

# State of Innovation Project – Insights Note #2

## Business Innovation and Benefits

A **business innovation** is a new or improved<sup>1</sup>:



Business process, or



Product

A business innovation may be a combination of the two but must **differ significantly from previous offerings** from the business and be introduced to a market.

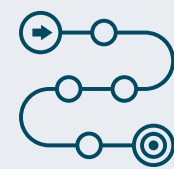
The benefits of innovation predominately relate to driving productivity, however in the business sector it is assumed that the **motivations behind innovation are aimed at improving profitability.**

This Insights Note is one of four which draws on the findings of a 2023 **State of Innovation collaborative research project** between the Department of Environment, Science and Innovation (DESI) and **Bond University** profiling **innovation-active firms in Queensland.**

It provides a snapshot of business innovation of Queensland businesses and their benefits.

Results are benchmarked against other jurisdictions where relevant.

# Queensland business innovation is trending up over a 10 year period



## More than half of all Queensland business are trying or have delivered an innovation

- 58% of businesses are attempting to innovate in 2021, a similar rate to Australia (59%).
- Business Innovation activity increased by 23% between 2011 to 2021.



## The majority of innovation is in new processes

On average between 2011 -2021, businesses reported making new or significant improvements in:

- processes (42%)
- services (14%)
- products (11%)

89%

of QLD businesses that attempted to innovate from 2019-2021 succeeded by 2021

66%

increase in the proportion of businesses that have introduced a new to Industry product or service innovation from 2015-2021

8%

of QLD businesses reported introducing a New to World innovation from 2019-2021, behind VIC (11%) and NSW (9%)

## Queensland businesses excel in obtaining tangible benefits from innovation

In 2021, Queensland businesses reported the:

- highest proportion of all states in terms of revenue increases
- 2nd highest proportion for cost reduction, competitive edge, and customer service.

48%

increased revenue,  
higher than all states and  
national average



48%

improved customer  
service, closely following  
NSW and Vic



35%

gained a competitive  
advantage, second to  
Tasmania



35%

reduced costs - a 29%  
improvement since 2011



# Background & more information

## State of Innovation Project

The State of Innovation (SOI) Project was established in 2021 to develop rich data and insights on the Queensland innovation system to support evidence-based policy and decision making.

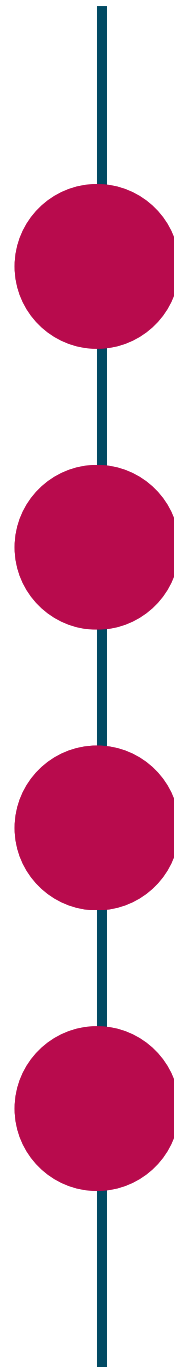
## Profiling Business Innovation in Queensland - a collaborative research project with Bond University

This research project was developed to generate multi-jurisdictional insights about Queensland innovation-active firms between 2011 and 2021.

## More information

For more information about the SOI Project, the collaborative study and or this Insights Note contact: [advancequeenslandcorro@dtis.qld.gov.au](mailto:advancequeenslandcorro@dtis.qld.gov.au)

Department of Environment, Science and Innovation



## Data Source

This Note uses the Australian Bureau of Statistics (ABS) Business Longitudinal Analysis Data Environment (BLADE) dataset.

The primary data source utilised within BLADE is the Business Characteristics Survey (BCS) and from 2021 the Innovation Module. The ABS administer this annual survey and collects data on business characteristics, including innovation.

## Limitations

The results here may differ from the publicly available BCS results. Weightings may have been applied by the ABS in their analysis for the publicly available results.

Due to privacy and ABS disclosure restrictions, some data is missing in certain years.

Furthermore, the BCS has had changes over the years. For example, 2021 data should be read with some caution as this is the first iteration of a biennial survey period.