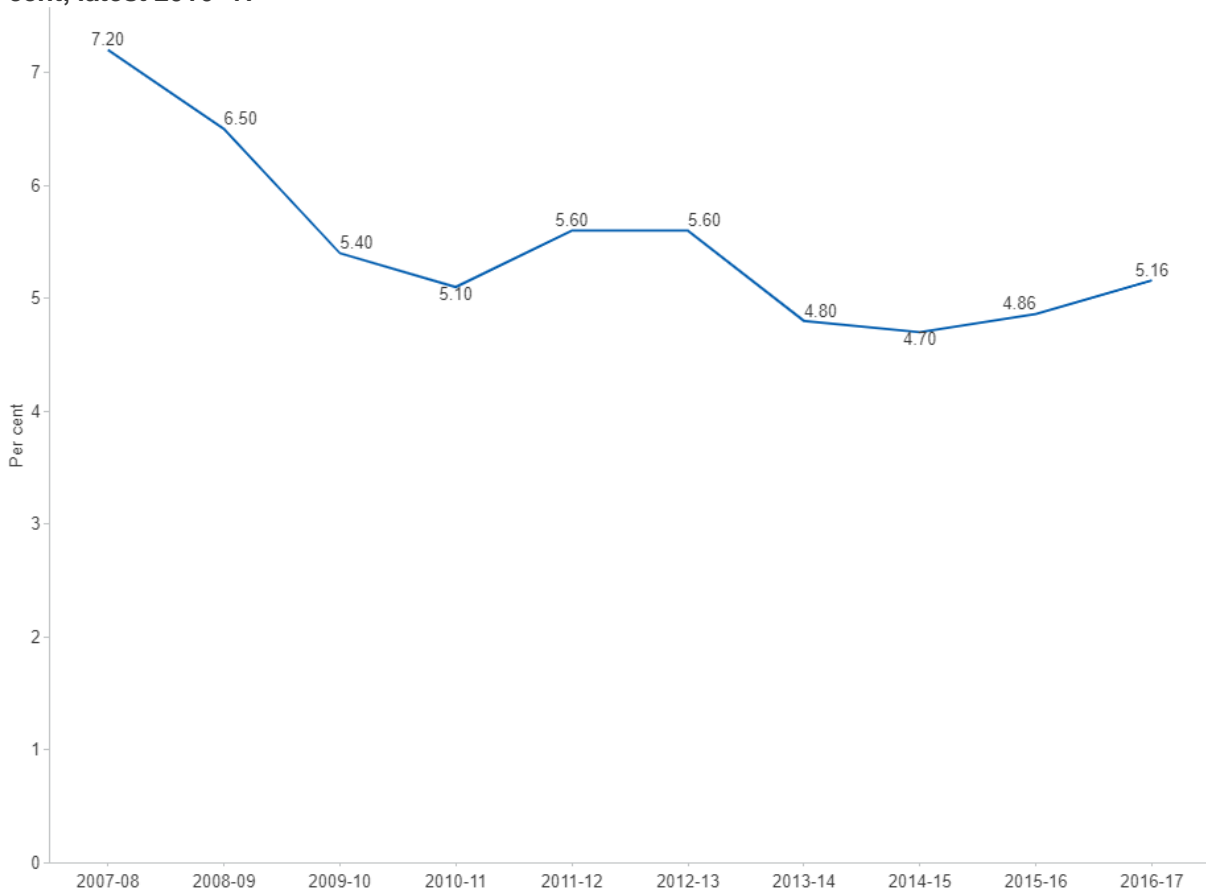


2.3.2 High-growth firms measured by employment

Australian HGFs make a disproportionate economic contribution compared to other businesses. Between 2004–05 and 2011–12, businesses with high-growth in employment represented only 9 per cent of all businesses with five or more employees but they contributed around 46 per cent of net positive employment growth. This means that the effect of job gains outweighed job losses. Further, 23.5 per cent of net positive employment growth came from large HGFs (as measured by employment), which represented only 0.4 per cent of businesses. HGFs are difficult to identify, largely because of their lack of growth persistence and difficulties in predicting which businesses will grow.¹ Since 2007–08, Australia’s proportion of HGFs as measured by employment has steadily fallen from 7.2 per cent to 5.2 per cent in 2016–17.²

Figure: High-growth firms measured by employment, share of all businesses, Australia, per cent, latest 2016–17



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 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>)