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Australia drops in Global Innovation Index



Australia ranks 19th in the world when it comes to innovations, according to a new global index. DigitalStorm



by Yolanda Redrup

Australia has slipped two places on the Global Innovation Index, failing to export and commercialise enough ideas to push into the top tier.

Australia placed 19th on the 2016 index, down from 17th in 2015, with Switzerland, Sweden and the Britain ranking highest on the list.

Global lead partner of management consulting firm A.T. Kearney, Nigel Andrade, said Australia had a "tremendous platform" for innovation, but it was not translating to results.

"Our read of the situation is we need to take bigger steps. It's great [Australia put aside \\$1.1 billion for the innovation agenda](#), but Singapore put aside \$18.4 billion for the same period, and the UK is investing £5 billion," he said.

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Table 1: Global Innovation Index rankings

Country/Economy	Score (0–100)	Rank	Income	Rank	Region	Rank	Efficiency Ratio	Rank	Median: 0.65
Switzerland	66.28	1	HI	1	EUR	1	0.94	5	
Sweden	63.57	2	HI	2	EUR	2	0.86	10	
United Kingdom	61.93	3	HI	3	EUR	3	0.83	14	
United States of America	61.40	4	HI	4	NAC	1	0.79	25	
Finland	59.90	5	HI	5	EUR	4	0.75	32	
Singapore	59.16	6	HI	6	SEAO	1	0.62	78	
Ireland	59.03	7	HI	7	EUR	5	0.89	8	
Denmark	58.45	8	HI	8	EUR	6	0.74	34	
Netherlands	58.29	9	HI	9	EUR	7	0.82	20	
Germany	57.94	10	HI	10	EUR	8	0.87	9	
Korea, Rep.	57.15	11	HI	11	SEAO	2	0.80	24	
Luxembourg	57.11	12	HI	12	EUR	9	1.02	1	
Iceland	55.99	13	HI	13	EUR	10	0.98	3	
Hong Kong (China)	55.69	14	HI	14	SEAO	3	0.61	83	
Canada	54.71	15	HI	15	NAC	2	0.67	57	
Japan	54.52	16	HI	16	SEAO	4	0.65	65	
New Zealand	54.23	17	HI	17	SEAO	5	0.73	40	
France	54.04	18	HI	18	EUR	11	0.73	44	
Australia	53.07	19	HI	19	SEAO	6	0.64	73	
Austria	52.65	20	HI	20	EUR	12	0.73	43	

In the last year, Australia slipped from 17th to 19th in the Global Innovation Index, which ranks the world's countries and economies through innovation measures, environments and outputs. A.T. Kearney

"We also need to think more explicitly about exporting innovation. There is a lot of discussion about innovation for domestic purposes ... but knowledge diffusion is a big thing as well, so we need to be thinking about how to export ideas and earn trade on the back of those ideas."

A.T. Kearney is one of the knowledge partners in the index, which was put together by a team from Cornell University, INSEAD and the World Intellectual Property Organisation.

Rounding out the top 10 nations, out of 128, were the US in fourth, followed by Finland, Singapore, Ireland, Denmark, the Netherlands and Germany.

Falling short

According to the index, Australia ranks in the top 10 worldwide when it comes to tertiary education participation, infrastructure and information and communication technologies, access to credit and new business activity.

But falls short of global standards when it comes to government spending on secondary education per pupil, the number of science and engineering graduates, the ease of protecting minority investors and ICT imports.

Australia was considered particularly poor when it came to foreign direct investment net outflows, ICT exports and knowledge diffusion, ranking 107th, 100th and 90th in the world, respectively.

Despite the country's weaknesses, Mr Andrade said coming in 19th was still a good

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were in the top 25, so were in the leaders category and were punching above our weight in terms of GDP. The fact we have good 'input' is nothing to be sneezed at," he said.

As well as ranking the world's most innovative countries, the report included six key findings around the year's theme of "winning with global innovation".

'Global innovation mindset'

The report suggested that globally, governments needed to spend more on research and development in order to avoid the current period of low-growth global economies are experiencing.

It also found a need for a "global innovation mindset", which requires governments to think of the global, not just national, benefits of innovation and be willing to collaborate with other countries.

Locally, Mr Andrade said a second mindset shift was needed, with the government needing to find a way to communicate with the community that innovation is not just something that benefits white-collar workers.

"A concern that comes up in discussions is whether or not people understand that innovation is not a threat to Australia and it won't just benefit the upwardly mobile," he said.

"We need to work out how we can see it as something that creates opportunities for people entering retirement [for example], or for rural Australia. The narrative currently does not embrace the expansive role that innovation is playing in the Australian economy."

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