

Xero Boss Insights 2020

The role of business ownership in shaping modern Australia

A report by the Demographics Group, with commentary by Bernard Salt, for Xero



THE
DEMOGRAPHICS
GROUP

February 2020

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Foreword to Boss Insights 2020



Trent Innes

Managing Director, Xero Australia & Asia

◎ Your roadmap to being your own boss

Many of us have dared to imagine one day becoming our own boss. Starting a business has long been a great Australian dream and what better way to honour the enterprising Aussie spirit than by launching something that is your own.

I am proud to introduce what we believe is the most comprehensive demographic study of Australia's small businesses ever made. Our aim is to back the dreamers and the doers by giving them concrete information about where the opportunities are and where the challenges may lie in starting out on their own.

Of course, this dream isn't without its challenges. As we start a new decade our thoughts usually turn to renewal and optimism. Instead, many small businesses are facing unprecedented challenges caused by drought, flood, bushfire and now disease. While the data used in the report precedes the very latest of these events, it gives a valuable long-term view of how the small-business sector has adapted and grown over the years. It shows not only the central role that small business has played in shaping Australia's social and economic fabric, but it also reveals the grit and the reinvention that being your own boss has fostered and demanded.

Now, more than ever, the future of our country lies with small business. To maintain Australia's average rate of employment it's estimated the economy will need to create at least 5 million new jobs over the next 10 years. And those jobs won't all be coming from the big guys. Advances in technology have resulted in large businesses employing fewer, not more, people.

Conversely, these changes have seen smaller companies being given the resources they need to scale up. The democratising power of new technology has created a more even playing field for those wanting to start a business of their own.

Smarter technology and access to more information and advice is making it easier than ever to find the support you need. Now, thanks to the cloud, you can run a company anytime, from anywhere, and reach customers around the globe. In this time of unprecedented social, political, economic and digital change, the opportunities are all around us.

Whether you've already made the move or are still very much in the planning stages, Boss Insights 2020 is designed to help determine where the best opportunities might lie. It charts everything from high growth locations, to the industries that are succeeding, to the diversity of small

business owners. So, if you're yet to make the leap, consider this report as your roadmap to being your own boss. And if you're already out there doing what you love and are working hard to create something out of nothing, we're here to celebrate and to support you as you succeed.

We know that being in business today needs to be frictionless. Which is why Xero works to make life better for people in small business, for their advisors and for communities around the world. Whether young or old, rich or poor, female or male, new to life in Australia or long established here, everyone deserves the opportunity to be their own boss.

It's in this context that Xero presents Boss Insights 2020 as both a supportive tool and a helping hand. In mapping out the country's small business landscape, this report offers a sweeping view of the Australian character. It reveals a commitment to hard work and resilience as well as the ability to change with the times – and perhaps especially in the times of our greatest challenges.

Trent Innes

Managing Director
Xero Australia & Asia

Preface

Author's note



Bernard Salt
Managing Director, *The Demographics Group*

The idea of being your own boss very much appeals to Australians. Why work for someone else when you can work for yourself? This sits well with our heritage and our culture, both which arose after European colonisation and that of our indigenous people.

There are opportunities here that simply do not exist in other countries. Our modern nation was initially developed 200 years ago on the basis of agriculture and mining. It was founded on a solid bedrock of independently minded landowners (graziers and farmers), and of miners (diggers) seeking a heady mix of adventure and fortune.

And in this decade in particular, it's possible, if not likely, that a demographic confluence will lead to a surge in the formation of new – and initially small – businesses. Baby boomers born 1946–1963 will transition beyond their prime working years but are unlikely to go quietly into the long night of retirement. University-educated and skilled boomers will drive a trend of third-age business formation amongst the 60-something set.

In the early and active years of 'retirement', boomers will pivot out of traditional work structures and set up their own small businesses.

In this third act of life, it's time to do what they've always wanted to do, and to be their own boss along the way. Been a partner in a big law firm? Forget that, it's a chance to step away and create the business they've always wanted to create, perhaps move to Byron Bay and set up a Pilates studio.

And then at the other end of the spectrum, at the start of their working life, there are the millennials (or Generation Y) born 1982–1999, the children of the boomers. Many millennials postpone commitment to marriage, children, mortgage and a career throughout their 20s. They are the first generation in history to have few commitments in their 20s. And, without commitments, they have the freedom to take risks, indulge a passion, and create a startup or new business.

If ever there was a generation disposed to reject the concept and authority of the boss, it's the millennials. This is the generation that invented the terms like startup and side hustle (a business activity that runs alongside everyday life and work). The theory and the hope is that, over time, the side hustle delivers a better return on effort than does the nine-to-five job.

So, during the 2020s fast-growing resource-rich Australia, will naturally generate business opportunities for Generation Xers (born 1964–1981) as they seek to make their mark. But this driver for forming new businesses will be augmented by third-age boomers looking to follow their interests, and by rising-force millennials seeking to harness their passion, and forge for themselves not just prosperity but also the sense of purpose and achievement that comes from building their own business.

Entrepreneurship comes in all forms and sizes and from small to medium businesses right through to very big ones. But it's small business that speaks to the Australian heartland, that gives voice and hope to the Australian people, especially now, on the threshold of the 2020s. And so it is for this reason that the idea of being your own boss is the right idea, and the right narrative for the times and so it is for this reason that Xero Boss Insights 2020 is a landmark review.

Bernard Salt
Managing Director
The Demographics Group

About this report

Xero is developing a new resource called Xero Boss Insights that aims to provide information, advice and support to anyone who wants to, or has already, started their own business.

Xero commissioned The Demographics Group to assist with this project by researching, writing and promoting a report on broad themes concerning the future of Australia's workforce, and to identify opportunities for small business. This report is the output of this project, prepared for Xero by The Demographics Group.

The data is sourced from the Australian Bureau of Statistics (ABS), from the 2006 and 2016 Australian censuses, and from unpublished data collections of the ABS. The data, tables, mapping and insights illustrate and confirm the restless, relentless entrepreneurship of the Australian people.

DATA SOURCES

The report draws primarily on five datasets.

- 1. Australian Bureau of Statistics (ABS) Census 2006 and 2016.** This is the most detailed source of insights into the Australian population and the make-up of Australian business owners that we have access to.
- 2. ABS 6291 Detailed Labour Force Data, September 2019.** This is the most detailed regularly updated publication that allows us to learn about Australian business owners. The specific data sets used include EQ04 and EQ05 time-series data from February 1991 to August 2019.
- 3. ABS 6333 Characteristics of Employment August 2018.** This is one of the most one of the most popular sets of data the ABS publishes relating to top-level employment status insights. The specific data sets used include table 9 and table 10, FY2015 to FY2018.
- 4. ABS 8165 Counts of Australian Businesses.** This is a great annually updated data set that allows us to locate Australian businesses geographically and by industry. The specific data used was for FY2009, FY2015 and FY2018.
- 5. Custom data obtained from the ABS 8165 Counts of Australian Businesses.** The insights into survival rate by industry and geography aren't publicly available and were ordered from the ABS particularly for this publication. The specific data used spans FY2014 to FY2018.

Introduction

A culture of relentless entrepreneurship

Welcome to Xero Boss Insights 2020, which isn't so much a story about Australian entrepreneurship as it is a story about the heart and soul of middle Australia. As of this moment – early 2020 – around 2.3 million businesses are operating in Australia. That's the number of businesses with an ABN (Australian Business Number) which form the statistical basis for this report. Never before has this database been quite so deeply interrogated and analysed in order to see and to say something about the Australian character.

We are an entrepreneurial people – relentlessly so – but the nature of our enterprise is morphing. On the one hand it would seem that the family farm, an institution that tilled and shaped the landscape, is receding as indeed is the corner shop – the milk bar for example – which is also on the back foot. Both have been surpassed by new business models but also, one suspects, by generational transition. Baby boomers (1946–1963) have passed the time of peak business ownership and are looking for exit strategies.

1



2



- 1 Apparition Media
- 2 Like Butter

A farmer's offer to buy out a neighbour to achieve economies of scale in farming is welcomed and the deal is grabbed with both hands. The functionality of the milk bar has been swept up and relocated with the advent of convenience-based petrol stations. The old corner store has effectively migrated from the street corner to the highway where it has attached itself to a petrol station.

Women have been moving into business at an accelerating rate, especially over the last decade. Generation Xers (1964–1981) might dominate today's business landscape but it's millennials (1982–1999) who are set for entrepreneurial dominance by the late 2020s. In what seems like a paradox, the demise of the family farm is being offset by a resilience in new agricultural businesses. It's as if this sector is reinventing itself.

Australia's leading places for being your own boss include favourites like Flinders on the Mornington Peninsula and Bangalow inland from Byron Bay. They rise to the top because it is in these idyllic settings that Australia's

twin lifestyle obsessions, the beach and the bush (sea-change and tree-change), come together.

Curiously, in Kulin in the West Australian wheatbelt, there's an absence of people other than a concentration of croppers who, collectively, make up one of the most entrepreneurial areas on the Australian continent. If you want to find ground zero for being your own boss, get yourself to Kulin (population 369) where nearly everybody runs their own business.

Then we come to the fast-growing towns and the super suburbs where entrepreneurial opportunity abounds: places like Cobbitty on the edge of Sydney or The Vines on the edge of Perth.

In the outer suburbs of our capital cities where small trades businesses cluster (the tradie belt), builders, developers, tradies and other assorted can-doers create the houses, the shops and the other amenities that support the formation of new urban communities. These

growth centres compete with the likes of Kulin to be known, not so much as the hotspots of Australian entrepreneurship, but as the places that are leading the move to being your own boss.



And so, amid all the hammering, sawing, building and forging, the thousand utes of a thousand tradies come and go, and their businesses rise and fall. They see themselves

as free-wheeling freelancers and, for them, being their own boss isn't so much the end game, it's part of a longer journey that ultimately delivers lifestyle.

"Australian business owners want their business to be seamless, fluid, and to fit in with the way they want to live now and through the 2020s."

Australian entrepreneurship takes many forms. It prospers and fails. It twists and it turns. It can be a silent wheat farm, or it can be a

noisy new subdivision taking shape. But in each case, it's pursued to enable a modern Australian lifestyle. Australian business owners want their business to be seamless, fluid, and to fit in with the way they want to live now and through the 2020s.

In the report that follows, these stories and these themes are explored, and the aspirations and achievements of Australia's entrepreneurs are uncovered to show the many ways in which people can be their own boss.



The Long View

More businesses signal
a stronger Australia



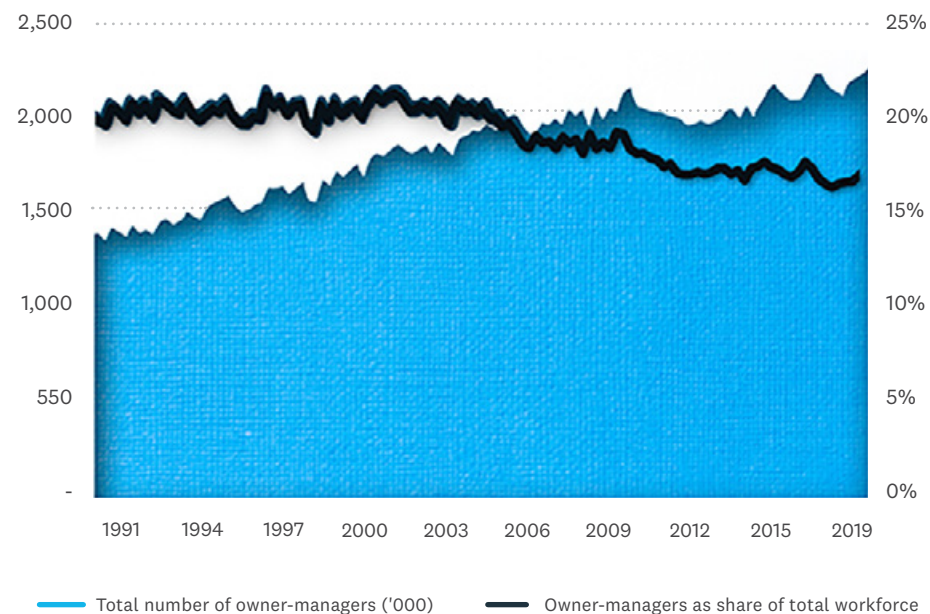
Fewer business owners but businesses are getting bigger

AUSTRALIA HAS MORE BUSINESS OWNERS THAN EVER, BUT THEY MAKE UP A SMALLER SHARE OF THE WORKFORCE. THIS MEANS THAT THERE ARE MORE EMPLOYEES PER BUSINESS WHICH MEANS THAT BUSINESS OWNERS NEED BETTER MANAGEMENT SYSTEMS AND SKILLS.

Exploring the last three decades of business ownership data in Australia shows important structural trends. The Australian Bureau of Statistics (ABS) collects information about 'owner managers' defined as people working in their own business, with or without employees, whether or not the business is of limited liability and regardless of revenue. The owner

of a small fruit shop and the owner of a billion-dollar corporate entity are both treated as single entities in this data series.

In August 2019 there were 2.2 million owner-managers in Australia up from 1.5 million in 1991. Over the previous 28 years the number of businesses increased by 700,000 or by a flat average of 25,000 per year. The



The rise and fall of business owner-managers in Australia, 1991-2019

Source: ABS 6291

long-term trend shows business numbers rising and falling, but in an upward trajectory.

The size of the Australian workforce also increased over this period from 7 million to 13 million workers. Business owner managers currently comprise one worker in six (2.2 million as a proportion of 13 million is 17 per cent or one-sixth). During

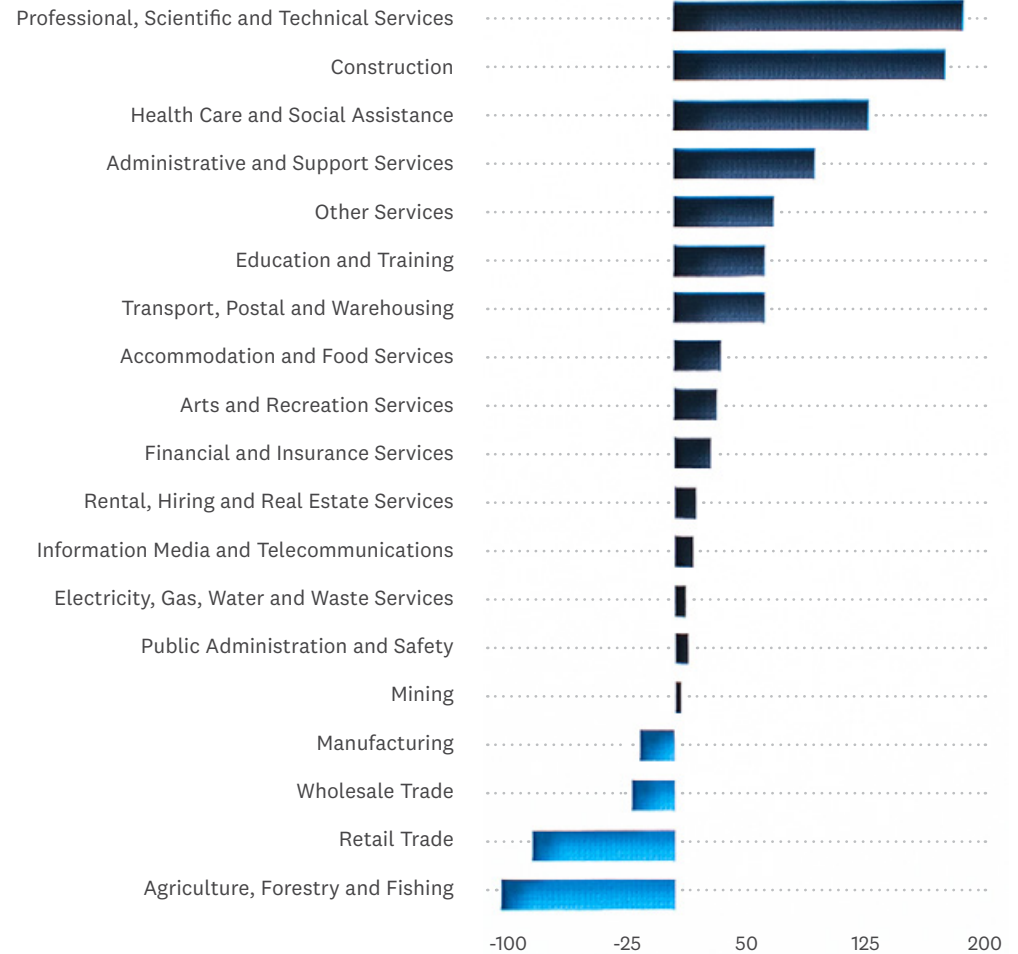
the 1990s, business owner-managers comprised one worker in five.

Businesses are getting bigger; there are more employees per business. So business owner managers need better systems and better management skills than ever before.

Big shift into professional services and out of farming

STARTING A BUSINESS IN A BOOMING SECTOR OF THE ECONOMY IS ARGUABLY EASIER THAN TRYING TO MAKE IT IN A SECTOR THAT'S CONTRACTING.

This chart tracks the rise and fall in business owner numbers by sector between 1991 and 2019. Over this period, the Australian economy added 700,000 net extra business owners and four-and-a-half-million extra workers. However this growth wasn't evenly spread across all 19 sectors of the economy.



Change in business owner numbers by industry (000's) in Australia, 1991-2019
Source: ABS 6291 EQ5



2



Most growth was focused in the knowledge and skills sectors of professional services, health and construction. Most loss was in the agriculture and retail sectors.

Over the course of a generation, the leading edge of small-business entrepreneurship has created opportunities for mostly city-based (or suburbs-based) lawyers, accountants and IT professionals.

At the same time, structural change in the economy, including the effects of globalisation, have resulted in the demise of the family farm and perhaps also of the local milk bar.

The number of manufacturing business owners, and therefore entities, has also come down over the course of 28 years. Globalisation brings benefits of cheaper goods and services, but it also changes the business landscape for small enterprises like corner stores and family farms.

3



4



- 1 Apparition Media
- 2 ShineWing Advisors & Accountants
- 3 Lashfix
- 4 Lune Croissanterie

The move from knowledge worker to smart business owner

THE BIGGEST INDUSTRIES AREN'T ALWAYS THE FASTEST GROWING INDUSTRIES.

This table shows the number of business owner-managers in each of the 19 sectors of the Australian economy as of August 2019. It also shows the percentage change in owner-managers over the preceding 28 years.

In absolute terms, the number of business owner-managers increased by 684,000 or 46 per cent over this period. However, business formation was faster in some sectors than in others.

For example, in the utilities sector (which includes waste disposal) there was a tenfold increase in businesses over 28 years. Similarly, the number of businesses operating in the education and training sector increased by 322 per cent over these years; while in health care and social assistance, the jump was 183 per cent.

In absolute terms, the most new business owners in Australia over the course of a generation (from 1991 to 2019) were in professional services (up 187,000), construction (up 171,000) and healthcare (up 126,000).

Business ownership decreased in 4 of the 19 sectors of the economy over this period. These losses comprised 86,000 fewer farmers and 67,000 fewer retail shop owners. In both cases, around one business owner in three was affected.

Note that retail sales and agricultural output have both increased since 1991. However the business model delivering these functions is now larger and more efficient. The remaining business owner-managers in these sectors manage bigger businesses, which requires greater levels of expertise and data management.

Owner-manager count by industry	2019 total	1991-2019 # new	1991-2019 % change
Electricity, Gas, Water and Waste Services	6,200	5,600	1088%
Education and Training	73,100	55,700	322%
Health Care and Social Assistance	171,600	126,200	277%
Professional, Scientific and Technical Services	288,400	186,600	183%
Administrative and Support Services	133,300	85,800	181%
Arts and Recreation Services	43,200	26,600	160%
Financial and Insurance Services	49,100	25,400	107%
Information Media and Telecommunications	34,700	14,600	73%
Public Administration and Safety	13,200	5,500	71%
Transport, Postal and Warehousing	137,600	55,700	68%
Construction	426,900	170,900	67%
Other Services	154,600	60,900	65%
Mining	3,600	1,400	63%
Rental, Hiring and Real Estate Services	53,000	18,800	55%
Accommodation and Food Services	102,000	29,600	41%
Manufacturing	95,600	-14,800	-13%
Wholesale Trade	59,800	-16,800	-22%
Agriculture, Forestry and Fishing	181,200	-86,000	-32%
Retail Trade	131,600	-67,000	-34%
Grand total	2,158,500	684,700	46%

Change in number of owner-managers by industry from 1991 to 2019
Source: ABS 6291 EQ5

Businesses form at a predictable rate

Greater capital city area	Businesses 2009	Businesses 2018	Net change 2009-18	Change 2009-18 %	People to business ratio 2009	People to business ratio 2018
Greater Sydney	447,000	544,000	97,000	22%	10	10
Greater Melbourne	378,000	478,000	100,000	26%	11	10
Greater Brisbane	181,000	206,000	24,000	13%	11	12
Greater Perth	162,000	182,000	20,000	12%	11	11
Greater Adelaide	104,000	113,000	9,000	8%	12	12
Australian Capital Territory	23,000	28,000	5,000	24%	15	15
Greater Hobart	15,000	16,000	1,000	10%	15	15
Greater Darwin	9,000	11,000	1,000	13%	13	14
Rest of Australia	730,714	735,650	5,000	1%	10	11
Australia	2,050,000	2,313,000	263,000	13%	11	11

Change in business count by capital city in Australia, 2009-2018
Source: ABS 8165

THERE IS A REMARKABLE CONSISTENCY IN THE RATE OF BUSINESS FORMATION ACROSS METROPOLITAN AND REGIONAL AUSTRALIA. WE ARE ENTERPRISING PEOPLE.

This table tracks the number of businesses operating in each capital city in 2009 and 2018. Over this decade the number of business entities increased by 263,000 or 13 per cent. There's a new business entity for every 11 Australian residents; and this ratio hasn't changed significantly in a decade.

Over these years, Melbourne added 100,000 extra businesses as compared with 97,000 for Sydney. Brisbane added 24,000, Perth added 20,000, and Adelaide 9,000.

And yet despite all this entrepreneurial energy, the ratio between population and business entities remains more or less the same in all capital cities.

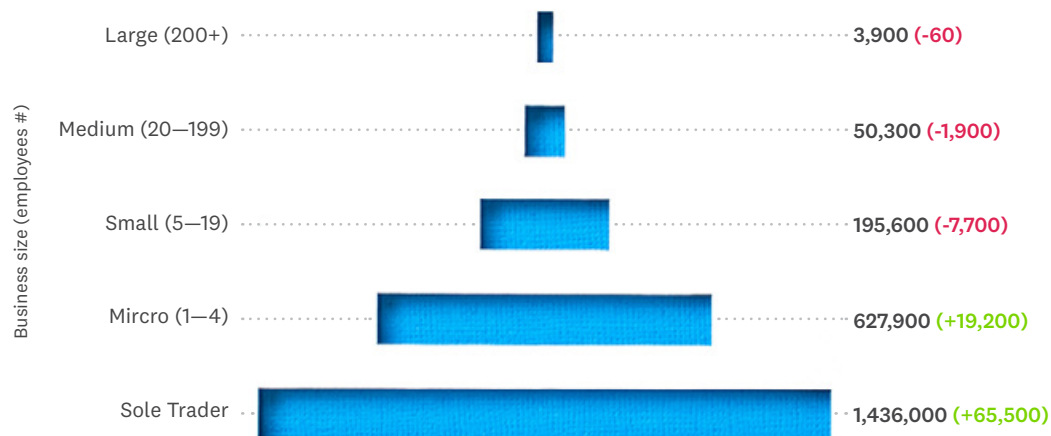
This suggests that many of the additional businesses created in Australia over the last decade (and probably before too) are connected to population growth.

The Australian way of life and population increases naturally create opportunities for business on a pro-rata basis. New business opportunities crystallise around growth hotspots.

The broad base of the business pyramid is expanding

THE AUSTRALIAN BUSINESS PYRAMID IS BIG, BROAD AND EXPANDING AT THE BASE.

This diagram illustrates the large proportion of Australian businesses made up of sole traders compared to those with larger numbers of employees. The base of the business pyramid comprises 1.4 million sole traders and that number is growing by 65,000 per year.



Then come 627,000 micro businesses comprised of the business owner and between one and four employees. This sector is expanding by 19,000 business entities every year.

Next comes the core of the small business sector, namely those businesses that have an owner plus between 5 and 19 employees. There are 195,000 of these small businesses in Australia. This segment is currently contracting from one year to the next.

Medium-size businesses employ between 20 and 199 employees. There are 50,000 such entities in Australia and this segment too is contracting from year to year.

There are fewer than 4,000 big businesses in Australia that employ at least 200 workers each. This segment is also contracting.

While it is possible that existing businesses are expanding and employing more workers, the overall trend shows that entrepreneurial energy in Australia really does spring from the ground up. A strong sole-trader and micro-business economy drives employment growth and prosperity in middle Australia.

Australia's current business make-up: number of businesses by employment size in FY2018, and change FY2017-2018

Source: ABS 8165



Business Benchmarks

Benchmarking the business owner story

AUSTRALIAN 30-SOMETHINGS ARE LESS ENTREPRENEURIAL NOW THAN THEY USED TO BE. MOBILISING THESE FOLK COULD CREATE OVER 50,000 NEW BUSINESS OWNERS.

This chart shows the percentage of all workers who are business owner-managers by year of age at the 2006 and 2016 censuses.

The peak age for business ownership is 45. This was the case in 2006 and it was still the case in 2016. Around 46,000 45-year olds are their own boss. And the reason is simple. It takes some years to acquire the skills and the contacts to start a business. And there needs to be sufficient time left in a career to make the risk worthwhile. Hence, the optimum age to be your own boss in the life cycle is 45.

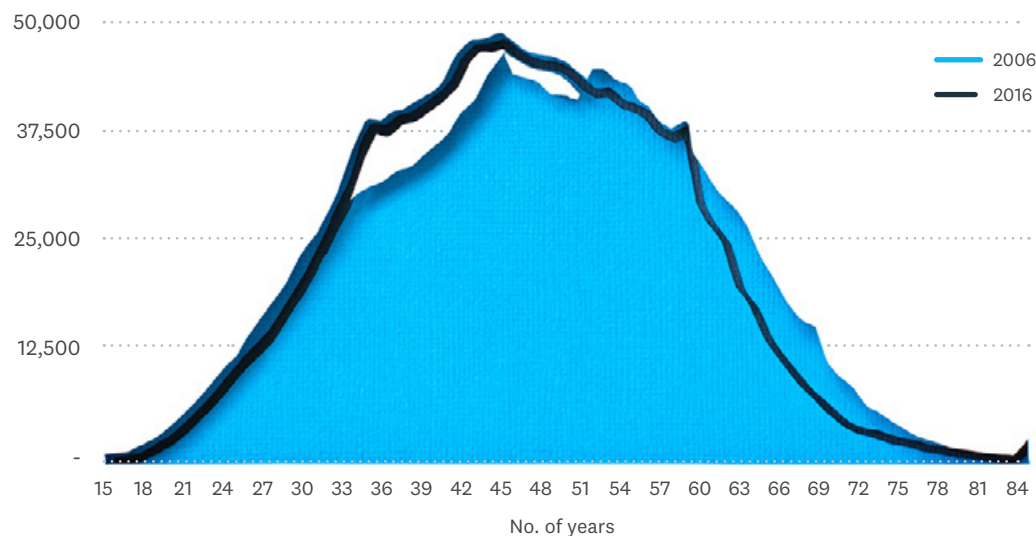
But there is a second business ownership peak that applies in the mid 50s (52 to 53); there are 43,000 owner-managers at each of these ages.

The entrepreneurial drop-off after 45 may reflect a need for security as children become teenagers in the family home. But by the mid 50s, the household's circumstances have changed. Kids are leaving home. Maybe the mortgage has been paid off. There's scope to follow a dream and to build a business.

The most common business owner in Australia straddles the mid-life years with peaks at 45 and again at 52 to 53, creating the idea of the 'midlifepreneur'. Yes, tech-sector businesses might be being forged by millennials, but midlifepreneurs are running the biggest segments of Australian businesses.

Although what this chart really shows is that entrepreneurship, the desire to be your own boss, extends across the life cycle from the teenage years through to the 80s.

The risk-reward equation determines the right age to be your own boss



Number of business owner-managers by age in Australia Source: ABS Census 2006 and 2016

CASE STUDY

The bold type

After leaving a corporate role, Jane Simpson discovered that brows are big business



Leaving a solid corporate career to retrain as a cosmetic eyebrow tattooist may seem like an unlikely career change to make later in life, but the runaway success of her enterprise, Jane Simpson Brows, proves that midlifepreneurs have the wisdom, experience and confidence to make bold business moves.

Jane Simpson's eureka moment came in the car. After spending 20 years carving out a career in the corporate world, she wanted to run her own business. Coming up with a business concept proved elusive until an unlikely idea hit her like a lightning bolt, putting her life on a completely new trajectory.

"One night, I was driving home from the airport and the idea to set up a business doing cosmetic eyebrow tattooing popped into my head out of nowhere," explains Jane, who spent a few months



researching, training and attaining government accreditation before setting up Jane Simpson Brows.

Leaving behind a safe, salaried role is a risk when you've already invested decades establishing a career, but the grandmother from Sydney believes that setting up a business when you're older is a wise choice, as you're less likely to be financially constrained or dealing with the demands of having children at home.

"In the beginning, I was excited because it felt terrific to be in control of my own destiny. I'd always wanted to be my own boss. I'm not really good with people telling me what to do, and in the corporate environment that happens all the time," says Jane.

Despite feeling elated, Jane also had the same fears that plague many small business owners.

“The first year is terrifying because no one knows who you are. You know you’ve got a good idea but you’ve got to get your name out there. Client recommendations take a while to build up,” explains Jane.

“I have my image on my website for a good reason: my brand is me. My clients say they came to me because of my age. It’s actually my biggest asset.”



Word-of-mouth proved to be a powerful tool for Jane, who has attracted a strong customer base of older women, mostly from referrals.

“I made a conscious decision to target older women because many women lose their eyebrows during menopause. Also, about 40 per cent of my client base have undergone chemotherapy,” says Jane.



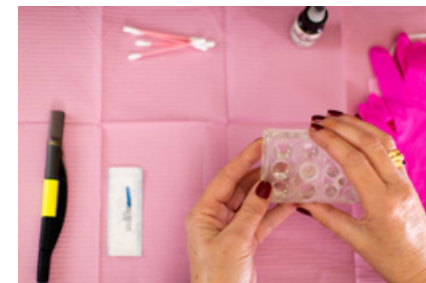
Instead of viewing her age as a limiting factor, Jane believes it gives her a distinct advantage in business.

“I have my image on my website for a good reason: my brand is me. My clients say they came to me because of my age. It’s actually my biggest asset,” says Jane, who elaborates that her life experience

also gives her the confidence to make bold business moves, such as investing in a new, private space after at first renting rooms in shared studios to keep overheads low.

She also counts winning the Small Business of the Year award at the 2019 Xero Awards as a hugely empowering milestone that validated her choice to leave a successful, well-paid job to set up a new business in an industry she’d never worked in.

“It’s the best decision I ever made. Right now, I can make more in one day that I did in a week in my corporate job. I absolutely love running this business. My life is so good, I can’t even put it into words.”



Migrants from the Mediterranean are our most entrepreneurial

NOBODY IN AUSTRALIA IS MORE LIKELY TO RUN THEIR OWN BUSINESS THAN MIGRANTS FROM THE MEDITERRANEAN.

On average, migrants are no more entrepreneurial than Australian-born residents. Of all migrant workers, 14.9 per cent are their own boss. That's only slightly higher than the same proportion for the Australian-born workforce (14.3 per cent).



The Mediterranean countries

That said, there are people of some nations that appear to be particularly driven to start their own businesses.

This table presents the 15 nationalities in Australia that have the highest percentage of business owners, according to the census.

The leaders in this ranking are the Lebanese. More than one in three Lebanese workers in Australia operate their own business. That makes the Lebanese more than twice as entrepreneurial as Australians.

Seven of the eight most entrepreneurial migrant nations come from a specific region in the Mediterranean.

Rank	Country of birth	Business owners	Total workforce	Share of business owners
1	Lebanon	10,700	29,900	36%
2	Israel	10,700	5,600	32%
3	Gaza Strip & West Bank	200	800	30%
4	Syria	1,200	3,900	30%
5	Cyprus	1,800	6,200	29%
6	Somalia	800	2,900	29%
7	Greece	5,800	21,200	27%
8	Turkey	3,600	13,600	27%
9	Eastern Europe	400	1,600	26%
10	Hungary	1,700	6,500	26%
11	Albania	400	1,400	25%
12	Italy	12,500	50,300	25%
13	Austria	1,300	5,100	25%
14	Iraq	4,400	18,200	24%
15	Jordan	600	2,400	24%
Australian-born workers		735,650	7,242,800	14%
Foreign-born workers		2,313,000	3,336,300	15%
All workers		1,531,200	10,579,100	15%

Proportion of business owners in the workforce by country of birth

Source: ABS Census 2016

CASE STUDY

Brew boss

A long history of entrepreneurship helped Mazen Hajjar steer Hawkers Beer to success



Migrating from Lebanon to Australia to open a craft brewery might seem like a big risk, but like many other migrants from his corner of the world, business ownership is in this serial entrepreneur's blood.

In his own words, Mazen Hajjar isn't afraid of "having a crack". Before he started Hawkers Beer, the entrepreneur from Lebanon completed a master's degree in politics, worked as a war photographer in Sarajevo, completed a nine-year stint in investment banking in Beirut, and helped launch the first low-cost airline in the Middle East.

Despite these achievements, Mazen isn't the type to rest on his accomplishments.

"I woke up one day, looked out my window and thought, 'There must be more to life than this.' So I spoke to my business partner and started the first craft brewery in the Middle East," Mazen remembers.

Even though he'd never stepped foot inside a brewery before, he opened 961 Beer in 2006, driven to bring more flavoursome beers to consumers who had limited choice. This was also despite the fact that at the same time Lebanon was caught up in a war raging between Israel and Hezbollah. "I see things in the market that bug me. If I see an opportunity, I go for it. At the time, a typical Lebanese supermarket would stock four beers – all cheap, mass-produced lagers," explains Mazen.

Soon, he was exporting to 26 different countries, including Australia. Visiting Australia opened his eyes to the potential offered by a country he describes as "a land of opportunity". Opening a brewery there, in Melbourne, became his new obsession.

He remembers the difficulties that came in the early days. Building a business in a new country where he knew almost no one was difficult, but going through a divorce at the same time compounded the challenges.

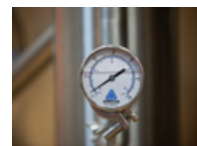


"It was tough, but I figured it out. We started in 2015 with a capacity of 600,000 litres a year. Now, within four years, we're doing three million litres and employ 50 people," says Mazen.





“Australia is such a vibrant, multicultural place. You can do anything here and make a success of it. There’s a misconception that immigrants come here to use the system, but most immigrants leave their country to start something fresh and find opportunities that improve their lives.”



The founder and CEO believes that business comes naturally to Lebanese people. With Mediterranean migrants from Lebanon being twice as likely to be their own boss as the average Australian, and people from Lebanon making up the highest percentage of business owners, he’s on to something.

“We’ve been traders since 6000 BC. Lebanon is a small country with limited resources, so it’s a tough, competitive environment. You have to work hard and know what you’re doing to survive,” explains the new Australian citizen who has great fondness for his adopted home.

“Australia is such a vibrant, multicultural place. You can do anything here and make a success of it. There’s a misconception that immigrants come here to use the system, but most immigrants leave their country to start something fresh and find opportunities that improve their lives.”

With such an impressive track record of business ownership, you’d be forgiven for thinking that Mazen’s stumbled upon a secret formula for business success. Think again.

“I just put my head down and get it done. Fear of failure holds people back. I don’t give a damn if I fail, as long as I give it a shot,” he says, before adding, “It’s not that complicated. It’s just water, malt, barley and hops.”

Business ownership follows Australians through the life cycle

AUSTRALIANS SEEM TO CREATE BUSINESSES TO FIT IN WITH THEIR STAGE AND TIME IN THE LIFE CYCLE. THIS TABLE SHOWS THE TOP 10 LOCATIONS ACROSS AUSTRALIA FOR MID 40S AND MID 50S ENTREPRENEURS.

Across Australia, some 14 per cent of business owners are aged 43 to 47 and a further 13 per cent are aged 53 to 57. These are the twin peaks of entrepreneurial activity.

2



3



1



- 1 Third Drawer Down
- 2 Lashfix
- 3 Starward Distillery

Rank	Suburb	GCCSA	State	Total business owners 2016	Per cent business owners in mid 40s
1	Gowanbrae	Greater Melbourne	VIC	170	28%
2	Forde	Australian Capital Territory	ACT	242	27%
3	Logan CentralBank	Greater Brisbane	QLD	103	26%
4	O'Malley	Australian Capital Territory	ACT	119	24%
5	Wanguri	Greater Darwin	NT	116	24%
6	Cecil Hills	Greater Sydney	NSW	574	23%
7	Aspendale Gardens - Waterways	Greater Melbourne	VIC	661	23%
8	Virginia	Greater Darwin	NT	265	23%
9	Amaroo	Australian Capital Territory	ACT	230	23%
10	Mindarie - Quinns Rocks - Jindalee	Greater Perth	WA	1599	22%
Australia				1,513,000	14%
Rank	Suburb	GCCSA	State	Total business owners 2016	Per cent business owners in mid 50s
1	Aranda	Australian Capital Territory	ACT	104	32%
2	Burnie - Wivenhoe	Rest of Tasmania	TAS	124	28%
3	Castle Hill - East	Greater Sydney	NSW	329	25%
4	Derwent Valley	Rest of Tasmania	TAS	124	25%
5	Coconut Grove	Greater Darwin	NT	128	24%
6	Bundaberg North - Gooburru	Rest of Queensland	QLD	301	24%
7	Torrens	Australian Capital Territory	ACT	110	24%
8	Toodyay	Rest of Western Australia	WA	339	23%
9	Carpentaria	Rest of Queensland	QLD	118	23%
10	Boulder	Rest of Western Australia	WA	176	23%
Australia				1,513,000	13%

These two age groups show very different snapshots of where peak entrepreneurs are in life and in the life cycle. Mid-40s entrepreneurs comprise 28 per cent of all business owners in Melbourne's Gowanbrae (near Airport West) and 27 per cent in Canberra's Forde (in Belconnen). Both suburbs are typical middle suburbia.

The mid-50s entrepreneur on the other hand is more dispersed and disposed to favour life-style locations. This cohort comprises 28 per cent of bosses in Tassie's Burnie. Later in life, Aussies create a business where they want to live whereas earlier in life, they create a business nearer to the source of work.

Proportion of business owners in their mid 40s (43-47) and mid 50s (53-57) in SA2 regions with greater than 100 business owners

Source: ABS Census 2016

Horsley Park and other spots where 40s and 50s bosses cluster

THESE TABLES SHOW THE PLACES WHERE THE PROPORTION OF BOSSES IN THEIR MID-40S (TABLE ON THIS PAGE) PEAKS AND THE SAME FOR MID-50S BOSSES (TABLE ON NEXT PAGE).

In Sydney's outer western suburb of Horsley Park, some 48 per cent of mid-40s workers are business owner-managers. Or, in other words, 40-somethings in Horsley Park are more likely to aspire to be a boss than the same cohort anywhere else in Australia.

But it isn't just the mid 40s for whom Horsley Park works its entrepreneurial magic. Some 50 per cent of workers in the mid-50s age group in Horsley Park are also bosses.

By the time successful business owners get to their 50s they tend to also cluster into places like Melbourne's Flinders and Toorak, and Sydney's Vaucluse and Double Bay.

Top 10 SA2s with the highest proportion of the mid-40s (43-47) workforce who are business owners, (excluding suburbs with workforces with fewer than 100 people in that age group). Source: ABS Census 2016

Rank	Suburb	GCCSA	State	Total mid-40s workforce, 2016	% of mid 40s who are business owners
1	Horsley Park - Kemps Creek	Greater Sydney	NSW	231	48%
2	Noosa Heads	Rest of Queensland	QLD	230	46%
3	Bangalow	Rest of New South Wales	NSW	389	44%
4	Esperance Region	Rest of Western Australia	WA	185	42%
5	Bundall	Rest of Queensland	QLD	298	42%
6	Karoonda - Lameroo	Rest of South Australia	SA	125	40%
7	Avalon - Palm Beach	Greater Sydney	NSW	760	40%
8	City Beach	Greater Perth	WA	409	39%
9	Rose Bay / Vaucluse / Watsons Bay	Greater Sydney	NSW	673	39%
10	Flinders	Greater Melbourne	VIC	286	39%
Australia				1,220,475	18%

Rank	Suburb	GCCSA	State	Total mid-50s workforce, 2016	% of mid 50s who are business owners
1	Horsley Park - Kemps Creek	Greater Sydney	NSW	203	50%
2	Flinders	Greater Melbourne	VIC	358	47%
3	Rose Bay / Vaucluse / Watsons Bay	Greater Sydney	NSW	570	47%
4	Robertson	Greater Brisbane	QLD	146	46%
5	Kulin	Rest of Western Australia	WA	286	45%
6	Naracoorte Region	Rest of South Australia	SA	185	43%
7	Toorak	Greater Melbourne	VIC	566	43%
8	Double Bay - Bellevue Hill	Greater Sydney	NSW	1003	41%
9	Noosa Heads	Rest of Queensland	QLD	231	41%
10	Bundall	Rest of Queensland	QLD	217	41%
Australia				1,042,360	19%

Top 10 SA2s with the highest proportion of the mid 40s (43–47) and mid 50s (53– 57) workforce who are business owners (excluding suburbs with workforces with fewer than 100 people in the age group.)

Source: ABS Census 2016

Female Founders

Gender shift in the business of business



Women on the rise and driving business growth

TWO-THIRDS OF THE NEW BUSINESSES CREATED IN AUSTRALIA IN THE LAST DECADE WERE HEADED BY WOMEN.

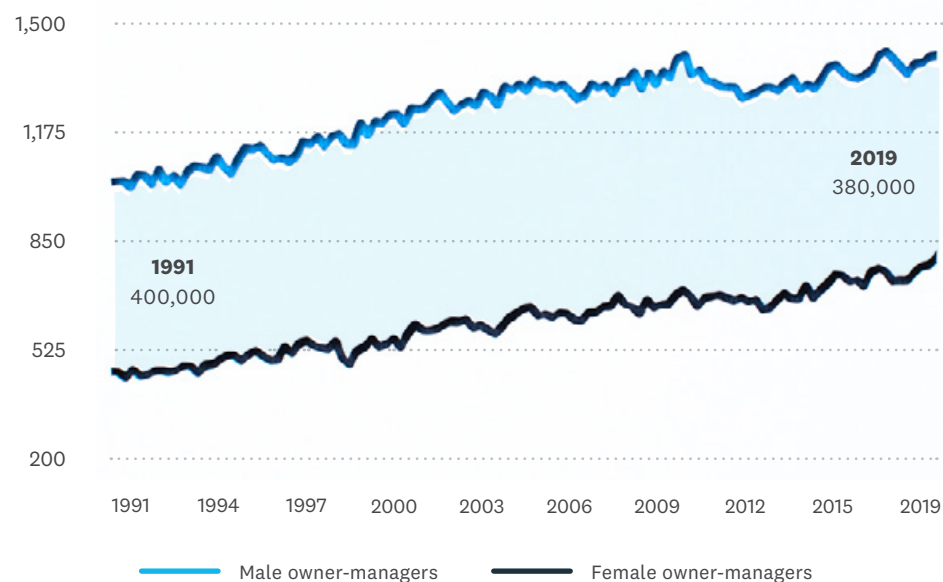
This chart tracks the number of male and female business owner-managers between 1991 and 2019. Men still outnumber women in business ownership, but the number of businesses owned by women is increasing at a faster rate.

In 2019, there were 1.4 million male and 800,000 female business owners. Male business numbers are up from 1 million in 1991 which is an increase of 40 per cent. However female business numbers are up from 420,000 in 1991 which is an increase of 80 per cent.

This growth of female-owned businesses is gathering momentum.

In the decade to 2019, Australia added 57,000 new male-owned businesses. The same decade delivered twice as many new female-owned businesses (114,000). This also means that, of the 171,000 extra businesses added over the last decade, two-thirds were headed by women.

So it's fair to conclude that the last decade of business growth in Australia has been led by women.



Business owner-managers (in '000) by gender 1991-2019

Source: ABS 6291, September 2019

Women closing the gap but there's a long way to go

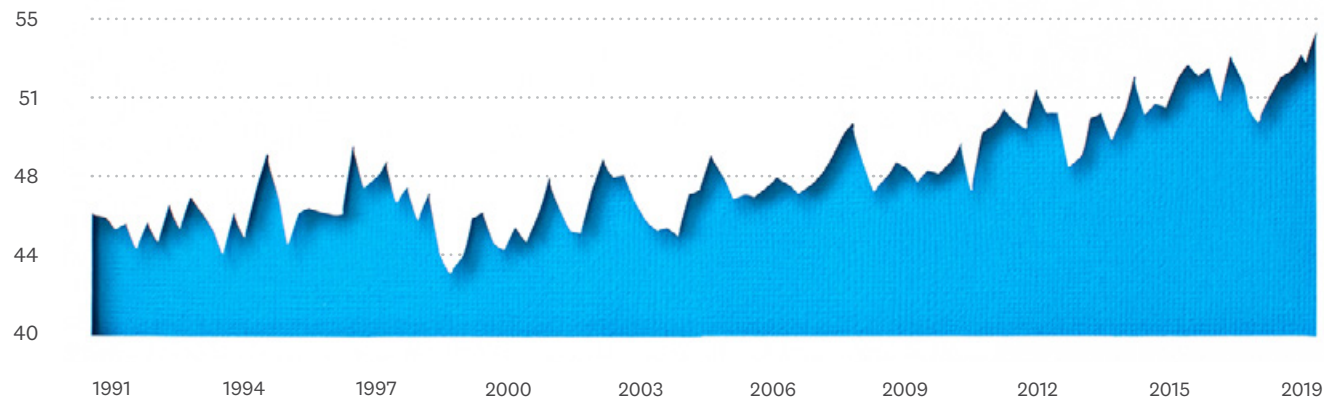
THE RISE OF FEMALE BUSINESS OWNERS SUGGESTS THAT THIS TREND WILL CONTINUE INTO THE COMING DECADE.

This chart shows the number of businesses owned and operated by females per 100 businesses owned and operated by males between 1991 and 2019.

At the beginning of this period, in 1991, there were 46 female-owned and operated businesses per 100 male-owned and operated businesses. Men outnumbered women two to one in business ownership and operation a generation ago.

However, by 2019 the gap had narrowed to the extent that there are now 55 female-led businesses for every 100 male-led businesses.

The pace with which the business ownership gap is being closed (from 46 to 55 per 100 over 28 years) is likely to quicken during the 2020s as a greater number of young tertiary-educated women develop their careers and approach the peak age for being their own boss of 45.



Number of female business owners per 100 male business owners 1991-2019 Source: ABS 6291, September 2019

Women bosses look set to dominate in remote and regional Australia

WOMEN ACCOUNT FOR ONE-THIRD OF BUSINESS OWNER-MANAGERS IN AUSTRALIA, ACCORDING TO THE MOST RECENT CENSUS.

This table lists the top 25 localities ranked by the proportion of businesses owned and managed by women.

What emerges from this analysis is a fascinating insight into the nature of entrepreneurship in remote and regional Australia. In the indigenous and mining community of Weipa on the Gulf of Carpentaria, women make up 51 per cent of the community's

111 business owners. Weipa women are Australia's most entrepreneurial women.

And the reason is simple enough. Most jobs in mining communities are filled by men, which means the women are freer to dominate local businesses. This principle applies in Weipa, which is a centre for bauxite mining, and also in Moranbah in the Bowen Basin (coal) and Ashburton in the Pilbara (iron ore).

Other interesting female-entrepreneur dominant communities include Port Douglas, Magnetic Island, Karratha and Mount Isa.

Rank	Suburb	State	All business owners 2016	Proportion of female business owners 2016	Change in proportion of female business owners 2011-2016
1	Weipa	QLD	111	51%	8%
2	Moranbah	QLD	218	51%	2%
3	Ashburton (WA)	WA	177	49%	19%
4	Kin Kora - Sun Valley	QLD	119	49%	8%
5	Telina - Toolooa	QLD	215	48%	5%
6	Boyne Island - Tannum Sands	QLD	425	48%	6%
7	South Hedland	WA	191	47%	14%
8	Port Douglas	QLD	649	46%	3%
9	Mundingburra	QLD	184	45%	7%
10	West Gladstone	QLD	133	44%	4%
11	Clinton - New Auckland	QLD	406	44%	1%
12	Shoal Point - Bucasia	QLD	239	44%	7%
13	Cook	ACT	105	44%	10%
14	Biloela	QLD	187	43%	4%
15	Muswellbrook	NSW	349	43%	4%
16	Magnetic Island	QLD	250	43%	4%
17	Hughes	ACT	131	43%	0%
18	Karratha	WA	517	43%	6%
19	Parap	NT	160	43%	9%
20	Mount Isa	QLD	518	42%	3%
21	Slade Point	QLD	158	42%	8%
22	East Mackay	QLD	199	42%	4%
23	West Mackay	QLD	282	42%	6%
24	Gladstone	QLD	247	42%	3%
25	Dalrymple	QLD	336	42%	6%
Australia				1,531,000	33%

Highest proportion of female business owner-managers by suburb/locality

Source: ABS Census 2011 and 2016

CASE STUDY

Step by step

How Melissa Westcott built a specialist shoe business in a regional mining town



Running a retail business in a Queensland mining community might be a challenge, but for Melissa Westcott and a growing number of other women, small business ownership offers them the chance to carve out a rewarding living, along with flexibility for raising their children.



Melissa remembers shoe shopping being impossible when she was young. As a 12-year-old with size 12 feet, the lack of stylish shoes (or any women's shoes) available in her size was a sore point.

Decades later, Melissa now helps women with plus-size feet find beautiful footwear. Her retail business Big On Shoes operates from two locations in the Queensland towns of Moranbah and Mackay, with Melissa being one of many female business owners in the area.

Starting in 2009, her business was initially an online store that she ran from home while holding down a full-time job in the education sector.

"I was checking emails on lunch breaks, working nights and weekends. I was very sleep deprived," reflects Melissa, who leased a shopfront in Moranbah in 2014 after the business outgrew her family home, then opened a second store in Mackay three years later.

Melissa describes the retail scene in regional Queensland as "volatile". To mitigate the ups and downs, she looks to fill gaps in the market. She's even added a florist and women's fashion store to generate alternative revenue streams.



Business ownership comes naturally to Melissa who grew up with self-employed parents. The time she spent in her mother's dressmaking business was especially formative.

"Our lives revolved around Mum's shop. Now that I have my own business it feels right to have my kids in my shop with me. It's very much a family business. My sister Katie runs the Mackay store and my mother works in the business too," says Melissa.

Describing herself as a “people person”, Melissa finds that the business allows her to connect with the community on a deep level.

“I love having the power to make decisions that change what my future looks like. It’s empowering”

“There’s a reason it’s called ‘retail therapy’. My customers are buying shoes for weddings, christenings and funerals. In a small town, you go through those life stages with people and I love being a part of that,” Melissa says.



Big On Shoes also ships all over Australia and to a growing international customer base, which Melissa attributes to the power of Facebook and Instagram.

As in many other rural towns, a lot of business owners in Moranbah are women. Melissa contends that they need flexible employment options when they’re raising a family, as with partners on shiftwork and limited childcare options it’s hard for mothers to find suitable traditional jobs.



“We need flexibility to be there for our kids. We also want to contribute to the town. Shopping local is essential. If the community doesn’t shop locally, they’ll lose their small businesses and the liveability of the town will be lost,” Melissa contends.



“I love having the power to make decisions that change what my future looks like. It’s empowering,” says Melissa, before adding “The thought of going back to a normal job scares me. I love running my own business too much!”

Industry	Total business owners 2016 #	Female business owners 2016 %
Health Care and Social Assistance	96,000	59%
Education and Training	113,000	58%
Administrative and Support Services	192,000	47%
Other Services	118,000	46%
Retail Trade	31,000	44%
Accommodation and Food Services	50,000	43%
Arts and Recreation Services	92,000	43%
Professional, Scientific and Technical Services	102,000	36%
Rental, Hiring and Real Estate Services	70,000	36%
Agriculture, Forestry and Fishing	37,000	28%
Wholesale Trade	36,000	28%
Manufacturing	36,000	26%
Financial and Insurance Services	5,000	26%
Information Media and Telecommunications	72,000	26%
Public Administration and Safety	72,000	25%
Electricity, Gas, Water and Waste Services	293,000	18%
Mining	13,000	16%
Transport, Postal and Warehousing	30,000	15%
Construction	30,000	9%
Australia	1,531,000	33%

Proportion of female owners in different industries in 2016
Source: ABS Census, 2016

Women gravitate to health, education and admin

THIS TABLE SHOWS THAT, AT THE 2016 CENSUS, WOMEN HEADED 33 PER CENT OF BUSINESSES IN AUSTRALIA. BUT THERE ARE SOME SECTORS WHERE WOMEN DOMINATE AND OTHER SECTORS WHERE MEN DOMINATE.

Women head 59 per cent of businesses in health care, and 58 per cent of businesses in education and training, according to the census. This is followed by admin services (47 per cent), retail (44 per cent), arts and recreation (43 per cent) and accommodation and food (also 43 per cent).

Men are most likely to own and operate a business in construction (91 per cent), in transport (85 per cent) and mining (84 per cent).

Women lead men in just two sectors out of 19 that comprise the Australian workforce in terms of ownership: health and education.

These two sectors, health and education, have been amongst the fastest growing parts of the Australian economy thus far this century. Further growth in knowledge worker industries will create further opportunities for women to found, own and operate businesses in the 2020s.

The great challenge for women is to expand into business ownership in the construction sector which is also fast growing and substantial in scale, but which remains heavily male dominated.



Generation Business

Generational shifts shaping the
business landscape



The generations of business

It's the Xers' time to shine

Generations by year of birth		Generational age bracket		Number of business owners		Business owners by generation	
	Birth year	2006	2016	2006	2016	2006	2016
Gen Z	2000-17	<6	<16	-	1,000	0%	0%
Gen Y / Millennials	1982-99	7-24	17-34	39,000	254,000	3%	17%
Gen X	1964-81	25-42	35-52	530,000	705,000	36%	46%
Baby boomers	1946-63	43-60	53-70	747,000	521,000	50%	34%
Pre-boomers	<1945	61+	71+	177,000	50,000	12%	3%
Total				1,493,000	1,531,000	100%	100%

Business owner-managers by generation Source: ABS Census 2006 and 2016

AS A GENERATION MOVES THROUGH THE LIFE CYCLE THERE COMES A POINT WHEN THEY REACH PEAK ENTREPRENEURIAL AGE (AROUND 45). EVERY GENERATION EVENTUALLY GETS THEIR TIME IN THE BUSINESS SPOTLIGHT.

More than a decade ago, in 2006, precisely half of all Australian businesses were run by baby boomers, according to census results. Business culture at this time was shaped by the hard-working and deeply hierarchical values of boomer bosses.

A decade later, in 2016, almost half of all businesses were run by Gen Xers, according to the census. As business owners, Gen Xers are more focused on

work-life balance and gender-equality issues than were the boomers.

Over the coming decade, Gen X will slowly move away from the peak business owner years as Gen Y (aka the millennials) enter their 40s.

Millennial business owners may well focus on issues like climate change, corporate social responsibility, and purpose issues such as ethical supply chains in making business decisions.

To some extent this evolution in business management thinking, all the way from command and control to work-life balance to promoting social justice values, is a result of societal shifts but also of generational change.

The millennial generation will dominate both the small (and large) business landscape towards the end of the 2020s and into the 2030s.

The geography of the generations

Do their preferences diverge?

THIS TABLE IDENTIFIES THE TOP FIVE SUBURBS IN WHICH EACH GENERATION DOMINATED BUSINESS OWNERSHIP AT THE TIME OF THE 2016 CENSUS.

At the time of the 2016 census, Generation X headed 46 per cent of businesses. But in the Canberra suburb of Forde on the northern edge of Belconnen, this proportion jumped to 76 per cent. Gen X entrepreneurs love Forde!

Baby boomers on the other hand comprised just 34 per cent of all business owners at the time of the last census. But in northern Tasmania and on Flinders Island in Bass Strait, baby boomers accounted for more than 70 per cent of all businesses. Boomers bloom as bosses in beautiful lifestyle locales.

And then we come to Gen Y otherwise known as the millennials. This group accounted for just 16 per cent of all business ownership in 2016. But in hip Fortitude Valley, adjacent to the Brisbane CBD, this proportion jumps to 46 per cent.

Each generation has their own preferred space when it comes to locating their business.

Generation	Suburb	State	Total business owners	Proportion
Gen Y	1. Fortitude Valley	QLD	370	46%
	2. Wollert	VIC	420	46%
	3. Casey	VIC	250	46%
	4. Warwick Farm	NSW	150	44%
	5. Alkimos - Eglinton	WA	360	43%
Gen Y : Total Australia			1,513,000	16%
Gen X	1. Forde	ACT	240	76%
	2. Grange	QLD	330	70%
	3. Palmerston - North	NT	130	68%
	4. Gowanbrae	VIC	170	67%
	5. Taylors Hill	VIC	1,090	66%
Gen X : Total Australia			1,513,000	46%
Baby boomers	1. Flinders & Cape Barren Islands	TAS	240	76%
	2. Beauty Point - Beaconsfield	TAS	330	70%
	3. Derwent Valley	TAS	130	68%
	4. Nambucca Heads	TAS	170	67%
	5. West Coast (Tas.)	TAS	1,090	66%
Baby boomers : Total Australia			1,513,000	34%

Generation density: Top five suburbs with the highest proportion of business owners by generation Source: ABS Census 2016

Business of Survival

Industries and places where
businesses don't die



New businesses seem to survive better in some sectors

Rank	Industry	2018	Survival rate FY15-18 %
1	Financial and Insurance Services	210,000	66%
2	Health Care and Social Assistance	135,000	65%
3	Agriculture, Forestry and Fishing	175,000	61%
4	Rental, Hiring and Real Estate Services	252,000	61%
5	Manufacturing	85,000	54%
6	Other Services	98,000	54%
7	Arts and Recreation Services	28,000	53%
8	Professional, Scientific and Technical Services	280,000	52%
9	Retail Trade	131,000	52%
10	Mining	8,000	52%
11	Education and Training	31,000	51%
12	Accommodation and Food Services	94,000	51%
13	Wholesale Trade	80,000	51%
14	Construction	383,000	50%
15	Electricity, Gas, Water and Waste Services	7,000	50%
16	Information Media and Telecommunications	22,000	49%
17	Transport, Postal and Warehousing	176,000	48%
18	Administrative and Support Services	91,000	47%
19	Public Administration and Safety	8,000	39%
20	Currently Unknown	21,000	0%
Australia total		2,313,000	54%

Industry sectors ranked by survival of new businesses FY2015 to FY2018
Source: ABS 8165 (customised data obtained from ABS)

SOME BUSINESSES ARE BETTER ABLE TO SURVIVE THAN OTHERS.

This table ranks the percentage of new businesses added during the 2015 financial year that survived through to the 2018 financial year by industry sector.

Across the board, 54 per cent of businesses formed in 2015 survived through to 2018. It may be said that, in flat average terms, 15 per cent of businesses fail to survive from one year to the next. This survival rate is higher in some sectors than in others.

The business survival rate (as defined above) ranges from 66 per cent in financial services and 65 per cent in health care to 39 per cent in public administration and safety. The poor survival rate in public administration

and safety may result from regulatory change in this fast-evolving sector.

Interestingly, there is a high survival rate in agriculture which is also losing businesses. So, old established family farms are amalgamating with neighbouring farms, and nimble new entrants are finding niche markets into which they deliver high-demand agribusiness products.

There's a low survival rate in construction (50 per cent) which suggests that this sector is volatile and perhaps in need of management advice, support and better information systems. Or, it could mean that younger freelancers choose to move into the security of waged work as they settle down.

Business survival rates in the regions

ALTHOUGH THIS DATA PRECEDES THE RECENT BUSHFIRES, IT GIVES US AN IMPORTANT VIEW OF THE RESILIENCE OF REGIONAL AUSTRALIA. NEW BUSINESSES ADDED IN THE 2015 FINANCIAL YEAR HAVE THE BEST CHANCES OF SURVIVAL (THROUGH TO 2018) IN REGIONAL AUSTRALIA. THIS INCLUDES AGRIBUSINESS BUSINESSES AS WELL AS COUNTRY-TOWN SERVICES.

This table identifies the top 25 regions across Australia where businesses established in 2015 best survived through to 2018. This business survival rate averaged 54 per cent across Australia, but it peaked at 66 per cent in the Barossa Valley and Yorke Peninsula region of South Australia.

Other survival hotspots include South Australia's South East including Renmark and Mt Gambier (64 per cent) and North and West Tasmania including Burnie (63 per cent).

The common denominator between these top survival regions is that they are mostly non-metropolitan. Low business survival rates are mostly associated with construction, and with public administration and safety, which tend to be city based. Businesses established in agriculture on the other hand have a better than average chance of surviving at least the first three years.

The rapid decline in business entities associated with agriculture is more likely to be due to generational change as baby boomer farmers sell the family farm to the neighbour. Australia's agricultural sector is evolving and innovating in areas and markets that are different to the farms being amalgamated.

Rank	SA4	State	2018	Survival rate FY15-18
1	Barossa - Yorke - Mid North	SA	48,000	66%
2	South Australia - South East	SA	23,000	64%
3	West and North West	TAS	23,000	63%
4	Hume	VIC	19,000	63%
5	South Australia - Outback	SA	57,000	63%
6	New England and North West	NSW	28,000	62%
7	Riverina	NSW	28,000	62%
8	Far West and Orana	NSW	14,000	61%
9	Latrobe - Gippsland	VIC	11,000	61%
10	Western Australia - Wheat Belt	WA	12,000	61%
11	Warrnambool and South West	VIC	20,000	61%
12	Melbourne - Inner East	VIC	17,000	60%
13	Ballarat	VIC	36,000	60%
14	Mid North Coast	NSW	15,000	60%
15	Darling Downs - Maranoa	OLD	47,000	60%
16	Launceston and North East	TAS	16,000	60%
17	North West	VIC	23,000	60%
18	Murray	NSW	21,000	59%
19	Southern Highlands and Shoalhaven	NSW	23,000	59%
20	South East	TAS	18,000	59%
21	Capital Region	NSW	11,000	59%
22	Bunbury	WA	100	59%
23	Bendigo	VIC	1,000	58%
24	Shepparton	VIC	7,000	58%
25	Adelaide - Central and Hills	SA	200	58%
Australia total			2,313,000	54%

Australia's top 25 SA4 regions with the highest business survival rate 2015 to 2018 Source: ABS 8165 (customised data obtained from ABS)

On thriving and surviving



1

- 1 Third Drawer Down
- 2 Ahimsa Collective
- 3 Apparition Media

2



3



THE BUNCHES OF CIRCLES IN THE FOLLOWING PAGES LOOK A BIT LIKE A DOG'S BREAKFAST, BUT THEY CONTAIN IMPORTANT INSIGHTS INTO BUSINESS OPPORTUNITIES AND SURVIVAL BY INDUSTRY AND GEOGRAPHY. MOST INTERESTING IS THAT THE NATIONAL AVERAGE SURVIVAL RATE OVER A THREE YEAR PERIOD WAS 54 PER CENT.

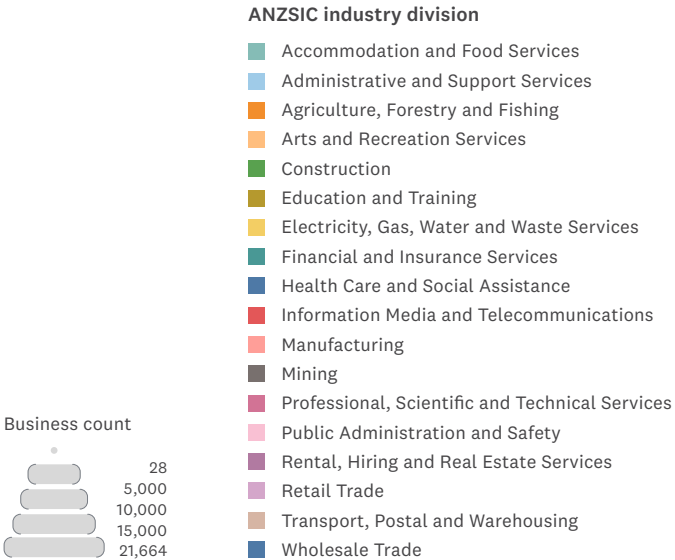
Each circle represents an industry sector in a specific location. The data differentiates between 19 different industries and 116 geographic regions (SA4s) in Australia.

The size of the rings represents the number of businesses in an industry in the specific location.

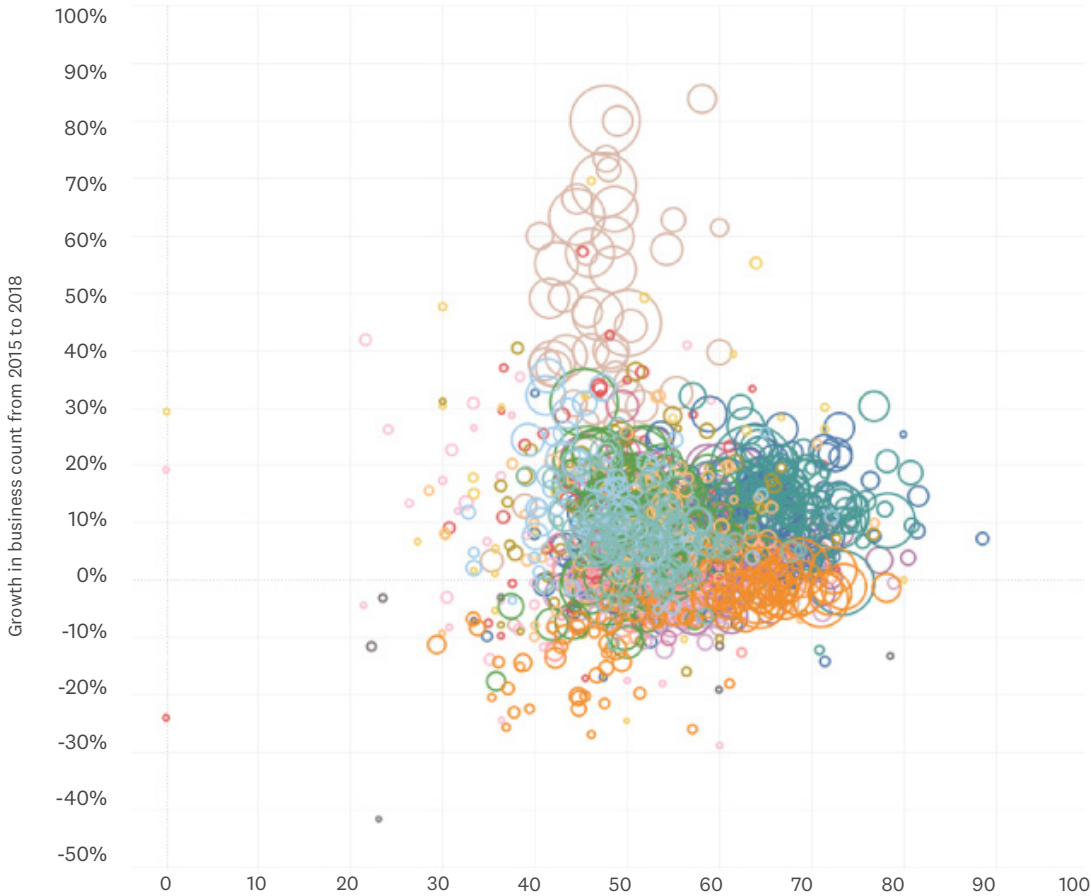
The vertical Y-axis represents the growth rate of each industry in the specific location. The horizontal X-axis represents the survival rate. It shows how many of these businesses were still operating three years later in 2017/18.

Let's dive deeper into the data on the following page and explore two growth industries that recorded high survival rates.

Growth and survival by industry and location



2015-18 business survival rates and business count growth by industry and SA4 geography Source: ABS (customised data obtained from ABS)



Rate of businesses founded in 2014/15 that are still active in 2018

Healthcare and finance are the most resilient sectors

THE INDUSTRY SECTORS THAT SUPPORTED THE HIGHEST SURVIVAL RATES FOR ALL NEW BUSINESSES CREATED IN FY2015 AND SURVIVING TO FY2018 WERE HEALTHCARE AND FINANCE.

In some respects, the new businesses in these sectors might be regarded as the 'invincibles' because they outperformed (by the measure of survival rates) all other new businesses established in the year.

The previous chart showed the big picture of all industries across all regions over the years from 2015 to 2018.

Transport businesses are dominated by rideshare drivers. Uber started in Australia in 2012, but it took some years to overtake the taxi industry.

The low survival rates in the transport sector suggest people move on from the job quickly. Outside the gig economy, new businesses aren't as likely to move onto something else.

Agriculture businesses operate in a low-growth environment, but they are highly resilient, or at least the new businesses established in 2015 were.

Australia's most successful businesses (as measured by survival rates) are to be found in the healthcare and finance sectors. These businesses deliver the highest survival rates and they also operate in strong growth markets.

1



1—3 Universal Practice

2



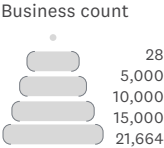
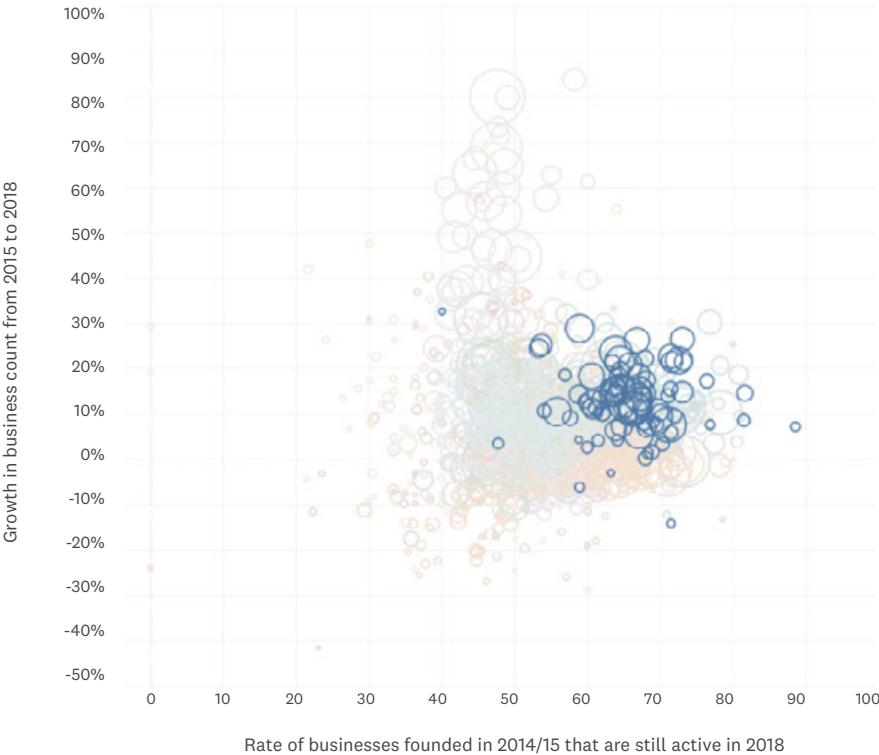
3



HEALTHCARE

ANZSIC industry division

■ Health Care and Social Assistance



TRANSPORT

ANZSIC industry division

■ Transport, Postal and Warehousing

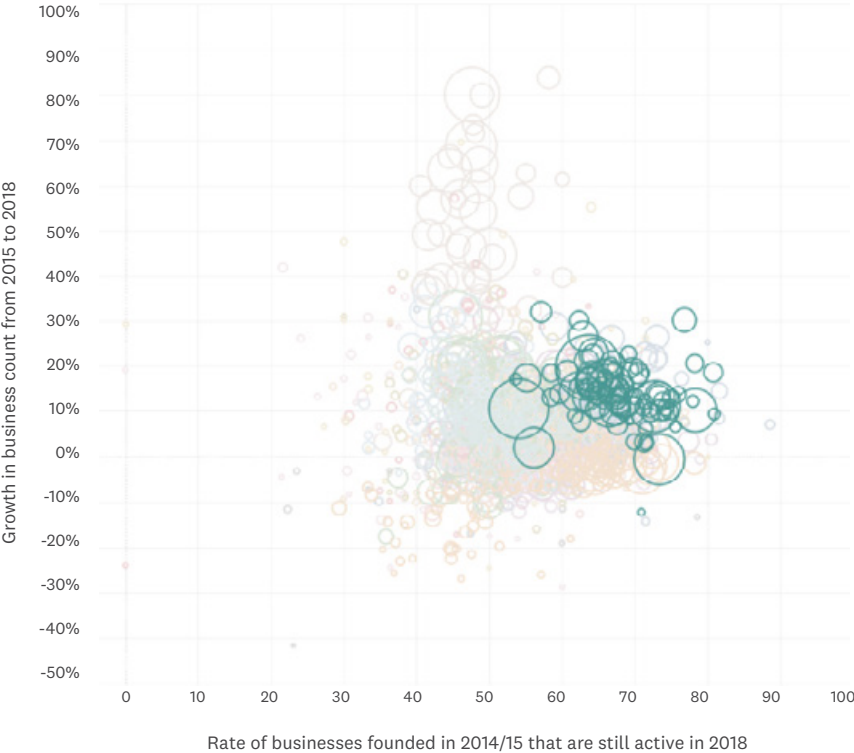


2015-18 business survival rates and business count growth by industry and SA4 geography
Source: ABS (customised data obtained from ABS)

FINANCE

ANZSIC industry division

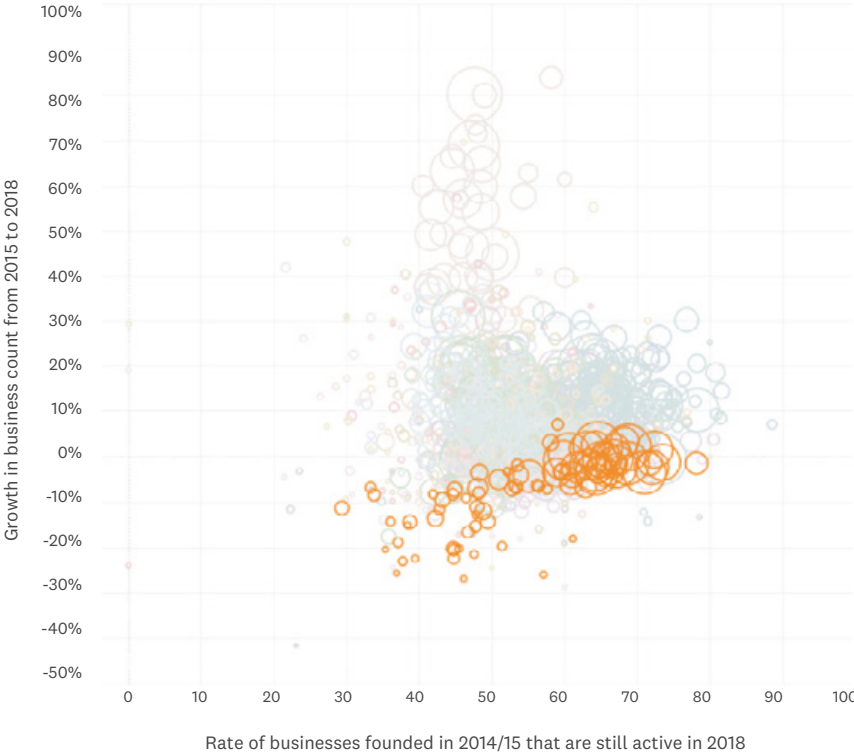
Financial and Insurance Services



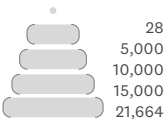
AGRICULTURE

ANZSIC industry division

Agriculture, Forestry and Fishing



Business count



2015-18 business survival rates and business count growth by industry and SA4 geography
Source: ABS (customised data obtained from ABS)



Building an app that raises millions in funding is a goal that many startups take a moonshot at. While most never reach those heights, DiviPay's twenty-something co-founders left their corporate roles, rolled the dice on a fintech idea, and came up winners.

Everyone's got an app idea. Fewer people have app ideas that can be monetised. And even fewer build an app that raises millions in venture capitalist funding. Daniel Kniaz and Russell Martin are examples of those rare few.

CASE STUDY

The art of the pivot

How changing direction helped DiviPay become an Australian fintech success story

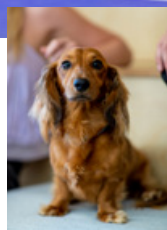
The pair met while working together in Westpac's Innovation team. Growing restless with the corporate world, they decided to forego a steady pay cheque to launch fintech company DiviPay. "We had an overwhelming desire to challenge ourselves and start our own thing. In the corporate world, nothing gets done quickly. It's rare to see the work that you do on a daily basis actually reach the consumer and have an impact," says Daniel.

A four-month fintech accelerator program helped the co-founders to focus on their goal in a supportive, structured environment.

"In the first month, it's exciting. You've quit your job, you're passionate, and you believe that you'll succeed. But building a business is really hard. You quickly go from being confident to having massive doubts. These emotions see-saw constantly, sometimes on a daily basis," says Daniel.

He believes that having a co-founder to share the experience with is highly beneficial.





“When you doubt yourself, there’s another person to lean on and bring you back up. We found that it’s cyclical. If I was having a bad day, Russell would bring me back up, and vice versa,” explains Daniel.

Remaining agile and responsive to customers’ needs meant that the app’s purpose and functionality changed several times. DiviPay initially began as an app for splitting group payments, but data revealed that customers weren’t using it as expected. After speaking to users, they made modifications and created the DiviPay of today – a corporate virtual card and expense management platform that integrates with Xero, is available in the Xero app marketplace, and won Emerging App of the Year at the 2019 Xero Awards.

Daniel relishes the responsibility that comes with running his own business.



“We wouldn’t be where we were today if we hadn’t pivoted twice. Many startups fail because they don’t pivot early enough,” says Daniel.

“Whatever work I put in, I will get out,” he says, before adding, “But you’re never truly your own boss. You always have to report to someone, whether it’s investors, employees, or most importantly, your customers.”

Daniel thinks that the dynamic fintech sector offers plenty of opportunity for startups to harness emerging technology to create new products.

“Customers are becoming savvier and are demanding personalised, customised services. For a long time, banks have tried to be everything to everyone. There’s an opportunity for fintechs to focus on a specific problem and create a solution that does one thing very well,” explains Daniel.

Despite this, many fintech startups don’t succeed. Daniel believes being willing to change direction is key.

“We wouldn’t be where we were today if we hadn’t pivoted twice. Many startups fail because they don’t pivot early enough,” says Daniel, who notes that thousands of “micro moments” contributed to DiviPay’s success.

“I always give 100 per cent, prepare for every meeting, and take every conversation seriously, because you never know where it’s going to lead.”



Enterprise Hotspots

Australia's top spots for business ownership

Big city businesses cluster in belts, hubs and satellites

THE AUSTRALIAN WAY OF LIFE CREATES REMARKABLY SIMILAR BUSINESS OPPORTUNITIES, ESPECIALLY IN CAPITAL CITIES, CREATING ZONES, HUBS AND ORBITING SATELLITES ACROSS THE SUBURBS OF, FOR EXAMPLE, GREATER MELBOURNE.

On the city's edge there are 'Uber satellites' that seem to orbit the city. These are the outer suburbs popular with recent migrants who often work as self-employed Uber drivers.

The CBD and the inner suburbs on the other hand are popular locations for businesses offering professional services, including those working in accounting, law and the delivery of IT services.

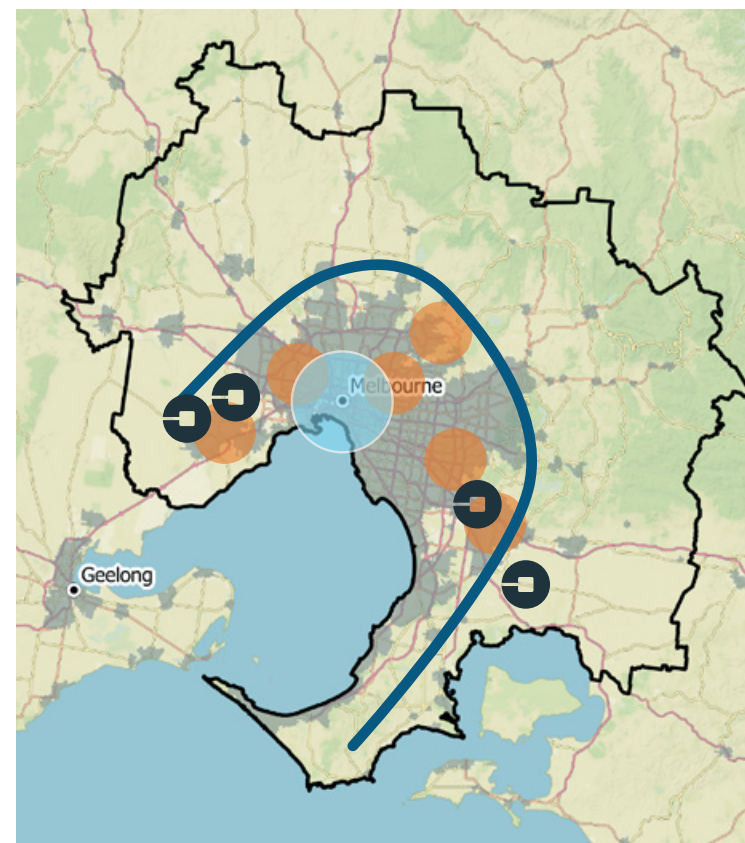
In Australian capital cities, planners tend to nominate secondary employment hubs to take the load away from the CBD. These hubs (and the CBD) seem to be the location of choice for large retailers. As an industry

that's changing size at the moment, retailers rely on the high foot traffic offered in the secondary hubs.

The tradie belt is a ring of outer suburbs towards the edge of the city. This is where construction businesses (sole traders whose home address is their business address) are mostly clustered.

Tradies choose these suburbs for their affordability, space (which allows parking for vehicles), and easy access to the development front on the urban fringe.

Scattered throughout the urban mass are the types of businesses that deliver services to the general population including medical, retail and education services.



- Tradie belt
- Greater Melbourne
- Secondary hubs
- Central business hub
- Uber satellites

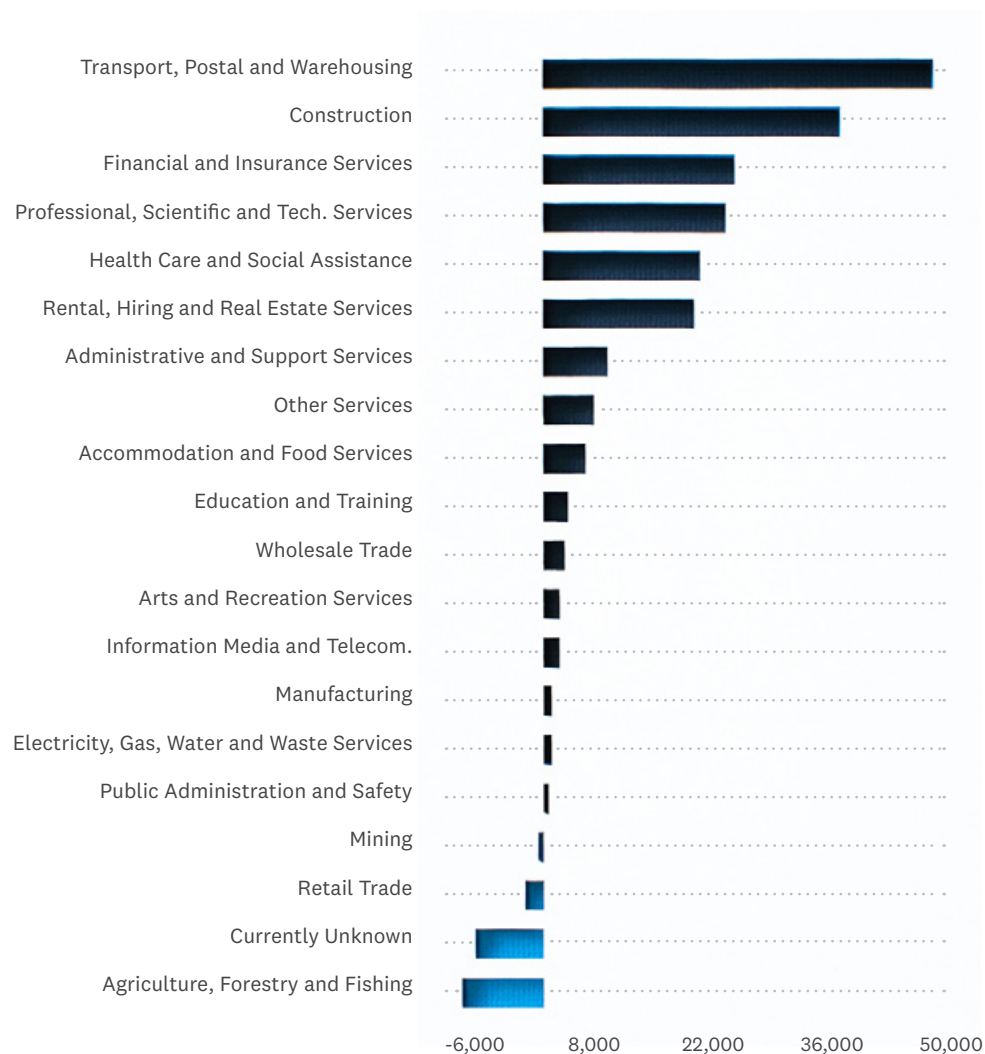
Uber drivers dominate recent business growth

THIS CHART SHOWS THE SECTORS THAT DELIVERED THE LARGEST GROWTH IN BUSINESS NUMBERS OVER THE THREE YEARS TO JUNE 2018, BASED ON ABNS.

The fastest growing sector in terms of new businesses during this period was transport. This is likely to be the effect of Uber upscaling its entry into Australia with new drivers being required to establish an ABN (which is the basis of the new business count data set). Rideshare drivers are officially counted as business owners rather than as gig-economy workers.

Without this knowledge we might overestimate the growth of the sector. Around 42,000 of the 48,000 new businesses in transport are due to some sort of individual driving service (mostly Uber). This means that rideshare comprises 87 per cent of businesses added to the sector over this period.

Other sectors generating most new businesses include construction, financial services, and professional services. Agriculture continues to contract in size.



Change in number of businesses by industry, Australia 2015-18

Source: ABS 8165

Transport sub-sectors grow the fastest thanks to Uber

THIS TABLE SHOWS THE 10 FASTEST GROWING INDUSTRY SUB-SECTORS IN AUSTRALIA BETWEEN 2015 AND 2018.

The first two positions in this list are taken up by rideshare drivers self-categorising as either taxi drivers or as other transport support providers.

Self-managed super funds are also counted as a new business, and are high up on the list as baby boomers make preparations for retirement.

Business growth in the 10 fastest growing sub-sectors (out of 500 in all) tell a story of social and economic shift in Australia.

The economy is transitioning towards knowledge workers (rank 5); the tech revolution changes the way we move around our cities (ranks 1 and 2); ageing baby boomers prepare for retirement (rank 3); population growth stimulates a property boom (ranks 4, 5, 8, 10); and Australians remain obsessed with lifestyle (rank 7) and wellness (rank 9).

This table rather neatly summarises the values, the behaviours and the business needs of modern Australia.

Rank	Industry sub-sector	Total business count 2018	Total change 2015-18
1	Other Transport Support Services (not elsewhere classified)	52,000	23,000
2	Taxi and Other Road Transport	35,000	19,000
3	Superannuation Funds	105,000	15,000
4	Non-Residential Property Operators	132,000	13,000
5	Management Advice and Related Consulting Services	72,000	11,000
6	Other Residential Building Construction	24,000	6,000
7	Cafes and Restaurants	43,000	6,000
8	Electrical Services	42,000	5,000
9	General Practice Medical Services	44,000	5,000
10	House Construction	47,000	5,000
Top 10 subtotal		595,000	107,000
Australia total		2,313,000	54%

Top 10 largest growth sub-sectors in Australia FY2015-18

Source: ABS 8165

Business zones

Where business owners are locating

WHAT ARE THE MOST ENTREPRENEURIAL PLACES IN AUSTRALIA?

The following table ranks all 2,200 SA2 statistical areas comprising the Australian continent by the share of the working population that are business owners, as measured by the 2016 census. The top 25 places are displayed here; the top 100 are listed in the appendix (pages 65-69).

Whereas 14 per cent of the Australian workforce own their own business, in the top 25 locations, around one-third or more are their own boss.

In the sea-change/tree-change community of Flinders on the Mornington Peninsula south of Melbourne, 38 per cent of locally based workers are business owners. In Bangalow, inland from Byron Bay, this proportion is 37 per cent. Arguably, these lifestyle places are Australia's most entrepreneurial hotspots.

And the reason is straight-forward enough. The greatest density of business activity (mostly small business) are places where farming small businesses cluster in localities that also contain beach communities (shops, accommodation). These forces converge at Flinders and Bangalow.

Australian suburbs with the highest concentration of business owners Source: ABS Census 2016 and 2011

Rank 2016	SA2	State	Total workforce	Proportion business owners in workforce	Rank 2011	Change in rank since 2011
1	Flinders	VIC	2,400	38%	2	+1
2	Bangalow	NSW	2,500	37%	3	+1
3	Kulin	WA	2,300	37%	7	+4
4	Gnowangerup	WA	1,400	37%	1	-3
5	Mullumbimby	NSW	3,100	35%	4	-1
6	Naracoorte Region	SA	1,300	35%	5	-1
7	Rose Bay - Vacluse - Watsons Bay	NSW	5,300	34%	8	+1
8	Noosa Heads	QLD	1,900	34%	15	+7
9	Avalon - Palm Beach	NSW	6,100	34%	10	+1
10	Kojonup	WA	1,900	33%	14	+4
11	Esperance Region	WA	1,700	32%	46	+35
12	Southern Highlands	NSW	2,800	32%	41	+29
13	Grenfell	NSW	1,400	32%	59	+46
14	Horsley Park - Kemps Creek	NSW	2,000	32%	12	-2
15	Yorke Peninsula - North	SA	2,600	32%	45	+30
16	Robertson - Fitzroy Falls	NSW	1,600	32%	24	+8
17	Calga - Kulnura	NSW	2,200	31%	9	-8
18	Kimba - Cleve - Franklin Harbour	SA	1,900	31%	70	+52
19	Byron Bay	NSW	4,200	31%	40	+21
20	Le Hunte - Elliston	SA	1,100	31%	96	+76
21	Busselton Region	WA	4,900	31%	19	-2
22	Foster	VIC	3,500	31%	20	-2
23	Corangamite - South	VIC	3,400	31%	13	-10
24	Ararat Region	VIC	1,400	31%	6	-18
25	Dowerin	WA	1,800	31%	17	-8
Subtotal			65,000	33%		
Australia			10,579,100	14%		

Dreams of sea-change and tree-change drive business

WELCOME TO AUSTRALIA'S MOST ENTREPRENEURIAL COMMUNITIES.

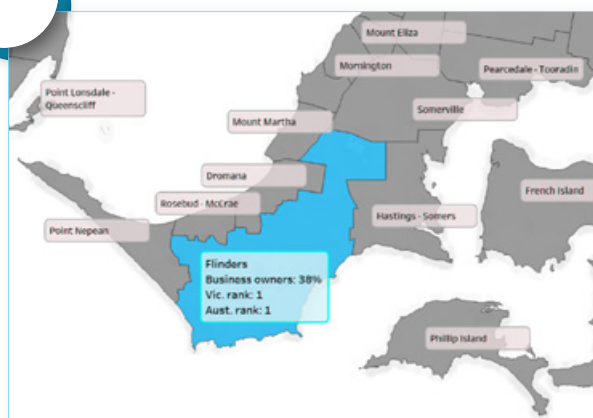
And, no, not Toorak or Double Bay, but rather the sea-change and tree-change retreats of Flinders and Bangalow.

In these places, business opportunities are created by tourism, including the inflow of day trippers, which creates demand for shops, accommodation and food outlets. And this is in addition to the opportunities provided in local agriculture by the presence of fertile soils.

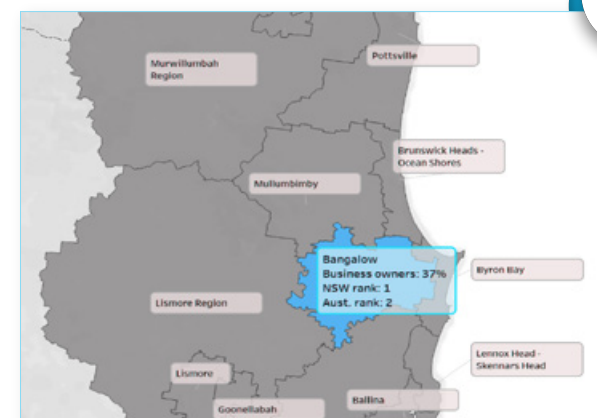
Flinders and Bangalow are technically the most entrepreneurial places on the Australian continent.

Australia's most entrepreneurial suburbs and their leading industries

Sources: ABS Census; ABS 8165, February 2019



Top five industries by business count 2018	2018
1. Agriculture, Forestry and Fishing	218
2. Construction	158
3. Rental, Hiring and Real Estate Services	126
4. Financial and Insurance Services	114
5. Professional, Scientific and Technical Services	87
Flinders total	1,062
Australia total	2,313,180



Top five industries by business count 2018	2018
1. Agriculture, Forestry and Fishing	184
2. Professional, Scientific and Technical Services	149
3. Construction	138
4. Rental, Hiring and Real Estate Services	103
5. Health Care and Social Assistance	87
Bangalow total	1,099
Australia total	2,313,180

CASE STUDY

Flourishing in Flinders



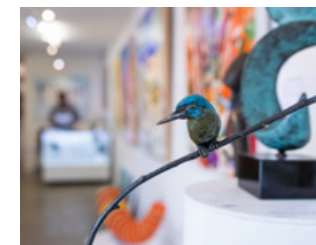
Bringing his business to a small coastal village in Victoria was a wise move for this enterprising art gallery owner



As co-owner of Manyung Gallery Group, David Wemyss-Smith presides over a collection of art galleries in the Mornington Peninsula and Melbourne, with an expansion into the village of Flinders proving there's plenty of opportunities for businesses in regional areas.

17 years ago when David and Sharyn Wemyss-Smith's favourite art gallery came up for sale in Mount Eliza, the pair decided to purchase it and take the leap to become small businesses owners together.

Today, in addition to the original Manyung gallery in Mount Eliza, the Mornington Peninsula-based husband and wife team now have not one, but two gallery spaces in the small, seaside community of Flinders, as well as additional galleries and warehouse spaces in several other locations including Sorrento, Mornington, and Malvern.





But it hasn't been easy.

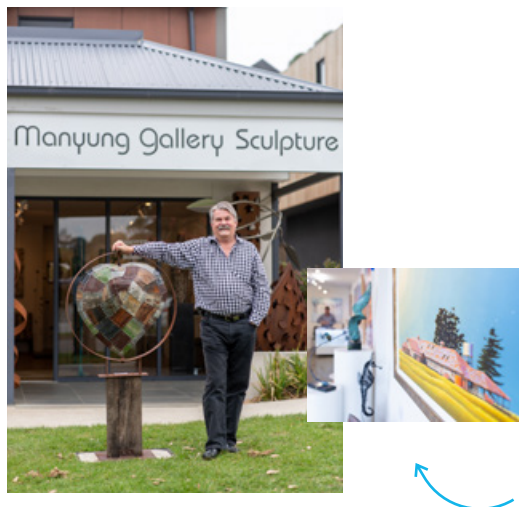
"In the art game, nothing is ever under control. It's forever changing. The global financial crisis was a big challenge, and even things like bushfires have an impact. But when we bought the gallery, we were confident that we had the skills to grow the business," says David.

The expansion of the business can partly be attributed to Sharyn knowing their key markets, a skill honed over decades spent working in sales and marketing in the corporate world.

Three years ago, the couple opened a new outpost in Flinders after GIS (geographic information system) technology identified the area as one that fitted the socio-economic profile of their target market.



"There's a concentration of high net worth individuals with weekenders in the Flinders area, which stretches to Cape Schanck, Red Hill, Main Ridge, Shoreham and Merricks," explains David.



"If you want to be successful, you can't be casual about it. You have to completely immerse yourself, because running a business is all-consuming,"

In 2019, they leased an additional space a few doors down, so the couple now have two gallery spaces in the historic town David describes as "sublime and pretty."

"All the businesses in the village of Flinders are privately owned. It's very personal and doesn't attract the chaos that other parts of the Mornington Peninsula do during the tourist season," says David.

Often dubbed as Melbourne's answer to the Hamptons, the Peninsula's vineyards, boutiques and restaurants are a far cry from the area as it was when David was growing up there. He

remembers Mount Eliza when it consisted of nothing but a stone general store, a single petrol pump, a Devonshire tea shop and a post office, all linked by dirt roads.

Today, the picturesque area attracts well-heeled holidaymakers and day trippers from Melbourne. So most of the gallery's sales occur from November to Easter, with customers coming from far and wide.

At the age of 66 ("going on 45," he adds), David knows that running an art business in a regional area is challenging, but having processes in place helps mitigate the risks.

"If you want to be successful, you can't be casual about it. You have to completely immerse yourself, because running a business is all-consuming," says David, before adding, "But unless you have a go, nothing will happen."



Entrepreneurs abound amid the wheatfields of Western Australia

NOW WE COME TO THE CONCEPT OF ENTREPRENEURSHIP IN THE AUSTRALIAN REGIONS.

The Shire of Kulin located south of Merredin and north of Esperance in the heart of the West Australian wheatbelt is one of the most entrepreneurial places in Australia.

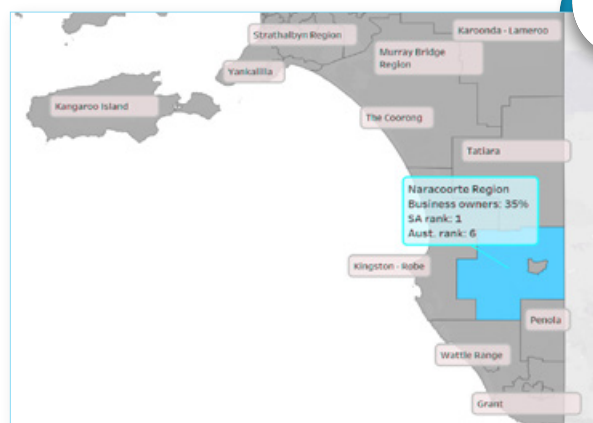
And so too is the region surrounding the town of Naracoorte in South-East South Australia. And the reason for both is simple enough.

In both places the settlement pattern is sparse, supporting only small towns and villages which don't have the critical mass required to support the kind of business functions that are typically found in bigger towns. As a consequence, the owner-managers of vast cropping farms effectively dominate the local business landscape – there are few other businesses in these regions.

In Kulin and in Naracoorte, locally based (mostly wheat-growing) business owners make up between 35 and 37 per cent of the total workforce. The entrepreneurial spirit of Australia is spread widely and boldly in places where villages, towns and town-based businesses cannot survive, leaving just the crops and the farmlands and their very entrepreneurial owners.



Top five industries by business count 2018	2018
1. Agriculture, Forestry and Fishing	625
2. Rental, Hiring and Real Estate Services	82
3. Transport, Postal and Warehousing	52
4. Construction	47
5. Retail Trade	45
Kulin total	1,009
Australia total	2,313,180



Top five industries by business count 2018	2018
1. Agriculture, Forestry and Fishing	318
2. Rental, Hiring and Real Estate Services	51
3. Construction	28
4. Transport, Postal and Warehousing	19
5. Financial and Insurance Services	19
Naracoorte region total	502
Australia total	2,313,180

Australia's most entrepreneurial suburbs and their leading industries

Sources: ABS Census; ABS 8165, February 2019

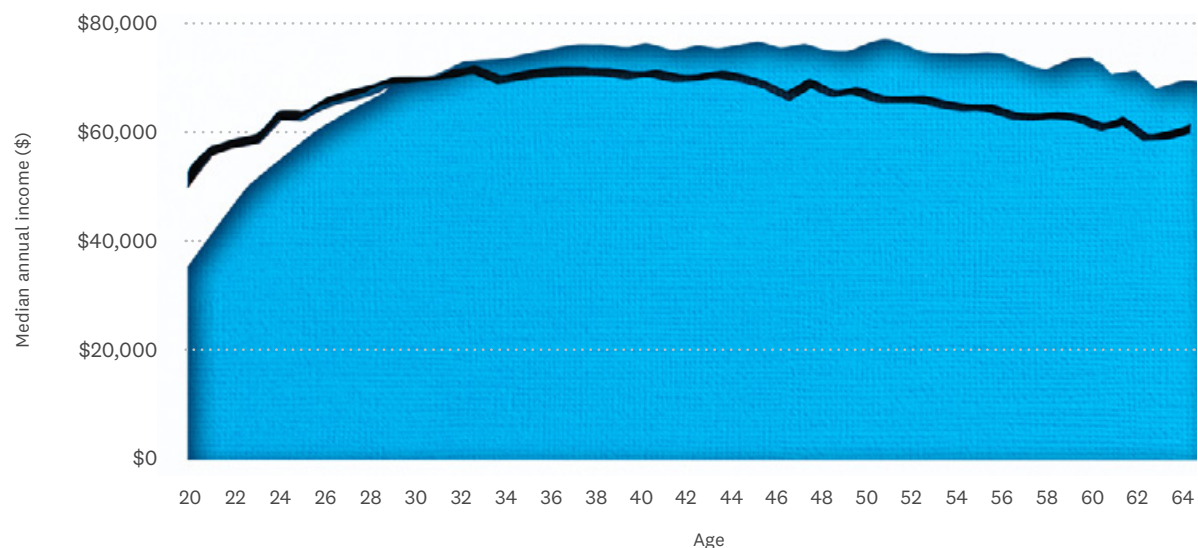
Construction and Real Estate

Income opportunities for middle Australia



Construction freelancers in their 20s move to something bigger in their 30s

THIS CHART COMPARES THE MEDIAN INCOME LEVEL OF EMPLOYEES AND OF BUSINESS OWNERS IN THE CONSTRUCTION INDUSTRY BY LEVEL OF EDUCATION IN 2016.



CONSTRUCTION INDUSTRY

— Business owner: certificate level — Employee: certificate level

Median full-time annual income of business owner and employees by age and level of education in construction

Source: ABS Census 2016

This data shows that higher levels of education (including a trade certificate) lead to a higher level of income throughout the life cycle. This applies to both workers and to employers working in the same industry.

The data also shows that employees generally earn more than business owners. Many business owners run only a small operation, designed to supplement their income rather than intending it to be the dominant source of income source.

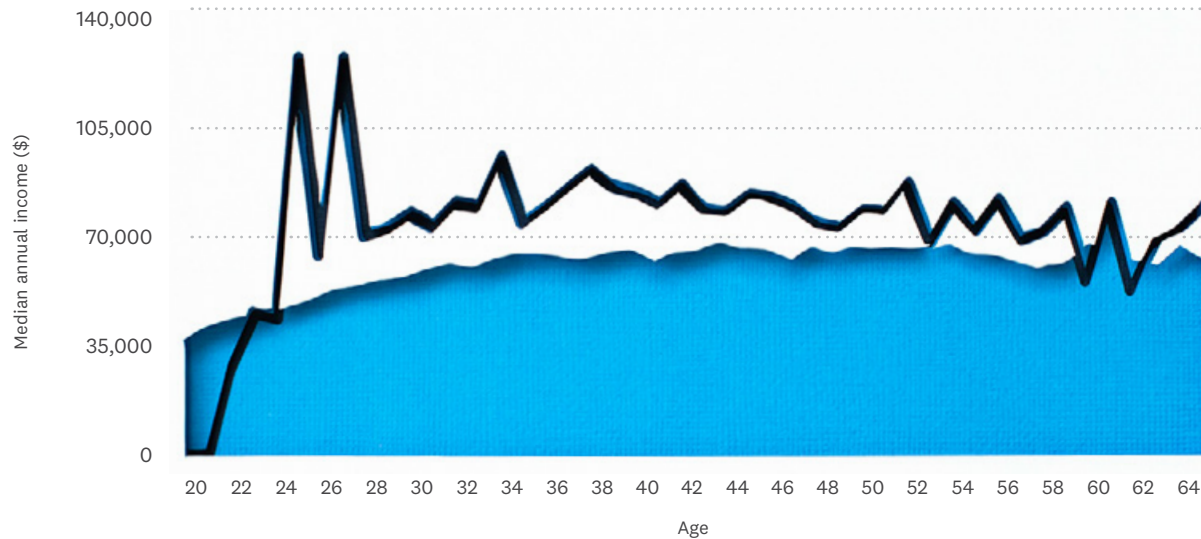
In the construction industry, many young workers in their 20s clearly prefer running their own business. They probably take every job and work long hours. This isn't a problem during the single 20s.

But in their 30s when moving towards having a family, these young workers seem to prefer the safety, security and family-friendly working day of employed work rather than continuing with the uncertainty of running a small business.

In this industry, there is a shift in thinking that takes place at around the age of 30. The business experience gained in their 20s is used as a stepping stone to join a bigger firm at 30, which delivers better income growth.

The poor survival rates of the construction sector might in fact be merely a rite of passage for workers in this sector. They start out as freelancers, build expertise and relationships, and then transition into bigger, safer, businesses when they settle down to family life.

Bosses usually earn more than employees in real estate



REAL ESTATE INDUSTRY

— Business owner: certificate level — Employee: certificate level

THE SINGLE MOST LUCRATIVE SECTOR FOR THOSE WITHOUT UNIVERSITY-LEVEL EDUCATION WHO ASPIRE TO BE BUSINESS OWNERS IS REAL ESTATE.

And the reason is that in the real estate world, business owners routinely out-earn employees.

Real estate is also a sector that exists in all regions across Australia. It is of course more lucrative to be situated in a high-growth market with high population turnover (around the employment hubs in the capital cities).

Real estate business owners typically earn more than real estate workers from the age of 24 to the age of 60, according to census results.

Real estate offers opportunities for business startups in all cities and towns across Australia – although there are concerns that this sector could be reshaped by digital transformation, particularly online transactions, during the 2020s.

And while this might be true, the possibility of digital transformation applies to most sectors of the Australian economy.

Median full-time annual income of business owner and employees by age and level of education in real estate
Source: ABS Census 2016



Business in Transition

Industry locations changing over time

Places losing their oomph

THE NEXT TABLE COMPARES THE SHARE OF THE WORKFORCE WHO WERE THEIR OWN BOSS IN 2011 WITH THE SHARE IN 2016. IT SHOWS WHICH AREAS APPEAR TO HAVE LOST THEIR ENTREPRENEURIAL ZEAL.

Cobbitty-Leppington is a fast-growing outer-suburban community located 40 kilometres south-west of the Sydney CBD. In 2011, some 30 per cent of the local workforce were business owners. Just five years later and this proportion had dropped to 16 per cent which is just above the Australian average of 14 per cent.

Here is an outer suburban community forged and formed by builders and other construction workers creating housing and laying the foundations for a new community.

Upon completion, the housing is occupied by commuting workers – employees – which dilutes the entrepreneurial dominance of the suburb. The Vines in the Swan Valley on the edge of Perth is similar and saw the second biggest drop in business ownership.

The foundation of the great Australian suburbia is laid by entrepreneurial builders, creators and doers, who later concede the same space to everyday working Australians.

Top 25 SA2s that lost the most business owners as a proportion of their total workforce between 2011 and 2016

Source: ABS Census 2016 and 2011

Rank downshift	SA2 region	State	Total workforce	Proportion of business owners in workforce 2016	Change in proportion 2011-16
1	Cobbitty - Leppington	NSW	8,800	16%	-14%
2	The Vines	WA	5,000	16%	-9%
3	Rochedale - Burbank	QLD	3,100	20%	-7%
4	Mulgoa - Luddenham - Orchard Hills	NSW	4,900	22%	-6%
5	Lockington - Gunbower	VIC	1,800	25%	-6%
6	Mackay Harbour	QLD	300	21%	-6%
7	Yanchep	WA	3,700	13%	-6%
8	Beaconsfield - Officer	VIC	7,000	15%	-5%
9	Forrest	ACT	900	24%	-5%
10	Virginia - Waterloo Corner	SA	1,600	26%	-5%
11	Virginia	NT	1,700	16%	-5%
12	Ararat Region	VIC	1,400	31%	-5%
13	Byford	WA	7,800	11%	-5%
14	Chambers Flat - Logan Reserve	QLD	2,400	19%	-5%
15	Riverstone - Marsden Park	NSW	8,300	13%	-5%
16	Ripley	QLD	2,500	9%	-4%
17	Mandurah - East	WA	2,200	17%	-4%
18	Callala Bay - Currarong	NSW	1,200	17%	-4%
19	Docklands	VIC	5,900	13%	-4%
20	Parap	NT	1,500	10%	-4%
21	Walgett - Lightning Ridge	NSW	2,100	18%	-4%
22	Tiwi Islands	NT	500	2%	-4%
23	Tennant Creek	NT	1,100	7%	-4%
24	Numurkah	VIC	5,300	21%	-4%
25	Mildura Region	VIC	1,700	28%	-4%
	Australia		10,580,000	14%	-1%

Rank upshift	SA2 region	State	Total workforce	Proportion of business owners in workforce 2016	Change in proportion 2011-16
1	Campbell	ACT	1,600	11%	5%
2	Palmerston - South	NT	1,700	5%	5%
3	Crace	ACT	2,600	8%	4%
4	Outback	SA	1,300	15%	4%
5	Rockhampton City	QLD	1,200	12%	4%
6	West Coast (SA)	SA	1,500	29%	3%
7	ACT - South West	ACT	300	18%	3%
8	Broadmeadows	VIC	3,800	13%	3%
9	Yarralumla	ACT	1,300	24%	3%
10	Le Hunte - Elliston	SA	1,100	31%	3%
11	Cooloolia	QLD	1,500	25%	3%
12	Hall	ACT	100	29%	3%
13	Aurukun	QLD	200	4%	3%
14	Laverton	VIC	4,100	10%	3%
15	Runcorn	QLD	6,700	13%	2%
16	Magnetic Island	QLD	900	26%	2%
17	Underwood	QLD	3,000	16%	2%
18	Far West	NSW	900	29%	2%
19	South Hobart - Fern Tree	TAS	2,900	17%	2%
20	Esperance Region	WA	1,700	32%	2%
21	Guildford West - Merrylands West	NSW	7,800	15%	2%
22	Kimba - Cleve - Franklin Harbour	SA	1,900	31%	2%
23	Reid	ACT	800	12%	2%
24	Broadsound - Nebo	QLD	3,900	11%	2%
25	Hendra	QLD	2,500	22%	2%
Australia			10,580,000	14%	-1%

Top 25 SA2s that gained the most business owners as a proportion of their total workforce between 2011 and 2016 Source: ABS Census 2016 and 2011

Where workers aspire to be their own boss

WHAT PLACES ACROSS THE AUSTRALIAN CONTINENT HAVE SHOWN THE GREATEST PERCENTAGE INCREASE IN ENTREPRENEURSHIP?

This table lists the top 25 suburbs and localities across Australia that recorded (between the last two censuses) the greatest percentage-point uplift in the proportion of the workforce who identified as a business owner-manager. In short, this is a list of locations experiencing rising entrepreneurship.

Around 14 per cent of the Australian workforce in 2016 was a business owner-manager, down one per cent from the 2011 census. But in the Canberra suburb of Campbell, this proportion increased by five points to 11 per cent. Campbell got a whole lot more entrepreneurial over recent years.

So too did Palmerston South on the edge of Darwin where the proportion of workers identifying as a business owner-manager also jumped by five percentage points between 2011 and 2016.

Places that are attracting entrepreneurs generally offer heightened building activity like Palmerston, or redevelopment and infill opportunities like Campbell, or are growing lifestyle areas for retiring baby boomers such as the South Australian coast.

Conclusion

In some ways, it isn't surprising that there are 2.3 million business owner-managers in Australia. That's one Australian worker in six. When you add in partners and family members, the daily minutiae of managing a business shapes the everyday lives of roughly one quarter of the Australian nation.

Business ownership and management isn't a remote notion that is confined to a small elite. It touches the Australian heartland. It moulds Australian values. It determines and it delivers Australian prosperity at the grassroots level.

And that's why this study of being your own boss is important. It documents the rise and fall of the mostly entry-level businesses operated by a large proportion of the population. At last there's research that dissects and interprets the business of being in business in Australia.

Despite the avalanche of data, the range of insights, plus all the charts and the maps, this report is mostly a story of human aspiration and achievement, and of failure too, because within the data there are the stories of the two million and more Australians who ventured into the unknown and started their own business.

Indeed, the life and the hope in this data tells powerful stories of contemporary Australia.

Women are starting twice as many businesses as men which is a logical extension of the female empowerment that began with the liberation movement two generations ago.

There's a surge in business ownership when people are in their early 40s and again in their late 50s. The early-40s push coincides with a time when partners return to work, when there's the right balance between the development of skills and contacts, and still time left to recoup and get a return on investment and risk.

This is followed by the arrival of teenagers into the household, requiring perhaps a greater measure of parental stability. The data tells this very human story of everyday family life. The late 40s and the early 50s are peak family time; dreams and schemes of business ownership are put on hold, not forever, but "while the kids need us."

By the late 50s there's a second grand entrepreneurial push. It's when the kids leave home, when life goals are reset, when it's time to do, not so much what family duty dictates, but what you've always wanted to do.

Perhaps toss in your job as a worker in a big firm, move to Byron Bay (or more likely Flinders) and start a photography business. It's a powerfully enabling story that extends the Australian love of lifestyle all the way from suburbia right through to being your own boss. It is, in so many respects, the embodiment of the Australian dream.

There are some industries that foster startups better than others. Health and finance seem to attract the most entrepreneurial personalities. In other sectors, especially in farming and retailing, small business is in retreat. In these sectors, the business model has moved on. Older Australians are selling the family farm – and the milk bar – for similar reasons. Corporate shifts into agribusiness and into

convenience retailing have changed the business landscape.

This is the point about being your own boss: it comes with both reward and risk. It is a story of nuggety self-determination and also of failure. More importantly, it is a story of the need to respond to changing business conditions. The businesses that Australians start might shift and shuffle over time, including across the 100 so-called entrepreneurial areas throughout the continent, but the relentless desire to create and to own a business is not – and I suspect never will be – diminished in the Australian people.

The human resilience that comes with having your own business has been part of the Australian story

from the earliest days right through to the present, and it will be the same into the future. Whether this is because of our determined response to settle in a harsh land or whether it's merely a case of the best mechanism for Australians to prosper, the idea, the allure, the dream of being your own boss is a driving force that touches, shapes, and inspires the Australian people.

And so let us take the collective insights from the data and the stories in this report and build an even stronger Australia for the future.

Bernard Salt

Managing Director
The Demographics Group

Appendix



Australia's 100 top small business areas

Top 100 SA2s: 1-25

Rank 2016	SA2 region	State	Total workforce	Proportion business owners in workforce	Rank 2011
1	Flinders	VIC	2,400	38%	2
2	Bangalow	NSW	2,500	37%	3
3	Kulin	WA	2,300	37%	7
4	Gnowangerup	WA	1,400	37%	1
5	Mullumbimby	NSW	3,100	35%	4
6	Naracoorte Region	WA	1,300	35%	5
7	Rose Bay - Vaucluse - Watsons Bay	NSW	5,300	34%	8
8	Noosa Heads	QLD	1,900	34%	15
9	Avalon - Palm Beach	NSW	6,100	34%	10
10	Kojonup	WA	1,900	33%	14
11	Esperance Region	WA	1,700	32%	46
12	Southern Highlands	NSW	2,800	32%	41
13	Grenfell	NSW	1,400	32%	59
14	Horsley Park - Kemps Creek	NSW	2,000	32%	12
15	Yorke Peninsula - North	WA	2,600	32%	45
16	Robertson - Fitzroy Falls	NSW	1,600	32%	24
17	Calga - Kulnura	NSW	2,200	31%	9
18	Kimba - Cleve - Franklin Harbour	WA	1,900	31%	70
19	Byron Bay	NSW	4,200	31%	40
20	Le Hunte - Elliston	WA	1,100	31%	96
21	Busselton Region	WA	4,900	31%	19
22	Foster	VIC	3,500	31%	20
23	Corangamite - South	VIC	3,400	31%	13
24	Ararat Region	VIC	1,400	31%	6
25	Dowerin	WA	1,800	31%	17
1-25 subtotal			64,700	33%	
Australia			10,579,100	14%	

Top 25 Australian suburbs with the highest concentration of business owners Source: ABS Census 2016 and 2011

Top 100 SA2s: 26-50

Rank 2016	SA2 region	State	Total workforce	Proportion business owners in workforce	Rank 2011
26	Wagin	WA	2,200	30%	30
27	City Beach	WA	2,900	30%	26
28	Currumbin Valley - Tallebudgera	QLD	3,400	30%	28
29	Brookton	WA	1,500	30%	56
30	Loxton Region	WA	800	30%	64
31	Bayview - Elanora Heights	NSW	5,000	30%	18
32	Dorrigo	NSW	1,200	30%	49
33	Bundall	QLD	2,200	30%	23
34	Caloundra Hinterland	QLD	3,300	30%	39
35	Clear Island Waters	QLD	1,700	30%	51
36	Moyne - East	VIC	3,100	29%	16
37	Brunswick Heads - Ocean Shores	NSW	3,400	29%	100
38	Karoonda - Lameroo	WA	1,400	29%	21
39	Far West	NSW	900	29%	130
40	Dural - Kenthurst - Wisemans Ferry	NSW	10,400	29%	32
41	Yorke Peninsula - South	WA	1,400	29%	77
42	Bilpin - Colo - St Albans	NSW	1,200	29%	27
43	Walcha	NSW	1,400	29%	36
44	Deniliquin Region	NSW	3,000	29%	68
45	Paradise Point - Hollywell	QLD	4,300	29%	37
46	Daylesford	VIC	3,800	29%	76
47	Brighton (Vic.)	VIC	10,400	29%	44
48	West Wimmera	VIC	1,300	29%	25
49	Main Beach	QLD	1,800	29%	66
50	Southern Grampians	VIC	2,800	29%	35
26-50 subtotal			74,800	29%	
Australia			10,579,100	14%	

Australian suburbs with the 26th to 50th highest concentration of business owners *Source: ABS Census 2016 and 2011*

Top 100 SA2s: 51-75

Rank 2016	SA2 region	State	Total workforce	Proportion business owners in workforce	Rank 2011
51	Point Nepean	VIC	6,600	29%	84
52	Ulladulla Region	NSW	1,800	29%	53
53	Galston - Loughtondale	NSW	2,500	29%	71
54	Dover Heights	NSW	5,500	29%	47
55	Augusta	WA	2,400	29%	67
56	Hall	ACT	100	29%	158
57	Albany Region	WA	1,600	29%	79
58	Lorne - Anglesea	VIC	2,200	29%	54
59	Austral - Greendale	NSW	3,800	29%	128
60	Jilliby - Yarramalong	NSW	1,600	29%	111
61	West Coast (SA)	WA	1,500	29%	185
62	O'Malley	ACT	500	29%	52
63	Sunshine Beach	OLD	3,200	28%	101
64	Parkes Region	NSW	1,300	28%	85
65	Otway	VIC	1,600	28%	34
66	Berry - Kangaroo Valley	NSW	3,400	28%	105
67	Panton Hill - St Andrews	VIC	2,600	28%	33
68	Toorak	VIC	6,500	28%	55
69	Moree Region	NSW	2,400	28%	128
70	Hope Island	QLD	4,900	28%	50
71	Point Lonsdale - Queenscliff	VIC	1,500	28%	176
72	Murwillumbah Region	NSW	3,800	28%	90
73	Lord Howe Island	NSW	200	28%	65
74	Newport - Bilgola	NSW	6,900	28%	74
75	Gannawarra	VIC	2,800	28%	61
51-75 subtotal			71,200	28%	
Australia			10,579,100	14%	

Australian suburbs with the 51st to 75th highest concentration of business owners Source: ABS Census 2016 and 2011

Top 100 SA2s: 76-100

Rank 2016	SA2 region	State	Total workforce	Proportion business owners in workforce	Rank 2011
76	Hunters Hill - Woolwich	NSW	4,400	28%	57
77	Eyre Peninsula	WA	2,800	28%	92
78	Forster-Tuncurry Region	NSW	2,000	28%	88
79	Mildura Region	VIC	1,700	28%	22
80	Benalla Region	VIC	1,700	28%	99
81	Bowral	NSW	4,900	28%	86
82	Noosaville	OLD	3,400	28%	94
83	Peregian Beach - Marcus Beach	OLD	1,800	28%	119
84	Cottesloe	WA	3,600	28%	162
85	Armidale Region - North	NSW	2,000	27%	104
86	Yankalilla	WA	2,200	27%	93
87	Mukinbudin	WA	1,500	27%	154
88	Denmark	WA	2,300	27%	82
89	Loddon	VIC	2,600	27%	43
90	Roma Region	QLD	2,900	27%	87
91	Broadbeach Waters	QLD	3,700	27%	48
92	Narooma - Bermagui	NSW	2,800	27%	106
93	Guanaba - Springbrook	QLD	2,000	27%	69
94	Noosa Hinterland	QLD	9,200	27%	114
95	Diddillibah - Rosemount	QLD	1,600	27%	132
96	Northampton - Mullewa - Greenough	WA	2,500	27%	89
97	Kangaroo Island	WA	2,100	27%	133
98	Warrandyte - Wonga Park	VIC	5,200	27%	83
99	King Island	TAS	800	27%	117
100	Moora	WA	2,300	27%	119
76-100 subtotal			72,000	27%	
Australia			10,579,100	14%	

Australian suburbs with the 76th to 100th highest concentration of business owners *Source: ABS Census 2016 and 2011*

Glossary

New business owner terms

New business owner terms

The tradie belt

The clustering of construction businesses in the outer suburbs of the capital cities. Small trades businesses tend to be mobile. Therefore tradies need good access to roadways and want a large enough property to store their vehicles and equipment. *(See page 49)*

Uber satellite

Cheap outer suburbs, popular with recent immigrants, are home to most small taxi and driving businesses. These suburbs are orbiting the capital cities. Rideshare drivers are essentially gig-economy workers classified as non-employing small businesses. *(See page 49)*

The invincibles

Finance and health care businesses founded in 2014/15 are cheekily labelled as the invincibles. They operated in a growth environment and with record numbers still operating today. High growth and high survival industries are the stuff of dreams for every business owner. *(See pages 43–45)*

Midlifepreneurs

The largest group of business owners aren't the young guns in their 20s or 60-something boomers refusing to retire. By far the largest group of business owners are people in their mid-40s. These are the entrepreneurial mums and dads of Australia. *(See page 18)*

