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Great innovations

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BUREAUCRATIC red tape is stifling innovation in Australia's multi-billion-dollar construction industry, according to a survey released last week.

The 2004 building, research, innovation, technology and environment (Brite) survey report found new innovations, ranging from technology advances to smarter business practices, were being "inhibited" by government regulation, insurance companies and lack of funding.

High development costs and time constraints were also major obstacles.

"These findings underline the need to improve industry profitability, to ease resource constraints on innovation," the report said.

Launched by Linda Lavarch, Queensland parliamentary secretary to state development and innovation minister Tony McGrady, in November, the Brite Project was undertaken under the auspices of the Cooperative Research Centre for Construction Innovation.

On the flip side, "customer needs", technical performance, quality and a desire to increase productivity were the top four drivers pushing the implementation of innovative practices, the report said. Ironically, cost savings were also identified as a major driver.

The Brite 2004 survey is the first definitive assessment of innovation in the construction industry since a joint report conducted by PriceWaterhouseCoopers and the Australian Construction Industry Forum was released in 2002.

The report solicited the views of more than 1300 east coast contractors, tradespeople, suppliers, consultants and clients, finding:

- 6% of respondents reported bringing "new to world" innovations to the market.
- 25% invested in research and development, but only 15% claimed the Federal Government's R&D tax concession.
- Only 1% of the industry conducted research and development.

The survey report detailed 10 recommendations for property and construction business looking to improve innovation, and five recommendations for government reform.

The private sector was encouraged to provide training programs, employ new graduates, monitor international developments and invest in R&D.

Formal systems to capitalise on experience from previous jobs and encourage workers to share their ideas were also recommended, along with greater collaboration with universities and other research hubs.

Among the key initiatives put forward to government were a review of the R&D tax concession scheme and programs designed to educate the industry about international competition. A recommendation to implement programs assisting skill development and greater resources for education and training were other recommendations.

Construction industry regulation, in particular a streamlined system across the states and territories, was proposed.

Brite project leader Dr Karen Manley (from the Queensland University of Technology) said the report was the first step in a process aimed at developing a culture of innovation in the construction industry.

"The next step is to say there's the information – it's up to the peak bodies, or the industry associations, or individuals to take the information and use it to their advantage," she said.

The spokesperson said changing the culture of an organisation to foster greater innovation was a process that had to begin at a micro level.

"A fairly simple step they can take is to get more involved in their industry association offers, and they will be in touch more with what is going on," she said.

"Or even with journals and magazines to look at what's happening in related industries, which is not always thought of.

"They're relatively simple things for an individual to do, if they are looking at getting into that stream of innovation."

Out of the five groups surveyed – contractors, tradespeople, suppliers, consultants and clients – contractors and tradespeople were found to be the least innovative, with both scoring three "poor" scores from five key performance indicators (KPI) ratings.

By comparison, clients achieved "good" or higher in four out of five KPIs.

The five KPIs were the number of advanced practices adopted; the level of technological innovation "new to work"; the degree of technological innovation "new to industry"; innovation profitability level; and R&D investment.

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