

Contribution to Australian Employment

Australian Small Business and Family Enterprise
Ombudsman

June 2023

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

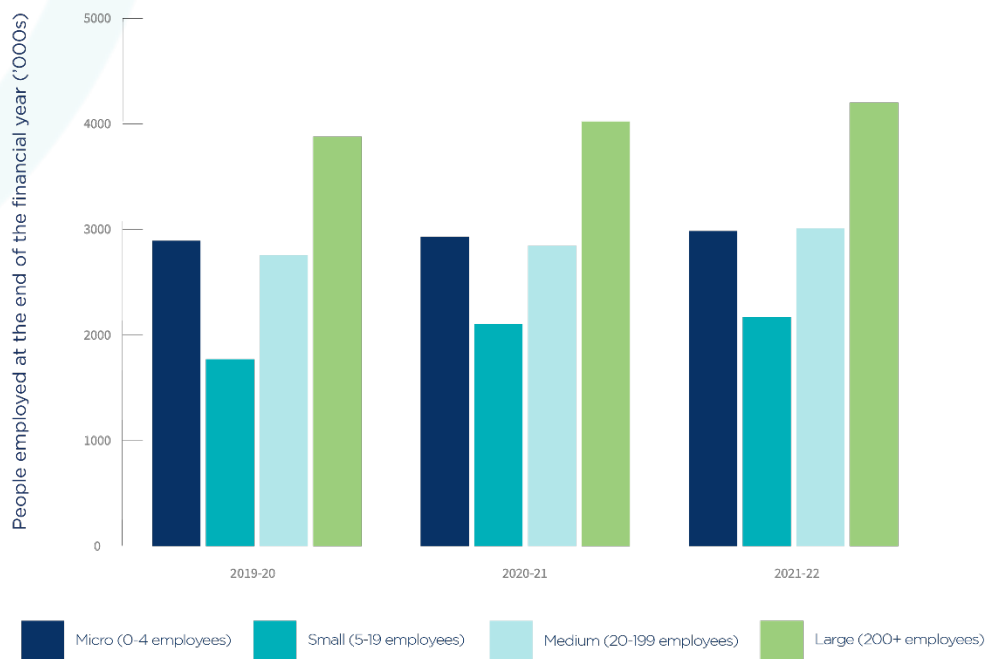
Table 1: Employment by business size

Size	2019-20		2020-21		2021-22	
	('000)	%	('000)	%	('000)	%
Small Business (0-19 Employees)	4,663	41	5,035	42	5,155	42
Medium Business (20-199 Employees)	2,757	24	2,848	24	3,009	24
Large Business (200+ Employees)	3,879	34	4,022	34	4,202	34
Total	11,299	100	11,905	100	12,367	100

Source: ABS Australian Industry, Table 5, May 2023 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 2021-22 as shown in Table 5.

Chart 1: Employment by business size

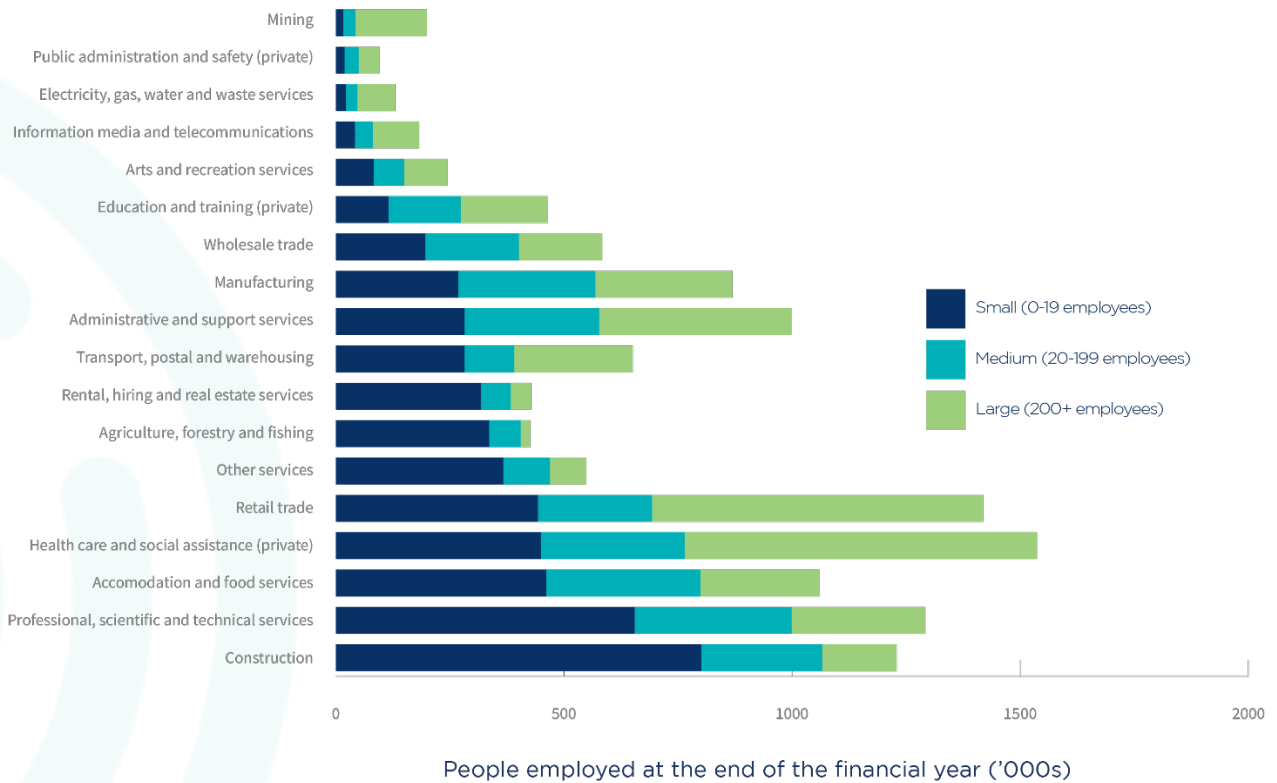


¹ Excluding financial and insurance services industry.

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

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 2022



Source: ABS *Australian Industry*, Table 5, May 2023 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 801,000 people in June 2022)
- Professional, scientific and technical services (employing 655,000 people in June 2022)
- Accommodation and food services (employing 461,000 people in June 2022).

Table 2: Employment by industry, ordered by small business proportionate share – 2021-22

Industry Sector	Small ('000)	Medium ('000)	Large ('000)	All ('000)	Small Business share (%)
Agriculture, forestry and fishing	336	69	21	426	79
Rental, hiring and real estate services	318	65	46	429	74
Other services	367	102	80	549	67
Construction	801	265	163	1,229	65
Accommodation and food services	461	338	261	1,061	43
Professional, scientific and technical services	655	344	293	1,293	51
Transport, postal and warehousing	282	109	260	651	43
Arts and recreation services	83	67	95	245	34
Wholesale trade	196	205	183	583	34
Retail trade	443	250	726	1,419	31
Manufacturing	268	301	301	870	31
Health care and social assistance (private)	449	315	773	1,537	29
Administrative and support services	282	295	422	999	28
Education and training (private)	115	159	191	466	25
Information media and telecommunications	42	39	102	183	23
Public administration and safety (private)	19	31	46	96	20
Electricity, gas, water and waste services	22	25	84	131	17
Mining	16	27	157	200	8
Total selected industries	5,155	3,009	4,202	12,367	42

Source: ABS *Australian Industry*, Table 5, May 2023 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 (79% of employment by small businesses)
- Rental, hiring and real estate services (74% of employment by small businesses)
- Other Services e.g., personal services (67% of employment by small businesses)
- Construction (65% of employment by small businesses).

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