

# 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.

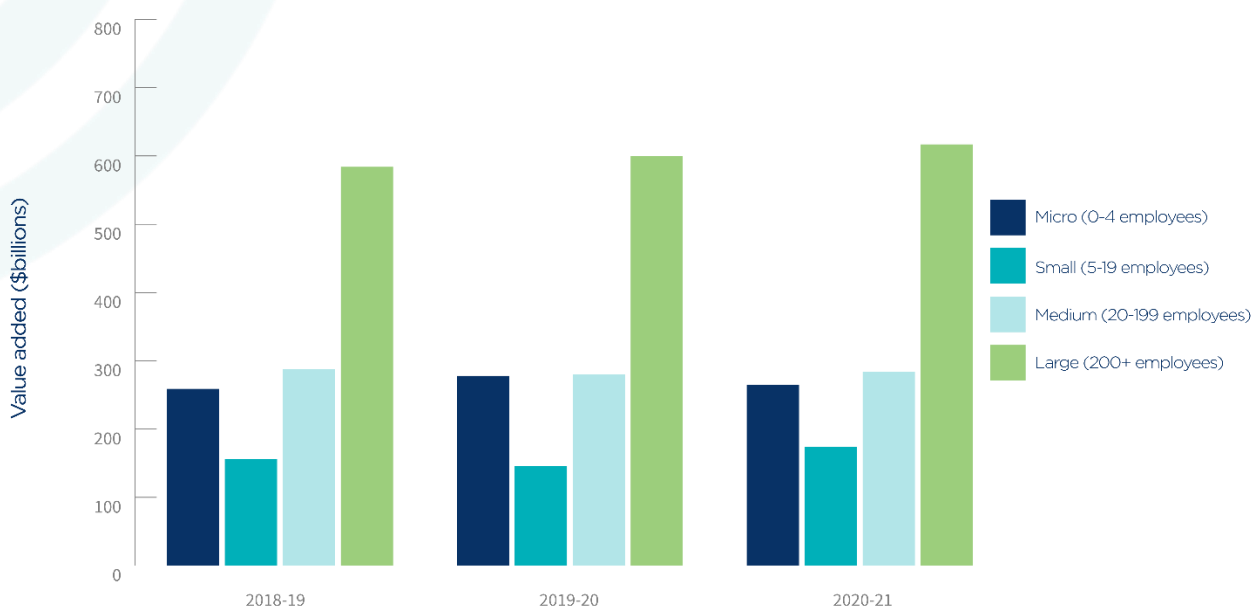
**Table 1: Industry value added by business size**

Value added by business size	2018-19		2019-20		2020-21	
	\$m	%	\$m	%	\$m	%
Small business (0-19 employees)	415,794	32.3	423,916	32.5	438,359	32.7
Medium business (20-199 employees)	287,721	22.4	280,070	21.5	283,780	21.2
Large business (200+ employees)	583,681	45.3	600,274	46.0	616,701	46.1
<b>Total</b>	<b>1,287,196</b>	<b>100.0</b>	<b>1,304,260</b>	<b>100.0</b>	<b>1,338,839</b>	<b>100.0</b>

**Source:** ABS Australian Industry, Table 5, May 2022 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 over \$438 billion of value in 2020-21. This was 33% of Australia's total GDP, as shown in Table 1.

**Chart 1: Industry value added by business size**



**Source:** ABS Australian Industry, Table 5, May 2022 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 2020-21**

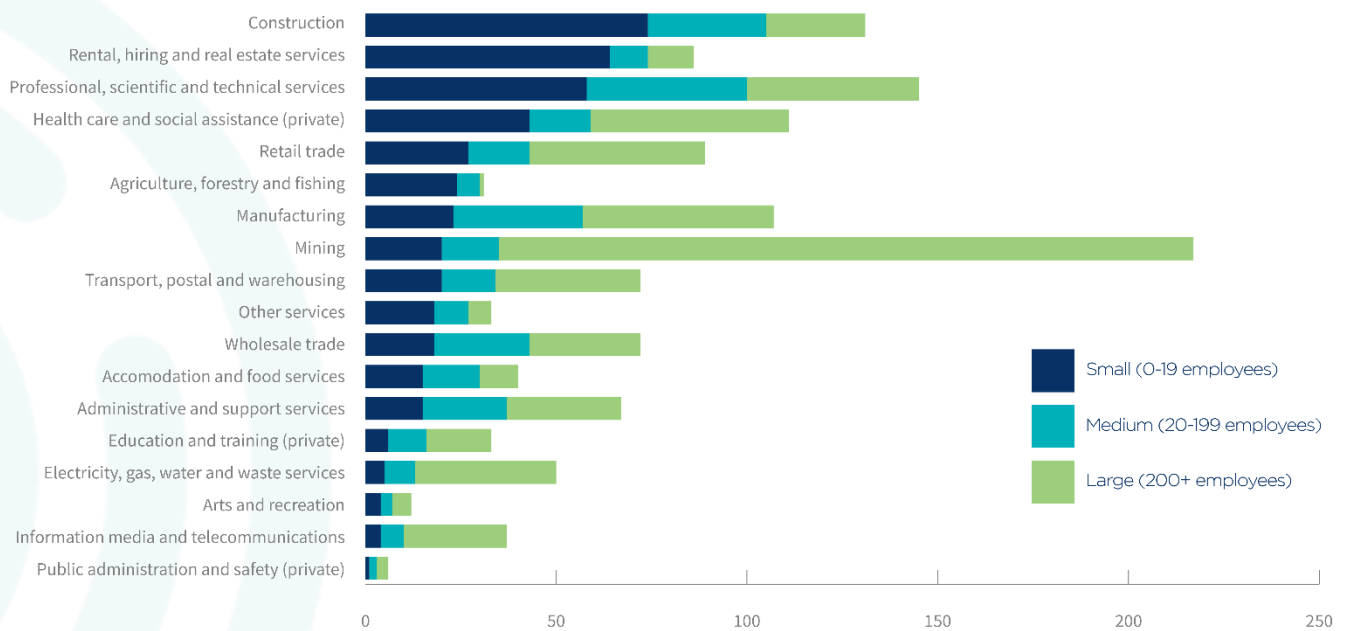
Industry sector	Small	Medium	Large	All	Small business share
	\$m	\$m	\$m	\$m	%
Agriculture, forestry and fishing	24,403	5,591	1,453	31,446	78%
Rental, hiring and real estate services	64,310	9,880	12,301	86,491	74%
Construction	74,195	31,018	25,581	130,795	57%
Other services	18,195	8,610	5,750	32,555	56%
Professional, scientific and technical services	57,860	42,315	44,933	145,108	40%
Health care and social assistance (private)	42,767	15,664	51,771	110,201	39%
Accommodation and food services	15,470	14,613	10,204	40,287	38%
Retail trade	27,386	16,348	46,122	89,856	30%
Arts and recreation services	3,525	3,171	5,263	11,958	29%
Transport, postal and warehousing	19,830	14,084	37,767	71,682	28%
Wholesale trade	17,855	25,001	28,875	71,731	25%
Administrative and support services	14,972	22,188	29,979	67,139	22%
Manufacturing	22,762	34,185	50,434	107,381	21%
Public administration and safety (private)	1,304	2,277	3,326	6,906	19%
Education and training (private)	5,511	10,206	17,379	33,096	17%
Information media and telecommunications	3,511	6,173	27,263	36,948	10%
Electricity, gas, water and waste services	4,659	7,706	36,776	49,142	9%
Mining	19,845	14,750	181,522	216,116	9%
<b>Total selected industries</b>	<b>438,359</b>	<b>283,780</b>	<b>616,701</b>	<b>1,338,839</b>	<b>33%</b>

**Source:** ABS Australian Industry, Table 5, May 2022 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)
- Construction (57% of total value added)
- Other services (56% of total value added).

**Chart 2: Industry value added by business size in 2020-21**



**Source:** ABS Australian Industry, Table 5, May 2022 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:

- Construction (\$74.2 billion)
- Rental, hiring and real estate services (\$64.3 billion)
- Professional, scientific and technical services (\$57.9 billion).

When evaluating according to value added in dollar terms, Australia's largest industry is mining. Interestingly, you can see that in Chart 2, small businesses contributed only 9% of all value added in the mining sector, compared to 84% from large businesses.

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