

# Valuing Australia's creative industries

*Commissioned by Creative Industries Innovation Centre*

*Prepared by SGS Economics & Planning*

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Independent insight.



# The value of creative industries

- Significant contributor to GDP
- Engine of growth
- Contribute more intangible worth to society

# Scope of our work

- Define Australia's creative industries
- Prepare a current position report of the creative economy in Australia

# Definition

- Creativity is used to **create value for their consumers**
- However, **not simply defined** due to their dynamic nature
- A wide variety of businesses, e.g.
  - Cultural sectors – visual and performing arts
  - Digital media/multi-media – software/web design, film and television, music
  - Others – architecture, writing, urban design, town planning, etc.
- Measuring the creative economy is even more problematic

## Current ‘best practice’ – Nesta method

- Builds on the UK Department of Culture Media and Sport (DCMS)'s work

- Focuses on ‘creative intensity’

*the proportion of total employment within an industry that is engaged in creative occupations.*

- Applies the concept of the Creative Trident

		Industries	
		Employed in creative industries	Employed in non-creative industries
Occupations	Employed in creative occupations	<b>Specialist creatives</b>	<b>Embedded creatives</b>
	Employed in non-creative occupations	<b>Support workers</b>	Non-creative occupations in non-creative industries

## Key steps

1. Developing criteria for creative occupations
2. Defining creative occupations using the 'creative grid'
3. Deriving 'creative intensity' of each industry
4. Defining creative industries based on the 30% creative intensity benchmark
5. Reality check – based on reverse intensity (or occupational intensity)

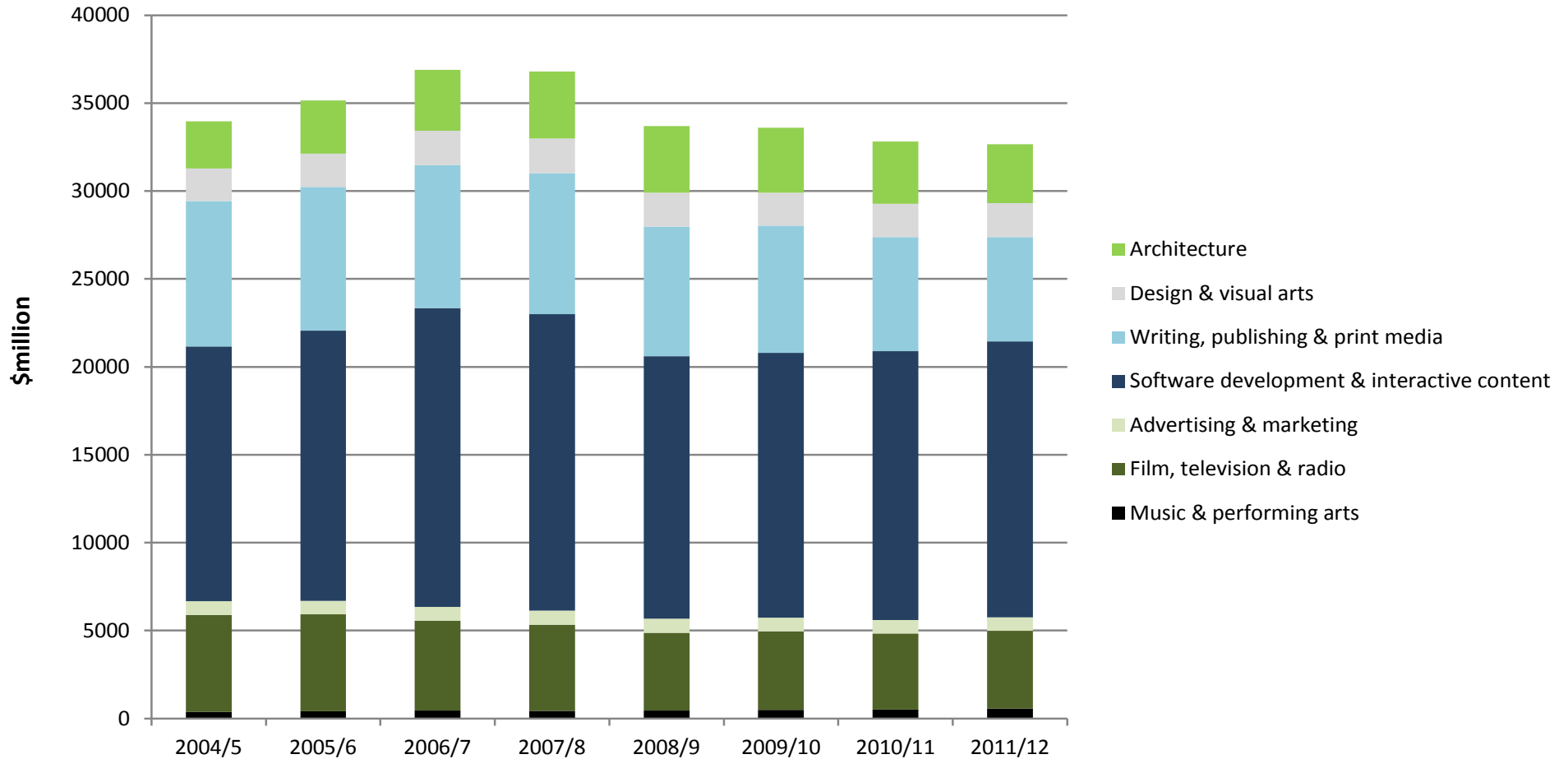
# Valuing creative industries

- Contributions to the Australian economy
- IGP by creative segment
- Creative trident
- Creative businesses
- Sydney's creative industries workforce

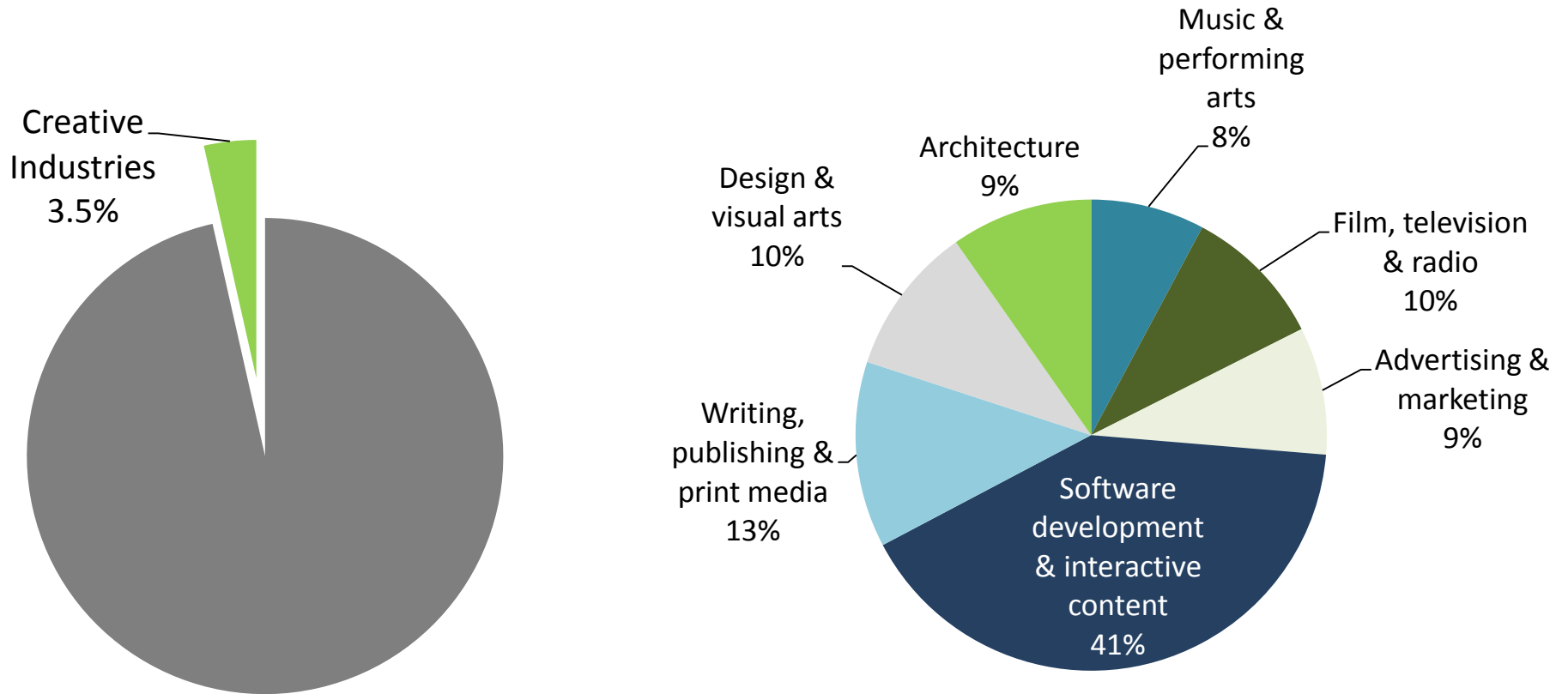
*SGS estimate that Australia's creative sector contributes around **\$90.19 billion** to the national economy annually in turnover. It adds almost **\$45.89 billion** in gross domestic product (GDP) and helps generate annual exports of **\$3.2 billion**.*



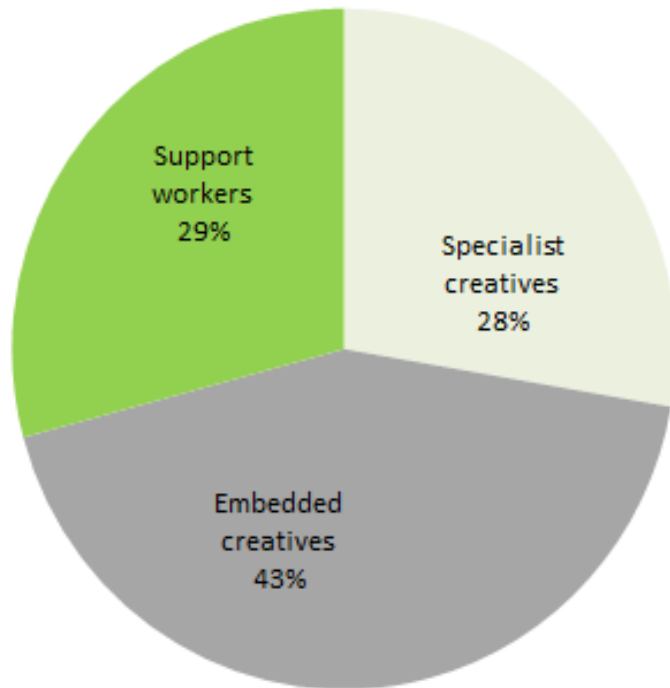
# Industry Gross Product has been declining..



# Employment in creative industries

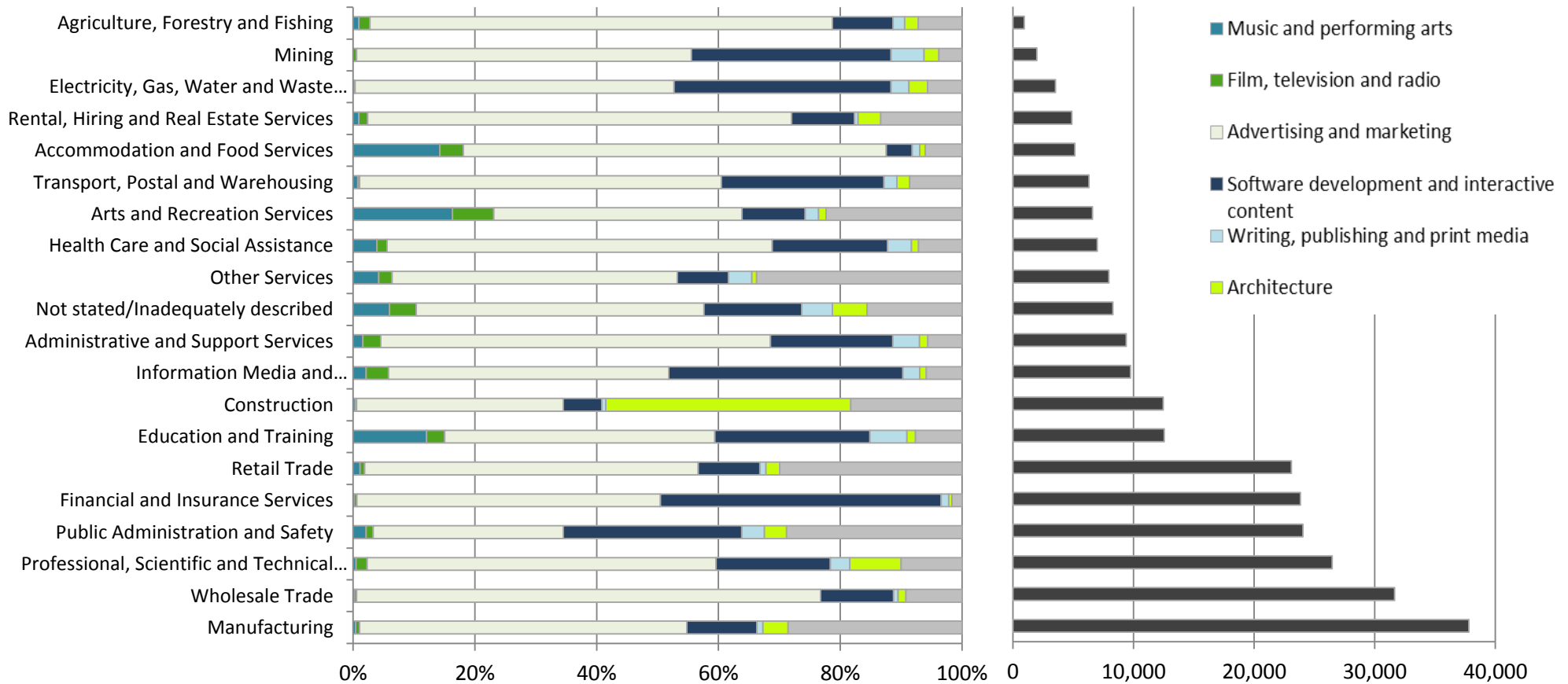


# Australia's creative workforce

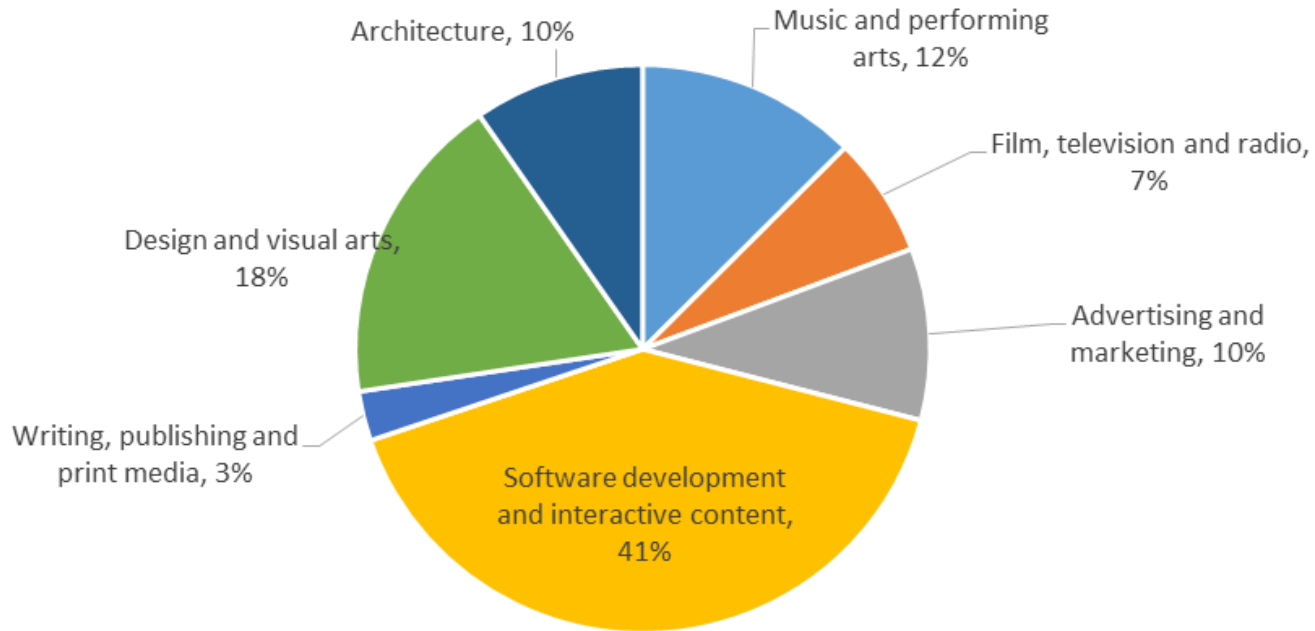


- In 2011, 611,307 people in creative workforce - **6.2%** of total jobs.
- Almost half are 'embedded creatives'
- **Almost 40%** of the workforce in NSW

# Embedded creatives

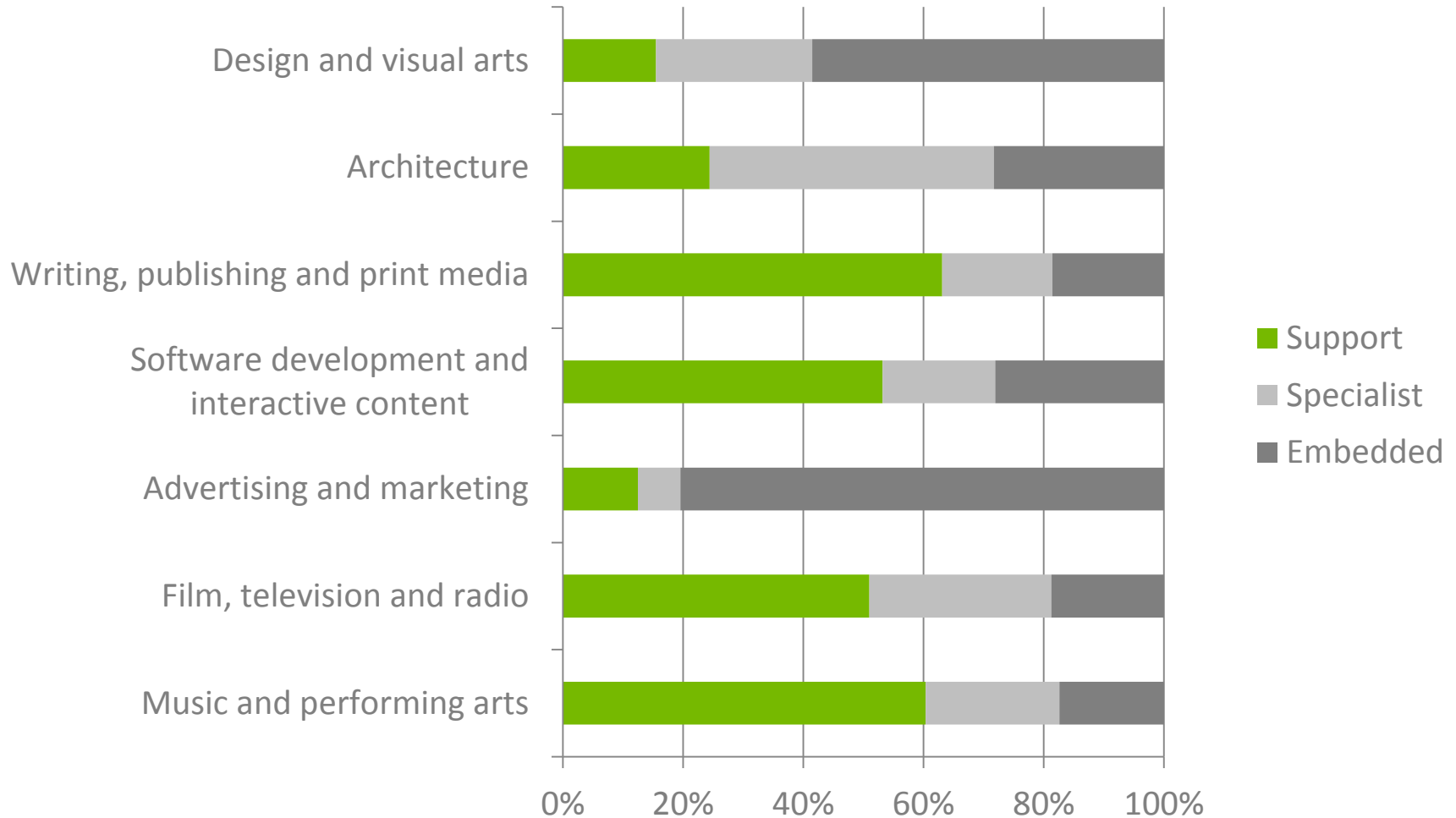


### NSW creative businesses 2011



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

## Sydney creative segment workforce by creative trident



## Next steps?

1. Significant contributor to GDP
  - i. Opportunity for regular updates
2. Engine of growth
  - i. Developing a better understanding of their needs
  - ii. Understanding of spatial distribution/  
concentration
  - iii. Understanding of economic embeddedness - value  
chain analysis
3. Contribute more intangible worth to society
  - i. Valuing broader worth to society – through  
economic appraisal framework?