

Contribution to Australian Gross Domestic Product

Australian Small Business and Family Enterprise
Ombudsman

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The value that small business adds to Australia’s economy can be calculated by its contribution to Australian Gross Domestic Product (GDP).

GDP measures the total value of final goods and services produced in the economy.

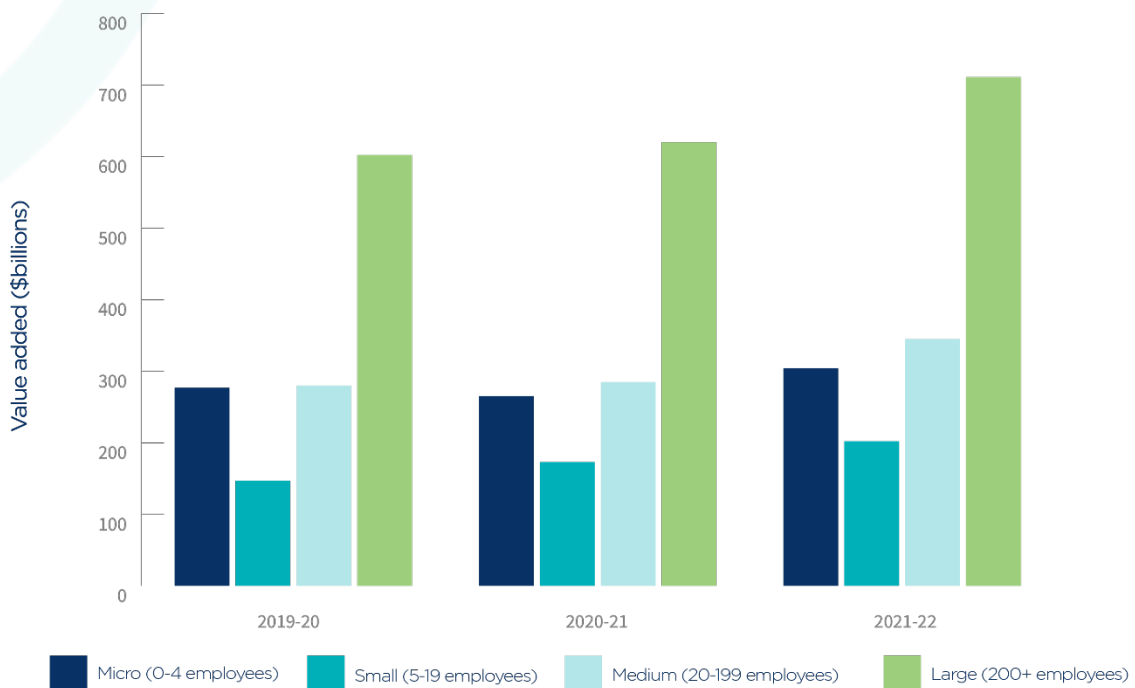
Table 1: Industry value added by business size

Value added by business size	2019-20		2020-21		2021-22	
	\$m	%	\$m	%	\$m	%
Small business (0-19 employees)	424,155	32	438,673	33	505,975	32
Medium business (20-199 employees)	279,804	21	285,230	21	344,938	22
Large business (200+ employees)	602,079	46	619,553	46	711,119	46
Total	1,306,037	100.0	1,343,456	100.0	1,562,032	100.0

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. Totals may not sum due to rounding.

Small business (employing less than 20 people) added \$506 billion of value in 2021-22. This was 32% of Australia’s total GDP, as shown in Table 3.

Chart 1: Industry value added by business size



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.

As shown in Chart 1, the contribution of economic value compared by business size has not changed much over the past three years.

Table 2: Small business share of the total value added by industry in 2021-22



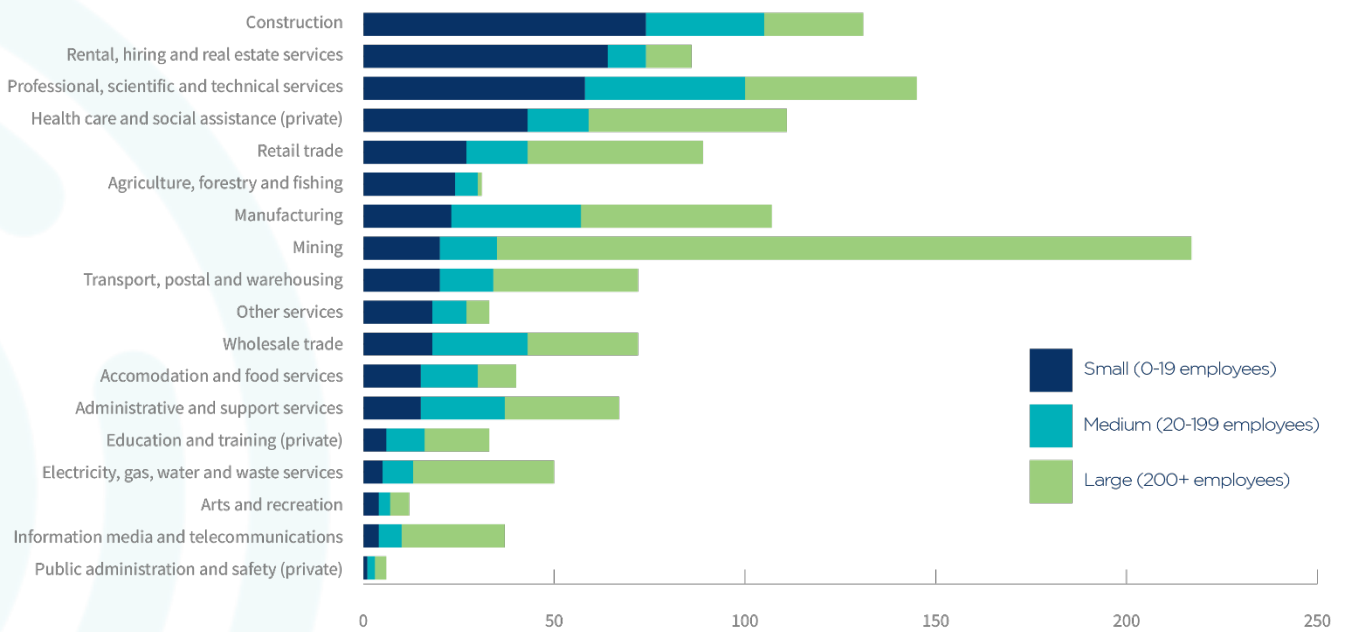
Industry sector	Small	Medium	Large	All	Small business share
	\$m	\$m	\$m	\$m	%
Agriculture, forestry and fishing	31,013	6,826	1,777	39,616	78%
Rental, hiring and real estate services	74,222	11,227	14,569	100,017	74%
Other services	21,732	9,890	7,115	38,737	56%
Construction	73,525	39,045	28,754	141,325	52%
Professional, scientific and technical services	67,203	47,671	49,214	164,088	41%
Health care and social assistance (private)	47,017	19,630	57,453	124,100	38%
Accommodation and food services	16,542	17,610	11,498	45,651	36%
Retail trade	30,601	20,872	50,591	102,064	30%
Arts and recreation services	4,198	4,445	6,387	15,031	28%
Transport, postal and warehousing	23,025	15,929	44,031	82,985	28%
Wholesale trade	22,439	31,784	31,879	86,103	26%
Administrative and support services	19,307	22,099	37,462	78,868	24%
Public administration and safety (private)	1,494	2,139	3,912	7,545	20%
Manufacturing	23,185	42,022	58,989	124,196	19%
Education and training (private)	6,003	12,399	17,857	36,259	17%
Electricity, gas, water, and waste services	6,252	6,650	35,714	48,615	13%
Mining	34,040	28,382	220,816	283,238	12%
Information media and telecommunications	4,178	6,318	33,099	43,595	10%
Total selected industries	505,975	344,938	711,119	1,562,032	32%

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.

You can see in Table 2 that as well as adding a significant contribution to total value, small business adds more value than other business size in the following sectors:

- Agriculture, forestry and fishing (78% of total value added)
- Rental, hiring and real estate services (74% of total value added)
- Other services (56% of total value added)
- Construction (52% of total value added).

Chart 2: Industry value added by business size in 2021-22



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 that the largest contributions in dollar terms by small business to GDP are in the following industries:

- Rental, hiring and real estate services (\$74.2 billion)
- Construction (\$73.5 billion)
- Professional, scientific and technical services (\$67.2 billion).

When evaluating according to value added in dollar terms, Australia’s largest industry is mining. Interestingly, you can see that in Chart 5, small businesses contributed only 12% of all value added in the mining sector, compared to 78% from large businesses.

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