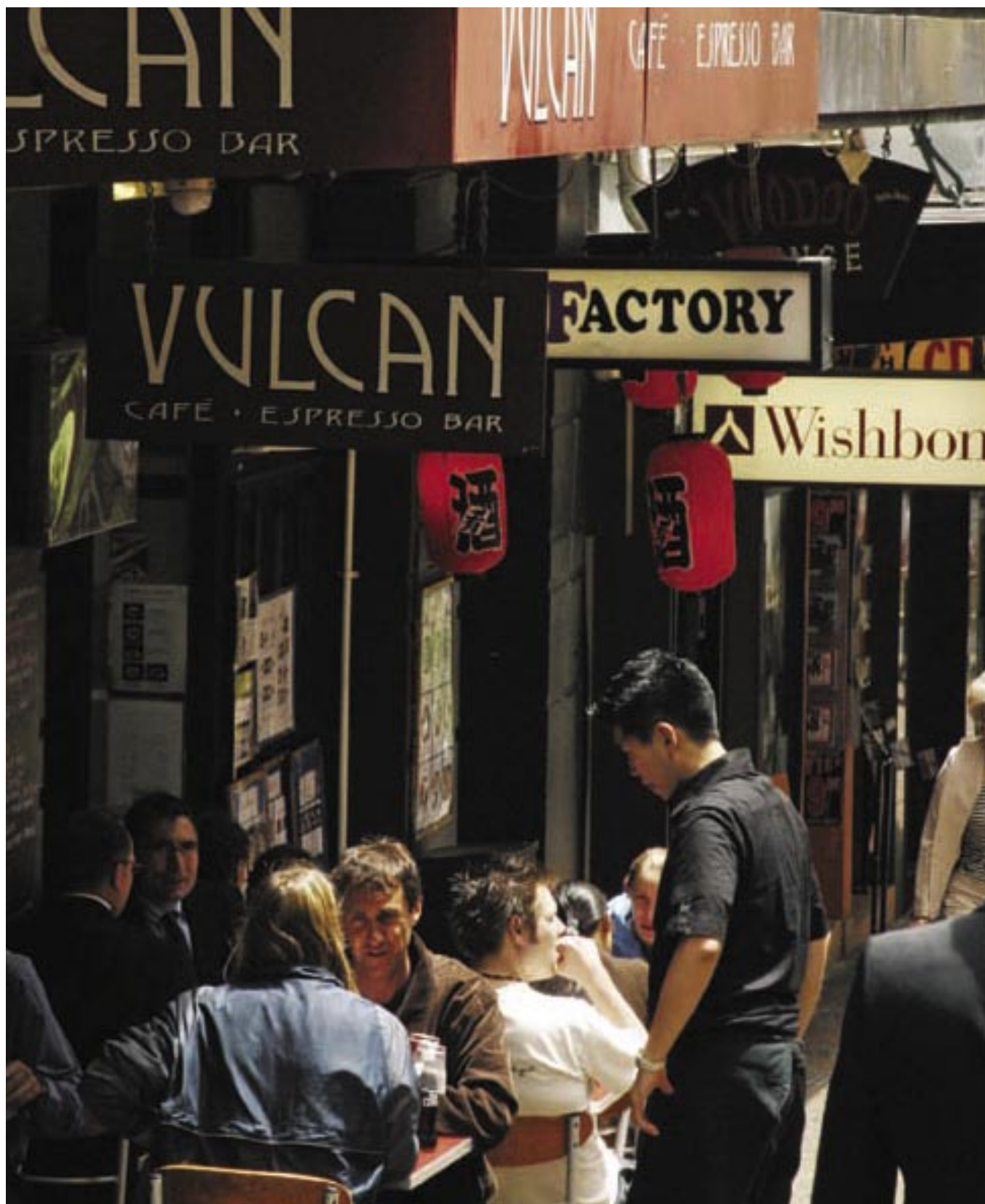


## 4 | What 375 creative sector people think



# 4 | What 375 creative sector people think

Our interviewees love many things about Auckland, but are also seeking some changes



## 4

# What 375 creative sector people think

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# 4 | What 375 creative sector people think

1

## Overview: What 375 people in the creative industries think

Auckland's creative industries don't exist in a microcosm.

The creative industries are part of the wider economy, and face the same issues that other non-creative sector businesses do in staying solvent and in growing. They need access to sizeable markets, appropriate development finance and venture capital, and appropriately skilled labour.

As businesses, and as individual Aucklanders, they are struggling with the gaps in Auckland's infrastructure: frustrated at the transport problems, furious about a perceived failure of good urban design, cross about the cost of parking, expensive and limited broadband capacity and the difficulty of finding affordable, appropriately located and designed office space and venues.

They need to be in Auckland because Auckland offers the necessary market size to support creative enterprises. Auckland constitutes the commercial centre of many creative sub-sectors, which leads to the build-up of general and transferable skills, experience and infrastructure and further sub-sector concentration.

They also see opportunities. They see the potential that the creative industries offer Auckland – and they want to see that understanding reflected back to them by their local authorities. They want to know that the council is on the case. They like the way Wellington has embraced and promoted their creative industries, making them a central part of Wellington's brand. They think Wellington really likes and notices its creative people.

They want Auckland to be publicly perceived as an exciting, glamorous, interesting city by its inhabitants and by outsiders.

They want this projected Auckland to be the one they experience in reality, where climate, landscape, its Maori founders, the subsequent waves of immigrants, and good urban design create something unique, found only here. They want their skills – design sensitivity, creativity, visual sophistication, literacy, intelligence, flair – reflected in the city they live in.

At the heart of these industries are artists and creatives who are motivated by their work for its own sake; exploring and portraying the human condition in its aesthetic, intellectual, political and social dimensions. Although many of these people are running commercial businesses, and all of them have to earn a living, in the end, it's not just about money.

These points are drawn from the interviews and surveys undertaken by Gravititas and elaborated in the rest of this section. The interviewees make up a cross section of workers and businesses, from small and micro businesses right through to large enterprises.



# 4 | What 375 creative sector people think

## 2

### Who they are

The research identifies diverse, energetic and highly innovative creative industries within Auckland city.

Sectors such as advertising, screen production, design, music, and fashion all appear to be firmly established in the city. In fashion, New Zealand Fashion Week has been instrumental in the growth of the creative industries, particularly on the global stage. An established group of designers have played key roles in this emergence. Arguably, Auckland constitutes the centre of the music, screen production and advertising industries in New Zealand. In the case of advertising, Auckland's position as the corporate capital of the country has been key to the primary establishment of the industry. The music industry base reflects the initial location of the mainstream labels and the subsequent building up of industry infrastructure and key stakeholders in the city.

The city of Auckland is also home to a number of highly innovative creative talents in areas such as digital animation, mixed media event production, and electronic games development. These components represent the cutting edge of new thinking and working processes that often bring together diverse creative disciplines.

A number of industries have particularly benefited from the development boom in Auckland: architecture, landscape architecture, urban planning, interior and furniture design all report buoyant markets, fuelled in part by increasing recognition of the value and benefit of design. The visual arts are also riding high, with the strength of this market reflecting the strong economy. While commercial photography appears strong, the market for exhibited 'art' photography appears relatively immature. Despite the quality of 3-D objects and craft in New Zealand, the local 'craft scene' is also seen as lacking energy and impetus.

Other sub-sectors are responding to significant challenges brought about by technological advances and other changes. Publishing in particular operates in an increasingly competitive environment, demanding innovative responses to maintain and grow market share.



## 3

## Why they choose Auckland

Creative people love the lifestyle benefits such as access to the harbours and outdoors, the diversity, the buzz and the amenities that Auckland offers.

Lifestyle, family, market size, the big city, cosmopolitan environment, diversity, local networks, global connectedness, a role as the country's major commercial centre, and the growth and establishment of ancillary services all combine to attract creative sector businesses to the city of Auckland.

I like the ocean, I like being in a place where you can go from one coast to another in half an hour in your car, or if you feel like walking it, do it. I like the potential locations for doing work in

Commercial Photographer

... What it means is that you have a way of fuelling your creativity through exposure to diversity, in terms of people, everything else cultural that is happening, from food to fashion... because nine out of ten times, your design solutions come out of left field...

Product Designer

The size of the Auckland market and its function as the commercial centre of many creative sub-sectors is a central reason for many creative industry businesses being here. Quite simply, Auckland offers the critical mass to support creative enterprises. The concentration of a sub-sector in Auckland can lead to the build-up of general and transferable skills, experience and infrastructure, which further consolidates the strength and focus of sub-sectors within Auckland.

You've got to be where the other fish are basically

Record Label Managing Director

The size of the Auckland market and proximity to key industries and clients are particularly strong factors attracting and retaining creative sector businesses within Auckland. Over time, the concentration of certain sub-sectors has resulted in the establishment of ancillary services, further consolidating the strength and focus of these sub-sectors within Auckland.

... it just makes economic sense to have the bulk of your people residing in a place that is close to most of the key decision-makers...

Business to Business Magazine Publisher

I think it's the networks. The music industry is networks and I think, by the nature of a lot of people being here, you're interacting with them so it's stronger networking. I don't think from a physical perspective it offers anything different to any other city but the simple fact is that people are here that you are interacting with for the music

Record Label Managing Director

I think it is a city with a lot of talent in it and we find, for example, when you make a book you're not only dealing with the writer, you're dealing with an artist that is going to do the cover for you, or a designer that's going to do the cover for you

Book Publisher

... For me it is very easy to be in business here, I can afford to be here, transportation is not an issue as all my business needs are met in Auckland city, my fabric printer is here, my [cut, measure and trim] is central Auckland based, my artists are here

Fashion Designer

If you talk to people who work internationally, they like New Zealand, it's a great place to work in advertising. We don't have a lot of budget and that encourages you to think on your feet. It encourages you to actually get out there and do things on your own. We'll go and shoot with a handi-cam and that would just never happen in any other market. Everything moves a lot faster here. In the UK I might make three campaigns a year. In New Zealand I'll make 12 or so

Director Advertising Agency

## 4

## How they think Auckland city could do better

Creative sector businesses are commonly concerned about poor urban design and planning in Auckland city. They feel the city lacks a collective sense of creative energy and focus that would contribute to making it a great world city.

At the broader level, the quality of the urban environment is seen by creative sector businesses as a key symbol of the extent to which any city values and supports creativity.

Auckland is perceived by research participants to be a creative city, however, it is also felt that much creative activity and talent is overlooked and that there exists a great deal of unrealised creative potential within the city.

Aside from offering market size and commercial viability, some in-depth interview participants also see Auckland as having done little to promote and grow creative businesses. While identifying positives about living and working in the city, these participants are frustrated at what they see as unrealised potential within the creative industries. Negatives identified include: traffic and congestion issues; that Auckland lacks a collective sense of creative energy and focus; poor urban design and planning; and, a sense that the city is developing with little attention to aesthetic considerations.

I am passionate about being a New Zealander working for our particular client base, but I can't say that I absolutely love Auckland city as such. The city centre feels like a vacuous hole, compared to Wellington [which] has a soul  
 Director Boutique Graphic Design Company

I don't think Auckland offers anything really except numbers

3D/Applied Arts Gallery Owner

... If you want to say that you are a city that is a creative, well you've got to show that you're a creative city. You've actually got to embrace it and you've got to have your architecture... Auckland city never feels like it's planned very much. It's a case of... we're going to build a building here, it's going to be big and that's about it

Director Small/Mid Sized Advertising Agency



... Certainly something that Auckland City Council could do is improve its own visual sophistication and to value it, everything from crappy tiles on concrete benches in Queen Street, to its own publications... It's not a surprise that good lighting design comes out of Italy and good furniture design comes out of the Scandinavian countries. It's because they have a culture that values art and design... There are always aesthetic decisions along the way with even the most mundane of activities that add up to a culture and add up to a value system...

Commercial/Art Photographer

[compare Auckland to Sydney] There's art on the street. There are sculptures everywhere. There are fountains. It's beautiful. The harbour is really well developed so you've got parks right on the water where you can have concerts in the park and you can have promenades by the water front for free. You just enjoy the harbour. How would we enjoy the harbour? We go to the Viaduct Basin and have a coffee...

Multi-Media Event Producer

## 5

## Why they work where they do

The availability and affordability of suitable space is a primary driver of location decisions by creative sector businesses. Access to and for clients and customers is a common influence, as is the availability and affordability of car parking.

Over half of businesses located in the CBD said that lack or expense of car parking was a disadvantage of their current business location. In other areas, 28 per cent of survey respondents who reported a disadvantage named parking issues as the reason. 23 per cent of respondents who would otherwise consider the CBD as an alternative to their current location cited parking as an issue. Other barriers to relocating to the CBD included the cost of premises, lack of suitable premises, poor access for clients and customers and traffic congestion.

The CBD fringe appears to offer creative sector businesses a range of advantages, along with better access to parking. Key among these was proximity to existing and potential clients and customers, and proximity to the CBD. However, participants also appreciate relative affordability; appropriate building stock (including that which has heritage appeal and/or appropriate design qualities); a less pressured and busy environment; and access to desired amenities such as cafes, restaurants and bars.

When we asked about preferred locations a third of those who nominated at least one alternative preferred location nominated the Grey Lynn, Ponsonby, Freeman's Bay, Westmere and Western Springs areas in the fringe of the CBD. Just under a third (31 per cent) gave a preference for the Parnell/Newmarket areas of the fringe.

... Fringe is good for us. That's what we are. We're fringe... It kind of fits us nicely. We could quite happily exist in Kingsland or something like that as well... Parnell to me is not what we're about; neither is Remuera; neither is Newmarket; neither is Takapuna

Record Label Managing Director

It's just because Ponsonby is cool. It's got great restaurants. It's moving up-market. Kingsland is cool. You know, you've got the industry. You've got the muso's clustering in Kingsland/Sandringham. You've got industries in Ponsonby/Grey Lynn. It's really close to Grey Lynn which is the same sort of cluster for music. It's all about that area... our biggest selling artist lives in Grey Lynn/Ponsonby so you can have it from her right down to the struggling nobody musician who's trying to make it. They live around Grey Lynn or Kingsland

Record Label Managing Director



# 4

# What 375 creative sector people think

## 6

### What they want for Auckland's creative industries

Participants commonly perceive a relatively low level of promotion, publicity and celebration of the creative industries, undervaluing the skills and achievements of Auckland city's creative talent.

Buoyed by perceptions of increased recognition of the quality, achievements and economic importance of the creative industries, there is a growing sense of confidence. Sector representatives see our creative businesses as increasingly providing fresh, independent and innovative creative solutions. However, it is felt that the creative activity occurring here is often overlooked and/or doesn't receive the level of publicity and recognition it deserves. There is common frustration at the lack of celebration of talent within the city.

I think they're here because the market's here. I would have said that Wellington's more of a creative city  
Advertising and Design Executive

What's happening in the city is that young people are disappearing out of here and going to places where they are much more welcome...

Wellington, Dunedin, Coromandel, wherever, UK, Australia, or places offshore where they can do their thing... where they are valued for what they are and what they're doing  
Radio Station CEO

... There is an awful lot of theatre that goes on... it seems to be underground in Auckland... They are hard to find, poked away. They are not out there  
Landscape Architect/Urban Designer

... (you need) enough media coverage to attract and sustain the sector, and it's a constant being in publications, in order to achieve that profile there needs to be opportunities to present them, one of the real constraints is sufficient coverage, there is not enough free coverage for the whole of the creative industries  
Fashion Designer



## 7

## Whether they are going to stay here

In other New Zealand locations, creative businesses could not easily replicate the unique mix of benefits offered by Auckland city. The pull may come more from offshore.

The international outlook of many industry practitioners means that building Auckland's international competitiveness as a creative city will be important for attracting and retaining creative sector businesses.

Despite the negatives, participants consider that Auckland's distinctive blend of attractions would be difficult to reproduce elsewhere in New Zealand. Reflecting this, creative sector businesses are relatively settled in Auckland, with few businesses involved in the research indicating an intention to move elsewhere. Over half the survey respondents (54 per cent) have been at their primary location for five or more years, while 10 per cent have been in their current location for 20 years or more.

Survey respondents see a lot of potential for areas such as the western side of the CBD.

There's a whole lot of really interesting creative activities going on in this kind of place because this place is conducive to it, the rental's conducive to it... I think there's a real risk that [because of rents] Auckland... will become so inaccessible to that kind of start-up really experimental thing... all of that really vibrant fresh young thinking will be forced out... I think that will be a great tragedy because I think Auckland will become a very barren city if that happens

Designer

... some of these old warehouses I think need to be retained. I think it's just a wonderful opportunity for theatre, galleries, parklands, you know? Small complexes like this with people doing really interesting stuff, workshops. I just think it's a great opportunity and would be a real asset to the city

Designer

There are lots of spaces around this area that are actually empty or not being used. That is where, often with these sort of incubators, or parcel type things, they get chucked out of the city. It is sort of like the whole point is to be amongst what is going on for it to work. It is starting how you mean to go on I guess. Part of the attractiveness in this area is that you have got all these amazing businesses, but you have got the next generation of them being evolved around here as well... just having these little incubators and building into them the fact that there is that ownership as well so they are actually going to give back into it. It is not a handout. It is not a welfare mentality either. It is very much it is a seed capital type venture which everybody has to contribute back to and it goes on from there

Designer



## 8

## What hinders and supports their growth

Creative sector businesses point to high-level and infrastructural barriers to growth, some of them specific to the sector.

### High-level barriers to growth

Over half (51 per cent) of the survey respondents report limited market size is a barrier to growth.

Frequently identified barriers to growth include: market size (51 per cent); a lack of development finance (43 per cent); lack of time (43 per cent); shortages of appropriately skilled labour (39 per cent); lack of venture capital (36 per cent); and, too many competitors (34 per cent).

Market size is of particular concern for music (65 per cent) and screen production, radio and digital media (63 per cent) respondents. The limited domestic market can mean that access to overseas markets is important for growth. In the survey, a third (34 per cent) of creative businesses not currently exporting, expressed aspirations to export in the future. Music (50 per cent) and performing arts (43 per cent) sub-sectors are particularly interested in future export activity. Twenty-one per cent of businesses that aspire to export cite a lack of funds and/or high costs as a barrier. Other barriers are a lack of time to develop export potential/opportunities (15 per cent) and a lack of international clients/contacts/networks (12 per cent).

Small businesses in particular can find it difficult to achieve the time to step back from day-to-day commitments to plan and undertake growth strategies. This difficulty is accentuated in the creative industries, as principals are often closely involved in doing the work.

While some participants perceive adequate opportunities to source development finance, others report difficulties. There can be resistance from mainstream organisations such as banks to finance business development and there may be limited availability of other funding mechanisms in some sub-sectors. In this environment, making the transition from a small business to a larger enterprise can be difficult.

By operating in small, niche markets some businesses face limited growth potential. For others, there may be different imperatives and desired business outcomes, particularly when in receipt of public funding. For example, a representative from a performing arts company receiving government funding recognises that their role under this funding also includes telling stories which contribute to the public good.

In some sub-sector components (eg advertising), the position of creative goods and services in the value chain can make their businesses particularly expendable during low points within the business cycle. The size of a business client base and levels of competition can accentuate vulnerability. In response to these threats, several participants report deliberately positioning themselves as extensions of in-house services for key clients. Other strategies adopted include deliberate expansion of the range of products and services offered as well as expanding into new, possibly, overseas markets.

Creative sector businesses, particularly small to medium sized ones, do not necessarily want to grow for growth's sake. Growth can be broadly defined, for example, to include advances in the type, level and challenge of the creative work undertaken. Growth may also be carefully managed or not even sought, particularly when principals wish to avoid increased management responsibilities or wish to remain hands on. Difficulties finding staff with appropriate skills and experience can also impact on willingness to grow, particularly for those offering high-level and skilled services. A number of sub-sectors also report inadequate or inappropriate training.

*We turn over, I don't know how many kids who come out of school every year and they're all trained to be directors. That is actually not what we need. Being a director is quite a rare opportunity and it is not financially viable. Most directors I know work very rarely. You're much better off turning out people who are going to be interested in platform loading, or working as lighting assistants, or grip assistants*

Film Producer

### Infrastructure barriers

The need for infrastructure that supports creative sector businesses to do their business is evident. Reflecting the importance of face-to-face contact within the creative industries, unprompted, 15 per cent of businesses surveyed see an improved transport system and reduced congestion as helping grow their business.

The ability to quickly and cheaply move large quantities of data is also vital within sub-sectors such as digital media, screen production and publishing. Cheaper and easier access to enhanced broadband capacity is reported by respondents in such sectors as critical to their growth potential.

[On broadband] Why couldn't Auckland do the same thing that Wellington did?... The Wellington initiative came out of an American initiative... an attempt in America to see what the cities of tomorrow might be like with greater access to broadband technology in a whole raft of ways... just as everyone is bloody agitating for ring roads or flyovers at the Spaghetti Junction, the real highways are electronic...

Business to Business Magazine Publisher

If [the council] is going to be any sort of catalyst for... growth in the film industry, particularly in the advertising industry... one of the things is a high speed, virtual network that you set up between all the production houses and advertising agencies, television stations...

Post Production Film and Television Executive

Some industries require substantial physical space and finding such affordable spaces is increasingly difficult. Other participants perceive a lack of well-designed new buildings or sensitive heritage renovation in the CBD fringe (note those who are already accommodated in buildings of this type see this as a key advantage of the area). This can be of particular concern to design businesses that feel their business base itself should reflect good design qualities. The music industry expresses concern about inner city residential developments squeezing out live music venues.

Other facility/venue issues include: a lack of medium sized venues for the performing arts; no large, international quality, indoor music venue; and a shortage of international quality sound stages/studios for screen production. Some participants noted awareness that many of these needs are being responded to through various initiatives, including some from Auckland City currently under way or in the planning.

For more detail on what our 375 interviewees said, see the full Gravitas Research and Strategy Ltd report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>



## Factors that support growth

Key drivers of growth within creative sector businesses identified include: the market size and potential of the city (59 per cent of survey respondents); growth in the national (51 per cent) and regional (45 per cent) economies; availability of appropriately skilled labour; and the availability of business management skills and expertise (39 per cent respectively).

Survey respondents seeing Auckland City as supportive of business growth also see population/market size (42 per cent), large regional economy (15 per cent) and the critical mass of clients or potential clients in close proximity (12 per cent) as valuable growth attributes.

Other city attributes considered advantageous to growth include the perceived clustering of creative sector businesses (15 per cent), Auckland's central location (13 per cent) and the support of Auckland City (8 per cent).

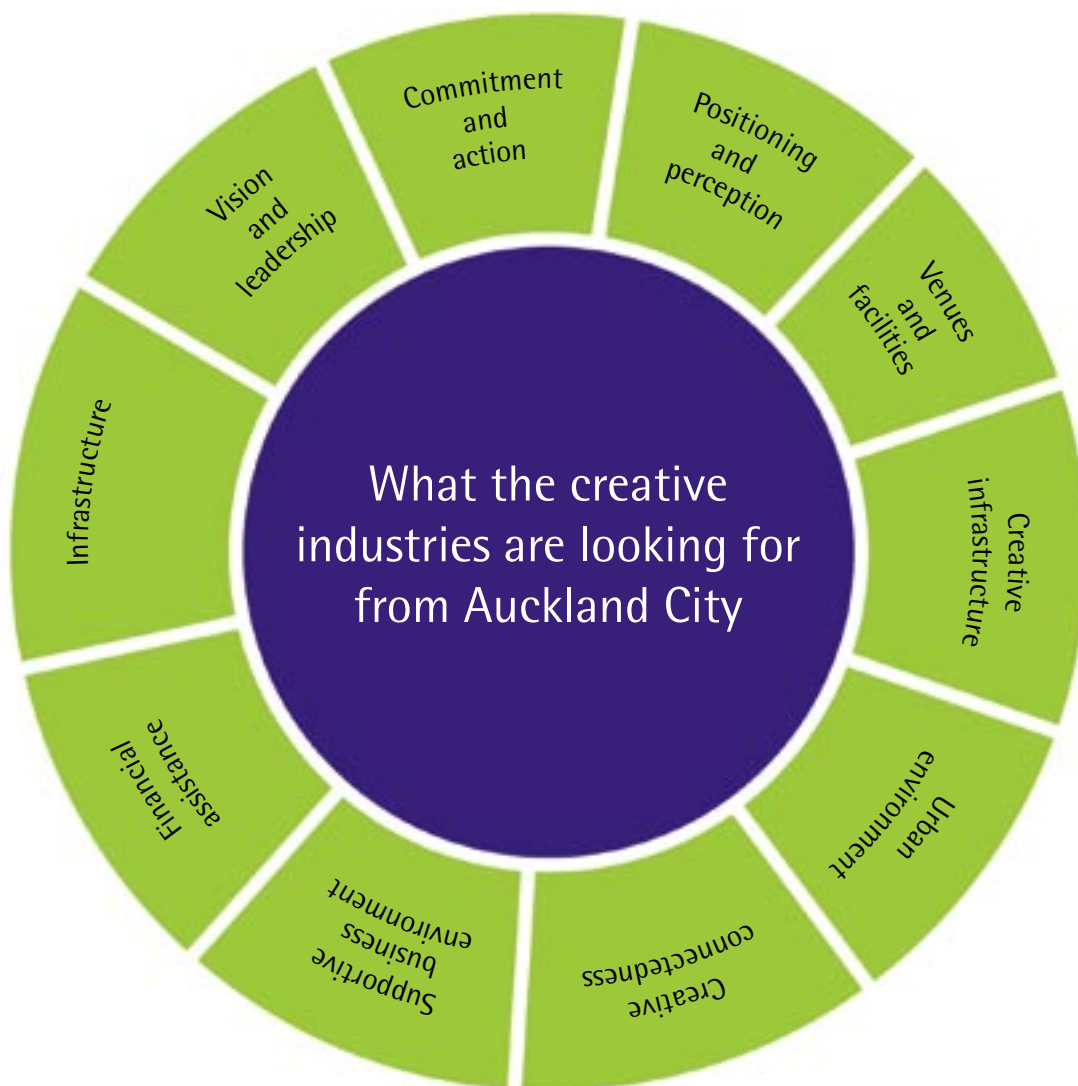
Another frequently suggested support for growth is the provision of financial incentives and development grants (10 per cent). This is most likely to be cited by those working in music (40 per cent) and performing arts (35 per cent), and by a relatively high proportion of new businesses (26 per cent of those operating for less than two years, compared with 6 per cent operating for ten years or more). Fewer regulatory constraints (7 per cent), and the promotion of New Zealand's creative industries internationally (6 per cent – including 13 per cent of those working in performing arts and 11 per cent of those in visual arts, crafts and photography) are also frequently mentioned.

# 5 | What the sector wants from the council



# 5 | What the sector wants from the council

Areas for desired action by Auckland City have emerged from our interviews



# 5 | What the sector wants from the council

## Introduction<sup>1</sup>

Overall, ten key themes emerge from the primary Gravitas research to guide the local authority, Auckland City, in supporting growth within the creative sector.

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<sup>1</sup>Material in this section drawn from the Gravitas Research and Strategy Ltd survey interviews.

# 5 | What the sector wants from the council

1

## Infrastructure

Creative sector business representatives stress the importance of face-to-face communication within their business activities. Accessibility to clients and customers is therefore considered critical to efficient business functioning.

Providing supportive infrastructure for all business activity, including that of the creative industries, is one of the most fundamental roles the council can take to support growth. Unprompted, 15 per cent of survey respondents see an improved transport system and reduced congestion as an action that will help grow their business. More affordable parking in areas where creative businesses are located is also commonly requested. Addressing congestion potentially has other positive spin-offs, for example in making the city a more supportive location for live filming within the screen production industry.

... There are fabulous things about Auckland, but [the traffic] is a pain... I'm lucky because I don't drive somewhere to go to work in the morning in the rat race... It takes up time, it takes up petrol, it's smelly. It's negative for the environment and our air and our clean, green image, which I want to see is really, really true, because of our population base... It looks fabulously green, but I want that to be real. That's huge. As a person living in Auckland... that would almost drive me away...

Fashion Designer

2

## Vision and leadership

The creative sector seeks vision and leadership in growing the sector. There is support for the council to lead from the front and at all levels. This includes being pro-active in claiming creative industries as 'Auckland's own' and in publicly acknowledging the importance and value of the sector.

In addition, the sector is looking to the council to help develop a greater sense of collective identity and civic pride. A greater sense of appreciation, celebration and promotion of creative business and creative activity within the city is also desired.

I think we are suffering a bit from being this big disparate city that's gone off in a million different directions at great speed. I think it's trying to do something to weave it all together again... There is nothing we are really proud of as Aucklanders. I've been here for 10 years and I don't really consider myself as an Aucklander...

Director, Boutique Graphic Design Company

It will be important that any council action for supporting creative sector business growth reflects the breadth of values and issues of concern held by the creative sector. Importantly, creative sector business representatives desire authenticity in their relationships with the council, along with empathy, innovation and vision, but not excessive red tape or undue political interference.

... When you hit a wall, things die too easily in this city. There's no benevolence. There's no care. There's no one saying 'well actually, you know what, that's too important to let die'.... There's very little pro-activity here... I suppose a recent example would be the way Wellington stole the wearable arts. They could see some use of having that as part of their cultural brand...

Multi-Media Event Producer

## 3

## Commitment and action

The creative sector desires commitment and action through all spheres of council activity.

Council involvement in initiatives such as Film Auckland, the CUBE, New Zealand Fashion Week and the Auckland Festival are positively shifting perceptions of Auckland City and its commitment to the creative industries. However, memories run deep and it is apparent that a number of historical events and decisions by previous councils have affected sector perceptions of Auckland City as a supporter (or not) of the creative sector. Whether these perceptions reflect a full understanding of events is not important. What is important is the impact such memories can have on perceptions about the council and how these in turn can affect stakeholders' willingness to engage with the council.

Building trust and a shared vision of goals will be particularly important in developing strategies to assist sector growth.

The perception of Auckland and Aucklanders is that Auckland and culture don't mix... historically that is the way people see it, council has wanted to stamp it out, not encourage it... a way of countering that [perception] would be to do as much conscious promotion of the culture thing, not in a cheesy way, something that is done really well...

Owner of Independent Music Label

... There's some really great plans out there but nothing seems to get done... everybody knows it costs a lot of money but we just need something to happen and we need to get on with it

Director, Advertising Agency

... the council has a tendency to sort of have high strategic ideals and poor delivery on those... I know it is trying to really look at investing.... it really takes some serious boldness rather than passing around the pig, kind of attitude

Landscape Architect/Urban Designer

... the council needs to stop talking and start implementing and spending some money and showing some leadership. I think that that sort of approach would cause that creative sector to also prosper. Because if you look at cities like Sydney and Melbourne, which have got their act together more in terms of being creative and building a certain type of urban environment, it is a sort of self-perpetuation policy, if you like

Landscape Architect/Urban Designer



# 5 | What the sector wants from the council

## 4 Positioning and perception

Participants believe that Auckland is a creative city. However, it is felt that the creative activity that occurs is often overlooked and/or doesn't receive the level of publicity and recognition it deserves.

There is common frustration at the lack of celebration of talent within the city.

To address this issue, participants see council roles in achieving greater promotion and visibility of the creative activity occurring and in this sense, assistance to more clearly brand and position Auckland as a city rich in creative talent.

Many sub-sectors identify themselves as likely to benefit from such action. For example, sub-sectors requiring a vibrant and active 'going out' culture and with interest in building the next generation of audiences (such as music and performing arts) directly stand to benefit. Publicity and promotion support is particularly important for those sub-sectors without resources to spend on marketing. 3-D design is one such sector finding it increasingly difficult to advertise. All sub-sectors have an interest in achieving greater public awareness of the creative talent and skill within Auckland.

Personally I think Auckland City needs to take a lot more pro-active responsibility for developing this idea of being creative. What is a creative sector? How do we develop it and who develops it? Where is it? Why isn't it more in the public eye? ... There are loads of people doing really interesting things but one, you can't find it; and that's always been my biggest gripe about this city. If you want to put something on in the city it costs a fortune. You need to have some support. Yes arts are live but its very low profile... It just feels like we're kind of living a lie a little bit

Multi-Media Event Producer

## 5 Venues and facilities

In order to present and distribute their work, sub-sectors such as performing and visual arts and music rely on a strong network of facilities such as theatres, live music venues, comedy clubs, public and community galleries. Providing permanent homes for core performing arts groups such as the Auckland Philharmonia, the Auckland Theatre Company and Black Grace in or around the Town Hall is considered essential by some participants. Strengthening the performing arts precinct within the inner city will assist to build further momentum and focus within the performing arts sub-sector.

Other venue and facility-based suggestions include additional public art facilities that would enable the more permanent display of the city's art collections, a new gallery/museum for design and innovation, and increased funding to Auckland Art Gallery to enable the gallery to occupy a more commanding and leading position in the visual arts life of the city.<sup>2</sup>



<sup>2</sup> Auckland City is planning a multi-million dollar development of the gallery. Restoration and expansion of the gallery will create approximately 50 per cent more space for collections and temporary exhibitions as well as create better linkages with Albert Park and the wider cultural precinct. Auckland City will fund \$25 million of the development costs with the balance of costs (approximately \$65 million) planned to come from private donors, trusts and other fundraising sources.

# 5 | What the sector wants from the council

## 6

### Creative infrastructure

A city's creative infrastructure involves more than venues and facilities. It includes the layer of events, competitions, and festivals that stimulate creative activity and enterprise. For sub-sectors such as music and performing arts and for screen production, this layer of infrastructure is important in identifying and nurturing new talent. Publicly supported events may also have a role in developing public taste for innovation and creative risk taking, in turn supporting growth by potentially helping to build audience numbers in these sub-sectors and in event production.

[Local theatre] gives me writers, directors, actors. I mean it is hugely important for developing the talent base. They feed into film. They all feed into film and television. Those are often the places where people start. It is encouraging and allowing those low rent, not-so-spectacular kinds of things, like the Classic Comedy Club, what a great venue. What a supportive environment... The Silo is great too

Independent Film Producer

... All the people that I work with in the short film genre have all taken advantage of those avenues and been involved in those avenues in some form or another, especially for the actors, but also for the writers and directors. There is a direct correlation...

Independent Film Producer

Reflecting the above, there is widespread support for the council's continued and increasing involvement in creative events and initiatives that respondents highlighted, such as the Music in Parks series, the Pasifika Festival, the Arts Agenda, and the CUBE project. Promoting a diversity of events, identified and championed because of their creative, community and business (rather than political) merits, is seen as important. Greater linkages between existing events may assist to build a greater sense of connectivity and continuity within creative activity. It may also help to create additional impact and leverage, reduce fragmentation of effort and mean that otherwise isolated events become part of a more visible and significant strategy for growth.

A commitment to developing significant public events that showcase Auckland's creative talent may also have a legitimate role to play in retaining such talent within the city. The research reinforces that Auckland is home to a vast array of internationally recognised talent, particularly in areas such as event production, digital media and screen production. Interviews with such people indicate a willingness to share their talents with the city in a way that both showcases their skills and helps make the city a more vibrant, exciting and united place in which to live.



# 5 | What the sector wants from the council

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## Urban environment

Improving the urban environment is perceived by many survey participants as critical if Auckland is to truly position itself as a creative city. Reflecting this, the creative sector clearly wants the council to take a strong lead in improving the quality of urban design and planning in the city. The sector wishes for development to take greater consideration of cultural, aesthetic and social values and greater involvement in development decisions, for example, through better consultation processes.

At a practical level, creative businesses often desire to locate in premises consistent with their own commitment to good design. At a wider level, the quality of the urban environment is seen as a key symbol of the extent to which any city values and supports creativity.

*... if Auckland wants to be seen as having any credibility as a design centre on a global scale, the quality of the architecture needs to improve... it's about the council having an overall sense of where the city is going, having some control over it...*

Graphic Designer

Further development of the CBD is central to many participants' visions. A visually interesting, dynamic and diverse city centre attracts creative people, stimulates creative activity and

opportunities. Development of the CBD directly supports those creative sectors that benefit from increased numbers of people in and about the city (such as visual arts, performing arts, music, event production, design retail).

*... if we do wish to develop as a creative city, we do need some icons...in terms of town planning, in terms of architecture, in terms of sculpture... it's underpinning the notion that it is a city that values creativity, design, the arts... it's making a statement and backing it up, it's walking the talk, it's a statement from the city that we do care about this stuff and there is a level of priority in it and showing it*

Product Designer

Long-term strategies to develop, protect and link creative precincts together are also called for. Given Auckland's size and urban form, it is likely that the city will ideally comprise a series of creative precincts. Within this, activity such as events, special projects, and forums would ideally provide further opportunities for networking and cross-sector collaborations.



# 5 | What the sector wants from the council

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## Creative connectedness

It is only recently that the creative sector is being recognised nationally and internationally as a collective entity, albeit comprising a range of diverse sub-sectors.

Roles for the council are seen in helping to strengthen and harness the collective energy, skills and opportunities that exist in the sector.

Connectivity of ideas could be encouraged through support of forums, events, celebrations, cross sector initiatives and so on. Such connections may stimulate joint ventures and activities that might otherwise not occur.

Many interviewees consider developing global connectedness and global exposure essential for sector growth. Roles for the council are seen in promoting Auckland as an international city, through developing and supporting international events, acts, visitors and forums and through improving the infrastructure that supports global connectedness (such as improved airport access, support to ensure the success of the new multi-use indoor arena, and international quality sound stage space).<sup>3</sup> Implicated in these findings is the importance of the council making a long-term commitment to supporting key stakeholders and developments within the city and Auckland region. They also identify opportunities for the council to be involved in actively promoting assets such as the new arena.

Participants also see council roles in supporting networks and connectedness between creative industry sector stakeholders. This could include fostering relationships between businesses and existing sources of business support as well as industry bodies such as Film Auckland and music industry groups. The council may also have roles in improving the alignment of training provision with industry needs. Awareness of Wellington City Council's actions also prompts participants to envision roles for Auckland City in improving virtual connection through improved broadband access.

Creative people don't like too much structure, but they like you actually also to make it easy for them to get together and do things... all I know is that the process of idea stimulation and then turning the idea into whatever, it seems to me, is facilitated in a community sense. Communities in Auckland are quite hard to create. We are so disparate. I mean that is a consequence of this quite rapid growth of the city... personally I think councils could create environments. Secondly, I think they could create communities of interest. Thirdly, I think they could possibly create opportunities by saying... We are going to be doing so and so and we would like to have organisations tender for it

Business to Business Magazine Publisher



<sup>3</sup>In 2004, New Zealand Trade and Enterprise (NZTE) approved funding for a major regional initiative for screen production which will include development of an Auckland-based, international standard, purpose-built sound stage, as well as marketing and capability building activities of and for the Auckland screen production industry.

# 5 | What the sector wants from the council

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## Supportive business environment

Creative businesses see a role for the council in making it easier for them to do business. This could include: reducing red tape and regulatory constraints for business dealings with the council; streamlining the consents process for holding events perhaps through an improved single point of entry to the council and council dealings; policies and operational responses which recognise and support the inter-connectedness of creativity; rates rebates incentives; and other support for new start up-businesses.

If the council has an interest in building the concentration of creative sector businesses in the CBD and CBD fringe, the research shows that the cost of premises in these locations, poor access to and for clients and customers, and lack of available and affordable car parking constitute potential barriers to such development. Each of these areas suggests potential for future council action.

... allowing those venues to live cheaply. Not overcharging them rates. Maybe being supportive, you know like if they come to [the council] for money and go look, we need some cash, are you interested in being a sponsor. I totally recommend [council] involvement in those areas...

Independent Film Producer

I think Santa Monica did something with its art galleries. It said if you're an art gallery and you want to come and be in this area, we will not charge you any rates or give you a reduction on the rates. I actually think there needs to be some kick start to get a certain amount of activity there. Once it gets to a certain point it will I think be self-perpetuating

Director Architectural Practice

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## Financial assistance

Creative businesses generally do not report a strong history of receiving or seeking external sources of business development support. Over two-thirds (69 per cent) of survey respondents have not received any business development assistance and membership of industry groups or organisations also appears to be relatively low. Nevertheless, unprompted, 10 per cent of survey respondents see a council role in facilitating the provision of financial incentives and development grants – with a particularly strong call for this from those working in music (40 per cent) and performing arts (35 per cent). Six per cent of survey respondents suggest the provision of grants or subsidies.

Potential for council financial involvement is also seen in initiatives such as starting a creative sector venture capital fund, new product/idea development funding, and assistance in helping creative businesses access existing business development loans, for example, through raising awareness of what is available.

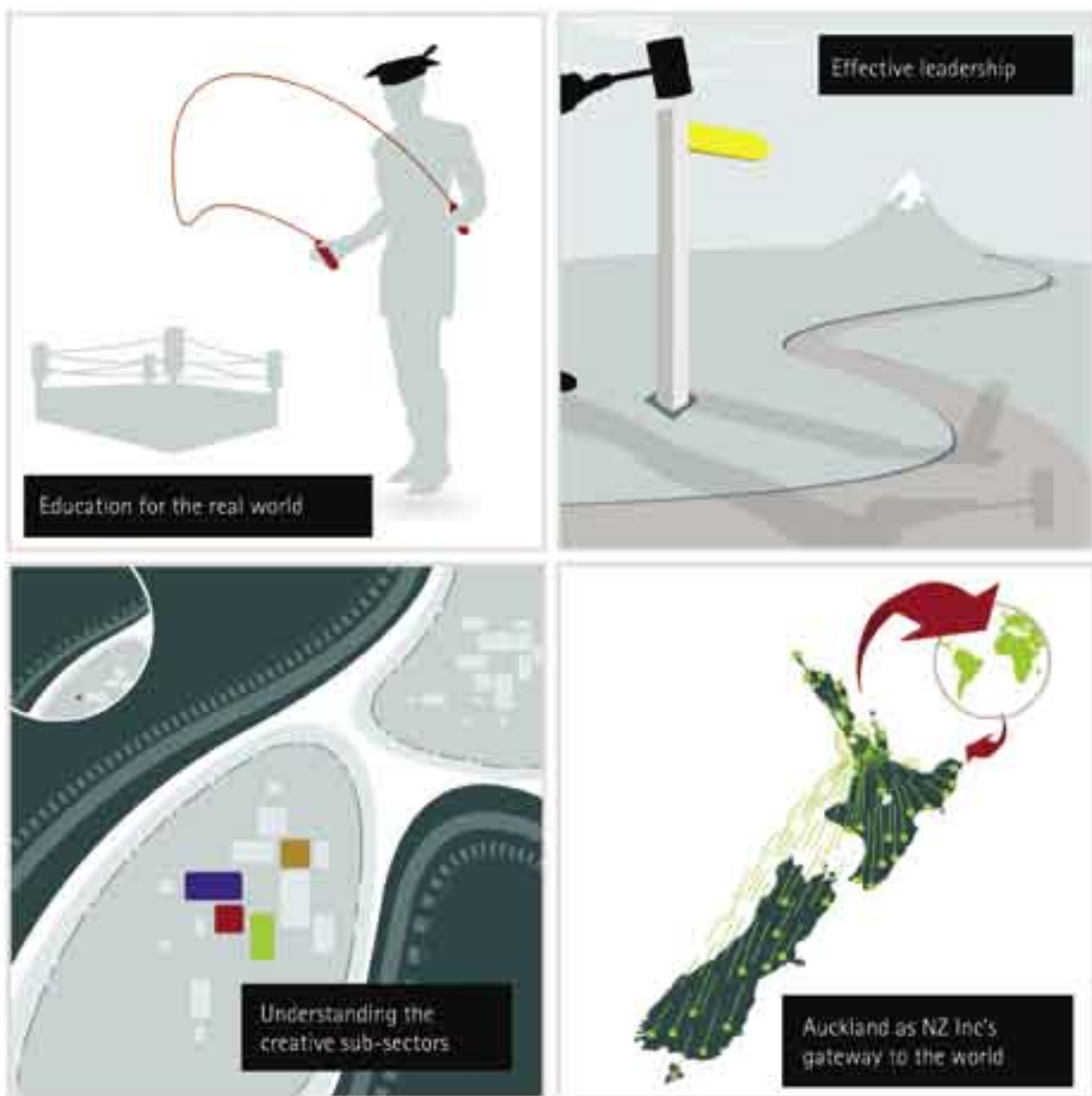
For more detail on what our interviewees said, see the Gravitas Research and Strategy Ltd report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>

## 6 | Stoking the fires



# 6 | Stoking the fires

Our named interviewees identify four key development areas for the creative industries



# 6 | Stoking the fires

## Introduction

Economic growth is best facilitated by a sophisticated understanding of the individual sub-sectors and the creative industries as a whole. In this chapter, we identify from our interviews with industry specialists and commentators<sup>1</sup> issues for Auckland City to consider in the economic development of the creative sector.

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For the full versions of these interviews, see the Frontier Network report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>

<sup>1</sup>For details of our interviewees' titles and organisations, see Appendix A.

# 6 Stoking the fires

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## Context: Viewing Auckland's cultural diversity as a motor of creative output

Auckland is fortunate. The multiplicity of people from diverse cultural backgrounds in Auckland's creative industries is not a future state – it's a current one. Many of our interviewees suggest that this is another important context for creative sector economic development. Furthermore, it's a regional one, with much of Auckland's Maori, Asian and Polynesian populations located in Manukau, Waitakere and the other Auckland cities.

Thus there are artists, creatives and creative intermediaries who derive ancestry from multiple cultures. Maori (iwi-specific and pan-tribal Maori); Asian<sup>2</sup>; the Pacific peoples, as well as the successive waves of European settler cultures into New Zealand, are increasingly evident across the industries.

There is content that is specifically reflective of this – much contemporary music, filmmaking, the visual arts, publishing, the performing arts, architecture and design. The visual imagery (both commercial and aesthetic) with which Aucklanders are surrounded is distinctively multi-cultural. Our media, our advertising, speak to us of a New Zealand, and specifically an Auckland, which is no longer solely European and white in its public projection, nor in the tastes of its markets.

This cultural (and intercultural) motor is generating perspectives unique to New Zealand – visible and audible in the content of our plays, films, music, books, dance, visual arts, television and advertising. It is driving our workforce with the rise of Maori, Pacific and Asian, as well as pakeha, artists, businesses and entrepreneurs. It is generating cultural events of a scale such as the Pasifika Festival and the Lantern Festival. It's not a coming thing: it's here.

The creative industries by their very nature reflect the city and the country within which they operate. In this sense they make Auckland and Auckland makes them.

The original settlement of Tamaki Makaurau by Maori, the subsequent waves of immigrants from Europe, the Pacific and Asia: what are the opportunities offered by our respective cultures, both separately and together, over three-hundred-and-sixty years or so since first contact?

Some specific areas for thought emerge pertinent to economic development. One is how to harness (and perhaps commercialise) the intellectual property (IP) unique to New Zealand. This is most evidently Maori IP, being found only here. It is also that of all immigrant cultures and the creative activity of New Zealanders in general: our way of doing things, which gains distinctiveness from being created here as opposed to anywhere else. Such IP is not necessarily located in any one culture, being also a product of our interactions.

We want to tap and reflect New Zealand's emerging cultural identity through fashion and the impact of Maori and Pacific cultures. Think of Neville Findlay's [Zambesi] observation that New Zealand's one true fashion innovation is the feather cloak.

Paul Blomfield

Another is the projection and positioning of Auckland city, and the Auckland region. Does Auckland want to project itself (and can it) as the largest Maori and the largest Polynesian city in the world? Does this speak adequately of the reality of the cultural base? How does it fit with other ways of representing Auckland including as a creative city? There are advocates for heightening Auckland's Pacific flavour. How could this be developed in a way that is not merely a simplistic use of the visually exotic?

There is also the extent to which the creative industries themselves can become a key factor in creating greater connectivity across communities, and helping develop strong, confident cultural identities.

We need to leverage the ability of technology to form new kinds of networked, decentralised communities... our telecommunications infrastructure should be used to reach out to immigrant communities who are currently too separate from each other, and not particularly visible.

Russell Brown

Chinese students are currently running at around 25 per cent of the total AUT student population. We see Asian, particularly Chinese, students making a different kind of cultural contribution. We see real potential in events 'both entertainment and economics' – such as the Chinese Lantern Festival – in the way that they can draw Chinese students in, and not leave them feeling excluded.

Desna Jury

<sup>2</sup>Note that using the terms Pacific and Asian can disguise that we are talking about a large array of different cultures who are often more notable for their differences than their similarities. The largest populations in Auckland of Pacific origin are Samoan, Tongan, Cook Island Maori and Niuean; and of Asian origin, Chinese and Indian. (Source: Auckland City statistics, Our people.)

# 6 | Stoking the fires

Then there is the question of integration and where this will take us. People working in the creative industries are taking us past the careful juxtaposition of balanced multi-cultural imagery to a richer exploration of cultural identity. Within a social context, New Zealand is discovering what it means to have so many diverse cultures living in close association with each other, and its potential for innovation.

**Let's recognise that the rich cultural diversity in Auckland produces rich and diverse music that eventually has commercial potential. Hip hop, for example, where the edge has penetrated the mainstream.**

**Brendan Smyth**

**New Zealand is essentially a conservative country. We could be way more edgy than we are but this needs confidence. We need to understand that innovation doesn't happen independently of culture: look to European, Pacific and Asian models that understand the social context around innovation and design.**

**Pradeep Sharma**

As we inter-marry, as our population percentages alter relative to each other over time, and as our social and physical environment increasingly reflects these changes, how will future New Zealanders locate their sense of identity?

**Auckland is growing up and getting on with it. How New Zealanders see themselves will evolve, and Auckland will lead that by dint of the mix present in Auckland.**

**Pauline A. Winter**

**We need to build bridges across cultures. This is Auckland's point of difference: get over the cultural cringe.**

**Clare O'Leary**

## The Ngati Whatua perspective<sup>3</sup>

An empowered, active and highly visible Ngati Whatua o Orakei is central to any vision of a creative Auckland. Ngati Whatua hope to recover something of their former economic influence in the isthmus. They have a comprehensive and interconnected strategy which covers health, education and the arts, as well as the economic development of their land and numerous current inter-related ventures. These include Quay Park on the waterfront; joint ventures with the Eastcliffe Retirement Village and partner Protac Investments and at the Unitec student residential village with developer Townscape; involvement with Auckland City through the multi-use Vector Arena project, as well as the New Zealand Trade and Enterprise-assisted cultural tourism venture, Te Pa, at Bastion Point.

Does Ngati Whatua have a development trajectory around creativity and the creative industries in particular? We focused in the interview not on Ngati Whatua's involvement in the arts per se, but on the 'industry' aspect, with its connotations of commercialisation and scale. Sir Hugh Kawharu, Chairman of the Ngati Whatua o Orakei Maori Trust Board, says that a specific creative industries' focus cannot be a current priority for Ngati Whatua.

**Survival is the issue for the moment. Serious thinking about development in creativity is a luxury which, however meritorious, must be postponed.**

**As a result of the break up of our settlements in Tamaki at the onset of colonisation, Ngati Whatua as a tribal entity doesn't appear in any industry today. The only stability Orakei ever had was based on our ancestral land and fisheries. So in economic terms, we hold a position that's as much a moral position (as tangata whenua) as one of commercial status. However, our estate has grown a little recently. We don't [yet] have a cash flow but we have laid the basis to provide a substantial income, which if intelligently used will help our people move forward.**

Sir Hugh can, however, see a time when growth 'whakapakari', and "the chance to think constructively about creativity and where that thinking will take us", will be part of the wider agenda. Such thinking may centre around, among other things, tourism.

**Tourism is never too far away in our thinking for the last year or two... for I personally think there is indeed scope for sharing what we understand about our history, environment and where we have come from to a wider audience.**

It will also coalesce around Ngati Whatua's craftsmanship in the rock and wood unique to the Auckland isthmus, in their knowledge of the land and sites of cultural significance, the role of the arts and the artist in Maori communities, and of course, the unique intellectual and aesthetic resource constituted by the tribal community itself.

<sup>3</sup>Go to <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp> for the full interview with Sir Hugh Kawharu, kaumatua Danny Tumahai and artist Bernard Makaore.

# 6 | Stoking the fires



At the heart is our marae, an incomparable marae, which cannot be duplicated. We have a Ngati Whatua community of people, 150 houses, that can be added to. My father, who died fifty years ago, and who, together with others, had not long been evicted (under the Public Works Act) from their ancestral lands at Orakei could not have dreamed of this.

Sir Hugh Kawharu

This perspective, of course, is informed by the events of colonial history.<sup>4</sup> An understanding of that colonial history provides insight into how one might build a partnership with Ngati Whatua in the creative industries.

Since the early 1990s, Ngati Whatua and Auckland City have engaged in developing a partnership that could stand as a positive model for Maori and pakeha interaction.

From our perspective, we have seen Auckland City gain in understanding Ngati Whatua and our capacity to contribute to both the Maori and the pakeha worlds... [We] can do a very great deal if there is mutual understanding. [It's often] as much a matter of what not to do, as what is appropriate and might, or should, therefore be done.

Sir Hugh Kawharu

A deep culture of reciprocity is rooted in Ngati Whatua and has characterised many of its actions, from the gifting back of Bastion Point to the people of Auckland following its return to Ngati Whatua in 1991, through to recent involvement in the redevelopment of the Auckland Museum. Such an outlook is one Sir Hugh believes is central to the arts.

<sup>4</sup>Go to <http://www.ngatiwhatuaorakei.com> and <http://www.aucklandcity.govt.nz/auckland/introduction/ngatiwhatua/default.asp>

# 6 | Stoking the fires

What is created by a Maori artist is offered as a gift. Gifts are not measured by the world of dollars. They have aesthetic values which people in general may appreciate. Hopefully the recipient of the gift will value it very highly and that will be the first part of the payment. Now that will satisfy the artist to some extent. The second part, which will possibly satisfy the artist even more, is the knowledge that what the artist has created and is now with another party, will secure a return to the artist's people somewhere in the future. Another way of saying the same thing is that the gift is meant to consolidate the relationship between the two parties. [The relationship] might not be there in the first place. If so, the gift will begin a relationship. Or if it is there, it consolidates it. Converting such transactions into commercial transactions however, while possible, is fraught.

Sir Hugh Kawharu

In conversation with Sir Hugh, one becomes aware of a depth of perspective that covers not only Maori past and current history, and an intimate knowledge of the Auckland landscape, but also of the colonial crucible that has formed modern Auckland. At the time of writing, Ngati Whatua o Orakei is in the concluding stages of their WAI388 Treaty claim, a process that has absorbed much energy for more than a decade. If Ngati Whatua, post-settlement, see fit to release some of that energy into Auckland's creative sector and the development of their own creative industries, it will indeed be a princely gift to Auckland.

## Asian and Pacific perspectives

Observation suggests that New Zealanders of Pacific and Asian as well as Maori ancestry are increasingly distributed throughout the creative industries, in both the general creative sector labour force as well as culture-specific businesses.

The Pacific influence is visibly to the fore: there has been a proliferation of Pacific art, music, storytelling and film making in New Zealand over the past twenty years. An equivalent rise is becoming evident from the Asian communities.

The creative industries are, of course, reflecting a trend across the Auckland economy as a whole. Both Pauline A. Winter and Professor Manying Ip suggest this is a function of immigrant population size achieving a significant scale, and of a work environment more supportive of cultural diversity than at any time in New Zealand's history.

These trends are a result of increase in our population, not the result of some other phenomenon. The growing, youthful, energetic, New Zealand-born Pacific population can't be ignored any longer. It's inevitable their presence is going to be felt more widely across the Auckland region. This involvement is increasingly encouraged by the receptivity to the emerging contemporary Pacific culture by the wider population.

Pauline A. Winter

The future of Auckland will be very multicultural because of the numbers. It is sheer demographic reality. The new migrants and their children will be more dominant.

Dr Manying Ip

Nonetheless, both also see the involvement of their respective cultures in the creative industries as one of future potential rather than current realisation. They set the creative industries' discussion within the wider context of Asian and Pacific involvement in the economy as a whole and where these populations have traditionally found work. Both she and Winter describe historic patterns of Pacific and Asian employment as reflecting the attitudes of the mainstream New Zealand population at the time.

Winter says there are not a lot of Pacific companies in general. She says that currently the business base is very small in the creative industries. Winter says this manifests itself in Pacific people gaining plenty of work experience and entry level positions but not necessarily meaningful income.

They may be making a few hundred dollars a week [in creative activity] but this new sector has yet to provide a meaningful income for all those participating. Many are gaining skill and experience and are keen to contribute on that basis but the sector risks that it may become the new age ghetto for our youth. The unique contribution of Pacific people needs astute managing, packaging and marketing internationally if it is going to contribute to the wider economic wellbeing of Pacific people in New Zealand.

Pauline A. Winter

She sees sustainability as a key issue and cites Dawn Raid as an interesting success story, who have astutely diversified their business activities.

Ip says children of Asian immigrants are starting to be increasingly visible in the arts, citing a number of Asian/New Zealand artists in a number of the industries. She says that the current wave of Asian immigrants have "brought more Asian-ness" with them.

In the late 1980s Chinese cultural identity was reinforced [through the new immigrants]. People can't help but feel proud of it. There are more Chinese schools, many more visible Chinese motifs.

Dr Manying Ip

Both point out that much of the Pacific and Asian populations live outside Auckland city. Winter says Auckland City faces particular challenges in responsiveness to Pacific issues and opportunities, seeing it as a leadership challenge for the council and the Pacific community.

# 6 | Stoking the fires

Both Ip and Winter consider creative sector festivals, such as the Pasifika Festival and the Chinese Lantern Festival, as important. Winter considers a regional focus for Pacific development, and creative sector events such as the Pasifika Festival or the Auckland Festival, to be critical, given the south and west Auckland base of the Pacific population.

*[On the Pasifika Festival]: it would be a shame to take it away from Auckland city. On the other hand maybe it has come to the end of the current model and is at the start of another. [The current model] is still a bit limited – a kind of Big Day Out for brown people. The brand has penetrated the non-Pacific community, but they don't necessarily attend it. It would be good to see how it might expand to have a regional presence, after all many of the people that participate come from outside the city. Wouldn't it be exciting to think it may become an international event for the entire Auckland region? Many of the non-Pacific visitors are international – it is a great showcase of the diversity of the Auckland region.*

Pauline A. Winter

Both Ip and Winter identify that the diaspora of Pacific and Asian immigrants throughout the world is an opportunity for the New Zealand-based populations here.

For more from Ngati Whatua, Dr Manying Ip and Pauline A. Winter go to the Frontier Network report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>

We are also connected to the rest of the world. Polynesians are nicely strategically placed elsewhere. This will become of increasing importance as New Zealand-based Pacific businesses start to export services and goods internationally. It is already happening, but on a small scale.

Pauline A. Winter

Ip adds that the Asian presence on Auckland streets includes visitors – tourists, international students – as well as residents. Both serve to underline her point: in economic terms, the Chinese diaspora (she estimates 55 million Chinese living outside of China), as well as 1.3 billion within China itself, is important to New Zealand. Our resident Asian population can be a bridge to that world.

*They bring Asia to our doorstep. I can see it already working in our younger students. In the past learning Chinese, Korean and so on was a matter of history – but now it is because 'my neighbour speaks Chinese'. New Zealand Asians open up, widen the horizons of younger New Zealanders, changing our world view and not a minute too soon.*

Dr Manying Ip



# 6 | Stoking the fires

## 2

### Important issues for creative sector economic development

There are economic development issues that apply to all sectors, including the provision of soft and hard infrastructure to facilitate growth at a macro and micro level. Interviewees Rod Oram and Michael Barnett thus set the creative industries within the overall context of New Zealand's economic development.

Some of the creative industries [sub-sectors] see themselves outside mainstream business. They don't think of themselves as businesses; 'we're different'. They're not. They need to be concerned with getting the economic platform right.

Michael Barnett

People need to be a lot more strategic (the city, companies, individuals). What is it we are trying to achieve, what are the resources, how do we get there? More thinking into the future of 'what would my business look like?'

Rod Oram

They highlight the need for new thinking about the economy and the development models in use:

We need much better linkages, lots of really interesting stuff happening, and lots of overlap between these things. We haven't got the architecture of this right yet. We need to bring people together in new ways that reflect how the economy has changed, build relationship networks, enhance this through technology as well as more conventional means.

Rod Oram

We need to establish a transition economy, where we actively seek out the sources of industry, and find links between those sources and the skills required from the education sector and the skills and training environment. Communicating this to Aucklanders, and New Zealanders in general, is critical.

Michael Barnett

Then there are issues that are of particular importance to the creative industries. We summarise below, in no particular order, issues raised by our interviewees, and elaborate on some of them in the sections that follow.

First, our interviewees say we must do more to understand the relationship between the creative industries and the knowledge economy as fully as possible. Let's also consider, in the context of the knowledge economy paradigm, the products and services we're selling, and to whom: where opportunities lie in global markets.

The knowledge economy is a neat principle that lacks specificity. We're failing to have a strategy and plan alongside it.

Michael Barnett

Understanding both the industry-specific, and the wider social and cultural, conditions for nurturing and commercialising innovation is also important.

Backing industries means supporting infrastructural development and connections across infrastructure. Growth, and managing growth, are key issues for the creative industries. I think there are some problems in the current creative industries' model, which is an essentially 'spot the talent and back it' model. We need to see individual activity within a wider industry context, and need to back industries rather than just individual talents. There is a social context around innovation and design: things don't happen independently.

Pradeep Sharma

Given this, we then may want to review and adapt existing economic development strategies to fit the creative industries.

The challenge remains in operationalising the Growth and Innovation Framework. Government agencies need to count the cost of building industry capability as 'investment not subsidy', set realistic time frames and decide to be in it for the long haul.

Dame Cheryl Sotheran

We may wish to follow an international trend toward understanding more fully the issues around intellectual property rights. Such rights are key to functioning optimally as a creative economy, particularly in translating reputation into wealth. Our strategising could also focus on industry growth through market growth or result from a sophisticated understanding of the business dynamics of the respective creative industries. It could also include focussing on regional and national cooperation to ensure New Zealand adopts a unified approach to global markets.

New Zealand is already developing new models of creative sector education allied to the demands of the creative sector workforce. Alongside specific industry specialisations and technological training, sit the entrepreneurial skills and understanding to start and grow a successful business. Our educators want to foster creative sector entrepreneurship, the skills involved in commercialising good ideas and taking them to market.

Finally, strong public and sector leadership is also key, to project confidence in and an understanding of the economic value of the creative industries.

# 6 | Stoking the fires



# 6 | Stoking the fires

3

## Issue (i): Developing more informed and sustained public leadership

The resources that the public sector commands – at both national and local level – mean that it is a significant influence on the shape and health of the New Zealand economy in many of our creative industry sub-sectors.

Public sector influence can be both direct and indirect. Direct influence includes the focused interventions carried out by various government agencies, while indirect influence is applied through policies that affect the economic environment and infrastructure.

Various of our interviewees cite political leadership as a major influence on the priorities, resources and work of the public sector in relation to the creative industries. In New Zealand the inclusion of the creative industries into the national economic development framework (and the consequent flow of resources) has owed much to political recognition and championing of the sector's potential.

Similar developments in other countries confirm that political advocacy is important in making the creative industries visible, in engaging the interests, budgets and focus of those outside the sector and ultimately in realising the economic value of these industries.

Politicians and their advisers wishing to work with the creative industries will want to fully understand the potential for wealth and job creation of the sector as a whole, and of individual industries within the sector. Politicians also often play important symbolic roles in hosting, entertaining and highlighting the achievements of the sector.

Our interviewees argue for the long haul:

**It's a long-term game. We need people not to see the creative industries as just a flavour of the month, flash-in-the-pan moment. We need a strategy that develops and supports over a long period of time.**

Dame Cheryl Sotheran

**We need long-term government support – it's a long-term game, can't work on a stop/start basis. Most film projects are at least five years in gestation. *Whale Rider* was 10. Roger Donaldson's *World's Fastest Indian* has been 25.**

Dr Ruth Harley

Finally, interviewee Michael Barnett stresses the importance of conceiving sophisticated development strategies for the economy as a whole that are understood by our national and local leadership and communicated to the wider public. He says effective leadership will be vital in:

- defining the principal economic development agenda
- communicating this to the wider community
- identifying ways forward on complex issues
- creating integrated strategies across different agencies, and across the private and public sectors
- marshalling the resources of the state (at national and local level) in whatever way seems appropriate
- determining that the flow of public sector resources are applied to the things that matter.

Barnett also highlights the need for leadership from within the creative sector.

**The creative industries need to put a plan together and communicate it: what they contribute, who they are, what they stand for, what they offer in terms of opportunities for investment, opportunities for employment.**

Michael Barnett

# 6 | Stoking the fires

4

## Issue (ii): Promoting a role for Auckland within 'NZ Inc'

We live in an age of city aggrandisement whereby one city may attempt to claim a crown from another. Some of our interviewees urge something rather different.

They say the economic future for New Zealand lies in a unified approach to global markets.

**We are a small national economy that's struggling to perform in a highly competitive, highly challenging environment. We need to think not regionally but nationally. Auckland could play a hugely important leading role in this. We need – and don't have – a vision for New Zealand as a single, exciting, global economy... We're still hugely fragmented as a country. Auckland is the obvious place to be thinking of the creative industries in a national sense, with many of the industries located there.**

Dame Cheryll Sotheran

New Zealand needs a national strategy delivered regionally that draws on the strengths of individual regions. Ultimately, Auckland's competition lies not within New Zealand but with Sydney, Seattle and a host of other international cities.

New Zealand needs scale and volume in its creative industries in order to compete. Auckland must collaborate regionally to build scale and centres of excellence both in the creative industries and in the economy in general:

**We should be able to operate as a region not parochial, patch-protection focused. We need to deliver regionally not be fragmented: regional 'platforms' can reflect their differences but we have to operate as an integrated region.**

Michael Barnett

Our interviewees argue for NZ Inc: a leadership position for Auckland that recognises the scale and size of Auckland's creative industries' workforce and markets, yet does not diminish the quality and importance of the creative industries in other cities.

Such a position would allow Wellington to be the cultural capital of New Zealand, or Christchurch to be recognised as "a leading creative industries destination"<sup>7</sup> and so on with other cities and regions. It would recognise an increasingly mobile workforce. It would enable Auckland's multiple cities to come together as one when required and to actively build those links. And it would send a message of collaboration not competition, of New Zealand contra mundum, competing with the rest of the world, rather than with each other.

**We need to think of New Zealand as a single market with one national export strategy, the country working as one. We have to offer New Zealand as a whole in global markets. We need a national strategy with national infrastructure that is delivered regionally.**

Dame Cheryll Sotheran

Film is cited as a creative industry where this is already occurring: a mobile creative and technical workforce, film shoots which require (or desire) multiple locations throughout the country delivered seamlessly through regional co-operation, infrastructure which is kept busy through productions from all over New Zealand and investor-seeking agencies making 'whole of New Zealand' pitches to overseas producers.

**We need to act as a single market and behave as a single industry to keep overseas film-making here. It won't stay here otherwise. We need the capacity to deliver regionally if a film is shot in both, for example, Auckland and Queenstown. We also need to see films made here locally by New Zealanders and films made here by overseas interests as parts of a single industry, rather than viewing overseas films as threats, local as good.**

Dame Cheryll Sotheran

<sup>7</sup>Christchurch Creative Industries Strategy 2005–2007.

# 6 | Stoking the fires

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## Issue (iii): Gaining a better understanding of the changing nature of creative sector business

The nature of the creative industries themselves is changing. Overseas commentators point out a new ethos: the rise of the micro business. These are networks of smaller, commercially interdependent businesses that have the scale of a larger company but the creativity of a smaller arts company – and with the ethos of commercial practice (wealth creation and meeting their markets).

As discussed in the Starkwhite report, the creative industries landscape is itself dynamic and careers are expanding. People with arts-trained creative skills increasingly can and will:

- work in traditional sector forms
- open up new possibilities in terms of creative sector business
- have the opportunity to make creative inputs into other service and manufacturing industries
- have careers in commercial practice which move between the not-for-profit and the commercial.

**Economic growth in the creative industries is dynamic and taking many forms... We're seeing the exploitation of intellectual property across industry segments – such as writers moving into film and television. Increasingly people are being more creative within traditional industries. We need creatives to make all our exports stronger or we won't have any export in the future.**

Paul Blomfield

Several interviewees suggest we need to widen our understanding of what creative industry specialists do, and the potential applications of their skills.

A core competency of a designer is the ability to work with complexity, to systematically and efficiently juxtapose a number of apparently disparate elements together to create a synthesised whole to achieve a purpose. Design is a 'value creator', a source of raw intellectual property and the generator of new business models.

Pradeep Sharma

Many architects have always had a strong social conscience. I believe the skills architects possess could be utilised more widely – it's not just about beautiful homes for fat cats. A recent New Zealand example is the meningitis epidemic-inspired involvement of fifteen architects in a South Auckland initiative to remodel 60-year-old state houses to better meet the needs of large families. Over 200 houses have been improved.

Gordon Moller

They point to the development of businesses allied to, and arising out of creative industries' initiatives. By way of example, Pradeep Sharma cites architect Frank Gehry, and the establishment of Gehry's spin-off technology company borne out of the architect's innovative design work with titanium, and, closer to home, Paul Voigt and Clare O'Leary point to Auckland's Oscar-nominated Massive Software, the leading developer of artificial intelligence-based 3D crowd animation systems which sprang into existence to help artists solve post-production needs on *The Lord of the Rings*.

The creative sector workforce depends on creative cross-disciplinary teams as well as individuals.

The creative economy thrives on talented individuals and creative teams who... generate and/or exploit intellectual property. Typically the ability to do this successfully relies on developing good networks and relationships, and a willingness to work collaboratively, often across disciplines.

Elizabeth Kerr



# 6 | Stoking the fires

Architecture is a collaborative art form. I was brought up to respect the viewpoint of the builder, the plumber and the engineer. On Sky City, for example, all the design people – around 60 people – were intentionally in one office. We made very rapid progress, we partnered with builders, the operational people. All those involved understood each other's needs and could modify the design accordingly. In particular, the architectural language was integrated with the structural engineering concepts. We are also now seeing collaboration between architects on projects, which was formerly fairly rare.

Gordon Moller

Collaboration is increasingly a characteristic of the graphic design industry. Nowadays designers commonly join up with other designers for specific projects. Then there are web developers, the printing industry, copywriters, photographers, business strategists, marketers and public relations consultants all adding to the infrastructure surrounding designers and their clients.

Fraser Gardyne

Collaboration is also giving rise to multi-industry commercial initiatives:

The growth of the market is fuelling some opportunities that didn't exist before. Look at Nesian Mystic's licensing arrangement and at cases of multi-industry involvement such as fashion brands developing out of a music brand [such as Dawn Raid].

Russell Brown

Finally, there are important links between the different creative industry sub-sectors, and between the profit and not-for-profit sectors, in the mobility of labour, the generation and realisation of ideas/content and the development of markets.

Commercial and not-for-profit enterprises within the creative sector use similar skill sets. People increasingly move back and forth between both types of enterprise, and the two are interdependent.

I believe that the arts and creative industries are interconnected, even enmeshed. Both sectors drive creativity and innovation to generate new meanings, approaches and/or solutions to various opportunities/challenges and/or problems. Both sectors are vital contributors to New Zealand's economic growth and development.

The creative industries sector however is more firmly connected to the market economy than the arts sector, which has not traditionally relied on market-driven economic forces to deliver production and consumption... what connects the two sectors are highly creative practitioners who are not afraid of risk, their quest to bring to life great ideas that are often fuelled by the imagination and a willingness to work in flexible, highly creative ways to deliver the best ideas into the public domain and/or market place.

Elizabeth Kerr<sup>8</sup>

Writers receiving grants from the public creative agencies write scripts and books that become the motor for theatre and film projects; our film actors learn their craft in publicly-subsidised theatres and get to practice it on Shortland Street; our designers work sequentially on designing an opera, a commercial and a film.

Live theatre remains crucial to writer and performer development for the film and television industries. Scriptwriting is also under-developed: this is the generator of film projects.

Dr Ruth Harley

Creatives, performers, designers, technical people who learn their craft in not-for-profit enterprises are essential to the development of more commercially focused ventures: for example the subsidised sector actor, director and technical specialist workforce which is a part of the infrastructure needed for the development of commercial productions and the staging of large city events.

One can't have a strong creative industries sector without a strong arts sector.

Elizabeth Kerr

<sup>8</sup>Elizabeth Kerr in The Big Idea August 2004.

# 6 | Stoking the fires

[On the importance of government support]... who helped fund Jackson's first three or four films? The taxpayer, via the Film Commission. Why was Jackson able to call on relatively skilled and experienced local crews and cast, willing to work for scale? Because these people had largely learned their trade making NZ On Air-funded TV. Same deal with the Pacific Renaissance productions in Auckland (ie Herc and Xena) which ran for years. This stuff doesn't come out of a vacuum, you know.

Russell Brown<sup>9</sup>

The impact of public investment is felt throughout the industries, even in areas where there is no apparent direct subsidy. The advertising industry is a case in point, with its highly commercial and profitable ethos that is driven off a context of subsidised television: using directors, writers and actors who frequently cut their teeth in subsidised training programmes, theatre and music video productions. Conversely, without the ongoing income provided to directors and technical crews by the advertising industry (making advertisements for television) there would be no film industry.

I think of Auckland as being not a film town, but a film, advertising and television town, where the big kahuna is Television New Zealand.

Dr Ruth Harley

The market, too, for any creative industry, does not spring forth Athena-like, fully formed at the start, but grows over time through public as well as private sector activity. Consumers for example, learn to appreciate and eventually buy visual art from repeat exposure to sophisticated work and the mediation of that work through dealers, public galleries, subsidised specialist journals and the mainstream media. Consumption is also linked to the degree of exposure: we now have visual artists of quality in sufficient volume to allow an industry to grow: this volume in turn creates more demand. A comparable situation exists for New Zealand music.

## 6

### Issue (iv): New models of education for the creative sector

The link between education and the economy is well established but in the case of the creative industries it is particularly important. The UK mapping exercises have all shown that creative businesses tend to cluster around centres of creative excellence – many of these academic centres.

British Council, 2004

The changing nature of the creative industries is requiring corresponding changes and new thinking in creative industries' education. Our three interviewees from the University of Auckland, Auckland University of Technology and Unitec are all shaping their degrees and, indeed, their departmental structures, around cross-disciplinary exploration and the complexities of preparing people from an arts background for work in the creative industries.

... The creative economy operates in a milieu that is dynamic, multi-dimensional and international in its outlook. It is an economy that actively seeks novelty and it operates in an environment that has a high tolerance for diversity. Understanding how to generate work and income from such a complex scene is difficult. Many of the processes and opportunities that will deliver revenue in the short or long term are invisible even to those who are actively engaged.

Elizabeth Kerr

There is an increasing emphasis on inter-disciplinary approaches and exploration of the extent to which a creative industries' education can be built around a common set of principles.

[On the University of Auckland's National Institute for the Creative Industries]... it is work in progress as the faculty seeks to identify a conceptual approach which enables the disciplines to find commonalities but also to stand alone where appropriate. Key to this is relationship building: developing the synergies between the different forms of creative practice.

Professor Sharman Pretty

Pretty says that the studio-based approach focused on technical expertise and practical application to education is a cornerstone practice across the industries, and that a major initiative on quality assurance in studio teaching is under way looking at expanding the teaching practice away from a master/apprentice model to one which favours ownership and accountability. She says there are challenges in locating experiential creative arts and industries education in a research-based institution: arts practice underpinned by, and as, research.

<sup>9</sup><http://publicaddress.net/default.2420.sm#post2420>

# 6 | Stoking the fires

Unitec's masters in design management is about design thinking, in particular seeking a common vocabulary across fields of design practice that is not technically based but emphasises creativity. The overall intention is to build intellectually flexible students. This approach enables students from a variety of backgrounds to find approaches common to all. Their individual technical skill base acts as a creative filter. Thus, a scientist may sit alongside a product designer and alongside an accountant. Such an approach is a culture change in the teaching of design.

**Design doesn't just stop at product design; it is about the processes that generate the business as well, with a better understanding of the context.**

**Pradeep Sharma**

Unitec's degree draws on several frameworks including theoretical work on creativity from the field of psychology, and on systems thinking and approaches to 'formulating connections'. Discussion includes how such principles can be organised and formalised into business models.

Design process is also seen as moving through a number of different stages:

- a) creativity where 'creativity is a behaviour'
- b) a teamwork or collaborative period
- c) innovation – where creativity 'goes out into the world' through various social processes
- d) the 'influence' game – ensuring the uptake of innovation and of creativity.

Conceived of in this way, design truly becomes 'an enabler', able to operate across a whole range of industries as well as in identified design fields.

Sharma wants Unitec's degree to create graduates who will generate industry-wide change. "What is the role of design in agriculture? In the dairy industry? In tourism?" He resists definitions of design that focus purely on the design of offerings, or of "design as styling" rather than the design of systems. These are useful but limited.

Desna Jury from AUT says there are some dangers in the current trend to think of education primarily as "fuel for the economy" and the lack of advocacy for a more liberally based education.

**Really strong thinkers, leaders and entrepreneurs are more likely to come out of a demanding analytical education rather than a highly technical and mechanistic approach.**

**Desna Jury**

Jury says the pace of change in technology is a key strategic issue for AUT, with creative technology and new media underpinning many of the degrees currently on offer.

**It is a challenge to stay ahead of the game, particularly in areas where AUT faces the dilemma of whether to lead, rather than just serve, industry. There are difficulties in so doing when markets are moving rapidly, technology change is fast and growing and the phenomenon of convergence is changing the basis of many of the industries AUT deals with.**

**There are already a large number of new creative industries' degrees generated by technological change. AUT does a lot of work in scenario building of potential futures. There are many changes in the nature of design education as students increasingly require both a whole range of technical skills – indeed almost a mindset which can embrace technical attitudes and values – together with being conceptually open and intellectually flexible.**

**Desna Jury**

Creativity is not enough. Both in creative sector education, and in the workforce itself, we will not build the industries we are capable of building without entrepreneurial skills.

**Students are going out to work in a rapidly changing environment: big companies downsizing or closing, the majority of work lying with small businesses and a lot more consultancy/contracting. A primary issue is to build students into more entrepreneurial people. In the creative industries, work is not delivered in any traditional ways.**

**Desna Jury**

Our other interviewees concur. Economic development also means encouraging the various creative industry sub-sector businesses to be more entrepreneurial.

**Entrepreneurs play a key role in an economy. We need not just talent, but people who understand the commercial applications of talent.**

**Michael Bird**

Some of our interviewees say we need to raise our aspirations, perhaps to focus more on export, work on projects of scale that grow skills, and have a commitment to the long haul.

**Our biggest problem in the creative industries is that we think small, not globally: we have a largely internal focus. Are there enough people to do so? Is the leading-edge group confident, ambitious, big enough to get on with it? I'm not sure of the answer.**

**Dame Cheryl Sotheran**

For more from Desna Jury, Professor Sharman Pretty and Pradeep Sharma go to the Frontier Network report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>



# 7 | Intervention models

The national agencies have contrasting approaches to creative sector development



# 7 | Intervention models

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# 7 Intervention models

## 1

### Overview

There are a number of public agencies whose activities have an effect on Auckland's creative industries. They have some well developed but not necessarily integrated platforms for economic development. These agencies include policy ministries, national specialist creative sector and economic development agencies, local authorities, tertiary education institutions, sector-representative organisations and specialist guilds.

Auckland City itself has had a long, legislation-mandated involvement in the creative sector. Beyond providing key elements of both soft and hard infrastructure, the council has a number of roles: as owner, regulator, funder, leader, partner, provider, organiser and promoter.

In this section, we draw on material from interviews with the national public sector agencies. These agencies pursue both cultural and economic outcomes, with different emphases according to their particular brief. All have an interest in the current creative industries' discourse. The interest of the economic development agencies in the creative industries is relatively recent: on the other hand, creative sector agency experience extends over several decades.

We were curious to understand the current approaches, where opportunities for further connection and engagement lie, and how the agencies' thinking might broaden and deepen Auckland City's own take on the field.

One thing we went in search of was an integrated model of the creative industries' economic development across the public sector. We didn't find it. Instead, we found some well-developed platforms for economic development, points of entry selected by a variety of agencies and individuals that make a contribution to generating creative sector growth. These platforms are interesting in their variation. There are contrasting approaches evident. Some agencies focus on all aspects of the creative sector value chain (from idea origination through to domestic and overseas sales), while others specialise in one particular aspect or another. Differing models as to the role of government, and the appropriate degree and manner of intervention, are also evident.

There is interaction between agencies when they operate in the same creative sub-sector, in the same location, or on a common project. Generally however, the national agencies do not look to actively engage the local authority to any significant degree in shaping their strategies or defining their initiatives. We see potential for greater policy alignment, greater information sharing, greater analysis, joint approaches and partnerships.

In this final section, we highlight four of the platforms we found: how to nurture talent; how to "build demand"; the role of government in engaging with a sector; and internationalising creative industries' businesses. We include comment from our non-public sector interviewees on these topics where appropriate.

For more detail on all these interviews see the Frontier Network report <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>



Marte Szirmay Smirnoff Sculpture (detail) 1969

# 7 Intervention models

## 2

### A focus on talent

Creative talent is the core resource for the creative industries. We discuss this issue with our interviewees, and in particular with Dr Ruth Harley from the New Zealand Film Commission.

Creativity has its own rules. It's a force that needs to express itself and therefore, any opportunities to expand its horizons are grasped. Realising a vision drives an artist on. Importantly, the creative economy has twin drivers. The sector seeks profit, like any other, but often that profit is ploughed back into the businesses for further development. Then, besides market or audience forces, there is the significant factor of peer approval. Thirdly, the notion of corporate social responsibility is strong within the sector and often social inclusion is a driver for creative activity. And finally, creative businesses often want to remain small.

British Council 2004

Any economic development strategy needs to be informed by a sophisticated understanding of how talent is nurtured and the optimal conditions for its development.

There is a good understanding within [music company] that your relationship and the ability to nurture and manage creative talent ultimately equals the bottom line. If you can't do that and you don't have an understanding of how to nurture and develop talent, you won't nurture and develop your top or bottom line.

Record Label Managing Director

Dimensions highlighted by our interviewees include:

- innate ability on its own is not enough
- people get better at what they do when they get to do it often: we need industries that provide people with the opportunity to work full-time at their craft over a long period of time
- we need first-rate initial education and ongoing professional development
- the opportunity to work on projects of scale that develop talent is also critical. People can't extend their ideas in the abstract
- in industries where technology is the edge, creatives need contact with it. Which means access to capital and the means of financing projects and businesses of scale.

We also need to understand better what a successful career in creative practice looks like, and how the development of this might be facilitated. Creatives increasingly negotiate the divide between not-for-profit and commercial projects, and work in both worlds. Furthermore, much creative sector work is collaborative and generated from teams.

Typically the ability to [create products, projects and services that generate and/or exploit intellectual property] successfully relies on developing good networks and relationships, and a willingness to work collaboratively, often across disciplines.

Elizabeth Kerr

And we want to create critical mass through industry growth.

Domestically we need to continue to develop greater depth, 'more voices', in terms of quality writers.

Michael Moynahan

We need six more Taika Waititis, Niki Caros, Brad McGanns.

Dr Ruth Harley

Creative sector agencies are interested in developing strong cultural and creative communities, the fertile stew that cooks creative talent and distinctiveness.

If we don't have an innovative approach to that stew, we aren't going to have the capability to let it yield its optimum results.

Dame Cheryl Sotheran

Some of our interviewees also say that we need to understand the motivations of talent. Many artists, for example, are not primarily motivated by making money, and indeed may be alienated by industry development initiatives with this as their primary goal.

# 7 Intervention models

## Case study: Talent

### Dr Ruth Harley on the New Zealand Film Commission

**Creatives are the key factor around which the industry is built.**

The creatives that the New Zealand Film Commission has in its sights are those who generate film projects: producers, writers and, of course, film directors (including the common-in-New Zealand writer/director hybrid).

Sophisticated thinking about the needs of these creatives underpins a structured, coherent programme of talent development within an industry context. Directors, writers and producers are financed into films of increasing length, scale and cost as they develop their craft.

The model has two conceptual elements:

1. generalised professional development programmes not attached to a specific project<sup>1</sup>
2. the chance to make films: to put it all together.

The professional development programmes focus on script development and on overseas skill-development related travel, including travel to key markets. Attendance at international markets is vital to understanding how the market works and establishing the international relationships essential for financing and distribution. The professional development programmes are internationally connected, working in conjunction with, among others, Australia and the Netherlands, and utilising overseas filmmaking expertise. Relationship building and working in teams are key skills to film industry success and the Commission programmes deliberately set out to encourage this.

Filmmakers typically move from initial entry level films (through the joint Commission/Creative New Zealand Screen Innovation Production Fund); through to the Short Film Fund (or to equivalent programmes in different media including Headstrong for digital and Signature Television for television); and ultimately to their first feature. Successful, established filmmakers making large budget films of scale can also access finance through the Film Fund.

There are also entry points for films and their makers who have not come through these routes: the Post Production Scheme is a case in point. Assistance is made available to any film which achieves a screening in any of a named list of A-list international festivals.

An interesting design feature of the Short Film Fund is that it is managed by three executive producer groups who are appointed annually to select at least three short films with budgets of approximately \$100,000. These executive producer groups accept

submissions from filmmaking teams directly and assist with the development, production and the delivery of the films to the Commission. These executive teams are writers, directors and producers themselves and thus their own skills are extended through working on the programme.

All of this structure is to give talent "the chance to cope with increasingly large budget levels over time" and to provide a number of different points of entry.

**We aim to give talent a lot of different ways in. We also want to give people an opportunity to have feedback from another door beyond us.**

An added advantage of multiple entry points is that it gives the Commission a chance to see emerging talent.

**It's incredibly hard to spot talent unless you give them opportunities.**

The Commission is clear that they nurture talent towards product.

**Everything that we do is aimed at ultimately making better films, but we take a wider view on how that can be achieved.**

Commission interviewees say that filmmakers are becoming increasingly clever in their thinking about their own career development citing Glenn Standring and his 'teeth-cutting' portfolio of a low budget first feature, and a medium budget second feature, all the time working on his script for a larger scale feature.

**You need to make a plan about where you want to be. Glenn's model is really clever, he's thought it through.**

Strategically, the Commission is also seeking to develop relationships with key New Zealand creative talent from the start of their careers. It acts as a 'pipeline' for these creative workers, like Niki Caro, who when successful, are likely to work internationally and in New Zealand. The programme allows these filmmakers to make films of scale here (through the Film Fund), as Caro did with *Whale Rider* and Standring did with *Perfect Creature*.

Expatriate New Zealand producers and directors often have deep emotional connections to New Zealand. In the Commission's experience, it is these expatriates who are most likely to want to continue to make films in and about New Zealand: to "bring home the bacon" in terms of both features about New Zealand such as Roger Donaldson's *The World's Fastest Indian* and co-productions that use New Zealand as a location such as Andrew Adamson's *The Lion, the Witch and the Wardrobe*.

**If the strategy is driven by New Zealanders, we maintain some control over the sustainability of the industry which is otherwise dependent on New Zealand being 'in fashion' as a location with the world's film-makers. We're too vulnerable otherwise to boom and bust.**

<sup>1</sup>Such programmes are also offered at more of an entry-level by the various film guilds financed in part, or in whole, by the Commission.

# 7 | Intervention models

## 3

### Pushing consumption

We consider the importance of the retail sector and demand-creation to the creative industries, and examine NZ On Air's model with Brendan Smyth.

Agencies are not only focusing on assisting the supply side of the creative industries. Several of our interviewees alluded to consumers buying more of the outputs from the creative industries as being vital to economic growth – we need increased distribution and routes to market, and multiple retail outlets. Local authorities are critical here because they directly influence the development of retail and distribution infrastructure in their cities.

Strong, vigorous New Zealand retail needs to drive the health of the publishing industry. We need more strong independent booksellers and great chain stores in Auckland, driven by the right sites – Parnell, Ponsonby for starters. Auckland city needs to develop niche retail that isn't just cafes and boutiques, in beautiful environments where Aucklanders go: walk in the park, buy a book. We need strong, creative, attractive precincts that pull in customers, with rent brackets that are manageable.

Michael Moynahan

We need to learn from Wellington that the role of the retail environment is critical to the creative industries: export industries are built on their local retail. Retail drives fashion: leave the High St fashion district as it is, the designers have created the value, now ironically they're being priced out of the street. Auckland city could lose its golden egg. Develop Britomart as new fashion retail and make K' Road a heritage street.

Paul Blomfield

A strong domestic market is the basis of building a creative industry. Increasing demand is thus a key driver of industry growth.

We now have a [music] industry based on an economy – in the old days record companies invested in New Zealand bands as a charity. Then, after Supergroove's success, they said 'You mean people actually buy New Zealand records?' And suddenly, we had a bidding war amongst the record companies over an artist like Bic Runga.

Brendan Smyth



# 7 | Intervention models

## Case study: Demand

### Brendan Smyth on NZ On Air contemporary music funding

NZ On Air's contemporary music funding programme is unique among creative industries' public sector intervention programmes in its single focus on stimulating demand. Small (\$3.9 million in 2005), but perfectly formed, NZ On Air operates from one premise: that domestic market growth is critical to New Zealand music industry health, and is achieved through radio airplay.

**Airplay is our mandate because we are in the broadcasting business. But if we can get more New Zealand music played on commercial radio where most of the audience is listening, then more people get to hear more New Zealand music, get to like it, go to buy it and the whole New Zealand music economy is lifted as a result.**

Rather than intervening where the market fails – “we're in the airplay, not the social welfare business” – NZ On Air finds and funds songs that have a chance at commercial airplay success, and then actively markets them to the radio networks.

Where other agencies spread, and potentially fragment, their funding programmes across many industry facets, NZ On Air remains resolutely single-minded in getting New Zealand music played on radio. And it is remarkably effective.

Riding on the voluntary quota wave, New Zealand music content on commercial radio increased from less than two per cent in the early to mid-1990s to 19-20 per cent today, and as a direct result, sales of New Zealand albums increased from less than five per cent to about 26 per cent in 2004.

The system is all about a viable song. Smyth says “we want artists to give us something before we give them something; they need to give us the confidence that they can write songs that we can plug and get on the radio” and “it is all about the song, not the politics of label”.

If NZ On Air believes your song has radio hit potential, you then become eligible for production finance, potentially music video finance, and ultimately inclusion on NZ On Air-produced Kiwi Hit Discs. NZ On Air-contracted ‘pluggers’, (a music sales team) will then ‘push’ the songs on the hit discs through personalised visits to radio programmers. Some of these programmers will have already been involved in selecting the songs – “we go out to the end user to test songs and get feedback before final selection”.

The pluggers are critical to getting cut through for New Zealand songs. “The world is CD cluttered”. Pluggers aim to influence the playlist by convincing programmers that a song is “right for them”. Smyth says NZ On Air's direct intervention in marketing is unusual – “orthodoxy says it's not our job; it's the record company's job” – but it has been critical to NZ On Air's success.

In operation for nearly 15 years, the system has become very streamlined. It's a sophisticated policy pipeline with a number of system triggers based on commercial results: Progress from recording a song (a radio single) to recording an album is entirely airplay results-based. Artists who have generated two radio hits become eligible to compete for album funding. Funding for an album is repayable to NZ On Air on the basis of the number of sales it achieves (on the basis of \$1 per unit sold).

Smyth says that meeting increased demand for finance is becoming a problem. Quality songs have increased to meet the market. Applications have increased and a greater percentage of these meet commercial standards.

Smyth sees this growth in quality and volume as multi-factorial: as artists get the opportunity to get played on the radio, New Zealand music becomes more fashionable and more widely played. Thus, more artists can make a living – “the domino/snowball factor”.

The pipeline is also “branded”. This current programme is widely known as “Phase Four” – indicative of more to come. With the current in-development of a new airplay strategy, Phase Five, targeting export markets, NZ On Air's pipeline could literally take an artist “from bedroom to Billboard”. Phase Five is likely to build on developing key relationships in offshore markets, including the use of well-placed expatriate industry “tastemakers”.

# 7 | Intervention models

## 4

### Getting out more: The international marketplace

Export is not a major focus for many creative sector businesses. Dame Cheryl Sotheran and Paul Voigt outline the strategic thinking underlying New Zealand Trade and Enterprise's export initiatives.

Many of the creative industries are primarily domestically focused, with export-oriented businesses the exception rather than the rule – screen production being the most obvious of those exceptions. Possibly as a result, we have been described as having relatively 'minute ambition'<sup>2</sup> when it comes to the international marketplace for the creative business sector.

New Zealanders have a short-term view of the world where the stakeholder return is the principal concern. Think of other countries where people take a longer view: 'planting olives for their children's children's children'. I don't understand why New Zealand is so domestically focused. Other places just automatically think export.

Pradeep Sharma

Several of our interviewees felt that export potential within their industry could be further developed.

We have a specific competitive advantage in our book designers that could be built into an export industry: we're comparatively inexpensive, high quality in production and design and we have the time zone advantage. Find a way of getting a foot in the overseas door on this: design houses overseas are full of expatriate New Zealanders.

Michael Moynahan

Make use of New Zealand's threefold competitive advantage in graphic design: our generalist skill set and hardworking ethos; our competitive dollar (even still); and the day/night scenario relative to the Northern Hemisphere. Our work is certainly up there in terms of quality, and the dollar helps, plus crucially we can work in their night. Things don't stop while they're sleeping.

Fraser Gardyne

Another aspect of this is thinking about Australia as a strategic opportunity.

We should work on the relationship with Australia: we want creative synergies across the Tasman and to see Auckland as a big partner in urban Australasia. We need to get away from fear [of the so-called brain drain], and see New Zealanders based offshore in other countries as a strategic opportunity: the brain gain or the global brain.

Clare O'Leary

Nurture and retain the film industry resource through international connectivity. Look for Auckland businesses to operate in three sites – Auckland, Wellington and Sydney. Look for Australian film, television and advertising industry companies wanting to expand into New Zealand – expatriates who have 'emotional ties' to New Zealand to set up and/or maintain bases here.

Dr Ruth Harley

Michael Moynahan sees an integrated approach as critical:

We [the Auckland region] need to focus on building our domestic market while national bodies focus on export. The two are linked. In publishing we need a viable local industry, none could survive on export business alone. Domestically we need to continue to develop greater depth, 'more voices', in terms of numbers of quality writers. And we need to promote the quality of our literature overseas. New Zealand may currently be 'hot' through movies like *Whale Rider* and *Lord of the Rings*, but our literature doesn't have the same status.

Michael Moynahan

The Government agency concerned with internationalising businesses is New Zealand Trade and Enterprise (under the Ministry of Economic Development). Its current policy frameworks (rather than its general exporter assistance programmes) prioritise high-growth enterprises, which leaves plenty of room for other agencies to think about nurturing the export consciousness of the small-to-medium-sized enterprises that comprise many of the creative industries. Within NZTE's priorities are some innovative ways of thinking about export approaches for the creative industries.

<sup>2</sup>Kel Geddes in *Objects of Desire*, NZTE 2005.

# 7 Intervention models

## Case study: Export

### Dame Cheryll Sotheran on New Zealand Trade and Enterprise and Paul Voigt on Investment New Zealand (a division of NZTE)

As NZTE's director of creative industries, Dame Cheryll Sotheran has a vision of how she'd like New Zealand to be perceived in five years' time.

**We'll be globally established as a 'hot' place to visit, to buy from and to get content from. We'll have capitalised on our current [*The Lord of the Rings* assisted] positioning. We'll be injected into the world's major value chains. Overseas people will be saying "that's a place I want to partner with, do business with, undertake R&D with, manufacture with", right across the board and in a high value context.**

NZTE is the service deliverer to the policy agency Ministry of Economic Development who sets the overall policy context. NZTE has an overall focus on increasing the value as well as the volume of our foreign exchange earnings, engaging with New Zealand businesses "to seek out what the world wants and products to meet these needs". The sector engagement strategies (creative industries is a sector) provide the framework for that engagement.

NZTE has two priorities in the creative industries. One is the development of niche industries within creative industries sub-sectors. This specifically focuses on creative industries that have either proven or apparent high-growth potential – namely film/screen production (from creative film-making through to post-production), digital media, visual culture and fashion (as part of textiles, interior design and apparels). NZTE is also interested in sub-sectors that can be flagships in helping to portray and support a wider New Zealand brand (fashion and screen production are prime examples).

**New Zealand Trade and Enterprise (NZTE) works back from the market. What does the world want? – High value distinctive products. How can we characterise these markets? – The design, lifestyle and entertainment markets of the world.**

Where niche development is the focus, NZTE aims to generate not small silos around industry segments but "big chunky groupings such as entertainment; design and lifestyle... for example: it's not about film-making, per se, it's about taking significant offerings into design, lifestyle and entertainment markets of the world".

The other priority is creating innovative links into other more traditional sectors to improve their profitability and global competitiveness. Here a particular skill found in the creative industries – namely product, brand and marketing, and process

design – is seen as the key element towards competitive advantage for non-creative industries. This is the Better by Design strategy and is reflected in the vision for the creative industries sector in NZTE: "New Zealand will activate international excellence in creativity, design and innovation to radically re-position itself in global markets and value chains."

**We're looking to link creative talent across the sectors. We have leading edge people who can deliver. We need to change the way companies and businesses think.**

All export needs to be focused on having high-end value appear in top-end markets. Critical to this are innovative approaches across value chains, across sectors. Sotheran cites, by way of example, a strategy that links new textile research to manufacturing to interior design to new design and technology to, ultimately, potential applications such as in the broad automotive industry.

Paul Voigt from Investment New Zealand, who works closely with Sotheran in screen production and music, says that the NZTE staff is focused on integrated strategies to maximise New Zealand involvement, and New Zealand intellectual property involvement (writers, directors, composers) in the content-hungry "global entertainment value chains". The large entertainment conglomerates need creative industry talent to develop content for the many facets of their business including music, theme parks, digital, convergence, games, broadcasting, merchandising, retail and publishing; and Voigt says there are opportunities to be pursued here for New Zealanders.

NZTE is developing such a strategy in conjunction with other New Zealand agencies (including the New Zealand Film Commission). It covers all areas of the screen production industry including pre and post production, film and television, commercials, documentaries, digital content, games and music. The main areas of focus will be actively targeting studios and production houses in the US (and international trade publications); promoting New Zealand's post-production sector; attendance at key film markets; promoting and leveraging off new international films shot in New Zealand and New Zealand-made films. The strategy is linked to the development of world class screen production infrastructure in New Zealand.

**The screen production industry is a natural global showcase for New Zealand's talent, creativity and innovation... it is a source of foreign exchange and FDI (Foreign Direct Investment), both in the short and long term [through intellectual property flows to writers, composers and the like]. With the convergence of ICT and the entertainment sector, the overlap into New Zealand's high technology sector particularly in the post-production and gaming areas offers further growth potential.**

For more detail on export, see also the Paul Blomfield, Clare O'Leary, Dame Cheryll Sotheran and Paul Voigt interviews in the Frontier Network report at <http://www.aucklandcity.govt.nz/auckland/economy/creative/reports.asp>

# 7 Intervention models

## 5

### A role for Government

We talk to Michael Bird about the Ministry of Economic Development's sector engagement strategy.

Embedded in economic development strategies for the creative industries is a philosophical debate around the appropriate role of government. Some British commentators believe that such development resides both with public agencies and with the private sector.

**The importance of State investment, not just subsidy, is an essential factor in the viability of a competitive and sustainable creative economy.**

British Council 2004

New Zealand has its own history here. A shift in policy attitudes is evident when the markedly non-interventionist philosophy of the 1980/90s is compared with the more recent view that government take a more active but still clearly defined role across sectors of the economy in general.

**Recent engagements with sectors have led to an appreciation that a government-facilitated process to address sector-specific impediments to growth can be an effective economic development tool.<sup>3</sup>**

Without appropriate public intervention, the creative industries will not achieve the economic futures that we might imagine and hope for. Our interviewees expressed a range of views on if, when and how government should become involved, and highlighted some of the different mechanisms by which such influence can be wielded.

**Commercial radio music repertoire is now 20 per cent local, up from two per cent 10 years ago. That means a living to the artists through their rights revenue. You can put that down to NZ On Air plugging and distributing samplers to radio, and most of all, to the voluntary music targets the RBA agreed with the government. I had my doubts about the scheme when it launched but it really has worked.**

Russell Brown<sup>4</sup>

As a recent Harvard University paper<sup>5</sup> articulates: "developing societies need to embed private initiative in a framework of public action that encourages restructuring, diversification and technological dynamism beyond what market forces on their own would generate." The author, Dani Rodrik, goes on to say that the framework is one "where market forces and private entrepreneurship are in the driving seat of this agenda but governments would also provide a strategic and co-ordinating role in the productive sector beyond simply ensuring property rights, contract enforcement and macroeconomic stability".

**The world has changed. Business can be smarter. Governments can be smarter by having the right partnerships. Government can have its fingerprints on stuff without mauling it.**

Michael Barnett

## Case study: Sector engagement

### Michael Bird on the Ministry of Economic Development

The Government's economic development goal is to raise New Zealand's sustainable rate of economic growth. This requires greater numbers of effectively functioning firms, rising productivity across the economy, and an increase in the proportion of firms pursuing higher value-added, higher growth activities.

In this context, the Ministry of Economic Development (MED) has the creative industries on its radar, and is working with them in a way that reflects a new role for government in the 2000s. The MED leads the development of a Cabinet-approved sector engagement strategy, which sets out a three-stage, whole-of-government, vertical sector engagement process. The strategy reflects an appreciation "that a government-facilitated process to address sector specific impediments to growth can be an effective economic development tool".

The strategy has three stages:

- i) the process of sector selection and prioritisation, an economic evaluation of the sector, and an approach to the sector to identify its willingness and capability to engage, culminating in a recommendation to Cabinet
- ii) the development of a vision, strategy and action plan for the sector
- iii) the implementation phase (which may result in "issue specific" sector engagement). Time frames can extend beyond five years, with the first two stages taking 12 to 18 months.

<sup>3</sup>Framework for Sector Engagement, Cabinet Business Committee Paper.

<sup>4</sup><http://www.publicaddress.net/default,2420.sm#post2420>

<sup>5</sup>Rodrik, Dana. Industrial Policy for the Twenty-First Century, September 2004.

# 7 Intervention models

The strategy's aim is to help the sector develop a clear vision of how it might improve its sustainable economic growth. This vision should be supported by a strategy and a plan of action that clearly identifies:

- the actions for the sector itself; the role of, and actions for, government (including any well-justified actions for modifying government activities impacting on the sector)
- actions for the sector and Government working in partnership (including any actions to improve public and private sector coordination)
- the commitment of the sector to work in partnership with the Government to lead development of a vision and strategy, and to implement action points.

Sector selection for engagement is critical. Under the strategy, it is proposed that the Government engage with all "economically significant sectors", ie all sectors that make a substantial contribution to sustainable economic growth based on their contribution to GDP, and have the potential to grow, or add value, across a range of other sectors.

Sector selection is also based on the commitment and ability of the sector to work in partnership with Government, and the ability of the Government to add value.

The processes described in this strategy apply to 'whole-of-government' type engagements, and it is important to recognise that the Government interacts with industry sectors at a number of levels outside this framework. In other words, engagement is only one tool (and a highly process-oriented one at that) for achieving sector and industry development.

MED also works with three delivery agencies with an overview across the whole economy, namely, New Zealand Trade and Enterprise (NZTE), the Tertiary Education Commission (TEC) and the Foundation for Research, Science & Technology (FRST). These agencies have a broad suite of programmes that also contribute to sector development.

MED's formal interest in the creative industries is attributable to the Government's Growth and Innovation Framework (GIF), in which four sectors (screen, design, biotech and ICT) were identified as the key growth sectors for the 'new' economy. Bird says the challenge of the creative industries is how to harness and link them to economic development.

Attention has coalesced at both MED and NZTE around the creative industries that have high economic potential either as vertical sector industries in themselves (such as screen production and potentially textiles/fashion) or in a horizontal enabling sense, adding value across the economy (eg design). The inclusion of contemporary music, perhaps something of an anomaly in terms of current economic size, reflects the awareness of how high-profile cultural activity can attract favourable and potentially economically useful attention to a country.

The Screen Council and Design Council were set up under the framework, and have been provided with seed funding from the Government. It is expected the respective industries will support these bodies once the seed funding has ceased. Textiles NZ was established after an engagement that took place outside the GIF strategy but that employed a similar engagement model (ie using an industry taskforce). A similar approach was also taken for contemporary music and the Government's response to the Music Industry Export Development Group's report *Creating Heat* has recently been announced as part of the 2005 Budget. Outside these formal engagement processes, NZTE is also working with other parts of the creative sector as part of its creative industries' programme.

MED's principal areas of work are GIF, macroeconomic work and the sector engagement process. MED does not articulate any specific economic development role for local government and Bird says that there is not, as yet, a formal or policy basis for engaging with local authorities on economic development other than through the Regional Partnership Programme (RPP) which is part of MED's regional development programme. Local authorities often play a key role in the economic development partnerships formed under this programme.

**The MED is well aware of the significance of the Auckland economy to New Zealand. More substantial engagement with Auckland on strategies to lift that performance (including international connectivity and greater productivity from its manufacturing base) is on the agenda. The opening of an Auckland MED policy office is an important signal.**

Michael Bird, MED