

## The Challenge Ahead

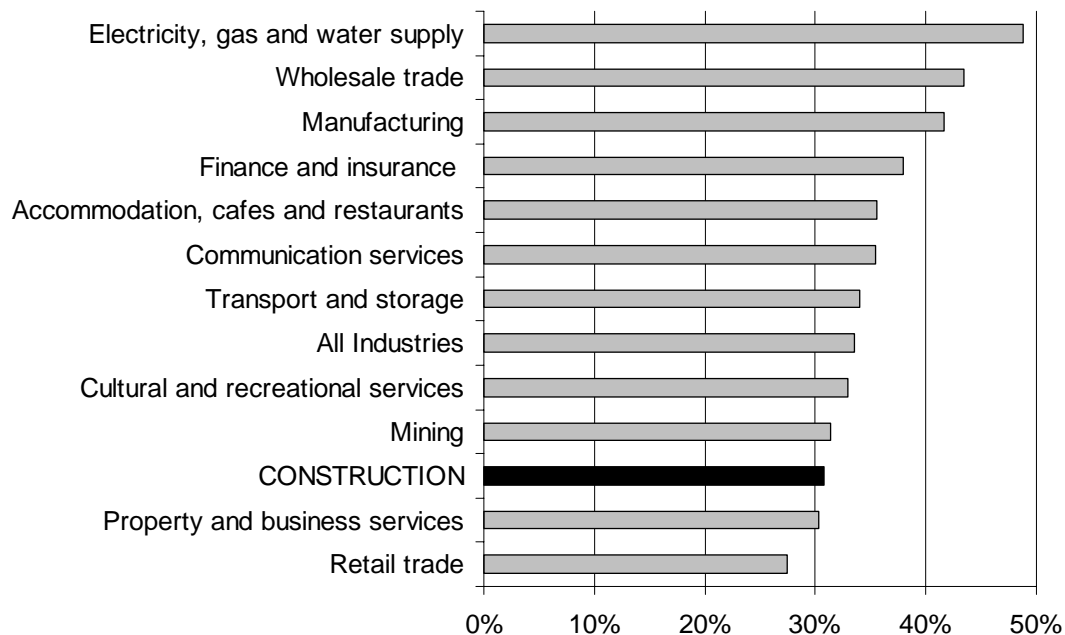


Innovation Analyst, Dr Karen Manley\* reviews recently released industry innovation data from the Australian Bureau of Statistics (ABS).

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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. Despite the ABS figures revealing that more contractors are being innovative, the inter-industry ranking of contractors remains poor.

Australian industries by percentage of businesses innovating, 2004-2005



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

Other ABS data shows the industry is ranked 3rd last across all Australian industries in terms of the proportion of expenditure on innovation, and 2nd last in terms of the proportion of income generated from innovation (ABS 8158.0, 2006). Both findings reflect the industry's relatively low level of innovation activity in goods and services (despite strong growth over recent years).

The relative performance of the construction industry in terms of different types of innovation-related expenditure can also be reviewed. Examination of ABS data reveals low rankings in terms of intellectual property, training and marketing expenditure. However, construction's performance for machinery and equipment expenditure is better, with a middle ranking across all industries (ABS 8158.0, 2006).

In summary, the latest ABS data indicates that despite growing interest in innovation by contractors, more businesses need to take up the challenge if the construction industry is to keep pace with productivity growth in other Australian industries.

The BRITE Project of the Cooperative Research Centre (CRC) for *Construction Innovation* is actively engaged in assisting contractors and other construction industry participants to achieve their innovation potential. Visit [www.brite.crci.info](http://www.brite.crci.info) for assistance in improving your innovation performance.

The CRC for *Construction Innovation* ([www.construction-innovation.info](http://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*.