

Contractors Deliver – Innovation Levels on the Rise



Innovation Analyst, Dr Karen Manley* reviews recently released industry innovation data from the Australian Bureau of Statistics (ABS).

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Innovation statistics released by the ABS (Australian Bureau of Statistics) in December 2006 reveal increased innovation levels for all Australian industries and strong performance by the construction Industry. 'Innovation' is defined by the ABS as the use of new or significantly improved goods, services, or processes. The ABS statistics comprise Australian businesses employing more than 5 people. The construction industry is defined by the ABS as main and trade contractors in the civil and building sectors. Consultants and construction suppliers are allocated to other industries.

Growth in contractor innovation keeps pace with other industries

The proportion of contractors undertaking innovation increased by 3.6 percentage points from 2002-2003 to 2004-2005. This is roughly equal to the growth in proportion of all Australian businesses undertaking innovation, which was 3.9 percentage points over the same period.

Proportion of businesses innovating, by innovation type, by industry, 2002-2003 and 2004-2005

	2002-2003	2004-2005	Increase in percentage points
Goods and services innovation			
All industries	13.4%	19.4%	6.0
Construction industry	7.8%	16.5%	8.7
Operation process innovation			
All industries	18.9%	21.6%	2.7
Construction industry	17.3%	22.0%	4.7
Managerial process innovation			
All industries	18.4%	24.9%	6.5
Construction industry	19.3%	26.2%	6.9
Any innovation			
All industries	29.6%	33.5%	3.9
Construction industry	27.2%	30.8%	3.6

Source: Dr Karen Manley, CRC for *Construction Innovation*, based on ABS (2006) Cat. 8158.0

Contractors put more effort into innovation in managerial and operational processes, than in developing new goods and services. Nevertheless, twice as many contractors were engaged in developing new goods and services in 2004-2005, than in 2002-2003. Hence contractors are now more evenly spreading their attention across the three main innovation types – managerial, operational and goods/services.

The BRITE Project of the Cooperative Research Centre (CRC) for *Construction Innovation* is actively engaged in assisting contractors and other construction industry participants to improve their innovation performance across the three key areas. Visit www.brite.crcci.info for assistance in improving your innovation performance.

The CRC for *Construction Innovation* (www.construction-innovation.info) is a national collaboration of 21 industry, government and research partners focussed on creating technologies, tools and processes for the property, design, construction and facility management sectors. The BRITE Project is one of over 20 research projects managed by the CRC for *Construction Innovation*.