

Number of small businesses in Australia

Australian Small Business and Family Enterprise
Ombudsman

August 2025

Small business' contribution to Australian business numbers is one indicator of their contribution to the Australian economy. This can be explored by looking at the number of small businesses by employment and turnover.

1. Number of small businesses by employment

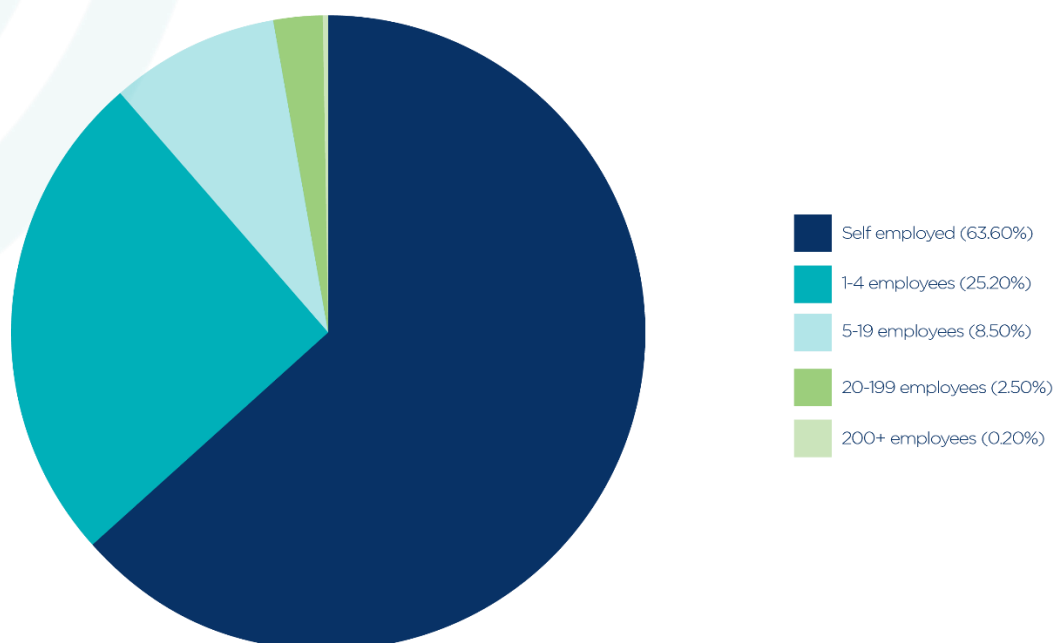
The Australian Bureau of Statistics (ABS) defines small businesses as those with less than 20 employees. As shown in Table 1, 97.3% of all Australian businesses were small businesses in June 2025.

Table 1: Business size measured by employment in June 2025

Number of employees	Number of businesses	% of total businesses
Small business (0-19 employees)	2,656,469	97.3
Medium Business (20-199 employees)	67,857	2.5
Large business (200+ employees)	5,322	0.2
Total	2,729,648	100

Source: ABS *Counts of Australian Business*, Table 13, August 2025 and ASBFEO calculations (excludes businesses that are not registered for GST).

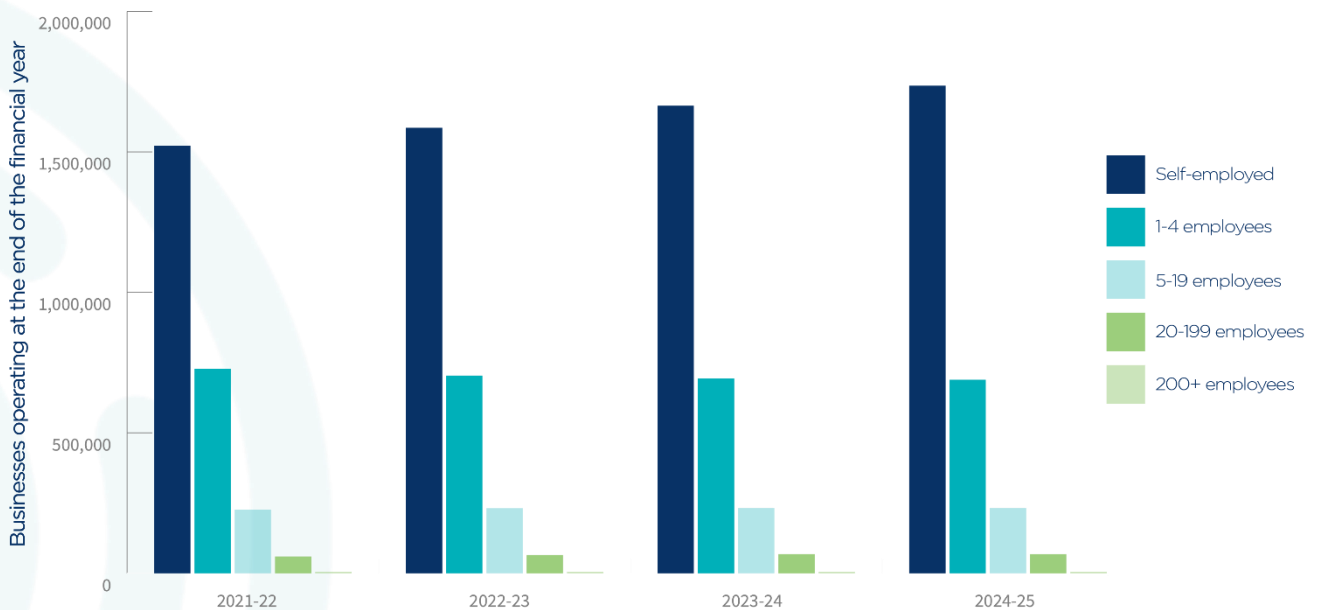
Chart 1: Number of Australian businesses measured by employment size in June 2025



Source: ABS Counts of Australian Business, Table 13, August 2025 and ASBFEO calculations (excludes businesses that are not registered for GST).

As shown above in Chart 1, over half (64%) of Australian businesses are self-employed/non-employing. An additional 25% of businesses employed 1-4 people and 9% employed 5-19 people. These businesses are all classified as a small business according to the ABS definition based on employment size.

Chart 2: Number of Australian businesses measured by employment size



Source: ABS Counts of Australian Business, Table 13, August 2025 and ASBFEO calculations (excludes businesses that are not registered for GST).

As shown in the chart above, the number of self-employed businesses with no additional employees and large businesses with at least two hundred employees increased in 2024-25 by 4.3% and 2.6% respectively. The number of businesses in all other employment ranges fell in 2024-25.

These ABS statistics report businesses that are actively remitting Goods and Services Tax (GST). There were 2,729,648 businesses (active Australian Business Numbers (ABNs)) in scope in 2024-25. There were an additional 6,009,760 ABNs that were not actively remitting GST¹.

2. Number of small businesses by turnover

Table 2: Business numbers by annual turnover in June 2024

Annual Turnover	Number of businesses	% of total businesses
\$0 to less than \$50k	644,604	24.2%
\$50k to less than \$200k	864,086	32.4%
\$200k to less than \$2m	931,592	35.0%

¹ ABS, Counts of Australian Businesses, including Entries and Exits, methodology, July 2021 – June 2025.

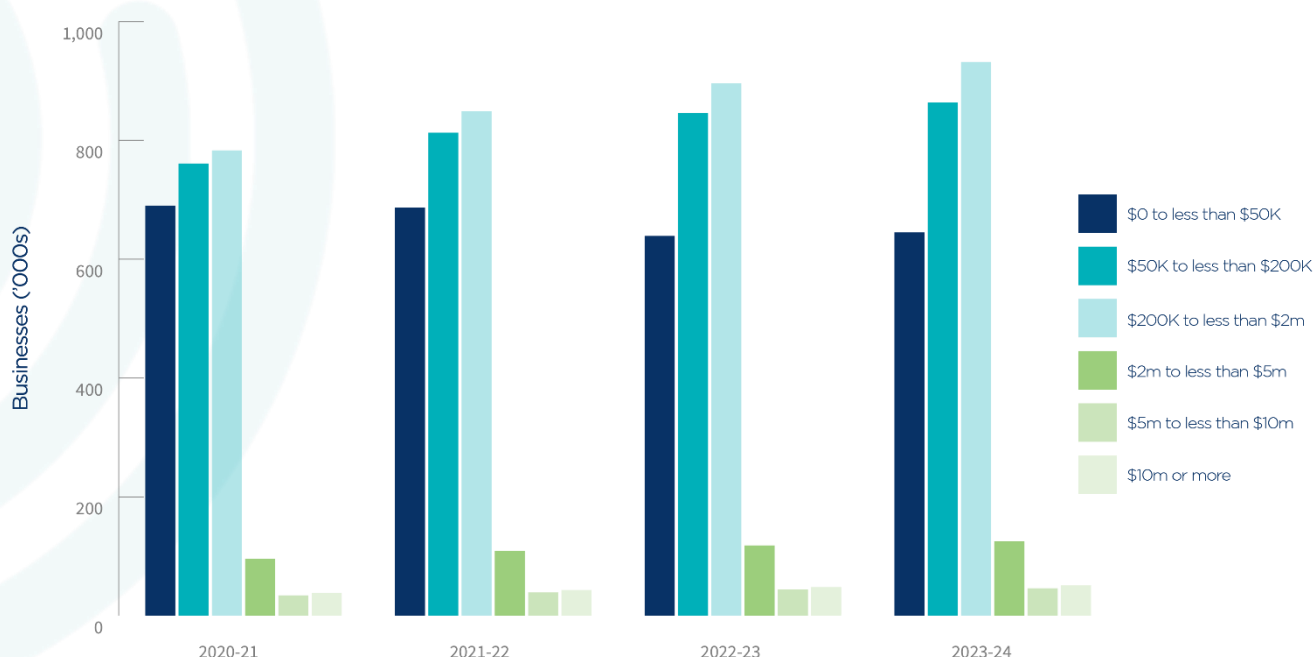
\$2m to less than \$5m	125,445	4.7%
\$5m to less than \$10m	46,417	1.7%
\$10m or more	50,854	1.9%
Total	2,662,998	100.0%

Source: ABS Counts of Australian Business, Table 17, December 2024 and ASBFEO calculations (excludes businesses that are not registered for GST).

A common definition of small business used by the Australian Taxation Office (ATO) are those businesses with a turnover of less than \$10 million.²

Using this definition, 98% of Australian businesses are small businesses. The vast majority (92%) of these businesses have a turnover of less than \$2 million. However, it is likely that this figure underestimates businesses with a turnover below \$75,000 as it is based on businesses registered for GST. Businesses only need to register for GST if their current or projected turnover is \$75,000 or more.

Chart 3: Number of Australian businesses measured by turnover



Source: ABS Counts of Australian Business, Table 17, December 2024 and ASBFEO calculations (excludes businesses that are not registered for GST). Data are in thousands.

Chart 3 shows the composition of businesses is relatively steady. The number of businesses with nominal turnover less than \$2 million increased by 3% (59,699 businesses) in 2023-24.

² Australian Taxation Office (2020, December 10). Eligibility. Retrieved June 7, 2022, from www.ato.gov.au: Australian Taxation Office.

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