

# Ageing Aussie business owners ‘put the brakes on innovation’

## **BUSINESS**

*With more entrepreneurs over 50 and fewer under 40, the rest of the Asia-Pacific is winning the race to digitise, CPA Australia survey finds.*

By [Josh Needs](#) • 21 March 2023 • 5 minute read

Australia’s ageing small business owners are holding back innovation and digitisation, according to the latest CPA Asia-Pacific Small Business Survey.

It found Australia had the most company directors over 50 and came ninth (out of 11) for number of business leaders under 40.

CPA Australia senior manager of business and investment policy Gavan Ord said Australia’s youthful entrepreneurs had gone missing in action.

“Where have all the young business owners gone? They’re generation MIA when it comes to small businesses,” said Mr Ord.

“Australia has been ranked among the worst in Asia-Pacific for attracting young people into small business ownership since we started our survey in 2009.”

“The survey results show that young business owners and founders are a necessary ingredient for Australia’s economic future, our digital capabilities and future innovations.”

CPA Australia was calling on the government to launch a public inquiry into barriers to young entrepreneurs from owning and operating small businesses.

“We need Australians of all ages running and owning small businesses. Diversity brings huge benefits to the economy,” he said. “The absence of young people has long-term implications.”

CPA Australia said an example of how the owners’ age impacted digitisation was social media use, with 30 per cent of small firms in Australia failing to use social media, double the survey average of 15.4 per cent.

Investment in technology was another sign as CPA Australia said local firms looked to update existing hardware rather than expanding and incorporating innovative technologies such as AI.

Aside from showing that Australian businesses had a much lower digital capability than their Asia-Pacific peers, the survey also revealed they were least likely to innovate throughout 2023.

“Only 14 per cent are intending to introduce a unique product or service to the market in 2023, this is the worst result in Asia-Pacific,” said Mr Ord.

“A lack of innovation is a drag on economic growth and productivity that we will feel for years to come. Encouraging new talent to launch small businesses can boost long-term innovation.”

“The government needs to ensure running a small business is an attractive option for young people who can bring their digital skills to the sector.”

However, CPA Australia said it was not all doom and gloom, with 2022 being Australian firms’ best year in the last five and almost half of all small businesses growing, with 2023 expected to be even better.

“It’s understandable that some young Australians are questioning whether business ownership is worth the stress and commitment. The pandemic, rising cost of living, high property prices and global uncertainty are adding to their doubts,” said Mr Ord.

“We want young people to seize the opportunity to control their own destiny.”

“This is a huge chance to inspire and encourage young people into the business community as Australia continues to recover. We want the government and current business owners to explore how to attract young minds into this critical sector.”

CPA Australia’s Asia-Pacific Small Business Survey gathered results from 4,280 small businesses across 11 markets including Australia, Mainland China, Hong Kong, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Vietnam.