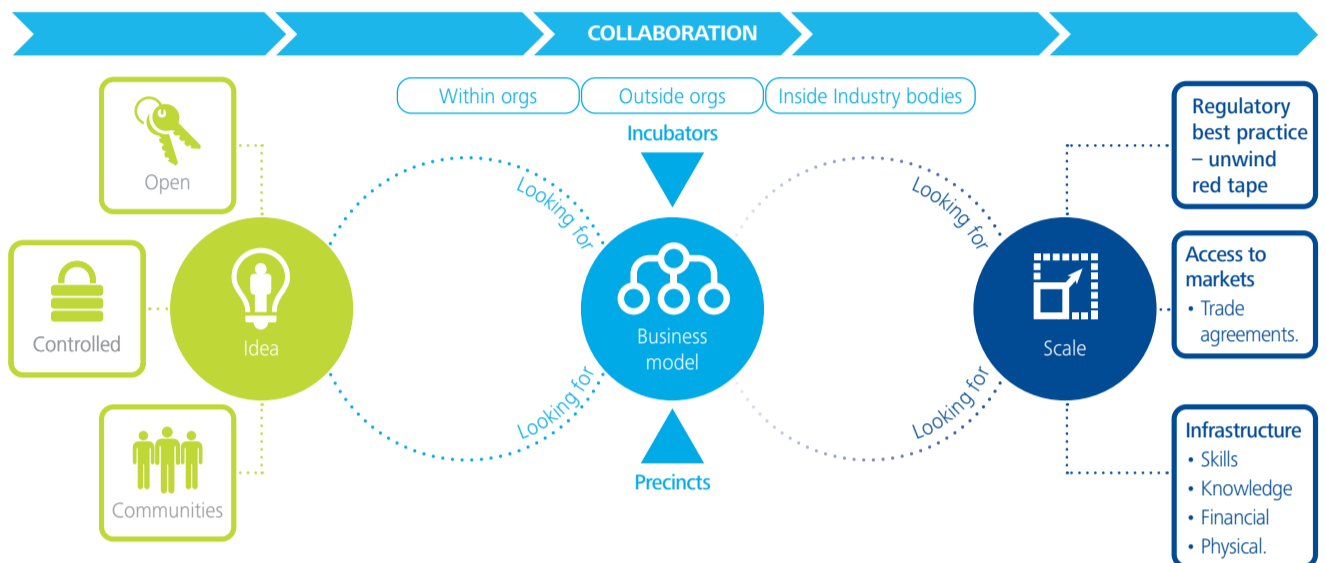


Australia's innovation imperative

Business Council of Australia

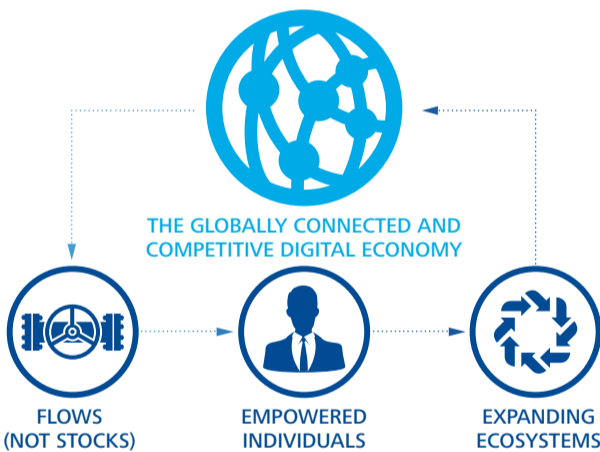
Innovation is defined as the activity of creating and capturing value from doing something new

THE EVOLUTION OF INNOVATIONS

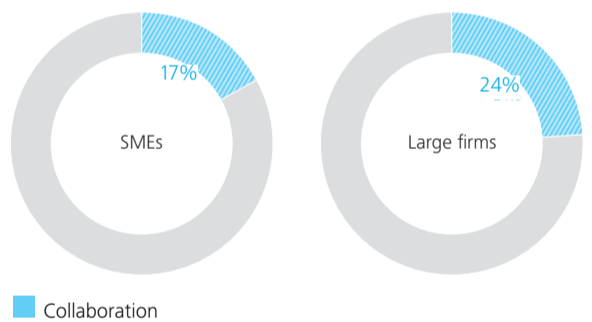


An innovation system is a network of individuals and organisations that act and interact within a broader environment. This system leads to the creation, development and diffusion of fresh ideas that create value – economic, social or environmental.

BIG SHIFT – CHANGING PARADIGMS



COLLABORATION BY BUSINESS SIZE



Source: OECD, 2010 via Department of Industry, 2014

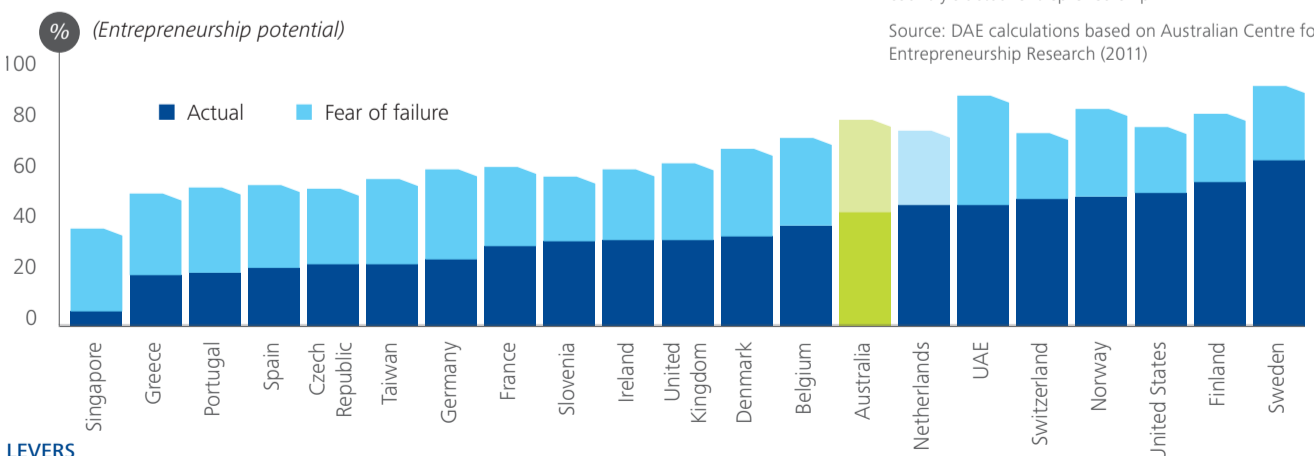
... if we are to improve efficiency and advance technology then innovation is required and innovation requires someone to take a risk – the risk of trying a different process, the risk of changing workplace organisation and management practices, or the risk of spending scarce resources to explore a new idea.

Deputy Governor of the RBA, Philip Lowe

BUSINESS CULTURE UNFULFILLED POTENTIAL: THE COST OF FEAR

Entrepreneurship potential is calculated as the sum of 'perceived opportunities' and 'perceived capabilities'. Subtracting the 'fear of failure' provides an estimate of a country's actual entrepreneurship.

Source: DAE calculations based on Australian Centre for Entrepreneurship Research (2011)

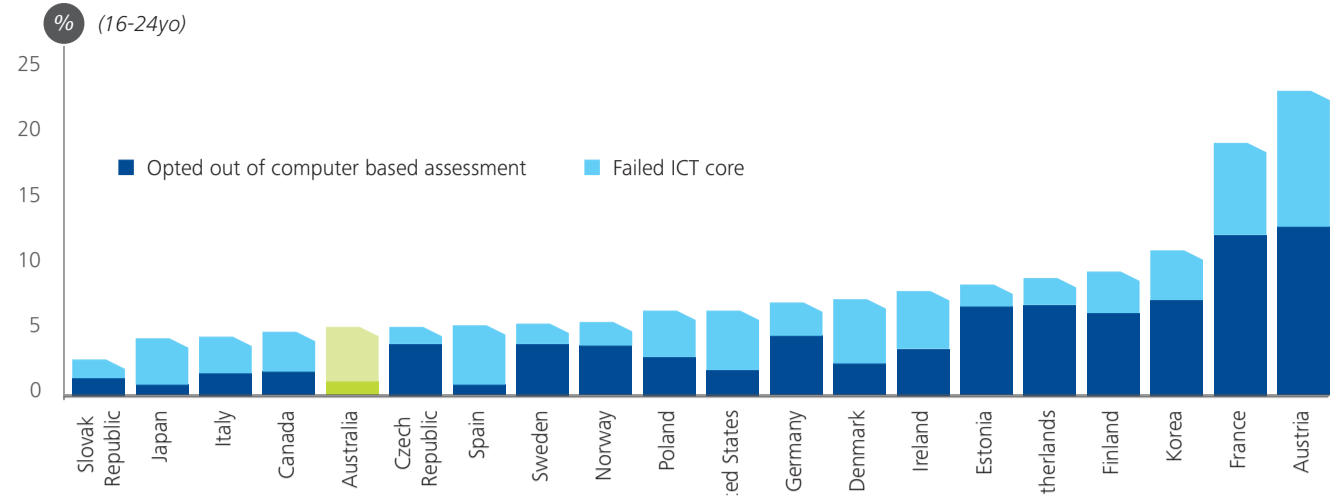


LEVERS

Level	Business levers	Government levers
On par	<ul style="list-style-type: none"> Introduce a basic innovation program. 	<ul style="list-style-type: none"> Foster business confidence through a positive dialogue.
Best practice	<ul style="list-style-type: none"> Design agile strategies by performing regular strategic radar sessions. 	<ul style="list-style-type: none"> Create an environment which encourages entrepreneurs.
Next practice	<ul style="list-style-type: none"> Constantly test and re-invent the organisation Establish enterprise incubation hubs. 	<ul style="list-style-type: none"> Allow R&D grants for business model innovation.

HUMAN CAPITAL

PROBLEM SOLVING IN A TECHNOLOGICAL ENVIRONMENT – ICT INDICATORS, OECD



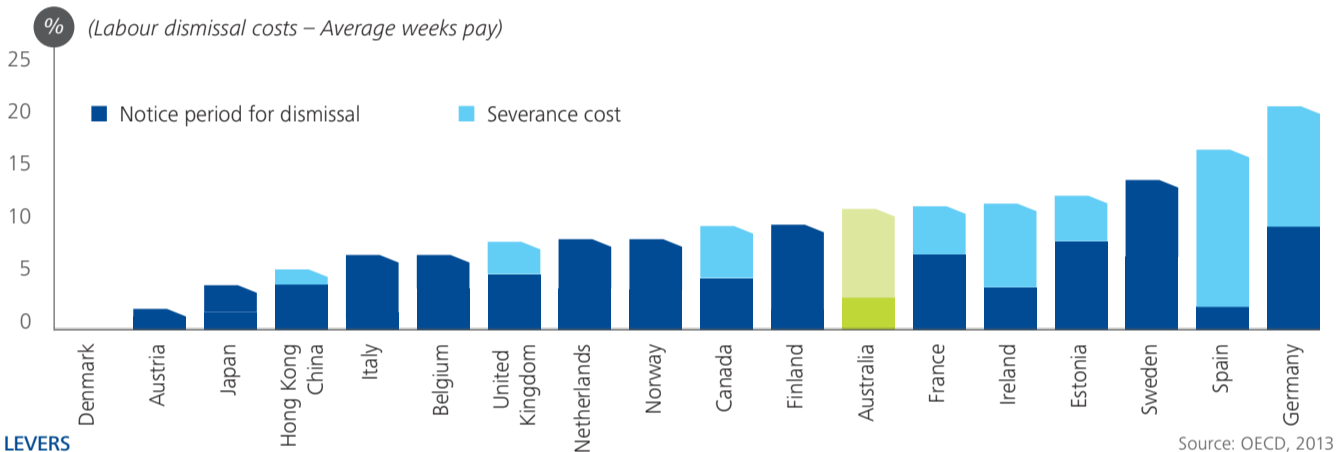
Source: OECD, 2013

LEVERS

Level	Business levers	Government levers
On par	<ul style="list-style-type: none"> Co-ordinate and run adjunct business programs in universities for high performing graduates. 	<ul style="list-style-type: none"> Create discipline specific university level minimum qualifications or provide targeted incentives for teachers in the STEM area Encourage continuous education by providing incentives for recognised postgraduate education and business training programs.
Best practice	<ul style="list-style-type: none"> Introduce tiered or multi-faceted graduate programs A systematic program of continuous leadership development. 	<ul style="list-style-type: none"> Increase funding for the Primary Connections program.
Next practice	<ul style="list-style-type: none"> Pro-active Asian leadership exchanges. 	<ul style="list-style-type: none"> Incorporate entrepreneurship, design, human relations and problem solving into the national curriculum Create an Australia-wide 'New Capabilities' layer on all post-graduate studies as well as all as CPE studies.

REGULATION

LABOUR DISMISSAL COSTS, OECD



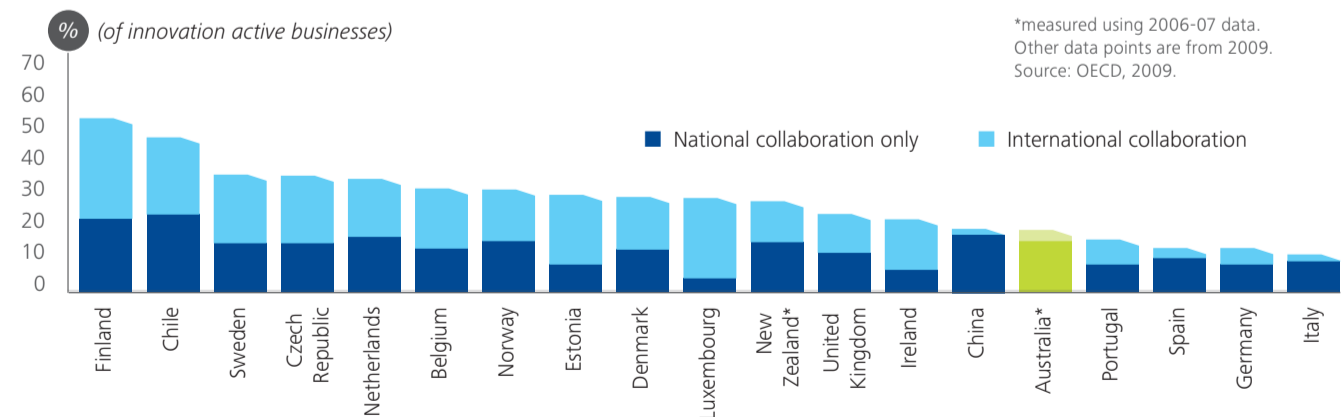
Source: OECD, 2013

LEVERS

Level	Business levers	Government levers
On par	<ul style="list-style-type: none"> Co-ordinate and run adjunct business programs in universities for high performing graduates. 	<ul style="list-style-type: none"> Increase commitment to regulatory best practice standards.
Best practice	<ul style="list-style-type: none"> Develop an annual report that identifies three priority areas where government intervention is impeding innovation. 	<ul style="list-style-type: none"> Instruct the Productivity Commission to undertake regular, cumulative reviews of sectoral regulation Create semi-annual better regulation forums with representatives from business and government.
Next practice	<ul style="list-style-type: none"> Based on agility, pro-actively assess and reduce enterprise policy decisions. 	<ul style="list-style-type: none"> Implement decentralised policy design where the outcome is set and then regions can determine the process.

COLLABORATION

COLLABORATION IN INNOVATION ACTIVE BUSINESSES



LEVERS

Level	Business levers	Government levers
On par		
Best practice	<ul style="list-style-type: none"> Establish and engage in employee exchange programs with research institutions Introduce interest based tools to drive collaboration Introduce social network tools to drive connectivity and generate ideas. 	<ul style="list-style-type: none"> Use government data to identify precinct areas and allow them to flourish by relaxing planning laws.
Next practice	<ul style="list-style-type: none"> Asian business collaboration as specific prototypes. 	