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## Survey: Aussie small businesses least innovative in Asia-Pacific

New survey data from CPA Australia shows that our small businesses lag well behind their Asia Pacific competitors when it comes to innovation, e-commerce and social media – all future drivers of growth and job creation.

The findings follow extensive surveying of nearly 3,000 small business operators in Australia, Indonesia, China, Malaysia, Vietnam, Hong Kong, Singapore and New Zealand as part of the upcoming Asia Pacific Small Business Survey 2015.

CPA Australia chief executive Alex Malley says the results show that we are being comprehensively outpaced by competitor markets in the region - and underscore the critical importance of the Prime Minister's 'innovation statement', to be handed down on Monday.

"Malcolm Turnbull is absolutely right to draw a link between Australia's future prosperity and our ability to leverage innovation to improve our country's international competitiveness," Mr Malley said.

"We've found that when it comes to innovation, applied at the coalface of small business, we are being outperformed by a significant margin by our competitors in Asia and New Zealand.

"Yes, there are some very innovative Australian small businesses, however they are unfortunately the exception to the rule.

**"Innovation must become the rule rather than the exception, and must be applied across the community – from universities and research institutes through to small businesses. That's the definition of a 'culture' of innovation.**

"On the key measure of innovation, looking at the percentage of small businesses that will introduce a new product, service or process in the next 12-months that is new to their market or the world, for Australia it's only five per cent compared to Indonesia's 46 per cent. China (32 per cent), Malaysia (29 per cent) and Vietnam (26 per cent) all scored highly on innovation.

"Another key indicator is social media, used by 93 per cent of businesses across Asia, but only around 50 per cent of Australian small businesses.

"We're lagging when it comes to e-commerce. Across Asia, 83 per cent of small businesses generate revenue from online sales, while here, little more than a third do.

"Looking ahead, more than 40 per cent of Asian small businesses expect to grow their e-commerce presence, while only 8 per cent of Australian small businesses have such plans.

"This new data provides a baseline for our performance on innovation upon which business, governments and researchers should aim to improve.

"The challenge for the Prime Minister and his Innovation Minister Christopher Pyne will be to use the innovation statement to outline concrete initiatives to genuinely enhance our innovative capacities and our appetite for embracing technology.

"The introduction of the crowd-sourced equity funding Bill this week is a welcome development, an innovation for business which is a natural accompaniment to the digital age and frankly can't come soon enough. Should it pass,

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the Bill means we'll have a new way of linking entrepreneurs and their ideas with global investors to help get new products and services off the ground and around the world.

“The Government appears to be genuinely committed to making a serious and sustained contribution to creating a 'culture of innovation'. This culture around a preparedness to embrace change and adopt new technologies is as important to university researchers as it is to the two million small businesses that in many ways represent the economic engine room of our economy.”

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