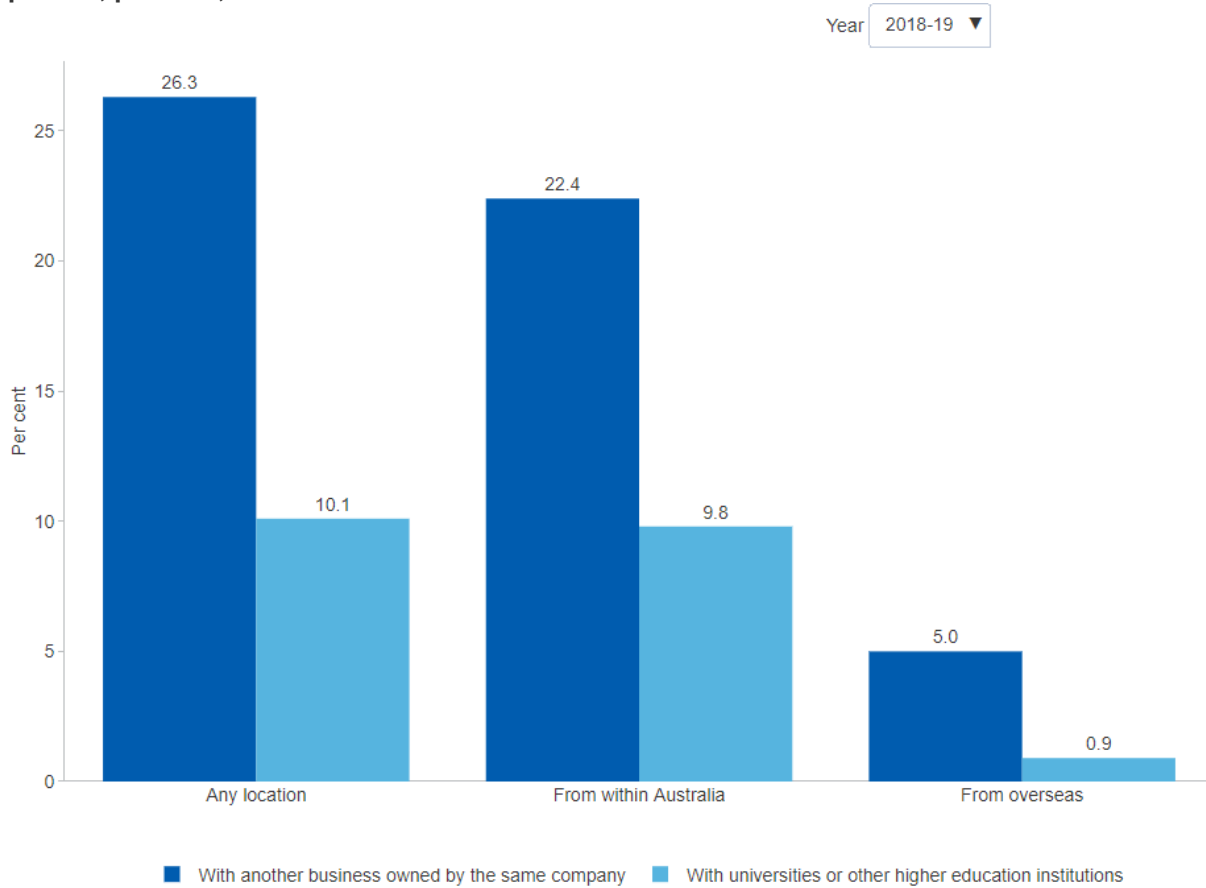


4.1.2 Businesses collaborating on innovation

The majority of collaboration on innovation by Australian businesses occurs *domestically* – most commonly with customers or suppliers (data not shown). Importantly, around a quarter of innovation-active businesses that collaborate on innovation, collaborate with another business owned by the same company and operating in Australia (22.4 per cent in 2018–19). This provides a rough indication of the innovation capability embedded within businesses. In 2018–19 only 9.8 per cent reported collaborating on innovation with Australian universities or other higher education institutions. This though is a sizeable increase from the 4.8 per cent reported in both 2014–15 and 2016–17. Partnership arrangements require trust between the business enterprise sector and higher education researchers. *International collaboration* on innovation occurs at an even lower rate, with just 0.9 per cent of innovation-active businesses collaborating with an overseas higher education institution in 2018–19.¹

Figure: Businesses collaborating on innovation, share of innovation-active businesses, by partner, per cent, latest 2018–19



¹ 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/>)