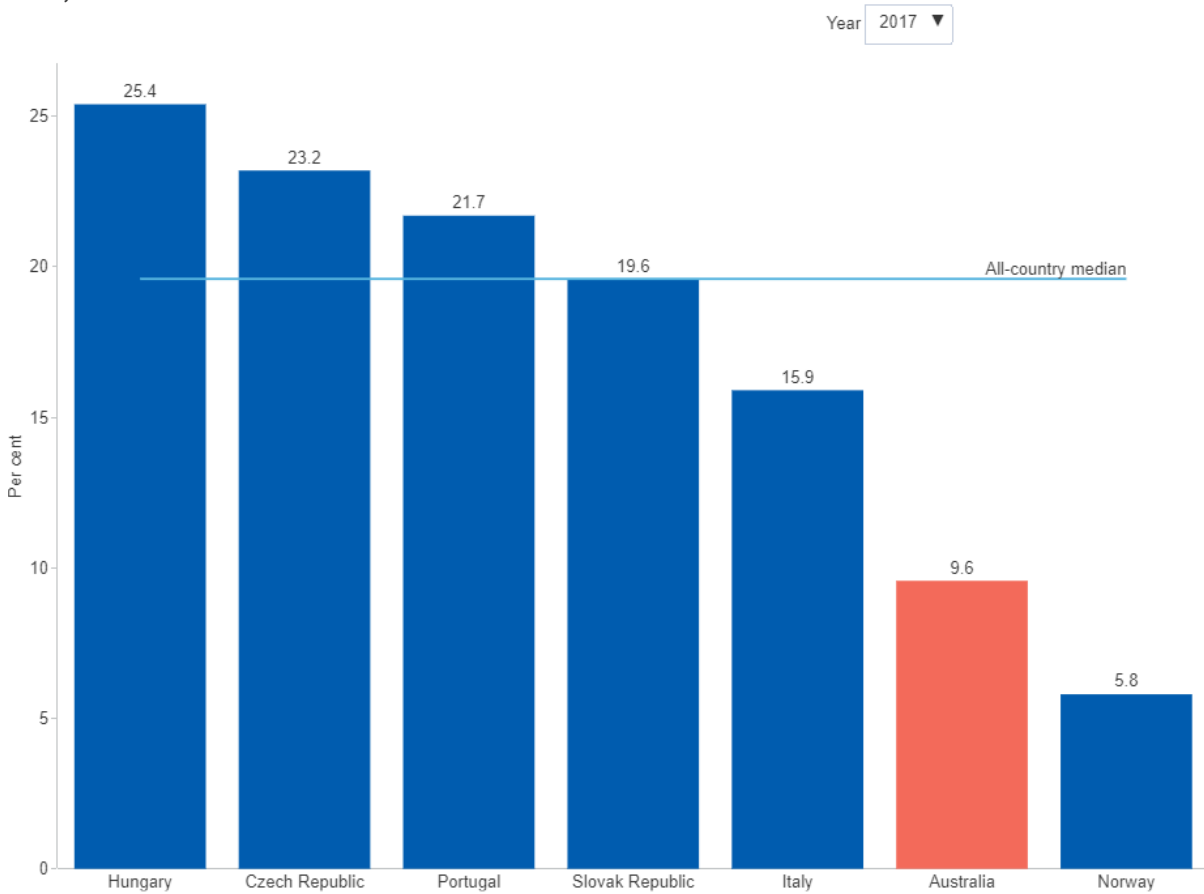


2.3.1 High-growth firms measured by turnover

Evidence suggests that business growth is associated with certain types of innovation.¹ However, exceptional growth is not some innate business characteristic, but rather a phase that some businesses go through during their life cycle. Between 2008 and 2012, *Australia's* proportion of high-growth firms (HGFs) as measured by turnover was consistently above the median for all countries for which data are available. This was despite the decline of Australia's HGF proportion since 2008. However, by 2013 the *all-country median* had lifted dramatically to reach 10.5 per cent, while *Australia's* HGF proportion continued its decline to 9.3 per cent in 2012–13. The most recent available estimate of Australia's proportion of HGFs is 9.6 per cent for 2016–17, whilst the *all-country median* has now reached 19.6 per cent for 2017. Further investigation may be warranted into the underlying drivers of these trends.²³

Figure: High-growth firms measured by turnover, share of all businesses, OECD countries, per cent, latest 2017



¹ Department of Industry, Innovation and Science (2017) *Australian Innovation System Report 2017*, Office of the Chief Economist (<https://publications.industry.gov.au/publications/australianinnovationsystemreport2017/index.html>)

² OECD (2017) *Entrepreneurship at a Glance 2017*, OECD Publishing (https://www.oecd-ilibrary.org/industry-and-services/entrepreneurship-at-a-glance_22266941)

³ Customised ABS data commissioned by the Department of Industry, Innovation and Science (<https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Customised%20Data%20Services>)