



# **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.

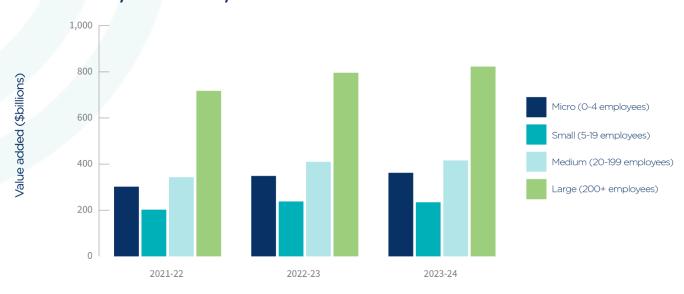
Table 1: Industry value added by business size

| Value added by business size          | 2021-22   |     | 2022-23   |     | 2023-24   |     |
|---------------------------------------|-----------|-----|-----------|-----|-----------|-----|
|                                       | \$m       | %   | \$m       | %   | \$m       | %   |
| Small business<br>(0-19 employees)    | 504,137   | 32  | 586,470   | 33  | 595,990   | 32  |
| Medium business<br>(20-199 employees) | 342,972   | 22  | 409,519   | 23  | 416,395   | 23  |
| Large business<br>(200+ employees)    | 717,418   | 46  | 795,726   | 44  | 822,737   | 45  |
| Total                                 | 1,564,527 | 100 | 1,791,716 | 100 | 1,835,122 | 100 |

**Source:** ABS Australian Industry 2023-24, Table 5, 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 \$590 billion of value in 2023-24. This was nearly one third of Australia's total GDP, as shown in Table 1.

Chart 1: Industry value added by business size



**Source:** ABS Australian Industry 2023-24, Table 5 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 value added by businesses increased in 2023-24 for all business sizes except small businesses with five to nineteen employees. The health care and social assistance, wholesale trade and agriculture, forestry and fishing industries were the main contributors to this fall.



Table 2: Small business share of the total value added by industry in 2023-24

| Industry sector                                 | Small   | Medium  | Large   | All       | Small<br>business<br>share |
|---|---------|---------|---------|-----------|----------------------------|
|   | \$m     | \$m     | \$m     | \$m       | %                          |
| Agriculture, forestry and fishing               | 24,846  | 6,509   | 1,701   | 33,057    | 75                         |
| Rental, hiring and real estate services         | 80,238  | 13,663  | 15,681  | 109,581   | 73                         |
| Other services                                  | 26,371  | 14,353  | 8,253   | 48,976    | 54                         |
| Construction                                    | 89,551  | 50,328  | 37,267  | 177,146   | 51                         |
| Professional, scientific and technical services | 86,633  | 54,210  | 55,745  | 196,588   | 44                         |
| Accommodation and food services                 | 22,402  | 22,398  | 18,635  | 63,436    | 35                         |
| Health care and social assistance (private)     | 51,369  | 34,853  | 65,851  | 152,072   | 34                         |
| Retail trade                                    | 41,734  | 22,220  | 60,084  | 124,038   | 34                         |
| Arts and recreation services                    | 5,906   | 5,011   | 9,574   | 20,491    | 29                         |
| Public administration and safety (private)      | 2,340   | 2,370   | 4,572   | 9,282     | 25                         |
| Wholesale trade                                 | 27,078  | 39,674  | 42,373  | 109,126   | 25                         |
| Transport, postal and warehousing               | 24,517  | 15,333  | 60,305  | 100,155   | 24                         |
| Administrative and support services             | 22,495  | 29,894  | 41,937  | 94,325    | 24                         |
| Manufacturing                                   | 27,855  | 41,424  | 65,473  | 134,752   | 21                         |
| Education and training (private)                | 7,306   | 14,821  | 21,799  | 43,926    | 17                         |
| Mining  | 43,908  | 35,590  | 232,748 | 312,246   | 14                         |
| Information media and telecommunications        | 5,836   | 6,696   | 37,339  | 49,871    | 12                         |
| Electricity, gas, water and waste services      | 5,602   | 7,049   | 43,404  | 56,054    | 10                         |
| Total selected industries                       | 595,990 | 416,395 | 822,737 | 1,835,122 | 32                         |

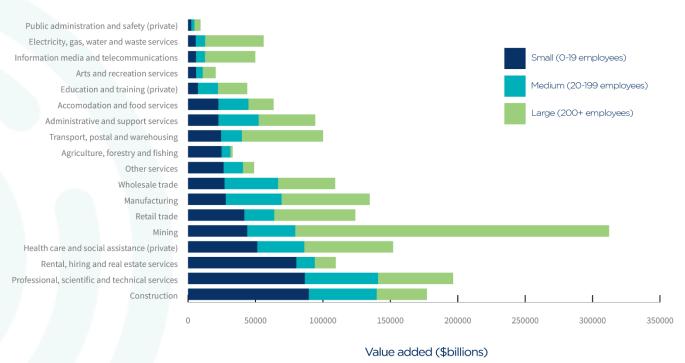
**Source:** ABS Australian Industry 2023-24, Table 5 and ASBFEO calculations, private sector industry. The ABS publish this data for selected industries, which excludes financial and insurance services. Small businesses are those with 0-19 employees, medium businesses are those with 20-199 employees 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 sizes in the following sectors:

- Agriculture, forestry and fishing (75% of total value added)
- Rental, hiring and real estate services (73% of total value added)
- Other services (54% of total value added)
- Construction (51% of total value added).

# Chart 2: Industry value added by business size in 2023-24



**Source:** ABS Australian Industry 2023-24, Table 5 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 (\$89.6 billion)
- Professional, scientific and technical services (\$86.6 billion)
- Rental, hiring and real estate services (\$80.2 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 14% of all value added in the mining sector, compared to 75% from large businesses.



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