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WHERE HAVE NSW'S JOB CREATORS GONE?

NSW is missing an estimated 135,000 potential job creators. More people are starting businesses, but fewer are making the leap from sole trader to employing others, new research finds.

The [Future Entrepreneurs report](#), produced by Business NSW with research input from the University of Sydney Business School, found the share of NSW workers who own and manage a business with employees has fallen from about eight per cent around the year 2000, to less than five per cent today.

Business NSW CEO Daniel Hunter said: "NSW isn't short of entrepreneurs. What we're short of is entrepreneurs taking on that first employee.

"Those missing 135,000 employing businesses represent jobs that were never created, opportunities that never opened up and investment that never happened."

The number of businesses in NSW increased by 22 per cent between 2016–17 and 2024–25. However, non-employing businesses grew by 27 per cent, compared with just 15 per cent growth among businesses employing staff.

The proportion of new businesses employing staff within their first year also fell from about 35 per cent in 2011 to 27 per cent in 2025.

"Businesses less than five years old create about 60 per cent of all new jobs," Mr Hunter said.

"Every major employer started with someone making that first hire. If fewer businesses take that leap, we're shrinking the pool of potential job creators."

The trend is particularly pronounced among women and younger people. Female entrepreneurship has fallen by 57 per cent since 2001, while the number of entrepreneurs aged under 35 has halved over the past decade.

Almost half of Baby Boomer business owners also plan to retire within five years.

“If fewer young people and women are becoming employers, that should set off alarm bells about who will create the next generation of jobs,” Mr Hunter said.

The report argues that NSW’s entrepreneurial system doesn’t fail at a single point or for a single reason, but rather for multiple reasons. Equally, there’s no silver bullet. Reversing the decline in entrepreneurship will require government, business and community groups to commit to long-term change.

That is why Business NSW is calling for the NSW Government to work with businesses and communities to develop a NSW Future Entrepreneurs Strategy, with the aim to make NSW the best place in Australia to start, grow and scale any business.

“NSW should be the natural home of Australia’s entrepreneurs. But our entrepreneurial culture is being stifled right when we need it most,” Mr Hunter said.

“We need to make NSW a place where someone can start on their own and see a realistic path to employing five, 10 or 50 people,” Mr Hunter said.

The strategy would focus on three priorities:

- make it easier to run a business in NSW by lowering costs and reducing frictions
- help businesses to succeed by coordinating a system of business support across the entrepreneurial lifecycle
- make more people aspire to be entrepreneurs and give them the pathways, tools and networks they need to succeed.

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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