

Contribution to Australian Employment

Australian Small Business and Family Enterprise
Ombudsman

July 2025

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	2021-22		2022-23		2023-24	
	('000)	%	('000)	%	('000)	%
Small Business (0-19 Employees)	5,150	42	5,290	41	5,165	39
Medium Business (20-199 Employees)	2,993	24	3,176	25	3,375	26
Large Business (200+ Employees)	4,214	34	4,387	34	4,656	35
Total	12,357	100	12,853	100	13,196	100

Source: ABS *Australian Industry* 2023-24, Table 5, and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services.

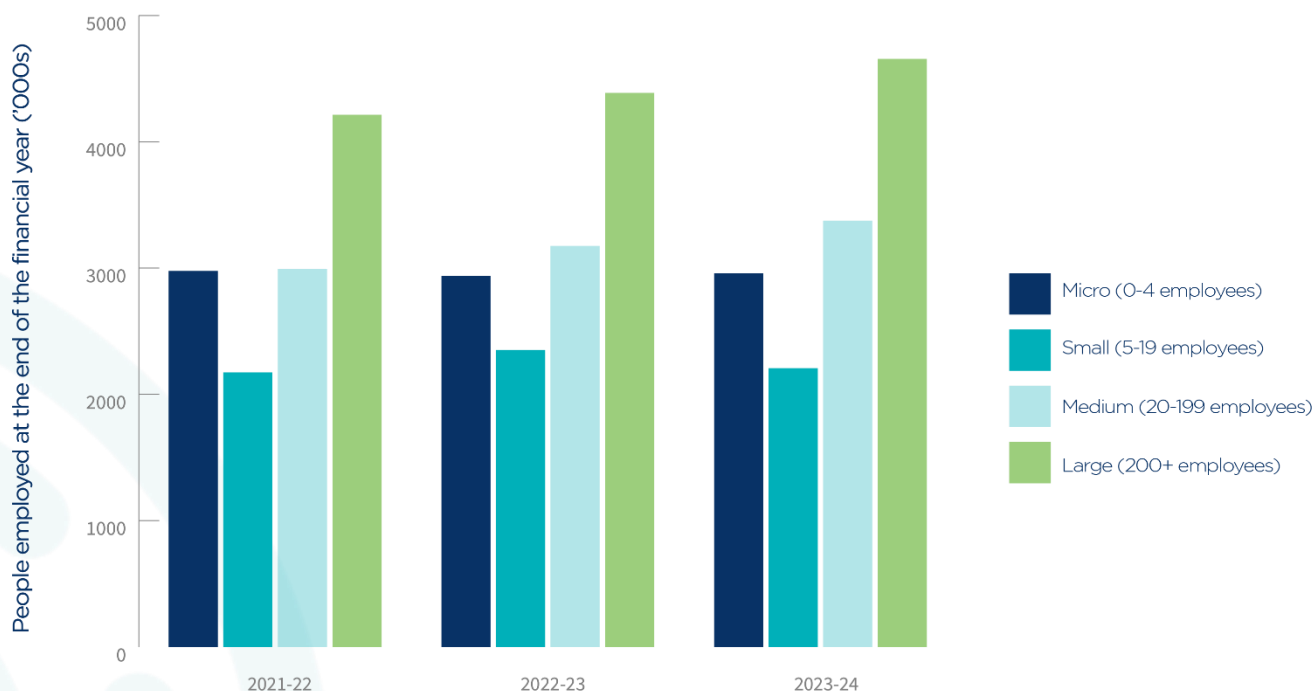
Small businesses (as defined by the ABS as those employing 0-19 employees) employed over 5 million people, which is 39% of the private sector workforce¹ in 2023-24 as shown in Table 1. This is a fall compared to last year. Only three per cent of surviving self-employed businesses became an employing business in 2023-24. This is the lowest rate since these records began in 2007-08². These statistics are consistent with the ASBFEO Small Business Pulse³, which highlights a prolonged period of difficulties with a tight labour market, challenges accessing suitably qualified staff, hesitations around increasing and more complex employer responsibilities, and ongoing interest in engaging contractors.

¹ Excluding financial and insurance services industry.

² Based on ABS, *Counts of Australian Businesses including Entries and Exits*, 2023-24, Table 14a.

³ ASBFEO, *Small Business Pulse*, May 2025.

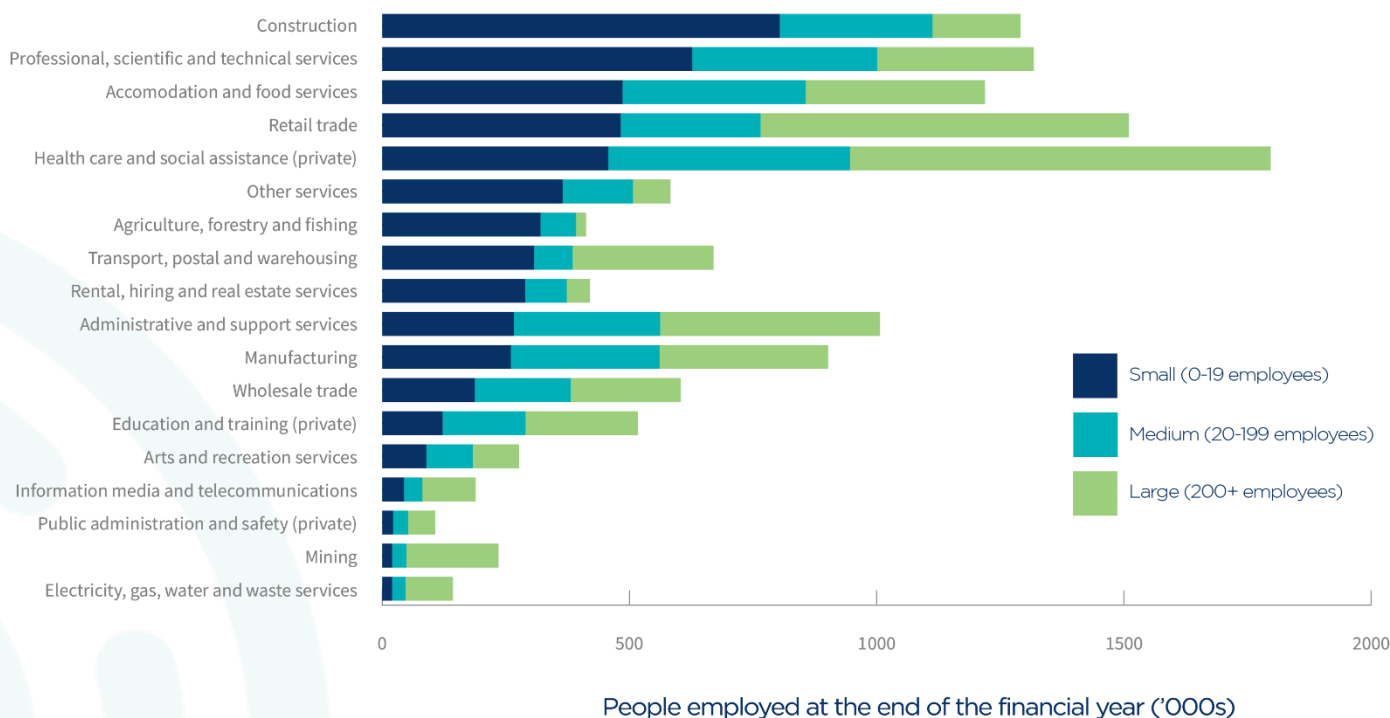
Chart 1: Employment by business size



Source: ABS *Australian Industry* 2023-24, Table 5 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services.

Chart 1 shows the number of people employed by small businesses with between five and nineteen employees decreased 6.1% in 2023-24. This was the only business size to record a fall. Large businesses recorded the highest increase in the number of people employed, rising 6.2%.

Chart 2: Total employment by industry ranked by number of people employed by small business, 30 June 2024



Source: ABS *Australian Industry 2023-24*, Table 5, 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 804,000 people in June 2024)
- Professional, scientific and technical services (employing 627,000 people in June 2024)
- Accommodation and food services (employing 486,000 people in June 2024).

Table 2: Employment by industry, ordered by small business proportionate share – 2023-24

Industry Sector	Small (‘000)	Medium (‘000)	Large (‘000)	All (‘000)	Small Business share (%)
Agriculture, forestry and fishing	320	72	20	411	78
Rental, hiring and real estate services	289	84	47	421	69
Other services	365	142	76	583	63
Construction	804	309	178	1,291	62
Professional, scientific and technical services	627	374	317	1,317	48
Transport, postal and warehousing	307	78	285	671	46
Accommodation and food services	486	370	363	1,218	40
Arts and recreation services	89	94	94	277	32
Retail trade	482	283	745	1,510	32
Wholesale trade	187	194	223	604	31
Manufacturing	260	301	341	902	29
Administrative and support services	266	296	445	1,006	26
Health care and social assistance (private)	457	489	851	1,797	25
Education and training (private)	122	168	227	516	24
Information media and telecommunications	44	37	108	188	23
Public administration and safety (private)	22	30	55	107	20
Electricity, gas, water and waste services	20	27	96	143	14
Mining	20	29	186	235	9
Total selected industries	5,165	3,375	4,656	13,196	39

Source: ABS *Australian Industry* 2023-24, Table 5, 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 (69% of employment by small businesses)
- Other Services e.g., personal services (63% of employment by small businesses)
- Construction (62% of employment by small businesses).

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