Midsize 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. Midsize businesses seldom feature in the news or political discussions. And yet, midsize 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, midsize 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 midsize 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 midsize businesses face some barriers to innovation.
AUSTRALIAN MID-MARKET AT A GLANCE

Total number of MEs
51,027

Number of MEs per one million of population
2,115

Direct employment within the ME sector
2,489m

Turnover of ME market
$717,343m

Turnover per capita
$29,728

Employment per thousand of population
103.2

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

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)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation &amp; food services</td>
<td>292</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>275</td>
</tr>
<tr>
<td>Professional, scientific &amp; tech services</td>
<td>246</td>
</tr>
<tr>
<td>Retail trade</td>
<td>245</td>
</tr>
<tr>
<td>Administrative &amp; support services</td>
<td>227</td>
</tr>
<tr>
<td>Healthcare &amp; social assistance (private)</td>
<td>201</td>
</tr>
<tr>
<td>Construction</td>
<td>195</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>183</td>
</tr>
<tr>
<td>Education &amp; training (private)</td>
<td>146</td>
</tr>
<tr>
<td>Other services</td>
<td>108</td>
</tr>
<tr>
<td>Transport, postal &amp; warehousing</td>
<td>87</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>76</td>
</tr>
<tr>
<td>Rental, hiring &amp; real estate services</td>
<td>59</td>
</tr>
<tr>
<td>Arts &amp; recreation services</td>
<td>54</td>
</tr>
<tr>
<td>ICT &amp; media</td>
<td>30</td>
</tr>
<tr>
<td>Mining</td>
<td>24</td>
</tr>
<tr>
<td>Public administration &amp; safety (private)</td>
<td>23</td>
</tr>
<tr>
<td>Electricity, gas, water &amp; waste services</td>
<td>18</td>
</tr>
</tbody>
</table>

### INDUSTRY TRENDS 2012-2016

- **0.2%** gain in business counts
- **9%** loss in overall employment
- **24%** decline in Admin ME workforce

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.
## MID-MARKET REVENUE ($M)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale trade</td>
<td>172,278</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>94,528</td>
</tr>
<tr>
<td>Construction</td>
<td>90,744</td>
</tr>
<tr>
<td>Retail trade</td>
<td>88,480</td>
</tr>
<tr>
<td>Professional, scientific &amp; tech services</td>
<td>55,712</td>
</tr>
<tr>
<td>Accommodation &amp; food services</td>
<td>35,304</td>
</tr>
<tr>
<td>Mining</td>
<td>26,006</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>23,772</td>
</tr>
<tr>
<td>Transport, postal &amp; warehousing</td>
<td>22,650</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; fishing</td>
<td>22,373</td>
</tr>
<tr>
<td>Electricity, gas, water &amp; waste services</td>
<td>17,522</td>
</tr>
<tr>
<td>Rental, hiring &amp; real estate services</td>
<td>13,492</td>
</tr>
<tr>
<td>Other services</td>
<td>13,356</td>
</tr>
<tr>
<td>Healthcare &amp; social assistance (private)</td>
<td>11,970</td>
</tr>
<tr>
<td>ICT &amp; media</td>
<td>9,701</td>
</tr>
<tr>
<td>Arts &amp; recreation services</td>
<td>8,855</td>
</tr>
<tr>
<td>Education &amp; training (private)</td>
<td>7,920</td>
</tr>
<tr>
<td>Public administration &amp; safety (private)</td>
<td>2,680</td>
</tr>
</tbody>
</table>

## INDUSTRY TRENDS 2012-2016

- **$20b** gain in total revenue
- **100%** gain in Agriculture, Forestry and Fishing turnover
- **27%** decline in Mining turnover

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
‘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.

### Employment
- **2.5m**
- **1.3m**

### Turnover
- **$717.3b**
- **$542.2b**

### Geographic Distribution
- NSW: 34%
- QLD: 17%
- VIC: 28%
- SA: 6%
- WA: 12%
- NT: 1%
- ACT: 1%
- TAS: 1%
- NT: 1%

### Number of Top-Performing MEs
- 15,855

### Industries
- Wholesale trade: 2,533
- Retail trade: 2,509
- Manufacturing: 2,360
- Construction: 1,812
- Professional, scientific & tech services: 1,574
- Transport, postal & warehousing: 784
- Accommodation & food services: 729
- Administrative & support services: 607
- Financial & insurance services: 500
- Rental, hiring & real estate services: 381
- Agriculture, forestry & fishing: 362
- Healthcare & social assistance: 338
- Education & training: 323
- Other services: 247
- Mining: 219
- ICT & media: 205
- Electricity, gas, water & waste services: 146
- Arts & recreation services: 129
- Public administration & safety: 55

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