 per cent of ASX 200 board positions, 22 March 2021, <<https://aicd.companydirectors.com.au/advocacy/board-diversity/women-asx-board-appointments-off-to-a-strong-start-in-2021>>.

Breakdown by sector

This section examines the breakdown of a number of sectors by gender, but does not include an assessment of the gender-segregation by size of business.

Many industries remain gender-segregated, such as health care and social assistance, with a gender employment composition of 77.9% women in 2019-2020.⁶⁴ Additionally, the education and training sector is also a woman-dominated sector, with a 71.6% woman-dominated workforce.⁶⁵

In the 2019-2020 period, the occupations with the highest proportion of women remain unchanged over the last decade (see **Table 1** below).⁶⁶ These industries include clerical and administrative workers (72.7%), community and personal service workers (70.3%) and sales workers (58.1%).⁶⁷

Table 1: Occupations dominated by women over the decade: 2019-2020

Year	Sector	Female composition
2019 - 2020	Clerical and administrative workers	72.7%
	Community and Personal Service workers	70.3%
	Sales Workers	58.1%

There have, however, been notable increases of women in some traditionally male-dominated occupations. For example, as set out in **Table 2**, there has been an increase of women in the Manager occupation, up from 28.3% in 1998 to 36.18% in 2018.⁶⁸

Table 2: Increases of women across occupations: 1998 - 2018

Year	Sector	Female employees - 1998	Female employees - 2018	Percentage point difference
1998-2018	Manager Occupation	28.3%	36.1%	7.8
	Education and Training	65.8%	73.2%	7.4
	Public Administration and Safety	41.9%	48.6%	6.8
	Mining	9.4%	16.3%	6.8

⁶⁴ Australian Bureau of Statistics, Gender Indicators, December 2020.

⁶⁵ Australian Bureau of Statistics, Gender Indicators, December 2020.

⁶⁶ Australian Bureau of Statistics, Gender Indicators Australia 2020.

⁶⁷ Australian Bureau of Statistics, Gender Indicators Australia 2020.

⁶⁸ Workplace Gender Equality Agency, Gender Segregation in Australia's Workforce, 17 April 2019.

Year	Sector	Female employees - 1998	Female employees - 2018	Percentage point difference
	Electricity, Gas, Water and Waste Services	17.6%	23.8%	6.2
	Other Services	38.0%	43.6%	5.6

Some sectors have a demonstrated history of being male-dominated industries, which may pose a barrier to workforce participation for women. The industries with the highest proportion of men aged 20-74 are set out in **Table 3** below:⁶⁹

Table 3: Male-dominated sectors in Australia's Workforce: 2019

Year	Sector	Percentage of men
2019	Construction	87.3%
	Mining	83%
	Postal & Warehousing	79.8%
	Electricity, Mining, Gas & Water	76.2%
	Manufacturing	72.5%

In recent years, governments have sought to address the low labour force participation of women in some key sectors. This includes strategies and targeted policy initiatives, such as the 'Victoria's Women in Construction Strategy', to encourage women to join the construction industry.⁷⁰ The Victorian Government outlines that there are many factors which impede women's participation in this male-dominated sector. The number of women students enrolled in construction and trade courses is rising, but there is a severe discrepancy between the number of women students and number of women employed.⁷¹ Women may also be excluded and made to feel unwelcome due to rigid work practices or informal recruitment.⁷²

Intersection of other identities

The individualised difficulties faced by women-employers may be further compounded if they are from a culturally or linguistically diverse group.⁷³ For example, mainstream business supports may need to be re-designed in order to provide these women with effective access to formal social support.⁷⁴ However, speaking another language may also be advantageous for business-owners who are active in the international business space.

⁶⁹ Workplace Gender Equality Agency, Gender Segregation in Australia's Workforce, 17 April 2019.

⁷⁰ Victorian Government, Victoria's Women in Construction Strategy, <<https://www.vic.gov.au/victorias-women-construction-strategy>>.

⁷¹ Victorian Government, Victoria's Women in Construction Strategy webpage.

⁷² Victorian Government, Victoria's Women in Construction Strategy webpage.

⁷³ S. Fielden & M.J. Davidson, BAME Women Business Owners: How Intersectionality affects Discrimination and Social Support, November 2012.

⁷⁴ S. Fielden & M.J. Davidson, BAME Women Business Owners: How Intersectionality affects Discrimination and Social Support, November 2012.

Around 44% of women who owned international businesses had some capacity to speak another language.⁷⁵

Approximately one third of recent migrants have reported experiencing some difficulty finding their first job in Australia.⁷⁶ This statistic is further compounded when considering that migrant males are more likely to be employed full-time than women. The Australian Bureau of Statistics notes that 90% of employed male recent migrants were employed full-time compared with only 63% of women recent migrants.⁷⁷

The recovery landscape

Despite the gains made in recent times, Australia is still missing out on the benefits that the full and equal participation of women in the workforce brings to our economy and our community. There are many reasons why women have lower participation rates - these barriers limit the potential of women and the overall economy to grow and thrive. This is increasingly important following the huge economic shock felt across Australia as a result of COVID-19.

In order to increase the participation of women in the economy, barriers preventing full participation must be addressed. There are a number of ways governments, businesses and individuals can create that change.

Recent policy initiatives to support economic recovery

The Australian government has announced a range of initiatives to support economic recovery following COVID-19 in both the 2020-21 and 2021-22 Budgets. Many of these are targeted specifically at women, and women in business. These initiatives and other key initiatives are detailed in **Table 4** below.

⁷⁵ Department of Premier and Cabinet, A Profile of Australian Women in Business, September 2015.

⁷⁶ Australian Bureau of Statistics, Characteristics of Recent Migrants Nov 2019.

⁷⁷ Australian Bureau of Statistics, Characteristics of Recent Migrants Nov 2019.

Table 4: State and federal initiatives

Initiatives	Purpose	How it will benefit Women
<p>The Boosting Female Founders Initiative Program</p> <p>Commonwealth 2020</p>	<p>The Federal Government's 'Boosting Female Founders Initiative Program' aims to provide grants for women-founded start-ups to expand into domestic and global markets.⁷⁸</p>	<p>The grants will be targeted at helping women entrepreneurs overcome the disadvantages faced in getting access to finance and support.⁷⁹ The program will run over five years from 2020-21 to 2023-25. The Government has announced a total of \$52.2 million in grant funding for this program.⁸⁰</p> <p>The aims of this program are to stimulate private sector investments into innovative start-ups led by women; help female entrepreneurs overcome the disadvantages in getting access to finance, and enable female founders to scale-up and expand into domestic and global markets.⁸¹</p>
<p>Second Women's Economic Security Package</p> <p>Commonwealth 2020</p>	<p>The Federal Government has acknowledged the particular hardship faced by women post-COVID-19. The Second Women's Economic Security Package has been announced in the 2020-2021 Budget.⁸² The concessional work test for paid parental leave enables families who have had their employment impacted by COVID-19 to qualify for government funded paid parental leave.⁸³</p>	<p>This will benefit people claiming Parental Leave Pay or Dad and Partner Pay who do not meet the current work test; had their employment affected by COVID-19; or have a child born or adopted between 22 March 2020 and 31 March 2021.⁸⁴</p>
<p>Women's Leadership and Development Program</p>	<p>This aims to target projects that will improve outcomes for Australian women across five areas: job creation, economic security, workforce</p>	<p>The Federal Government has announced \$40 million in funding to support projects that create jobs and employment opportunities for women, including women from</p>

⁷⁸ Australian Government, Boosting Female Founders Initiative 2020, <<https://www.business.gov.au/Grants-and-Programs/Boosting-Female-Founders.au>>.

⁷⁹ Australian Government, Boosting Female Founders Initiative 2020 webpage.

⁸⁰ Australian Government, Boosting Female Founders Initiative 2020 webpage.

⁸¹ Australian Government, Boosting Female Founders Initiative 2020 webpage.

⁸² Australian Government, Budget 2020-2021: JobMaker Plan: Second Women's Economic Security Package, October 2020.

⁸³ Australian Government, Budget 2020-2021: JobMaker Plan: Second Women's Economic Security Package, October 2020.

⁸⁴ Australian Government, Budget 2020-2021: JobMaker Plan: Second Women's Economic Security Package, October 2020.

Initiatives	Purpose	How it will benefit Women
Commonwealth 2020	participation, leadership and safety. ⁸⁵	diverse backgrounds. ⁸⁶ Organisations are invited to apply for grant funding under the Women's Leadership and Development Program. ⁸⁷ The Federal Government announced an additional \$38.3 million over five years from 2021-22 to expand this program. ⁸⁸ This program funds innovative projects, many of which assist women into leadership roles, and builds on the Government's \$47.9 million investment in the 2020 Women's Economic Security Statement. ⁸⁹
Building a New Generation of Women Surveyors Victoria 2020	The Victorian Government has recently announced the 'Women Building Surveyors Program'. ⁹⁰ This Program is estimated to cost \$6.3 million program, which will create 40 positions for women seeking to re-train as municipal building surveyors at councils. ⁹¹ The purpose of this program is to offer a way for women to take up jobs which support Victoria's building sector with councils. ⁹²	This initiative acknowledges the male-dominated nature of the construction industry, and aims to contribute to fill a skills shortage and assist the state's economic recovery. ⁹³ All 79 councils in Victoria are able to nominate one of their female staff members or recruit a female staff member to participate in the program commencing in January 2021. ⁹⁴
Investing in Women Funding Program New South Wales	The NSW Government has continued the 'Investing in Women' funding program in 2020. This aims to fund NSW organisations to improve women's financial wellbeing	The Program offers grants worth up to a total of \$400,000, which funds projects according to their stages of

⁸⁵ Department of the Prime Minister and Cabinet, Women's Leadership and Development Program Project Grants webpage.

⁸⁶ Department of the Prime Minister and Cabinet, Women's Leadership and Development Program Project Grants, <<https://www.pmc.gov.au/news-centre/office-women/womens-leadership-and-development-program-project-grants-support-women-now-open>>.

⁸⁷ Department of the Prime Minister and Cabinet, Women's Leadership and Development Program Project Grants webpage.

⁸⁸ Department of the Prime Minister and Cabinet, Budget Delivering for Australian Women, 11 May 2021, <<https://www.pm.gov.au/media/budget-delivering-australian-women>>.

⁸⁹ Department of the Prime Minister and Cabinet, Budget Delivering for Australian Women, 11 May 2021, <<https://www.pm.gov.au/media/budget-delivering-australian-women>>.

⁹⁰ Hon. Shaun Leane MLC, Media Release: Backing New Generation of Women Building Surveyors, 15 December 2020.

⁹¹ Hon. Shaun Leane MLC, Media Release: Backing New Generation of Women Building Surveyors, 15 December 2020.

⁹² Hon. Shaun Leane MLC, Media Release: Backing New Generation of Women Building Surveyors, 15 December 2020.

⁹³ Hon. Shaun Leane MLC, Media Release: Backing New Generation of Women Building Surveyors, 15 December 2020.

⁹⁴ Hon. Shaun Leane MLC, Media Release: Backing New Generation of Women Building Surveyors, 15 December 2020.

Initiatives	Purpose	How it will benefit Women
2020	and security and support diverse and flexible employment opportunities for women and girls. ⁹⁵	development. ⁹⁶ An emphasis has been placed on projects which contribute to improving employment opportunities across occupations and industries where women remain under-represented. ⁹⁷ In addition, the project aims to reduce barriers to employment and promote and support women's leadership. ⁹⁸
National Careers Institute Partnership Grants Program Commonwealth 2021	The Federal Government is investing an additional \$12.2 million over two years to enable a fourth grants round of the National Careers Institute Partnership Grants Program to support projects that facilitate more career opportunities and supported career pathways for women. ⁹⁹	The expanded program will create greater awareness of career pathways and career information for women in non-traditional industries and occupations, and enhance partnerships between industry, employers, schools and tertiary providers that support women. ¹⁰⁰
Early Stage Social Enterprise Foundation Commonwealth 2021	At a cost of \$13.9 million over four years, the Federal Government is establishing an Early Stage Social Enterprise Foundation focused on providing capacity building and financial support for early stage social enterprises that improve the economic security of Indigenous women, particularly those who are experiencing or have experienced domestic violence. ¹⁰¹	The Foundation will provide flexible loans and grants to approximately 30 Australian social enterprises each year to support Indigenous women entrepreneurs to innovate and solve social issues facing their communities. ¹⁰²

⁹⁵ NSW Government, Investing in Women Funding Program 2020, <<https://www.women.nsw.gov.au/commissioning/investing-in-women-funding-program#:~:text=The%20NSW%20Government%20is%20pleased%20to%20continue%20the,and%20flexible%20employment%20opportunities%20for%20women%20and%20girls>>.

⁹⁶ NSW Government, Investing in Women Funding Program 2020, <<https://www.women.nsw.gov.au/commissioning/investing-in-women-funding-program#:~:text=The%20NSW%20Government%20is%20pleased%20to%20continue%20the,and%20flexible%20employment%20opportunities%20for%20women%20and%20girls>> .

⁹⁷ NSW Government, Investing in Women Funding Program 2020 webpage.

⁹⁸ NSW Government, Investing in Women Funding Program 2020 webpage.

⁹⁹ Commonwealth of Australia, Women's Budget Statement 2021.

¹⁰⁰ Commonwealth of Australia, Women's Budget Statement 2021.

¹⁰¹ Commonwealth of Australia, Women's Budget Statement 2021, 46.

¹⁰² Commonwealth of Australia, Women's Budget Statement 2021, 46.

Initiatives	Purpose	How it will benefit Women
New Enterprise Incentive Scheme Commonwealth 2021	The Federal Government's New Enterprise Incentive Scheme program which helps people to start and run a new small business	Changes to expand the New Enterprise Incentive Scheme program mean that women who are working part-time or who have other caring responsibilities can now benefit from the program. ¹⁰³
Child Care Subsidy Commonwealth 2021	The Federal Government announced an additional investment of \$1.7 billion to improve the affordability of childcare for Australian families. The Child Care Subsidy for the second and subsequent children in care will be increased by 30 percentage points, up to a maximum of 95%. In addition, to ensure families are able to fully benefit from the increased subsidy, the annual subsidy cap of \$10,560 will be removed from 1 July 2022 for all families. ¹⁰⁴	The Federal Government expects these changes to improve the Australian economy by increasing workforce participation by providing greater choice to parents who want to work an extra day or two a week. ¹⁰⁵

Why more targeted support is needed

There has already been significant focus on the importance of a gender lens in the COVID recovery. There has been a lot of discussion around the impact of large-scale government spending in areas that would address the gendered impacts of COVID-19. In addition, there still remain a number of barriers preventing women from fully participating in the labour market, particularly as business owners. In order to increase the participation of women in the labour market, policies that remove labour market distortions and create a level playing field for all will give women the opportunity to develop their potential and to participate.¹⁰⁶

Greater participation of women in the economy and labour market will also facilitate a more rapid recovery through fiscal benefits such as increased government revenue at the Federal and State level. Higher levels of employment generate increased tax revenue, but also reduce the demand on social support services.

Lack of investment in social infrastructure

¹⁰³ Commonwealth of Australia, Budget 2021-22, Women's Budget Statement, 11 May 2021, 45.

¹⁰⁴ Commonwealth of Australia, Budget 2021-22, Women's Budget Statement, 11 May 2021, 43.

¹⁰⁵ Commonwealth of Australia, Budget 2021-22, Women's Budget Statement, 11 May 2021, 3.

¹⁰⁶ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, 4.

The Grattan Institute argues that childcare should be made more economically accessible for women, to encourage workforce participation and aid recovery from the COVID recession.¹⁰⁷ The Institute contends that an investment by the Federal Government of an extra \$5 billion a year on childcare subsidies would have an \$11 billion a year increase in GDP boost to workforce participation.¹⁰⁸ This is particularly relevant as across the income distribution, it was found that mothers lose 80% to 100% of their take-home pay from working a fourth or fifth day after the additional childcare costs, clawback of the childcare subsidy, and tax and benefit changes are accounted for.¹⁰⁹ This serves as a disincentive for working mothers, and contributes to Australian women having the third-highest rates of part-time work across the OECD.¹¹⁰

In the 2021-22 Budget, the Federal Government announced a range of measures that are expected to generate an increase in women's workforce participation.

Childcare

An additional investment of \$1.7 billion was given to improve the affordability of childcare for Australian families. The Government estimates that this has the potential to add up to 300,000 hours of work per week, which would allow the equivalent of around 40,000 individuals to work an extra day per week, and boost GDP by up to \$1.5 billion per year.¹¹¹

The Federal Government expects these changes to improve the Australian economy by increasing workforce participation by providing greater choice to parents who want to work an extra day or two a week.¹¹²

Superannuation gap

The 2021-22 Budget abolished the \$450 monthly earnings threshold for employers to pay the superannuation guarantee.¹¹³ Given that women make up most of the casual and part-time workforce, and therefore were impacted by the previous \$450 monthly earnings threshold, this is expected to be beneficial for many women.

Preferential stimulus

Although women benefited from some of the stimulus packages introduced by the Federal Government in 2020 in response to COVID-19, the impacts have not had a sufficiently positive impact for women to overcome the disproportionate effects of the pandemic. This is in large part due to the nature of work women often undertake - work that is often part-time or in lower paying sectors. While the Federal Government's 2021-22 Budget has sought to address some of the particular challenges facing women, women still remain disproportionately impacted by the effects of COVID-19 due to the ongoing existence of structural barriers to increasing female workforce participation, earning capacity and financial security.

The JobKeeper scheme overlooked the pronounced effects on casual workers - and significant repercussions for women - who comprise the majority of this workforce. In

¹⁰⁷ The Grattan Institute, *Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation*, 9 August 2020.

¹⁰⁸ The Grattan Institute, *Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation*, 9 August 2020.

¹⁰⁹ The Grattan Institute, *Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation*, 9 August 2020.

¹¹⁰ The Grattan Institute, *Cheaper Childcare: A Practical Plan to Boost Female Workforce Participation*, 9 August 2020.

¹¹¹ Commonwealth of Australia, *Budget 2021-22, Women's Budget Statement*, 11 May 2021, 3.

¹¹² Commonwealth of Australia, *Budget 2021-22, Women's Budget Statement*, 11 May 2021, 3.

¹¹³ Department of the Prime Minister and Cabinet, *Budget Delivering for Australian Women*, 11 May 2021, <<https://www.pm.gov.au/media/budget-delivering-australian-women>>.

2018, 27% of women employees aged 15 years and over did not have paid leave entitlements, compared with 23% of male employees.¹¹⁴ However, the JobKeeper scheme excluded casual workers who had been employed for less than 12 months.¹¹⁵

Further, changes to other eligibility requirements also may have disproportionately affected female-dominated sectors. For example, those working for a childcare subsidy approved provider were ineligible for JobKeeper payments as of 20 July 2020.¹¹⁶ For individuals working in this industry, this was a premature end to the forecasted completion of the JobKeeper scheme, due to end on 28 September 2020 (and later extended until 28 March 2021).¹¹⁷

Sector-led job creation created by initial stimulus packages

The Centre for Economic Development of Australia notes that the employment boost from stimulus in male-dominated sectors like construction would be limited (creation of 1.2 jobs) compared to the women-dominated sectors like education (creation of 14.9 jobs) and health (creation of 10.2 job) per \$1 million of public investment.¹¹⁸ Per \$1 million of investment in construction, only 0.2 of the jobs would go to women. This demonstrates that investment in certain sectors, such as the Homebuilder scheme,¹¹⁹ may be inadvertently skewed towards men's economic recovery.¹²⁰

¹¹⁴ Australian Bureau of Statistics, Average Weekly Earnings: Australia, May 2020.

¹¹⁵ Australian Tax Office, JobKeeper Payment: Your Eligible Employees, <<https://www.ato.gov.au/General/JobKeeper-Payment/Employers/Your-eligible-employees/>>.

¹¹⁶ Australian Tax Office, JobKeeper Rule Changes for Child Care Providers, <<https://www.ato.gov.au/Business/Business-bulletins-newsroom/General/JobKeeper-rule-changes-for-child-care-providers/>>.

¹¹⁷ Australian Tax Office, JobKeeper Key Dates, <<https://www.ato.gov.au/General/JobKeeper-Payment/JobKeeper-key-dates/>>.

¹¹⁸ Centre for Economic Development of Australia, Reducing Gender Inequality and Boosting the Economy: Fiscal Policy after COVID-19, p 3.

¹¹⁹ The Homebuilder program provides eligible owner-occupiers with a grant to either build a new home or substantially renovate an existing home. The HomeBuilder assists the residential construction sector by encouraging the commencement of buildings.

¹²⁰ Centre for Economic Development of Australia, Reducing Gender Inequality and Boosting the Economy: Fiscal Policy after COVID-19, p 3.

Why women-owned business certification?

The previous section explored the context and current state of women-owned business in terms of representation of women, and the challenges for women starting and growing a business. These factors are important considerations and this section will explore mechanisms to address these challenges, particularly targeted programs such as women-owned business certification. The rationale for targeted policies and programs to promote and to support women-owned business and self-employment is generally based on three motivations:¹²¹

- ▶ First, women are under-represented in business ownership relative to men and closing this gap would result in welfare gains for the economy, society and for individual women.
- ▶ Second, there is evidence that women are held back in business by institutional and market failures. This includes social attitudes that discourage women from creating businesses, as well as market failures that make it more difficult for women entrepreneurs to access resources (e.g. finance, skills).
- ▶ Third, there is some evaluation evidence to suggest that women have a lower awareness of public support programs and that in-take mechanisms favour male business owners.

Policy and programs should not aim to eliminate all differences between business owners of different genders, but instead are mechanisms to attempt to remove institutional influences that affect motivations and intentions and correct market failures that constrain women business owners. While specific policies and programs vary, they are mechanisms which generally tend to:

- ▶ Address under-representation among business owners by increasing supplier diversity;¹²²
- ▶ Offer an option to integrate women into the labour force;
- ▶ Increase economic independence through empowerment;
- ▶ Promote job creation and economic growth;
- ▶ Promote equity and social inclusion;
- ▶ Reduce poverty;
- ▶ Create more equal access to resources, skills and experience, opportunities, and business networks;
- ▶ Increase revenue for governments by way of additional taxation; and
- ▶ Improve access to mainstream business support mechanisms.

Some of these mechanisms include laws and regulation, trade facilitation, public procurement, training and services, and networking. Women-owned business certification

¹²¹ Policy Brief on Women's Entrepreneurship

¹²² A diverse supplier is, in the broadest sense, a business owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Common examples are small-business enterprises (SBEs), minority-owned business enterprises (MBEs), and woman-owned business enterprises (WBEs).

incorporates many of these elements and examples of established certifications will be explored below.

Types of women-owned business certification

One of the core components of a women-owned business certification scheme is that it provides a “seal of approval” or certification that the business has been examined and that a woman truly controls major decision-making authority over the company and owns a majority interest in it. Organisations that support women-owned businesses want to be assured that their investment of time and resources will benefit women. This certification provides multiple benefits which are explored in the *Benefits of women-owned business certification* section below.

Although there is no global definition, ownership is the main way the women-owned businesses are identified.

Some of the prominent women-owned business certifiers include:

WEConnect

WEConnect International is a global network that connects women-owned businesses to qualified buyers around the world. Member buyers want to do business with companies that have been validated to be owned, managed and controlled by women verified with WEConnect International. The WEConnect International certification process is open to businesses in 46 countries. The four criteria considered for women-owned business certification by WEConnect International are ownership, management, control and independence.

The requirements of the certification include¹²³:

- ▶ **Certification** - confirmation that a business is at least 51% owned, managed and controlled by one or more women
- ▶ **Ownership** - at least 51% ownership of the company is held by one or more women
- ▶ **Management** - the company is lead / managed by a Principal Executive Officer who is a woman
- ▶ **Control** - the key business decisions regarding the company's finances, operations, personnel and strategy are made by a woman

According to the US government, a women-owned business is at least 51% owned by at least one woman. If the company is public, then 51% of the stocks must be owned by women.

¹²³ <https://weconnectinternational.org/weconnect-international-certification/>

WEConnect Australia



Note: the above figures reflect work undertaken by WEConnect in 2019 and are not specific to work in Australia.

"Making meaningful business connections with the right clients is critical to our success. WEConnect offered that and gave its members a chance to introduce their business to organisations wanting to do business with Women Owned and Certified businesses. The connection opportunities were powerful for us both".

- Alicia Beachley, CEO, April 5

WEConnect International has proven to be successful in Australia. For example, Australian business owners have been able to grow their business with the support of WEConnect's dedicated resources advancing inclusive sourcing and engagement with corporate buyers and suppliers. WEConnect continues to host events connecting buyers and suppliers, but there are still opportunities within Australia to increase the amount of investment and spend with women-owned suppliers.¹²⁴ With additional support from the Australian government and corporate members, WEConnect International can help to draw more attention to the benefits of a

certification process and provide additional services that will add value to the ecosystem and enhance inclusive sourcing.

The Women's Business Enterprise National Council (WBENC)

The Women's Business Enterprise National Council (WBENC) is the largest certifier of women-owned businesses in the U.S. and a leading advocate for women business owners and entrepreneurs. WBENC offers certification for women's business enterprises. Certification is administered through fourteen regional affiliates and is recognised by more than 700 national corporations, and by many state and local government agencies.

¹²⁴ WEConnect has not operated in Australia since 2017 but has a very strong presence in the Asia-Pacific region and the US. WEConnect is looking to find opportunities to support business owners in Australia.

WBENC believe diversity promotes innovation, opens doors, and creates partnerships that fuel the economy.

The National Women Business Owners Corporation (NWBOC)

NWBOC became the first organisation in the U.S to create a national certification program for women-owned businesses. The platform provides much more than a certification, it is a powerful network of resources for business development and access to new opportunities. NWBOC helps its certified members to scale, become more sustainable and ultimately more procurement ready - to do business with government and private sectors. The NWBOC has a national certification program for woman business enterprises that serves, in part, as an alternative to the multiple state and local certifications required by many public and private-sector agencies or prime contractors. More than 100 major corporations, agencies, and organizations accept NWBOC certification.

Women-Owned Small Business Program (WOSB advantage)

The women-owned small business program was established by the U.S. Small Business Administration designed to help more women-owned small businesses (WOSBs) to win federal contracts by providing a level playing field for WOSBs to compete. It is also intended to help federal agencies to meet contracting goals for women owned small businesses. WOSBs are required to self-certify as a woman-owned small business and upload certain corporate documents into the WOSB repository (or optionally use a third-party certifier).

Femeconomy

One of the main peak advocacy bodies for supplier diversity and social procurement championing women-owned businesses is Femeconomy. Femeconomy educates consumers, budget owners and business owners on how purchasing decisions can create gender equality.¹²⁵ To become an approved brand, businesses must have at least 30% of women on the Board of Directors or are 50% female owned. So far over 850 brands have met their criteria.

While Femeconomy does not provide a certification, their database has an extensive list of supplies that can assist consumers to purchase goods and services from women-owned businesses.

Examples of how certification has helped - case studies

The below case studies are based on experiences of managing directors and CEOs of certain women-owned businesses who have gone through the business certification process in Australia. These case studies are examples of how certification processes can have a positive impact on women-owned businesses.

¹²⁵ Femeconomy, < <https://femeconomy.com/>>.

Enrica Centorame
Managing Director
Global Forwarding Pty Ltd

How has the Certification assisted your business? Yes 100%

Is there business you have secured thanks to the Certification? Yes. The initial contract secured was Cummins South Pacific for the provision of logistics services. Cummins South Pacific identified a “carve out” which was a small percentage for them but significant for an SME.

If so, has the \$\$ value been significant to create an impact on your business? Yes. This is the reason I wanted to highlight the benefits and create this report. It was an absolute game changer for us and helped us in capacity building. On the back of this we have secured further Tier 1 contracts with other global companies also stemming from the Supplier Diversity platforms.

Melinda Dorgan
Managing Director
MG Waste Management (Melbourne)

How has the Certification assisted your business? It was a slow burn at first. I presented at my first meet the supplier group Zoom last month and we have had a great response. Some of the major corporations I spoke to have now approached MG Waste to explore our capabilities and discuss next step opportunities.

Is there business you have secured thanks to the Certification? Definitely Cummins. We were awarded their National Provider status which was a huge achievement and opportunity for us. We now manage all of the Cummins sites throughout Australia and most recently New Zealand.

If so, has the \$\$ value been significant to create an impact on your business? Yes

Alicia Beachley
Chief Executive Officer
April5 (a media company)

How has the Certification assisted your business? When WEConnect was active in Australia, we were able to meet corporate members and receive introductions. Since it has moved to regional management (from Singapore), the local pressure is off and whilst these meet and greets do happens they are on a less frequent scale. Making meaningful business connections with the right clients is critical to our success. WEConnect offered that and gave its members a chance to introduce their business to organisations wanting to do business with Women Owned and Certified businesses. The connection opportunities were powerful for us both.

Is there business you have secured thanks to the Certification? Yes it has, it enabled me to participate in an RFP for a large corporate in 2018, which we were successful in winning. NOTE - the success came as a result of our competency and skill, WEConnect only got me a 'seat at the table'

If so, has the \$\$ value been significant to create an impact on your business? Yes

Other comments? One of the issues I have is the well-intentioned corporate businesses that want to support women owned businesses, however this does not resonate through their company supply chain. It is often an individual championing these underrepresented businesses, but it fails to gain traction across the wider organisation.

Other forms of social certification

B Corporation

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.

Society's most challenging problems cannot be solved by government and non-profits alone. The B Corp community works toward reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high-quality jobs with dignity and purpose. By harnessing the power of business, B Corps use profits and growth to a greater end: positive impact for their employees, communities, and the environment.

B Corps form a community of leaders and drive a global movement of people using business as a force for good. The values and aspirations of the B Corp community are embedded in the B Corp Declaration of Interdependence.



B Corporation certification's objectives:

- ▶ Drive behaviour change
- ▶ Build consumer confidence
- ▶ Engage staff
- ▶ Serve community and planet
- ▶ Stay focused on the future

Social Traders

Social Traders certifies organisations as social enterprises that can supply products, services and social impact and can be connected to other businesses and government buyer members, as well as other stakeholders interested in working with social enterprises.



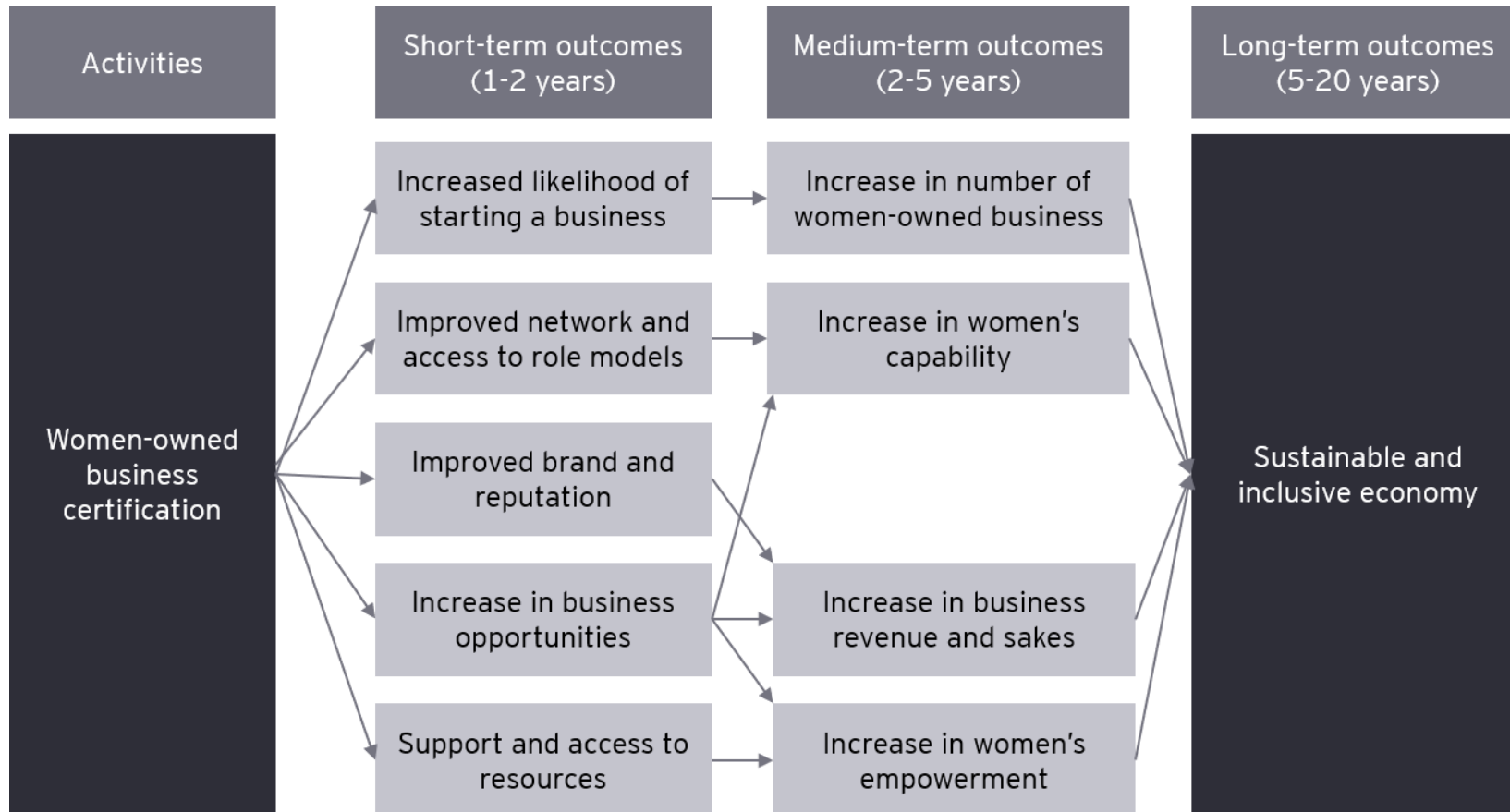
Social Traders benefits:

- ▶ Credibility
- ▶ Access to a social enterprise network
- ▶ Connect with customers
- ▶ Help grow the business

Social Traders certification assures stakeholders that a social enterprise has a social, cultural or environmental purpose as its primary objective, that a substantial portion of its revenue is derived from commercial trade, and that the majority of the organisation's efforts and resources are invested into the social purpose.

Social Traders define the reasons to become certified as various stakeholders, including government and other businesses, rely on third party certification when they work with social enterprises. It's how they can manage the risks of suppliers misrepresenting themselves as social enterprises. There are market advantages for social enterprises and so there is an increased significance in legitimate use of the label.

Benefits of women-owned business certification



The economic benefits of women-owned business certification

Women-owned businesses are well-positioned to enhance national prosperity and to contribute to sustainable and inclusive economic growth. Women's participation in the labour force through business ownership improves the bottom line of businesses and is a significant driver of national economic growth in Australia¹²⁶

Promoting the establishment of women-owned businesses and their growth through policies and programs supports the economic empowerment of women. According to the International Monetary Fund, women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes¹²⁷. For example, increasing the female employment rates in OECD countries to match that of Sweden, could boost GDP by over USD 6 trillion¹²⁸, recognizing however, that growth does not automatically lead to a reduction in gender-based inequality.

Discussed in the below chapter, evidence suggests that women-owned business certification can facilitate economic benefits by:

- ▶ Supporting access to value chains;
- ▶ Increasing women's labour force participation;
- ▶ Providing commercial benefits such as an increase in revenue and sales;
- ▶ Increasing access to financing and funding;
- ▶ Increasing government revenue through taxation receipts (income and GST); and
- ▶ Reducing demand on social support services.

Facilitating access to value chains

One of the most significant ways that women-owned business certification facilitates economic growth is by increasing opportunities for women-owned businesses to participate in global value chains. In particular, supplier and procurement diversity is a powerful economic development tool, because of the potential market opportunities it offers to the target group of businesses.¹²⁹ Opportunities arise within the procurement programs of federal and state governments to purchase a portion of their goods and services from woman-owned businesses. Most publicly held corporations, and many larger private corporations, have supplier diversity programs that track the business they do with woman-owned businesses. In the U.S., most local, state, and federal government purchasing agencies have programs for doing business with woman-owned vendors which rely on women-owned business certification¹³⁰

In today's competitive business landscape, women-owned business certifications offer one way to differentiate a company from other potential suppliers. Businesses in nearly every sector can be good candidates to contract with large corporations and governments with

¹²⁶ <https://womensworkforceparticipation.pmc.gov.au/womens-workforce-participation-economic-priority.html#1>

¹²⁷ International Monetary Fund (2018). *Pursuing Women's Economic Empowerment* <https://www.imf.org/en/Publications/Policy-Papers/Issues/2018/05/31/pp053118pursuing-womens-economic-empowerment>

¹²⁸ PwC, *Women in Work Index 2018*. Available at: <https://www.pwc.co.uk/services/economics-policy/insights/women-in-work-index.html>

¹²⁹ Smallbone, Athayde and Meng (2007, p8)

¹³⁰ BizFilings

diversity supply goals. Once certified, a business can be placed into a database of suppliers that corporations and governments may use to better achieve supplier diversity. Women-owned certified companies also have access to a list of businesses and government entities interested in purchasing from certified businesses, providing valuable information on prospective customers.

Increased women's labour force participation

There is ample evidence that when women are able to develop their full labour market potential, there can be significant macroeconomic gains.¹³¹ Gender gaps in the labour market lead to GDP per capita losses, and increased labour participation of women can have a direct impact on increased a country's GDP.¹³² Another benefit of increased participation is increased revenue for Federal and State governments through tax revenue.

Furthermore, studies undertaken by the World Economic forum show that one of the ways that women and men complement each other is in the production process, creating an additional benefit from increasing women's employment on growth. In other words, adding more women to the labour force should bring larger economic gains than an equal increase in male workers¹³³.

In addition, facilitating greater access to capital would increase the productivity of women-owned businesses.¹³⁴ Due to lower participation rates, plus a lesser ability to access funding for entrepreneurial endeavours, women-owned businesses have traditionally recorded lower profits than male-owned businesses. This is because women generally have less time to dedicate to employment, including dedicating time to their businesses¹³⁵, the type of business that women go into and inexperience in accessing funding.

Businesses owned by women employ more women, which may also indicate an opportunity to increase women's labour force participation.¹³⁶ It could be argued that social procurement models may be able to reduce gender segregation. For example, gender-equitable procurement offers an opportunity for government investment, especially in male-dominated sectors.¹³⁷ By awarding procurement contracts to suppliers which are committed to employing women in traditionally male-dominated industries, it is possible to reduce occupational gender segregation.¹³⁸

Commercial benefits

As a result of gender-equitable procurement, business benefits may also arise. For example, women consumers are also more likely to try a company's products when they know that the company supports women-owned businesses.¹³⁹ This has been utilised by

¹³¹ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, 4.

¹³² International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, 4.

¹³³ <https://www.weforum.org/agenda/2018/12/economic-gains-from-gender-inclusion-even-greater-than-you-thought/>

¹³⁴ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, 5.

¹³⁵ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*, 9.

¹³⁶ Workplace Gender Equality Agency, *Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.*

¹³⁷ Workplace Gender Equality Agency, *Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.*

¹³⁸ Workplace Gender Equality Agency, *Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.*

¹³⁹ Workplace Gender Equality Agency, *Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.*

companies in other countries. For example, in the US, Walmart has instituted specific labels to highlight products that are owned or led by women.¹⁴⁰ Further, it could be argued that granting contracts to gender-equitable employers ensures credibility for the diversity initiatives and may be advantageous for future bidding.¹⁴¹

Increased access to funding and financing

Financial services have long been a key instrument to support women¹⁴². Research indicates that minority- and women-owned businesses have traditionally had less access to debt and equity capital than their non-minority and male counterparts.

To help bridge this funding gap, there are special programs that provide funding to minority- and women-owned businesses. Women-owned business certification is required for participation in some of these programs, and if not required, can often help legitimise and better document the business's status as minority- or women-owned.¹⁴³

- ▶ Only 4% of conventional small business loans go to women-owned business (U.S. Senate Committee on Small Business and Entrepreneurship)
- ▶ Just 3% of venture capital dollars are invested in companies with a woman CEO

Equity investors such as venture capital and accelerator funds are acknowledging the benefits of investing in women- and minority-owned start-up companies and are preserving certain pools of capital for these businesses. Funds sensitive to the importance of women-owned business certification can structure their equity investment so the minority or women business owners maintains sufficient ownership and control to retain certification. Most of these funds have their own screening process to correctly identify businesses that are owned and controlled by minority and women business owners, but women-owned business certification can certainly help.

Broader social benefits of women-owned business certification

In addition to economic benefits and the socio-economic challenges it seeks to address, women-owned business certification can have broader benefits and flow-on effects for women and society. Some of these are explored below.

Networking and mentorship

Many of the certification programs provide formal networking and mentoring programs, through which they can find mentors, meet potential new customers and learn best practices for business success.¹⁴⁴

¹⁴⁰ Workplace Gender Equality Agency, Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.

¹⁴¹ Workplace Gender Equality Agency, Gender Equitable Procurement and Supply Chains, Insight Paper and Guide: September 2020.

¹⁴² Enhancing the productivity of women-owned enterprises

¹⁴³ Policy Brief on Women's Entrepreneurship

¹⁴⁴ Minority-owned businesses. The benefits of WBE and MBE certification

Networks are critical for all businesses and success more broadly with evidence suggesting that engagement with informal networks benefit both men's and women's businesses.¹⁴⁵ 'Vertical' networks can be critical for accessing markets to share information and resources in a cost-effective manner.¹⁴⁶

Surveys of new entrepreneurs in the Netherlands in the retail, hotel and restaurant sectors and other services find that one-third of entrepreneurs would not have started their businesses without their role model.¹⁴⁷

Training and skills

Evidence from the UK confirms that (women and men) who receive entrepreneurship training through a government program are 4% more likely to start a business than those who do not participate in training

Entrepreneurship training programs typically aim to increase the entrepreneur's know-how about starting and operating a business, as well as providing formal and informal networking opportunities. Certified businesses can use training opportunities to improve business operations and profitability, promote their products and services and connect with other women business owners to explore partnership and mentoring opportunities.

Research shows that training courses tend to have positive impacts in business behaviour, but this is partly because women typically make the effort to become self-employed.¹⁴⁸

Conclusions from reviews by the International Development Research Centre Canada of trainings (and from combined financial services and training provisions) suggest:¹⁴⁹

- ▶ Little is known about the impacts of training, if impact is understood in a rigorous way;
- ▶ Impacts of training vary significantly, particularly for women, but also across different groups of women including size of business;
- ▶ The impacts that we find are positive but relatively small, particularly for growth of businesses; and
- ▶ More intensive and expensive programs are likely to have a bigger impact.

Gender equality

Another benefit of increasing the number of women-owned businesses is creating a more gender equal economy. Gender equality is critical to building a fair, prosperous and healthy society, where women are afforded the opportunities to thrive. Creating a gender equal state requires time and a strong and ongoing commitment by government to play a critical role in creating the structural changes required to address issues of gender inequality across all sectors. Greater investment in women-owned business through

¹⁴⁵ USAID (2015). Integrating Gender into Trade Capacity-Building Programs in the Middle East and Asia. Accessed May 27, 2016 from: http://www.chemonics.com/OurWork/OurProjects/Documents/Integrating_Gender_into_Trade_Capacity_Building_Programs_Report.pdf

¹⁴⁶ Enhancing the productivity of women-owned enterprises

¹⁴⁷ Bosma, N., J. Hessels, V. Schutjens, M. Van Praag and I. Verheul (2012), "Entrepreneurship and role models", *Journal of Economic Psychology*, Vol. 33 (2), pp. 410-424.

¹⁴⁸ The findings suggest that combining these specific skills training with broader life skills tend to enhance the potential impact on empowerment more broadly. Also Bandiera et al (2014).

¹⁴⁹ Enhancing the productivity of women-owned enterprises

women's economic empowerment could assist to correct gender imbalances that exist across many aspects of Australia's economy.

Achieving gender equality is important not only because it is 'fair' and 'the right thing to do,' but because it is also linked to a country's overall economic performance.¹⁵⁰ Greater gender equality in the workforce is associated with:¹⁵¹

- ▶ Increased organisational performance, due the benefits of diverse perspectives and ways of working;
- ▶ Enhanced ability of companies to attract talent and retain employees;
- ▶ Enhanced organisational reputation;
- ▶ Reduction of the risk of gender-based harm, such as workplace sexual harassment;
- ▶ Improved national productivity and economic growth.

Increasing women's participation in the workforce has positive impacts on organisational culture and on operations. A diverse and inclusive workforce, regardless of size and industry, generates tangible benefits, such as increased efficiency, productivity, innovation, creativity and improved employee engagement. A diverse workforce tends to produce a more holistic analysis of the issues an organisation faces and spurs greater effort and motivation, leading to improved decision-making.¹⁵²

The World Economic Foundation states, supported by considerable microeconomic evidence, that women and men bring different skills and perspectives to the workplace, including different attitudes to risk and collaboration. Studies have also shown that the financial performance of firms improves with more gender-equal corporate boards.¹⁵³

Improved wellbeing

Women-owned business certification is a mechanism to support women's labour force participation. It has been found that increasing women's workforce participation leads to better living standards for individuals and families. There are also social, health and wellbeing benefits of work to be gained for women and their families.¹⁵⁴

Some research shows the economic independence that employment provides can also assist women's decisions to leave violent relationships. It can bring financial security, confidence and, therefore, safety.¹⁵⁵

As mentioned above, women-owned business certification provides education, upskilling and re-skilling over the life course, especially to keep pace with rapid technological and digital transformations affecting jobs and employment which are critical for women's and girl's health and wellbeing, as well as their income-generation opportunities and participation in the formal labour market.¹⁵⁶

¹⁵⁰ Organisations like Security4Women (<https://www.security4women.org.au/>) are helping to engage with the Australian Government to obtain these outcomes.

¹⁵¹ Workplace Gender Equality Agency, *About workplace gender equality*.

¹⁵² Workplace Gender Equality Agency, *Workplace gender equality, The business case*.

¹⁵³ <https://www.weforum.org/agenda/2018/12/economic-gains-from-gender-inclusion-even-greater-than-you-thought/>

¹⁵⁴ <https://womensworkforceparticipation.pmc.gov.au/womens-workforce-participation-economic-priority.html#1>

¹⁵⁵ Australian Government, *Towards 2025: An Australian Government Strategy to Boost Women's Workforce Participation*. < <https://womensworkforceparticipation.pmc.gov.au/womens-workforce-participation-economic-priority.html#safety> >.

¹⁵⁶ <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures#notes>

Role-modelling for future generations

Policies to promote economic opportunities for women have been shown to correlate positively with women's economic success while also helping to reduce biases and stereotypes. In both private businesses and the public sector, leadership on gender issues helps to create opportunities for women helping to establish positive role models for future generations of girls.¹⁵⁷

Complementing high-level initiatives, a change in the mindset of women to aspire to equal employment opportunities and career paths will result in more widespread, high-level responsibility in the public and private sectors, supported by the assumption of joint family and household responsibilities by both parents.¹⁵⁸

¹⁵⁷ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*,17.

¹⁵⁸ International Monetary Fund. *Women, Work, and the Economy: Macroeconomic Gains From Gender Equity*,17.

The way forward

Policy mechanisms for embedding investment in the supply chain

Legislation

By enshrining behaviour change in legislation, it is possible to remove barriers to equal participation in society, with consequent economic and social benefits.¹⁵⁹ Not only would this clarify rights and obligations, this would also increase the effectiveness of social procurement frameworks through creating an enforcement mechanism.¹⁶⁰ For example, by incorporating tangible powers, such as issuing compliance notices and publishing the names of non-compliant entities, legislation can ensure an appropriate level of compliance, transparency and accountability.¹⁶¹

Further, there are often oversight bodies established through legislation. For example, the *Workplace Gender Equality Act 2012* (Cth) (WEG Act) establishes the Workplace Gender Equality Agency ('WEGA').¹⁶² WEGA advises and assists employers in promoting and improving gender equality in the workplace. It develops, in consultation with relevant employers and employee organisations, benchmarks in relation to gender inequality indicators, and issues guidelines to assist private employers to achieve the WEG Act's purposes.¹⁶³

At a Victorian level, the *Gender Equality Act 2020* (GE Act) establishes the Public Sector Gender Equality Commissioner.¹⁶⁴ The Commissioner is responsible for promoting and advancing gender equality in the Victorian public sector, universities and local councils.¹⁶⁵ The Commissioner will also provide advice to such entities about the GE Act and establish education programs for entities to encourage best practice and compliance.¹⁶⁶

The legislative approach to embedding supplier diversity and social procurement obligations is different to social procurement frameworks or policies, which are not legally enforceable. The lack of a strong enforceability mechanism can make it more difficult to change investment practices to align with recommended social procurement standards. In Victoria, legislation is already being used to link procurement and business practices with the promotion of and advancement of gender equality. The GE Act enables the Minister to issue guidelines relating to procurement policies and practices for this purpose.¹⁶⁷ The benefit of legislation is that this may incentivise private suppliers to maintain fair and inclusive practices.¹⁶⁸

¹⁵⁹ Australian Human Rights Commission, *Enhancing Equality: Reforming Anti-Discrimination Laws to Make Australia Fairer*.

¹⁶⁰ Australian Human Rights Commission, *Enhancing Equality: Reforming Anti-Discrimination Laws to Make Australia Fairer*.

¹⁶¹ Gender Equality Bill 2019 (Vic), Second Reading Speech 27 Nov 2019.

¹⁶² Workplace Gender Equality Act 2012 (Cth), section 2B.

¹⁶³ Workplace Gender Equality Act 2012 (Cth), section 10(1)(a), (aa) and (b).

¹⁶⁴ Gender Equality Act 2020 (Vic), section 1(c).

¹⁶⁵ Gender Equality Act 2020 (Vic), section 36(a).

¹⁶⁶ Gender Equality Act 2020 (Vic), section 36(c), (d).

¹⁶⁷ Gender Equality Act 2020 (Vic), sections 49(1).

¹⁶⁸ Victorian Government, *Buying for Victoria: Social Procurement*, <<https://www.buyingfor.vic.gov.au/understanding-social-procurement>>.

Examples of Implemented models	<i>Workplace Gender Equality Act (Cth)</i>	<i>Gender Equality Act (Vic)</i>	<i>Women's Business Ownership Act (USA)</i>	<i>Canadian Gender Budgeting Act</i>
Purpose	<p>Aims to improve and promote equality for both men and women in the workforce.¹⁶⁹</p> <p>Supports employers to remove barriers to the full and equal participation of women in the workforce.¹⁷⁰</p> <p>Establishes the Workplace Gender Equality Agency.¹⁷¹</p>	<p>To improve workplace gender equality in the Victorian public sector, universities and local councils.¹⁷²</p> <p>To promote gender equality in government policies, programs and services.¹⁷³</p> <p>To enhance economic and social participation by persons of different genders.¹⁷⁴</p>	<p>Directs the Small Business Administration to provide financial assistance to private organisations to conduct demonstration projects.¹⁷⁶</p> <p>Establishes the National Women's Business Council to review the status of women-owned businesses nationwide and to develop detailed multiyear plans in connection with both private and public sector actions.¹⁷⁷</p>	<p>To promote the principle of gender equality and inclusiveness in society as part of the annual federal budget, in support of long-term economic growth and prosperity.¹⁷⁸</p> <p>Consider gender and diversity in taxation and resourcing decisions,¹⁷⁹ and strengthen the capacity of departments to consider gender and diversity in developing policies.¹⁸⁰</p>

¹⁶⁹ Workplace Gender Equality Act 2012 (Cth), section 2A(a).

¹⁷⁰ Workplace Gender Equality Act 2012 (Cth), section 2A(b).

¹⁷¹ Workplace Gender Equality Act 2012 (Cth), section 2B.

¹⁷² Gender Equality Act 2020 (Vic), section 1(a).

¹⁷³ Gender Equality Act 2020 (Vic), section 1(b).

¹⁷⁴ Gender Equality Act 2020 (Vic), section 4(e).

¹⁷⁶ Women's Business Ownership Act 1988, Title II.

¹⁷⁷ Women's Business Ownership Act 1988, Title IV.

¹⁷⁸ Canadian Gender Budgeting Act 2018, section 2(a).

¹⁷⁹ Canadian Gender Budgeting Act 2018, section 2(b).

¹⁸⁰ Canadian Gender Budgeting Act 2018, section 2(d).

Examples of Implemented models	Workplace Gender Equality Act (Cth)	Gender Equality Act (Vic)	Women's Business Ownership Act (USA)	Canadian Gender Budgeting Act
		Establishes the Public Sector Gender Equality Commissioner. ¹⁷⁵		
Key features	<p>Fosters workplace consultation between employers and employees on issues concerning gender equality in employment and in the workplace.</p> <p>Establishes a reporting framework that aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.¹⁸¹</p>	<p>The Victorian public sector, universities and local councils must take necessary and proportionate action towards achieving gender equality.¹⁸⁵</p> <p>The Victorian public sector must undertake a gender impact assessment when developing or reviewing any policy of, or program or service provided by, the entity that has a direct and significant impact on the public.¹⁸⁶</p>	<p>Directs:</p> <ul style="list-style-type: none"> ▶ The Bureau of Labor Statistics to include in its census reports on women-owned businesses specified information on sole proprietorships, partnerships, and corporations;¹⁸⁹ ▶ The Bureau of the Census to include in its Business Census data the number of corporations that are 	<p>Improved gender and diversity information and analysis contribute to improved, evidence-based decision-making:</p> <ul style="list-style-type: none"> ▶ The Minister of Finance must table a report on the impacts in terms of gender and diversity of all new budget measures described in the plan.¹⁹³ ▶ The Minister of Finance must make available to the public analysis of impacts in terms of

¹⁷⁵ Gender Equality Act 2020 (Vic), section 1(c).

¹⁸¹ Workplace Gender Equality Agency, About the Agency,

< [¹⁸⁵ Gender Equality Act 2020 \(Vic\), section 7.](https://www.wgea.gov.au/about-the-agency#:~:text=About%20the%20Agency%20The%20Workplace%20Gender%20Equality%20Agency,promoting%20and%20improving%20gender%20equality%20in%20Australian%20workplace.></p>
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¹⁸⁶ Gender Equality Act 2020 (Vic), section 9(1).

¹⁸⁹ Women's Business Ownership Act 1988, Title V.

¹⁹³ Canadian Gender Budgeting Act 2018, section 3.

Examples of Implemented models	<i>Workplace Gender Equality Act (Cth)</i>	<i>Gender Equality Act (Vic)</i>	<i>Women's Business Ownership Act (USA)</i>	<i>Canadian Gender Budgeting Act</i>
	<p>Requires employers to report against a standard set of gender equality indicators with a focus on outcomes rather than compliance.¹⁸² In addition to reporting against the indicators, employers must also report on the composition of their governing bodies.¹⁸³</p> <p>The Minister responsible for administering Part 7 of the Financial Management Act 1994, in consultation with the Minister, may issue guidelines relating to procurement policies and practices for the purposes of promoting and</p>	<p>The public entity must make reasonable and material progress in relation to the workplace gender equality indicators.¹⁸⁷</p> <p>The public sector entity must submit a progress report to the Commissioner on or before 31 October in every second year after submitting a Gender Equality Action Plan.¹⁸⁸</p>	<p>51 percent or more owned by women;¹⁹⁰</p> <ul style="list-style-type: none"> ▶ The SBA's Office of the Chief Counsel for Advocacy to report on the most cost-effective and accurate ways to gather and present the statistics required in these census reports;¹⁹¹ and ▶ Federal agencies to report to the Office of Federal Procurement Policy the number of first-time contract recipients that are small businesses owned and controlled either by women or by socially and 	<p>gender and diversity of the tax expenditures.¹⁹⁴</p> <ul style="list-style-type: none"> ▶ The President of the Treasury Board must make available to the public analysis of impacts in terms of gender and diversity.¹⁹⁵

¹⁸² Department of Families, Housing, Community Services and Indigenous Affairs, Workplace Gender Equality Act 2012 Factsheet.

¹⁸³ Department of Families, Housing, Community Services and Indigenous Affairs, Workplace Gender Equality Act 2012 Factsheet.

¹⁸⁷ Gender Equality Act 2020 (Vic), section 16(1).

¹⁸⁸ Gender Equality Act 2020 (Vic), section 19(1).

¹⁹⁰ Women's Business Ownership Act 1988, Title V.

¹⁹¹ Women's Business Ownership Act 1988, Title V.

¹⁹⁴ Canadian Gender Budgeting Act 2018, section 4.

¹⁹⁵ Canadian Gender Budgeting Act 2018, section 2(c).

Examples of Implemented models	<i>Workplace Gender Equality Act (Cth)</i>	<i>Gender Equality Act (Vic)</i>	<i>Women's Business Ownership Act (USA)</i>	<i>Canadian Gender Budgeting Act</i>
	advancing gender equality. ¹⁸⁴		economically disadvantaged individuals. ¹⁹²	
Who does it apply to?	Private sector employers with 100 or more staff and universities and other higher education providers. ¹⁹⁶ Public sector employers are not covered by this legislation. ¹⁹⁷	Public sector organisations, universities and local councils in Victoria with 50 or more employees. ¹⁹⁸	Private organisations who give financial, management and marketing assistance to small organisations, including start-up businesses, owned and controlled by women. ¹⁹⁹	The broader public - with a particular focus on the various impacts on diverse groups, with the potential to create, sustain or reduce inequalities within society, ²⁰⁰
How it supports women-owned business	Promote and improve gender equality Support employers to remove barriers to the full and equal participation of women in the workforce	The Minister may issue guidelines relating to procurement policies and practices for the purposes of promoting and advancing gender equality. ²⁰¹	Gives women entrepreneurs better recognition, additional resources, and by eliminating discriminatory lending practices by banks that favoured male business owners. ²⁰³	Promotes the principle of gender equality and greater inclusiveness in society as part of the annual federal budget in support of Canada's long-term

¹⁸⁴ Gender Equality Act 2020 (Vic), section 49(1).

¹⁹² Women's Business Ownership Act 1988, Title V.

¹⁹⁶ Workplace Gender Equality Act 2012 (Cth), section 3.

¹⁹⁷ Workplace Gender Equality Act 2012 (Cth), section 3.

¹⁹⁸ Gender Equality Act 2020 (Vic), section 5.

¹⁹⁹ Women's Business Ownership Act 1988, Title II.

²⁰⁰ Canadian Gender Budgeting Act 2018, Preamble.

²⁰¹ Gender Equality Act 2020 (Vic), section 49.

²⁰³ Women's Business Ownership Act 1988, Title III.

Examples of Implemented models	<i>Workplace Gender Equality Act (Cth)</i>	<i>Gender Equality Act (Vic)</i>	<i>Women's Business Ownership Act (USA)</i>	<i>Canadian Gender Budgeting Act</i>
	<p>Promote the elimination of discrimination on the basis of gender in relation to employment matters</p> <p>Foster workplace consultation between employers and employees</p> <p>Improve the productivity and competitiveness of Australian business through the advancement of gender equality</p>	<p>The Minister must ensure that a State Gender Equality Action Plan is developed every 4 years. The plan must set out a framework for taking coordinated action in Victoria to build the attitudinal, behavioural, structural and normative change required to improve gender equality.²⁰²</p>	<p>Required that US Census Bureau includes C-Corporations when presenting data on women-owned firms.²⁰⁴</p> <p>Requires the President's annual Report on Small Business and Competition to include in separate detail information relevant to small businesses owners and controlled either by women or by socially or economically disadvantaged individuals.²⁰⁵</p> <p>Established the Women's Business Centre Council - to provide training, mentoring and financing to women-owned businesses.²⁰⁶</p>	<p>economic growth and prosperity.²⁰⁷</p> <p>Consider gender and diversity in taxation and resource allocation decisions.²⁰⁸</p> <p>Makes information available to the public on the impacts of Government decisions in terms of gender and diversity.²⁰⁹</p>

²⁰² Gender Equality Act 2020 (Vic), section 50.

²⁰⁴ Women's Business Ownership Act 1988, Title V.

²⁰⁵ Women's Business Ownership Act 1988, Title V.

²⁰⁶ Women's Business Ownership Act 1988, Title IV.

²⁰⁷ Canadian Gender Budgeting Act 2018, section 2(a).

²⁰⁸ Canadian Gender Budgeting Act 2018, section 2(b).

²⁰⁹ Canadian Gender Budgeting Act 2018, section 2(c).

Examples of Implemented models	<i>Workplace Gender Equality Act (Cth)</i>	<i>Gender Equality Act (Vic)</i>	<i>Women's Business Ownership Act (USA)</i>	<i>Canadian Gender Budgeting Act</i>
<p>Key gaps/weaknesses</p>	<p>Does not apply to all employers - the public sector is not required to comply.</p> <p>As a large employer and source of income for private sector businesses, the public sector is often able to drive behaviour change through leading by example.</p> <p>Therefore, the carve out in the legislation limits the ability of governments to drive behaviour change in workplaces and in business.</p>	<p>Applies primarily to the public sector, as opposed to affecting private corporations. The Victorian public sector acts as over 9% of the Victorian population.²¹⁰</p> <p>It could be argued that this enables the public sector to drive change through leading by example.</p> <p>However, this Act does not apply to the private sector.</p>	<p>Women entrepreneurs still face challenges gaining access to capital, as only 4% of all small business loans goes to women entrepreneurs.²¹¹</p> <p>Additionally, the US government is supposed to award 5% of federal contracts to women, this quota has never been met.²¹²</p> <p>The Women Business Centres have also not been reauthorised since the 1990s, and therefore are less able to provide support and training for women business owners.²¹³</p>	<p>Contrasted to the Women's Business Ownership Act (USA), the Canadian Gender Budgeting Act does not mandate a specific quota for awarding government contracts to women.</p> <p>Arguably without setting targets for progress in terms of financial equity, this process may increase transparency with a limited degree of accountability.</p>

²¹⁰ Second Reading Speech, Gender Equality Bill 2019 (Vic).

²¹¹ Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship, 21st Century Barriers to Women's Entrepreneurship, 23 July 2014.

²¹² Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship, 21st Century Barriers to Women's Entrepreneurship, 23 July 2014.

²¹³ Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship, 21st Century Barriers to Women's Entrepreneurship, 23 July 2014.

Social procurement

Social Procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured.²¹⁴

Social procurement can apply to organisations in the public, private and not-for-profit sectors and to all levels of government. Through collective action, organisations that commit to using a social procurement framework can make a significant impact on the economy. This is because the framework establishes what organisations buy, who they buy from, what standards they set for their suppliers, how they manage their supply chains, and what outcomes they seek to achieve.²¹⁵ In Victoria, the government is the largest purchaser of goods and services, and therefore, has a very significant impact on the economy and how and where people spend money. This would be case of any government, whether at a federal, state or local level.

There is increasing use of using the procurement function of a business more strategically to deliver on social, economic and environmental outcomes.²¹⁶ Decision-makers can use social procurement to:²¹⁷

- ▶ Leverage their purchasing power to achieve broader public policy objectives;
- ▶ Increase opportunities and expand markets for 'social benefit suppliers';
- ▶ Influence mainstream suppliers (i.e. suppliers that are not social benefit suppliers) to prioritise social value creation; and
- ▶ Diversify supply chains to, among other things, drive competition, promote innovation and provide all suppliers with a full and fair opportunity to compete.

Research suggests that procurement policies need to combine approaches to enhance access.²¹⁸ A social procurement framework can provide an authorising environment to make impactful procurement business-as-usual. These access mechanisms can range from specific preferential methods to enhancing transparency, potentially levelling the playing field by overcoming structural barriers faced by women-owned. In particular, by:

- ▶ Introducing or adding women-owned businesses as an additional supplier evaluation criteria;
- ▶ Introduction in the law of 'set-asides' for certain categories of suppliers;
- ▶ Improve on 'preference margins' (otherwise used for domestic suppliers);
- ▶ Issue public notices to tender (in Latin America, the percentage of public procurement posted on the internet has gone up from 20 to 70 percent);
- ▶ Minimize the requirement of 'past experience' in supplying contracts wherever possible to provide more opportunities for new entrants;
- ▶ Providing access to procurement such as certification, registration, contractor registration, standardized templates, sufficient time for preparation, prequalification; and
- ▶ Explanation of procedures and give equal opportunity for companies to bid.

A few examples of successful social procurement frameworks are detailed below:

²¹⁴ Victorian Government, Understanding Social Procurement.

²¹⁵ Victorian Government, Understanding Social Procurement.

²¹⁶ Victorian Government, Understanding Social Procurement.

²¹⁷ Victorian Government, Understanding Social Procurement.

²¹⁸ Asian Development Bank, SME Development: Government Procurement and Inclusive Growth.

Implemented models	Victorian Social Procurement Framework	NSW Social Procurement Framework	British Columbia (Canada) Social Impact Procurement Guidelines
Purpose	<p>To build a fair, inclusive and sustainable Victoria.</p> <p>The Victorian Government requires public and private sector organisations, using a range of methods, to use their buying power to generate social value beyond the value of the goods, services or construction being procured.²¹⁹</p>	<p>Build a diverse supply base, to enable government agencies to support businesses of all types to grow and encourage economic development across the state.²²⁰</p> <p>The Framework states that government procurement can help to support economic participation, social outcomes, develop skills and create jobs for the citizens of NSW.²²¹</p>	<p>When appropriate, use of social impact purchasing will both reward vendors for actions that add social value, and encourage vendors to look for new ways to increase their social value to improve their ability to compete for future procurement opportunities.²²²</p>
Key features	<p>Requirement to directly purchase goods, services or construction (by government) from:²²³</p> <ul style="list-style-type: none"> ▶ Victorian social enterprises ▶ Victorian Aboriginal businesses ▶ Other social benefit suppliers, including Victorian Australian Disability Enterprises 	<p>The NSW Policy Framework includes key policies designed to support social procurement for specific groups:²²⁶</p> <ul style="list-style-type: none"> ▶ Employment of Indigenous people ▶ Aboriginal Participation in Construction ▶ Aboriginal Participation in Procurement Guidelines 	<p>Encouraging both:</p> <ul style="list-style-type: none"> ▶ Supplier diversity - creating opportunities for diverse suppliers such as Indigenous peoples and employment equity seeking groups which could include people with disabilities and other traditionally underrepresented groups.²²⁸ ▶ Workforce development - means offering apprenticeships, skills

²¹⁹ Department of Treasury and Finance and Department of Jobs, Precincts and Regions, Whole of Victorian Government Social Procurement Framework: Annual Report 2019-20.

²²⁰ NSW Government, Procurement Policy Framework.

²²¹ NSW Government, Procurement Policy Framework.

²²² British Columbia Government, Social Impact Procurement Guidelines.

²²³ Victorian Government, Social procurement - Victorian Government approach.

²²⁶ NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²²⁸ British Columbia Government, Social Impact Procurement Guidelines.

Implemented models	Victorian Social Procurement Framework	NSW Social Procurement Framework	British Columbia (Canada) Social Impact Procurement Guidelines
	<p>Uses the invitation to supply process and clauses in contracts with the private sector to seek social and sustainable outcomes for Victorians.²²⁴</p> <p>Includes a commitment by the Victorian Government to a 1% Aboriginal business procurement target by 2019-2020. The Victorian Government defines an Aboriginal business as:²²⁵</p> <ul style="list-style-type: none"> ▶ at least 50% Aboriginal and/or Torres Strait Islander-owned ▶ undertaking commercial activity ▶ main business location is in Victoria 	<ul style="list-style-type: none"> ▶ Procurement of Goods and Services from Australian Disability Enterprises <p>The Aboriginal Participation in Construction Guidelines are aimed at increasing the employment of Aboriginal people on government projects and ensures that:²²⁷</p> <ul style="list-style-type: none"> ▶ The assessment of contracts takes into account a supplier's commitment and demonstrated ability to effectively plan and implement Aboriginal participation ▶ The appointed suppliers meet and report on agreed Aboriginal participation targets over the life of the contracts 	<p>training and other developmental support to employees, contractors or volunteers, including diverse supplier groups.²²⁹</p> <p>The province will award points (not to exceed 10%) to vendors that demonstrate that they have met or exceeded the social impact criteria in regard to:²³⁰</p> <ul style="list-style-type: none"> ▶ Commitment to supplier diversity and workforce development ▶ The vendor offers job skills training or employment opportunities in support of supplier diversity ▶ The vendor purchases goods or services from vendors that support supplier diversity and workforce development
Who does it apply to?	To the Victoria Public Sector, but it influences the private sector as a result of the Framework's	To the NSW government context (local and state). However, the framework may also "be relevant to corporates and	Applies to the Province of British Columbia Ministry purchasers to follow for services with a total value of under

²²⁴ Victorian Government, Social procurement - Victorian Government approach webpage.

²²⁵ Victorian Government, Social procurement - Victorian Government approach webpage.

²²⁷ NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²²⁹ British Columbia Government, Social Impact Procurement Guidelines.

²³⁰ British Columbia Government, Social Impact Procurement Guidelines.

Implemented models	Victorian Social Procurement Framework	NSW Social Procurement Framework	British Columbia (Canada) Social Impact Procurement Guidelines
	application to procurement of all services by government.	not-for-profit organisations wishing to incorporate social outcomes in their procurement practices. ²³¹	\$75,000. ²³² Purchasers willing to consider social impact in any purchase of services over \$75,000 should contact the Legal Services Branch and Procurement Services Branch. ²³³
How it supports women-owned business	<p>Victoria’s social procurement framework has become an embedded part of how government spends its money.</p> <p>This Framework has the opportunity to maximise social and economic and benefits for women in Victoria, including through job creation.</p> <p>Some key outcomes that may help to support women and women-owned business achieved through the application of the Framework are:²³⁴</p>	<p>Gender is not noted as a distinct category which is a focus of NSW’s social procurement strategy.</p> <p>Rather, a case study of encouraging work-readiness is used to demonstrate increased workforce gender participation.</p> <p>The NSW Guide to Achieving Social Value through Public Sector Procurement notes that:</p> <ul style="list-style-type: none"> ▶ supporting the ‘job readiness of participants and the flexibility of the hospitality and construction courses provides for broad gender participation and work opportunities.’²³⁵ 	<p>The formal ‘Supplier Diversity Program’ can ensure benefits for minorities, women, Indigenous people, veterans and LGBTQ+.²³⁶ This may therefore assist women-owned businesses in obtaining government procurement contracts. The Framework aims to:²³⁷</p> <ul style="list-style-type: none"> ▶ Provide opportunities for people with barriers to employment ▶ Support social enterprises and social value business ▶ Promote Aboriginal opportunities ▶ Increase local supplier participation

²³¹ NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²³² NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²³³ NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²³⁴ Department of Treasury and Finance and Department of Jobs, Precincts and Regions, Whole of Victorian Government Social Procurement Framework: Annual Report 2019-20.

²³⁵ NSW Government, Social Procurement in NSW: A Guide to Achieving Social Value through Public Sector Procurement.

²³⁶ British Columbia Government, Procurement Strategy Update 2020.

²³⁷ British Columbia Government, Procurement Strategy Update 2020.

Implemented models	Victorian Social Procurement Framework	NSW Social Procurement Framework	British Columbia (Canada) Social Impact Procurement Guidelines
	<ul style="list-style-type: none"> ▶ The adoption of family violence leave by Victorian Government suppliers; and ▶ Gender equality within Victorian Government suppliers. 		<ul style="list-style-type: none"> ▶ Promote diversity in the supply chain ▶ Support small and medium businesses ▶ Support social innovation
Key gaps/weaknesses	The Framework is not legally enforceable, which can make it difficult to ensure that money is spent in accordance with the Framework.	<p>The Framework is not legally enforceable, which can make it difficult to ensure that money is spent in accordance with the Framework.</p> <p>Gender is not directly referenced as a category which could benefit from the use of social procurement frameworks.</p>	The Framework is not legally enforceable, which can make it difficult to ensure that money is spent in accordance with the Framework.

An example of the impact a social procurement can have on women in business is detailed below:²³⁸

Case study: getting more women into non-traditional roles

Programmed Facilities Management (PFM) has a strategic partnership with City West Water (CWW) to provide maintenance services for the water network. PFM is actively boosting the diversity of its workforce to foster a safe and inclusive environment, where people are treated equally and are free from discrimination. Part of this commitment is a strong focus on gender equity. In particular, PFM is focusing on recruiting and retaining women in skilled trade roles that are traditionally male dominated.

Together, PFM and CWW have also developed a cadet program for young women leaving school. The program aims to build a workforce with different backgrounds, experiences and perspectives - because solving problems is all about looking at things from different angles. This work has resulted in the percentage of women employed on the CWW contract growing from 9 per cent (all of whom were engaged in business support roles) at the end of 2016 to 19 per cent (with 7 per cent in field-based roles) in 2020.

19% increase from 5 women to 15 on the CWW contract since 2016

More importantly, there is now a process in place to guarantee the ongoing recruitment of a diverse workforce for the water industry. This work will reduce the gender pay gap, improve financial independence for women and create a better society for all Victorians.

Julian Kinder, Contract Executive for Water at Programmed, says, 'Our approach to diversity, inclusion and equality focuses on creating a workplace that represents the communities in which we work.'

We want to see people grow and succeed, and creating new entry pathways for people from diverse backgrounds provides jobs, which turn into careers.

²³⁸ Department of Treasury and Finance and Department of Jobs, Precincts and Regions, Whole of Victorian Government Social Procurement Framework: Annual Report 2019-20.

The path to implementation

Policy options for supporting economic recovery for women-owned business

Establishment of procurement targets and goals

Establishing procurement goals or targets for majority women-owned businesses mirror arguments made earlier for reducing the gender gap and supporting women's economic empowerment. Based on the literature and evidence documented in this report, social procurement targets relating to women-owned businesses, underpinned by a certification model, are recommended to be explored by government and policy makers.

Evidence suggests that procurement targets for women-owned businesses can be an effective way of enhancing economic performance for women. Developing women-owned business targets could:²³⁹

- ▶ Create opportunities to build brand and corporate image;
- ▶ Expand and enhance supplier diversity, customer bases and brand loyalty;
- ▶ Leverage other sources of competitive advantage;
- ▶ Create superior cost economies from increased competition in the supply chain;
- ▶ Provide increased revenue for governments by way of taxation;
- ▶ Improve access to rapidly growing minority markets;
- ▶ Enhance access and trust relationships to international business markets; and
- ▶ Promote innovation and supplier efficiencies and enhance knowledge transfer and exchange.

When implementing social procurement targets, a greater benefit can be derived if an intersectional approach is taken. For example, as previously outlined, the Victorian Social Procurement Framework aims to create opportunities for Victorian Aboriginal people, Victorians with a disability, and disadvantaged Australians, as well as women.²⁴⁰ However, the state-based models are frameworks, rather than enshrined in legislation.

Unlike in jurisdictions such as the US and Canada,²⁴¹ Australia has not implemented legislation mandating strict social procurement targets. Rather, in Australia, social procurement is largely governed at a state-level through frameworks.²⁴² This may be useful in setting standards as to how the government spends its money with suppliers.

Frameworks lack the accountability and enforceability mechanisms of statute. For example, legislated powers may include issuing compliance notices and publishing the names of non-compliant entities, legislation can ensure an appropriate level of compliance, transparency and accountability.²⁴³ The legislation in Canada and the US

²³⁹ Canada Works Limited, Procurement Strategies to support women-owned enterprises (2009)

²⁴⁰ Victorian Government, Victoria's Social Procurement Case Studies and Highlights: Supporting the Implementation of Victoria's Social Procurement Framework.

²⁴¹ Women's Business Ownership Act 1988; Canadian Gender Budgeting Act 2018.

²⁴² Victorian Social Procurement Framework; NSW Social Procurement Framework.

²⁴³ Gender Equality Bill 2019 (Vic), Second Reading Speech 27 Nov 2019.

mandate a report to be tabled regarding the expenditure for diverse groups, including women. This therefore encourages public accountability regarding these benchmarks.

It may also be argued that social procurement policies, even without legislative force, do incentivise diversity considerations at the supplier level. As these frameworks outline expected standards, it is possible to drive innovation and competition.²⁴⁴ However, consideration should be given as to whether these models lack the enforcement to truly achieve supply chain diversity.

Key implementation considerations

The evolution of international advocacy and policy reform provide additional insights to inform Australian strategies to enhance procurement opportunities for women-owned businesses. The review of the literature, including a study conducted by WEConnect Canada on the learnings from U.S. procurement targets suggest that:

- ▶ **Goals must be linked to consequences** - In the U.S. the five percent goal of federal procurement with women-owned businesses has never been met. When US government procurement officials were asked for suggestions on how to ensure greater success with achieving the goal, a common refrain was that goals without consequences do not work. Furthermore, if there are rewards for achieving the goal (performance bonuses for procurement officials, public recognition, other benefits) goals are more likely to be attained. Alternatively, punitive outcomes for not reaching the goal (for example, punitive action against prime contractors who do not meet subcontracting goals) might also achieve better results.
- ▶ **The importance of champions** - Progress in enabling federal access for women-owned business is, in large part, an outcome of champions within government agencies. As found in every American federal agency, there is an Office of Small and Disadvantaged Business Utilization. Many have been champions for individual small business owners. Having internal champions is essential for women-owned businesses.
- ▶ **It takes two sides** - While goals with consequences and champions within government are important in increasing access to federal procurement for women-owned businesses, it is unlikely that progress would have been made without active engagement and concerted advocacy from the women's business community. The women business owner community has driven change, applauded progress and halted potentially negative actions.
- ▶ **Education is key** - Consistent with the international literature, women business owners are not familiar with government procurement and how to enter this complex marketplace. Communication and education should include:
 - ▶ Teaching business owners how to obtain procurement contracts;
 - ▶ Improving communications about what contracts are available;
 - ▶ Offering financial assistance that included access to capital and low interest loans; and
 - ▶ Monitoring and enforcing quotas for the goals.

²⁴⁴ Victorian Government, Understanding Social Procurement.

Appendix A

High-level summary of international examples of legislation

Act & Jurisdiction	Purpose, Key features & Application	How it supports women-owned businesses
<p>Women's Business Ownership Act United States</p>	<p>Directs the Small Business Administration to provide financial assistance to private organisations to conduct demonstration projects.²⁴⁵</p> <p>Establishes the National Women's Business Council to review the status of women-owned businesses nationwide and to develop detailed multiyear plans in connection with both private and public sector actions.²⁴⁶</p> <p>Directs:</p> <ul style="list-style-type: none"> ▶ The Bureau of Labor Statistics to include in its census reports on women-owned businesses specified information on sole proprietorships, partnerships, and corporations;²⁴⁷ 	<p>Gives women entrepreneurs better recognition, additional resources, and by eliminating discriminatory lending practices by banks that favoured male business owners.²⁵¹</p> <p>Required that US Census Bureau included C-Corporations when presenting data on women-owned firms.²⁵²</p> <p>Requires the President's annual Report on Small Business and Competition to include in separate detail information relevant to small businesses owner and controlled either by women or by socially or economically disadvantaged individuals.²⁵³</p> <p>Established the Women's Business Centre Program - to provide training, mentoring and financing to women-owned businesses.²⁵⁴</p>

²⁴⁵ Women's Business Ownership Act 1988, Title II.

²⁴⁶ Women's Business Ownership Act 1988, Title IV.

²⁴⁷ Women's Business Ownership Act 1988, Title V.

²⁵¹ Women's Business Ownership Act 1988, Title III.

²⁵² Women's Business Ownership Act 1988, Title V.

²⁵³ Women's Business Ownership Act 1988, Title V.

²⁵⁴ Women's Business Ownership Act 1988, Title IV.

Act & Jurisdiction	Purpose, Key features & Application	How it supports women-owned businesses
	<ul style="list-style-type: none"> ▶ The Bureau of the Census to include in its Business Census data the number of corporations that are 51% or more owned by women;²⁴⁸ ▶ The SBA's Office of the Chief Counsel for Advocacy to report on the most cost-effective and accurate ways to gather and present the statistics required in these census reports;²⁴⁹ and ▶ Federal agencies to report to the Office of Federal Procurement Policy the number of first-time contract recipients that are small businesses owned and controlled either by women or by socially and economically disadvantaged individuals.²⁵⁰ 	
<p>Promoting Women in Entrepreneurship Act United States</p>	<p>Authorises the National Science Foundation to encourage its existing entrepreneurial programs to recruit and support women to extend their focus beyond the laboratory and into the commercial world.²⁵⁵</p> <ul style="list-style-type: none"> ▶ Directs the National Science Foundation to encourage its entrepreneurial programs to recruit and support women.²⁵⁶ 	<p>Making education and skills-training programs more accessible for women and other underrepresented groups.²⁵⁷</p> <p>Aims to support women when it comes to commercialising great ideas, starting small businesses and creating jobs.²⁵⁸</p>

²⁴⁸ Women's Business Ownership Act 1988, Title V.

²⁴⁹ Women's Business Ownership Act 1988, Title V.

²⁵⁰ Women's Business Ownership Act 1988, Title V.

²⁵⁵ Women's Business Ownership Act 1988, section 83.

²⁵⁶ Promoting Women in Entrepreneurship Act 2017, section 3.

²⁵⁷ Promoting Women in Entrepreneurship Act 2017, section 3.

²⁵⁸ Promoting Women in Entrepreneurship Act 2017, section 2.

Act & Jurisdiction	Purpose, Key features & Application	How it supports women-owned businesses
<p>Canadian Gender Budgeting Act Canada</p>	<p>Improved gender and diversity information and analysis contribute to improved, evidence-based decision-making.²⁵⁹</p> <ul style="list-style-type: none"> ▶ The Minister of Finance must table, after 30 days of the budget plan being tabled in Parliament, a report on the impacts in terms of gender and diversity of all new budget measures described in the plan.²⁶⁰ ▶ The Minister of Finance must make available to the public analysis of impacts in terms of gender and diversity of the tax expenditures.²⁶¹ ▶ The President of the Treasury Board must make available to the public analysis of impacts in terms of gender and diversity.²⁶² 	<p>Promotes the principle of gender equality and greater inclusiveness in society as part of the annual federal budget in support of Canada's long-term economic growth and prosperity.²⁶³</p> <p>Consider gender and diversity in taxation and resource allocation decisions.²⁶⁴</p> <p>Makes information available to the public on the impacts of Government decisions in terms of gender and diversity.²⁶⁵</p> <p>Strengthens the ongoing capacity of departments named in the Financial Administration Act to consider gender and diversity in the development of policy in a budgetary context.²⁶⁶</p>
<p>Infrastructure for Jobs and Prosperity Act Ontario, Canada</p>	<p>Establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that support job creation and training opportunities, economic growth and protection of the</p>	<p>Supports long-term infrastructure planning and investment in Ontario.²⁶⁹ The government will consider principles such as:</p>

²⁵⁹ Canadian Gender Budgeting Act 2018, section 3.

²⁶⁰ Canadian Gender Budgeting Act 2018, section 3.

²⁶¹ Canadian Gender Budgeting Act 2018, section 4.

²⁶² Canadian Gender Budgeting Act 2018, section 2(c).

²⁶³ Canadian Gender Budgeting Act 2018, section 2(a).

²⁶⁴ Canadian Gender Budgeting Act 2018, section 2(b).

²⁶⁵ Canadian Gender Budgeting Act 2018, section 2(c).

²⁶⁶ Canadian Gender Budgeting Act 2018, section 2(d).

²⁶⁹ Mowat Centre, Community Benefits and Social Procurement Policies: A Jurisdictional Review 2016.

Act & Jurisdiction	Purpose, Key features & Application	How it supports women-owned businesses
	<p>environment, and to incorporate design excellence into infrastructure planning.²⁶⁷</p> <p>The government, and every broader public sector entity must consider a specified list of infrastructure planning principles when making decisions respecting infrastructure.²⁶⁸</p>	<p>Community benefits, local job creation and training opportunities as it makes decisions and plans regarding infrastructure²⁷⁰</p> <p>A plan must be developed that outlines the number of apprentices that will be involved and how they will be supported - highlighting women, newcomers, at-risk youth, veterans and aboriginal people.²⁷¹</p>
<p>Denmark Act on Gender Equality Denmark</p>	<p>Promotes gender equality, including the equal integration, equal influence and gender equality in all functions in society on the basis of women's and men's equal status.</p> <p>The purpose of the Act is also to counteract direct and indirect discrimination on the ground of gender and to counteract sexual harassment.²⁷²</p> <ul style="list-style-type: none"> ▶ Prohibition against unequal treatment based on gender (gender discrimination)²⁷³ ▶ Public authorities shall, within their portfolio, work for gender equality and integrate gender equality in all planning and administration²⁷⁴ 	<p>The Gender Equality Act states that public authorities shall, within their respective areas of responsibility, seek to promote gender equality and incorporate gender equality in all planning and administration.²⁷⁸</p> <p>Boards, assemblies of representatives or similar collective management bodies within the universities must work towards achieving equal gender balance by requiring a balanced representation of both sexes on councils and committees.²⁷⁹</p>

²⁶⁷ Infrastructure for Jobs and Prosperity Act 2014, section 1.

²⁶⁸ Infrastructure for Jobs and Prosperity Act 2014, explanatory notes 1 & 3.

²⁷⁰ Mowat Centre, Community Benefits and Social Procurement Policies: A Jurisdictional Review 2016 p 8.

²⁷¹ Mowat Centre, Community Benefits and Social Procurement Policies: A Jurisdictional Review 2016 p 8.

²⁷² Denmark Act on Gender Equality, Part 1, section 1.

²⁷³ Denmark Act on Gender Equality, Part 2.

²⁷⁴ Denmark Act on Gender Equality, Part 5.

²⁷⁸ Denmark Act on Gender Equality, Part 3, section 4.

²⁷⁹ Denmark Act on Gender Equality, Part 3.

Act & Jurisdiction	Purpose, Key features & Application	How it supports women-owned businesses
	<ul style="list-style-type: none"> ▶ Public committees and similar bodies set up by a minister for the purpose of laying down rules for purposes of importance to the society should have an equal composition of women and men²⁷⁵ ▶ Establishing a National Centre for Research and Information on Gender Equality²⁷⁶ ▶ Establishing a Gender Equality Board²⁷⁷ 	<p>The Minister shall every three years before 1 November notify the Minister for Gender Equality of the composition of boards.²⁸⁰</p>

²⁷⁵ Denmark Act on Gender Equality, Part 4, section 8.

²⁷⁶ Denmark Act on Gender Equality, Part 5, section 14.

²⁷⁷ Denmark Act on Gender Equality, Part 6.

²⁸⁰ Denmark Act on Gender Equality, Part 4, section 13.

Appendix B

Disclaimer

Ernst & Young ("Consultant") was engaged on the instructions of Global Forwarding ("Client") to prepare a report detailing how certification could create a more inclusive marketplace for women-owned businesses, particularly in light of the gendered impacts of COVID-19 ("Project"), in accordance with the consulting services agreement dated 8 December 2020 ("the Engagement Agreement").

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