

Australian business innovation from the National Australia Bank

- Business innovation in Australia — as measured by the National Australia Bank’s Business Innovation Index — has recovered in 2021, while still well under pre-pandemic levels. NAB renews the call that innovation needs to be back on the nation’s economic agenda.
- The Business Innovation Index measures innovation by the extent to which a business changes anything that allows it to do things differently, more quickly or more cost efficiently. Business conditions are returning to multi-year highs with ongoing improvements in the economy, where innovation is being driven by doing things more quickly and cost efficiently. Although innovation from the measure of doing things differently has decreased from the COVID-induced spike, it is still the main driver of innovation.
- In 2021, the most innovative sectors were *Mining, Utilities & Telecoms*, and *Hospitality*. All industry sectors reported higher innovation.
- Businesses that have made changes in response to COVID-19 have incorporated them to their longer-term business models. The pandemic prompted change and adaptation.¹

¹ NAB (2021) *Business Innovation Index*, April 2021 (<https://business.nab.com.au/nab-business-innovation-index-2021-45660/>)