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NSW SMALL BUSINESS MAKES MORE WITH LESS BUT GROWTH DEMANDS RETHINK: BUSINESS SIZE REPORT

A new report released today reveals that 255,000 of the State's employing small businesses are standout performers when it comes to their contribution to jobs and profitability, but need to focus on more innovation to help them grow.

Minister for Jobs, Investment, Tourism and Western Sydney Stuart Ayres said "the Business Size Report by the NSW Innovation and Productivity Council (IPC) shows the job creating strength of our small businesses".

"Small businesses with 1-19 full-time employees account for 94 per cent of all employing businesses in NSW, created 28 per cent of all jobs and took 37 per cent of all profits, despite contributing only 9 per cent of turnover.

"The report also shows if small businesses want to grow and be more resilient they need to adopt some of the habits of their larger cousins, particularly when it comes to innovation."

Minister for Finance and Small Business Damien Tudehope said "This continues to reflect the fact that small business is the engine room of the NSW economy."

"Small business continues to grow in number and employ more people, in many ways thanks to this Government's plan to cut red tape and reduce the overall tax burden."

NSW Chief Economist Stephen Walters said nationally, only 36 per cent of micro businesses with 1 to 4 full-time equivalent employees were innovating and just over half (57 per cent) of other small businesses with 5 to 19 full-time equivalent employees.

"This report is a wakeup call for many small businesses, particularly micro businesses that make up 77 per cent of all of employing businesses in NSW, that further growth can be achieved through innovation," Mr Walters said.

IPC Chair Neville Stevens AO said the report offers new insight into the sizes, economic contributions and characteristics of the State's employing businesses.

"For the first time we've been able to conduct an in-depth analysis of firm-level data held by the Australian Bureau of Statistics (ABS), which offers us a unique and clearer perspective.

"As well as measuring NSW businesses' economic contributions we've also been able to track the important innovation and productivity characteristics of Australian businesses.

"These included a business's tendency to use data analytics and key performance indicators, its development of a business strategy, its adoption of a digital capability, and its desire to collaborate and innovate.

“By comparing the prevalence of such characteristics for each business size group we get a sense of their capabilities and possible areas for growth.”

The Business Size Report is part of the NSW Innovation and Productivity Council’s research series and can be viewed at [\[REDACTED\]](#)