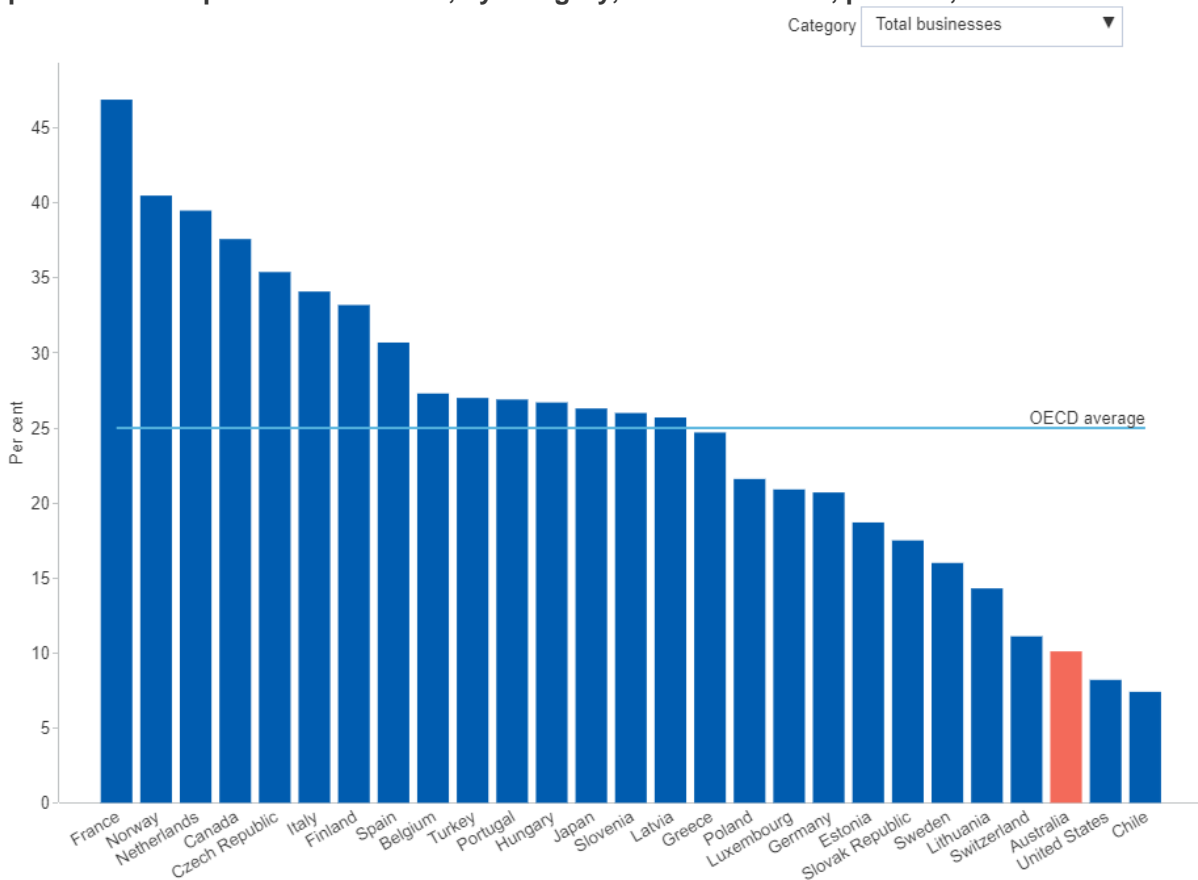


4.3.2 Innovation-active businesses receiving public support for innovation

Australia has the third lowest proportion of innovation-active businesses receiving public support for innovation in the OECD (only 10.1 per cent in 2016–17, compared to 25.0 per cent for the latest available *OECD average*). The data only capture businesses pursuing product and/or process innovation.¹ For context, it is important to note that *Australia* has a large services sector, and that ABS estimates cover a broader range of business innovation activity than product and/or process innovation. For 2017–18, the ABS data show that some 49.8 per cent of all Australian businesses were identified as innovation active.² That said, the OECD estimate for *Australia* seems low relative to other countries, so the potential benefits and costs of expanding the take-up of the relevant business innovation initiatives may be worth investigating further.

Figure: Innovation-active businesses receiving public support for innovation, only relates to product and/or process innovation, by category, OECD countries, per cent, latest 2019



¹ OECD (2019) *Innovation indicators*, OECD Publishing (<http://www.oecd.org/innovation/inno/inno-stats.htm>)

² 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/>)