

Australia's Small Businesses by Regional and Metropolitan Areas

Australian Small Business and Family Enterprise
Ombudsman

September 2022

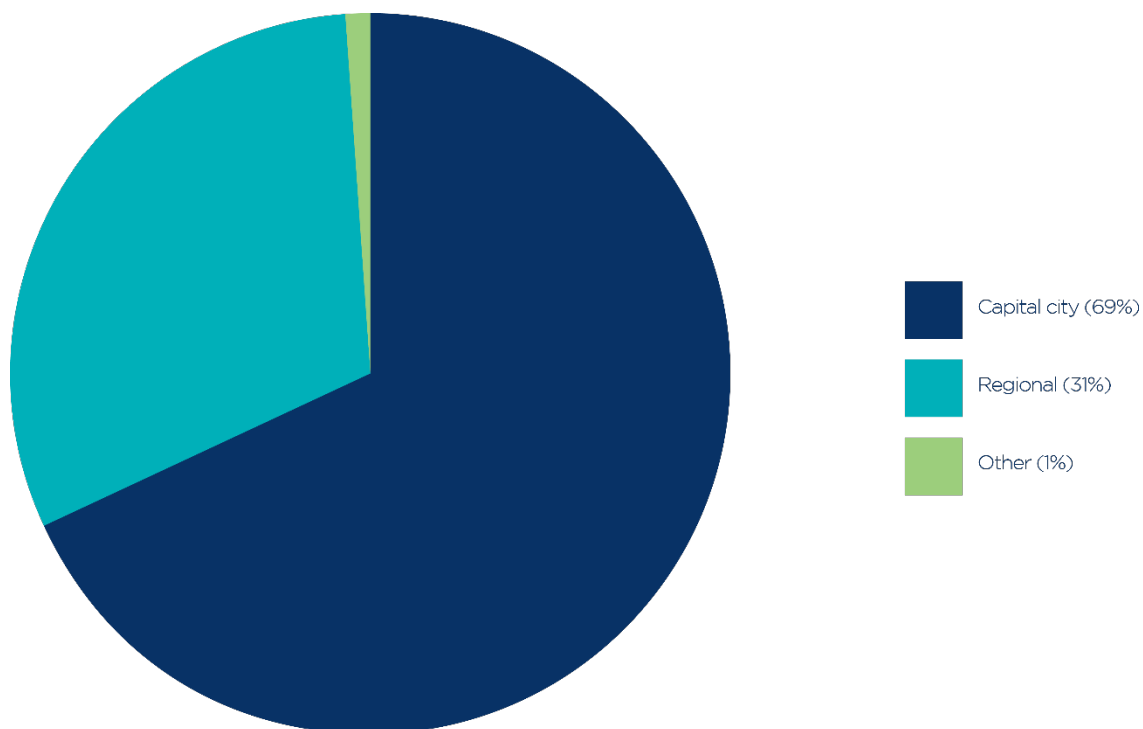
This data presents small businesses in Australia according to their regional or metropolitan area classification, focusing on numbers, location and size.

Please note that for this data the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) defines small businesses as those with less than 20 employees. The data is classified using the Australian Statistical Geography Standard (ASGS).

Key findings

- Of the 2.3 million small businesses in Australia, 69% (1.6 million) were located in a greater capital city area and 31% in a regional area.
- Queensland and Tasmania had the greatest proportions of small businesses located in regional areas.
- The number of small businesses increased in all states and territories in the year to 30 June 2021. These rises were spread across capital city and regional areas.

Chart 1: Small Business by location, 30 June 2021



Excludes businesses not registered for GST. “Other” is comprised of a small number of businesses where information is only available at the state/territory level.

Source: Based on *Australian Bureau of Statistics*, customised data.

Of the 2.3 million small businesses in Australia, 1.6 million (69%) are located in the greater capital city areas and 31% (716,609) in regional areas on 30 June 2021. This closely reflects the split of the Australian population, with 67%¹ of all Australians living in the greater capital city areas.

Chart 2: Proportion of small businesses in capital cities and regional areas, 30 June 2021



Note: This graph does not include the ACT because the ASGS only has one Greater Capital City Area for the entire Territory. Further information on the ASGS is available from the [Australian Bureau of Statistics](#). Information on regions in the ACT is available on the [Australia’s small businesses by region - states and territories page](#).

Source: Based on *Australian Bureau of Statistics*, customised data.

As shown in the chart above, Queensland and Tasmania were the only states with a higher proportion of small businesses in regional areas than capital cities on 30 June 2021.

¹ Australian Bureau of Statistics (2021), *Regional Population*, accessed 22 August 2022

Table 1: Number of small businesses in Greater Capital City Areas, 30 June 2021

Number of employees	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Australian Capital Territory ¹
Non-employing	320,460	311,220	123,590	73,008	113,280	10,274	6,334	17,260
1-4 employees ²	192,685	146,661	62,553	26,749	47,597	4,770	2,913	10,000
5-19 employees	47,323	42,069	20,184	10,283	17,082	2,018	1,288	3,288
<i>Small businesses (0-19 employees)</i>	<i>560,468</i>	<i>499,950</i>	<i>206,327</i>	<i>110,040</i>	<i>177,959</i>	<i>17,062</i>	<i>10,535</i>	<i>30,548</i>
20-99 employees	11,358	10,445	4,770	2,463	4,309	440	331	838
100-199 employees	1,107	940	404	211	342	27	19	70
200+ employees	578	534	198	106	184	12	5	43
Total	573,513	511,863	211,703	112,822	182,795	17,542	10,891	31,499

¹There is only one Greater Capital City Area for the entire Territory. Further information on the ASGS is available from the [Australian Bureau of Statistics](#). Information on regions in the ACT is available on the [Australia's small businesses by region - states and territories page](#).

²This includes a small number of businesses which have income tax withholding roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment).

This data excludes businesses not registered for GST. The Australian Bureau of Statistics adjust cells to avoid the release of confidential information, so cells may not add up to totals. Exercise care when analysing small numbers. For further information see *Australian Bureau of Statistics, Counts of Australian Businesses, Including Entries and Exits methodology*.

Source: Based on *Australian Bureau of Statistics*, customised data.

As shown in the table above, there were over 1.6 million small businesses in greater capital city areas on 30 June 2021. Two-thirds of these were in Greater Sydney and Greater Melbourne.

Table 2: Number of small businesses in regional areas, 30 June 2021

	Regional NSW	Regional Vic	Regional Qld	Regional SA	Regional WA	Regional Tas	Regional NT	Other Territories ¹
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Non-Employing	133,136	82,164	145,926	21,711	26,962	13,356	2,012	1,608
1-4 employees ²	73,418	40,838	70,518	9,367	12,843	6,264	920	128
5-19 employees	24,888	14,006	23,991	3,977	5,245	2,726	593	12
<i>Small businesses (0-19 employees)</i>	<i>231,442</i>	<i>137,008</i>	<i>240,435</i>	<i>35,055</i>	<i>45,050</i>	<i>22,346</i>	<i>3,525</i>	<i>1,748</i>
20-99 employees	4,633	2,688	5,301	623	1,137	586	148	5
100-199 employees	277	185	359	38	50	33	7	0
200+ employees	116	95	173	11	23	20	6	0
Total	236,460	139,980	246,262	35,725	46,262	22,982	3,684	1,754

¹Businesses in Christmas Island, Cocos (Keeling) Islands, Jervis Bay, Norfolk Island.

²This includes a small number of businesses which have income tax withholding roles for purposes other than withholding amounts from wages and salaries (and as such have zero employment).

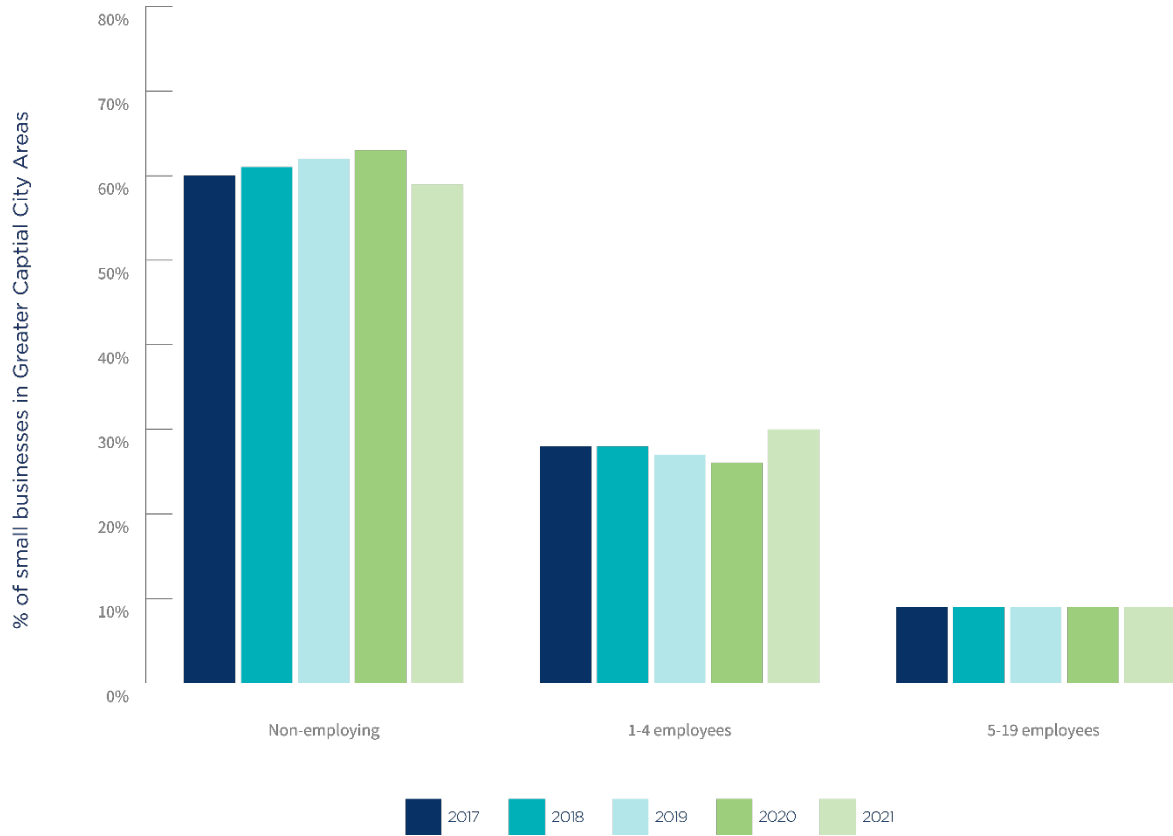
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Regional areas are locations outside the Greater Capital City Area. Further information on the ASGS is available from the [Australian Bureau of Statistics](#).

Source: Based on *Australian Bureau of Statistics*, customised data.

As shown in the table above, 716,609 small businesses were in regional areas on 30 June 2021. Over one-third of these small businesses were in regional Queensland.

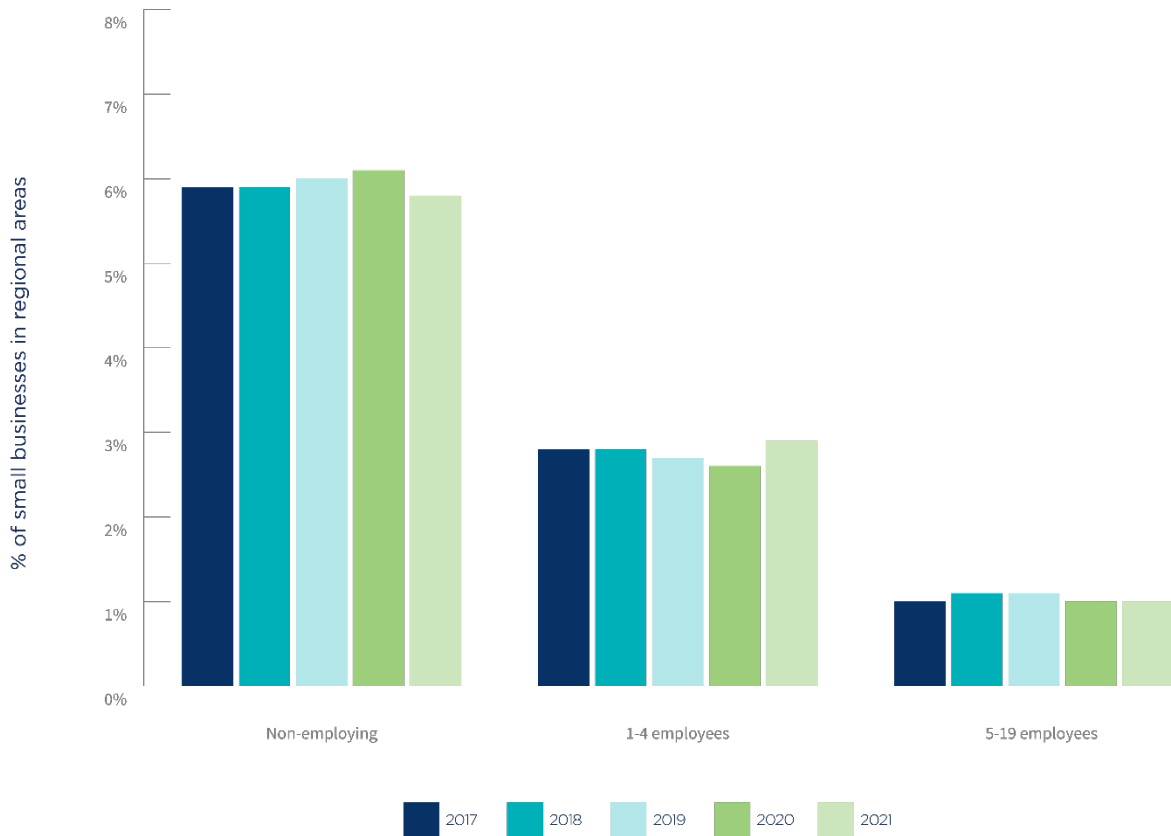
Chart 3: Small businesses in Greater Capital City Areas, by size



Excludes businesses not registered for GST.

Source: Based on *Australian Bureau of Statistics*, customised data.

Chart 4: Small businesses in regional areas, by size



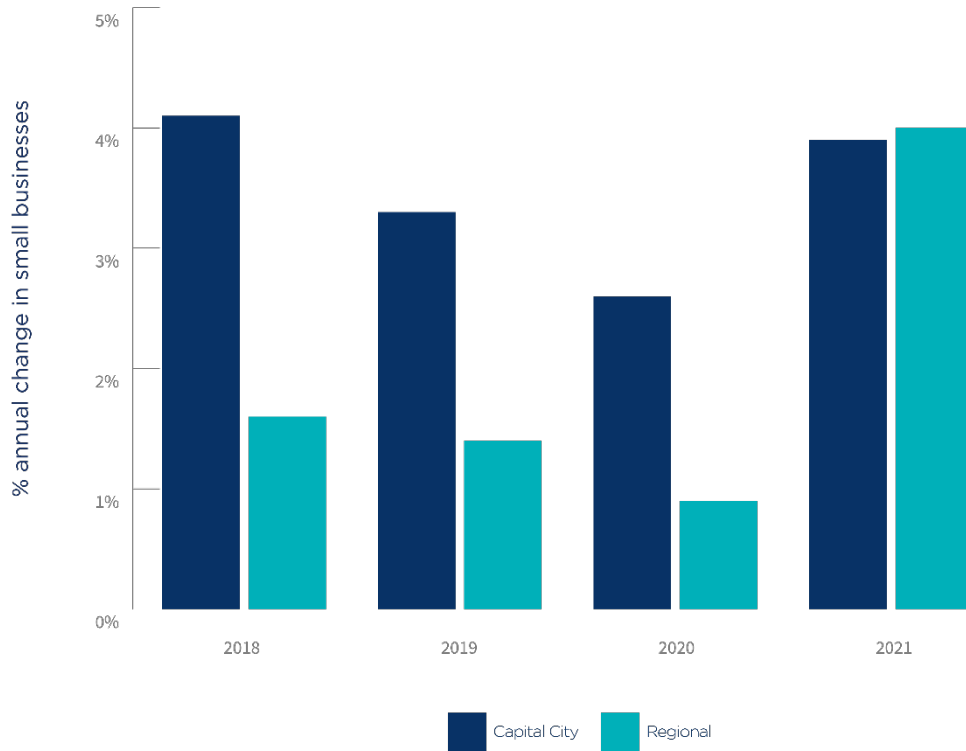
Excludes businesses not registered for GST.

Source: Based on *Australian Bureau of Statistics*, customised data.

The composition of small businesses is similar in greater capital cities and regional areas. There was a shift from non-employed to employing businesses in both capital cities and regional areas in 2021.

This was partly due to the Australian Bureau of Statistics reclassifying businesses. The national data indicates that this shift reversed in 2022. Nationally, non-employed businesses increased by 10% in the year to June 2022. Further information on the Australian Bureau of Statistics methodology is available in [*Counts of Australian Businesses, including Entries and Exits methodology*](#).

Chart 5: Annual change in the number of small businesses by location



Excludes businesses not registered for GST.

Source: Based on *Australian Bureau of Statistics*, customised data.

Increases in the number of small businesses have historically been higher in metro areas when compared to the regional areas. However, there was strong increase (4%) in the number of small businesses in both greater capital city and regional areas in the year to June 2021.