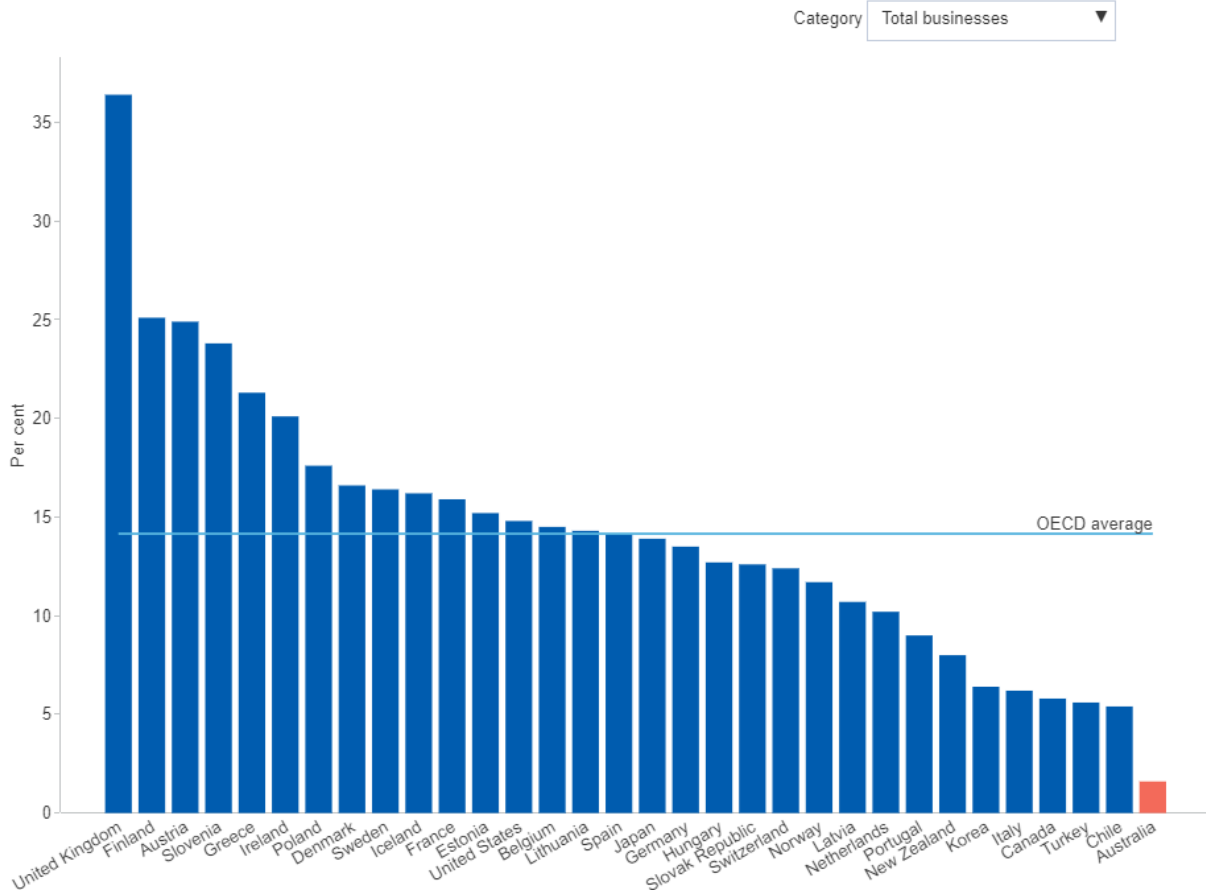


4.4.3 Businesses collaborating on innovation with higher education or government institutions

Australia ranks last in the OECD for business collaboration on innovation with higher education or government institutions - at just 1.6 per cent of all product and/or process innovation-active businesses in 2016–17. This compares poorly to the *OECD average* of 14.2 per cent and far below countries such as the *United Kingdom, Finland* and *Austria*, where one in four innovating businesses collaborate with either the research or government sectors. It is also arguably the weakest result across a range of similar measures, and reflects unfavourably on the ability of Australian businesses and research institutions to maximise the return on public investment in science and research.¹ Noting the caveats around methodological and scope differences between the different data sources, the result nevertheless stands in stark contrast with both the high quality of Australia’s research outputs and the solid rates of innovation across the business enterprise sector.²³

Figure: Innovation-active businesses collaborating with higher ed. or government, 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 Clarivate Analytics (2018) *Incites*, Web of Science Group (<https://clarivate.com/webofsciencegroup/solutions/incites/>)

³ 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>)