

Contribution to Australian Employment

Australian Small Business and Family Enterprise
Ombudsman

June 2024

The value that small business contributes to employment numbers in Australia is one indication of their contribution to the Australian economy. This can be measured by comparing the number of employees working in small business with employees in other business sizes and similar break downs within industries.

1. Contribution to Australian employment

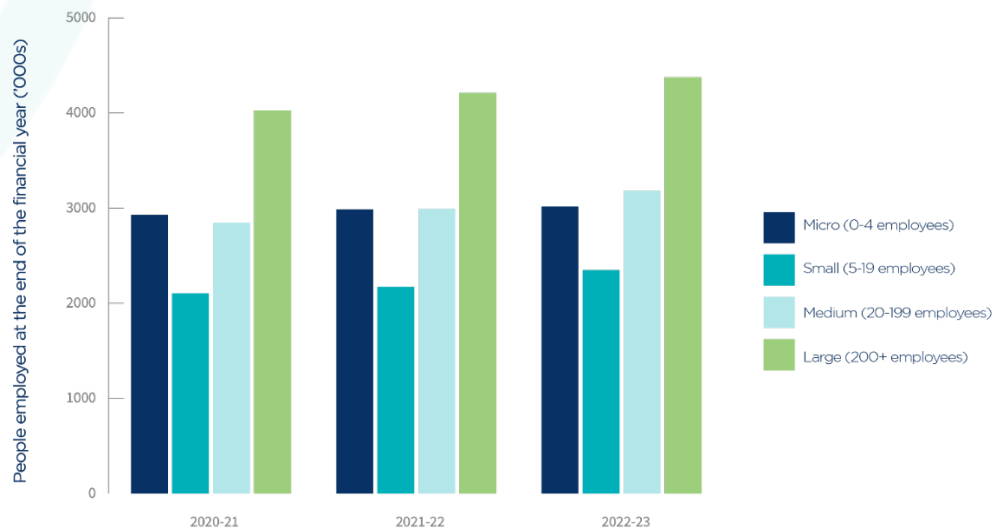
Table 1: Employment by business size

Size	2020-21		2021-22		2022-23	
	('000)	%	('000)	%	('000)	%
Small Business (0-19 Employees)	5,036	42%	5,161	42%	5,368	42%
Medium Business (20-199 Employees)	2,848	24%	2,994	24%	3,184	25%
Large Business (200+ Employees)	4,025	34%	4,212	34%	4,376	34%
Total	11,909	100%	12,367	100%	12,928	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.

Small businesses (as defined by the ABS as those employing 0-19 employees) employed over 5 million people, which is 42% of the private sector workforce¹ in 2022-23 as shown in Table 1.

Chart 1: Employment by business size



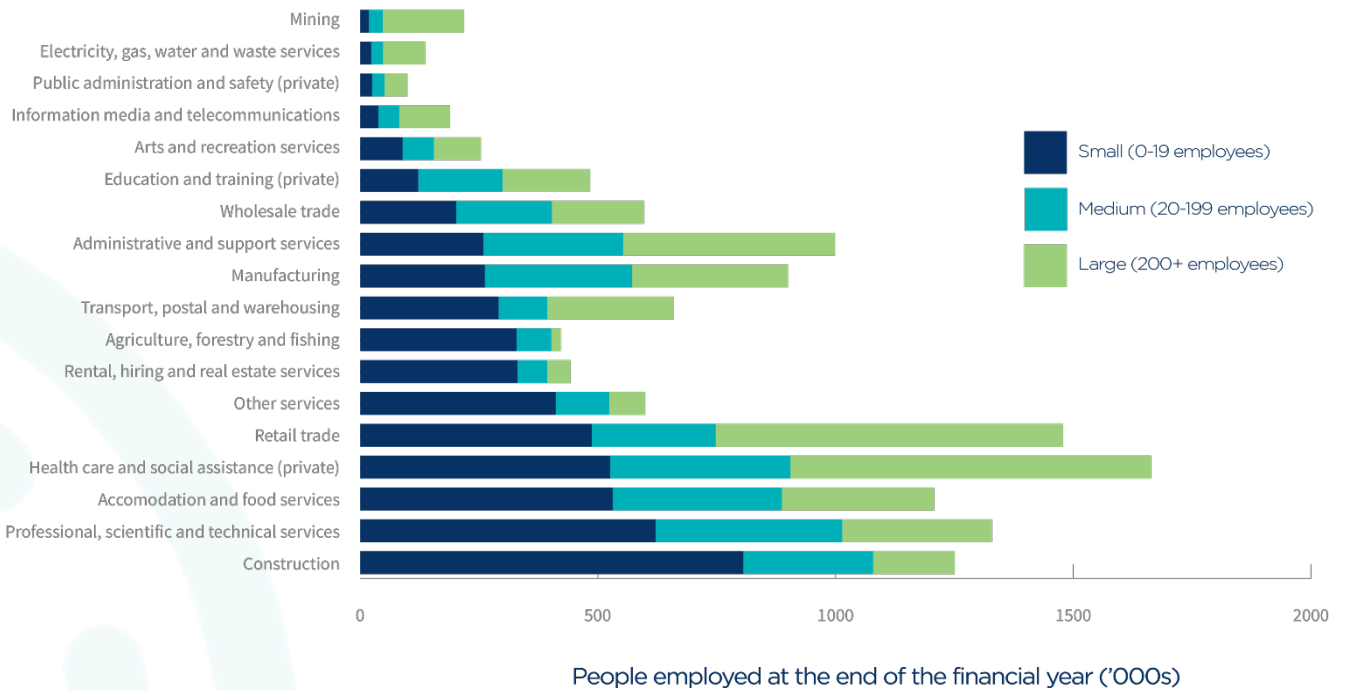
Source: ABS Australian Industry, Table 5, May 2024 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services.

¹ Excluding financial and insurance services industry.

Chart 1 shows how the pattern of employment has changed very little over the past three years.



Chart 2: Total employment by industry ranked by number of people employed by small business, 30 June 2023



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 the industry sectors where small businesses make the greatest contribution to employment. The top three industry sectors are:

- Construction (employing 806,000 people in June 2023)
- Professional, scientific and technical services (employing 621,000 people in June 2023)
- Accommodation and food services (employing 531,000 people in June 2023).

Table 2: Employment by industry, ordered by small business proportionate share – 2022-23

Industry Sector	Small ('000)	Medium ('000)	Large ('000)	All ('000)	Small Business share (%)
Agriculture, forestry and fishing	329	73	20	422	78
Rental, hiring and real estate services	331	62	50	443	75
Other services	411	113	76	600	68
Construction	806	273	172	1,250	64
Professional, scientific and technical services	621	393	315	1,329	47
Transport, postal and warehousing	291	102	267	660	44
Accommodation and food services	531	356	321	1,208	44
Arts and recreation services	89	66	99	254	35
Wholesale trade	202	201	194	597	34
Retail trade	487	261	731	1,479	33
Health care and social assistance (private)	526	379	759	1,663	32
Manufacturing	262	310	328	899	29
Administrative and support services	259	294	446	999	26
Education and training (private)	122	178	184	484	25
Public administration and safety (private)	25	26	48	99	25
Information media and telecommunications	38	44	107	189	20
Electricity, gas, water and waste services	23	25	89	136	17
Mining	18	29	172	220	8
Total selected industries	5,368	3,184	4,376	12,928	42

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.

Notably in Table 2, the private sector industries most reliant on small business for employment (that is, with two thirds or more of people employed by small businesses) were:

- Agriculture, forestry and fishing (78% of employment by small businesses)
- Rental, hiring and real estate services (75% of employment by small businesses)
- Other Services e.g., personal services (68% of employment by small businesses)
- Construction (64% of employment by small businesses).

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