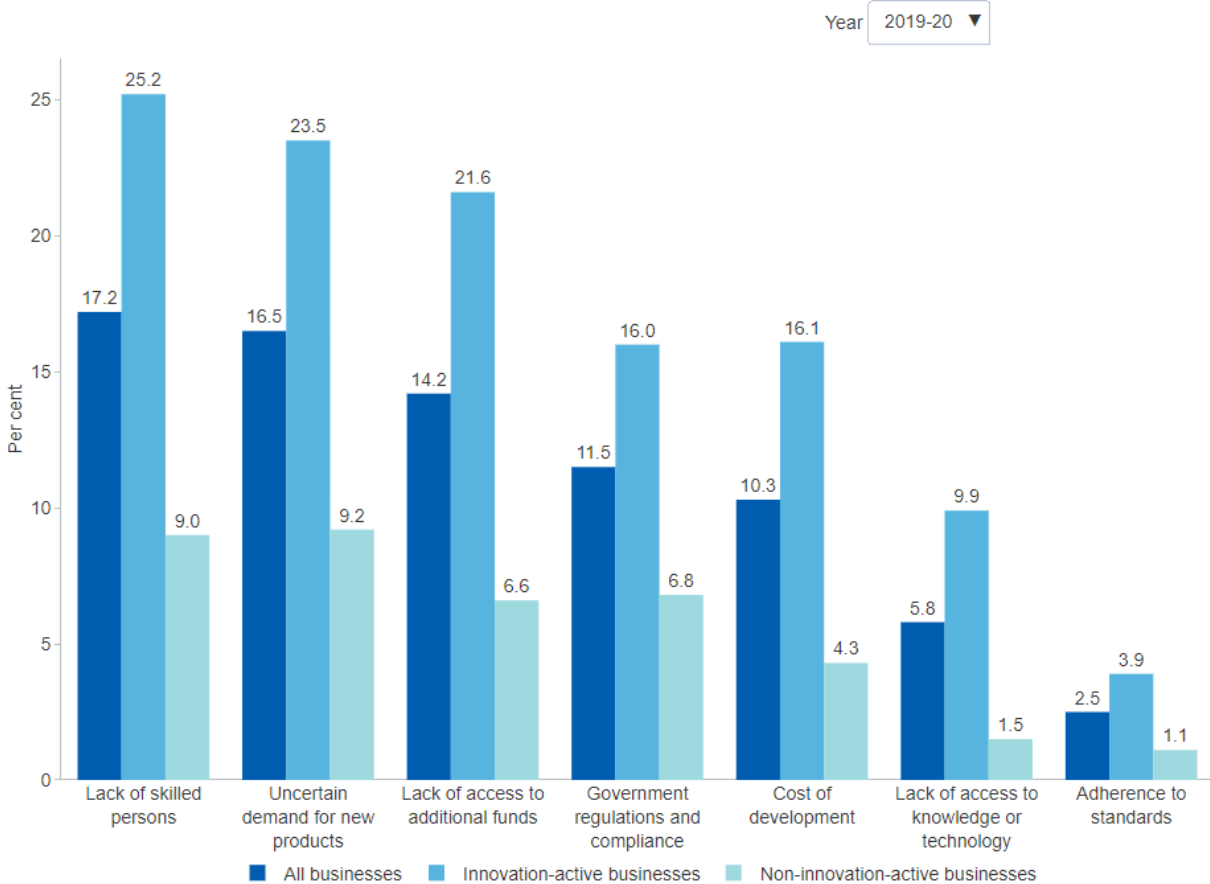


### 1.1.7 Barriers to business innovation

Recent survey data reflects business perceptions regarding the barriers that are most likely to derail their innovation activities or dissuade them from innovating. The most commonly reported barriers across both innovators and non-innovators include a *Lack of skilled persons*, followed by *Uncertain demand for new products* and *Lack of access to additional funds*. Although there is no clear evidence that access to business finance is a widespread problem in Australia, a 2015 inquiry into business lending found that innovative businesses are more likely to face difficulties than non-innovators.<sup>1</sup> Businesses reported that barriers related to *Government regulations and compliance* were not particularly significant, while *Adherence to standards* and *Lack of access to knowledge or technology* were reported the least.<sup>2</sup>

**Figure: Barriers to business innovation, by innovation status, per cent, latest 2019–20**



<sup>1</sup> Productivity Commission (2015) *Business Set-up, Transfer and Closure*, Productivity Commission inquiry report no 75, December (<https://www.pc.gov.au/inquiries/completed/business/report>)

<sup>2</sup> ABS, *Characteristics of Australian Business*, Cat. No. 8129.0, Cat. No. 8158.0, Cat. No. 8166.0, Cat. No. 8167.0 and ABS.Stat (<https://www.abs.gov.au/>)