

ISSUED BY THE NSW DEPARTMENT OF INDUSTRY

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NEW SCORECARD MEASURES NSW PERFORMANCE

The NSW Government has developed a first-of-its-kind report to measure the state's innovation and productivity performance and compare NSW to other states and similar international economies.

The new NSW Innovation and Productivity Scorecard showed the State was a leader on economic growth in 2015-16, ranking second out of 10 locations on GDP growth, beating Victoria and Queensland and the national economies of the USA, UK, Canada, Singapore and Germany and the OECD average.

The scorecard also ranked NSW third for both business growth and labour productivity ranking above the Australian and OECD averages.

The State ranks fourth for business investment in R&D and has the highest number of startups in Australia and third highest internationally, but we can improve on venture capital firms and investment.

The scorecard has been developed by the NSW Innovation and Productivity Council, together with SGS Economics and CSIRO's Data61, underpinned by sophisticated data techniques.

It was launched today along with a report on how states and regions can support a strong 'innovation economy' and what NSW can learn from international experience. The report was commissioned by the NSW Innovation and Productivity Council and written by UK-based international cities expert Professor Greg Clark.

Chair of the NSW Innovation and Productivity Council, Neville Stevens AO, said the first scorecard shows NSW has a thriving economy, a highly skilled workforce, an active start-up sector and strong research sector.

"NSW is the engine room of the Australian economy and this new scorecard will give us what we need to fine tune our performance," Mr Stevens said.

"This new scorecard is a first – it identifies how NSW compares to other states and international locations on a range of innovation and productivity measures.

"These insights will help inform policy to grow our innovation economy and deliver jobs for the future. The innovation economy can provide revenue for better infrastructure, health, education and public services to ensure NSW remains Australia's economic powerhouse.

"NSW is working to improve innovation and productivity with initiatives including Jobs for NSW and the Sydney Startup Hub, the Sydney School of Entrepreneurship, and the Boosting Business Innovation Program."

Copies of the reports are available at [REDACTED]

NSW performance from the Innovation and Productivity Scorecard

The scorecard compares NSW performance in three areas: research and collaboration; skills and enterprise; and growth and productivity.

Research and Collaboration

- NSW has high business investment in R&D at \$6.4 billion with three quarters spent by the manufacturing, science and technical, IT and finance sectors.
- We outperform the international average for higher education investment in R&D at \$3.2 billion which has been growing at 7.7 per cent per annum between 2008 and 2014.
- 13 per cent of our researchers are among the world's top 10 in their specialities as ranked by the League of Scholars. We are on par with most jurisdictions except the US.
- NSW has three of its 11 universities in the top 200 in the QS World University Rankings 2016. Our universities are global research leaders in over 50 topics including photovoltaics, water filtration, network security and cryptography.
- NSW universities lead the nation with 83.8 research collaborations per institute, compared to an average of 59.8 for Australia.

Skills and Enterprise

- NSW's workforce is highly educated and we attract the highest rate of skilled work visas compared to other states.
- NSW is home to the largest proportion of Australian start-up founders as well as start-ups that grew out of research institutions and universities.
- NSW business performance is above average (ranked fifth) on digital capability with 16,100 businesses using growth technologies, but there is still room to improve.
- We outperform other Australian states on venture capital investment and number of firms but are behind international jurisdictions (ranked seventh).
- NSW businesses are becoming more successful in attracting venture capital from overseas with 50 in the past decade attracting investment from top technology venture capital funds.

Growth and Productivity

- NSW has the second highest GDP growth rates at 3.9 per cent in 2016.
- Singapore and the United States hold the top positions on labour productivity, but NSW ranks third and above the Australian and OECD average over the five years to 2017.
- NSW is ranked third internationally on number of firms growing employees by more than 10 per cent per annum in the past two years.
- Within Australia, NSW had the greatest increase in net business creation over three years, with more businesses starting up than exiting the market.
- Multi-factor business productivity (measuring labour and capital) grew 4.7 per cent in NSW between 2007-08 and 2015-16 while the Australian average contracted 2.1 per cent.