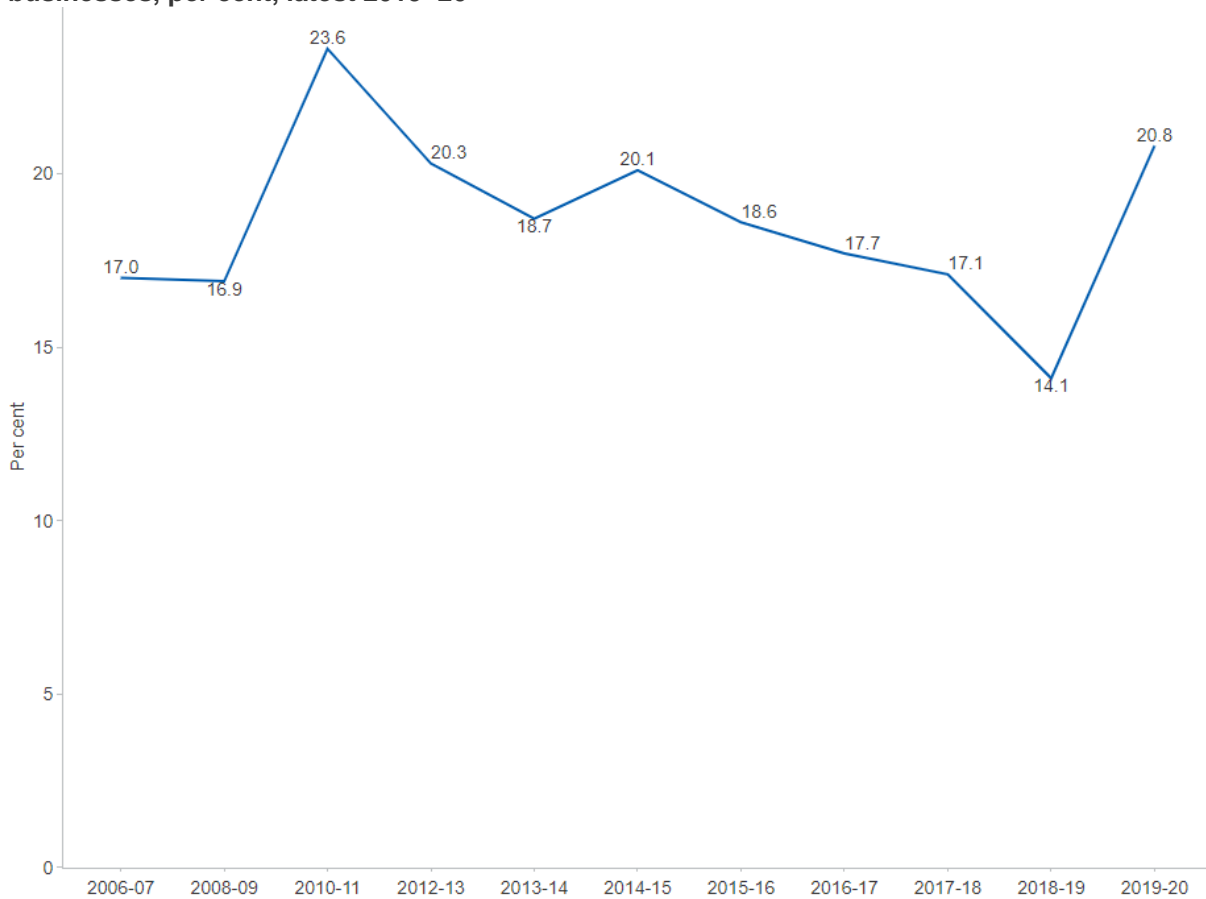


#### 4.1.1 Businesses collaborating for the purpose of innovation

The extent to which innovation-active businesses collaborate on innovation provides a measure of connectedness between different parts of the innovation system. Collaboration is any arrangement where organisations work together for mutual benefit and share some of the technical and commercial risks. It explicitly excludes fee for service and franchise arrangements. As such, collaboration involves a degree of trust and interdependence. In 2019–20, the *share of innovation-active businesses that collaborated for the purpose of innovation* was 20.8 per cent. This represents a sharp increase from the previous year when only 14.1 per cent of businesses reported collaborating on innovation. Medium-sized businesses (with 20–199 employees) reported a higher proportion of collaboration on innovation than other businesses. By far the most collaborative industries (data not shown) were *Arts and recreation services* (31.9 per cent) and *Information, media and telecommunications* (29.6 per cent), whilst the lowest level of collaboration was reported for *Agriculture, forestry and fishing* (16.1 per cent).<sup>1</sup>

**Figure: Businesses collaborating for the purpose of innovation, share of innovation-active businesses, per cent, latest 2019–20**



<sup>1</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/>)