

ABS - 2005/6 Business Characteristics Survey

Today the ABS released some summary data for a range of topics from their 2005/6 Business Characteristics Survey including business innovation and barriers to business activities and performance (The ABS caution that these data are lower priority than other business survey data for quality assurance and that it is "as reported" by business with limited editing and cross validation).

The data are organised by employment size and there are some interesting points.

Most firms did not introduce any innovations (about 80%) although over 60% did not identify any barriers to innovation.

Business were asked to identify barriers to innovation.

38% of firms reported at least one barrier to innovation in the 2005/6 FY, with lack of skilled labour in the labour market (17%) , lack of skilled labour in the firm (14%) and costs of development or introduction/implementation (11%) being the top three.

The importance of human capital was reinforced as the attitude of staff to change was an increasingly significant factor the larger the firm. 19% of businesses that employed 200 or more persons reported this as a barrier to innovation compared to only 10% of businesses that employed 5-19 persons.

The ABS identify four broad types of innovation : Goods or services; Operational processes; Organisational/managerial processes; and Marketing methods. (This is narrower than the Productivity Commission who incorporated 'preparedness' as a part of their definition of innovation in last year's review of science and innovation).

In 2005/6, 19% of businesses introduction of new goods or services during the year ended 30 June 2006. This ranged from 16.5% for small firms (<5 employees) to about 44% for firms over 200 employees. New operational processes were introduced by 21% and organisational/managerial process innovations were introduced by 21% of businesses. New knowledge management processes were the main area of organisational change. Again size of firm is significant with a much higher percentage of large firms introducing innovations than small firms.

ABS tables are available on :

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/8167.0?OpenDocument>