

## The Economic Security of Women in Rural, Regional and Remote Australia

### ISSUE

Women owners of small and medium businesses in rural, regional and remote areas of Australia face different challenges to their sisters in cities and towns. A survey of 192 women indicated that their businesses would benefit from enhanced access to finance.

For the vast majority of women business owners or those wanting to set up a business, the amount of funds needed was relatively minor, around \$3,000 to \$10,000. It is an issue that can be fixed.

### RECOMMENDATIONS

Establish a finance facility, specifically for women in RRR Australia. This facility would make small loans to women unable to access finance through the established banking system, but to do so on a commercial basis with the usual terms, conditions and obligations.

### RATIONALE

Small business is a critical part of the Australian economy and focussing on women owned and operated business would help to support the economy and improve the economic security of women in RRR Australia. A lack of access to finance undermines the ability of many women to kick-start their small business models and then for them to prosper and expand.

### IMPLEMENTATION

The finance facility would be overseen and managed by The Rural Women. The source of funds to lend to eligible RRR women could be a mix of government loans and grants or investments from the private sector. A critical mass of finance, estimated to be more than \$10 million, is likely to be needed to make the scheme function efficiently.

With the loans, there would be a small margin between the cost of funds and the interest rate charged for borrowers. This would be set simply to cover the costs of administration. Eligible applicants would be granted loans and these would be administered with the usual repayment schedules.

Part of the process in the scheme would be financial training and education for borrowers to ensure the management of their loan meets the terms and conditions.

### CONCLUSION

Women in RRR Australia have a strong entrepreneurial flair but are often constrained in their goals by difficulty gaining access to credit. A simple reform that facilitates access to finance will allow these businesses to take off and then flourish. This will be an important reform, boosting the economy more generally, with the benefit of enhancing the economic security of women in RRR Australia.