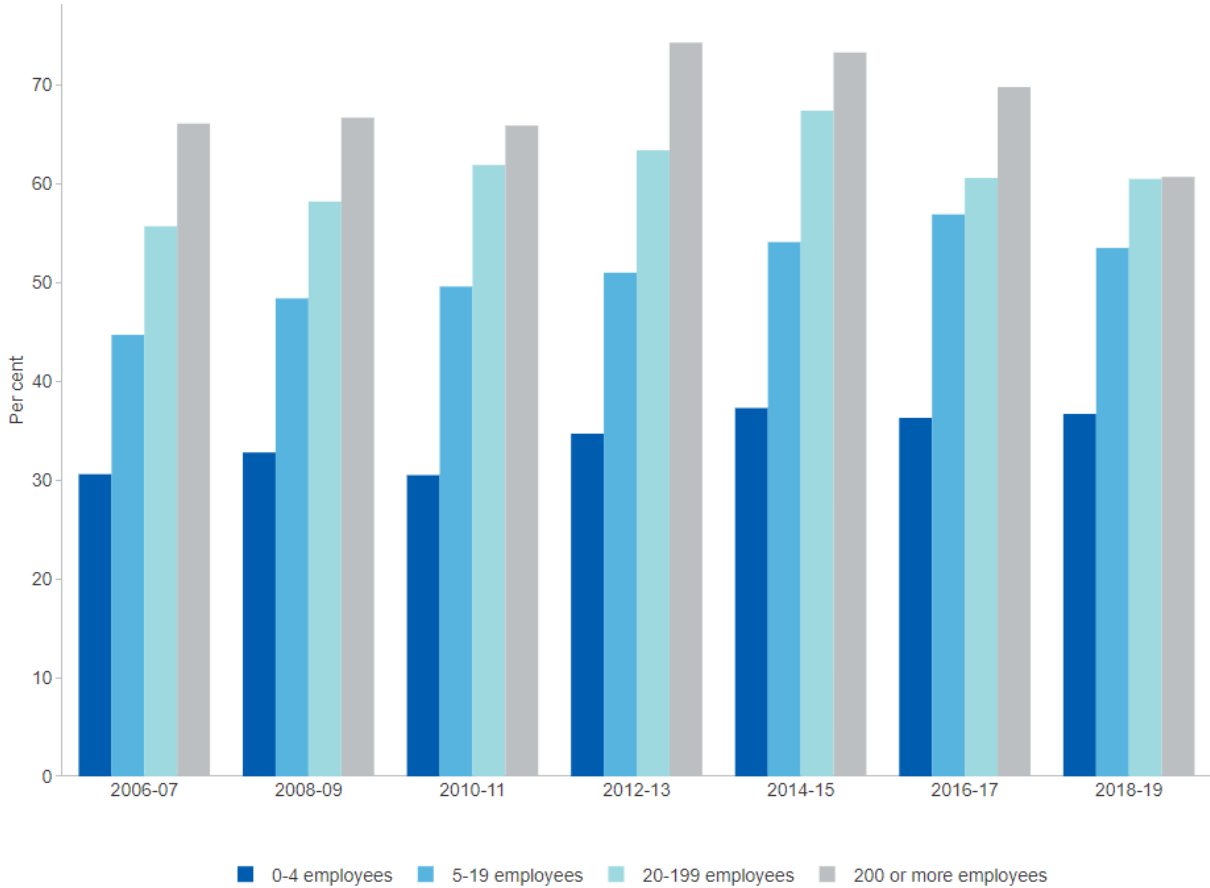


### 1.1.3 Innovation activity by business size

Innovation activity increases significantly with business size. In 2019–20, 68.0 per cent of large businesses (200 or more employees) were innovation active, compared to just 45.8 per cent of micro businesses (0–4 employees). In recent years, there has been a gradual decline in the share of large innovation-active businesses from a high of 79.5 per cent in 2013–14 to 68.0 per cent in the latest period. As a group, small and medium sized businesses have maintained relatively stable proportions of businesses with innovation activity.<sup>1</sup>

**Figure: Innovation-active businesses, share of all businesses, by business size, per cent, latest 2019–20**



<sup>1</sup> ABS, *Characteristics of Australian Business*, Cat. No. 8129.0, Cat. No. 8158.0, Cat. No. 8166.0, Cat. No. 8167.0 and ABS.Stat (<https://www.abs.gov.au/>)