

Innovation trends revealed

A recent building industry survey has revealed the factors that are encouraging innovation in some of Australia's top companies.

The Building Research, Innovation, Technology and Environment (BRITE) project released its 2004 *BRITE Innovation Survey Report* on November 17, 2004.

The survey polled over 1300 businesses in the commercial building and road/bridge sectors in New South Wales, Victoria and Queensland. 82 businesses were identified as 'highly innovative', including 26 that had developed world-first innovations.

The BRITE project is an initiative of the Cooperative Research Centre for Construction Innovation (CRC CI) and conducts innovation case studies in the building industry once every two years. In the intervening years, the project carries out a survey of innovative practices in industry.

The aim of the survey was to identify some of the common characteristics of these high innovators in order to promote more widespread adoption of best practices. The survey report, available for download from the publications page at www.brite.crcci.info, includes a range of recommendations for both business and government to improve innovation performance in the construction industry.

The recommendations for businesses are:

- Enhance in-house skills by providing training programs and employing new graduates, rather than relying on recruiting experienced employees
- Use more innovations to reduce clients' costs
- Actively monitor developments internationally, and in related industries
- Have formal systems to include lessons from previous projects in work processes and encourage staff to share ideas
- Formally evaluate the effectiveness of advanced technologies and practices
- Invest in research and development, possibly using the R&D Tax Concession and/or Australian Research Council Linkage Grants to subsidise costs
- Increase links with universities and other research institutions
- Implement a broader range of technology, knowledge and human resources strategies. These strategies include investment in research and development, building relationships with key industry organisations, and participating in apprenticeship programs.

- Consult more of the sources of ideas on innovation, such as suppliers, trade associations, journals/magazines, and previous projects.
- Implement a broader range of advanced practices, which includes project partnering, performance-incentive contracts, computerised systems, and documentation of any improvements made.

The initiatives proposed for governments to improve innovation in the construction industry are:

- Implementing programs to assist skill development in industry associations, given the central role these associations play in providing ideas to low innovators
- Reviewing the value and accessibility of the R&D Tax Concession Scheme for small and medium-sized enterprises within the construction industry, as the industry has a low access rate
- Reviewing the effectiveness of programs aimed at promoting industry awareness of international competition, given that a quarter of the industry is unsure of Australia's ability to cope with it
- Stronger resourcing of education and training programs, as the construction industry relies more on organisational (people and processes) innovation than the manufacturing industry, and therefore is less able to gain value from the R&D Tax Concession
- Improve the regulation of the construction industry, to further encourage innovation. This can be done in part by improving national consistency and moving more rapidly from prescriptive to performance-based regulation.

One concern the report highlights, and perhaps one of the most significant factors in the innovation performance of the construction industry, is the issue of profitability. While the industry is aware of, and responsive to, the need to improve efficiency to meet client requirements, the potential for innovation is constrained by the already low-level profit margins. Improving profitability is therefore a key step towards improving innovation performance.

Further information on the BRITE project is available at www.brite.crcci.info ■