

Contribution to Australian Gross Domestic Product

Australian Small Business and Family Enterprise
Ombudsman

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The value that small business adds to Australia’s economy can be calculated by its contribution to Australian Gross Domestic Product (GDP).

GDP measures the total value of final goods and services produced in the economy.

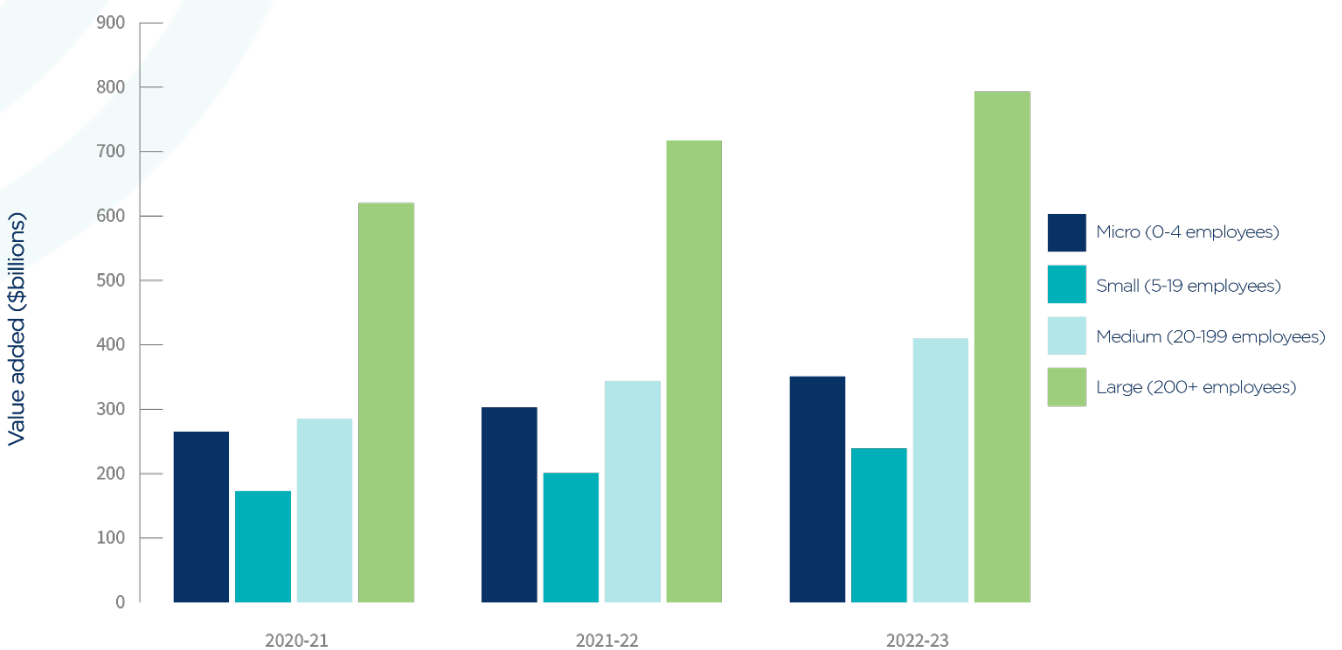
Table 1: Industry value added by business size

Value added by business size	2020-21		2021-22		2022-23	
	\$m	%	\$m	%	\$m	%
Small business (0-19 employees)	438,502	33	504,944	32	589,843	33
Medium business (20-199 employees)	285,284	21	343,731	22	409,972	23
Large business (200+ employees)	619,540	46	717,280	46	792,892	44
Total	1,343,326	100	1,565,955	100	1,792,706	100

Source: ABS Australian Industry, Table 5, May 2024 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services. Totals may not sum due to rounding.

Small business (employing less than 20 people) added nearly \$590 billion of value in 2022-23. This was one third of Australia’s total GDP, as shown in Table 1.

Chart 1: Industry value added by business size



Source: ABS Australian Industry, Table 5, May 2024 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services.

As shown in Chart 1, the contribution of economic value compared by business size has not changed much over the past three years.

Table 2: Small business share of the total value added by industry in 2022-23

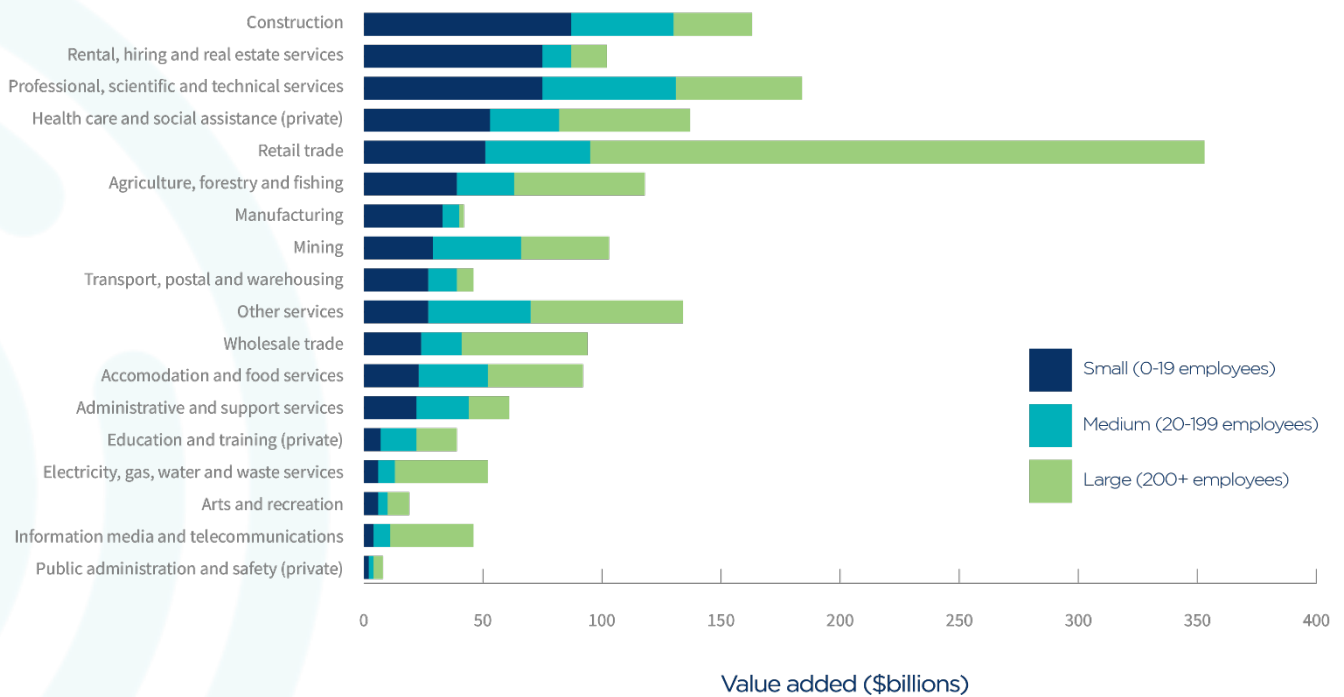
Industry sector	Small	Medium	Large	All	Small business share
	\$m	\$m	\$m	\$m	%
Agriculture, forestry and fishing	33,446	7,033	1,598	42,076	79%
Rental, hiring and real estate services	75,371	11,633	15,246	102,250	74%
Other services	27,032	11,772	6,872	45,676	59%
Construction	86,732	42,756	33,491	162,978	53%
Professional, scientific and technical services	75,004	55,921	53,295	184,220	41%
Health care and social assistance (private)	52,909	29,240	55,030	137,179	39%
Accommodation and food services	21,532	21,870	16,954	60,356	36%
Retail trade	39,016	23,826	54,636	117,479	33%
Arts and recreation services	5,720	4,319	9,198	19,237	30%
Wholesale trade	28,538	37,240	37,198	102,976	28%
Public administration and safety (private)	2,342	2,484	3,805	8,632	27%
Transport, postal and warehousing	24,498	16,818	53,441	94,758	26%
Administrative and support services	22,586	29,108	39,632	91,327	25%
Manufacturing	26,907	43,265	63,680	133,852	20%
Education and training (private)	7,369	14,743	17,379	39,491	19%
Mining	50,721	43,729	257,962	352,412	14%
Electricity, gas, water and waste services	5,977	6,990	38,818	51,784	12%
Information media and telecommunications	4,142	7,226	34,655	46,023	9%
Total selected industries	589,843	409,972	792,892	1,792,706	33%

Source: ABS *Australian Industry*, Table 5, May 2024 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services. Small businesses are those with 0-19 employees, medium businesses are those with 20-199 employees and large businesses are those with 200+ employees. Totals may not sum due to rounding.

You can see in Table 2 that as well as adding a significant contribution to total value, small business adds more value than other business size in the following sectors:

- Agriculture, forestry and fishing (79% of total value added)
- Rental, hiring and real estate services (74% of total value added)
- Other services (59% of total value added)
- Construction (53% of total value added).

Chart 2: Industry value added by business size in 2022-23



Source: ABS Australian Industry, Table 5, May 2024 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services.

Chart 2 shows that the largest contributions in dollar terms by small business to GDP are in the following industries:

- Construction (\$86.7 billion)
- Rental, hiring and real estate services (\$75.4 billion)
- Professional, scientific and technical services (\$75.0 billion).

When evaluating according to value added in dollar terms, Australia’s largest industry is mining. Interestingly, you can see that in Chart 2 small businesses contributed only 14% of all value added in the mining sector, compared to 73% from large businesses.

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