

DEPARTMENT
FOR INNOVATION
AND SKILLS



CREATIVE INDUSTRIES

Discussion Paper



If you would like to find out more about Growth State and are interested in contributing to a Sector Strategy for the creative industries, register your interest via email by **30 November 2019** to: **creativeindustries@sa.gov.au**



A Message from the Minister

Our creative industries play a vital role in building a dynamic state economy.

They attract investment, create employment, boost tourism and add immeasurably to our global reputation as a creative city.

In South Australia there are an estimated 19500 people employed in the creative industries. Jobs in the creative industries are growing at a faster rate than the state average.

We have identified our creative industries as a priority sector for the state over the next decade, based on comparative advantage and likely investor interest.

So now it's time to grow and strengthen this sector, to capitalise on our combined creative talents to plan for success - and for this we would like to hear from you.

The government now invites you, as representatives of your sector within the creative industries, to contribute to South Australia's growth by developing your own, industry-led Sector Strategy within Growth State.

With your experience and leadership, we will establish the goals for where we want to be in 2030. We ask you to do this by examining opportunities and challenges associated with your sector.

We want to hear from you on issues like new workforce needs and how to develop them; which emerging technologies we need to harness; how can startups, mentors, investors, government and markets be more effectively connected; and how we can better use existing infrastructure to foster collaboration and innovation.

South Australia is poised to take advantage of our undoubted strengths in the creative industries – let's see what we can achieve working together for a stronger creative economy.

Hon David Pisoni MP

Minister for Innovation and Skills

The Department for Innovation and Skills acknowledges Aboriginal people as the state's first peoples and Nations of South Australia. We recognise and respect their cultural connections as the traditional owners and occupants of the land and waters of South Australia, and that they have and continue to maintain a unique and irreplaceable contribution to the state.



For South Australia to succeed,
we need to do things differently
to create an environment that is
conductive to sustainable growth.

Introduction: Growth State

The Government of South Australia is committed to making South Australia a more attractive place to live, work and do business – with a focus on growing our economy, our productivity, our competitiveness, our population, our confidence, and the confidence of others in how they see us.

For South Australia to succeed, we need to do things differently to create an environment that is conducive to sustainable growth.

Growth State is a coordinated Government commitment to real, concrete actions and deliverables. Carefully designed to leverage South Australia's competitive advantages, it will set out the collective responsibility of industry and government to grow our economy. At its heart, Growth State articulates what government is doing, informed by what industry needs.

We will support industries and entrepreneurship across Trade and Investment; Skills and Innovation; Infrastructure; and Land, Water and Environment.

Growth State is our plan for growing South Australia.

Priority Sectors

South Australia's future prosperity will be built by accelerating the development of industry sectors that have strong growth prospects globally. Nine priority sectors have been identified:

- **Food, Wine and Agribusiness**
- **International Education**
- **Tourism**
- **Energy and Mining**
- **Defence**
- **Space Industries**
- **High-Tech**
- **Health and Medical Industries**
- **Creative Industries**

Over the coming months, businesses, entrepreneurs, researchers and other influencers across these nine sectors will be invited to share their ideas and thoughts on how to best develop Growth State, through the development of industry-led Sector Strategies.

This Discussion Paper has been prepared to help guide the development of creative industries Sector Strategies.

Creative Industries

A Priority Sector



The creative industries are an undoubted strength of the state's economy. They are crucial to building a dynamic economy that provides new job opportunities, fosters entrepreneurialism and strengthens the future of our state.

Image: Tkay Maidza – international artist, rapper, MDO Stigwood Fellow 2017, face of NIKE.

From the filming of blockbuster movie *Mortal Kombat* in South Australia through to the development of best-selling game *Shopkins World™* by Mighty Kingdom; from JamFactory's outstanding design through to Adelaide-based international couture house Paolo Sebastian; the state's creative industries provide significant value to South Australia. They attract investment, create employment, boost tourism, bring in global talent, and contribute to the rich cultural life of the state.

The United Nations Conference on Trade and Development (UNCTAD) in a 2018 report states that the creative economy "is a powerful, growing economic force. Its contribution to GDP, and share of global trade, is only likely to increase as it intersects with the digital and sharing economy, e-commerce, and the many opportunities emerging in these spaces".

In South Australia, creative industries employment is growing. It is estimated that there were 19,500 people employed in the creative industries in the state in 2016, larger than employment in other sectors, such as mining. Creative industries employment is growing at an average annual employment growth rate of 1 per cent - stronger than the state average of 0.7 per cent. This is part of a global trend; in the UK, creative industries employment in local economies is growing at a rate that is twice as fast as other sectors.

Creative industries are relevant to many other sectors. The skills needed to create digital games are also in demand from industries that use simulation, visualisation and virtual reality, such as defence, mining, health, education and manufacturing. Supplying these capabilities to other sectors presents a growing opportunity for South Australia's creative industries.

Creative Industries Definition

There is currently no consistent definition of the creative industries. For the purposes of **Growth State**, an initial definition is being proposed that includes the following sectors:

Advertising
Broadcasting: TV & Radio
Craft
Design: Architecture, Fashion, Graphic, Web
Festivals
Literature & Publishing
Music
Performing Arts
Screen Production: TV, Film, post production, digital and visual effects (PDV), Game Development
Visual Arts & Photography

South Australia's Creative Industries at a Glance

South Australia is renowned for the excellence of its creative industries. Recent achievements for the sector include:



In 2017-18, South Australia's screen industry **achieved a record share** of national screen production expenditure (from 3 per cent to 10 per cent) - its third consecutive year of growth.



The state's growing independent games industry includes **Mighty Kingdom**, whose Shopkins World™ games have been downloaded millions of times around the world, and **ODD Games**, developers of the international best-selling Monster Truck Destruction™.



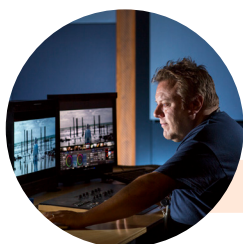
Post-production, digital and visual effects (PDV) expenditure in the state **has risen over 100 per cent** (from \$16 million to \$35 million) since the state's 10 per cent PDV rebate was launched in 2017.



Adelaide Film Festival had an economic impact to the state of **\$26.5 million** in 2018, which was a **138%** increase on 2017.



Mortal Kombat will be the largest film production in South Australia's history with an estimated \$70 million spend in South Australia.



A world-renowned visual effects sector (including **Rising Sun Pictures, Kojo, Resin and more recently Technicolor's Mill Film**), puts South Australia at the cutting edge of the global film and TV industries.



Internationally successful musicians including **Sia, Hilltop Hoods, Tkay Maidza and Slava Grigoryan** are all from, or reside in, South Australia.



Adelaide is a designated **UNESCO City of Music**, one of only 31 cities in the world and the only one in Australia. This places us in a global network of 180 creative cities.



Adelaide-based international couture house, **Paolo Sebastian**, works with clients, stylists and stockists across the globe, with notable clients including Kim Kardashian, Katy Perry and Hilary Swank.



According to Festivals Adelaide, their 11 member festivals contribute around **\$85.4 million** in new money each year.

Building the Creative Industries Sector Strategy

South Australia's creative industries have been identified as a priority sector for the state over the next five to ten years based on the sector's potential for growth.

The government now invites you, as representatives of your sector within the creative industries, to contribute to this plan by developing your own, industry-led Sector Strategy within Growth State.

With your leadership, we will set the goals for our creative industries and determine where we want to be in 2030. We ask you to do this by examining opportunities and challenges associated with your sector.

When Sector Strategies have been developed, the government will work with the creative industries to bring these together into an overarching Creative Industries Sector Strategy. Government will respond to this Strategy across Trade and Investment; Skills and Innovation; Infrastructure; and Land, Water and Environment.

What you have told us already

Engagement has already been undertaken with the creative industries.

In 2019, the South Australian Government committed to developing and implementing the South Australian Arts Plan, the first to be designed since 2000. This process has included a comprehensive review of the arts, designed to deliver a blueprint for government investment over the next five years. The Arts and Culture Plan 2019-2024 has been published and can be found on the Arts South Australia website: www.arts.sa.gov.au

Other industry engagement with the state's screen, music and craft sectors, has identified challenges and opportunities that will be explored further as we engage with you as part of Growth State.

Challenges and opportunities identified so far include:



Trade and Investment

Industry has highlighted that assisting small creative businesses with access to risk capital and programs to support business development, commercialisation and diversification is a key area that government can work on with industry to unlock opportunity.

Other points to consider:

- What do you see as the most significant investment, trade and export opportunities for your sector?
- How can the different sectors of the creative industries partner and leverage overseas opportunities?
- How can the global reputation of our creative industries be leveraged to generate business growth?
- What emerging technologies and innovations do you believe will grow globally over the next 10 years?

Infrastructure

While industry acknowledges the value of high-speed broadband infrastructure, government is keen to understand whether it would be beneficial to explore shared platforms that increase collaboration, productivity and opportunities.

Other points to consider:

- How can we better use existing infrastructure to foster collaboration and innovation?
- What regionally-based infrastructure could be used more effectively to support the growth of local creative industries?

Skills and Innovation

Industry has identified education and training as critical to ensuring there is a continuous feed of creative skills across all industries, as well as specialised focus areas to drive a pipeline of talent that will build capacity.

There is a demonstrated interest in research and development, and the potential applications of emerging technologies.

Other points to consider:

- What are the future needs of the workforce, and is there enough focus on developing and building the right mix of skills?
- How can the sector support other industries to develop and integrate creative thinking through collaboration and the transfer of skills?
- How can startups, mentors, investors, government and markets be more effectively connected?

Get involved. Growth State starts now.



This is an opportunity for the state's creative industries to lead a significant contribution to growing South Australia's economy.

If you and the sector you represent:

- want to grow;
 - believe you have, or can develop international competitive advantage; and
 - have ideas about what is needed to enable those ambitions,
- then the government will work with your sector to support you to develop a strategy that contributes to the growth of the state's economy.

We encourage organisations, peak bodies, businesses, entrepreneurs, education providers and other stakeholders within each sector to come together and develop your own Sector Strategy to drive growth.

If you would like to find out more about Growth State and are interested in contributing to a Sector Strategy for the creative industries, register your interest via email by 30 November 2019 to: creativeindustries@sa.gov.au

**Growth State is our plan for growing South Australia.
We look forward to working with you on it.**

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www.innovationandskills.sa.gov.au

Published October 2019.

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**Government of
South Australia**