

EXECUTIVE SUMMARY

CREATIVE FUTURES

Background

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The *Creative Futures Report* has been produced as an outcome of a project facilitated by the Arts Industry Council of South Australia (AICSA) and Service Skills SA (SSSA) with funding provided by the Industry Skills Development Directorate of the Department of Further Education, Employment, Science and Technology (DFEEST), Innovation and Business Skills Australia (IBSA) and SSSA.

With a focus on vocational education and training in South Australia the project aimed to effectively capture the essential skilling and workforce needs of the Arts, Creative and Cultural Industries (we will refer to these broad sectors throughout the report as 'creative industries') to enable better decision making by industry and the South Australian government who make a considerable investment in the arts. The major mechanism used to capture this data was the *Creative Futures* survey undertaken in September and October 2012 that engaged 886 respondents including large organisations (more than 10 Employees), small to medium businesses (less than 10 employees) and individuals. It also incorporates customised 2011 ABS Census Data, the DFEEST Workforce Wizard information and Innovation & Business Skills Australia (IBSA) training statistics. This statistical data has been used to reinforce the validity of the industry snapshot, the survey outcomes and the project findings and recommendations.

The significant body of data created by this project has the potential to inform sector workforce development and training requirements on both a state and national level. The project recommendations contain actionable priorities. These training related priorities are designed to be achievable within current funding opportunities. It is hoped further funding will continue the momentum created by this project.

Key Messages

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- The creative industries are a significant employer with capacity for further growth.
- In order to achieve productivity gains the industry requires support to develop critical entrepreneurial skills and increase the capability of its workforce. Training and professional development outcomes for many in this sector are strengthening self employment prospects – supporting a career as a sole trader - rather than 'getting a job' with a guaranteed number of paid hours work each week.
- Evidence from the largest survey of the creative industry in South Australia since 1998 clearly indicates there are some common training priorities - a 'skills set' covering strategic business, marketing, financial and use of new technologies (these are additional to role or sector specific technical up-skilling requirements).
- Current publicly subsidised training provision does not best meet these specific needs and hence a facilitated collective approach bringing together a number of Registered Training Organisations (RTOs), with customised delivery strategies for different sectors will be required.
- This approach will require an entity or a group to build links between industry and the Vocational Education and Training (VET) sector. Training delivery should be supported by the use of industry credible mentors to build the capacity of RTOs.
- The creative industries have a sophisticated, well educated workforce, therefore training needs to be at the appropriate level and the marketing and delivery of any programs needs to be contextually astute.
- While there are some commonalities across the industry, sector specific variations will require specialised solutions, not a 'one size fits all' approach.

"The arts and creative industries are fundamental to Australia's identity as a society and nation, and increasingly to our success as a national economy.

(2011:4) Simon Crean, Federal Minister for the Arts, The National Cultural Policy Discussion Paper

Findings

ABOVE TREND GROWTH

Data provided in the 2012 IBSA Environmental Scan indicates that the South Australian creative industries had approximate revenue of \$1.34 billion in the year 2010-2011. There is currently no data available detailing the percentage of the South Australia Gross State Product provided by the creative industries. However in 2012 South Australia's 10 major arts festivals alone delivered "new expenditure estimated at \$62.9 million in new incomes, and the creation of 790 full time equivalent jobs (of course many of these jobs are part time and short term in nature).¹" Households in South Australia spent an average of \$37.67 per week in 2009-10 on 'cultural' items according to the ABS 2011 Household Expenditure Survey.

Between 2004 and 2011 there has been a steady increase in attendance from 3.9 to 8.6 million at selected arts activities including: Adelaide Festival of Arts, Adelaide Festival of Ideas, Adelaide Film Festival, Adelaide Fringe, Adelaide Festival Centre Trust activities, Cabaret Festival, Come Out Festival, Country Arts SA activities, JamFactory, South Australian Living Artists Festival, Carclew Youth Arts activities and WOMADelaide.

This growth in attendance is matched by employment growth. According to the 2011 ABS Census data there are a total of 14673 workers (who identified their main occupation as being) in the South Australian creative industries, which is representative of 88 occupations. Data from the *Creative Futures* individual survey indicates approximately 35% of respondents had their creative work as a secondary source of employment. While there are many variables which could be at play, one could estimate the size of the SA Creative Industries closer to 22,574 or 2.8% of the South Australian workforce are engaged in the creative industries.

Employment growth has been 7.5%, higher than the SA average of 5.3%. This growth is occurring nationwide. Newly analysed data from the 2011 census shows that Australia's creative employment has grown from 463,500 people in 2006 (5.1 per cent of the workforce) to 531,000 people in 2011 (5.3 per cent).

"This is well above the rate of growth in the Australian workforce in general – and it confirms the trend evident in the past two decades: that the creative sector is rapidly emerging as an economic force to be reckoned with. Creative professionals now outnumber mining sector employees three-to-one, and those of agriculture fishing and forestry two-to-one."

Professor Stuart Cunningham, director of the ARC Centre of Excellence for Creative Industries and Innovation (CCI) at the Queensland University of Technology.

While there has been good growth in the creative industries overall, this is not reflected equally across all job roles. Employment in the 'traditional arts roles' such as those producing artefacts grew at only half the rate of the general workforce. The growth is in creative services, or business-to-business creative activity, where individuals and organisations are finding their services are wanted not just by others within the creative industries, but also those in the broader economy.²

This change is being driven by the digitisation of the Australian economy³, and is therefore likely to provide sustainable employment growth if workers have the skills to operate in this new environment. Both the traditional and newer creative sectors are being transformed by digital technology, and opportunities related to digital technologies will increase further with the rollout of the National Broadband Network. Digital technologies are having a major impact on business practices, marketing and distribution of content, and this has real implications for skilling and workforce development.

1. The Economic Contribution Of Festivals Adelaide In 2012, Prepared by Barry Burgan, December 2012

2. Australian Creative Economy Report Card 2013, ARC Centre of Excellence for Creative Industries and Innovation (CCI)

3. Australian Creative Economy Report Card 2013, ARC Centre of Excellence for Creative Industries and Innovation (CCI)

OLDER HIGHLY EDUCATED WORKFORCE

In South Australia 58% of the creative industries workforce is employed full time and over 84% resides in metropolitan Adelaide. The workforce is older - nationally the industry has higher numbers of people from younger age ranges, up to and including 30-39 years of age, while SA has higher numbers in the 40+ age ranges. This has implications for workforce planning and 62% of large organisation survey respondents believed their organisation would face issues as a result of ageing. Most cited the loss of a wealth of corporate history and knowledge as a major issue with succession planning being inadequate. This is not just an issue for large organisations, across 34 small to medium organisations, nearly ninety FTE employees retired, more than half the total number of employees who left in the past 12 months.

Workers also have higher qualification levels, with a greater percentage of workers holding at least Diploma level qualifications (77%) than the SA all industries average (61%).

DEMOGRAPHICS

The 2011 ABS Census data indicates there were 157 Indigenous people in the SA creative industries, 1% of the SA creative industries workforce. 3% of *Your Creative Futures* individual Respondents indicated they were of Aboriginal and or Torres Strait Islander origin.

86% of individual survey respondents indicated they were based in the Adelaide Metropolitan region, 9% in Greater Adelaide and 5% in regional SA. All large respondents were based in the Adelaide metropolitan region bar one, which was based in Greater Adelaide, and 79% of small to medium respondents were based in the Adelaide Metropolitan region, 10% in Greater Adelaide and 11% in Regional SA.

Overall there is a relatively even gender split (48% male to 52% female), but there are significant sector variances, for example, the Museums, Libraries and Information Services workforce is predominantly female (84%), while Screen and Media has a predominantly male workforce (69%). Gender split is a good example of significant variances between the sectors, and highlights the danger of a 'one size fits all' approach to the industry's workforce development.

VOCATIONAL EDUCATION UPTAKE

Training currently appears to be located predominantly in the higher education sector, with a nearly 30% increase in courses related to the creative industries since 2005. In 2011 there were 2,235 enrolments (3.6% of all higher education). Between four Universities (University of Adelaide, University of South Australia, Flinders University and Charles Darwin University) there are 157 degrees related to the creative industries.

This contrasts with the VET sector – SA uptake is at around half the rate that could be expected based on population size, and only 1% of SA VET students are undertaking creative industries related courses, yet workers in the creative industry make up between 2.2–3% of the SA workforce. While it isn't possible to make a firm conclusion, as there are other variables that impact this finding, it suggests there is opportunity for the sector to access VET level training at a greater rate.

There are seven Training Packages, containing 114 qualifications covering the creative industries. While 75 Registered Training Organisations (RTOs) have these qualifications on scope to deliver within South Australia, it appears that only 14 RTOs have delivered accredited training in the past two years, and 12 of these are registered as Skills for All providers.

BUSINESS RELATED SKILLS WITH EFFECTIVE TRAINING DELIVERY

Individual survey respondents cited business planning and development skills as the top priority for training (43%), followed by specific technical skills related to job role. Nearly 60% of individuals indicated that strategic on-line marketing and development was important to their success, yet nearly 70% of these individuals indicated they only had a low ability to perform this skill. These results are in sympathy with the findings of a national artsHub survey in 2012.

“Many respondents recognised the value of business education for artists and wanted the opportunity to develop skills in marketing, social media, arts business management. Some suggested that should be a compulsory part of any creative arts degree.”

Deborah Stone - artsHub

Small to medium organisations cited marketing and promotion, IT and social media as their top priorities for staff training, while large organisations listed business skills and digital literacy as priorities.

Workers value training, it was the second highest rated employment condition behind flexible work practices, but meeting the cost of training is a major barrier across the creative industries:

- Financial factors were the largest barrier to skills development for individuals (63%),
- Access to funding for training was the most cited barrier to skill development (55%) for small to medium businesses and also for large organisations (43%).

Another issue is level of awareness around training options and funding opportunities. Over a third of individuals not knowing what training is available and nearly two thirds who don't know about the *Skills for All* initiative. 39% of large organisations are aware of *Skills in the Workplace* options, and 24% of large organisations have accessed VET funding, however this drops by half for small to medium businesses (12%). Again there are potentially other factors at play here, but increasing awareness of VET options would probably benefit upskilling efforts in the sector.

SUMMARY OF RECOMMENDATIONS

Ongoing stakeholder engagement and communication around the findings of this report will be what drives effective solutions to workforce issues it has identified. Accordingly there is an opportunity for the Minister for Employment Higher Education and Skills, and Premier as Minister for Arts to promote this report as a platform which supports the SA Government strategic priorities, particularly “Creating a vibrant city” and to emphasis the creative industries growing value to the economic future of the state.

There are a number of recommendations that relate to ensuring ongoing stakeholder engagement and communication. Given the varied scope and disbursement of the SA creative industries, any solutions will fail without effective communication and aggregation of needs and demand. The reality is that this takes facilitation and requires resources.

A renewed marketing focus around existing support for training and workforce development in the sector will raise the profile of this activity in the sector. AICSA, DFEEST, and the training sector all have a role to play in this.

A number of opportunities to pursue solutions to issues identified in this report have already emerged from the collaborative process of developing the report. A number of partnerships between AICSA, Service Skills SA, Adelaide City Council, IBSA, DFEEST, Arts SA, and the Australia Council for the Arts will be explored further over the next few months.

Data collated from the Your Creative Futures survey suggests a key focus of any training and up-skilling effort has to be new income generation and current income stream improvement for existing creatives and creative industries organisations. To address the critical skill needs, a ‘Creative Entrepreneur’ Skill Set should be designed which has the following components:

- Business development
- Marketing
- Finance and Taxation
- Project and Self management
- Digital Literacy

The development of business, marketing, digital literacy, and entrepreneurial skills is as important to the ongoing vibrancy of the sector as is the maintenance and improvement of technical skills. There are opportunities to provide greater availability of, and access to tightly targeted, contextualised training in these areas. Examples exist already of successful models in tested in recent times which could guide further developments in training sector capability, and innovative subsidy arrangements.

Financial and time barriers require the skilling strategy to be sophisticated, and the delivery methodology is critical. A collaborative approach between training organisations and a range of industry organisations utilising industry networks needs to be established. This will maximise economies of scale and training options for viable and cost effective delivery.

There are a number of issues and comments raised during the survey that do not fit into our recommendations. These will be of interest to a range of stakeholders and have been listed in the full recommendations section of this report.