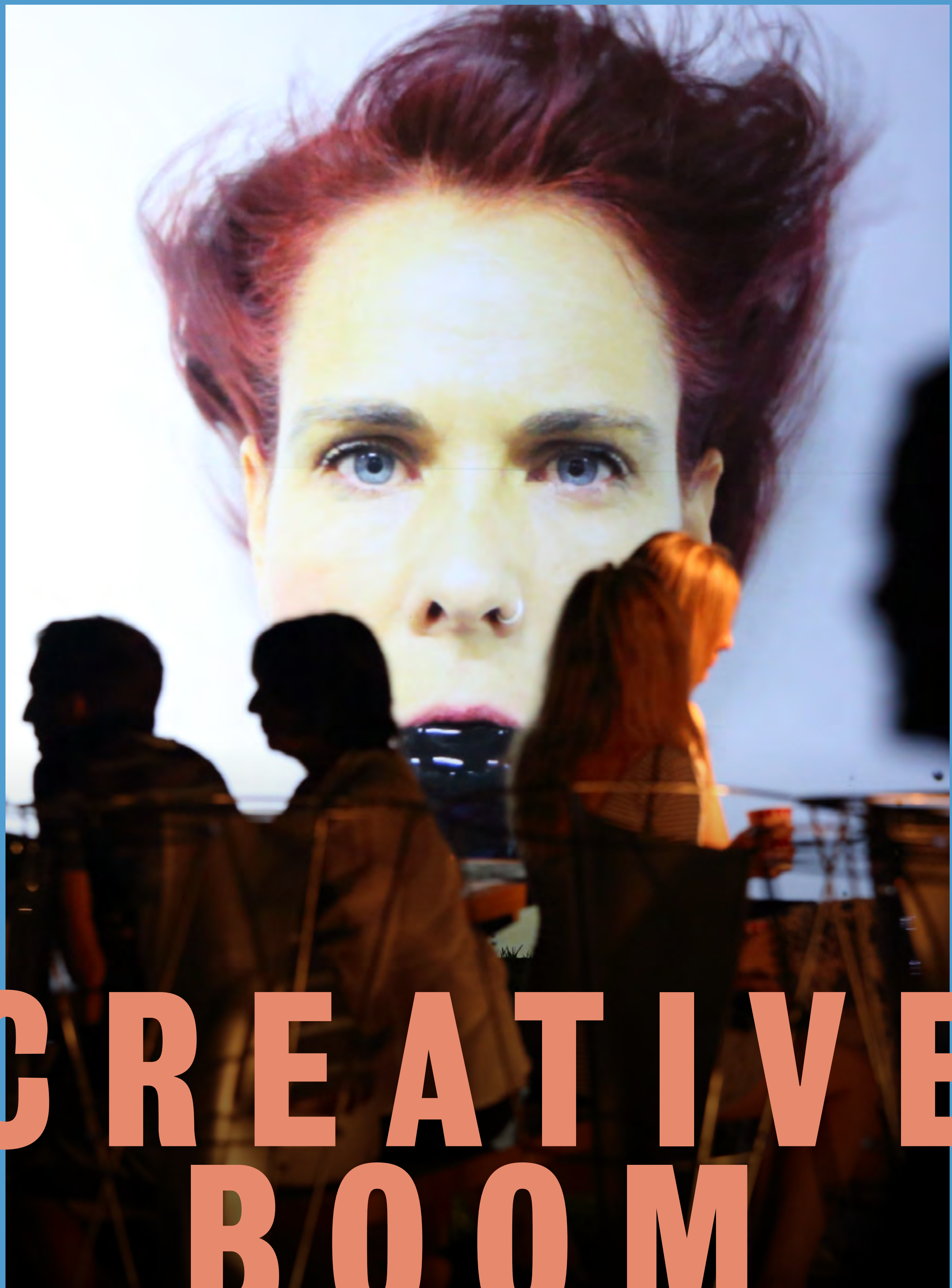


CREATIVE BOOM

PLACE FOR NEW CREATIVE ACTIONS

2015 ARTS REPORT

ARTS INDUSTRY COUNCIL OF SOUTH AUSTRALIA

an independent voice for the arts

CONTENTS

The Creative Boom project was initiated by the Arts Industry Council of SA (AICSA) with support from the Department of State Development.

The study was undertaken by a consulting team comprising a Core Team of:
Margaret Caust and Richard Brecknock, Brecknock Consulting P/L.

Specialist Advisors:
Andrew Bleby, Andrew Bleby & Associates, Adam Smith, Screen Business Consulting, Dr Tom Fleming, Tom Fleming Creative Consultancy, UK.

The AICSA nominated four 'creative sectors', Screen, Festivals, Theatre for Young Audiences (TYA) and Craft, to test how their economic contribution to the State could be increased. The sectors range from Theatre for Young Audiences and Festivals – which would normally be considered the Arts – to Screen and Crafts which are commercially focused creative industries. The project Steering Group considered these to be iconic sectors which met the criteria of having: local excellence; strong export growth; tourism opportunities; and critically employment growth potential.

These four sectors can be a testing ground for a broader Creative Industries strategy. They are 'smart specialisations'– leveraging genuine areas of niche strength. Each of the sectors has a specific culture, different drivers of value and different business models.

Creative Boom was inspired by the work of the final thinker in residence, Martin Elbourne, who helped make the case that contemporary music was an economic sector that could be better leveraged and the subsequent initiatives could develop a music industry cluster. The contemporary music approach provides a model, parts of which may be helpful for leveraging opportunities in these four sectors.

Design - rodeo.com.co

All imagery South Australian artists.
Credits aicsa.net.au/creativeboomcredits

PREFACE

THE PROCESS

The process for Creative Boom was a combination of individual and group meetings and desk research. All up the Consulting Team interviewed more than 100 people across the four sectors as well as representatives from government, the private sector, local government, etc.

In addition to the consultation, the project drew on the specialist knowledge and expertise of team members and in association with the Guildhouse, a survey was undertaken to gather information from the state's crafts workers.

A Discussion Paper was prepared in February 2015 as an interim report to the AICSA Steering Group. The Discussion Paper provides a detailed analysis of the structure, economic evidence and value chains for the four sectors. These preliminary findings have not been replicated in this report to avoid duplication and to focus on the opportunities and recommendations relating to the four sectors under review.

EXECUTIVE SUMMARY

This is a critical time in South Australia as it mobilises to capture high value industries of the future and create new jobs.

While a number of sectoral priorities have been identified for the state – defence, food and wine, resources, life sciences, amongst others - there has been a notable exception.

The absence of the arts, cultural and creative industries in the state's economic priorities are at odds with the growing significance of their contribution to the creative economy.

The Arts Industry Council of SA (AICSA) commissioned this report to explore how South Australia's strengths in the arts and cultural industries could further support the state's economic agenda.

This report is not canvassing the range of creative industries – estimated to include around 88 different occupations. Rather the focus is on four key strengths – festivals, screen, theatre for young audiences and crafts. There's great diversity between these four sectors and also areas of commonality.

AICSA chose these four sectors because they met the criteria of having local excellence, strong export growth, tourism opportunities, and critically, employment growth potential. These sectors are emblematic for the state. They make it feel distinctive. They help animate the city. They tell local stories. They create goods and services that can be traded.

As we transition from the industrial to the creative economy, new value is placed on stories, experiences, design, and original and distinctive products.

The context is urbanisation, globalisation and the digital economy.

Creativity, technology and entrepreneurial thinking are 'remixing' in multiple ways to generate value. Creative entrepreneurs are leveraging trends and counter trends. Globalisation is making it possible for niche interests to play into large markets. Savvy and connected citizens are creating the demand for new content, novel experiences and new combinations.

Adelaide and SA has the potential to be a crucible for the creative economy. The government already invests in these sectors. But greater value can come from orchestrating the conditions for innovation and growth around these and other sectors.

Cities across the world are trying to build their brands – to attract residents, visitors, investors and students. One of the most successful ways to do that is through culture and creativity. Adelaide's recognition as a visitor destination is associated with its cultural offer. The MONA effect has been a significant contributor to the recent rejuvenation of the Tasmanian economy.

New Zealand has leveraged its role in the film sector to create multiple forms of value – including technological innovation. However, to date the cultural and creative sectors in SA have been under the radar as economic sectors. Public investment has been seen as 'nice to have' rather than essential. There's been a downplaying of the importance of attracting, developing and retaining talent or the context in which talent may flourish. Public investment in the arts and cultural sectors has been whittled away and existing funding models may restrict innovation.

Other cities and regions are investing in their cultural and creative sectors because:

— they are brand building
— they attract and anchor talent
— of the potential market opportunities
— of the potential to support innovation
— of the spillover benefits cultural and creative sectors confer on cities and their economies
— of the resiliency of these sectors to economic shocks
— of the potential to resist automation.

Success in the creative economy relies on soft factors – including reinforcing smart specialisations, connecting ecosystems and supporting clusters. Some cities and nations believe that the key to their future economic success is intersecting creative industries with other high value sectors of the economy in novel ways. For example, connecting life sciences to crafts; food and wine to screen; theatre for young audiences to the digital economy (as illustrations); and creating dynamic exchanges using methods drawn from 'start-up' cities.

The existing arts, cultural and creative sectors usually work with minimal resources, low margins, and often low incomes. Many people in these sectors are driven to do work that matters to them. The cultural sector needs investment and to be cultivated. It needs an Arts and Cultural Strategy as well as a creative economy strategy. The aim is not to turn everyone into a creative entrepreneur, but to cultivate opportunities for dynamic exchanges and engage those that find this interesting.

Festivals, screen, crafts and theatre for young audiences are all relevant for the growing 'experience economy' where there are new markets for immersive experiences. There is increasing interest in 'creative tourism'. Many tourists now use travel to connect to their own creativity.

Crafts are already part of the growing 'maker movement' including handmade and 3D printing, local artisan wares and high tech. Screens are multiplying and converging, needing to be fed with original content and stories well told. There are new distribution channels for content. Screen producers in SA are attracting mass audiences going direct to the market.

Creative Boom identifies five main areas of action that would leverage their potential.

The first is to build **Industry Identity & Development** that will strengthen the sectors by connecting the 'ecosystems' for each of the four sectors. Here the need is to 'play the long game' in favour of innovation systems. There is currently a lack of a detailed evidence base around the extent of existing industry structures and contributions. Policy approaches are not as targeted as they could be. Therefore, there is a need to expand our sense of what each sector contains.

Secondly, improve the **Connecting & Networking** structures. There is a need to overcome our 'tight networks' and 'collegiate not collaborative' behaviour. At the moment the sectors feel fragmented and, in some ways, smaller than they are. A lack of joined up thinking across cultural, creative, private, public sector and education sectors has led to a narrow sense of what we have. Silo thinking limits the sense of what is possible.

The third is **Innovation & the Digital Economy** where the four sectors could actively experiment and innovate around established models for creative industries, particularly in relation to the digital economy. The aim should be to energise the sectors, support a culture of open innovation, reinforce active hubs, create new sources of revenue and stimulate new businesses. Just as the government has been bold in releasing public data for 'hackathons', AICSA could be bold in opening platforms, collections, data, infrastructure for artists and the cultural sector, and digital and creative entrepreneurs. It could actively connect across sectors to spark 'crossover' innovations potentially around 'grand challenges' such as climate change, our ageing population, wellbeing, the city, the internet of things, etc.

The fourth is to build a **Specialised Education** sector in collaboration with greater industry input into relevant training, education and research so education programs reinforce and add value to creative industries. These could attract people to the state to study, be add-on opportunities for visitors and could help build strong creative sectors.

Finally, building **Layered Experiences** is a major priority for SA to increase tourist numbers. The tourism sector, digital entrepreneurs and creative industries could collaborate to imagine richer and more creative tourism experiences in Adelaide and SA.
This could make SA a more interesting destination while helping local people create business opportunities.

AICSA can lead the development of some of these actions. For example, the development of connecting and networking may not be, at least in its initial stages, resource intensive. AICSA may also want to lobby the state government, the education and tourism sectors to the cause. However, AICSA has minimal resources. Leveraging the potential of the contribution of the arts and cultural sectors to the creative economy needs strategic leadership and facilitation, not an ad hoc approach.

Entrepreneurial businesses are sources of inspiration. People are taking risks in establishing co-working hubs (like The Mill, Majoran and Tooth and Nail). New small bars and restaurants are making the city feel stimulating.

The Contemporary Music sector also provides a model. Its 'ecosystem' approach connects training, industry development, policy, networking and clustering. It fosters local creative talent, product and technology innovation. It creates global and local connections with the St Paul's Creative Centre hub supporting local collaboration and co-working.

In June, the UK based company REMIX hosted 3 summits in Adelaide – including Festivals and Theatre for Young Audiences.

REMIX runs events all over the world on how the intersection of art, technology and entrepreneurship is sparking innovation. REMIX is itself an example of what is possible – a global business based on events and information. REMIX challenged each sector to consider new ways to create value for the state around tourism, education and trade.

The REMIX sessions confirmed some of the challenges and opportunities associated with Creative Boom. Key to the creative economy is using networks, platforms, competitions, accelerators, mentoring and other soft tools to spark enterprise and innovation. The outcomes are uncertain. Finding problems to solve, imagining new combinations, creating the right incentives, building collaborative cultures and processes are key.

Importantly, the benefits flow in many directions. Adelaide and SA could be creating globally facing businesses that combine the arts, technology and entrepreneurship. It could also be significantly increasing its attractiveness around culture and creativity. Adelaide can translate its strength as a festival sized city to become an experimental city.

The first half of this report explores the ideas behind the creative economy. The second half of the report considers each of the Creative Boom sectors; Festivals, Screen, Theatre for Young Audiences and Craft, and includes research findings, opportunities and new ways of thinking. The final section presents a series of short-, medium- and long-term recommendations, all of which are focused on building the industry capacity of each of the four sectors.

4.0

DISCUSSION

4.1

THE CREATIVE ECONOMY

While still an emerging concept, the 'creative economy' is gaining traction. The term was first coined by John Howkins to describe the way economies are now shaped by, and how value is created, through creativity.[1] The creative economy shares the features of an 'innovation economy' but it includes arts and cultural assets, media and technology and business to business services.

The idea of the creative economy is that economic prosperity and growth is now driven by knowledge, ideas and imagination rather than capital, property and labour. The creative economy values different types of knowledge and approaches.

The UN defines these as:
- **artistic creativity** – ability to generate original ideas and novel ways of interpreting the world expressed in text, sound and image
- **scientific creativity** – involves curiosity and willingness to experiment and make new connections in problem solving, and
- **economic creativity** is a dynamic process leading towards innovations in technology, business practices, marketing, etc. and is closely linked to gaining competitive advantage in the economy.

All of these involve technological creativity and are interrelated.[2] The challenge and opportunity is to connect these different types of creativity and create new value.

In advanced economies, companies are increasingly investing in intangible or 'knowledge assets' such as software, research and design in place of tangible assets such as property and labour. Greater value in production is now coming from the beginning and the end of the production cycle – from upstream processes like concept development, R&D and downstream like marketing, branding and customer service.[3]

Design is critical to business success. Only 25% of the value of the iPhone is attributable to patentable technology – the rest is attributed to design, marketing and management. Design involves not just the aesthetics, but also how systems work and interface, etc.

In this, the arts and creative industries have special significance. The creative industries can be widely defined, but generally include: music and performing arts; design and visual arts; advertising and marketing; film, television and radio; writing, publishing and print media; architecture; and information technology.

These sectors are often early adopters of new technology and innovations. They incubate talent and can be better at making workplaces where creativity can thrive. They experiment and take risks. In many areas their business models – such as theatre, screen production and festivals – are intensely collaborative and project based. All these qualities are more highly prized in the creative economy.

The creative industries rely on a creative workforce. This includes a 'creative trident' of:
- **specialist creatives** – those who are creatively employed in the creative industries
- **support workers** – those who are not creatively occupied and work in the creative industries, and
- **embedded creative** – those who are creatively occupied, but work outside the creative industries.

In Australia, most creative workers work in non-creative industries (43%). Around 28% of the creative workforce could be described as 'specialist creatives'. The 'creative trident' appears to make up about a 3.5% share of employment in Australia. In the period 2008- 2011, creative industries grew at a slightly higher rate than the broader economy.[4]

In South Australia, the ABS 2011 Census data suggest that employment in the Arts, Creative and Cultural Industries totalled 14,673. Adelaide City Council data shows that between 2011 and 2014 the Arts and Recreational Services sector grew by 1,481 making it the 3rd fastest growing employment sector in the Adelaide city centre.

However, there have been shifts and changes within and across the creative industries – with some areas growing and others in decline. Like the broader economy, businesses tend to be small – most with less than 20 employees.

In the non-creative sectors, manufacturing, wholesale trade and professional, scientific and technical services have the greatest 'creative intensity'. This can be attributed to people in advertising and marketing, software development and design. It is estimated that every dollar contributed by creative industries to the GSP results in a total uplift in other areas of the economy by a factor of 3.[5]

The UN reported that over the period when growth in the global economy was stagnant, growth in creative goods and services increased by 14% annually between 2002-2008, reaching a value of $592b in 2008, more than double the value in 2002.[6]

In the local context, AICSA's 2013 *Creative Futures* report shows that the Arts, Creative and Cultural Industries contributed $1.34b to the South Australian economy in the 2010-2011 financial year.[7]

However, one of the challenges of the 'creative economy' is the difficulty of measuring it. In many ways the creative economy doesn't exist in statistical terms as most industrial classifications were set up when the creative economy was insignificant. Those countries that have set about collecting information have been surprised at the rate of change they have seen, notably in the growth of the sector.[8]

THE ROLE OF CITIES

Cities and their regions are the locus point for the creative economy. Innovation values proximity, density and other values of cities.[9] Cities remain the best place to take advantage of technological change. Cities generate more than 70% of the world's GDP. As the world becomes more intensely urban (by 1.3 million people every week) it's principally in the cities that ideas are developed and exchanged and value is created.

The arts and creative industries contribute more to cities, beyond their acknowledged cultural and social contributions. They are economic sectors generating value. They help shape attractive places – helping to attract and retain talent as well as tourists and visitors. Innovations initiated through the arts often flow through to other sectors of the economy. The arts, cultural and creative industries are 'boundary pushers'.

Some cities are rising up the value chain and others are falling behind. The pace of change is increasing and the stakes continue to rise. The 'creative city' is one that is able to create a distinct identity and combine its assets and interests to solve problems imaginatively. The one crucial resource cities have is their people. Human cleverness, imagination and creativity are replacing location, natural resources and market access as urban resources.

Nations are also responding to the creative economy. South Korea's creative economy strategy aims to leverage its technology, culture and art to stimulate growth. The UK has multiple programs to stimulate creative connections between digital and creative spheres to drive innovation. The US President's Committee on the Arts and Humanities has a focus on the power of the arts for economic development to 'speed innovation, focus on markets and consumers, directly benefitting local economies'.[10]

In its aspiration to be 'the most creative economy in the world by 2020' the Netherlands has moved from a creative industries strategy to a 'crossover' strategy – combining creative talent with more traditional industries around grand challenges (such as ageing, climate change, the circular economy and the inclusive society) from which they hope to retain their IP and specialised knowledge.[11] Crossovers connect different types of knowledge to solve problems in new ways, creating new products and services of value – for example, materials knowledge of craft workers and manufacturing.

THE OPPORTUNITIES

Countries and cities are mobilising around the potential of the creative economy because the potential upside of doing so is significant. The need is to capture new markets and some of these are expected to be huge. Since the global financial crisis, growth rates have stagnated and business and governments have needed to explore new sources of value.

There are some areas where growth is expected. For example, technological innovation in areas such as virtual reality, voice recognition and artificial intelligence may enable the evolution of entirely new kinds of creative services.[12] The Internet of Things is expected to be a $19 trillion industry.[13] New frontiers in health, smart cities, ageing and climate change are 'grand challenges' for innovation.[14] Creative tourism is a growing market opportunity.[15] Already there's a strong link to culture but tourists are seeking more immersive, stimulating and enriching experiences.

Whereas an innovation, say in tourism, may have once been confined to a place – new platforms and models can work globally as AirBnB and Uber have demonstrated. There continues to be a demand for new screen content as the growth of YouTube, Facebook and digital content producers and curators like Netflix demonstrate. Virtual reality may hold out opportunities not just for games, but also architecture, health and tourism. Platforms for creativity can be virtual and physical. Festivals offer immersive experiences in a particular time and place that may be increasingly valuable. Festival platforms can also be applied in different cities and curators are more like 'experience shapers' with skills that can translate across multiple sectors.

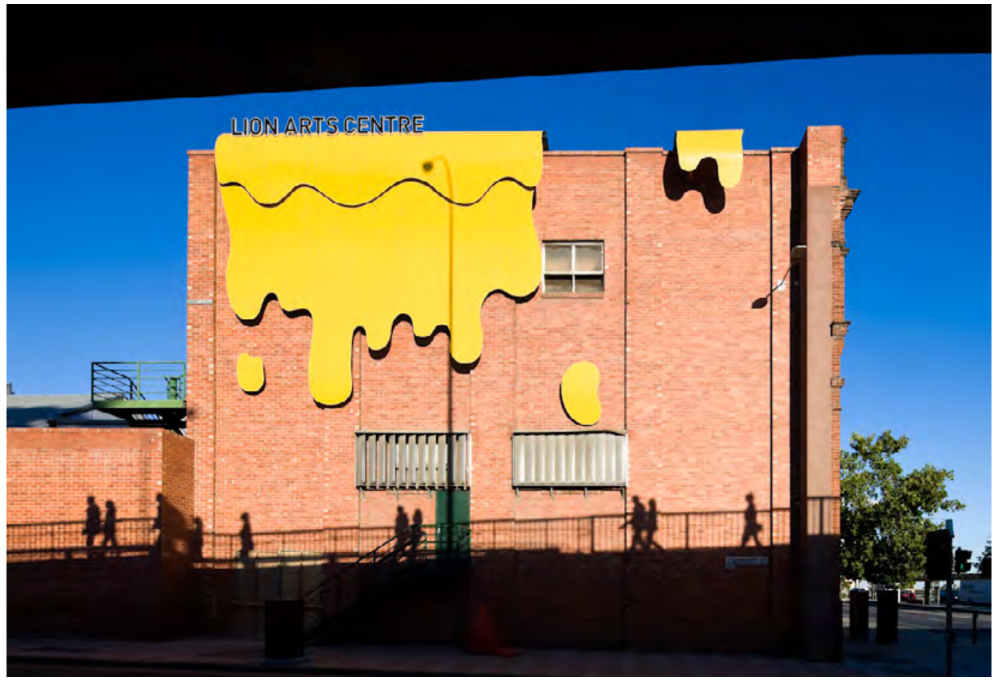
Yet it's hard to predict where things may go. Human creativity is leading to unpredictable innovations and there may be huge challenges ahead. 'The Second Machine Age' predicts that 47% of the total US employment is at high risk of being automated in the next decade.[16] The UK National Endowment for Science, Technology and the Arts (NESTA) has found that 87% of highly creative workers are at no or low risk of automation compared to 40% of the UK workforce as a whole.[17] It's difficult to automate jobs that are highly interpretive, where the final form of 'products' is not fully specified in advance, or when work task environments are complex. Jobs that are at low risk are those in engineering and science, arts and creative industries, education, management and business and healthcare.

This means that 'creativity' will be a critical skill across the population. Back in 2010 a survey of CEOs by IBM identified creativity as the key requirement for leaders.[18]

There are trends and counter trends. The 'maker movement' encompasses both the handcrafted and ancient as well as 3D and potentially 4D printing and other technological innovations. People want the real and the local and the virtual and global at the same time. People will want the experience of real performances in a place with a small audience as well as participating in massive online groups. There are markets for the 'hyperlocal'.

Innovations will come from intersecting ideas, platforms and experiences, and combining serendipitous connections with old and new ways of thinking.

Technology makes it easier than ever to access the market and to find a global niche. But it's also reconfiguring the landscape, creating uncertainty as to what will be valued and what business models will survive. It's sparked an entrepreneurialism renaissance. It's changing the nature of how markets work. It's reshaping industries and intensifying competition. All sectors of the economy are vulnerable and at risk, however, there are also great opportunities.



Most new jobs will continue to come from new small independently owned businesses. An Organisation for Economic Co-operation and Development (OECD) study found that most new jobs are generated by firms that are less than 5 years old –though they account for only 17% of jobs overall.[19] They found that young firms are more dynamic and experimental – and are more likely to introduce 'radical innovation'.

Many of these new firms are responding to the opportunities brought by globalisation and the digital economy. As REMIX has demonstrated – many are creating value by intersecting the creative and digital sectors with entrepreneurial zeal.

Despite the transformational impact of the digital economy and how it is enabling entrepreneurs to capture markets, many sectors are still at an early stage. According to the latest Internet Trends 2015 report – the digital economy has barely made inroads into sectors such as education, healthcare and government.[20] In its report on South Australia, Deloittes predicted two thirds of SA businesses would be subject to disruption in the next five years.[21]

The potential for innovation and disruption is enormous. Niche markets can be substantial on a global basis. New entrants are bypassing gatekeepers and going direct to market. Consumers are now also creators and producers. There are many ways to get value from content and there are reliable payment mechanisms. Multiple platforms are fuelling increasingly sophisticated consumer demand for creative content.

CREATIVE INDUSTRIES

A snapshot of some of the evidence around creative industries and innovation includes:

— They are associated with innovation within the organisations that employ them.[22]
— They can create an 'urban buzz' which is more conducive to local collaboration and innovation.
— Firms that spend more than average on the products of creative industries tend to have strong innovation performance themselves.
— Creative industries are more innovative than the rest of the economy as a whole and they play a role in the systems of innovation where they are located.[23]
— Firms (across sectors) in medium sized cities with high shares of creative industries are more likely to introduce entirely new products and products and processes than firms elsewhere.[24]
— Creative occupations are characterised by higher than average levels of satisfaction, worthwhileness and happiness – but also higher levels of anxiety.[25]
— NESTA found that firms that spent twice the average amount on creative inputs are 25% more likely to introduce product innovations, while firms that have supply chain linkages with creative industries typically offer more diverse and higher quality products.[26] Other potential spillovers include new products (through creation of complementary goods) and networks (where the presence of a firm benefits other firms).

WHAT IS NEEDED TO CAPTURE OPPORTUNITIES?

The OECD suggests that a focus on 'related variety' where combining local know-how and assets into innovations around existing strengths leads to the best economic returns.[27]

Although the world is in a period of intense transition, involving a lot of uncertainty, it's clear that the task for cities and regions is to mobilise their creative and, therefore, innovation potential.

Cities and regions need to find those things they already do that are "unique, distinctive and meaningful". This is a smarter type of economic development than just "chasing the next big thing". Cities need to make more of local knowledge, learning and creativity.[29] Cities leverage their platforms, ecosystems and clusters. Cities and regions need to be able to support soft factors that are conducive to creativity.[30] That includes developing local knowledge and skills, catalysing networks, having foresight as to areas of opportunity and actively facilitating connections, knowledge sharing and learning systems.

Part of the ambition needs to be to stimulate a growing micro and small business sector around cultural and creative sectors, enabled by technology, to compete globally, which can theoretically be located anywhere. There is evidence (from the US) that most entrepreneurial businesses stay in the cities in which they have been founded.[31]

The key is to actively stimulate innovation systems that encompass 'start-up' cultures, but with longer term ambitions around significant areas of opportunity.

Across Europe, economic development is underpinned by a commitment to clusters and smart specialisations. The underlying idea is that all regions have comparative advantages in specific sectors or market niches that they can exploit in smart ways.

Many US cities focus instead on entrepreneurs and start-up cultures. In the US, cities like Boulder, perform well because local entrepreneurs have created systematic ways for people with ideas to develop businesses around them.[32]

In Germany, institutes like Fraunhofer help companies to recombine and improve ideas and move radical ideas into the marketplace in novel ways.[33] Their goal is not just to create successful individual companies, but to sustain productivity and employment growth across the economy. In the UK, Innovate UK and Catapult Centres share their foresight with companies and governments on areas of opportunity and then create incentives to stimulate collaboration and innovation and to capture market opportunities. The key is innovation systems. Creative and innovative places have systems to connect ideas, inventions, technologies, knowledge, entrepreneurs and policy makers, etc.

Smart specialisation approaches are consistent with this. Regions identify a small number of niche areas around which they make sure the ecosystems are growth oriented, connections are facilitated and policy approaches are supportive. The aim is to differentiate a region – to make it a specialist centre, while also being agile and responsive to changing conditions. In Europe, they use what they call a triple helix approach of government, universities and firms to build collaboration and strengthen the region's economic and innovation base.

CULTURAL SECTORS NEED TO BE CULTIVATED

However, cultural and creative sectors are fragile, because it can be hard to measure their impact – it may be seen to be small relative to other sectors using traditional measures. Their success relies on people motivated to produce work that they believe in. Individuals may neither be seeking commercial success nor to become entrepreneurs. The atmosphere of reducing arts budgets can make work in these sectors feel precarious. With a smaller critical mass, Adelaide and SA may offer a much thinner employment market, meaning ambitious people feel they can only realise their potential by moving.

Adelaide is competing with cities where creative talent is more highly prized and sought after. It's increasingly recognised that a focus on core scientific and technical skills, as represented by STEM (Science, Technology, Engineering and Maths), is too narrow. In the UK, nearly half of academics in creative arts and media and a third of academics in the arts and humanities are working with business in some way.[34] The focus on STEM is increasingly shifting to STEAM (where 'A' represents the arts).

Creative firms may also benefit from appreciating the importance of retaining their IP. Creative businesses in SA may not see the need to patent their IP – there are mixed views about the value of patenting. However, according to NESTA, 'firms that retain ownership of their IP, have more incentives to exploit it, generating additional revenues that can be reinvested in growth'.[35]

Creative cities are likely to have distributed 'bubbling up' creativity represented by individuals and small groups creating original work along with engaged audiences. They are likely to have interesting quarters and hubs. Creative cities are not just 'arts and culture'. They have interesting bars, restaurants, shops. They look distinctive. They invest in quality. They are active on the global stage as well as connecting their citizens to opportunities. They feel open.

The good news for 'peripheral' places like Adelaide and SA (that is cities distant from major markets) is that, according to NESTA, it's as good a time as any to attempt to top the 'global creative league' by developing strong synergies between creative and digital industries.[36] Despite the advantages some cities already have, the creative economy is still at an early stage.

4.2

THE 'REMIX' ECONOMY

UK based REMIX specialises in the intersection of culture, technology and entrepreneurship. Its focus is framing innovation and enterprise through the prism of consumer and technology trends. Connecting arts and culture with other sectors sparks new forms of creativity.

REMIX identifies three major changes in the (global) cultural landscape. Firstly, reduced public funding is leading institutions to seek out new revenue streams by creating new forms of artistic or cultural value. Secondly, audience expectations are changing from being passive recipients of 'culture' to active participants as 'adventurous collaborators'. Thirdly, technology and social media have led to the loss of the 'middleman' in helping people reach global audiences and create new lucrative business models.[37]

In this landscape, 'cultural entrepreneurs' creatively connect arts and cultural content with technology to find new forms of value. At the same time, arts and cultural institutions open up their models and their collections to reinvention.

This means cultural and public institutions need employees who think like entrepreneurs. They need to challenge their own models and work collaboratively with other industries.

The following summarises the potential creative dynamics that could be leveraged. Overall, the purpose is to shift the energy from too 'top down' to much more 'bubbling up'.

Through our conversations and interviews and the Remix process some themes have emerged.

CULTURAL ENTREPRENEURS

People passionate about the arts may prefer to explore their passion through developing business opportunities rather than applying for grants. How well do we recognise, encourage and support cultural entrepreneurs?

DIGITAL CREATIVITY

There is still a huge scope to innovate around the digital platform. Every creative form and genre can innovate in the digital sphere. The opportunities are not just software, but also hardware. The city can be an experimental zone. The 'internet of things' is still undeveloped, yet expected to be a multi trillion dollar sector.

UPSIZING EVERY VISITOR

Festivals, events, conferences, wine and food and the natural landscape attract thousands of visitors every year. What might make these visitors stay longer? Could South Australia benefit from the skills and knowledge they bring? In Paris, visitors are connected to entrepreneurs to help create new businesses. How could visitors engage in learning and sharing their skills with local businesses and schools?

CREATIVE TOURISM

Tourism is a huge growth industry globally. Creative tourists may combine learning a new skill with attending a festival or visiting a cultural centre. In South Australia are we making it easy for tourists to meet local craftspeople and artists during their stay?

TIERING

Creating great experiences through 'packaging' opportunities to meet the artists, see behind the scenes, help in a show, work with an artisan, join in studio tours, visit a film set – can help create new sources of revenue.

EVERYONE IS A GAMER

The gaming culture is seeping into everything – from culture to health. People are drawn to immersive experiences and to solving problems. Can games add to arts and cultural experiences? For example, games makers could help to create interesting immersive experiences associated with all four sectors. Importantly, there are likely to be future opportunities for all four creative sectors to interact with and creatively contribute to local game development.

MAKER MOVEMENT

Making is moving from craft studios to technology studios through 3D printing. It's connecting craft and biotech or wearable technology, fashion and health. Etsy and CultureLabel are new channels for the homemade or cultural institutions to showcase distinctive product ranges.

'CROSSOVER LABS'

Spaces, places and events can intersect sectors, connect people to new forms of knowledge and help focus on 'grand challenges' facing the world – such as ageing, climate change, health and cities. Labs should connect makers with scientists and technologists, prototype, design and manufacture. We need to catalyse our ability to think big and engage people on things that matter.

SOFT DIPLOMACY

Locally created plays, films, festivals and crafts help connect us culturally to other cities and regions and help build economic connections. What are the new ways to blend cultural bridge building with economic bridge building? One way might be clustering events and conferences alongside festivals to support trade connections. Another might be creating brands that tour globally – e.g. a pop up JamFactory in China or OzAsia in Vietnam.

SPECIALISED KNOWLEDGE

Successful clusters are anchored by specialised knowledge, collaboration and research. Education programs are still rooted in a place. International education is a key sector for SA. Peer-to-peer learning is as important as formal educational programs. Can South Australia create specialist education programs around creative industries – that respond to market demand and reinforce our specialised sectors?

4.3

THE OPPORTU-NITIES

Leverage ecosystems

The challenge is to better understand the existing creative industries ecology, and its richness, and then to get rather smarter at facilitating different types of connectivity between the cultural and creative industries, between large and small companies, between investors and potential investees, and in so doing build clever concentrations of creative development activity within the established ecology (Work Foundation, 2004).

In the creative economy, many cities and regions, particularly in Europe, use ecosystem thinking and industry cluster approaches in sectors as they believe these give a competitive advantage. These ecosystems are usually fragmented and without policy support and specialised knowledge, networks and industry remain underdeveloped.

Specialisation may be less about the relative size or output of these sectors, but more around global connections, reputations and potential critical mass. Each of the four Creative Boom sectors of Festivals, Screen, Crafts and Theatre for Young Audiences, has wits own business model, specialisms and 'ecosystem'.

Ecosystems include: private companies; sole operators or producers who make a living within these sectors; colleges and universities supporting skill and knowledge development; skilled experts; publicly funded institutions and companies; professional associations, networks and groups; festivals, conferences and events; infrastructure such as theatres or workshops; retail; cultural institutions such as galleries and museums; specialist service providers, including technical and professional support; and the public sector. As you would expect, 'ecosystems' overlap.

Each sector has a richer set of opportunities than is currently being developed. Each needs a creative ecology – not necessarily operating commercially – to help support the conditions for commercial businesses to be created or to grow.

In Europe cluster processes actively connect universities, firms, entrepreneurs and the public sector to share knowledge, overcome barriers and identify opportunities. The purpose of these approaches is to create long-term competitiveness and stimulate innovation.

Göran Roos in his Thinker in Residence report[38] recommended SA adopt clustering approaches to support growth in the manufacturing sector – both from a sectoral and a spatial perspective.

Cluster approaches are generally long term – they're not a quick fix. Government investment often supports facilitation and organising capacity across the various organisations and institutions in the cluster.

Creative clusters help build sectoral strengths, but they may also have 'spillover' effects – that is, where investment in one area (such as organisation, place or sector) has an impact in another with positive or negative consequences. For example, from the United Nations Conference on Trade and Development (UNCTAD) (2010):

— *Places without creative clusters will lose their creative people and business to places that have them;*
— *Locally rooted creative clusters are highly resilient to global competition;*
— *A key survival strategy for non-knowledge- based firms is to anchor themselves to local creative industries;*
— *Building creative clusters requires that cultural and economic development act in concert; and*
— *Cultural diversity is an economic asset and a sources of competitive advantage.*[39]

There are broadly three types of potential spillover effects – knowledge spillover, industry spillover and network spillover. A review is currently examining the evidence on spillover effects from public investment in the arts, culture and creative industries in Europe.[40] Some areas where links do appear to exist include with innovation in society and economy, improved outcomes in mental health and social capital, and positive impacts on the attractiveness and distinctiveness of places.

'Entrepreneurial Adelaide' reported that young Adelaideans (18-39) look to a lively arts scene as a signal that a city is conducive for entrepreneurs.[41] Some report a generational shift where creative people are now more likely to create a business than seek an arts grant. The arts and cultural industries are important sources of entrepreneurs.

A recent survey of international students found that one of the draw factors for Adelaide, as a study destination, was the arts and cultural scene.

Interviews with local companies affirm that they can attract knowledge workers to Adelaide because of the festivals and attest to the argument that the presence of a thriving cultural scene attracts knowledge workers and creates an urban buzz.[42]

Demand for original creative content continues to increase. Cities with vital cultural scenes signal that they are forward looking and will be stimulating and enriching places to be.

In combination with the conducive platform offered by the city, festivals play multiple roles in combining talent, anchoring and enriching the cultural life of the city. The festivals ecosystem includes the 100 or so festivals and events beyond the core 10 (identified as Festivals Adelaide) and the array of technical support, marketing services, venues and professional services that surround these festivals.

Festivals attract tourists and can also stimulate innovation. The creation of Festivals Adelaide has helped the 10 major festivals to co-ordinate, share knowledge, identify gaps and opportunities. However, adopting a festivals ecosystem approach could leverage even greater benefits for the state connected to tourism, trade, industry development and education. It could also encompass 'experience' creation, creative tourism, smart applications, crossover opportunities and specialised skill development.

The crafts sector has an anchor organisation in the JamFactory that is unique in the country in the way it develops talent, exhibits and supports commercial practice and feeds the growth of the sector. Guildhouse plays an industry development and co-ordination role. There are clusters of practitioners, some of whom are collected internationally. The broader ecosystem includes hubs and studios, specialised equipment, networks, knowledge sharing, local markets and connections to manufacturers. It could encompass crossover connections to technology, bioscience, creative tourism and virtual reality.

Theatre for young audiences companies are a cluster of specialised knowledge and an acknowledged specialisation for Adelaide on the national scene. They tour internationally and there's a wider ecosystem here with private companies, cultural organisations, events and public institutions. This sector may be critical to growing the creative skills and potentials of young people.

The screen sector includes innovative companies, recognised experts and skilled technical crew. New entrants produce content direct to the market via YouTube, etc. There are anchor institutions such as the SA Film Corporation, the Media Resource Centre and the Adelaide Film Festival. There are specialised skill development programs and potential links to animation and the games sectors. The growing market for content should provide opportunities. There are connections with other sectors. However, consultation feedback suggested that the industry is not as networked as it could be, and that this is a barrier to information sharing and collaboration. These connections may need to be brokered.

Adelaide is starting to create its entrepreneurial ecosystems – with active university engagement in creating accelerator programs, events, hackathons and other mechanisms for entrepreneurs. There are opportunities for greater connections between the 'creative boom' sectors and these programs – and potential for additional initiatives. While it may be somewhat out of date, the Price Waterhouse Cooper (PWC) report on Australia's start-up culture reported that Adelaide had only 1% of tech start-ups in Australia in 2012.[43] However, 6% of Australian start-ups were in arts and recreation services – the second highest percentage after technology. It's clear that these start-ups are concentrated in Sydney and Melbourne and Adelaide needs to be more active in catalysing opportunities here.

Previous studies on creative industries and creative skills in SA reported that people in these sectors may not feel they have the skills to actively engage in the digital sphere. The AICSA's 2013 *Creative Futures* report recommended creating a 'creative entrepreneur' business development package which combines the necessary business skills with marketing and digital. A new certificate in Creative Entrepreneurship will soon be launched by the Adelaide College of the Arts/TAFE.

There are programs to help graduates or support entrepreneurship more generally that are relevant. The Match Studio at the University of SA helps students to transition from university to the workplace; the New Venture Institute (NVI) at Flinders University creates connections between the university and businesses, organisations and entrepreneurs outside of the academic environment. Its Venture Dorm program has now aligned with Mobile Enterprise Growth Alliance (MEGA). MEGA was established by the Department of Further Educations, Employment, Science and Technology in 2005 to build the size and capacity of the mobile content and application industry. In 2014 management and funding for MEGA was transferred to Majoran. Adelaide University's Entrepreneurship, Commercialisation and Innovation Centre (ECIC) has a mission "to stimulate innovation through its research, teaching, and community engagement activities including the Australian eChallenge and ThincLab Commercialisation Accelerator".

4.4

DEVELOPMENT NEEDS & CHALLENGES

There are risks in assuming that the benefits of the creative economy can be realised without addressing the specific development needs and challenges. These include the following areas:

Skills and education – studies (including AICSA's *Creative Futures* report) have pointed to gaps in skills development for those aspiring to become 'creative entrepreneurs'. There can be disconnections between education providers and the industry. Specialised knowledge is important and the pace of change makes it difficult for both industry and education providers to keep up. Education is increasingly costly, especially for those whose future income may be precarious. Education is also being disrupted – opening opportunities and potentially creating a 'mix and match' rather than the pursuit of traditional degrees. Real world experience is increasingly valued.
A new certificate in Creative Entrepreneurship soon to be launched by Adelaide College of the Arts/TAFE will help with this.

Business support – US studies found that people in creative sectors don't access business support programs because they perceive that these programs are not designed for them. Information about business support can feel fragmented. Entrepreneurial support - such as accelerator programs – are important forms of business support that are accessed by specific types of people – young, digitally savvy, mostly male. Co-working spaces are now part of the business support landscape.

Access and diversity – various studies have demonstrated the diversity advantage to economic development.[44] It's important that all people, regardless of gender or ethnicity or wealth, are encouraged and enabled to achieve their potential.

Accessing international markets – Micro creative enterprises are global from birth. This introduces opportunities for collaboration and scalability but also demands different approaches to skill development and regulation. An increasingly crowded global landscape of micro enterprises needs new skills and support to stand out, attract and monetise audiences and leverage platforms. Knowledge and foresight are key.

Clusters, networks and workspaces – Adelaide is growing its co-working spaces and a number are focusing on creative sectors. As has been canvassed – clusters, networks and collaboration are key to the creative economy. Reducing the regulatory and bureaucratic burden for people taking risks in creating creative spaces is essential. Recognising the importance of physical hubs and concentrating energy around hubs is key. Networks need to be both physical and real – with ample opportunities to meet face to face in interesting ways – and virtual. Facilitating global knowledge and ideas networks is critical for participating in the global economy. Adelaide's geographic isolation must not be allowed to lead to people feeling that they are 'behind the times' or isolated from trends and movements.

Investment in arts and culture – this is an age of real volatility where the not for profit sector may be lethally undermined, and an austerity landscape created for many while audiences are demanding new types of experiences and collaboration. It is important to have a smart and committed approach to public investment. Publicly supported activities need to be managed alongside commercially driven activities.

There are barriers at each part of the value creation process and it's as important to focus on these as much as success factors.

4.5

QUESTIONS & ISSUES

In the process of exploring the Creative Boom sectors, some of the critical questions and issues identified need to be considered.

WHERE WILL GROWTH COME FROM FOR THE SA ECONOMY?
In the future, it is likely to come from a strongly networked economy of micro enterprises with creative production at their heart. Linear models of growth generated by small numbers of large businesses may be part of the mix, but will decline in overall significance. Creative enterprises are often in the micro and small business sector. They operate on an increasingly flexible, project-driven and portfolio-styled basis; are embedded in local networks while powered by digital technology; and are increasing their reach globally for access to knowledge, talent and markets. Micro and small business can play a major role in delivering a balanced and resilient economy.

IS THERE A DRIVE FROM THESE SECTORS TO GROW?
Do people in these sectors share an ambition for growth? Are there the leaders to realise the potential? These are critical questions for each sector. While government can signal intent, support innovation, and create incentives, the drive for growth needs to come from people within these sectors who can see opportunities and want to help realise them.

HOW ARE WE SUPPORTING INNOVATION – NEXT PRACTICE NOT JUST BEST PRACTICE?
Highly skilled workers don't just work anywhere, they cluster in the successful cities. Networks, hubs and clusters are key – from research centres to co-working spaces, leading cultural organisations to the 'places in between'. Creative networks are place based but are plugged into other networks globally.

Adelaide needs to foster collaboration between and across networks to increase long-term productivity. This involves brokering connections and collaborations – within and between sectors, allowing a kind of 'structured serendipity.' Industry sector organisations, such as the Guildhouse, who have started to investigate how professional development programs can be delivered collaboratively across the sector, can play an important part in developing a collaborative environment for their members. Likewise, higher education can play a role with industry consent. Does the state have the spaces and places that will support new connections and innovation? Does there need to be more co-working, experimental places that are open and accessible?

How actively are the Screen, Crafts, Festivals and Theatre for Young Audiences sectors exploring what innovation might mean for their 'models'? Is the screen sector fully embracing available technology and innovation to generate unique screen content? Can craft embrace new technology without losing its inherent qualities? Can technologies be used to enhance the experience of the handmade? Should festivals be a testing ground for new technologies? Should all publicly funded organisations have an innovation strategy?

HOW WELL IS SOUTH AUSTRALIA CREATING THE EDUCATION AND SKILLS BASE THAT IT NEEDS?
Creative businesses rely on high skilled workers from different backgrounds with diverse influences. They are likely to locate in places where it's easier to find these workers. Most cities find it difficult to engage their universities successfully. University and higher education courses can be out of touch with industry needs or trends – there needs to be good ways to connect. Students can bring energy and enthusiasm to help build an entrepreneurial culture.

HOW IS THE STATE POSITIONING CULTURAL AND CREATIVE INDUSTRIES?
Cultural and creative industries need to be seen as important elements of a wider set of knowledge intensive sectors which together generate a virtuous circle of innovation, attraction, production and consumption. The sector rarely succeeds if it is seen as a mere 'replacement industry'. In crude terms, it doesn't take up as much space as 'traditional industrial sectors' and it is made up of an array of business models, many of which were born in the digital age.

THE ROLES OF INSTITUTIONS
Without an intention to do so, government funded organisations in these sectors can loom large in a relatively small population and people can tend to defer initiative to these organisations. They can absorb all available public funding and therefore deprive the independent sector of critical innovation support. Without independent sector representative bodies the funded organisations may dominate discourse and appear to speak for the sector. Any thriving ecosystem needs both 'bottom up' and 'top down' leadership. The 'creative boom' sectors need to find the energy and motivation to lead change beyond the key funding institutions.

TIGHT VERSUS LOOSE NETWORKS
Adelaide is a tightly networked city. These tight networks can make it hard for new entrants and can lead to unproductive cliques. In addition, some people in the arts, crafts and creative industries can be introverted and not want to expand the output of their interactions. People who work in a commercial way may be undervalued. Creativity flourishes in places that feel open and welcoming and that are not judgemental. With good reasons, people in the arts distinguish between 'professional' and 'amateur'. But as people now live multifaceted lives, flowing in and across different disciplines, it's time to open up to talent across a wider spectrum.

BUILDING KNOWLEDGE
For various reasons, there is a lack of local case making and evidence building around the 'state of the art' with these and other creative sectors. There's no equivalent to NESTA in SA. There's no industry mapping. The connections between industry and universities lacks dynamism. The narrative and story around these sectors needs to be articulated in ways that people within and outside them can understand.

ENGAGED PUBLIC SECTOR
Other jurisdictions have demonstrated that government has a critical role in catalysing economic opportunities, particularly in coordination, knowledge sharing and creating incentives. The role is increasingly a dynamic and responsive one. Government needs to be able to think system wide and overcome its own silos.

WHERE ARE OUR PHYSICAL HUBS?
The cultural institutions can be mapped, but where are the creative and cultural hubs and spaces that invite people in and offer new experiences? Is there an opportunity to revisit how well the state showcases local creative product? Could the SA Film Corporation have a public facing element? Can the Lion's Arts Centre and Guildhouse members, through "Well Made Tours", offer more opportunities for people to engage and connect creatively? Would the co-locating of Theatre for Young Audiences companies in a creative centre, along with private operators create a greater sense of dynamism and innovation?

WHERE TO FROM HERE?
These are among the questions that this report seeks to explore in relation to the four nominated creative industry sectors.

In the following sections, the:
— nature of each sector is summarised and supported by available and relevant data
— sector ecosystems are outlined
— consultation and research findings are presented with the questions they raise
— opportunities for each sector are proposed, along with examples of relevant new ways of thinking about the issues.

Finally, the report proposes a set of key recommendations of relevance to the development of all four sectors and the South Australian economy.

5.1

SECTOR

Each of the Sector Profiles includes:

1. **Nature of Sector – providing a brief outline of the nature of each sector.**

2. **Employment & Relevant Data – based on data provided by each sector. Note: Other relevant data is included in the Creative Boom Discussion Paper.**

3. **Ecosystem Summary – a graphic representation of the key ecosystem elements associated with each sector.**

4. **An Industry Ecosystem Map - the charts set out a broad industry context for each sector.**

5. **Consultation & Research Findings – a summary of issues identified and questions raised through interviews.**

6. **Opportunities & New ways of thinking – a summary of identified opportunities and examples of innovative models from other places to provide a sense of what is possible.**

PROFILES

Industry ecosystem maps

The Industry Ecosystem Maps are intended to be illustrative rather than to define each sector and are only a starting point. Their purpose is to highlight the range of businesses and business opportunities associated with each of the Creative Boom sectors.

They demonstrate that each sector flows through the economy in a variety of ways and that there are opportunities to extend their reach.

For purposes of consistency we have tried to use similar headings – but in some cases there are specialist functions that are hard to translate.

The general headings are as follows:

KEY CREATIVES: are those that initiate, assemble or devise the creative product.

TECHNICIANS: are the people who help to stage or create the creative product – either by supporting a live or screen-based production or by assisting creative workers realise their vision through their technical skills.

CREATIVE ARTISTS: participate in and help create the artistic products. In this context they are usually engaged for a specific project as performers, musicians, etc.

PROFESSIONAL SERVICES: each of these sectors relies on specialist professionals – such as expert entertainment or IP lawyers.

SPECIALIST SERVICES: high value companies or sole operators who have a specialist role in the value chain – applying specialist knowledge and skills and helping creative products succeed in the market.

SUPPORT SERVICES: these more generic services are essential for the sectors to function. For example, providing logistics support and security.

INFRASTRUCTURE – PRODUCTION: infrastructure usually essential to the creative product or service being produced.

PRESENTATION PLATFORMS: the platforms that enable the creative product to be shared, performed, or sold.

ORGANISATIONS: relevant organisations and institutions that can help shape the policy, funding, business and strategic context. This includes production entities and production support agencies.

EDUCATION AND TRAINING: institutions / programs teaching the specialist skills and knowledge in creative, technical, specialist or professional services.

MARKETS- DIRECT: the market the sector is addressing, creating direct economic benefits.

MARKETS- INDIRECT: flows of indirect economic benefits. For example, visitors to festivals staying in hotels or eating in local restaurants.

MARKET OPPORTUNITIES: the current and potential markets.

5.2

FESTIVALS

WOMADelaide 2015
The Colour of Time
Botanic Park, Adelaide

Nature of Sector

WHAT FESTIVALS?

The Creative Boom study included the ten festivals that are part of Festivals Adelaide:

- **Adelaide Festival of Arts**
- **Adelaide Fringe**
- **WOMADelaide**
- **Adelaide Cabaret Festival**
- **Come Out Children's Festival (Biennial)**
- **Guitar Festival (Biennial)**
- **SALA (South Australian Living Artists)**
- **OzAsia**
- **Feast Festival**
- **Adelaide Film Festival (Biennial)**

Across the ten festivals, the state government's $15m investment results in $62.5m of new money coming into the state's economy and delivers around 740 FTE jobs.[45] Festivals are a key part of the government's tourism strategy – attracting more than 54,000 visitors to the state with 280,700 bed nights.

When Adelaide and SA is singled out as a destination, as it was by the NY Times in 2015, the festivals are usually a key reason. SA is the festival state. Festivals are part of the local identity. In 2015 the South Australian Events Calendar listed over one hundred festivals and events [including the 10 Festivals Adelaide events] across the state. The city of Adelaide is the venue for 34 of the listed festivals and events.

Festivals are platforms for showcasing talent and mobilising energy. Each festival has its own 'market' with its own demographics and industry links. Its 'spillover' effects include how it makes the city feel. Festivals make Adelaide feel interesting.

People report that they can attract employees to relocate from other cities because of the festivals. For an isolated city, they also infuse the city with diverse talent. They connect the city locally and globally. They help the city stay up to date. Tourists and artists are given a taste of a city that they may later want to move to, study in or invest in. International students report that one of the attractions of Adelaide is its arts scene and festivals.

Festivals also invite a form of risk taking – both from participants and audiences. They enrich our sense of a complex, diverse, multicultural world with which we can connect.

Given the potential return on investment, festivals are often used by cities to animate places and attract visitors. It's therefore no surprise that the world is experiencing a phenomenon known as 'festivalisation' with an estimate that up to 10,000 cities host festivals. In a crowded market, a few festivals continue to stand out as globally significant – Edinburgh, Cannes, Glastonbury and Austin's SXSW are a few examples.

The mushrooming of festivals across the world makes it harder to create festival experiences that feel genuinely original, except in how each festival connects to its location. The festival is both its content and the Adelaide experience. Here, medium sized cities have an advantage. The city can be transformed by an infusion of people – visitors and locals. SALA turns a wide range of places into arts venues – it helps to reframe perspectives. Other festivals are centred at the Festival Centre, part of their raison d'etre to contribute to its economic sustainability and success as a venue. However, there are ways these festivals could extend their reach and help create a 'festival feeling' across the city beyond the Festival Centre?

While festivals are key to the 'experience economy', they also offer a contrast to the digitised world. A festival is at a time and place. If you are not there you miss the possibilities.

All the evidence suggests that festivals need to innovate their models if they are to feel fresh. In the case of the Adelaide Festival and the Cabaret Festival, innovation is partly a result of the vision of the new director(s). For the Fringe, SALA and now Feast festivals – innovation is supported by their open platforms. The Fringe is the largest of the festivals in terms of artists, audiences and box office – it is the largest festival of its kind in the Southern Hemisphere, second only to Edinburgh and a title Adelaide can be extremely proud of. The Come Out Children's Festival is exploring digital content and delivery potential for performances and to expand outreach into schools. For the Adelaide Film Festival, innovation can be from the vision of the director, but also its role in showcasing local, national and international professionally produced films which it has helped support. The lack of an annual event presents a challenge for the Adelaide Film Festival as there is a loss of momentum and continuum, making it harder to educate, entice and sustain an audience's connection with the event.

For WOMADelaide, innovation comes from how they work within the platform of the parklands space and the way the event is curated. For OzAsia, it's associated with the connections it makes, its soft diplomacy and connections with particular locations in Asia and the originality of its model. For the Guitar Festival, it connects to industry and the community.

The Adelaide Fringe runs a creative export marketplace called The Honey Pot. Over a hundred national and international programmers attend the Honey Pot marketplace looking to book artists from the Fringe for future tours in Australia and around the world. The Honey Pot is a major added attraction for the performing arts industry and offers them a significant trade opportunity to grow into one of the leading and most creative performing arts marketplaces in the world. Adelaide could become a world leader in this area and the Honey Pot could be rolled out to other appropriate festivals in the future.

Are there opportunities to co-create programming across these festivals around a theme? Would it be possible to create a year-long program which leveraged the assets of each festival to generate something new?

One example of this is how the Dutch Design Week seamlessly connects the social application of creative thinking and practice to showcase and market development for design products and services. It mobilises social innovation while driving innovation in technology, materials, engineering, etc. It is an attack brand for the Dutch Government's soft power and economic diversification agendas.

The festival 'ecosystem' includes not just the ten festivals, but a wide number of other festivals and events – including major events - scheduled across the state. These draw on some of the same locations, technical support and infrastructure. The potential is to connect the broader ecosystem and catalyse its innovation potential.

Adelaide could capitalise on its rich array of 'experience creators'. Adelaide could be offering expert advice, aiming to spark innovation here or it could franchise its platforms – the festival models – to other parts of the world.

Festivals are key to our economic future – both as part of the Adelaide 'psychology' and also a 'brand' taking Adelaide to the wider world. Therefore, it's important that there is strategic thinking or policy to leverage the potential of festivals as a group. The creation of Festivals Adelaide is a good step to support co-ordination.

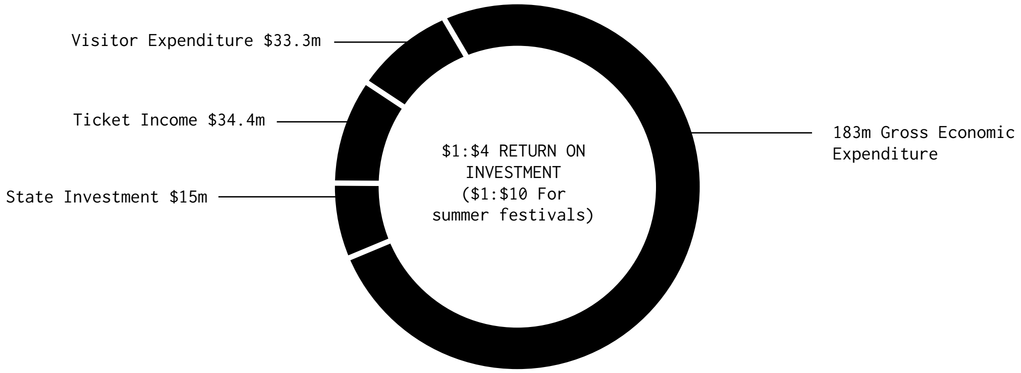
The potential 'competition' around festivals is a risk. Other Australian cities are quick to adapt and leverage our models and audiences may become bored. A reliance on bringing talent to Adelaide to showcase is a risk, at the cost of not investing in LOCAL talent. For budgetary reasons, and the decision to make many festivals annual, the 'pot' of funding is stretched. Many festivals operate with very small staff teams and may not have sufficient funding if they are also expected to grow. If we see festivals as a core area of expertise we must be prepared to invest in developing our festivals and platforms.

As with all four sectors being considered in this report, the festival sector currently lacks a strategic policy context to inform future development and provide a framework for ongoing public funding across all relevant areas of government such as Arts, Tourism, Education and State Development. To this end it is noted that Festivals Adelaide are, at the time of this report, actively campaigning across State Government for a Festivals Strategy.

Festivals -Sector Data

All 10 Festivals 2013/14
Source: Bergan 2014

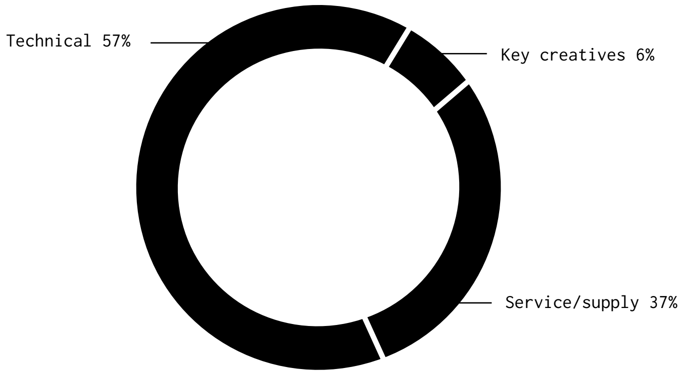
3.9m	980,000	54,400	304,100
Attendees	Tickets sold	Festival visitors to SA	Visitor Nights



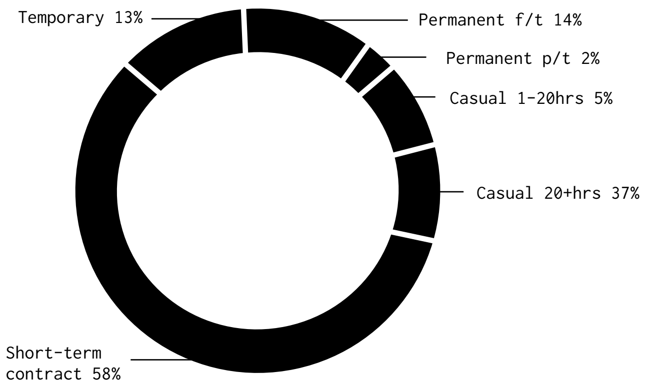
Festivals - Income & expenditure

Employment in Sector
Source: Barry Burgan 2013/14 - Light years Ahead 2013

100	7,800	80%	90%
Permanent FTE	Casual during festival	Employed only during festivals season	Locally-based workers



Festivals - Work Force Skills

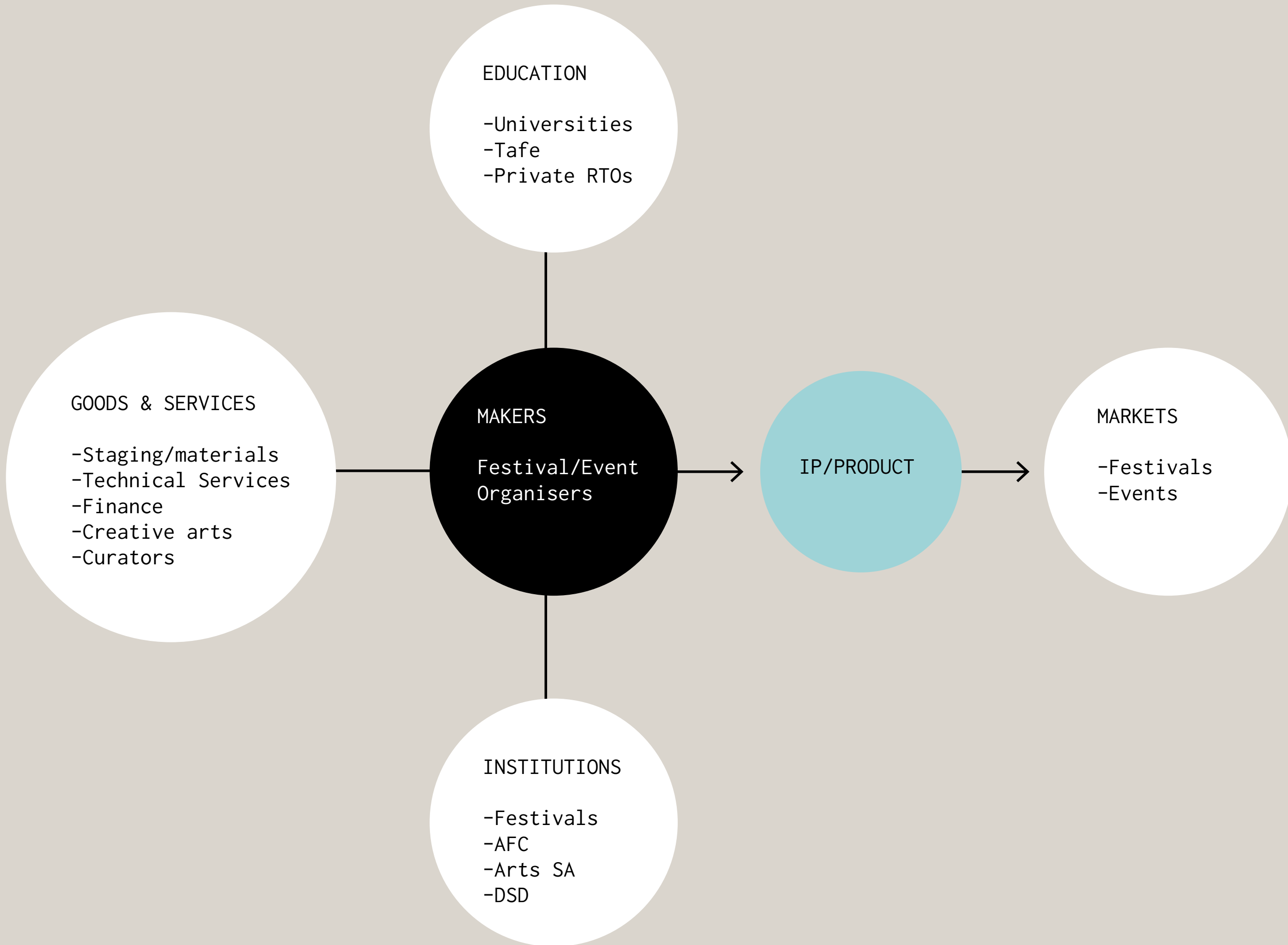


Festivals - Employment

Ecosystem Summary

Strengths – the diversity of the festival offer and pacing across the year; beneficial clustering in March; coordination, networking and lobbying support through Festivals Adelaide; the quality of the events; the impact on the vitality of the city; embraced as part of the local culture.

Gaps – no overarching strategy; opportunities to strengthen tourism links; ageing infrastructure; potential to anchor specialised activities is underdeveloped; 'festivalisation' of the world increases competition; innovation around the festival model is undeveloped.



Major Festivals Industry Ecosystem Map

PEOPLE

Include but not limited to:

Key Creatives
Directors
Artistic Directors
Producers
Designers (all)

Technicians
Lighting
Sound
Production design
Costume
Make-up artists
Stage Managers
Design
Set & prop construction
AV Operators
Stunt artists

Creative Artists
Actors
Dancers
Composers
Musicians
Visual Artists/filmmakers
Writers
Comedians
Experimental
Experiential
Digital

Professional Services
CEOs
Accountants
Lawyers
Business Support
Architects
Consultants
Dramaturgy
Critics
Administrators

SERVICES

Include but not limited to:

Specialist Services
Production companies
Programing/ programs
AV production
Artist management
Talent agents, casting
Ticketing
Staging services
Designers
Web development
Marketing and PR
Advertising
Conference/event org's
Journalism
Project management
Photography
Philanthropic fundraising
Sponsorship fundraising

Support Services
Fencing
Logistics
Travel, Transport, Taxis
Retail
Security
IT support
Waste/recycling
Const/carpentry/elec
Toilets
Plumbing

Suppliers
Booking agencies
Printing/merchandise
Film/Video supplies
Facility/Equipment hire
Accom/catering/restaurants

INFRASTRUCTURE

Include but not limited to:

Production
Adelaide Festival Centre
Theatres and venues (incl temp)
Set production workshops
Warehouses and storage
Studio space
High Speed Broadband
Specialised equipment
Transport
Sets, props and costumes

Presentation Platforms
Adelaide Festival Centre
Theatres and venues
Public spaces
Mercury Cinema
Cinemas
Galleries
Parks & outdoor areas
Online/ Digital
Restaurants, bars
Mobile Devices
Game platforms
Private & Govt buildings
Rehearsal rooms
Churches
Town Hall
RSL/other Halls
Libraries
Laneways

ORGANISATIONS

Include but not limited to:

Sector Representatives
Festivals Adelaide
Media Entertainment and Arts
Alliance International Festival
Cities Network
Performance Australia

Production Entities (11 major)
Adelaide Festival of Arts
Adelaide Fringe
Adelaide Cabaret Festival
Adelaide Film Festival
Adelaide Int Guitar Festival
Come Out Children's Festival
Feast Festival
OzAsia Festival
SALA Festival
WOMAdelaide (Arts Projects Australia)
Events South Australia

Production Entities (other)
Adelaide Convention Centre
Major Events Commission
Private event organisers
Community and other event organisers

Related Entities
Arts SA/DSD
Adelaide City Council & all Local Councils
Arts Industry Council SA
SATC/Events SA
South Australian Film Commission
Cultural Institutions
Australia Council
National & International festivals

Education and training
TAFE SA
Universities – Flinders – Adelaide - USA
Registered Training Organisations
WEA & Third Age
Public/private teachers/coaches

MARKETS

Include but not limited to:

Direct
Residents, visitors, tourists
Other festivals
Corporate clients
Producers and Artists
Industry (Arts, Film, Music, etc.)

Markets Indirect
Restaurants, pubs, bars
Hotels/accommodation
Tourist operators
Transport
Retail
Food and wine/travel

Market Opportunities
Merchandising
Music Sales
Internet entrepreneurs
Theatre performances
Trade buyers
Print Media/Critics
Manufacturers
Specialised software
Online Distribution
Live streaming
Fashion Industry
Schools/Education sector
Food and Wine
Retail Sector

Consultation and Research Findings

1. The loss of a local commissioning fund for the Festival of Arts has had a negative effect on producing and showcasing local work.
Question: *Is investment in local creativity and local productions sufficient?*

2. More activities could be clustered around Festivals – trade events, conferences and international meetings.
Question: *Where does leadership for this lie?*

3. What is the vision? Is there a vision for a national or international reputation within these festival organisations?
Question: *'Festivalisation' across the world is increasing competition - do we need to be more strategic to ensure our festivals rate against the best?*

4. There is potential for growth in the Festival sector with the potential for a Spring cluster of events, perhaps scheduled at the same time as SALA to build critical mass and support tourism. There have been examples where new events have been scheduled without consideration of the potential impact on or relevance to existing cultural events.
Question: *Is this proposal sustainable given the number of existing festivals and events in Adelaide and if so what are the missing festival activities that would attract the patronage required?*

5. The Adelaide Film Festival should be annual and its role in investing in local production is essential for it to be relevant.
Question: *This festival is a key anchor for the screen industry. Most film festivals are annual. What is needed for the festival to be annual?*

6. OzAsia is a particular force for cultural and soft diplomacy with an impact far in excess of its small budget.
Question: *Is OzAsia a model for what can be achieved and if so how can we increase its power?*

7. The Adelaide Cabaret Festival is the largest Cabaret Festival in the world and could attract more interstate and international visitors. The University of SA has started a cabaret training program to build cabaret performance skills.
Question: *Are we combining skill development and other programs to make this a specialisation alongside the cabaret program?*

8. The Guitar Festival makes connections with the local guitar industry, for example, by highlighting the skills of guitar makers. Last year it created a Guitar Orchestra for young people.
Question: *Can other festivals anchor industry development programs?*

9. WOMADelaide is a very successful business model of state and private sector funding, especially in terms of tickets sold and economic contribution.
Question: *Are there any transferable lessons from the WOMADelaide model for other festivals?*

10. SALA is widely supported and visited as an umbrella event for the visual arts across the state. It has opened up a wide range of alternative venues for visual artists to exhibit their artwork and craft products. The event is growing rapidly with a 12% increase in 2015, however the organisation is struggling with limited resources.
Question: *Is there a different business model that SALA could adopt in order to attract increased income, be better resourced, keep up with growth and build a sustainable event?*

11. Adelaide has a number of venues that are not up to the standard required by the festivals sector and there is also no concert hall for the 1500-2000 seat events.
Question: *Is there evidence of the need for such a concert hall through previous studies? If so, how is this being taken forward?*

12. The education sector is not seen as working closely enough with the industry to provide the right training to generate job ready graduates.
Question: *How can education and industry collaborate to create relevant skill packages to meet the needs of the sector?*

OPPORTUNITIES & NEW WAYS OF THINKING

So what could further leverage the cultural and economic potential of the Festival Sector in South Australia?

1. UPSIZING VISITORS TO ADELAIDE

Thousands of artists and performers, along with journalists, writers, filmmakers, travellers, and other festival organisers come to Adelaide annually. We need to think about innovative ways we could leverage this talent to stimulate students, business leaders and public servants while also providing a richer experience for these visitors. For example, we could bring visitors and entrepreneurs together – opening people up to different types of expertise. We could help local people connect with tourists by helping local people create new income streams.

Goal: *To design more interesting experiences for visitors to Adelaide – enticing people to stay longer, resulting in new enterprises.*

NEW WAYS OF THINKING

Paris
The Paris & Co and Welcome City Lab are designed to drive innovation by bringing creative entrepreneurs and tourists together to create enterprises. Creativeparis.info offers multiple opportunities to combine tourism with a creative experience.
http://www.welcomecitylab.com/
http://www.creativeparis.info/en/

Rotterdam
City Safari arranges for small groups to meet locals in their own homes, businesses and communities. These are self-guided tours and people get a genuine local experience. It's a way to experience a city 'off the beaten track'.
http://www.citysafari.nl/

Barcelona
In Barcelona, tourists are known as 'temporary citizens'.

2. FESTIVALS AS INNOVATION PLATFORMS

The REMIX session on festivals demonstrated a wealth of ideas around how we could leverage festivals around education, tourism and trade. If festivals are platforms for creativity why not capture some of their 'spillover' effects in the service of our innovation system in Adelaide and coordinate innovation festivals alongside each festival. Examples might include: The British Library and the V&A which have invited gamers in to explore their collections and create interactive games; 'Twitch' invites people from other places to 'virtually' share the festival experience. Likewise, the Guitar Festival can stimulate the broader 'guitar related' economy across its value chain – from instrument design, guitar related technology to composition and performance.

Goal: *To develop a competition to create games and virtual reality programs around Adelaide's wide range of festival experiences.*

NEW WAYS OF THINKING

Culture Hack
Culture Hack uses data from cultural organisations and challenges people to make new innovative culture related products. They initially started with short 48 hour programs but have now expanded the format for larger scale digital development programs that can last up to a year.
http://culturehack.org.uk/

3. BE A CENTRE FOR 'CREATING EXPERIENCES'

If hundreds of cities have created or are creating festivals, could Adelaide with its track record of success in managing and creating festival models become a centre for the 'next stage' of festival experiences? Our education institutions could help people gain formal knowledge about experience creation, curation and organisation? Universities could align relevant sessions alongside festivals – (e.g. Film Criticism at the same time as the Adelaide Film Festival) and this could add to the visitor experience. We could be a zone for experimentation around this. Each festival could be encouraged to support at least one innovative event that would showcase local talent.

Goal: *To maximise the skills associated with creating festivals in order to help those in other sectors create similar immersive experiences and support innovation.*

NEW WAYS OF THINKING

Manchester
The Manchester Science Festival is focused on innovation between science and art. The 2014 event included over 100 events for all ages, such as: Electric Art; 3D Printing the Future; #HockedOnMusic; The Sounds of Others: A Biophonic Line; and The MegaMenger.
http://www.manchestersciencefestival.com/

The Manchester International Festival commissions a series of leading artists or thinkers to create ambitious new work in partnership with local people. The festival's principles are: innovation, originality and internationalism. http://www.mif.co.uk/

4. FESTIVALS AS SOFT DIPLOMACY

OzAsia and Feast provide a focal point for meetings, conferences or events which coincide or lead into these Festivals. OzAsia, in particular, is developing a platform with direct connections to the fast growing Asian economies where economic ties are very closely connected to cultural ties. Festivals also brand the city and promote it.

Goal: *To leverage all the festivals in Adelaide as focal points for other meetings and complementary events.*

NEW WAYS OF THINKING

Cities are increasingly active establishing themselves as global brands and creating direct relationships through soft diplomacy. This is a step from what were traditionally 'sister city' type relationships. The aim is to have an integrated approach and to build the 'brand' power of the city.

Barcelona Global is described as a citizen's platform created to strengthen the competitiveness of Barcelona by strengthening both its external relationships and its local capacity to collaborate and coordinate across sectors including cultural sectors.
http://www.barcelonaglobal.com

London and Partners - London has integrated its approach to attract investment, events, conferences, international students and visitors in a not-for-profit private company. http://www.londonandpartners.com

5. FESTIVALS AS SPECIALISED KNOWLEDGE ANCHORS

Festivals can anchor areas of specialisation by injecting regular flows of knowledge, expertise and innovation. For example, a number of Adelaide festivals have incorporated lighting artworks into their programs. Events such as lighting have great potential as the basis for expanding industry activity through conferences, EXPO and trade fair events.

Goal: *To anchor festivals around industry strengths and develop the connections to maximise this opportunity.*

NEW WAYS OF THINKING

Lighting Festivals
Sydney - the SPARC lighting Expo coincides with Vivid Sydney, a festival of light, music and ideas, which offers wonderful opportunities for complementary activities showcasing lighting.

Lyon - the Light Festival Expo in Lyon coincides with the Lyon Festival of Light. This event is one of Europe's major trade fairs for event and lighting technology; the latest innovations in the industry are presented. The Expo is an important location for professional lighting, audio, music, entertainment, audio visual and systems integration solutions.

6. CLUSTERING

The clustering of the Adelaide Festival, the Adelaide Fringe and WOMADelaide in March creates a critical mass of attractions for local audiences and tourists. This has proved to be a sustainable annual cluster with benefits for all three festivals. At the moment the remaining seven festivals are staggered over the rest of the year. With SALA in August and OzAsia in September they provide a potential anchor for other Festival events. However, it is vital that any new events are in harmony with and relevant to the existing cultural offer.

Goal: *To identify opportunities to cluster other festivals at other times of the year to potentially increase their collective impact without diluting the quality of existing festival experiences and to ensure that the calendar of existing festivals is considered when bringing new events to SA.*

NEW WAYS OF THINKING

Edinburgh
The Thundering Hooves Report into maintaining a competitive advantage for Edinburgh as a preeminent festival city identifies the importance of maintaining quality over quantity and states:

Success depends on achieving and sustaining a consistent international quality threshold for all festivals in order to ensure that the brand value of the festivals is sustained. Volume per se is of little intrinsic strategic value - that is, either the size or number of festivals, once some base threshold has been agreed. Careful impact assessment of any new festival to be added to an existing mix should be a requirement.

The report recommends:
That no new festival should be embraced as part of the City's offer unless its niche and ability to fulfil that niche in the international arena is clear.

7. CLOSED LOOP FESTIVALS

Festivals in Adelaide have been enlightened in relation to their use of resources and their commitment to recycling. In a resource constrained world, what opportunities might there be for a greater commitment to closed loop thinking and to the goal of a carbon neutral Adelaide?

Goal: *To explore and stimulate 'closed loop' thinking through and between our festivals.*

NEW WAYS OF THINKING

The circular economy is expected to become a $25b industry in Australia by 2025. Yet it is still at an early stage of thinking. Our festivals have led thinking in relation to recycling. Could our festivals demonstrate this next generation of innovation in the way they design and procure, use and reuse materials, create ways to showcase 'upcycling' and explore the creative potentials around the circular economy?

Could this be linked to a 'creative materials' centre combining crafts, arts, and design?

5.3

SCREEN

NATURE OF SECTOR

The Screen Sector includes people and companies that produce, distribute and/or exhibit audio-visual content and those that provide creative, technical, financial, administrative and professional goods and services for the industry.

The focus is on work that is professionally produced. From an economic development perspective the 'ideal world' for the SA screen sector would be the local market, generating significant IP (from original content as well as process and product innovation) driven by global market demand. This would generate significant numbers of high value jobs in the state and deliver other economic and non-economic benefits. The returns would be reinvested and a virtuous self-sustaining cycle would emerge. The intersection of a booming screen sector would spur innovation leading to new goods and services for the state.

It is difficult to gather sufficient, accurate and up-to-date data on the creative industries, mainly due to the limited data collection by the ABS. The recent report by Deloittes reported the local industry contributed $38.8m directly in value to GSP and $38.4m indirectly in 2013-2014. The sector supports 515 FTEs directly and 238 FTEs indirectly. The benefits of the sector are felt widely across the state as many films use regional and metropolitan locations, including remote locations. The report states that:

The jobs and investment in the screen production sector are spread across South Australia in a wide range of roles – from highly trained creative professionals working at Academy Award winning Visual Effects (VFX) houses with international reputations to trades working on film sets. Indirectly, screen production supports other sectors including food and hospitality, accommodation, construction and professional services.

Australian films occupy around 7% of shelf space at local cinemas and earn about 4% of box office. The only way for the Australian product to compete against the huge marketing power of the US is by making high quality films, which have a point of difference, tell a good story and have great performances.

The SA Film Corporation stimulates the local screen industry and attracts productions to SA. The new studios at Glenside offer state of the art facilities for medium sized productions as well as being a hub for local screen companies.[1]

The Media Resource Centre (MRC) provides entry level training and support to the industry, incubation space and a city centre cinema. The Centre is seeking to position itself as a future moving image centre and is leading some of the screen innovation and entrepreneurialism discussions. For example, the 2015 New Screen Makers Conference addressed issues associated with the digital convergence landscape and the new distribution platforms.

The biennial Adelaide Film Festival provides a platform to premiere and distribute Australian and international films. It also plays an important investment role through its Screen Investment Fund in locally produced films. Some of these films have received national and international acclaim and awards, generating an excellent industry reputation as "punching above its weight".

The screen ecosystem encompasses the value chain across the sector – though there are no local distributors or major trade buyers and major funding or financing arms are also located interstate. The state, therefore, can feel distant from the business end of the sector. As personal relationships are key, this distance has been a disadvantage – reinforcing the centrality of the eastern states and Sydney in particular. On the plus side, national funding organisations and broadcasters are required to fund productions across all states and not just the east coast.

[1] While it is commonly called a cluster, we're distinguishing it from industry clusters which connect the whole value chain (see glossary).

The state's strengths as a centre for production includes the ease of getting around, the various landscapes, its reputation around recent productions, the quality of the studios, world class goods and services suppliers, the potential for collaboration and government support for creative industries.

However, the traditional model for screen production and distribution is being disrupted. Audiences want greater "on demand" product, consequently models for marketing and distribution continue to change.

New entrants are bringing completely different business models. Their focus can be on engaging audiences through YouTube rather than producing feature films. SA has a number of successful content producers in this disruptive market.

There are also new customers, particularly the corporate sector, for the powerful storytelling and entertainment skills of the screen sector on a fee for service basis – creating a niche between traditional advertising industries and the film and television sectors.

SA has world class goods and services suppliers – famous and awarded names in the sector - but the industry feels fragmented and it's not organised nor is organising itself to compete as a sector.

One of the advantages often cited about SA is the potential for collaboration both within and across sectors. But as the 2005 report on Creative Industries found, and interviews for this report confirmed, genuine collaboration is still hard to achieve. This may be a cultural impediment not just to the screen sector, but to other sectors in the state. Therefore, it's an impediment the state needs to crack if we want our economy to grow.

The role of the SA Film Corporation is to support the growth of the industry and attract productions to the state. But it's difficult for it to play a neutral industry development role. This needs to be industry led.

Growing entrepreneurial support structures in SA provide a model that may be relevant to the screen sector. At the moment it's disconnected from the entrepreneurial 'ecosystem'. But there are aspects that may be relevant to sector specific thinking, accessing screen expertise and mentoring support and investment.

Most people interviewed for this report indicated a desire and support for an industry cluster program, noting that the Adelaide Studios were a physical hub that could contribute to this. The evidence strongly suggests that industry clusters innovate and create economic value. Policy research is about how these clusters can be established and succeed. Why this hasn't progressed in the past and why related activities such as the establishment of the SA Screen Industry Council failed, needs to be understood. It is acknowledged that the existing guilds, councils and associations play an important role in representing and advocating for their respective specialisations, but without a body championing the whole sector it is harder to successfully lobby as an industry.

In major films, significant funds are invested in development. Much of this investment is high risk and eventually written off. It means only well-resourced businesses can afford to undertake and control this process for their own benefit. SA producers are competing against these companies for mass audiences and most don't have the resources, skills or experience to compete. Many have strategies to gradually build this capacity over time.

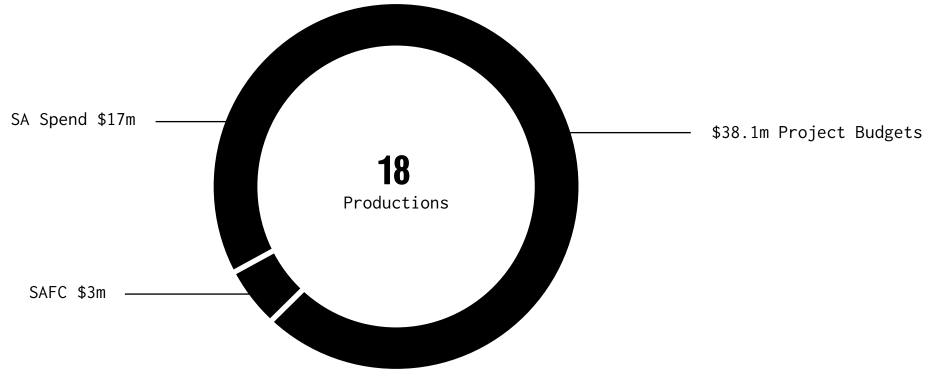
A key gap here and in the UK is writing and storytelling skills. Creative England has developed a suite of programs to address this and created regional talent centres to support emergent talent. Is there a potential for SA to become a global hub of excellence in innovative content development based on new writing? Could this connect across other arts and cultural sectors as well?

The approach needs to encompass the value chain – from the early stage of film education to film watching and making, to formal and informal skills and education, to exhibition and distribution. This could also be a key element for creative skills development in schools – linking film watching, writing and making. Adelaide could potentially play a leadership role in this area in Australia.

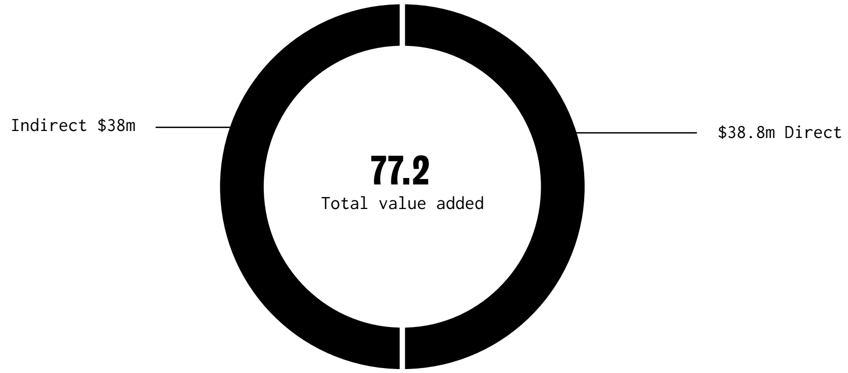
SCREEN

Screen Sector Data

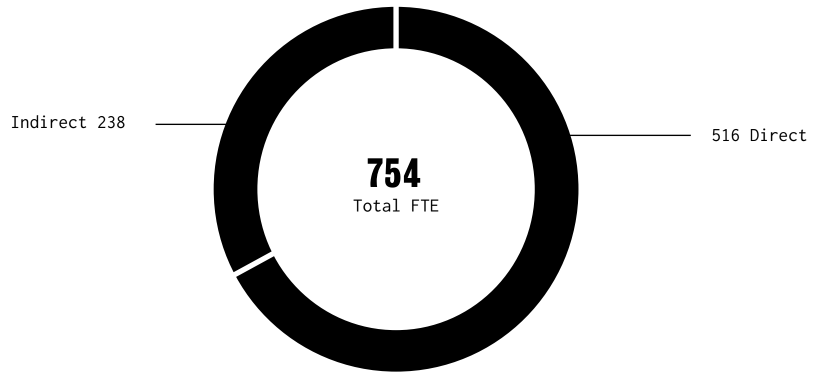
Source: SA Film Corporation



Screen - 5 Year Average Production Expenditure



Screen - Contribution of Screen Production to GSP

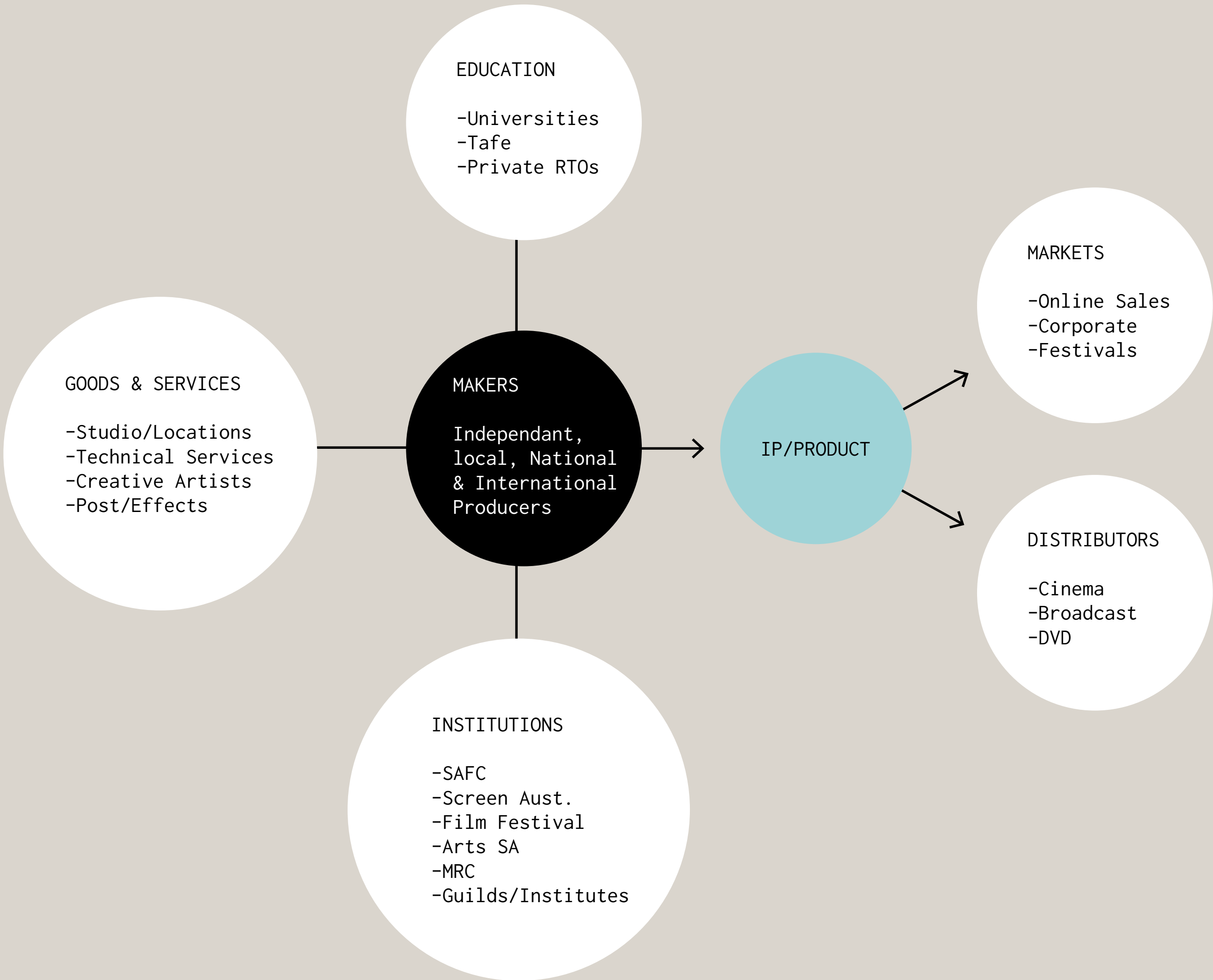


Screen - Employment: full time equivalent

Screen Ecosystem Summary

Strengths – continued government support and investment, engaged institutions, infrastructure for mid-sized productions, local culture and landscape, ease of working here, high value firms and key individuals, film festival, kids film festival, range of education programs and existing industry supplying other sectors.

Gaps - lacking parts of the value chain, clustering is relatively weak, industry coordination is weak, still have skill gaps, difficulty of engaging local audiences, limited sources for funding and competitive landscape.



SA Screen Industry Ecosystem Map

PEOPLE

Include but not limited to:

Directors
Screenwriters
Producers
Actors
Dancers
Composers
Production Office
Cinematographers/DoP
Camera operators
Film Editors
Lighting
Sound engineers
Production Design
Sound design/Foley
Make-up artists
Costume Design
Post production
Special & visual effects
Electricians
Construction
Props
Stunts
Set Decoration

Professional Services
Accountants
Lawyers
Business Support

SERVICES

Include but not limited to:

Specialist Services
Production companies
Film Processing Labs
AV production
Special Effect Services
Location managers
Talent agents, casting
Staging services
Distributors
Exhibitors
Marketing and PR
Advertising
Web development
Specialised software
Ticketing
Sponsorship & fundraising

Support Services
Logistics
Travel, Transport, Taxis
Retail
Security

Suppliers
Film/Video supplies
Equipment hire
Facility hire
Accommodation
Restaurants & Catering
Merchandise

INFRASTRUCTURE

Include but not limited to:

Production
Adelaide Studios
Mercury Cinema
Independent Studios
Recording studios
Editing Suites
Special Effect Studios
Set production workshops
Specialist locations
High Speed Broadband

Presentation Platforms (SA)
Adelaide Film Festival
Shorts Film Festival
Adelaide Kids' Film Festival
Channel 44
Mercury Cinema
Commercial cinemas

Presentation Platforms (gen)
Digital channels
Online media
Mobile Devices
Game platforms
Broadcasters

ORGANISATIONS

Include but not limited to:

Sector Representatives
Screen Producers Australia
Aus Cinematographers Society
Aus Directors' Guild
Aus Film Institute
Aus Interactive Multimedia Association
Aus Writers Guild
Media Entertainment and Arts Alliance
International Agencies & Networks

Agencies
Screen Australia
SA Film Corporation
Media Resource Centre

Production Support
Adelaide Film Festival

Production Entities
Independent Effects Companies
Independent Animation Companies
Independent Screen Producers

Related Entities
Arts SA
Department State Development
Arts Industry Council SA
Festivals Adelaide
National & Internationals – Sundance, etc.
TV stations
Foxtel, Netflix & online broadcasters

Education and training
Media Resource Centre
TAFE SA
Universities –Flinders – Adelaide - USA
Registered Training Organisations
Public/private teachers/coaches

MARKETS

Include but not limited to:

Direct
Cinema Distribution
Broadcast sales
DVD sales
Games developers
Corporate clients
Online Distribution
Live streaming
Film Festivals
Arts Festivals

Market Opportunities
Merchandising
Screen Music
Internet entrepreneurs
Theatre performances
Trade buyers
Public sector
NGO/NFP
Global (niche) communities
Print Media/Critics
Manufacturers
Digital and TV platforms

Note: In the Screen Industry Map above the subheadings; Key Creatives, Technicians and Creative Artists have been removed as requested by the SAFC.

Consultation & Research Findings

1. The state has significant capacity to increase its production activity. The state's goal should be to convert footloose production into local content creation. This is critical for the long-term value of the sector.
***Questions:** Is it realistic to shift focus from footloose production to local content creation?*

2. SA has long been challenged by the distance to trade buyers and there is an increasing consolidation of the sector in eastern states. Personal relationships are critical in this industry, which places a high priority on face-to-face connections. Many people are adopting strategies to align with larger competitors interstate in order to gain market access and build their own reputations.
***Question:** How can the South Australian screen industry best build close relationships with industry interstate?*

3. Other states have many times the budget of the SA Film Corporation to attract productions (SA receives around $4.7m when WA invests $14m and Victoria $22m).
***Question:** If we can't match the investment other states are making, how do we develop other strategies as a point of difference to offset the lack of direct state investment? For example, should we focus on becoming a hub for screen writing?*

4. The industry statistics show that there is a significant shift in audience viewing patterns with the development of new screen-based products. There is now an expectation that you should be able to access any screen entertainment 'on any device, by any channel, on any screen anywhere'.
***Question:** Does audience demand for any content available anytime on any screen create opportunities?*

5. Companies in Adelaide need to be responsive and flexible if they are to thrive. They need to think beyond the traditional feature film and television content for cinema and broadcast and include corporate sectors, advertising and evolving digital platforms in the mix of industry output.
***Question:** Do screen companies need to diversify to thrive here and is there the right support mechanisms in place to support this diversification?*

6. Training that connects to industry needs is an issue. There is a range of university, TAFE and private providers delivering training in screen related subjects. These include training in production and technical skills. There are some good examples of education meeting industry needs, for example, students from TAFE's CGI and Visual Effects course are well regarded by the special effects businesses in Adelaide and are also finding employment interstate and overseas.
***Questions:** Is the state's training landscape right for sector needs and for a changing industry? Does it feel connected?*

7. We have a 'location' advantage due to our wide range of landscaped environment, our preservation of old buildings, high standard crews, location near Asia and quality of life attracting skilled workers.
***Question:** Are we leveraging the state's location 'advantages' as well as we could?*

8. The nature of South Australia's reliance on footloose productions means intermittent work for many creative and especially technical people. This means that the state will lose the talent to more consistent centres in Australia or overseas.
***Question:** What strategies can be developed to encourage and create incentives for screen workers to be based in Adelaide while working globally?*

9. What would it take to create a collaborative rather than a competitive working relationship between the three closest state screen bodies?
***Question:** Is the potential to create an Adelaide, Sydney, Melbourne triangle underplayed?*

10. We could be developing a stronger screen narrative about South Australia through the telling of local stories and documentaries. The Adelaide Film Festival is active in commissioning productions and could potentially have the capacity to reinforce this narrative.
In addition, there could be a closer relationship between screen and Tourism SA.
***Question:** How do we leverage the potential of local stories, well told on screen, to build the South Australian brand?*

11. Our successful VFX companies operate in a very competitive and low margin environment that can also be cyclical. While they have established a strong niche in the international market, fast changing technology continues to increase pressure.
***Question:** How do we support our innovative companies to remain at the leading edge?*

12. The South Australian government has over the years made a significant investment in the Mercury Cinema and the MRC, it is strategically located, provides important entry level programs and training on limited resources.
***Question:** How can the sector and state gain greater benefit from the MRC, and what level of resourcing is required to achieve the desired outcomes?*

13. The mixed agenda of arts agencies can make it difficult to provide the hard commercial focus that genuine investment requires.
***Question:** Can the sector support local companies in accessing the best advice on commercialising and capitalising on their IP and creativity?*

OPPORTUNITIES
& NEW WAYS
OF THINKING

So what could further leverage the cultural and economic potential of the Screen Sector in South Australia?

1. AN ACCELERATOR PROGRAM FOR THE SCREEN SECTOR

Although there is a huge amount of information 'out there' it takes businesses a lot of time to review what may be appropriate for them. Access to such information could also help screen producers identify unforeseen 'disconnects' that may deter local investment. One approach could be to consider an 'accelerator model'. Accelerators work intensely with entrepreneurs for around 3 months to help them turn their business ideas into investable businesses. They provide hands-on mentoring support and the company of others in the same situation to create a dynamic learning, action- oriented process. Participants in accelerator programs usually receive a small cash injection.

Goal: *To consider a low cost 'Screen focused one stop shop' that would provide a gateway to expert advice and funding resources for everyone from new market entrants to established small and medium sized enterprises. To identify the options for a Screen Accelerator program in South Australia and who would be best positioned to deliver it.*

NEW WAYS OF THINKING

BBC Worldwide Labs
The BBC acts as an accelerator program with digital start-up companies brought into the BBC 'ecosystem', it provides them with space and infrastructure and is supported with mentoring. The mentoring includes mentoring by internal and external industry experts. The aim is to increase the number of companies the BBC collaborates with.
http://www.bbcwlabs.com/about-us/

2. SCREEN SECTOR CLUSTER

Adelaide and SA seem to offer ideal conditions for collaboration, yet people report it can be difficult here. Clusters are not quick fixes – they can take some years to develop and European experience indicates that public sector investment is needed for the long term. The purpose would be to build a competitive sector over the longer term through networking, knowledge sharing, and developing industry foresight and collaboration on projects. The cluster could cross-fertilise with other areas of the SA creative sectors to generate cross sector opportunities.

Goal: *To explore the potential for the Adelaide Studios to expand their role as a film hub to facilitate a structured Screen Cluster and consider the opportunity for such a screen cluster to link with the Theatre for Young Audiences in order to focus on screen production for young people.*

NEW WAYS OF THINKING

Brussels Digital Cluster
The Brussels Cluster aims to mobilise the local screen ecosystem, to build collaboration and to help local businesses succeed. It also brands the region.
http://www.screenbrussels.be/page/why-cluster

Kids Cluster for Screen Content
Malmo Sweden - this cluster group aims to build the potential for co-productions across borders with the industry in Malmo focused on productions for children.
http://www.filmiskane.se/kidscluster/

3. PRODUCTION ATTRACTION

While footloose production activity can generate significant economic contributions and support the growth of local industry, there is fierce competition across the world and it typically attracts government subsidies. In SA, this is currently via a fixed budget which also supports other industry development activities.

Goal: *To develop a policy approach that provides clear budget guidelines on what funding ratio is justified economically (i.e. what non-state investment is required for every dollar of state investment) in order to provide more flexibility.*

NEW WAYS OF THINKING

Screen Tourism
Screen production can be used to create innovative layered experiences increasingly sought by visitors. Successful screen productions can reach potential visitors in quantitative and qualitative ways far more powerful than conventional advertising.
http://www.euroscreen.org.uk/

4. DISINTERMEDIATION

Technology is empowering content creators and marketers worldwide with the ability to cut out the "middleman". The downloading of music and ebooks and streaming of video content has altered and disrupted the 'traditional' ways of these industries. This more bottom-up model of cultural production has impacted the domination of mega-media, providing local and regional artists greater exposure and engagement with new fans and audiences. SA can use this to its advantage to drive innovation in audience development, marketing and cost innovation.

Goal: *To identify the training and support that local producers require to take advantage of marketing changes brought about by disintermediation.*

NEW WAYS OF THINKING

Film Distribution
Bachelorette, a film starring Kirsten Dunst, was released to video-on-demand (VOD) a month ahead of its Cinema release. Normally, movies come to the consumer through the local cinema and only then by VOD delivery. Bachelorette was No. 1 on the iTunes video on-demand chart. Adam McKay, the film's producer, is quoted as saying "the results are jaw-dropping".

BBC
The BBC have launched a product called the Video Factory which produces all the video content for the BBC iPlayer and has moved live processing into the cloud.

5. INDUSTRY TRAINING ALIGNMENT

The educational landscape in SA includes a variety of courses across the University, TAFE, private providers and the MRC for screen and related sectors. Industry feedback suggests that closer dialogue between educators and industry could strengthen the value of the training to the screen sector.

Goal: *To explore the willingness on the part of the sector to work with educators in order to ensure the industry needs are addressed. In addition, identify the factors that would make Adelaide a key centre for screen education nationally, regionally or internationally.*

NEW WAYS OF THINKING

Rising Sun Pictures
SA special effects company Rising Sun Pictures has developed programs in association with the tertiary education sector to provide on-the-job training. The company works closely with both TAFE's CGI & Visual Effects and Game Art courses and has developed a 10 week training program with Flinders University.

6. SHOWCASE SA CONTENT

New digital content channels are vying for global audiences. There are various models for monetising content – from monthly subscriptions, to ad-based revenues. There are now models where channels gain access to content by guaranteeing an audience (selling tickets) where they share the profits with producers. At the same time there is emerging interest in hyper localised content. SA could create a digital channel for locally produced content to help build audiences for the wide range of work created here by new and established SA directors. Other cities have created centres to engage audiences in a physical space around screen, technology and culture. These centres can be expensive to create and maintain.

Goal: *To consider the concept of a SA digital channel and establish if it is possible to create a screen centre using existing infrastructure and develop a business model that suits the Adelaide scene.*

NEW WAYS OF THINKING

London Live
London Live is a free to air London Digital Channel that commissions and broadcasts content. It also has a YouTube channel.
http://www.londonlive.co.uk/

Australian Centre for the Moving Image
This centre in Federation Square in Melbourne explores and presents exhibitions about the moving image from film, TV and digital. It started life as a state centre for film but it now has a multifaceted role in exhibition, industry and audience engagement and exploring the digital realm. It includes a Games Lab. In 2013 it had a record number of visitors – more than 1.1 million.
https://www.acmi.net.au/

5.4

THEATRE FOR YOUNG AUDIENCES

NATURE OF SECTOR

Adelaide is home to three theatre companies producing and performing original work for children and young audiences (TYA). Patch Theatre produces work for children 4–8. Windmill Theatre produces work for young people 2–18. Slingsby produces work for ages 10–adult. All three companies have a strong culture of storytelling and expanding the imagination of children through immersive theatrical performances. They are a small dedicated group of companies with great skills in conceiving, producing and presenting unique work.

Theatre for Young Audiences as creative experiences

Adelaide's three TYA theatre companies producing work for young audiences contribute to the economy in three ways. They create original work which attracts audiences and can be licensed, toured and theoretically be the basis of other related products like films, games, etc. They help stimulate the imaginations of young people and help them develop critical social skills. They contribute directly through employment and sales of tickets, etc.

Patch Theatre, Windmill Theatre and Slingsby rely on government subsidy to support their programs. As they deliver their product to a family audience, it's harder for them to generate significant income from ticket sales. Their audiences are young. Performances are usually in more intimate spaces. The costs associated with production are no different to that of theatre companies for adults.

Based on data provided by the three companies, it is estimated that they employ around 220 people across the key creative, creative artists, technical and services roles. The largest number of employees are creative artists and theatre technicians, both groups tend to be part time and on contract.

In addition to the three focus companies SA has a range of other Theatre for Young People (TYP) companies working with children in a variety of ways. These include: Country Arts SA, which supports youth theatre across the state; True North which is based in the City of Playford; and Sandpit Media Productions. Sandpit Media Productions is a company established in 2012, which focuses on new media to create participatory experiences across platforms to "transport audiences into a story, fictional universe or artwork".

These TYP companies form the core of a more extensive ecosystem in SA producing original content for children and creating theatrical experiences for and with children.

The Come Out Children's Festival has been through many changes, but remains an important anchor and potential engagement platform. The connections with these companies needs development, especially in relation to funding being available for commissioning and presenting local content for the festival. The 2015 Come Out Children's Festival, under the management of the Adelaide Festival Centre, included both a family program and a school program. Events included; performances, workshops, tours, films, exhibitions, and in-school activities that were staged throughout Adelaide and regional South Australia.

As with the other sectors there is an underdeveloped potential associated with digital technologies such as multimedia, games, animation and virtual/augmented reality. TYA and TYP companies could translate their creative content into new forms where the content is strong enough. Windmill Theatre's 'Girl Asleep' has been made into a film and is premiering this year at the Adelaide Film Festival. Sandpit developed an interactive installation for Windmill Theatre's 'Girl Asleep' and is collaborating with Country Arts SA on productions in regional SA.

These TYA companies are engaging globally – touring locally created productions. Patch Theatre's 'Mr Maggee and the Biting Flee' is being performed in New Zealand under a licence agreement with Capital E. Over the last three years the companies have collectively presented 122 interstate and 201 international performances reaching an estimated audience of over 60,000. Given their international reputation, they could be better connected to the State Government's international trade strategies – supporting soft diplomacy, for example, by being supported to connect with Asian markets especially linked to targeted festivals and events.

In the context of diminishing public investment, finding new sources of income will continue to be challenging. A collaboration between the three companies could create a focal point for private support.

Therefore, additional economic benefits may rely on mobilising the potential of the broader 'ecosystem', finding multiple income streams for their productions, or leveraging their skills and capabilities.

Opportunities include creating a multipurpose hub where the companies could share resources, align performance schedules and also foster different types of creative activities for children. This could become a 'destination' for locals and visitors. An example of this is the Capital E in Wellington, which houses the National Theatre for Children, the National Arts Festival, ONTV Studio, Media Lab and event and activity spaces. The National Theatre for Children delivers professional productions created especially for a young audience all around New Zealand. Capital E's digital facilities include the fully equipped professional OnTV Studio and a state-of-the-art MediaLab suite.

TYA – Sector Data

TYA Employment: The following data is an aggregation of figures provided to the consultants by Patch Theatre Company, Slingsby Theatre Company and Windmill Theatre Company.

12 Key Creatives

1 Technical

1 Services & Supplies

0 Creative Artists

14 Total

Full Time

19 Key Creatives

74 Technical

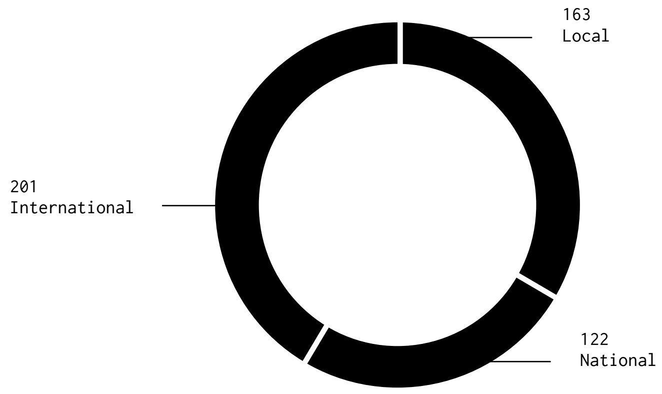
27 Services & Supplies

91 Creative Artists

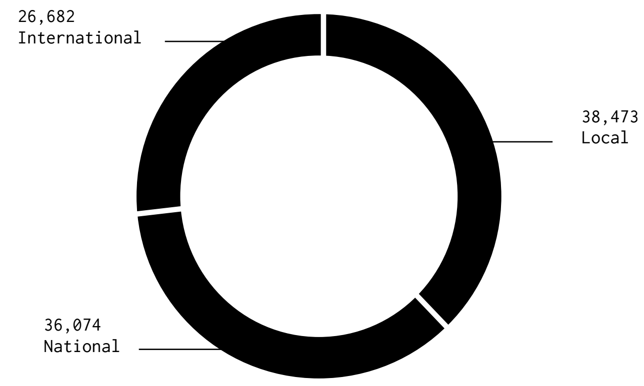
211 Total

Part Time/Contract

TYA - Distribution/
Consumption Data



Number of Performances
[3 year average]

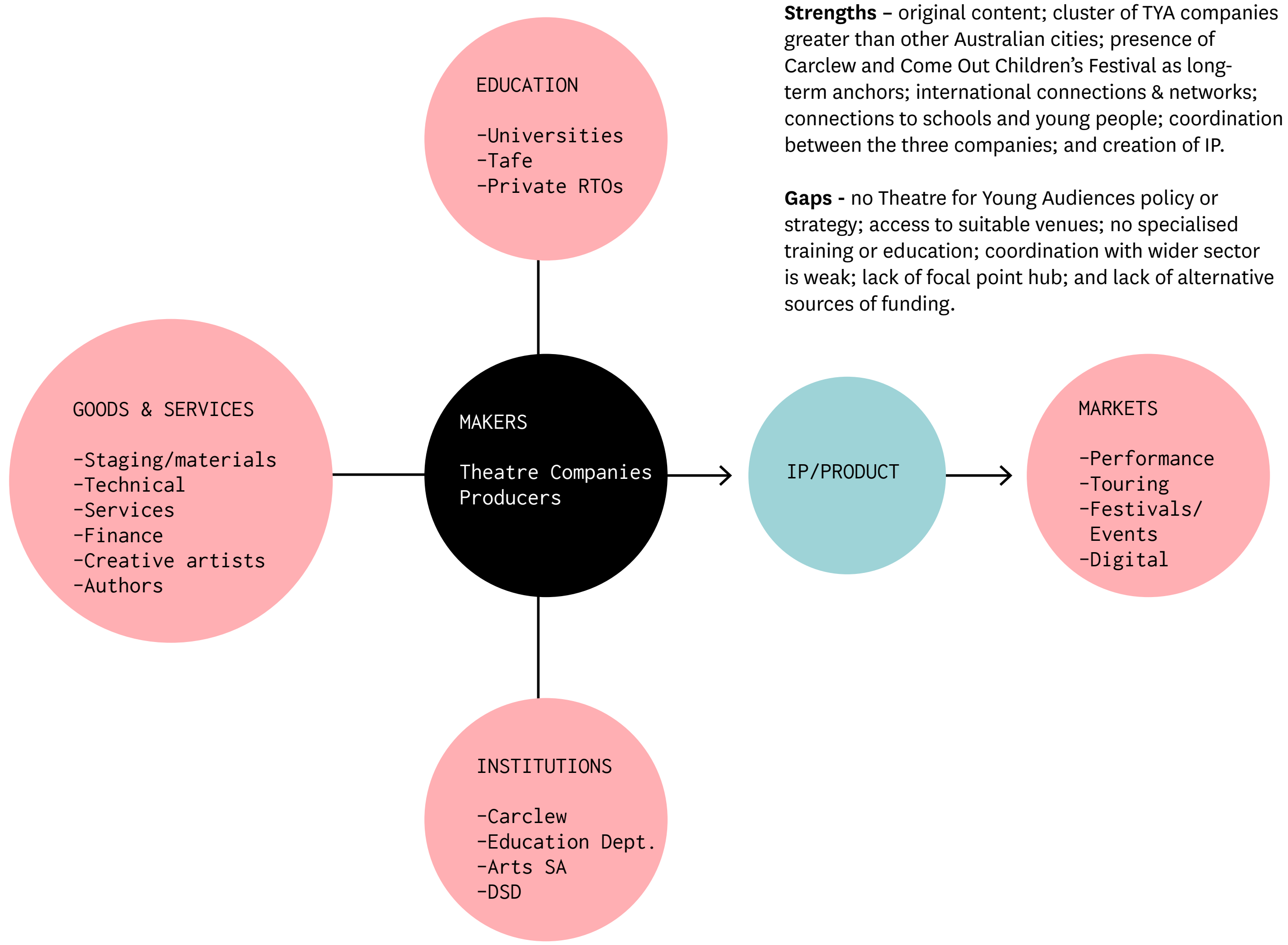


Estimated Audience Numbers
[3 year average]

TFYP Ecosystem Summary

Strengths – original content; cluster of TYA companies greater than other Australian cities; presence of Carclew and Come Out Children's Festival as long-term anchors; international connections & networks; connections to schools and young people; coordination between the three companies; and creation of IP.

Gaps - no Theatre for Young Audiences policy or strategy; access to suitable venues; no specialised training or education; coordination with wider sector is weak; lack of focal point hub; and lack of alternative sources of funding.



Theatre for Young Audiences Industry Ecosystem Map

PEOPLE

Include but not limited to:

Key Creatives
Directors
Writers
Producers
Designers
Sound Designers
Animators
Composers
Lighting Designers
Illustrators

Technicians
Lighting
Sound
Production /set design
Make-up
Costume
Special & digital effects
Photography
Mechanists
AV Operators

Creative Artists
Actors
Dancers
Musicians
Writers

Professional Services
Accountants
Lawyers
Business Support
Administrators

SERVICES

Include but not limited to:

Specialist Services
Production companies
AV production
Talent agents, casting
Staging services
Marketing and PR
Advertising
Web development
Ticketing
Designers
Projection
Set construction
Graphic/Art design

Support Services
Logistics
Travel, Transport, Taxis
Retail
Security
Construction, carpentry
Electricals

Suppliers
AV services
Equipment hire
Facility hire
Accommodation
Restaurants & Catering
Insurance
Merchandise

INFRASTRUCTURE

Include but not limited to:

Production
Set production workshops
Rehearsal space
Warehouse/storage
Specialised equipment
Sets/props High Speed Broadband
High Speed Broadband
IT/computers/software

Presentation Platforms
Theatres/Venues
Come Out Children's Festival
Schools
Adelaide Festival & Fringe
Something on Saturday
Children's events
Adelaide Film Festival
Adelaide Kids Film Festival
Digital channels
Online media
Mobile Devices
Festivals
Game platforms
Odeon Theatre

ORGANISATIONS

Include but not limited to:

Production Entities (core)
Patch
Windmill
Slingsby
Independent TFYA producers
Independent TFYA performers

Production Entities (other)
Youth Theatre producers and companies
Cirkidz

Related Entities
Arts SA/DSD
Carclew
Arts Industry Council SA
DECS/independent and public schools
Credit Union Christmas Pageant

Education and training
Media Resource Centre
TAFE SA
Universities – Flinders – Adelaide - USA
Registered Training Organisations
Public/private teachers/coaches

MARKETS

Include but not limited to:

Direct
Live performances
Touring (Int/Nat/Reg)
Schools
Licensing
Cinema (Windmill)
Online Distribution
Arts Festivals

Market Opportunities
Merchandising
CDs/DVDs
Licensing
Theatre performances
Trade buyers
Public sector
NGO/NFP
Games developers
Corporate clients
Digital production
Books
TV and screen
Live Streaming

Consultation & Research Findings

1. Adelaide is reported to be creating a unique informal cluster of three internationally recognised companies creating theatre product for children and young audiences. We have been told that the US doesn't have an equivalent theatre company to Patch that is producing theatre focused towards very young children. In addition to the three key companies at the centre of this research there is a range of other players creating unique contents either for or with young people across the state.
Question: *How can South Australia best capitalise on these highly skilled writers, producers and performers to: extend the life of productions; further consolidate its international reputation; increase the number and range of high quality productions; and increase employment opportunities for key creatives, technical staff and support services?*

2. Based on the work of the key companies, other independent producers, Carclew, Come Out Children's Festival and the children's film festivals, South Australia can build a centre of gravity here and position Adelaide as a destination for all things around children, growing organically from the state's existing strengths.
Question: *What are the conditions that would assist in achieving this level of international recognition?*

3. Reinforce Adelaide as a child friendly city that excites the imagination of children by refreshing the commitment to child friendly arts activities associated with theatre, film, festivals and the visual arts. In partnership with the Mindpop program from Austin Texas, the Adelaide Arts Rich Together (A>R>T) project, has developed as a 5-year partnership proposal to deliver body-based learning in schools in Adelaide's disadvantaged northern and southern suburbs.
Question: *What can the State Government do to ensure the ongoing commitment of the Education Department and other relevant public sector organisations to the arts for children?*

4. Adelaide could be capitalising more on the local strengths in its 'ecosystem' – such as children's writers, illustrators and publishers, independent producers and performers. Also build stronger 'system' connections, between the theatre companies, Come Out Children's Festival, Carclew and other Festivals and events. For example, the Come Out Children's Festival included The Invisible Torrens project at South Australian Medical Research Institute (SAMRI) for primary school children. The project brought together art and science to explore the water quality of the River Torrens.
Question: *Is there a need for an ecosystem mapping project and an industry forum to bring the players together and provide ongoing networking and coordination?*

5. South Australia has a strong reputation as an originator and service provider of performing arts experience for young people - including, a notable history in the youth arts area supporting the importance of the arts in primary and secondary education. Building on this reputation with increased activity and pre-eminence in this field can leverage SA's existing assets to gain a world reputation as a leader in the field of arts-based education at primary and secondary school level.
Question: *How can the sector increase connections and collaboration between SA's creative industries for young people (including Theatre for Young People companies, Carclew, the Come Out festival and others) and those who can drive the evolution of arts-based education at Primary and Secondary levels? Can we encourage tertiary educational research and training institutions and the Education Department of SA to work with the sector to develop world-leading research and practice, attracting visitors and intellectual capital from around the world to SA to see, experience and discuss world's best practice in this field?*

6. There is a range of economic constraints associated with the sector, such as generally small audience numbers, keeping ticket prices affordable for families, and the cost of touring and current limitations of funding to offset these costs, especially in relation to touring within South Australia.
Question: *How can these constraints be overcome in order to ensure children across the state can experience the richness and magic of a high quality theatrical production?*

7. Create more connections between Theatre for Young Audiences' companies and Asia – as soft diplomacy, to build the brand of the state and to strengthen cultural ties – at the moment touring is expensive and it's hard to access the funding.
Question: *What opportunities, in addition to current federal and state funding, exist to economically support the companies to tour and showcase their products in markets including the US, Europe, UK and Asia?*

8. The Adelaide cluster of TYA companies is committed to producing high quality theatrical content with unique story lines tailored to their specific audiences. While Windmilll has recently made their first film, the majority of productions are performed within a theatre environment, which has its limitations associated with infrastructure, technology and cost. The 2015 REMIX Youth Theatre Workshop event identified the great potential of utilising new digital technologies in both the production of theatrical performances and in generating new opportunities for the delivery of these performances to a wider audience.
Question: *Can the SA companies explore new ways of telling their stories through the innovative use of digital technology? This could assist the sector to expand its reach and to engage "digital natives" in a new level of theatrical screen experience.*

9. Of the existing theatres in Adelaide and the regions, only a small number are suitable for the productions of the theatre for young audience companies. This is due to the nature of their performances, ideal audience size and technology requirements.
Question: *Is there a need and ability to invest in upgrading existing venues or building new infrastructure to meet the needs of the sector?*

10. There are opportunities for South Australia's highly creative TYA cluster and the broader youth theatre sector to build a stronger economic base and to contribute to the social and economic sustainability of the state beyond the creation of specific theatre productions. At the Adelaide REMIX event a wide range of opportunities for 'spillovers' into other areas were explored, including utilising theatrical experiences in corporate and social development activities.
Question: *How can the State Government capitalise on this skill base to improve creativity within business thinking, work with young unemployed people to build innovation and entrepreneurship and develop alternative income streams for the TYA sector?*

So what could further leverage the cultural and economic potential of the Theatre for Young Audiences in South Australia?

1. A CREATIVE HUB

Clustering local theatre companies may create critical mass, may allow for shared sector specific infrastructure and create enhanced visitor experiences. The cluster can expand out from the three key companies involved in this study to encapsulate the other independent producers of theatre for and by young people. Critical mass would be further developed with the inclusion of other activities for young people such as those provided by Carclew and Come Out Children's Festival, etc.

Goal: *To explore the potential of a centre similar to Capital E in Wellington being created in Adelaide, with a mix of subsidised and commercial elements, aligned with Adelaide's ambition to be a child friendly city. Consider if it is possible to capture the imagination of children in order to help shape education and creative thinking programs for adults. For example, ensuring the imaginative approach of children can help to solve problems in new ways.*

NEW WAYS OF THINKING

Capital E
Capital E is a child focused centre in Wellington that aims to 'ignite' the creative spark through digital workshops, live performances and events. It includes the National Theatre for Children, MediaLab, the OnTV Studio and a National Arts Festival (with a biennial arts festival for children). (It also licensed a Patch production – Mister Magee and the Biting Flea.)
http://capitale.org.nz/

2. DIGITAL THEATRE

With the developments in digital technology, there are opportunities for Windmill, Patch and Slingsby to develop an innovative process of creating work for young audiences that involves new, immersive digital content that could be commercialised and distributed globally through the internet. Windmill Theatre has produced their first film and other TYP companies such as Country Art SA and Sandpit are working on the development of digital theatre projects for and with young people in regional SA.

Goal: *To position South Australia in order that it can capitalise on its content development expertise in the fast evolving digital environment and identify who will drive the imitative.*

NEW WAYS OF THINKING

Capital E MediaLab
The lab helps young people develop games, 3D movies, Android Apps, Music, Soundtracks, animations.

Griffin Theatre Company
In 2013, Griffin began working towards the development of a digital strategy to interconnect all areas of its business – artistic, technical production, box office, business development, marketing and communications. It has investigated the potential of "digital theatre" with participants representing theatre, film and television, architecture, urban planning, banking, gaming, digital and social media. Griffin worked with Google Creative Lab to research and develop a project that placed digital at the core of conceptual development, artistic process and delivery. The project Luck, Bad Luck, was conceived and then took place in the latter half of 2014.
http://www.griffintheatre.com.au/

3. CROSSOVER CONNECTIONS

There are also opportunities to explore which other sectors of the economy could benefit from the iterative and experimental process that leads to new performances. In addition to seeking new sources of direct economic benefit, the theatre sector, especially groups such as True North, has potential to explore social issues and support community development programs that would bring long-term social, health and economic benefits to the state.

Goal: *Are there opportunities to harness the power of performance: to further the state's Wellbeing and Resilience agenda; to break down barriers to employment in areas struggling with high youth employment; and support SA businesses develop a competitive edge through creative management practices?*

NEW WAYS OF THINKING

Drama-Based Training
There is a worldwide industry in providing drama-based training to the corporate sector. For example, NIDA includes, as part of its training package, courses for the corporate sector and promises to deliver practical skillsbased training programs with expert training from some of Australia's best performers.
https://www.corporate.nida.edu.au/

Mindpop
The Mindpop Creative Learning Initiative is at the University of Texas at Austin. It has established drama-based pedagogy, or Drama-Based Instruction (DBI), as the foundation of the professional creative learning model that the uses arts engagement to improve academic achievement and higher attendance rates.
http://mindpop.org/

4. NEW THEATRICAL EXPERIENCES

There is a significant limitation to the touring of theatre for young audiences, including the lack of funding for intrastate touring, inappropriate venues and the sheer cost of touring a theatre company and its staging. International touring is of high prestige value, but not a cost effective activity due to the added expense of taking a touring company overseas. It is also increasingly difficult and expensive for schools to organise group outings to attend performances. The development of new digital tools may provide alternative mechanisms for delivering an immersive and meaningful "theatrical" experience, for example, via the developing technologies of "augmented" and "virtual" reality.

Goal: *To explore new ways the sector could be supported to tour and build on South Australia's reputation or to develop new, potentially digital content that can augment the live experience and or provide an alternative to live theatre, while still presenting a quality storytelling experience.*

NEW WAYS OF THINKING

New Technologies - Advances in augmented and virtual reality are emerging from technologies such as Microsoft's HoloLens, DisneyQuest and Oculus Rift.

The Virtual Stage - Dassault Systemes, in collaboration with the Théâtre du Corps, have created a mobile "magic box" which is basically a disassemble-able series of four screens and six projectors that would be the canvas for an immersive theatre environment. The box, a virtual reality space, has Kinect sensors that track the dancers' movements. So, for example, when the dancers jump, meteorites bounce, or when the dancers kick, a flurry of leaves float through the air.
http://www.wired.com

5. SOFT DIPLOMACY

As with other cultural sectors, the potential for Theatre for Young Audiences and Theatre for Young Peopleto help build connections with other cities and regions, connected to our trade ambitions, is underdeveloped. Adelaide's festival program can contribute to the building of the international reputation of Windmill, Patch and Slingsby by commissioning new works to be showcased to international visitors and overseas delegates to conferences and business events.

Goal: *To ensure that South Australia and Adelaide in particular capitalise upon the strong reputation the TYA companies are building overseas.*

NEW WAYS OF THINKING

Imaginate
Imaginate is an annual children's Festival in Edinburgh that badges itself as the biggest performing arts festival for children in the UK. It aims to showcase international and Scottish work for children and to attract programmers for festivals across the world. It's also created a 'Family Fringe' program and is included as part of the Made in Scotland performances at the Edinburgh Fringe.
http://www.imaginate.org.uk/

5.5

CRAFT

NATURE OF SECTOR

Craftspeople are Creative Originals, they produce original work based on knowledge of materials, design and making.

This project considered four subsets of the crafts sector – glass, furniture, ceramics and jewellery. These subsets are relevant because of there being workshops at the JamFactory in each of these areas of practice and also that there are a significant number of individual practitioners working in these disciplines in South Australia.

In Australia, the 2014 National Craft Initiative report "Mapping the Australian Craft Sector" found:

An overview of recent ABS statistics reveals a high level of engagement in the crafts of approximately 10% of the Australian population.

- *Just under 2 million Australians are engaged in craft practice*
- *About 1.7 million people are engaged in "Textile crafts, jewellery making, paper crafts or wood crafts"*
- *294,000 people are engaged with "Glass crafts, pottery, ceramics or mosaics"*
- *1.2 million young people do arts and crafts activities for fun*
- *Visual arts and craft events were attended, on average, twice as often as other art forms over a 12 month period. Attendance at craft events has increased to one in five 15-24 year olds and one in three of those over 65*
- *Across the arts, craft events had the highest number of attendances at 16 times a year, while sculpture and installation art events had the least number of attendances at 10 times per year.*

Locally produced original and quality crafts help create distinctive places – especially when their work is displayed in the urban environment, restaurants and public buildings.

People working in the crafts have knowledge of materials, design and making. The UK estimates the crafts sector contributes around £3.4b annually to its economy – with those working in clay, textiles, ceramics, metal and paint having the biggest turnover.

The world is pulling these crafts skills and knowledge of materials into the 21st century – connecting them to highly skilled, dynamic sectors such as biosciences and robotics. The skills of making have also been disrupted through 3D printing, laser technology and the digital world, including virtual crafts.

Exciting opportunities are developing with the continuing evolution and rapid take up of new technologies. The rise of the digital practitioner is especially significant as is the use of the online environment in all aspects of the design, making and manufacturing, delivery, promotion, exhibition, sale and critical discussion of craft and design. The virtual is interacting with and influencing handmade modes of practice.
Mapping the Australian Craft Sector 2014

There is an increasing 'maker movement' emphasising the handmade and 3D printing and digital production, laser technology and 'virtual' crafts. Demand continues to accelerate for good design in urban spaces, architecture and interiors. In a global world, there is a new value on provenance and the local. There are increasing opportunities to access global markets using online platforms – but success relies on savvy marketing and 'audience building skills'.

There is growing interest in crossover opportunities between craft specialist knowledge of materials, design and making with other sectors. A UK study found that craftspeople contributed to high value sectors such as biomedicine, science and engineering. Glassblowers are working with clinicians to make moulds for bioengineered organs and creating precision glass for instruments. Some makers are displaying in a virtual world. There are opportunities for apps – for example, helping people try on jewellery virtually.

The JamFactory has multiple roles. It supports skills development through its associates program; industry development by connecting crafts people with industry opportunities; exhibitions through its dedicated galleries; and sales through its shops and online sales.

Guildhouse has an extensive membership of over 600 who are supported with skills and professional development programs. It collaborates with other organisations and institutions to deliver diverse projects that take creative professionals outside of their traditional studio practice. It places them in environments where they can research, experiment and develop new work that is presented to a broad new audiences. Guildhouse offers mentoring opportunities, interest free loans and are launching a new online marketing platform later in 2015.

Both JamFactory and Guildhouse are exploring new ways of marketing and funding crafts work – through crowdsourcing, sponsoring online sales, etc.

Craft -Sector Data

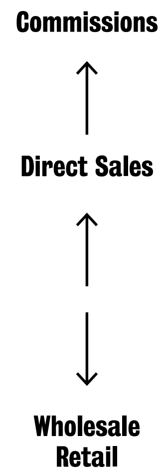
Ceramics	Furniture	Glass	Jewellery
73	29	67	85

254 Total

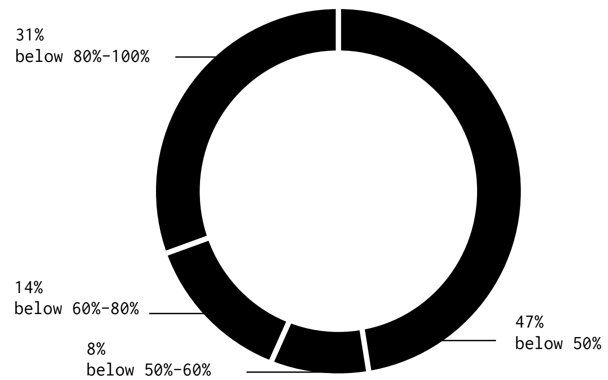
Guildhouse
[Active Members in these artforms only]

SURVEY FINDINGS
The data below is drawn from a 2015 survey of Guildhouse members.

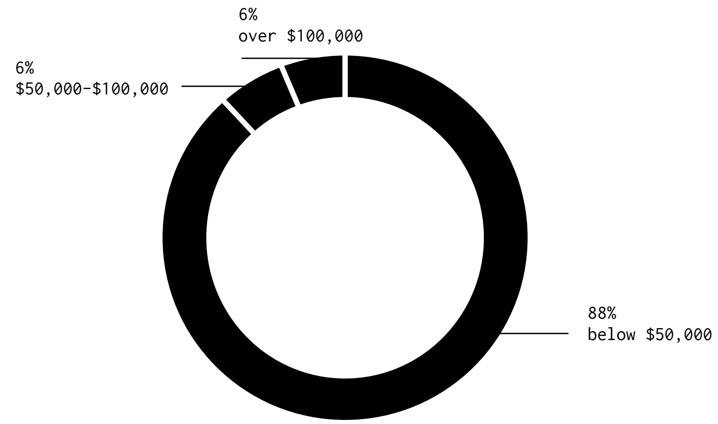
Craft Market Distrobution - Survey data



Trends in Craft Marketing



Percentage of income from craft

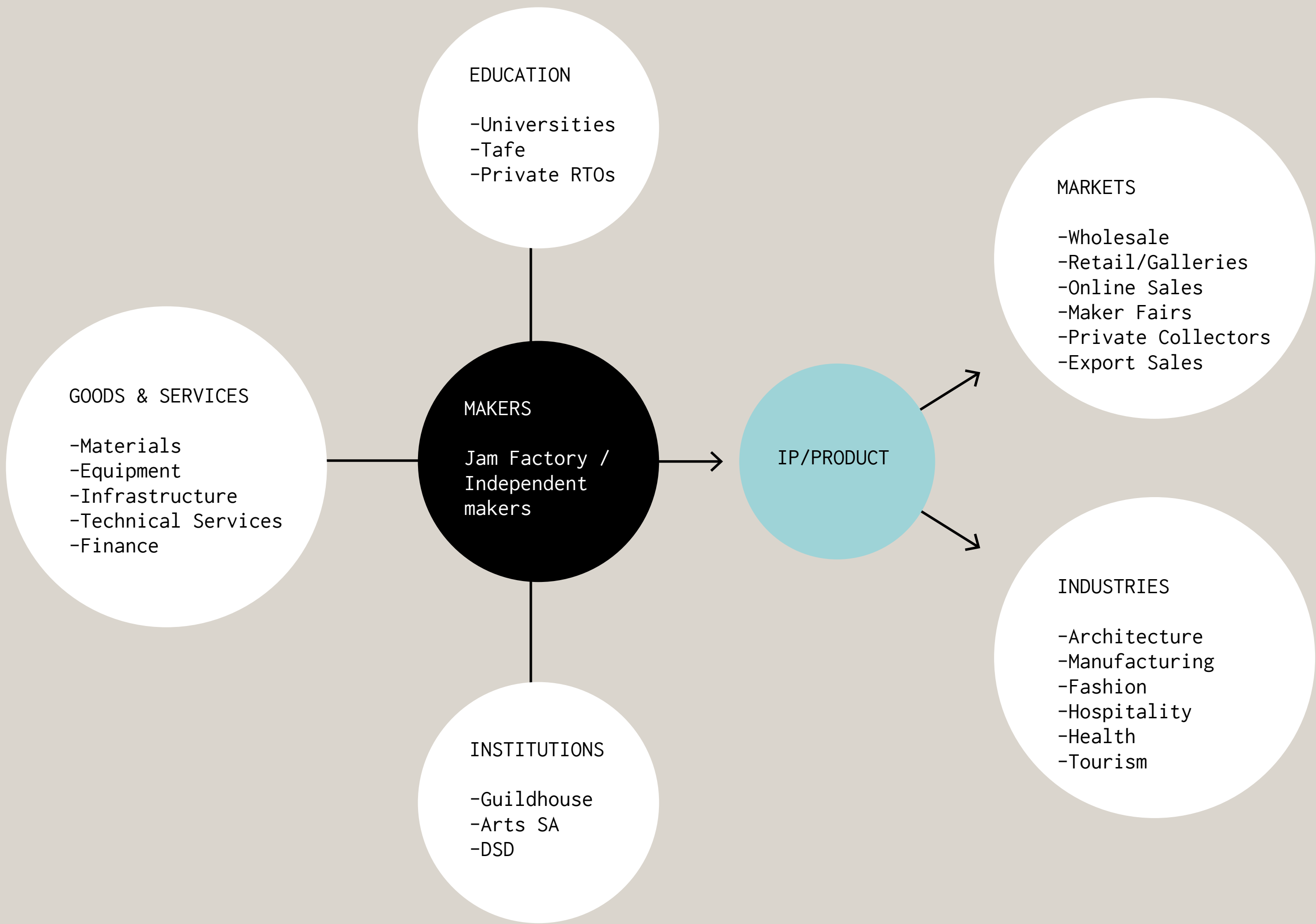


Income earned form craft

Craft Ecosystem Summary

Strengths – clusters of skilled people, micro and small businesses, skills development programs, glass workshop infrastructure, business support available, range of training programs, craft markets, access to materials.

Gaps – no specific policy, networking and coordination support is limited, use of internet marketing and sales still limited, global markets are competitive and connections to industry developing, crossover connections are limited.



Crafts Industry Ecosystem Map

PEOPLE

Include but not limited to:

Key Creatives
Jewellers
Ceramicists
Furniture Designers
Glass artists
Crafts people

Technicians
Metal Finishing
Jewel Setting
Furniture Makers
3D Printing
Laser cutting
Equipment maintenance

Professional Services
Accountants
Lawyers
Business Support
Crafts experts

SERVICES

Include but not limited to:

Specialist Services
Marketing/PR
Web development
Photographers
Brand Support
Videographers
Freight
Insurance
Fundraising

Support Services
Retail
IT Support
Logistics
Web Design
Printing
OHS Management
Marketing
Writers

Suppliers
Crafter materials
Specialised equipment
Fuel supplies
Glass supplies
Metal supplies
Wood Supplies
Clay/glaze supplies
Fittings

INFRASTRUCTURE

Include but not limited to:

Production
Jam Factory
Studios
Specialised equipment
Warehouse and storage
Kilns
Galleries
Glass furnaces
Retail outlets
Lathes and saws

Presentation Platforms
Galleries
SALA Festival
Jam Factory - retail
Jam Factory - galleries
Online/Digital 'Maker' Platforms
Restaurants, bars
Retail
Markets
Exhibitions
Guildhouse "Well Made"
Festivals
WOMAdelaide
Speciality retail
Conferences and events

ORGANISATIONS

Include but not limited to:

Sector Representatives
Guildhouse
Studio Potters SA
Jewellers and Metalsmiths Group of Aust (SA)
Wood Group SA
Aus Glass
Aust. Ceramics Association
Jewellers Association of Australia

Production Entities
JamFactory
Private Studios
Individual makers
Collectives

Related entities
Arts SA, DSD
Arts Industry Council SA
Cultural Institutions
Australia Council
Helpmann Academy
Carclew

Education and Training
AC Arts/TAFE SA
University of SA
Registered Training Organisations
Public/Private teachers
WEA
Schools
Arts Orgs delivering Prof development

MARKETS

Include but not limited to:

Direct
General Public
Specialist collectors
Markets and maker fairs
Interior design
Architects
Tourists
Urban design
Public art projects
Local government
Industry bodies
Export market
Fashion accessories
Licensing designs
Trade buyers
Restaurants and bars
Schools

Market opportunities
Merchandising goods
Digital technology
Specialised software
Online distribution
Manufacturers (multiples/scale)
Fashion industry
Bio medical
Aging sector
Licensing design
Hospitality sector
Building industry
Tourism industry
Cross over - collaboration

Consultation & Research Findings

1. The JamFactory and independent craftspeople report that there is increasing demand for locally designed and produced, high quality goods, and for interior designers and architects. This has led to a growth in commissioned work for craftspeople, especially in furniture, glass and metal.
Question: *How can the sector more effectively support the development of connections between the crafts and the built environment professionals and other industry sectors?*

2. We may be inadvertently creating expectations in craftspeople that they will work alone and in micro businesses rather than create collective working environments or studios that employ others.
Question: *For craftspeople outside of the supportive environment of the JamFactory, is there a real potential for a growth in the number of viable and sustainable craft businesses employing skilled craftspeople, and if there is, how can such growth be encouraged?*

3. There is a perceived need for more opportunities for craftspeople to connect with each other: to know who is working in a similar practice; who has access to certain equipment; or who are potential collaborators and future business partners.
Question: *How can the Guildhouse, as the industry representative body, further develop the networking programs it traditionally provides in order to expand its support to this industry connectivity?*

4. There is an expressed interest in the potential for a craft connection with the Tonsley Development, which is seen by some as potentially providing multifunction space for crafts and industries to operate in close proximity, hopefully resulting in crossover opportunities for new products.
Question: *Is this an option at Tonsley, or elsewhere, and if so how can this be explored and brokered for the professional craft sector?*

5. The makers need greater help to understand the market, how to connect to manufacturers (for example), how to identify gaps in the market and help in designing for the gap.
Question: *How can the Guildhouse, JamFactory and DSD expand on current activities to further connect maker and market?*

6. There is still a strong manufacturing base in Adelaide for furniture and the JamFactory studio is exploring connections with manufacturers as they can provide the design skills and prototyping. Such a relationship could be highly beneficial to both parties as new products could be developed and built up slowly to limit risk for manufacturers. Other independent furniture craft/design practitioners are also working with furniture manufacturers on products such as street furniture.
Question: *How can the JamFactory, Guildhouse and DSD further support and expand this area of practice?*

7. Linked to South Australia's growing focus on the quality food and wine products, local restaurants are commissioning tableware and other craft products to heighten the dining experience. With SA tourism focusing on promoting the state's growing reputation for local and authentic dining experiences this concept of featuring the local products has great potential for the crafts sector and it aids the restaurant in building a total dining package.
Question: *How can this trend be capitalised upon from a tourism perspective, what opportunities exist for the crafts to build stronger tourism relationships?*

8. Adelaide is seen as a glass city as a result of the combination of the Adelaide College of the Arts, the JamFactory and the work of numerous independent glass artists. The glass studio is used by about 50 craftspeople and is close to capacity.
Question: *How can this strength be further capitalised upon and is there an opportunity for further investment in the existing JamFactory studio and/or to explore the options for a second 'glass studio' to be developed in Adelaide with addition infrastructure and shared studio spaces?*

So what could further leverage the cultural and economic potential of the craft sector in South Australia?

1. LAYERED TOURISM

Adelaide has a series of small craft and art studios, galleries and shops and the studios, gallery and retail space at the JamFactory. More could be done to connect these so that interested tourists could explore these places. This could be part of the open studio scheme and include 'come and try sessions' to coincide with SALA (for example).

Goal: *To consider if an event such as SALA could be the catalyst for a growth of alternative venues for the exhibition and sale of craft and art throughout the year and not just during the festival. If so, identify what would be required from the Guildhouse and JamFactory and other agencies to make this happen.*

NEW WAYS OF THINKING

Finland's Glass Trail - Helsinki and Finland with a depth of experience in glass have created a 'glass trail' where tourists can visit workshops, studios, museums and exhibitions all devoted to glass. You can travel to Finland to train in glass design – from short courses to high-end education. They celebrate and highlight their glass designers through the design museum.
http://www.visitfinland.com/article/on-finlandsmagical-glass-trail/

City Safari, Rotterdam - offers clients an opportunity to meet the locals in their own homes, workshops, places of worship, shops, clubs and institutions. They open doors for their clients that normally remain closed to satisfy client's curiosity and offer an encounter with the daily life of the city. Every City Safari is custom made, based on their client's preferences.
http://www.citysafari.nl/

2. NEW 'MAKER CO-WORKING' CREATIVE HUB

People in this sector can feel isolated. Where are the opportunities to help create more connected communities where people may feel stimulated by working with or around others? Regeneration areas such as Tonsley, Bowden or Playford may have larger scale spaces for makers, trades, industrial designers, urban designers, set designers and others working on a large scale. Such a place would provide opportunities for participants and/or artists in residence to work in collaboration, draw on technical and creative expertise and share equipment. Such a space could also be combined with retail, education, 3D printing and digital making.

Goal: *To explore how such a creative cluster could be developed that does not duplicate the functions of the JamFactory, and identify who would drive its establishment and finance its infrastructure.*

NEW WAYS OF THINKING

Brainport Eindhoven – is considered to be the top centre for innovation in Europe. They've created 'GUIDE', a manual to help Creative Entrepreneurs bring ideas to the market and connect mainstream and creative industries. They use events to focus on broadening knowledge and skills, exchange experiences, discovering new insights and finding investors. They have created a travelling exhibition called 'Made in Brainport' which connects the 'top sectors' in Eindhoven (high-tech materials, automotive, food, home, care and energy) to the themes, craft, local, farming, environment, technology and wellbeing.
http://www.brainportdevelopment.nl/en/

3. DIGITAL AND CROSSOVER

Orchestrating connections between the digital communities, bioscience, internet of things and crafts to share knowledge about innovation and to explore areas of joint interest. Addressing the challenge of embracing new technologies such as 3D printers while maintaining the integrity of the craft.

Goal: *To identify opportunities to build crossover partnerships, if there is a brokering role for ANAT, and what incentives, such as innovation awards, might be offered to kick start the process.*

NEW WAYS OF THINKING

Make:Shift - UK Crafts Council holds a biennial crossover event Make:Shift that connects the crafts to people working in biosciences, robotics and the Internet of Things. This event coincides with an invitation to the public to visit and try out various crafts practices called Make:Shift:Do
http://www.craftscouncil.org.uk/what-wedo/makeshift/

Front Studio - The Swedish design studio Front found a way to materialise freehand furniture sketches by capturing the motion data of pen strokes. The digital files were then printed using rapid prototyping, resulting in unique, tactile furniture.
http://.frontdesign.com/

Unfold Studio – The Belgium design studio believes they are on the cusp of the post-digital era – a time when distinguishing between the digital and analogue ways of thinking will no longer be relevant. Instead, the two will be so irreversibly intertwined that we won't even notice a divide.

4. NETWORKING & SECTOR CROSSOVERS

Encouraging networking between craftspeople from a range of disciplines and sectors such as advanced manufacturing could help to generate crossover opportunities, technological innovation and open new markets.

Goal: *To establish how the crafts could add value through crossover opportunities with other sectors to foster innovation.*

NEW WAYS OF THINKING

Craft & Enterprise, Crafts Council 2012
The Crafts Council of the UK 2012 report Craft & Enterprise includes the following examples of industry crossovers:
http://www.craftscouncil.org.uk/downloads/craftenterprise/

— ‘Intelligent textiles’ by Philippa Brock weaves sensors and wireless communication fibres together into new types of fabric, with potential uses in the high performance clothing and biomimetic architecture.
— Metalworker Trish Woods’ work with pewterware manufacturers is creating new colours and surface finishes designed to extend market potential.
— Glass maker Dr Vanessa Cutler’s work with water-jet cutting companies has expanded the technical capabilities of an entire industry sector.
— Jeweller Lynne Murray supplies branded, digital ‘try it on’ technology solutions to luxury goods clients including IBM, Triumph Essence and BMW

5. GROWING A BUSINESS

People in the crafts usually work as micro enterprises and may be inadvertently discouraged from growing their businesses because the cultural expectation is not there. In addition, there is a rather narrow perception of what a craft-based business is and how skill sets can be applied in a broader context.

Goal: *To establish if craft practitioners are confronting barriers to business growth, and if so, identify what are the barriers and how can they be overcome. Identify and promote existing business development services where craft-based business could seek support to build entrepreneurial, marketing and communication skills.*

NEW WAYS OF THINKING

Cockpit Arts Business Incubator
Loans issued to makers at the Cockpit Arts business incubator in London, in 2007 and 2008, increased their turnover by up to 600% over a two-year period, and their profit by an average of 185%. Evaluation of the scheme found that loan recipients reported bigger improvements in overall financial performance than other Cockpit Arts members, who used incubation facilities and/or mentoring services without taking loan finance.

The Cockpit Arts & Ingenious Growth Loan Fund has a zero default rate, with beneficiaries reporting sales growth of 129% between 2010 and 2013.
http://cockpitarts.com/

6. CRAFTS & THE URBAN ENVIRONMENT

As cities all over the world are investing in improving their public spaces, there are opportunities for local craftspeople to collaborate with local architects and designers to design street furniture, lighting, fencing and other infrastructure that could add to urban quality and be produced at scale. Many jurisdictions require a percentage of the development budget to be applied to the commissioning of art within the publicly accessible spaces.

Goal: *To identify what is required to build on the current examples of activity in this area in order to generate a viable and sustainable industry sector.*

NEW WAYS OF THINKING

Developing New Architectural Materials
Resilica® is a waste glass/resin composite building material developed by craftspeople Jim Roddis and Gary Nicholson. It is a bespoke material made in the UK from 100% recycled glass waste mixed with a specially developed solvent-free resin system then cast into solid panels.
http://www.resilica.com/

Reykjavik Concert Hall
Glass artist Olafur Eliasson designed the façades through a collaboration with Henning Larsen Architects. The building’s façade is based on a geometric form that refers to the crystallised basalt columns that are commonly found in Iceland. The dichromatic and reflective qualities of the glazed façades create shifts in their appearance and colour according to the movement of the visitors and the weather.
http://www.henninglarsen.com/projects/0600-0699/0676-harpa---concert-hall-andconference-centre.aspx

7. GLOBAL MARKETS

Access to online marketing allows individual craftspeople and craft business to present their goods to a global market not previously possible. The opportunity exists to bring together, through a South Australian marketing portal, the highest quality craft being produced in the state and build a critical mass to offer to the market. The Guildhouse is currently exploring options for a “Well Made” online platform.

Goal: *To consider the advantages and disadvantages of such a portal and if it is best delivered by the craft sector organisations such as the Guildhouse and JamFactory or by a commercial entrepreneur.*

NEW WAYS OF THINKING

e-commerce
While much of the product available on ecommerce sites are not of a highly professional standard they do demonstrate the potential of online sales. Etsy’s claims it supports 800,000 craft shops and a community of 20 million buyers and creative businesses, and reported annual sales in the order of $750 million in 2012. It is reported that Australians are among the top 10 nations doing business on Etsy. The Australian e-commerce Madeit which is promoting purely Australian craft, is reported to have over 90,000 registered users and 11,000 sellers.

6.0/1

RECOMMENDATIONS

As this report makes clear, in Adelaide and SA, our economic, social and cultural futures are intertwined. This means that collectively a creative economy approach offers our best chance for developing a city and region which is sustainable, balanced, inclusive and distinctive, and generates innovation and high value. Our economic future is inseparable from our success in arts, culture and the creative industries. Our core assets here – in festivals, screen, crafts and theatre – mean we can co-create distinctive pathways which distinguish us from the rest of Australia and resonate internationally.

Each of these sectors would benefit by building a stronger 'industry identity' around their wider ecosystem – to map where there could be better connections and opportunities for shared benefits.

There are opportunities to grow the economic contribution of the four sectors. The most significant of these opportunities may come from their contributions to innovation systems, the digital economy and through 'crossover' innovation with other sectors.

There are opportunities for existing companies to access new revenue streams if REMIX related opportunities are developed in SA. But it's also evident that these can't be mandated, they need to flow from the inspiration of people wanting to do this.

South Australia could be improving its 'innovation ecosystems' and building stronger connectivity. When the breadth of its ecosystem is considered, each sector is much larger than it initially appears to be.

Ideally, the sector building process should start with more active networking and connecting processes in order to build industry identity, leadership and an appetite for 'clustering'. Industry leadership should come from the Arts Industry Council of SA, which may want to lobby the state government for 'connecting' support.

Then there are opportunities to activate 'digital' and 'crossover' innovation focused on tackling real world problems with other sectors.

A way to demonstrate what's possible may be through a 'creative tourism' program. Innovation and job and business outcomes in this sector could provide a template for other crossover opportunities.

The recommendations are structured as follows:

1: Industry Identity & Development
The research and consultation suggests that there is a lack of a strong identity and coherence as an Industry Sector within the South Australian economy. It also found that the sectors would benefit from increased knowledge of the ecosystems that exist around each sector and by building strength through clustering.

2: Connecting & Networking
There is an industry assumption that SA networks are strong and it is easy to connect, however our findings suggest that the networks are often closed and narrow in their focus. Therefore, there is an opportunity to build stronger and more meaningful networks in South Australia both within the creative industries and across other areas of the state's economy.

3: Innovation & the Digital Economy
The digital economy will either assist or disrupt creative industry activities. While the study found some interesting examples of innovation within the four sectors there is a greater need for the creative sectors to engage with technology to extend their reach, create new experiences and products, solve problems in new ways and inspire and engage with innovators outside of the cultural milieu.

4: Specialised Education
Feedback from all four sectors reviewed, reinforced the need for greater industry input into education and training and that there is a potential for South Australia to become a renowned centre for creative industry education.

5: Layered Experiences
The cultural content generated by each of the four sectors, and broader cultural and creative sectors in SA, could be capitalised as a tourism product and an opportunity to create more interesting tourism experiences. There is a wide range of opportunities for 'creative tourism' linked to areas such as the state's regional food and wine experiences, convention activities and richer connections between the creators and consumers.

1 RECOMMENDATION

INDUSTRY IDENTITY & DEVELOPMENT

The research and consultation suggest that there is a lack of a strong identity and coherence as an Industry Sector within the South Australian economy. It also found that the four sectors would benefit from increased knowledge of the ecosystems that exist around each and by building strength through clustering.

RECOMMENDATION

That the four sectors are recognised as important to the South Australian economy not only as a cultural industry sector in their own right, but for their potential contribution to the social, employment and economic wellbeing of the state and are therefore supported to grow and to develop crossover opportunities with other areas of the state's economy.

To achieve this recommendation the following actions are proposed:

Short-Term Action 1.1: For the AICSA to build on the work of the various sector representative organisations and convene an industry forum or forums with the creative and non-creative occupations associated with the four sectors. The focus of the forums would be to establish if there is a genuine ambition for industry development within and across the four sectors.

Benefit: Development of a clearer understanding of the ambition for and commitment to grow as industry sectors. This will assist in identifying and targeting business development programs to meet the needs of each sector and identify capacity for job creation in the future.

Medium-Term Action 1.2: To undertake a detailed ecosystem mapping exercise for each of the four sectors in order to capture the potential ecosystem of private, public, education organisations, businesses and individuals in order to draw together and map what is here, where there is ambition for development, who is vulnerable and the potential to make interesting connections with other sectors, both in and beyond the arts scene.

The mapping should build upon the initial ecosystem mapping contained in the sector profile sections of this report and also seek to gather details on the number of non-creative businesses (plus employment data) supporting and benefiting from the creative sector.

Benefit: There would be a clearer picture of the nature of the sectors and their impacts across the state economy. It would also provide the industry with a greater understanding of the interconnections that exist across sectors and help to identify areas for growth.

Long-Term Action 1.3: To call for proposals and propositions for the establishment of a smart specialisation cluster or series of clusters in Adelaide based around the four sectors. To review the proposals and assess their feasibility.

Benefit: Establishing the level of interest and feasibility of developing clusters across the creative industries.

2 RECOMMENDATION

CONNECTING & NETWORKING

There is an industry assumption that SA networks are strong and it is easy to connect, however our findings suggest that the networks are often closed and narrow in their focus. Therefore, there is an opportunity to build stronger and more meaningful networks in South Australia both within the creative industries and across other areas of the state's economy.

RECOMMENDATION

It is recommended that AICSA work with the state government and the creative industry bodies to establish strong and resilient industry networks across the sectors and build new and expanded connections with South Australia's, research, manufacturing and service sectors.

To achieve this recommendation the following actions are proposed:

Short-Term Action 2.1: For the AICSA and sector industry bodies to partner with state government to explore options for new 'meeting places' in the real and virtual worlds that could connect individuals and extend networks between the arts, cultural and screen industries with other industries.

Benefit: Connections are made across sectors that would be impossible for an individual practitioner or business to make on their own.

Medium-Term Action 2.2: For the AICSA to identify existing mechanisms that support connections and networking, including industry associations, how they see their roles and objectives, where there is overlap or competition as well as gaps and opportunities.

Benefit: The state's resources are maximised and both sector practitioners, and the sectors as a whole, gain maximum benefit from their respective industry bodies.

Long-Term Action 2.3: For the AICSA to recommend to the state government to explore the incentives or mechanisms that could support active crossover connections between the creative sectors and other industry sectors such as bioscience, food and wine, environmental, robotics, and internet of things in order to create new services and products that would benefit the state.

Benefit: Targeted industry interventions and "innovation matchmaking" occur in key areas of the state's economy that utilises the special skills of the creative sector.

3 RECOMMENDATION

INNOVATION & DIGITAL ECONOMY

There is a strong digital economy that can assist or disrupt all areas of creative industry activity. While the study found some interesting examples of innovation within the four sectors, there is a greater need for the creative sectors to engage with technology to extend reach, create new experiences and products, solve problems in new ways and inspire and engage with innovators outside of the cultural milieu.

RECOMMENDATION

That the four sectors are positioned at the forefront of international creativity through appropriate application of digital technology within their specific areas of cultural and creative practice.

To achieve this recommendation the following actions are proposed:

Short-Term Action 3.1: For the AICSA to explore opportunities for the sectors to further benefit from the digital economy by connecting creative practitioners with digital entrepreneurs to showcase digital innovation, demonstrate how to better utilise digital technology, explore new business models and foster start-up opportunities.

Benefit: Connections are built that will both contribute to the development of innovative and creative product and provide opportunities for sector practitioners to utilise their skills in new areas of industry.

Medium-Term Action 3.2: To establish a Creative Industry Innovation fund to support an "Innovation Challenge" open to creative industry practitioners in collaboration with other industry sectors.

Benefit: Creative sector practitioners are encouraged to seek out innovators in other sectors and benefit from the potential of start-up funding.

Long-Term Action 3.3: For the AICSA and sector bodies to investigate the supporting, enhancing or consolidating of existing channels or the establishment of a central digital channel for the promotion and marketing of SA creative sector products and services from the four sectors and other relevant creative industry sectors.

Benefit: Significant expansion of the market for South Australian creative goods, increased financial return to the state and the establishment of a 'must go to' portal.

4 RECOMMENDATION

SPECIALISED EDUCATION

Feedback from all four sectors reviewed, reinforced the need for greater industry input into the relevant training packages and that there is a potential for South Australia to become a renowned centre for creative industry education.

RECOMMENDATION

That structures are put in place to ensure there is a strong relationship built between the tertiary education providers and the industry sectors to position Adelaide as the educational centre for creative industry training.

To achieve this recommendation the following actions are proposed:

Short-Term Action 4.1: That a Creative Industry & Education Task Force be established with representatives from each of the four sectors and the education sector to review the current education offer against the perceived needs of the sectors.

Benefit: Development of a more coherent educational offer with industry support that provides graduates with the skills the sectors require.

Medium-Term Action 4.2: To build dynamic connections with and across the education sectors with the goal of creating specialist programs, support relevant research and develop innovative approaches to sector focused education.

Benefit: South Australian educators are at the forefront of international thinking and research associated with the creative/cultural industries.

Long-Term Action 4.3: That the education sector in Adelaide establishes the goal of being a leader in creative industry education through partnerships with the sector. For example, specialist festival curating, management and staging skills linked to real life experience working on festivals throughout their training.

Benefit: South Australian educational institutions build a national and international reputation as centres of excellence in specialised training in film, craft, festivals and theatre for young audiences.

5 RECOMMENDATION

LAYERED EXPERIENCES

There is an acknowledgement that the cultural content generated by each of the four sectors has the potential for greater capitalisation as a tourism product. There is a wide range of opportunities for 'creative tourism' linked to areas such as the state's regional food and wine experiences, convention activities and richer connections between the creators and consumers.

RECOMMENDATION

That the four sectors work with the tourism industry to explore opportunities that would help to create richer ways for residents, visitors and tourists to experience the work of South Australia's festivals, films, crafts and theatre for young audiences.

To achieve this recommendation the following actions are proposed:

Short-Term Action 5.1: For AICS to work with the SA Tourism Commission and relevant tourism sectors to review and map existing and potential tourism experiences generated by the four sectors in Adelaide and the regions.

Benefit: The creative sectors are increasingly positioned as contributors to the tourism experience and are contributing to the state's economy through the relevant multiplier effects such as the flow on employment benefits created by festivals.

Long-Term Action 5.2: For the State Government to continue to provide funds for the commissioning of original South Australian work to be showcased locally, nationally and internationally. Including, but not limited to, showcasing through the Festivals, especially but not limited to, the Film Festival, Adelaide Festival of the Arts, Adelaide Fringe and Come Out Children's Festival.

Benefit: The SA festivals can continue to build a solid reputation for original and unique content across its festival offer and generating more employment opportunities for local talent.

Long-Term Action 5.3: To establish stronger links and coordination between the creative sector and South Australia's growing convention market to enhance the cultural experience of convention participants and their partners and to maximise the potential for economic benefits for the creative industry sector.

Benefit: The generation of new income streams and employment opportunities for the state's creative enterprises through the capture of convention participants and building the state's reputation for quality creative product.

APPENDICES

GLOSSARY

PREVIOUS STUDIES

REFERENCE

GLOSSARY

CULTURAL INDUSTRIES – creation, production and distribution of goods and services that are cultural and generate economic value – such as writing, crafts, films, television, music and publishing.

DIGITAL ECONOMY – economic value created though applied technology and the internet involving new and established infrastructure, how value is created, how markets are extended, including using social media, knowledge, information, etc.

CLUSTERS (INDUSTRY) – Clusters are regional concentrations of firms with complementary interests, competencies and needs along with their extended value chains of suppliers, institutions, distributors, research, training and support. Clusters are considered critical to increasing local productivity, driving innovation and stimulating new enterprises.

CREATIVE ECONOMY – the interface between creativity, culture, economics and technology as expressed in the ability to create and circulate intellectual capital, with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development. This is what the emerging creative economy has already begun to do. (UNCTAD 2008)

CREATIVE INDUSTRIES – those industries that have their origin in individual creativity, skill and talent and have a potential for wealth and job creation through the generation and exploitation of intellectual property. This includes: advertising and marketing, architecture, crafts, design; product, graphic and fashion; film, TV, video, radio and photography; IT software and computer services; publishing; museums, galleries and libraries; music, performing and visual arts.

CREATIVE TRIDENT – a model developed by the ARC Centre for Excellence in Creative Industries and Innovation to account for people employed in creative occupations in creative industries, people employed in creative occupations in other industries and those who work in non-creative occupations in creative industries.

ECOSYSTEMS – metaphor increasingly used to refer to the complex interplay of systems, institutions and individuals across a region that may be critical to the success of entrepreneurs or conducive to creativity. An ecosystem is dynamic, fluid and many elements are intangible.

HUBS – represent a collection of businesses in a location, but don't include the extended value chain.

INNOVATION – is the application of new ideas to the products, processes or other activities of a firm or to a relevant market that creates value. Innovation drives productivity growth that is fundamental to successful economies.

SMART SPECIALISATIONS – regions boost innovation and prosperity by focusing resources around a limited number of strengths based on their comparative advantages or areas where they could develop new activities and support these to connect to knowledge so that they compete globally.

VALUE CHAIN – represents the collections of activities and inputs that, together with the activities within a firm, create a successful product or service.

PREVIOUS STUDIES

7.2.1 CONTEMPORARY MUSIC MODEL

Bringing people together across the music 'value chain' from musicians to venue operators was a key moment for the contemporary music sector. They have created a model for connected thinking involving industry development, skill development, cluster strategies, co-working spaces and technology. It's a global strategy – the aim is for people from Adelaide to succeed on the world stage.

Creative Boom was partly inspired by the recent initiatives in the area of contemporary music in SA that were catalysed by Martin Elbourne's work and report as a Thinker in Residence in 2012.

The residency brought the industry together for the first time in one room and helped them to see themselves as a sector.

A '90-Day Project' gave the industry a high profile across government and signalled political commitment. It led to the creation of a Music Development Office and hub at the St Paul's Creative Centre, a collaborative co-working space for the arts and creative sectors. It's brought industry development, the industry association, training services, cluster development and local companies together. There is a three-year funding commitment for cluster development.

There is a combination of initiatives. State Development supports the development of artists through a small grants program and provides support for industry development. Initiatives include:

- The local music industry has been mapped to understand its range and depth. In addition to musicians the industry includes designers, manufacturers, venues, production, marketing, education, equipment, as well as professional services.
- A Music Industry Council has been established to present a unified voice to government for more regulatory reform to pave the way for more music to be played.
- An annual Robert Stigwood Fellowship is awarded to local artists with global market potential, selected by a group already working globally. It links recipients to mentors, then commits them to 'pay it forward' and mentor subsequent Fellows.
- Musitec is facilitating cluster and industry development – playing the important dynamic industry connecting role. The focus is incubating new ideas creating globally successful music related companies with an emphasis on technology. It may be the first music focused industry cluster in the world.
- At 'Hackathons' music companies such as Spotify, Aria, Warner and TripleJ have made data available. There are structured networking events. Companies are being trained to pitch.

7.2.2 CREATIVE INDUSTRIES IN SA

SA is primarily a small and medium business economy. The distance from major markets means there are higher costs for high value/ exporting businesses. There are 'cultural' disconnections between the cultural/creative and digital sectors. There are problems in accessing trained personnel. Businesses here have to adjust to peaks and troughs in demand and there is a lack of real collaboration even though getting together is easy.

The 2005 report on Creative Industries in SA, based on 9 sectors, estimated that the creative sector employed 16,500 people (then 2.5% of State employment), had wages of some $640million, turnover of $2billion and contributed almost $1billion towards GSP (2005). It estimated there were direct exports of between $100-$200 million annually.

'The sectors of the creative industries with the greatest potential for growth are those that are based on digital technologies... typically companies that are near the borderline between creative industries and communications technology'.

It concluded that there were fewer than 10 significant players, that they were small businesses by world standards and that there were approximately the same number of emerging businesses.

It found that there was a lack of business skills and a lack of a desire for growth – companies preferring to grow to a comfortable size.

There was agreement between the advantages and disadvantages of operating in South Australia. The advantages included low business costs, lifestyle, ease of 'getting together' with other businesses, a strong creative tradition and vibrant 'arts scene' and excellent and low cost locations for film shoots.

Disadvantages included: small local market with few head offices, distance from main market and associated travel costs, problems in acquiring suitably trained personnel, a cultural divide between the creative/cultural sector and the technology sector, problems with access to capital and adjusting to widely varying peaks and troughs in demand, and a lack of 'real' collaboration.

The report highlighted that creative industries were diverse and in the main quite disconnected. It recommended a more strategic and collaborative approach to industry and individual business development.

While ease of collaboration was noted as a relative advantage of Adelaide's size, there were limited examples of actual collaboration. They recommended a coordinated and meaningful networking mechanism to allow practitioners to exchange information and explore collaboration opportunities – people don't know 'what is out there'.

7.2.3 CREATIVE FUTURES

People in creative industries are likely to be qualified and most love what they do (but not the unstable or low income). Growth is driven by the digitisation of the economy and likely to provide sustainable employment for workers with the right skills. Growth appears to be in 'business to business' activities. Larger businesses reported that they were growing, smaller businesses reported skill shortages. They would benefit from training in a 'creative entrepreneur' skill set including business planning and online marketing and development.

The 2013 Creative Futures report focused on the skills requirements for arts, cultural and creative industries in South Australia. It reported:

— The creative industries are a significant employer, estimated at 2.8% of the SA workforce (based on 88 occupations).
— It estimated the State Government invested 1% of the state budget in the cultural sector.
— Employment growth in creative industries was estimated at 7.5% when SA growth (at the time) was 5.3%.
— The growth was not associated with 'traditional arts roles' which grew at only half the rate of the general workforce. Growth was concentrated in 'business to business' activities where people found their skills in demand not just in creative industries but also in the broader economy.
— The change was driven by the digitisation of the Australian economy and was likely to provide sustainable employment growth if workers have the skills to operate in this new environment.
— Workers in creative industries are more likely to have a qualification (77% at diploma level, 46% Bachelor's degree) than the SA average (61%).
— Business planning and development skills were the top priority for training. 60% of survey respondents reported that 'on-line marketing and development' was important to their success, but 70% indicated they had only a low ability to perform this skill.
— They recommended packaging up training around a 'creative entrepreneur' skillset which would include business development, finance and taxation, marketing, project and self- management, and digital literacy.
— They reported that artistic, creative, or technical skills were most important to success (82%) followed by communication skills (72%).
— 91% of those surveyed love what they do, but 81% don't love the unstable or low income.
— Of the small businesses (<10 employees) 32% reported labour skill or shortages.
— Of the larger businesses (>10 employees) 43% planned to hire people in the next three years in areas of creative, production, technical or IT.

7.2.4 CREATIVE CITY INDEX (2014)

There is a greater can-do attitude in Adelaide but the city suffers from being too tightly networked and there are very few mechanisms to support cross sector connections. Adelaide needs to tell a story that links its manufacturing and intellectual heritage with artistic vitality and develop a 'creativity platform' to promote, advocate and lobby for creative thinking across the range of its projects and programs.

Charles Landry, a global expert in creative cities, and his local team examined Adelaide through the lens of the Creative Cities Index in 2013/2014. Around 400 people completed an online survey and more than 100 people participated in discussions and workshops. Following the completion of a draft report, a further survey of the conclusions received 130 responses with agreement with the conclusions and support for the opportunities identified.

It found that the mood in Adelaide is shifting positively. There is greater recognition that it needed to create its own opportunities, and a greater 'can-do' attitude supported by initiatives such as the 'Vibrant City' priority and Adelaide City Council's 'Splash'.

People felt Adelaide was more collegiate than collaborative and conflict was avoided.

The networks in Adelaide can feel tight – and innovation is more associated with places where there are 'loose ties'.

Adelaide lacked mechanisms to support or catalyse cross sector connections.

The challenges Adelaide faces are complex and it needs to be even more creative than other cities if it wants to be magnetic and get on the global map. Adelaide faces the challenge of harnessing its collective potential and talents so that ideas are generated and inventions created.

Greater Adelaide needs to find a story that combines well its status as both a manufacturing and intellectual hub with its artistic vitality. Adelaide needs to reactivate its innovative DNA and recalibrate the story it tells itself.

In this, the public sector role is as an active enabler – helping to connect, facilitate and build knowledge in order to make the most of the potential. Adelaide needs a 'creativity platform' that promotes, advocates and lobbies for projects and programs aiming to shift mindsets and help people understand how creativity increasingly determines Adelaide's prospects to survive well in the new economy and to generate the necessary innovation.

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Prepared for the Arts Industry
Council of South Australia by:

Margaret Caust
urbancollaboration.com

Richard Brecknock,
Brecknock Consulting P/L
brecknockconsulting.com.au

Design
rodeo.com.co

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