



IP and the economy: Key impacts

Australian businesses with IP rights account for 35% of Australia's GDP, jobs for 2.6 million Australians, more than \$6.4 billion in annual R&D spend and 51% of Australia's total exports.

SME growth

- Australian start-ups that file IP in their first year are twice as likely to experience high growth.
- After filing for an IP right, SMEs are 16% more likely to experience high employment growth than their peers with no recent filings.
- SMEs that file for patents, trade marks and design rights are more than 2 times more likely to achieve high turnover growth than their peers with no recent filings.

Productivity

- In Australia, labour productivity in the typical business with patents is 30% higher than in the typical business without patents.
- A patent for a valuable invention generates a 12% increase in revenue per employee ([Kline et al., 2019](#)).
- In Australia, businesses with registered designs have improved their productivity at 6 times the rate of businesses without registered designs.
- For businesses launching products, each additional trade mark is linked to an 8% revenue increase per employee ([Nathan & Russo, 2022](#)).

Wages/Employment

- Working in an innovative small or medium enterprise (SME) with patents is linked to an 11% wage premium.
- SMEs that own IP rights on average employ 3.5 times as many people as their peers with no IP rights and pay a higher median wage.

Attracting investment

- International studies estimate that patents and trade marks increase investors' estimates of a start-up's value by around 20% (especially in early development stage and financing rounds).
 - Doubling patent stock boosts start-up valuation by 20% ([Hsu & Ziedonis, 2013](#)).
 - Applying for a trade mark linked to a 22% increase in start-up valuation ([Block et al., 2014](#)).

Economic conditions

- Economic downturns impact the commercialisation and adoption of innovations, but the impact on domestic patenting is limited ([Hambur et al., 2023 IP Report](#)).

Diversity and participation

- More women in leadership roles is linked to greater efficiency converting R&D investment into patents.
- Mixed-gender research teams generate more novel and radical innovations ([Yang et al., 2022](#))
- Cultural diversity in top management is linked to greater R&D investment in start-ups.

Resources

- Findings are drawn from the [Australian IP Report 2022](#) and [Australian IP Report 2023](#), which leverage Australian Bureau of Statistics [BLADE](#) and [MADIP](#) data, and referenced studies, by IP Australia's [Office of the Chief Economist](#).