

# Number of small businesses in Australia

Australian Small Business and Family Enterprise  
Ombudsman

*August 2023*

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

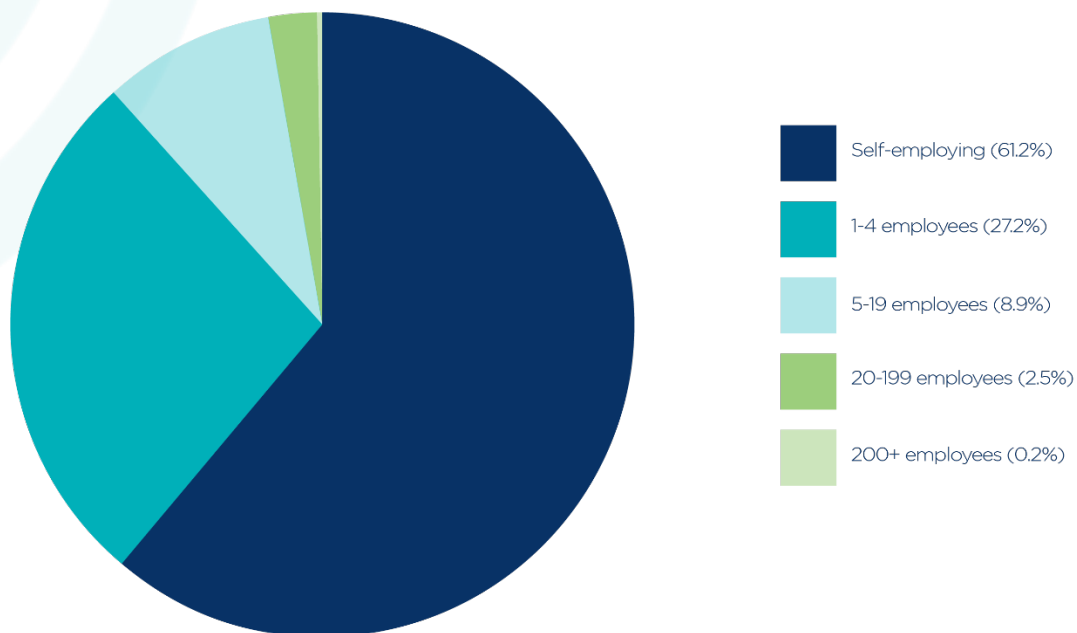
The Australian Bureau of Statistics (ABS) defines small businesses as those with less than 20 employees. As shown in Table 1, 97.3% of all Australian businesses were small businesses in June 2023.

**Table 1: Business size measured by employment in June 2023**

Number of employees	Number of businesses	% of total businesses
Small business (0-19 employees)	2,520,419	97.3
Medium Business (20-199 employees)	64,559	2.5
Large business (200+ employees)	4,895	0.2
<b>Total</b>	<b>2,589,873</b>	<b>100</b>

**Source:** ABS Counts of Australian Business, Table 13a, August 2023 and ASBFEO calculations (excludes businesses that are not registered for GST).

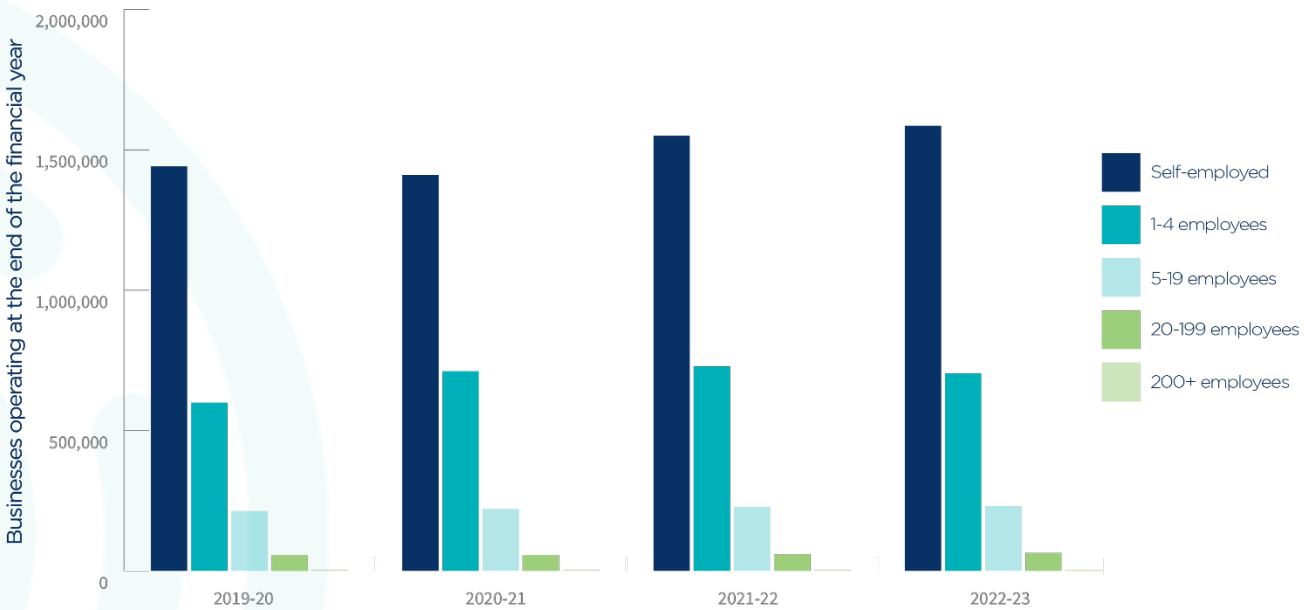
**Chart 1: Number of Australian businesses measured by employment size in June 2023**



**Source:** ABS Counts of Australian Business, Table 13a, August 2023 and ASBFEO calculations (excludes businesses that are not registered for GST) and ASBFEO calculations (excludes businesses that are not registered for GST).

As shown above in Chart 1, over half (61%) of Australian businesses are self-employed/non-employing. An additional 27% 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.

**Chart 2: Number of Australian businesses measured by employment size**



**Source:** ABS Counts of Australian Business, Table 13a, August 2023 and ASBFEO calculations (excludes businesses that are not registered for GST).

As shown in the chart above, the number of businesses increased in 2022-23 in all business sizes except small businesses with 1-4 employees, which decreased 3.5%.

## 2. Number of small businesses by turnover

**Table 2: Business numbers by annual turnover in June 2022**

Annual Turnover	Number of businesses	% of total businesses
\$0 to less than \$50k	699,077	27.2
\$50k to less than \$200k	823,844	32.1
\$200k to less than \$2m	856,169	33.3
\$2m to less than \$5m	108,939	4.2
\$5m to less than \$10m	39,227	1.5
\$10m or more	42,644	1.7

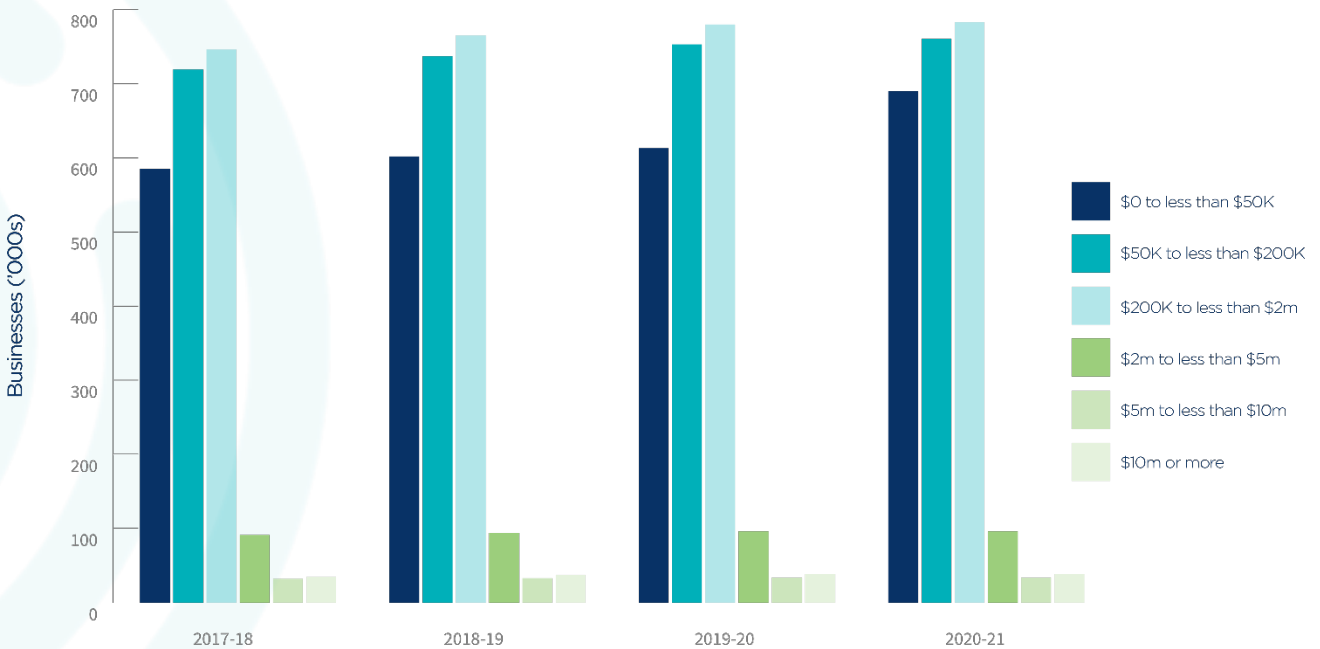
<b>Total</b>	<b>2,569,900</b>	<b>100.0</b>
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**Source:** ABS Counts of Australian Business, Table 17, December 2022 and ASBFEO calculations (excludes businesses that are not registered for GST).

A common definition of small business used by the Australian Taxation Office (ATO) are those businesses with a turnover of \$10 million or less.<sup>1</sup>

Using this definition, 98% of Australian businesses are small businesses. The vast majority (93%) 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 2022 and ASBFEO calculations (excludes businesses that are not registered for GST).

Chart 3 shows the number of businesses with nominal turnover less than \$2 million increased by 7% (145,320 businesses) in 2021-22.

<sup>1</sup> Australian Taxation Office (2020, December 10). Eligibility. Retrieved June 7, 2022, from [www.ato.gov.au](http://www.ato.gov.au): Australian Taxation Office.

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