

## **ARC Centre of Excellence for Creative Industries and Innovation (CCI) in retrospect and prospect**

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*"It is easy to understate the importance of clear definitions and reliable economic statistics to the formation of good policy. Yet, without these tools, policymakers risk missing the most important sources of employment and growth; it becomes much harder to maintain a coherent policy framework, and impossible to track progress."*<sup>i</sup>

The definitional and statistical analysis work we have in Australia on the creative industries can be credited to the CCI and the work that predated that Centre's establishment.

When the Australian Government established the Creative Industries Innovation Centre (CIIC) in 2009 the Centre for International Economics (CIE) was commissioned to undertake a scoping study to provide an up to date picture of the creative industries in Australia and to confirm the sectors the CIIC would work with.

CIE concluded that:

*"...the CIIC's needs are able to be broadly met by using the CCI's creative industry segments and it seems that these are broadly in line with efforts to establish international comparative measures."*<sup>ii</sup>

The sectors that we have now been working with for the last five years are based on that definitional work and have covered:

- Architecture, design and visual arts
- Music and performing arts
- Film television and radio
- Advertising and marketing
- Software development and interactive content
- Writing publishing and print media

The CIIC has now, by early 2014, undertaken more than 550 Business Reviews with companies turning over more than \$1million.

\$6 million has been invested in business improvement activity with these firms based on the 1:1 dollar matching provided by the Enterprise Connect program. Creative firms have invested half of this, \$3 million, in their own improvements.

As in the UK, in the past our formal definitions of the creative industries in Australia (think the ABS and Government) have neglected fast-growing creative activities that take place outside of the creative industries in the broader economy.

We knew back in 2009 and certainly know now, that the creative industries are much broader than these sectors.

The CIIC recently commissioned SGS Economics and Planning to reproduce a current state of play, following the dynamic mapping methodology put forward by NESTA last year.

This report found that the creative industries made a direct contribution to GDP of \$32.8 billion in 2011/12; the study found that by taking into account indirect multiplier effects, the creative industries adds over \$90bn annually in turnover; \$45 billion in GDP, and generates annual exports of \$3.2 billion.

A key focus of the report and one of the most interesting trends has been the rise of embedded employment within non-creative industries – the designers in construction companies; software developers within financial services; the copywriter working on in-house investor publications for a super fund.

Once these creative professionals outside the creative industries are taken into consideration we see that the creative workforce really is a sizeable and growing beast. The total creative workforce is now more than 600,000 people (across the businesses *within* the CI's, and those outside the creative industries). The 611,307 total creative workforce now represents 6.2% of total Australian employment.

Almost half of the 611,000 workers across the creative workforce in fact work outside of agency and studio land, and the number of embedded creatives has grown 17% since 2006.

It brings into question how best should this workforce should be supported?

We have a lot of evidence to support the fact that working with businesses in these sectors has been of great value.

From our 'on the ground' experiences working one-to-one with creative businesses we have seen that:

We're supporting industries that on paper can be siloed into discrete sectors, but are in fact cross breeds of multiple traditional business types. Within all the sectors we service, there is a degree of

‘sector creep’: a blurring of boundaries of once distinct sectors to full-blown fragmentation of the industry landscape.

We see games developers come digital agencies that are also app developers and software developers. Or marketing/communications firms whose service offering evolution is faster than they can manage as they vie to track to latest and greatest audience channels. We see small to mid-sized architects co-existing with vertically integrated, global multi-service operators, and at the other end, competing also against lean, smaller outfits, sometimes one man bands.

The CIIC/SGS report provides the context for this increasing blurring of boundaries, and provides the data we need in order to work with policy makers on the next generation of industry support initiatives.

The CIIC supported the production of this data heavy exercise because although our remit is an industry facing B2B role, we acknowledge that despite having worked one-to-one with over 1,500 creative businesses in total, this sharp focus on individual businesses is not enough.

We need to also be able to see the big picture, the sum of the parts.

A granular analysis of the creative economy landscape is the only way we can be sure that industry support is well targeted and has the greatest chance of success.

To achieve that we need data that is consistently gathered over time. And we need a framework, which will respond to structural shifts in the composition of the creative economy so we truly can see how these skills, workers and businesses are morphing over time

This is why we chose to follow the dynamic mapping methodology set out by NESTA, and why the work of CCI has been vital to date. The CCI’s work on the creative trident and input into NESTA’s methodology has allowed us to see the broader spectrum of who and what the creative industries really are. Without that information we’d be only guessing at who to support, where they are, and what they might need.

The imperative nature of this work is not limited to better outcomes in policy formulation; it has a genuine impact on businesses and industry. Very often we hear the question ‘what exactly are the creative industries?’ coming from within the creative industries itself.

Being able to clearly articulate back to industry the basics - who they are; what they look like; what they earn; and where their skills are being demanded - is applauded by industry associations and businesses. Who else will articulate their economic impact and potential? Who else will advocate for their increased importance in a global economy? Who else will drive the message home?

Programs such as the Enterprise Connect program, to which the CIIC belongs, are industry focused – but without research agendas that clearly inform policymakers about the next gen economy, they could well target all the wrong or defunct industries.

The key challenges then going forward are threefold:

- For Government – how will this important research continue to be undertaken and by who?
- For Educators – how will our education offerings cater for the changing needs of business?
- For Industry – We need Industry to step forward in a coordinated way to advocate for these issues as governments increasingly are only supporting initiatives that have Industry in the centre.

The CIIC has seen firsthand the power of industry coming together – Tasmania has recently demonstrated this.

In August 2012 a workshop was held with 38 prominent creative industry professionals from all CI sectors to discuss the way ahead for creative industries in Tasmania. The CIIC played a catalyst role in this instance based on our direct connections with creative enterprises.

There was unanimous agreement at the meeting and a steering committee, the Tasmania Creative Industries Council (TCIC) was formed to address three key outcomes:

- To 'change perceptions of the Tasmanian Creative Industry'
- To 'define, measure, position and sell the creative industry'
- To 'help the industry better get to know itself'

The TCIC got on with the job of formulating a draft strategy, connecting with political leaders, holding industry events and creating social media connections.

The TCIC was instrumental in getting the creative industries recognised in policies by all parties in the recent state elections there, with the winning Liberals pledging \$50,000 towards the TCIC to 'formalise its structure, resource initial operations and negotiate a MOU with the State Government'

The CIIC's hope is to see the creative industries come together to work with government and the academic and research community to ensure that Australia gets the industry policy it deserves - and needs.

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<sup>i</sup> Hasan Bakshi, Ian Hargreaves, Juan Mateos-Garcia. 2013, *NESTA A Manifesto for the Creative Economy*, NESTA, London, UK, p26.

<sup>ii</sup> Centre for International Economics. 2009, *Creative Industries Economic Analysis Final Report*, Sydney, Australia, p16.