

# HIDDEN GIANTS

## THE FUTURE OF AUSTRALIA'S MIDSIZE BUSINESS

7 & 8 September 2017, NSW Parliament House, Sydney



Midsized businesses are sometimes called “the middle children” of the global economy – not large enough to influence government, but too big to benefit from the incentives and support afforded to smaller firms. Midsized businesses seldom feature in the news or political discussions.

And yet, midsized businesses play a vital role in our prosperity. They contribute to the diversity and dynamism of our economy, work in fast-growing industries and force established players to raise their game. However, midsized businesses face their own unique challenges.

### KEY STATISTICS



Last year, **51,027** Australian companies with 20-199 employees were classified by the Australian Bureau of Statistics as midsized enterprises (MEs).



Australian MEs employ almost **2.5 million** people and work across all major industries. A substantial proportion of these businesses are family-owned.



The annual turnover of the Australian mid-market is over **\$717.3 billion**, and its contribution to industry value added is **22.5 per cent**.

### BARRIERS TO INNOVATION



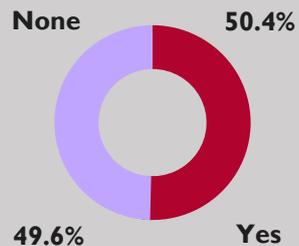
**Access to talent**  
24.5 per cent of Australian MEs rate a lack of skilled personnel in any location as a top barrier to innovation.



**Access to capital**  
20.6 per cent of MEs lack access to additional funds to grow and innovate.



**Cost of development**  
19.6 per cent of MEs say the cost of development or introduction of any new or improved goods, services and methods is holding them back.



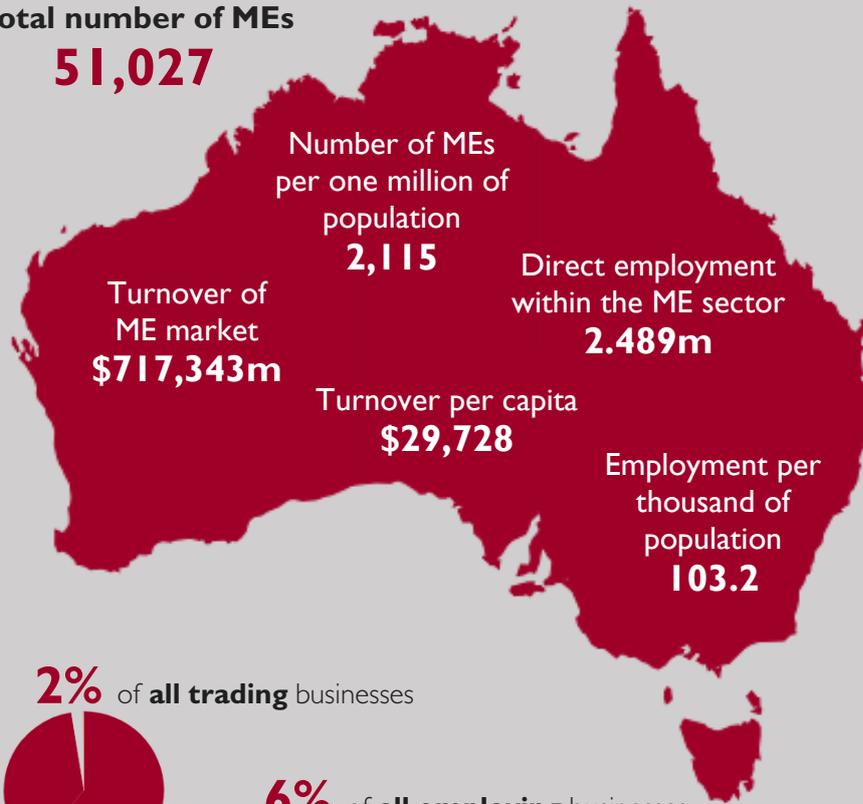
**Did you know?**

More than half Australian midsized businesses face some barriers to innovation

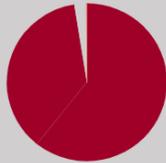
# AUSTRALIAN MID-MARKET AT A GLANCE

Total number of MEs

**51,027**



**2%** of all trading businesses



**6%** of all employing businesses



**23%** of total industry employment



**24%** of total industry turnover



**23%** of Australia's GDP



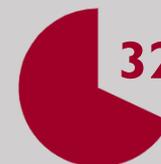
**46%** of all exporting businesses



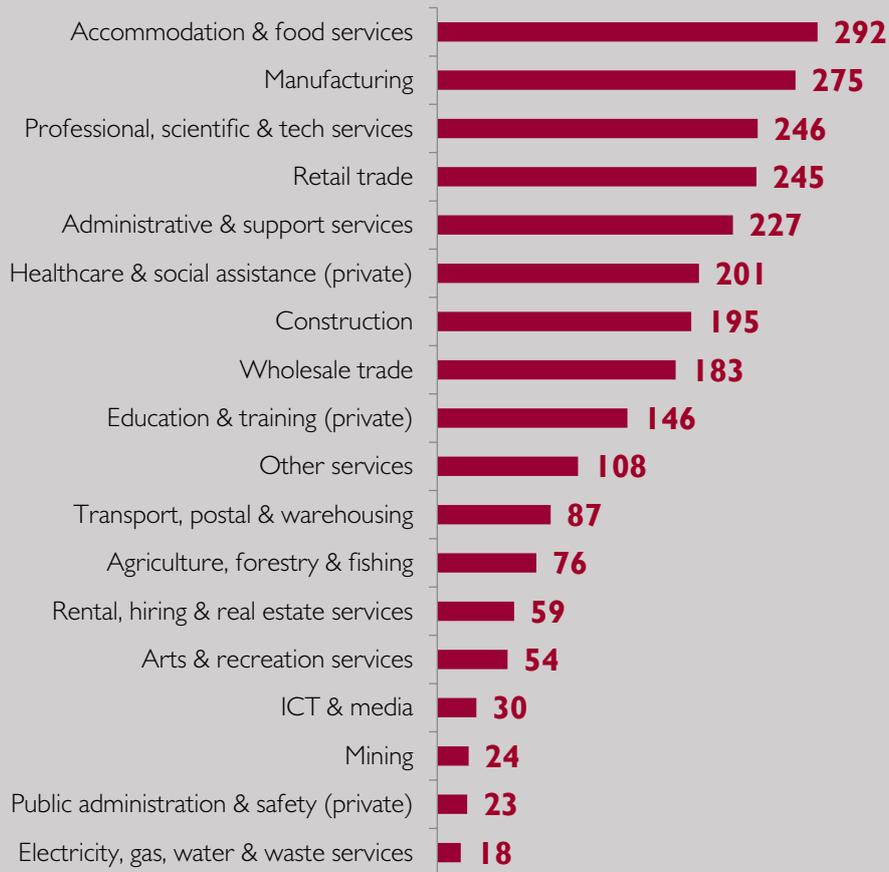
**5%** of all high-growth firms



**32%** of all family-owned businesses



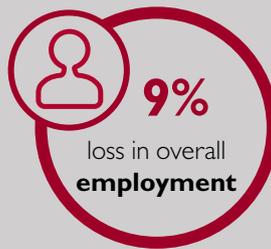
## MID-MARKET EMPLOYMENT ('000)



## INDUSTRY TRENDS 2012-2016



↑ The total number of MEs increased by **78 companies** over a five-year period



↓ Employment declined by **245,000 people** for the whole ME sector



↓ Administrative & Support Services were 'the biggest losers', with **73,000 less employees** by June 2016

### ADMIN MINING TRANSPORT



REAL ESTATE



AGRI



ELECTRICITY

## MID-MARKET REVENUE (\$M)



## INDUSTRY TRENDS 2012-2016



↑ The ME sector increased its cumulative annual sales and service income by **3%**



↑ Agriculture, Forestry and Fishing was the only sector to maintain **positive growth** between 2012-2016



↓ Mining was down **\$9.7 billion**, or **27%** - the largest loss of all industries in percentage terms

**MINING**



**-27%**

**RETAIL**



**-12%**

**TRANSPORT**



**-8%**



**34%**

**EDUCATION**



**39%**

**PUBLIC ADMIN**



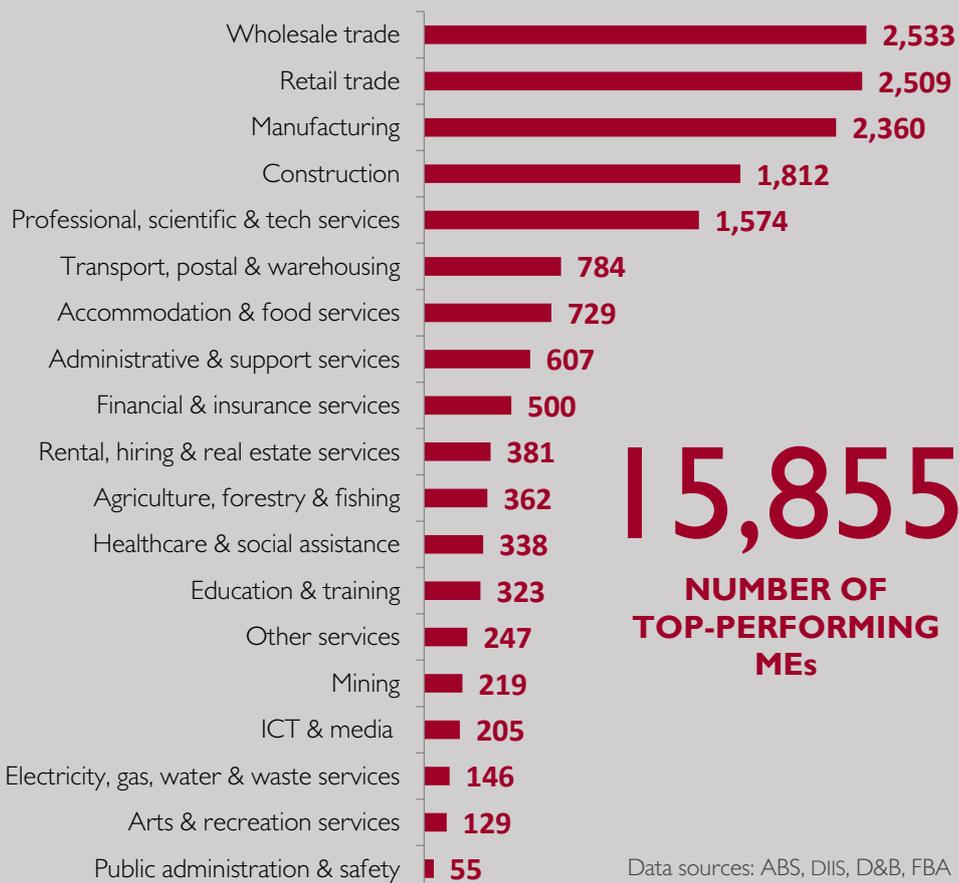
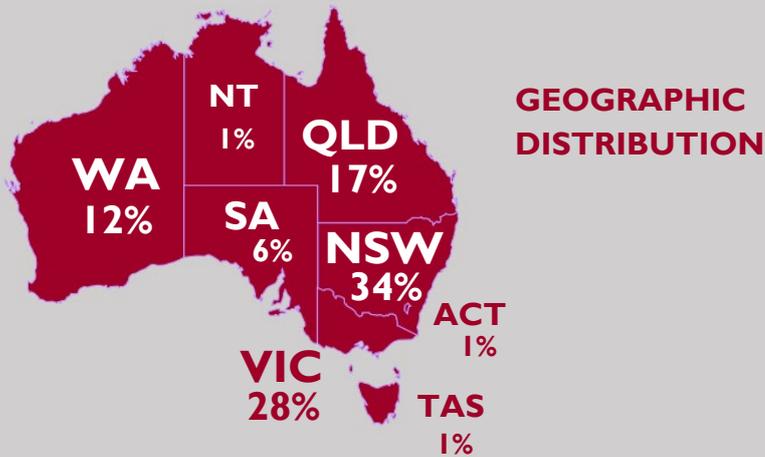
**100%**

**AGRI**

# 'HIDDEN GIANTS': TOP-PERFORMING MEs

**31%**

of Australian midsize businesses with a turnover between **\$10 million and \$250 million** account for half of the ME sector's total workforce and three quarters of its cumulative revenue



**15,855**  
NUMBER OF  
TOP-PERFORMING  
MEs

Data sources: ABS, DIIS, D&B, FBA