



# SMART REGION AND CREATIVE INDUSTRIES

## THE WAY FORWARD

July 2014

**Brian Hales**



# ERA - SMART REGION AND CREATIVE INDUSTRIES

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# ERA - SMART REGION AND CREATIVE INDUSTRIES

## EXECUTIVE SUMMARY

Based on research and advice by Richard Blandy<sup>1</sup>, commissioned by the Eastern Region Alliance of Councils (ERA), the Creative Industries sector is a significant contributor to the regional economy and one that has significant growth prospects. In response ERA has sought to identify what opportunities there are for Creative Industries development in the region and the direction it should take. It follows on from earlier work to position ERA as a 'Smart Region' which has been developed by the ERA Federal Initiatives Group (ERAFIG), following advice by Rodin Genoff. ERA FIG has initiated a collaborative approach to accessing programs that have been developed by the Federal Government.

Industry engagement reveals that there is unrealised development potential which is related to the structure of the Creative Industries sector being dominated by very small businesses. With collaboration therefore being important to realise this potential, paradoxically the businesses, by virtue of their size, haven't the time to fully engage in collaboration.

The chairs of Associations representing the various Creative Industries declared a willingness to work with ERA to foster this collaboration. It is proposed that this take the form of an Advisory Committee made up of the Associations' representatives, with ERA providing executive support.

The Associations also identified a number of initiatives that ERA and participating Councils could assist in delivering.

Creative Industries sit within a broader 'Smart Region' context. The City of Prospect has the status of a Smart21 Region under the auspice of the Intelligent Communities Forum and which applies five criteria upon which to achieve this status. The fact that it is internationally recognised and one of the ERA Councils being an active participant, strongly suggests that this framework be adopted.

It is emphasized that this report addresses an important first stage in the ERA Smart Region and Creative Industries Project which will ultimately position the region as a destination for 'smart' investment and talent to underpin regional growth and employment. The key initiatives of this first stage will be to:

- Formally engage with the representative Creative Industries Associations
- Prepare a Smart Region strategy which will, in the first instance, identify the attributes which will provide ERA with a Smart Region status
- Engage with Federal and State Government agencies and, where appropriate, Government members, on specific initiatives which emerge from the planning for a Smart Region and Creative Industries development

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<sup>1</sup> Richard Blandy *The size, structure and growth of the Eastern Region Alliance's economy* December 2013

# ERA - SMART REGION AND CREATIVE INDUSTRIES

## INTRODUCTION

The essence of this project is to establish a direction for the development of a 'Smart Region' and the Creative Industries sector for the Eastern Region Alliance of Councils which includes Unley, Burnside, Norwood Payneham & St Peters, Campbelltown, Tea Tree Gully, Walkerville and Prospect.

Richard Blandy articulated the link between 'Smart Region' and Creative Industries but had a focus on the businesses within the sector. The link is even stronger and the creative workforce (and therefore employment) almost doubles if we consider 'embedded' creatives<sup>2</sup> ie those employed in creative occupations but not in industries defined as creative eg manufacturing, professional and technical services.

The original scope provided for desktop research. This has been the methodology for defining a framework for 'Smart Regions' but has been extended to include preliminary consideration of activities undertaken by individual Councils in ERA and future opportunities identified by Councils. This is by no means exhaustive but indicates a willingness by Councils to think ahead within this framework and reflects that ERA FIG has been active in this space. Council officers were provided with the 'Smart Regions' framework.

For the Creative Industries section it was considered necessary to engage directly with the sector through the many Associations which represent the businesses in the sector. The purpose was to determine:

- The issues impacting on the future development of the sector
- The role local government could play in addressing these issues
- A general idea of the significance of the sector in ERA

Not all associations were available in the timeframe but enough were interviewed to be able to address these points.

A Creative Industries study was undertaken by the State Department of Premier and Cabinet via the University of Adelaide in 2005 which considered the following aspects impacting on industry development:

- Policy and regulation
- Market
- Business and enterprise models - industry structure and characteristics
- Funding and financing
- Human Capital - skills availability and development
- Connectivity - linkages with other sectors
- Technology and Infrastructure

Whilst the scope of the current project is more modest, this framework has been used to consider the more contemporary industry issues.

A list of organisations and individuals consulted is provided in attachment 1

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<sup>2</sup> Page 10 Valuing Australia's Creative Industries *Creative Industries Innovation Centre* December 2013

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This report, as an initial and important stage for the Project, will investigate the opportunities of this endeavor and outline a plan to move forward.

## BACKGROUND

Richard Blandy, in his economic analysis of the ERA region, identified that employment nationally in creative industries had increased at the rate of 2.8 % p.a. between 2006 and 2011, compared with general growth in employment nationally of 2.0 % p.a.

On the basis of his analysis he stated that if ERA could foster a significant creative industries sector, this could have a major upward impact on ERA's overall economic performance<sup>3</sup>.

He goes on to highlight:

*Kent Town, in Norwood Payneham & St Peters, is the epicentre of a burgeoning, creative industries sector in ERA, together with the Glenside-based, Adelaide studios of the South Australian Film Corporation and the South Australian School of Art (Burnside), a creative industries centre at TAFE SA in Tea Tree Gully, the Arts domain at the Magill Campus of the University of South Australia in Campbelltown (which generates a large share of Adelaide's arts and design training activity), Charles Campbell College (also in Campbelltown), specialising in the performing arts and trade training, and significant software development activity in Unley. Unley's Main Street digital economic strategy (part of Unley's "Find Your Everything" branding strategy) emphasises teleworking, home-based businesses, unique aspects of commerce in Unley, independent traders, and so on.*

*ERA has a solid base on which to build a strong creative industries sector, therefore. As the manager of Eastside BEC, says: "Creative people like the Eastern suburbs".<sup>4</sup>*

## CONTEXT

### State

The South Australian economy, particularly manufacturing, has been in transition for over a decade with the Mitsubishi and Holden closures. The Holden closure in particular will have significant implications for policy. There will need to be a strong focus on developing other industry sectors.

Manufacturing Works, which is the State Government's response to the manufacturing decline and has the status of an advanced manufacturing strategy effectively says that;

- All advanced economies need a strong manufacturing sector
- Our manufacturing sector needs to be at the high value add end which is knowledge intensive and therefore taking it more into the creative realm

It is supported by a range of programs relevant the Creatives/Small Business Enterprises (SMEs)

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<sup>3</sup> Page 40 Richard Blandy *The size, structure and growth of the Eastern Region Alliance's economy* December 2013

<sup>4</sup> Ibid page 41

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The Labor Party's *Plan for South Australia* identified Creative Industries as a priority area for support, particularly arts, craft and music. It recognises two key assets in ERA; Adelaide Studios at Glenside; and the Creative Industries Centre at Tea Tree Gully TAFE.

### Federal

There is no Creative Industries strategy at the federal level. Whilst there are a range of initiatives in a range of portfolios they are not integrated.

The new Ausindustry Entrepreneurs' Infrastructure Programme, the primary Federal Government industry support program, replaces a raft of industry support programs, albeit at a significantly reduced amount. The guidelines were released in early July 2014. ERA representatives were present at the guideline consultation sessions and there remains the strong concern they could exclude a majority of Creative Industries businesses due to turnover thresholds. This is an area of policy where ERA will need to continue to be vigilant.

### Committee for Adelaide

This is an alliance of large and small organisations from all backgrounds; government, private sector, not for profit and social enterprise so its networks are wide.<sup>5</sup> The Committee's interest is in finding new sources of growth and the drivers needed to accelerate innovation across the economy and community.

One of its key messages is that, whilst Greater Adelaide is the door to the global knowledge economy, inner metropolitan Adelaide (which includes part of ERA) employs more than the rest of Greater Adelaide put together in sectors that engage in technology, knowledge and innovation including health and community services, public service and administration, education and business services.

The Committee has no political status but it can be considered as a 'ginger' group with some influence. The Committee membership is provided as attachment 2.

### SMART REGION

The 'Smart Region' nomenclature is an internationally applied title via Intelligent Communities Forum. The City of Prospect has featured as a 'Smart Region' so it is practical to at least have this as the starting point.

In his presentation to UniSA on the UNESCO Mount Lofty Ranges World Heritage on 11 June 2014, James Rebanks<sup>6</sup> outlined research dealing with investment decision-making.

He cited the 'The Power of Destinations' Communications Group Plc study based upon a survey of 102 members of YouGove's Thinktank panel of business leaders, plus 22 senior executives of companies employing over 500,000 individuals in up to 140 countries.

The following outlines the critical ingredients in place-making and highlights the importance of 'soft' factors (author's emphasis):

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<sup>5</sup> Committee for Adelaide *Agenda for Growth* April 2014

<sup>6</sup> James Rebanks presentation *World Heritage: The Potential Economic Benefits* 11 June 2014 (unpublished)

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- Strong economy - 68%
- *Agreeable climate and environment* – 67%
- *Friendly local people* – 66%
- *Strong tradition in culture and the arts* – 60%
- *Widely available entertainment/leisure* – 60%
- *Skills base/educated workforce* – 58%
- *Exceptional architecture* – 50%
- *Good public services* – 46%
- Attractive labour legislation -32%
- Strong currency – 30%
- Attractive employer legislation – 30%
- Affordable housing – 28%
- Sporting excellence – 26%
- Celebrities in music, film and fashion – 22%
- Other - 6%

He went on to highlight the significance of the cultural narrative:

- 65% of decision-makers find it difficult to differentiate between investment locations
- Of these, 92% consider the image and profile of a location is becoming more and more influential in their decision-making
- For 60% of decision-makers softer factors like architecture and culture have become more important in the last 5 to 10 years
- The most successful destinations marry the softer factors with the hard, to create images and perceptions of the place where it is fun and interesting to live work and play

So, the 'big shed' theory of investment attraction is increasingly redundant.

### Smart Region Indicators

ERA FIG is a subgroup of ERA comprising Mayors and Executive Officers and was established to develop a stronger collaborative alliance with the Federal Government and its promotion of relevant projects in the region. ERA FIG has commenced positioning ERA as a 'Smart Region' which is an important initiative in supporting the development of Creative Industries.

The Intelligent Communities Forum framework<sup>7</sup> for developing a 'smart' economy sets out the following indicators/criteria for a 'Smart Region':

- **Broadband connectivity** - Broadband is seen as the new essential utility, as vital to economic growth as traditional infrastructure. Intelligent Communities express a clear vision of their broadband future and craft policies to encourage deployment and adoption.
- **Knowledge workforce** - A knowledge workforce is a labour force that creates economic value through the acquisition, processing and use of information. Growing your own knowledge workers is one part of the task. Keeping them and attracting more is another
- **Innovation** - This relates to innovation in the private sector and government sector with broadband playing a key role. This would include place-making.

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<sup>7</sup> Intelligent Communities Forum <http://www.intelligentcommunity.org/>

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- **Digital Inclusion** - As broadband is rolled out there is serious risk that it will worsen the exclusion of people who already play a peripheral role in the economy and society.
- **Marketing and Advocacy** - It is no longer just businesses that are global; so too are communities and more and more it is the cultural assets of a community that determine investment decision-making, particularly for Creative Industries. Regional branding becomes an important consideration.

### ERA Smart Region Assets

Based on the 'Smart Region' framework outlined above the following provides a sample of the assets identified by Councils' staff:

- **Broadband connectivity**
  - NBN roll-out in the Cities of Prospect and Tea Tree Gully
  - Lochiel Park eco village has high speed broadband under a 3<sup>rd</sup> party supplier that was funded by the State as part of this development
  - Councils' fibre connection between Council facilities
- **Knowledge workforce**
  - Tea Tree Gully TAFE - Creative Industries School
  - UniSA – Magill Campus
  - Accessible to all South Australian Universities
  - Charles Campbell College
  - A relatively highly skilled workforce
  - Marden Senior College
- **Innovation**
  - South Australian Film Corporation Clustering
  - Kent Town/Norwood West Creative Industries Precinct
  - Prospect Road redevelopment
  - Linking recreation facilities with health outcomes
  - City of Tea Tree Gully on-line management of volunteers
  - Strong Creative Industries presence
  - Eastside BEC and Tea Tree Gully BEC
  - Digital Enterprise Program
  - City of Unley Main-street Digital Economy Strategy
  - City of Prospect Digital Economy Strategy
- **Digital Inclusion**
  - Digital Hubs - Cities of Prospect and Tea Tree Gully
  - Campbelltown Council - digital literacy library officer to develop programs
  - Network of libraries throughout the region
  - Tea Tree Gully TAFE - Creative Industries School

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### ▪ **Marketing and Advocacy**

- 7 Councils collaborating and with Creative Industries focus
- City of Prospect's recognition by the Intelligent Communities Forum as a Smart21 community
- Concentration of Creative Industries businesses located in ERA
- ABC Collinswood

The list is not exhaustive but does highlight some significant assets which give confidence to positioning ERA as a 'Smart Region'.

### **Smart Region Opportunities**

Staff of Councils were asked to identify opportunities within this framework. This has not been an exhaustive process but provides ideas to consider as ERA moves to develop a 'Smart Region' strategy.

- **Modbury Regional Digital Incubator/Teleworking Hub** - could include co-working space and be managed by Tea Tree Gully Business Enterprise Centre. The TTG TAFE site could be a candidate location given the following attributes:
  - Public ownership
  - Soon to be connected to NBN
  - Has a focus on Creative Industries and has existing infrastructure and technology established for creative and digital work that could be expanded and shared in a co-working arrangement
  - Adjacent to the O-Bahn interchange so has strong regional public transport links
  - Could create a model that transitions people from study to work/business by creating links with and between current students and graduates and existing business/entrepreneurs in the co-working space, or allow students to transition to the co-working space or incubator to start their own business
  - Located in the Modbury Regional Centre where Council is looking to invest significant resources via the Live Life Modbury project
- **International Wine Tasting via NBN** - the concept of using NBN connected local conference facilities and collaboration with South Australian wine makers and gourmet food producers to offer food and wine tasting over broadband to food and wine lovers globally
- **E-Health** - providing tele-health services to remote communities via NBN from Modbury hospital. It is noted that the Eastern Region of Adelaide has a significant part of its workforce involved in health related activities
- **Linking broadband connectivity, knowledge workforce and digital inclusion** through the private and public schools that will require more connectivity to broaden the learning experience and equip them for employment through technology pathways. ERA holds the largest percentage of private schools in Adelaide and a significant percentage of public schools
- Establishing **pipelines for talent** via connections made with local eastern region high schools utilising the Food Trail and other SMEs for tours, work experience, and

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apprenticeships. This would be a direct link between businesses and the educational curriculum.

- Extending **digital literacy** programs throughout the region
- Provision of **Wi-Fi** as part of development plans/place-making
- The implementation of the City of Unley Main-street Digital Economy Strategy
- The implementation of the City of Prospect Digital Economy Strategy

### CREATIVE INDUSTRIES

#### Creative industries defined

Creative Industries can be distinguished from other industries in that creativity is used to create value for their consumers. While all industries will include an element of creativity within them to a greater or lesser extent, Creative Industries are different because they use creativity to create value for their clients and the products or services created are intellectual property.<sup>8</sup>

The Creative Industries are at the centre of creating prosperity within the 'Smart Region' framework. These industries were identified by Richard Blandy<sup>9</sup> in his economic analysis of the ERA region and they include:

- advertising and marketing
- architecture
- specialist design and photographic services
- digital content including publishing
- broadcasting
- web search portals and telecommunications
- software publishing and computer system design
- activities associated with motion picture
- video production and sound recording activities
- radio and television broadcasting
- sound recording and music publishing
- creative and performing arts activities including music and writing
- jewellery manufacture
- publishing activities eg newspapers, periodicals, books, directories, libraries archives

To fully understand the creative economy we need to also consider the creative workforce ie 'creatives' who work in other industries eg manufacturing. Based on Australia wide analysis this almost doubles the number of people employed in creative occupations<sup>10</sup> - not just Creative Industries. This needs to be reflected in any strategy and policy settings.

#### Issues

The Creative Industries Associations were approached to provide a snapshot of the issues impacting on the development of the Creative Industries sector. This was cross-referenced with

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<sup>8</sup> Page 7 Valuing Australia's Creative Industries *Creative Industries Innovation Centre* December 2013

<sup>9</sup> Page 39 Richard Blandy *The size, structure and growth of the Eastern Region Alliance's economy* December 2013

<sup>10</sup> Page 10 Valuing Australia's Creative Industries *Creative Industries Innovation Centre* December 2013

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the findings of the study into the sector conducted by Department of Premier and Cabinet in 2005. There are three points to highlight here:

- The issues do not appear to have changed over the last 9 years
- The sector is very diverse and accordingly the issues differ between each creative industry
- Not all industry Associations were available so the prioritisation of issues is not attempted

In general, the issues are as follows:

- Greater collaboration across the industry sectors would be beneficial - the current limit is the scarcity of time by those involved
- Developing management skills in an ever changing technology environment are a challenge - the business models keep changing
- The industry is dominated by micro businesses with a significant 'churn' ie departures and arrivals. It therefore struggles to mature.
- University graduates tend not to be work ready - an emphasis on vocational training would help
- Public procurement policy could be improved to allow local business participation
- Government business support programs are not responsive to industry needs ie too long to process applications
- Sub-optimal collaboration between the creative industries to realise full sector potential
- Lack of recognition by the State Government for the sector as a whole
- For the music industry, licensing of venues and current building codes are a restriction on the live music scene

Given the SME dominated structure of the sector (and its likely continuation) there appears to be consensus that industry collaboration is an important pathway to realising sector potential. Discussions with the chairs of the Associations indicate that they would be willing to participate in an ERA initiated forum which would focus on industry development. This will be discussed in further detail in the following Opportunities section.

### Opportunities

Interviews with the chairs of Associations identified a number of opportunities which are set as follows. They are not exhaustive but indicate some initiatives that ERA Councils can undertake immediately:

- **Music Industry Cluster.** An initiative of the State Government which has the objective of generating benefits from like-minded businesses working closely with each other and educational institutions to create economies of scale and to foster innovation. Early thinking is that the cluster will focus on audio-visual technologies, musicians and event management, with links to the film industry and composers. The State Government has committed \$700,000 over 3 years to this project.

David Grice, MusicSA General Manager will head up the Cluster. He is a resident of Norwood Payneham & St Peters and has indicated that Councils could assist in the following areas in the short term:

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- Preparation of a Live Music Venue Plan - the City of Norwood Payneham & St Peters is developing a Live Music Policy.
- Review of licensing and building codes to provide greater flexibility for live venue operations
- Using locally written and produced music on their respective call-waiting service
- **Co-working.** Creative Industries lend themselves to co-working venues where 'creatives' can hire a seat in a common space with 'creatives' of similar skills as a mechanism for developing new products and services. Majoran Distillery and Fab Lab Adelaide are examples of successful co-working spaces. The key success factors are:
  - Commence as a community of 'techos' rather than as a space.
  - Real estate overheads need to be sponsored
  - Close to the 'action' eg coffee shops, informal meeting places
  - Clients can be established businesses, pre-startups, people who have worked elsewhere for a period of 5 years and now want to try something for themselves
  - Having a technology focus ie don't dilute the membership with management consultants and venture capitalists

The City of Tea Tree Gully and Tea Tree Gully BEC have identified co-working as part of a Modbury Regional Digital Incubator/Teleworking Hub. The features of co-working are exhibited at the new Adelaide Studios of the South Australian Film Corporation, based at Glenside. They now have 25 business tenants co-located at the site, drawn from the old Hendon location and the local area including home based businesses.

The cultural aspects of co-working ie close to the action, are a feature of areas including The Parade Norwood, Kent Town, Prospect Road and Unley Road.

- **Film.** Discussions with the Chief Executive of South Australian Film Corporation, based at Glenside, highlighted two areas where ERA Councils can assist:
  - single point of contact for permits for filming locations
  - single point of contact to advise on accommodation availability for cast and crew

When compared with Sydney and Melbourne locations Adelaide is more competitive for film locations, in terms of time to approve and cost of permits. It would be appropriate to maintain this advantage.

- **Procurement.** Elements of the industry cited this as an area which could provide industry development opportunities, particularly in the IT field. The industry would prefer to see procurement initiated as the definition of the problem/opportunity rather than specification of the solution. It would be an opportunity for ERA Councils to investigate how procurement can be used to support the local Creative Industries sector.
- **Structural adjustment.** The recent announcement of the closure of Holden has underlined the structural adjustment pressures on the State's economy. And these pressures will (and have) inevitably led to the rise of the creative sector. One suggestion that arose in discussion with the Australian Graphic Designers Association was the establishment of a

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connection of those with design skills (in the Creative Industries sector) and trades people displaced from the automotive sector to create new product prototypes. Given the connection to Holden, this may open the way to access the Federal/State Growth Fund arising from the closure

- **Accessing government assistance.** The Federal Government has re-crafted its industry assistance programs and has recently undertaken consultation sessions (from 6 June to 19 June 2014) on the new Entrepreneurs' Infrastructure Programme which consolidates previous assistance programs.

Based on our preliminary engagement with the Creative Industries Associations we were able to prepare a submission on behalf of the Creative Industries on potential guidelines for the Programme. The submission is provided as attachment 3. The Associations have been provided with a copy of the submission. They have indicated their appreciation for advising of the consultation sessions and the content of the ERA submission.

There remains scope for ERA remain vigilant and to lobby the Federal Government if the guidelines do not support Creative Industries.

- **Collaboration.** As many commentators are now pointing out, collaboration is key to economic growth, particularly with the predominance of SMEs. The chairs of Associations interviewed, acknowledge this and have indicated a willingness to participate in a more formalised collaborative arrangement in which ERA/Councils would play a strong facilitative role. It would serve a number of purposes:
  - Identify opportunities for collaboration which would lead to innovation and commercialisation, both within the Creative Industries and between Creative Industries and other sectors of the economy eg manufacturing and defence
  - Participate in the development of a 'Smart Region' and Creative Industries Strategy
  - Advocate on behalf of the region and its Creative Industries

It is premised on the notion that, with most businesses being SMEs, industry participants are deficient in time to plan beyond their own businesses. ERA Councils' intervention is justified to the extent that it will free up time for industry leaders to plan for their industries' future and realise commercial opportunities through collaboration.

The benefits for ERA would be:

- Branding - ERA would be an organisational focal point for Creative Industries
- Greater understanding of the structure and participation in the local Creative Industries
- Platform for greater collaboration between the industry participants and with other sectors such as mining and defence
- Greater access to local Creative Industries' businesses and leaders

Such a collaboration would need to be formalised with terms of reference which clearly sets out the respective roles of the collaborating Associations and ERA Councils. Draft terms of reference are provided as attachment 4

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- **Narrative.** SA Writers Association already does work with Councils in ERA, particularly in relation to place-making. There is scope to engage at a more strategic level to articulate a 'Smart Region' and Creative Industries narrative

Cockatoo Network has provided an additional perspective on projects which are considered worth pursuing (refer attachment 5).

### Local Creatives

It was mentioned at the start of this project that the development of a database should be an outcome of the strategy itself. It will evolve as relevant industries are engaged.. However a database of Creative Industries and creative leaders has now commenced through the following sources:

- Economic Development Officers in each Council
- Business Enterprise Centres
- Representative Creative Industries Associations

### ERA/COUNCILS' ROLES

The following provides a summary of the roles ERA Councils may play in the development of a 'Smart Region' and the Creative Industries sector and are drawn from the roles statement of the City of Onkaparinga

- **Service Provider**
  - **Regulator**
  - **Direct** - Provision of full or majority resources for a service.
  - **Part** - Part provision of resources to a service for which others have responsibility.
  - **Agent** - Provision of a service on behalf of, and funded by
  - **Owner** - Owning or managing facilities
- **Advocate**

Making representations on behalf of the community and seeking support from others who are able to apply influence to an issue, or funding/investment/resources to a service, project or area.
- **Facilitator**

Council bringing together or connecting stakeholders to pursue an issue, opportunity or shared interest or service and determine appropriate action.
- **Information provider**

Council providing information on issues, opportunities, activities.

This will become a very useful tool as development and implementation of a strategy progresses. It will send a clear signal to industry and other levels of government of the resource commitment of ERA and it will be a tool to maintain discipline for the allocation of internal resources by ERA and participating Councils.

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It is useful at this juncture to consider roles separately for 'Smart Region' and Creative Industries.

### Smart Region:

It is not possible to define in detail what roles are applicable until it has been established in some detail, what is required under each of the 5 indicators/elements of the 'Smart Region' framework to develop ERA into a 'Smart Region'. This will be an impetus to determining a point of difference that is compelling for the attraction of investment and talent.

For this to have the best chance of success it is recommended that ERA Councils play leading and facilitating roles in determining these requirements.

### Creative Industries:

The initial focus will be on facilitating the collaboration of the Creative Industries via their representative Associations. Given that the primary responsibility for generating outcomes is with the private sector, it is not envisaged that ERA Councils' roles would extend beyond Facilitation and Advocacy and Information Provision.

Roles to be undertaken for the opportunities outlined above are as follows:

Opportunity	Roles
<b>Music Industry Cluster</b>	Service Provider - Regulator, Facilitator
<b>Co-working</b>	Facilitator, Service Provider - Owner
<b>Film</b>	Service Provider - Regulator, Information Provider
<b>Procurement</b>	Information Provider, Facilitator, Service Provider - Direct
<b>Structural adjustment</b>	Facilitator
<b>Accessing government assistance</b>	Advocate
<b>Collaboration</b>	Facilitator, Advocate, Information Provision
<b>Narrative</b>	Service Provider - Direct, Facilitator, Information Provider

A more detailed role statement would emerge with the strategy.

### PRIORITIES

The priorities for 2014/15 are to:

- Capitalise on the momentum developed with Creative Industries engagement to identify development projects

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- Identify the attributes which will provide ERA with a 'Smart Region' status which will provide a point of difference and document the difference compared with the current state of play
- Articulate to the community and external stakeholders the significant role ERA has to play in the future of the Region and States' economy
- Engage with the Federal and State Governments on specific initiatives which emerge from the planning for a 'Smart Region' and Creative Industries development, noting Rod Brown's<sup>11</sup> comments that the best approach is to be bold, visionary, proactive and persistent
- Broaden the engagement to include real estate companies which can act as a source of market intelligence as well as an advocate for 'creatives' to locate in the region
- Advance the opportunities, identified by the Creative Industries Associations and outlined above

### **RECOMMENDATIONS**

**Recommendation 1: Engage with the Associations representing the Creative Industries with the objective of formalising a working relationship based on the draft terms of reference provided in attachment 4**

**Recommendation 2: Prepare a 'Smart Region' Strategy (including Creative Industries Strategy) which will deliver economic development and service delivery benefits for the region**

**Recommendation 3: Prepare a communication plan which articulates the significance of the Creative Industries sector in ERA and the role it will play in the Region and States' economic development. This will include a statement on ERA/Councils' roles**

**Recommendation 4: That ERA Councils commence engagement with the State and Federal Governments on the basis of the intention to become a 'Smart Region' and on initiatives which emerge during the development of the 'Smart Region' strategy**

**Recommendation 5: Work with the Creative Industries Associations to advance the opportunities identified by them as part of the preparation of this report**

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<sup>11</sup> Cockatoo Network *Connecting With Canberra* June 2014

## Consultation list

### Creative Industries Associations

- **Susie Nicolai and Irene Previn** Australian Graphic Design Association
- **Grant Hull** Australian Interactive Multimedia Industry Association
- **Karen Marsh and David Byworth** Australian Network for Art and Technology - Fab Lab Adelaide
- **David Grice** MusicSA
- **Sarah Tooth** SA Writers' Centre
- **Richard Harris and Sharon Cleary** South Australian Film Corporation SAFC
- **Byron Riessen** Australian Information Industries Association AIIA
- **Michael Reid** Majoran Distillery
- **Jennifer Kelly** Ausindustry
- **Adrian deBrenni** Office of the Chief Information Officer (State Government)
- **Adrienne Nieuwenhuise** UniSA - Magill Campus
- **Stuart Davis** Creative Industries and Innovation Centre
- **Elizabeth Lowe** TafeSA - Tea Tree Gully - Creative Industries School
- **John Rava** Office of the Small Business Commissioner

### ERA Councils and associated organisations

- **Peta Coughlin** Manager Eastside BEC
- **Caren Brougham** Manager TTG BEC
- **Nigel Morris** General Manager Corporate Services City of Burnside
- **Kevin Lowe** General Manager Urban Planning and Leisure Services  
Campbelltown City Council
- **Ursula Hickey** Manager Economic Development Campbelltown City Council
- **Katrina Marton** General Manager Town of Walkerville
- **Pamela Lee** Director Business Support & Strategy City of Tea Tree Gully
- **Matt Grant** Manager Business & Economic Development City of Unley
- **Jennifer Buchan** Economic Development Officer City of Prospect
- **Skana Gallery** Manager Business & Economic Development City of Norwood  
Payneham & St Peters

# ERA - SMART REGION AND CREATIVE INDUSTRIES

## Attachment 2

### Committee for Adelaide Board

A Board of Directors provides strategic oversight and direction for the Committee. Membership of the Board represents all membership categories and includes

#### **Colin Goodall - Chair**

Colin Goodall is a company director and Chairman of Sindicatum Sustainable Resources Ltd and Golden Horde Ltd, and is non executive director of Osmoflo Holdings. He is former Chairman of Dana Petroleum and Parkmead Group.

Mr Goodall is a qualified chartered accountant and member of the Chartered Institute of Taxation.

An upstream oil & gas industry veteran, Mr Goodall joined BP in 1975, later becoming the first Chief of Staff within the BP Group. From 1995 to 1999 he served as Chief Financial Officer for BP Europe and then as BP's senior representative in Russia.

#### **Mark Coughlin**

Mark Coughlin leads the award winning Australian energy and utilities consulting practice for Pricewaterhouse Coopers. Mark and his team provide consulting services to all major utilities across Australia which range across strategy, productivity improvement, technology and risk management. Mark has and continues to hold leadership roles with the accounting profession in Australia and overseas which includes the national presidency of CPA Australia in 2005/06 and has been a Director of the Australian government's Financial Reporting Council since 2006. Mark holds Board and committee roles with the Women's and Children's Hospital Foundation and Saint Peters Woodlands School.

#### **Ian Smith**

Ian Smith co-founded Bespoke Approach in July 2008 and since then it has been working with major domestic and international businesses on a range of complex projects across Australia and internationally. Ian was a journalist before advising the South Australian Liberal Party from 1990 to 1992 and the Kennett Government in Victoria from 1992 to 1995.

In April 2013, Ian was appointed to the Northern Territory Government's economic development panel and is a member of the NAB PrivateWealth Advisory Council. In addition, Ian is Chair of Jirrawun Arts, an East Kimberley arts organisation; and an advisory board member of the Big Issue; and an advisory board member of the Association of Australian Medical Research Institutes.

#### **Mary Patetsos**

Mary has a rare blend of academic qualifications and employment experiences covering economic, infrastructure and social policy areas. Mary's current positions enable her to have extensive knowledge of the economic, infrastructure and social and health needs of South Australia, including; member of the National Housing Supply Council, Chair of the South Australian Local Government Grants Commission and South Australian Housing Trust, deputy

## **ERA - SMART REGION AND CREATIVE INDUSTRIES**

Chair of Common Ground, and a Director on Aged Care Housing Group, Power Community Limited (Port Adelaide Football Club) and more.

### **Amanda Blair**

Amanda Blair is a broadcaster, columnist and editor, a Board member of The Independent Gambling Authority, The Australian Dance Theatre and the Department of Health's Suicide Prevention Strategy. She previously sat on the Social Inclusion Board and spent six years on the Board of the Adelaide Festival. She won a MO Award for Best Live Show in Australia in 2003, in 2011 she won the St Mary of the Cross MacKillop Award for outstanding contribution to the Media from Archbishop Philip Wilson. She was also named by the Australian Newspaper as one of the 5 most influential people in the media in South Australia. Her individual fundraising efforts have raised over 1 million dollars subsequently she has been nominated for South Australian of the Year twice.

She is also a columnist for the Australian Women's Weekly and a regular contributor to The Today Show on Channel Nine.

### **Amanda Duthie**

Amanda's work spans television, film, media, ideas and cultural festivals. Amanda delivered two flagship national events this year - the Adelaide Film Festival and Adelaide Festival of Ideas in October 2013. Since arriving in Adelaide, Amanda has joined two key South Australian organisations. She sits on the Adelaide Festival Board and has joined the CWA. She also represents Adelaide Film Festival on the Festivals Adelaide Board. Amanda was previously Head of Arts & Entertainment at ABC TV delivering popular and award winning content across all platforms.

### **Josh Fanning**

Josh is a young gallery owner, entrepreneur and publisher of CityMag, Collect Magazine and Merge. Josh is regularly invited to represent the emerging leaders in Adelaide, and acts as a co-ordinating force for artists and designers from Magazine Gallery which he operates with his partner, Farrin Foster and which functions as co-working space for a range of creative enterprises.

### **Tim Horton**

Timothy Horton is recognised nationally as an architect and thinker on design, innovation and governance practice. As Australia's first Commissioner for Integrated Design, Tim provided independent expert advice to the governments of Mike Rann and Jay Weatherill across design, planning and development in local, state and national policy, programs and projects. Tim currently acts as the CEO of the Committee.

### **Aaron Morrison**

Aaron is GM Business Development and Investor Relations with SKYCITY Entertainment Group. He leads the development of SKYCITY's corporate strategic growth activities, including investor and corporate stakeholder relations, as well as spearheading negotiations for regulatory and finance reform in private investment in tourism and entertainment activities in the city.

## **ERA - SMART REGION AND CREATIVE INDUSTRIES**

### **David Paterson**

David serves as the Chief Innovation Officer of World Vision, the world's largest international aid & development NGO. He also operates his own consultancy, Cornerstone Strategy, advising on business, social, and economic development. David's earlier international career included a range of senior executive and consulting roles: Global Chief Strategy Officer of the XM group; Chief Strategy Officer of TCG (the George Patterson group of marketing agencies); Asia-Pacific Director of Strategy for Bates Worldwide; Chief Marketing Officer of Medibank Private; and Director of Business Consulting with Arthur Andersen. He is also heavily involved in the non-profit sector, having held a number of board positions, and is a Williamson Community Leadership Fellow.

### **Demitra Ritossa**

Demitra manages the Corporate Services legal team for SANTOS, which provides legal and strategic advice across all areas of operations including Drilling and Completions, Exploration and Subsurface, Engineering, Environment, Health and Safety, Climate Change and Sustainability, Human Resources, Liquids Marketing, Procurement and Santos' GLNG Project. Demitra is a member of Santos' Crisis Management Team and has a standing invitation to attend the Environment, Health, Safety and Sustainability Committee of the Santos Board.

### **Neil Sachse**

Neil established the Neil Sachse Foundation in 1995 with the objective of funding and supporting research into curing spinal cord injuries. Through this campaigning Neil was recognised as a state finalist for the Australian of the year 2014 for his service and dedication. Neil's work not only relates to funding research but also in educating individuals on the matter of SCI so that it may be further recognized and understood within society. The Foundation is a long term member of the International Campaign for Cure of spinal cord injury Paralysis (ICCP).

### **Chris Sharpley**

Chris Sharpley is the managing partner of Ernst & Young in South Australia. He has been providing high level business and tax advice to South Australian businesses for over 27 years. These South Australian businesses range from medium sized entrepreneurial companies to large publicly listed companies.

Chris works for enterprises in both the public and private sectors. He also worked in the UK during 2008 – 2010, holding a senior management role with Ernst & Young UK.

# ERA - SMART REGION AND CREATIVE INDUSTRIES

## ERA AusIndustry Submission

## Attachment 3

Dear Sir/Madam,

### Entrepreneurs' Infrastructure Programme - Consultation submission

Firstly, thank you for the invitation to the consultation session held at the Adelaide offices of AusIndustry on 17 June 2014.

The Easter Region Alliance of Councils (ERA) comprises the Cities of Unley, Burnside, Norwood Payneham & St Peters, Campbelltown, Tea Tree Gully, Prospect and Walkerville which represent a population of nearly 290,000 and over 10,000 businesses.

The regional economy has a very strong small and micro business sector, a significant number of which are categorised as 'creative industries'.

In the course of formulating a framework for the development of this sector, we have held discussions with representative peak industry bodies within the sector about issues impacting on its further development. This has revealed intelligence relevant to the crafting of guidelines for the proposed Entrepreneurs Infrastructure Programme (EIP), as follows:

- The objective of the program is to improve the capability of small to medium enterprises (SME). ERA's businesses are predominantly at the micro end of the SME scale - the criteria for entry to the programme needs to reflect this. If, as suggested, there is a minimum turnover requirement (we understand it is \$2 million pa generally and \$1 million pa for creative industries) then this will exclude the majority of our businesses.
- The focus on 'entrepreneurs' is noted which implies something different to previous programmes which focussed on enterprises. The needs of entrepreneurs are different to those of established businesses.
- The Creative Industries sector is one which has greater potential for collaboration to deliver project outcomes. It would be ideal for the EIP to have guidelines which support collaboration which could take the form of:
  - Specific cross sector product/service development projects - particularly for research connections and commercialising ideas
  - Co-working space. The creative sector is one industry where informal collaboration within an overall formal administrative structure works. Majoran Distillery, based in the Adelaide CBD, is a good example
- Speed of processing applications - a concern with previous government assistance programs has been the protracted approval process. In such a dynamic sector as the creative industries, projects have a limited window of opportunity; hence the need to expedite consideration of any applications
- The ERA Councils support and work closely with its two Business Enterprise Centres (Eastside BEC and Tea Tree Gully BEC) and as such, we would hope that the BEC network would be leveraged to be a significant deliverer of EIP initiatives.

Thank you for the opportunity to provide a submission. As we develop our strategy for the Creative Industries, we will no doubt have clearer views on the Programme. We would therefore welcome the opportunity to continue dialogue with AusIndustry in this regard.



Yours sincerely

# ERA - SMART REGION AND CREATIVE INDUSTRIES

Skana Gallery  
Chair, ERA Business & Economic Development Portfolio

Attachment 4

## ERA CREATIVE INDUSTRIES ASSOCIATIONS ADVISORY COMMITTEE

### Draft Terms of Reference

#### Purpose

- Provide for two-way information flow between Eastern Region Alliance of Councils (ERA) and the Creative Industries sector.
- Enhance collaboration between the industries in the creative sector and with creatives in other sectors of the economy

#### Objectives

- Identify opportunities for collaboration which will result in business development outcomes and the development of the sector in ERA and facilitate their delivery
- Provide advice in the development of the Creative Industries strategy

#### Activities

- Assist with the development of a creative industries database
- Lead the engagement of CI businesses in business development activities
- Identify opportunities for collaboration between businesses within the sector and with businesses in other parts of the economy
- Develop initiatives which will enhance the ability of ERA to engage productively with State and Federal Governments in the development of the sector
- Communicate from their industries to ERA
  - issues and views of relevance to the sector
  - local success stories which can be used to promote the region
- Communicate to their industries:
  - emerging opportunities, policy changes
  - significant events
  - funding opportunities
- Forge linkages to facilitate networking and mentoring amongst businesses
- Provide input into the development of ERA as a Smart Region
- Assist in staging seminars and briefings to take advantage of events in the sector's calendar

## **ERA - SMART REGION AND CREATIVE INDUSTRIES**

- To seek information from the Creative Industries Sector as to the impediments from Government (at Federal, State and local) and advance opportunities for collaboration and funding from those levels of Government.

### **Structure and Membership**

- ERA CIA is an informal advisory group with no formal legal status
- Membership will be the chairs of existing representative associations by invitation of the chair of the ERA.
- The Chairperson will be appointed by ERA CIA. This will be an unpaid position
- ERA CIA may appoint subcommittees to work on specific projects and draw membership of these subcommittees as it deems appropriate
- ERA CIA will be established for a period of 3 years with annual reviews.
- ERA CIA is not a Council Committee or a formal advisory group to ERA/Councils as provided for in the Local Government Act 1999. No decisions or resolutions by the Group will be binding on the ERA Councils.

### **Operating Principles**

- ERA CIA will operate as a formal committee with agendas and minutes.
- ERA CIA will meet at least quarterly
- The preference is for any decisions of the committee to be made by consensus and it is not envisaged that votes be taken. However, if the Chairperson decides that a vote be taken, a simple majority of those members present will be sufficient to decide a matter. In the event of a tie, the Chairperson will have an additional casting vote.
- Any member with a personal or business interest in a matter must declare that interest and will be excluded from participating in the decision making process.

### **Resources**

- To maximize efficiency of committee members' time input, executive support for meetings will be provided by an appointed officer from ERA Councils
- Where projects are developed ERA CIA will work with ERA Councils to identify appropriate resources to assist in project implementation



## Connecting with Canberra

### **Introduction**

The May 2014 Federal Budget has ushered in fundamental changes to the way the federal government works. The Budget was more than a major restructuring of federal finances in health, education, community welfare, industry and environment. It lays the groundwork for a new Federalism that can be tapped by ERA councils.

### New Federalism

This new approach could conceivably see the Federal Government pulling back to a narrow set of tasks assigned to it under section 51 of the Constitution - such as trade, foreign affairs, defence, immigration. Under this devolved model, the States would assume major responsibility for industry regulation, social security, health, hospitals, roads, urban affairs, environmental management etc. Much coordination and overlap would be stripped out, with a massive reduction in federal government activity.

As PM Abbott said at a recent COAG Conference, each level of government needs to be “sovereign in its own sphere”. This infers that local government would also assume new responsibilities and functions. The upcoming Federation White Paper will presumably flesh out the details.

### Devolution

The reality is that the New Federalism in its full form won't happen. The Labor Party is philosophically opposed to it, and even in Opposition it and the minor parties will limit the full effects of the changes over the next five years.<sup>12</sup>

Irrespective of whether Labor achieves an unlikely win at the 2016 election, this latest Federal Budget sets in train a long-term devolution of federal responsibilities. And the devolution process will be difficult to reverse by a Labor Government because a ‘minimalist government’ mindset is now firmly entrenched within the federal bureaucracy.

### Implications for the ERA

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<sup>12</sup> This of course assumes that the current bad polls for the Abbott Government do not deliver a one term government.

# ERA - SMART REGION AND CREATIVE INDUSTRIES

The implications for ERA councils are three-fold:

- Dealing with federal agencies is about to become even more difficult. The factors here are the reduced federal programs and staffing, reduced travel budgets, and federal departments' reluctance to engage with stakeholders when they have modest program or policy relevance.
- Alliances with state government agencies, universities, industry associations, the LGA SA, the ALGA etc. and local federal and state MPs become more important. The rationale is two-fold – these organisations are also having to adjust their approaches to the new arrangements, and there are synergies and collaborative outcomes that can be tapped.
- All Councils across Australia need to step up to the mark. The New Federalism expects that local government is ready to assume increased responsibilities. The ERA is a relatively good position – it is a tight group in an important region. It needs to parlay this by adopting a more confident, proactive and persistent approach when dealing with federal Ministers and their agencies.

The recommended heightened approach by ERA councils obviously needs to be thought through and tested along the way at various levels. It needs to be done in alliance mode, and it must focus on outcomes.

There is also an extraordinary political mix in the region that raises opportunities and complexity:

- Christopher Pyne, the federal Minister for Education, is the member for Sturt, which covers most of eastern Adelaide.
- Kate Ellis, the Shadow Minister for Education, is the member for Adelaide, which covers the balance of the eastern Adelaide region
- Jamie Briggs, the federal Assistant Minister for Infrastructure, is the member for Mayo, an adjoining seat.
- Mark Butler, the federal Shadow Minister for Environment, Climate Change and Water, is the member for Port Adelaide, an adjoining seat.

## Suggested Approach

We believe that the best way of developing a heightened relationship with the federal government is via specific outcomes-based projects. You let the results speak for themselves.

Outlined below are five areas of high potential – Creative Industries: Business Engagement & Red Tape; Music Cluster; Education; Procurement.

There are probably 4-5 further areas that could be added.

### **1. The Creative Industries**

The creative industries are critically important industries for Adelaide's future, and the ERA has a good platform from which initiatives with the federal government could be developed.

There are also strong educational aspects that might be nurtured with the support of Education Minister Pyne. And the new Entrepreneurs' Infrastructure Program is very relevant.

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### Kent Town Hub

The ERA's platform involves the Kent Town Creative Industries Hub, because it comprises 170 SMEs as well as global businesses involved in movies, buildings, advertisements, fashion, graphics, games and art - provides critical mass. Furthermore it has recognition among arts and industry administrators outside Adelaide. It thus makes sense to position this squarely in any federal engagement and lobbying strategy.

*The Kent Town Hub's informal networking events are important because they provide the means of engaging with both the business community and public policymakers and program administrators. Also noteworthy is the mapping work of the local creative industries and data collection reportedly underway to:*

- Inform the development of land use, development and public art proposals.
- Foster community and business networks.
- Identify potential public art sites and creative industry collaborations.

### TAFE SA Creative Industries Hub

This is also interesting. It is a purpose-built facility located at the Tea Tree Gully TAFE – funded in 2010 by \$6 million shared between the Commonwealth Teaching and Learning Capital Fund and the SA Government.

The Hub focuses on training in respect of the Printmedia, Photoimaging, Advertising and Graphic Design, CGI and Visual Effects, Game Art, Digital Arts, Music and Media. It provides a training environment for apprentices, trainees, full-time and part-time students undertaking award courses, and members of the community enrolled in short courses. Its Advanced Diploma courses provide pathways to Flinders University, Adelaide University and University SA.

The Hub is expected to provide a bridge between the education and business sectors. ERA councils, or at least Tea Tree Gully Council, might reflect on whether they could draw the federal and state education and industry portfolios into some type of initiative at this Hub i.e. a five way agenda.

The Magill campus of the University of SA is another potentially significant node in the creative industries space.

### Collaboration Centres

Collaboration Centres are a further dimension. They are a relatively new development, and the Adelaide CBD has three such centres – The Hub in Peel Street, the Innovation Lab in Flinders Street and the Majoran Distillery in Grenfell Street.

The question is whether there is scope to develop similar centres at Kent Town and Tea Tree Gully – or do they already see themselves as facilitating collaboration via a different model? And is there a micro-level option that might apply at suburban shopping centres to cater for home-based businesses?

It would seem that caution should be exercised here. The Australian landscape is full of well-meaning efforts to co-locate small businesses. Brian Hales recently held discussions with the Majoran Distillery and others, and his findings are particularly pertinent:

## ERA - SMART REGION AND CREATIVE INDUSTRIES

- These centres need to start as a community of techos rather than as a space that can become diluted with management consultants and venture capitalists etc.
- Margins are invariably tight, which means that a sponsor to cover the real estate overheads is a good idea.
- They need to be close to the action – near shopping centres etc.
- They sell membership, based around a time allocation per seat - clients can be established businesses or, start-ups - quite a few of the clients at the Majoran Distillery were working elsewhere, and decided to try something for themselves.

### Entrepreneurs' Infrastructure Program

The local initiatives and possibilities dovetail nicely with the Entrepreneurs' Infrastructure Program, the details of which the federal Industry Minister is expected to announce in July or August.

It involves funding of \$484 million over five years, and aims to “support the commercialisation of good ideas, job creation and lifting the capability of small business, the provision of market and industry information, and access to business management advice from experienced private sector providers and researchers.”

The program is likely to be delivered via a re-born Enterprise Connect in partnership with state agencies. The Industry Skills Fund (\$476 million) might link with it.

The data being collected at the Kent Town Hub should be a useful entrée for a dialogue with the administrators of the new Entrepreneurs' Infrastructure Program, given that program is believed to be starting with a blank sheet of paper.

### **Recommendation**

That a small working group:

- Develop ideas on whether and how certain facilities might be upgraded to provide Collaboration Centres, and whether Entrepreneurship Nodes are perhaps something different.
- Consider the potential to use such centres or nodes within the ERA region to deliver relevant federal and state programs, and any emerging from the Industry Skills Fund.
- Advise on how the two federal Ministers - MacFarlane (Entrepreneurship Infrastructure Program) and Pyne (Industry Skills Fund) might be alerted to the potential for the ERA to become a test-bed for suburban uptake of their programs.

## **2. Business Engagement & Red Tape**

The Red Tape issue emerges every few years. While it might be dismissed as window dressing, a program of this type is an important backdrop to the Abbott Government wanting to be seen as relieving pressure on industry.

Accordingly the philosophical basis of the new Red Tape Program is that:

- A 'rigorous approach to policy making seeks to ensure that regulation is never adopted as the default solution, but rather introduced as a means of last resort.'

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- 'Regulation can have benefits, but businesses, community organisations and families pay the price of poor regulation.'

Josh Frydenberg MP (Parliamentary Secretary to the Prime Minister and the federal Treasury) has responsibility for this program. It is sanctioned under COAG and thus has State stakeholders involved.

The work to date has been mainly reducing red tape around federal and state programs and policies, but local government is a priority area – see box below.

### **COAG Communique, 13 December 2013**

All governments agreed to work in their own jurisdictions to improve regulation and remove unnecessary red tape

They also agreed to work bilaterally to implement 'one-stop-shops' for environmental approvals in each State.

COAG will work together on reducing red tape in four areas - manufacturing, higher education, early childhood and 'end-to-end' regulation of small businesses, with each State to target specific small business sectors.

Running a cafe that serves alcohol and provides outdoor dining illustrates Australia's current problems with regulation. For example, it can require the operator to navigate around 21 local, 29 State and 25 Commonwealth regulations, or sets of regulations - 75 hoops to jump through.

All governments acknowledged this is not good enough, and that collective action is needed to remove the excessive burden currently placed on small business.

ERA councils might therefore consider the value of instituting some work on red tape, and the likely benefits to councils as well as industry and citizens within their borders. Such a review might conceivably be a pilot project within the Red Tape Program.

In this regard, we informally floated with the Federal Treasury<sup>13</sup> the idea of ERA councils doing some work in this space, and feeding into the Federal Government's Red Tape Program.

There are two options - a review of all regulations administered by ERA councils, or a review of those regulations applicable to businesses in the creative industries, including music. The latter option would reinforce the value of initiatives taken by the ERA in that field.

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<sup>13</sup> Jenny Allen, Principal Advisor, Small Business, Competition and Consumer Policy Division of the Federal Treasury thought this was a good idea, and suggested that it be discussed with Murray Arthur-Worsop (Director Regulatory Reform, SA Premier's Department, who is the COAG contact point. He advises that the SA Government has decided to focus on red tape in the dairy and fish processing industries as part of the COAG work, but would nevertheless be interested to know if the ERA did any work on red tape applicable to the creative industries. He also advises that a Deregulation Unit is about to be established within the Premiers Department.

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## Recommendation

That ERA Councils:

- Consider undertaking a review of those regulations applicable to businesses in the creative industries, including music.
- Use such a review to establish the ERA as a first mover in this field, thereby positioning the ERA for early funding under the Entrepreneurs' Infrastructure Program, the Industry Skills Fund and perhaps programs in the arts field.
- Invite a representative of SA Premiers to work with ERA councils on the review.

### 3. Music Cluster

Adelaide has global standing in music. The Music Cluster initiative aims to link the creative and cultural side of music with high-technology and R&D companies to drive innovation and to attract national acts to record in Adelaide.

The idea was the result of Martin Elbourne's 'Thinker in Residence' report on live music (2013)<sup>14</sup> and inspired by Adelaide's sister-city Austin and its South by South West music festival. This involves the linking of music, film and interactive media with start-ups, entrepreneurship and the technologies that power those industries.

In his report, Elbourne asked readers to 'imagine people coming from around the world to experience the best audio equipment in the midst of cultural and technological creativity, a place where audio engineers and music producers work with audio equipment manufacturers to push the boundaries of what is possible in sound reproduction...this would be a place where high quality sound is influenced by music culture as much as it influences the types of music produced, and where beneficial spin offs impact the film industry as much as live music.'

The SA Government (DMITRE) recently announced funding (around \$700,000) for a Music Cluster to advance Elbourne's vision. The concept of the cluster is to generate benefits from likeminded businesses working in close proximity with each other and educational institutions to create economies of scale and foster innovation.

The current thinking is that the cluster will focus on audio-visual technologies, musicians and event management, with a link to the film industry and composers.

The local companies that are believed to be involved, or becoming involved, include VAF Research (Kent Town), Krix (Hackham), Halcro, Ascension Speakers, Sonique Audio (Salisbury), Mix Masters Studios (Hawthorndene), Disk-edits (Bowden) and Novatech (Underdale).

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<sup>14</sup> Martin Elbourne was the founder of the Glastonbury Festival and WOMAD. He conducted a 90 day project in 2013 to produce a report on the South Australian music scene and industry.

## ERA - SMART REGION AND CREATIVE INDUSTRIES

DIMTRE has advised that champions for the cluster include Phil Vafidiaris (VAF Research), David Grice (Music SA) and Karen Marsh (Fab Labs) and that Kent Town is one of the hot spots.

### The role of ERA councils

Local councils could arguably play a very constructive role to play in this Music Cluster, and to leverage it into agendas with the federal government.

First, ERA councils could participate in the Music Cluster as part of a process to energise the eastern suburbs. This might involve:

#### A. Local councils creating their own live music plans

In this regard, Martin Elbourne suggested that the establishment of live music plans by Councils that have, or are likely to have, venues that provide entertainment would force consideration of their strategies for cultural and entertainment centres, alongside other considerations such as safety, parking and noise. The Adelaide City Council is currently developing such a plan.

Elbourne suggested that the Local Government Association could assist by providing templates and models for successful plans. These plans could be part of each council's Development Plan or complementary to it. The plans allow prospective venue owners to know what to expect when considering opening premises in the council area of their preference. Furthermore, councils could create a guide for the stakeholders.

#### B. Reform of licensing laws to encourage more live music venues to open

Currently local councils are able to intervene in liquor licensing applications and propose changes to existing liquor licences such as amending trading hours. Councils often intervene where there is a precinct licensing statement, or alcohol management plan, for a particular area. They can also intervene on behalf of local ratepayers about patron behaviour, noise, or concern about potential noise or disturbance. However this is mostly reactive action. Could ERA councils play a more proactive role by helping suburban pubs recapture their former glory of being the training ground for rock groups?

#### C. Applying more resources in education and training

Elbourne argued that more resources should be applied to education and training in the music field. This would conceivably apply to all age groups – youth, mature-age and in-between groups. Given that the federal Minister for Education is the local member, there is an opportunity to develop a pilot program of some sort.

For example, some ERA councils have historic buildings of some significance that could possibly be developed as training venues for orchestral musicians e.g. jam sessions and public performance venues for aspiring musicians. See following section.

### **Recommendation**

That ERA Councils:

- Take an active interest in the Music Cluster.

## ERA - SMART REGION AND CREATIVE INDUSTRIES

- Develop initiatives that position the ERA as a first mover, and ensure that key federal Ministers are FULLY aware of how these initiatives help deliver their portfolio objectives viz. Brandis (Arts), Pyne (Education), Macfarlane (Industry), Billson (Small Business) and Abetz (Employment).

### 4. Education

While the Federal Budget announced major cuts and realignments in the education and training field, there is significant ongoing funding and initiatives across its three core fields:

- Early Childhood and Care
- Schools and Youth
- Higher Education, Research and International

For example, the Government has also committed to the creation of a Ministerial Advisory Council on early childhood and early learning to basically improve consultation and policies affecting the child care sector. The Government is also establishing an Early Learning Languages Australia trial, next year across 40 sites.

Given that ERA councils are variously involved in childcare at the coalface, it makes sense that they might develop some partnerships with the federal Department of Education in this sphere.

We have been advised by Department's Adelaide Office that it is unable to provide leads in this regards over the phone. A face-to-face meeting thus needs to be the start point.

The issue for discussion at that meeting might be the possibility of a matrix being developed, with the assistance of the Adelaide Office, of (i) the Department's education programs, and (ii) the ERA's ability to usefully participate in them. While such an approach (confident, proactive, persistent) might test the Regional Director's collaborative instincts, the ERA is squarely in the Minister's electorate and his Regional Director should be pleased to assist.

### Recommendation

That ERA Councils:

Meet with the head of the Department of Health's Adelaide Office to discuss the scope for the ERA region to partner on specific childcare or other issues as they come into focus, and that a matrix approach be used to this end.

### 5. Procurement

The sharing of the procurement function across councils is not a new concept. The main benefits have arguably been in cost savings to councils via the aggregation of contract volumes and the opportunity to exercise more muscle in negotiations with suppliers.

However there are two further dimensions to council procurement policies and practices that are often overlooked, and they offer an innovative way of connecting with Canberra.

The first dimension relates to the federal government being the major source of funding for council expenditure at a time of major expenditure cuts and a search for efficiency gains.

In this context, it makes sense for federal agencies to take a greater interest in ensuring federal funds generate maximum value-for-money. The main areas of expenditure in this regard are

## ERA - SMART REGION AND CREATIVE INDUSTRIES

road construction and equipment, plant hire, consultancy and training services, engineering services and social welfare services.

While councils aren't directly in the procurement loop in all of these fields, they could be in a more devolved purchasing model – which would be consistent with the Abbott Government's new federalism model.

Accordingly, it is suggested that ERA councils begin a discussion with certain federal government agencies on how a devolved model could be constructed e.g. aggregated procurement, outcomes-based specifications, encouragement of local consortia bids. The key benefit of such a step would be to position the region as a first mover in the procurement field, and thereby facilitate the flow of federal funding.

The second dimension relates to the federal government's current interest in reducing red tape. The point here is that public procurement systems are a major source of frustration for small businesses. While some of the tension is unavoidable (i.e. tendering code and related rules), there are vast areas where local councils could be more user-friendly viz. compliance arrangements, professional indemnity, food and health standards, workplace rules and regulations.

The way forward might be for ERA councils to approach the Federal Treasury (responsible for both small business and the Red Tape Program) to develop a model project in this field. We have floated such an approach with a senior Treasury official, and there is genuine interest.

SA LGA Procurement has a national reputation in the procurement field, and should be open to participation with ERA councils and federal agencies in respect of the above initiatives.

### **Recommendation**

That ERA Councils approach SA LGA Procurement to fine-tune these two initiatives prior to a joint approach to the federal government.

### **Concluding Thoughts**

Dealing with Canberra is increasingly difficult, and in our experience the best approach is to be bold, visionary, proactive and persistent. Otherwise there will be no traction.

My suggestion is to start off at the 'easy' end. In this regard, the creative industries, Music Cluster and red tape agendas have a certain synergy. Such a package would also send a strong and positive signal to the federal government, the SA government and, most importantly, to your industry stakeholders.

We would be very happy to provide further advice and assistance in moving these and other agendas forward.

Rod Brown

Cockatoo Network

Canberra A.C.T. Australia

apdcockatoo@iprimus.com.au

## **ERA - SMART REGION AND CREATIVE INDUSTRIES**

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0412 - 922559; 02 - 62317261

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