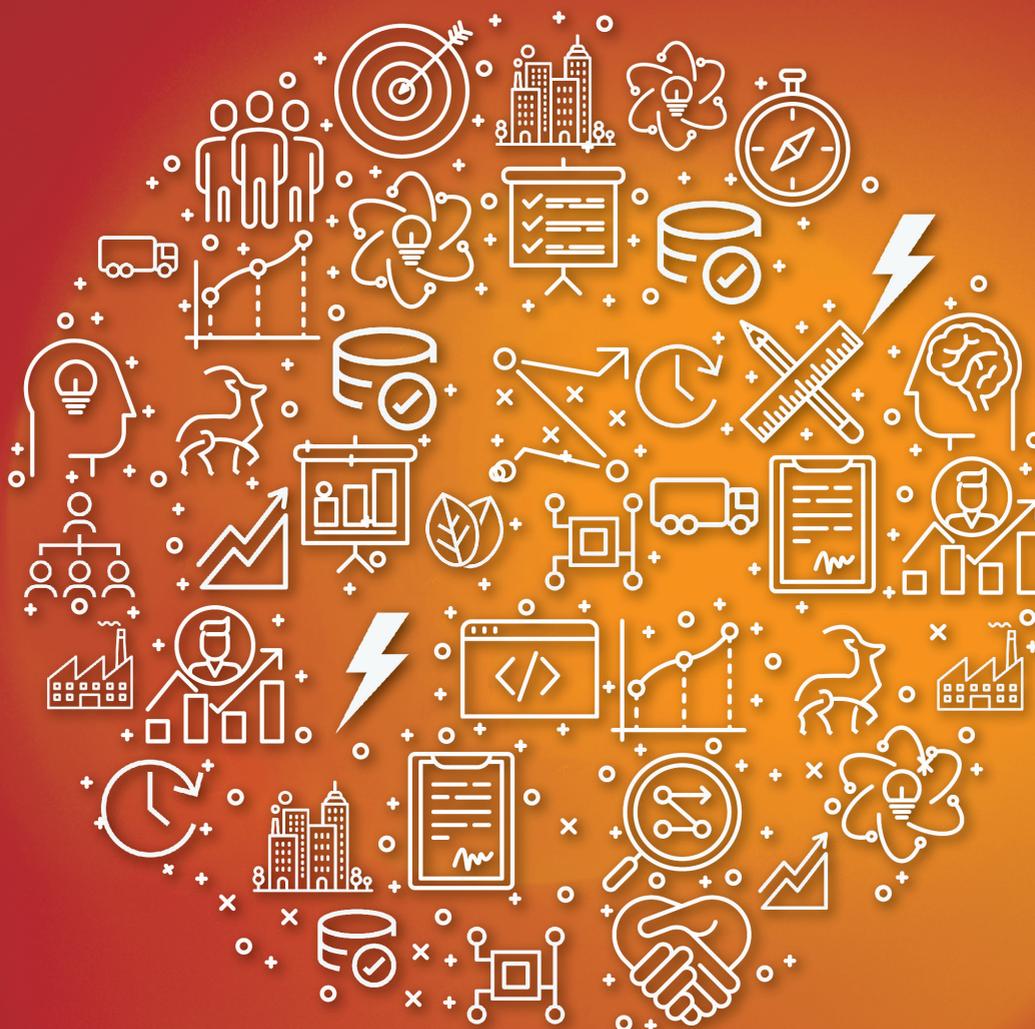




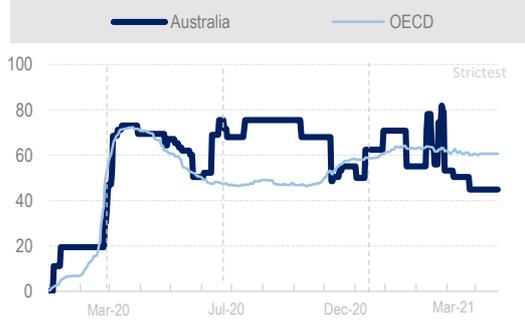
OECD SME and Entrepreneurship Outlook 2021



Australia

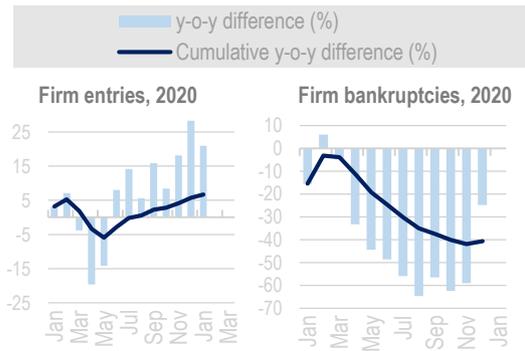
Figure 6.1. COVID-19 impact on business dynamics and policy responses in Australia

Stringency of government measures



Australia imposed strict restrictions as compared to OECD peers, during the second half of 2020 and early 2021.

Business dynamics



The number of firm entries rebounded rapidly in the second half of 2020 to reach a net increase of more than 17% in January 2021 as compared to a year earlier. Bankruptcies were significantly lower throughout 2020 than in 2019.

Policy spotlight

Key measures to support SMEs and entrepreneurs' liquidities include: a **AUD 17.6 billion federal economic stimulus package** to keep Australians in jobs and SMEs in business; the **JobKeeper Wage Subsidy** targeted towards employers significantly impacted by COVID-19; and **AUD 6.7 billion cash flow assistance** for eligible SMEs.

Structural measures have also been implemented:

- **Support for business investment**, including AUD 700 million to increase the instant asset write off threshold and a AUD 3.2 billion back business investment;
- **AUD 1.3 billion support** for small businesses and jobs of around 120 000 **apprentices and trainees**;
- **AUD 1 billion assistance for severely-affected regions** to support sectors, regions and communities disproportionately affected by the pandemic (e.g. tourism, agriculture, education);
- **Stimulus payments to households to support demand-driven growth**, including AUD 4.8 billion to provide a one-off AUD 750 stimulus payment to pensioners, social security, veteran and other income support recipients;
- Tax cuts and measures for **SME digital adoption** as part of the 2021-22 federal budget.

National SME and entrepreneurship policy framework

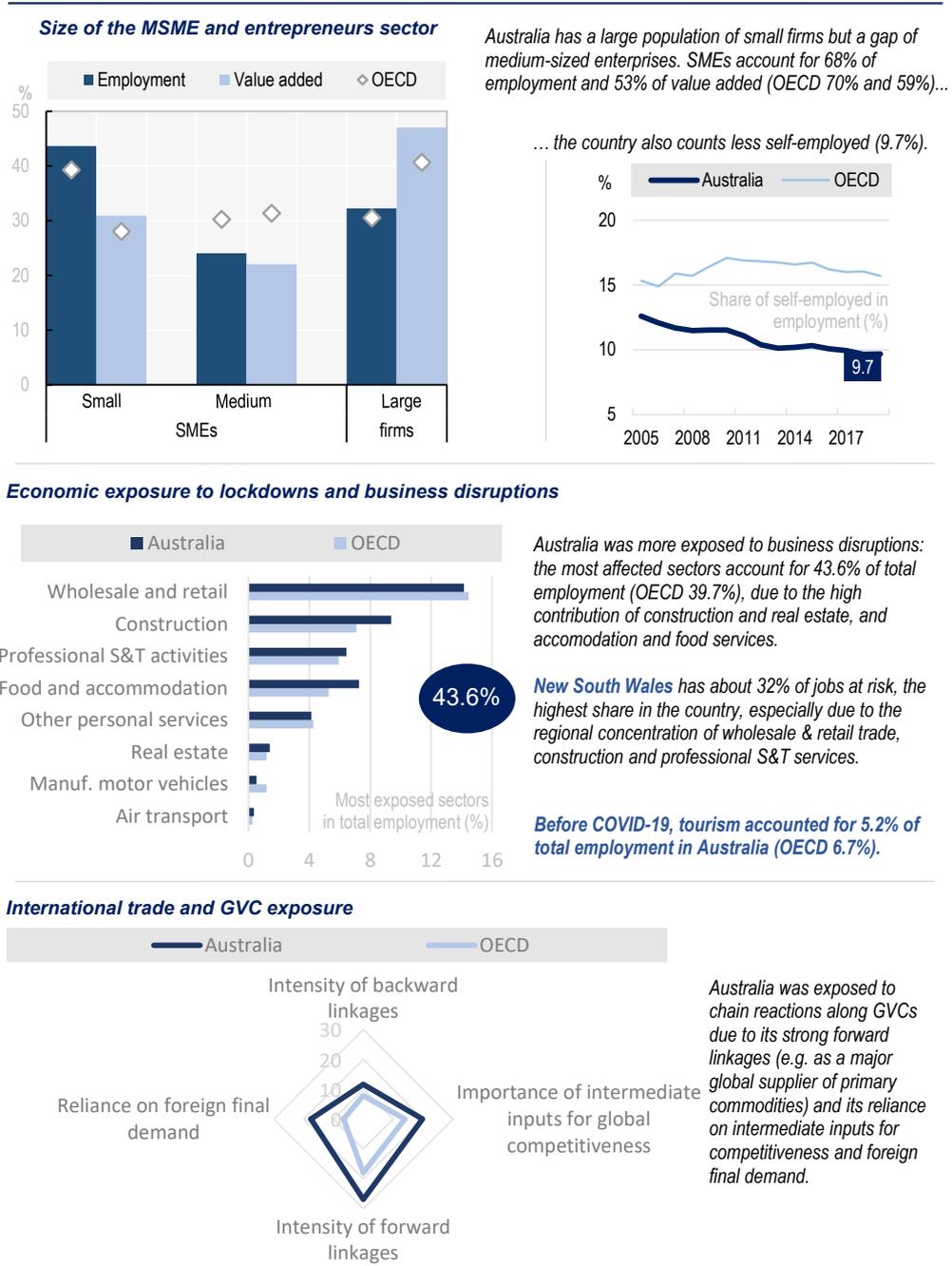
SME&E policies in Australia are defined as part of a multi-annual Action Plan and are a joint federal-regional responsibility.

At the federal level, the Ministry responsible for SMEs moved to Treasury in 2021, to ensure that small business interests are considered holistically and reflected through dedicated support in the federal budget.

Regional SME Strategies often predate national SME Strategies and include hands-on support measures for small business as, for instance, the "New South Wales Small Business Strategy" (2017). Since 2016, the **Australian Small Business and Family Enterprise Ombudsman** serves as an advocate for SMEs and plays a central role in designing SME friendly federal laws.

Source: Oxford stringency Index (April 2021); OECD TEI database 2021; and national sources (see country-specific references and definitions).

Figure 6.2. Factors of SME&E structural vulnerability in Australia



Source: Size of the MSME sector (2016): OECD SMEE Outlook 2019; Share of self-employed (2005-19): OECD LFS database 2020; Most exposed sectors (2018): (OECD, 2020), based on OECD ANA data; most exposed regions (2017): OECD Regional Outlook 2021; Tourism employment (2019): OECD Tourism database 2021; GVC exposure (2016): OECD TiVA database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250345>

Figure 6.3. Sources of SME&E resilience in Australia



Source: Broadband (2020), social media (2019), e-commerce (2019), cloud computing (2018): OECD ICT Usage by Businesses database 2021; SME profit (2010): OECD SDBS database 2021; Liquidity support (2020): Facebook/OECD/World Bank FBS Survey 2020; Entrepreneurship regulatory framework (2018 and 2019): OECD PMR database 2018 and WB Doing Business 2020; Innovation skills (2019 and 2015): GEM 2019 and OECD Skills for Jobs database 2018 (see country-specific references and definitions).

StatLink <https://doi.org/10.1787/888934250364>

Country notes

- Structural business statistics refer to 2016 instead of 2018. Annual national accounts data refer to 2017 instead of 2018. Regional statistics refer to 2019 instead of 2017. Tourism statistics refer to 2018 instead of 2019.
- For structural business statistics: small enterprises are firms with 1-19 persons employed. Medium enterprises are: for Australia: 20-199; for OECD average: 20-249. Large enterprises: for Australia 200+; for OECD average: 250+.
- Data on cloud computing services refer to 2018 instead of 2020. Data on e-commerce refer to 2019 instead of 2020. Structural business statistics (profit) refer to 2010 instead of 2018.

Country-specific sources

- Australian Government (2019), *Small Business Counts – Small business in the Australian economy (July 2019)*, <https://www.asbfeo.gov.au/sites/default/files/documents/ASBFEO-small-business-counts2019.pdf>.
- Australian Taxation Office (2020), *JobKeeper Payment*, <https://www.ato.gov.au/general/jobkeeper-payment>.
- OECD (2019), "Australia", in *OECD SME and Entrepreneurship Outlook 2019*, OECD Publishing, Paris, <https://doi.org/10.1787/34907e9c-en>.
- Parliament of Australia (2021), *2020-21 Additional estimates*, https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ee/2020-21_Additional_estimates.
- [Parliament](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6521) of Australia (2020), *Coronavirus Economic Response Package Omnibus Bill 2020*, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6521.

References

- Facebook, OECD and World Bank (2020), *Global State of Small Business Report*, [6]
<https://dataforgood.fb.com/wp-content/uploads/2020/07/GlobalStateofSmallBusinessReport.pdf>.
- OECD (2021), *SDBS Structural Business Statistics (ISIC Rev. 4)*, [4]
http://stats.oecd.org/Index.aspx?DataSetCode=SSIS_BSC_ISIC4.
- OECD (2021), *The Digital Transformation of SMEs*, OECD Studies on SMEs and Entrepreneurship, OECD Publishing, Paris, <https://dx.doi.org/10.1787/bdb9256a-en>. [3]
- OECD (2021), *Timely Indicators of Entrepreneurship (ISIC4)*, [5]
http://stats.oecd.org/Index.aspx?DataSetCode=TIMELY_BDS_ISIC4.
- OECD (2020), "The territorial impact of COVID-19: Managing the crisis across levels of government", *OECD Policy Responses to Coronavirus (COVID-19)*, [1]
<http://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1/>.
- OECD (2020), "*Tourism Policy Responses to the coronavirus (COVID-19)*", OECD Policy Responses to Coronavirus (COVID-19), OECD Publishing, Paris, [2]
<https://doi.org/10.1787/6466aa20-en>.
- OECD (2020), "Youth and COVID-19: Response, recovery and resilience", *OECD Policy Responses to Coronavirus (COVID-19)*, <http://www.oecd.org/coronavirus/policy-responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/> (accessed 07 March 2021). [11]
- OECD (2020), "The impact of COVID-19 on SME financing: A special edition of the OECD Financing SMEs and Entrepreneurs Scoreboard", *OECD SME and Entrepreneurship Papers*, No. 22, OECD Publishing, Paris, <https://dx.doi.org/10.1787/ecd81a65-en>. [8]
- OECD (2020), *Women enterprise policy and COVID-19: Towards a gender-sensitive response - OECD webinar*. [10]

Annex A. Sources and definitions of benchmarking indicators

| COVID-19 impact | | | |
|---|--|--|---|
| Stringency of government measures | Oxford Government Stringency Index | Government response stringency index, as a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). If policies vary at the subnational level, the index is shown as the response level of the strictest sub-region. Country values from January 2020 to April 2021. | https://ourworldindata.org/grapher/covid-stringency-index |
| Business dynamics | Firm entries (%) | New enterprise creation January 2020-March 2021, year-on-year difference and cumulative year-on-year difference as a %. For the definition of enterprise creation, see methodology in primary source. | OECD Timely Indicators of Entrepreneurship (TIE) database |
| | Firm exits (%) | Bankruptcies, January 2020-March 2021, year-on-year difference and cumulative year-on-year difference as a %. For the definition of bankruptcies, see methodology in primary source. | OECD Timely Indicators of Entrepreneurship (TIE) database |
| Factors of vulnerability | | | |
| Size of the SME&E sector | Share of SMEs in total employment (%) | Employment by enterprise size as a percentage of all persons employed in business economy. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed. Data refer to 2018 or latest year available. | OECD Structural and Demographic Business Statistics database (SDBS) |
| | Share of SMEs in total value added (%) | Value added by enterprise size as a percentage of total business economy value added. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed. Data refer to 2018 or latest year available. | OECD Structural and Demographic Business Statistics database (SDBS) |
| | Share of self-employed in total employment (%) | Self-employment is defined as the employment of employers, workers who work for themselves, members of producers' co-operatives, and unpaid family workers. It is expressed as a percentage of total employment. Trends between 2005 and 2019. | OECD Annual Labour Force Statistics database |
| Economic exposure to lockdowns and business disruptions | Most affected sectors, share in total employment (%) | The most affected sectors by COVID-19 containment measures, share of total employment (%), 2018 or latest year available. | OECD Statistical Insights: Small, Medium and Vulnerable (2020) , calculations based OECD Annual National Accounts database. |
| | The region most at risk | Regions with the highest share of jobs at risk by country, TL2 regions, 2017. | OECD (2021), Regional Outlook 2021 based on OECD Job Creation and Local Economic Development 2020: Rebuilding Better |
| | Direct contribution of tourism in total employment (%) | Tourism as a % of total employment, 2019 or latest year available. | OECD Tourism database |

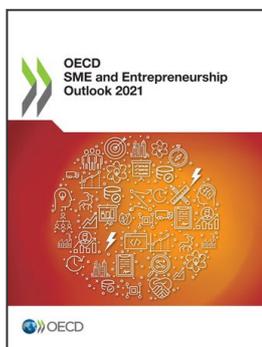
| | | | |
|--------------------------------------|---|--|---|
| International trade and GVC exposure | SMEs as exporters (%) | Share of SMEs in trade value, exports, 2015 or latest year available | OECD Trade by Enterprise Characteristics database |
| | SMEs as importers (%) | Share of SMEs in trade value, imports, 2015 or latest year available | OECD Trade by Enterprise Characteristics database |
| | SME exporters in long GVCs (%) | Share of SMEs in trade value, exports, long GVCs, 2015 or latest year available | Calculations based on OECD Trade by Enterprise Characteristics database |
| | SME importers in long GVCs (%) | Share of SMEs in trade value, imports, long GVCs, 2015 or latest year available | Calculations based on OECD Trade by Enterprise Characteristics database |
| | Foreign affiliates (FAs) sourcing locally (%) | Sourcing structure of foreign affiliates, percentage of foreign affiliates' sourcing that comes from domestic multinationals (MNEs) and non-MNEs, total economy, 2016. | OECD Analytical AMNE database |
| | FAs output used locally (%) | Output use of foreign affiliates, as a percentage of the output of foreign affiliates that is used by domestic MNEs and non-MNEs for intermediary consumption, total economy, 2016 | OECD Analytical AMNE database |

Sources of resilience

| | | | |
|-------------------|--|---|---|
| Digital readiness | Broadband connection (%) | Percentage of small businesses [10-49] with a broadband download speed at least 100 Mbit/s (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021). | OECD ICT Access and Usage by Businesses and OECD (2021), The Digital Transformation of SMEs . |
| | Use of social media (%) | Percentage of small businesses [10-49] using social media (%). All activities in manufacturing and non-financial market services. Data refer to 2019 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021). | OECD ICT Access and Usage by Businesses and OECD (2021), The Digital Transformation of SMEs |
| | E-commerce (%) | Percentage of small businesses [10-49] receiving orders over computer networks (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021). | OECD ICT Access and Usage by Businesses and OECD (2021), The Digital Transformation of SMEs |
| | Cloud computing (%) | Percentage of small businesses [10-49] purchasing cloud computing services (%). All activities in manufacturing and non-financial market services. Data refer to 2020 or latest year available. Distribution along a stylised curve of adoption (OECD, 2021). | OECD ICT Access and Usage by Businesses and OECD (2021), The Digital Transformation of SMEs |
| Cash reserves | SME profit, as a share of production (%) | Gross operating surplus of firms with less than 250 employees as a percentage of their production. Industry (excluding construction) only. Data refer to 2018 or latest year available. | OECD Structural and Demographic Business Statistics database (SDBS) |
| Liquidity support | SMEs receiving government support, total (%) | Percentage of SMEs with a Facebook page that received government support, December 2020. | Facebook/OECD/World Bank (2020), Future of Business Survey |
| | SMEs receiving grants and subsidies (%) | Percentage of SMEs with a Facebook page that received government support in the form of grants or subsidies, December 2020. | Facebook/OECD/World Bank (2020), Future of Business Survey |
| | SMEs receiving credits and deferrals (%) | Percentage of SMEs with a Facebook page that received government support in the form of credit or deferral of payments, December 2020. | Facebook/OECD/World Bank (2020), Future of Business Survey |
| | SMEs receiving non-financial support (%) | Percentage of SMEs with a Facebook page that received non-financial government support (e.g. information, technical assistance or advisory services), December 2020. | Facebook/OECD/World Bank (2020), Future of Business Survey |

| | | | |
|---------------------------------------|---|--|---|
| Entrepreneurship regulatory framework | Simplification and evaluation of regulations (index) | Composite index that captures the government's communication strategy and efforts to reduce and simplify the administrative burden of interacting with the government, including impact assessment on competition, interaction with interest groups and the complexity of regulatory procedures. Scores from 0 - least restrictive - to 6 - most restrictive. Data refer to 2018. | OECD Product Market Regulation Indicators |
| | Low administrative burdens on start-ups (index) | Component of the composite index "Barriers to domestic and foreign entry". Covers the administrative burden on joint-stock companies and personally-owned enterprises, as well as administrative burden related to licenses and permits procedures. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the administrative burdens are). Data refer to 2018. | OECD Product Market Regulation Indicators |
| | Low cost of starting a business (in % of income per capita) | Captures the cost (in % of income per capita) for starting a business, registering property and to prepare, file and pay taxes. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (the higher the index performance is, the lower the cost). Data refer to 2019. | World Bank Doing Business 2020 – Starting a business |
| | Strength of insolvency framework (index) | Measures the insolvency law de jure. Calculated as the sum of the scores on 4 other indices: i) commencement of proceedings index (with a range of 0–3), ii) management of debtor's assets index (0–6), iii) reorganization proceedings index (0–3) and iv) creditor participation index (0–4). The strength of insolvency framework index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for the rehabilitation of viable firms and the liquidation of nonviable ones. Data refer to 2019. | World Bank Doing Business 2020 – Resolving insolvency |
| | Low cost of resolving insolvency | Resolving insolvency (cost, % of estate). Indicator on the actual cost (in % of estate) to close a business. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the cost). Data refer to 2019. | World Bank Doing Business 2020 - Resolving insolvency |
| Innovation skills | Perceived capabilities to start a business (%) | Perceived entrepreneurial capabilities among adult population (%), as a percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who believe they have the required skills and knowledge to start a business. Scoring from 0 (low) to 100 (high). Data refer to 2019 or latest year available. | Global Entrepreneurship Monitor (GEM) - Adult Population Survey |
| | Computer and electronics skills | Skills shortage or surplus of computer and electronics skills, i.e. knowledge of circuit boards, processors, chips, electronic equipment, and computer hardware and software, including applications and programming. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015. | OECD Skills for Jobs Database |
| | Adaptability/ flexibility skills | Skills shortage or surplus of adaptability/flexibility skills. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015. | OECD Skills for Jobs Database |

| | | | |
|--|---------------------------------------|--|---|
| | Complex problem solving skills | Skills shortage or surplus of complex problem solving, i.e. developed capacities used to solve novel, ill-defined problems in complex, real-world settings. Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015. | OECD Skills for Jobs Database |
| | Practical intelligence for innovation | Skills shortage or surplus of practical intelligence for innovation (workstyle). Positive values indicate skill shortage while negative values point to skill surplus. The larger the absolute value, the larger the imbalance. Results are available on a scale that ranges between -1 and +1. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed ((the higher the index performance is, the lower the imbalance in skills use and availability in the country). Data refer to 2015. | OECD Skills for Jobs Database |



From:
OECD SME and Entrepreneurship Outlook 2021

Access the complete publication at:

<https://doi.org/10.1787/97a5bbfe-en>

Please cite this chapter as:

OECD (2021), "Country Profiles", in *OECD SME and Entrepreneurship Outlook 2021*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/1fd332c9-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.