

2.3.4 Businesses changing employment range

Business-growth patterns can be illustrated by the number of businesses moving from smaller employment ranges to larger ones over a given period. Of the 558,464 businesses identified as micro businesses (*1–4 employees*) at June 2020, some 36,673 grew to become small businesses (*5–19 employees*) by June 2021. A further 1,665 grew to become medium-sized businesses (*20–199 employees*) and 69 businesses recorded truly exceptional growth by becoming large businesses (*200+ employees*). A total of 38,407 micro-businesses — 6.9 per cent of all employing micro businesses — increased their employment range during the year.¹ All of these businesses could potentially meet the OECD definition of a *high-growth enterprise* — if they remain in their new size range for another two years.²

Figure: Businesses changing employment range, as at June, number, latest 2020–21



¹ ABS, *Counts of Australian Businesses, including Entries and Exits*, Cat. No. 8165.0 (<https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>)

² Audretsch D B (2012) *Determinants of High-Growth Entrepreneurship*, OECD and Danish Business Authority (https://www.oecd.org/cfe/leed/Audretsch_determinants%20of%20high-growth%20firms.pdf)