



INNOVATION > The five innovation sectors

Creative Industry



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.Innovation in the Creative Industry sector

Innovation in the creative industry sector is created around:

- **Global marketplace:** companies in this sector form part of a global market and commonly partner with firms based overseas on projects to deliver round the clock services. Through these partnerships, NSW companies are well-placed to develop competitive advantages internationally
- **Competitive infrastructure:** as an industry driven by the immediacy of customer needs, firms require high quality, high speed communications infrastructure to network effectively and deliver digital solutions globally
- **Technology:** technology plays an increasingly important role in all sub-sectors from music to performance art, design to mass communications. Facilitated access to new technologies and scientific advances relevant to the sector will increasingly drive innovation. Major advances in platform technologies will be especially influential. One example is Open Kernel Labs, developed by NICTA, which develops microkernel technology. The application of this technology to the creation of device software enables virtualization, componentization and verification, dramatically improving the development process for embedded systems software.

.The Innovation Unit's current projects and publications

- *Creative Industry Project*

The Unit has completed a research project on the creative industry in NSW. The Project sought to capture the:

- economic fundamentals of the creative industry (including employment, number of businesses, level of exports, etc) and their impacts on the New South Wales economy in order to provide an evidence base for policy; and
- key areas where the NSW Government can play a role in creating an environment where it is easier for businesses to innovate and stimulate economic growth.

To gain insights from the industry, the Project Team conducted round table discussions with key players in each of the following sub-sectors:

- advertising and marketing
- architecture, design and visual art
- music and performing arts
- publishing
- film, television and radio
- software and interactive content¹.

A Project Control Group, consisting of members from the Department of State and Regional Development, NSW Treasury, Arts NSW, and the Nous Consulting Group, was established to oversee the Project. Two reports have been produced - *NSW Creative Industry: Economic Fundamentals* and *NSW Creative Industry Insights* - which emphasise the creative industry's importance and contribution to the broader NSW economy, its dominance nationally, key challenges and opportunities for the future and proposed actions to further grow the industry

- *Post Production, Digital Production and Visual Special Effects*

In Australia, income derived specifically from PDV services grew from \$132.2 million in 1999/2000 to \$349.1 million in 2002/2003 - constituting 22 per cent of the total income of the entire film and television production industry. Of this, New South Wales accounted for 64 per cent of all domestic PDV work.² Accordingly, the Innovation Unit has undertaken research on the industry, revealing areas for positive Government action. The Government is currently reviewing options around training, with a view to creating a direct path for graduates into the industry.

.Why was the creative industry chosen as an innovation sector?

Employment

- Cultural and creative industries have been the fastest growing source of employment over the past 10 years, increasing at a rate of 74% higher than the average for all industries.³
- NSW is home to 38% of Australia's creative workforce, and Creative Occupations account for 6.3% of the State's total workforce⁴
- There is strong growth in NSW employment in Creative Digital Industries. In the past 10 years to 2006-07, employment in Creative Digital Industries has grown at an average of

2.7 per cent per annum, compared with the all industry average of 1.8 per cent per annum.⁵

Exports

- NSW accounts for over 56 per cent of Australia's creative and technology service exports. NSW exports of technology and creative services are valued at \$2.2 billion, making them one of the State's top 20 exports. Over the last five years exports of computer and information services, professional services, architectural, engineering and other technical services, audio visual services and personal, cultural and recreation services have grown at an average of 3.4 per cent per annum.⁶

Growth

- In the three years to 2004–05, the Creative Digital Industries income grew at an average of 7.7 per cent per annum, surpassing the Australian industry average of 5.2 per cent. High growth rates have been experienced in many sectors including advertising (up 17.5 per cent), computer consultancy (up 9.7 per cent), television services (up 9.3 per cent), film and video production (up 9.1 per cent) and photographic studios (up 9.2 per cent).⁷

¹ These sub-sectors have been adopted in line with definition of the ARC Centre of Excellence for Creative Industries and Innovation at the Queensland University of Technology.

² Australian Bureau of Statistics (ABS) Television, Film and Video Production survey.

³ *A strategy to Accelerate Innovation in NSW Outline for Policy Development*, Professor Jonathan West for Australian Innovation Research Centre.

⁴ Australia's Creative Economy Information Sheet.

⁵ *Growth Industry Profile – Creative Digital NSW*, NSW Dept State and Regional Development.

⁶ *Growth Industry Profile – Creative Digital NSW*, NSW Dept State and Regional Development


⁷ *Creative Digital Business*, June 2006, NSW DSRD.

For more information

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Related publications

 [NSW Creative Industry Economic Fundamentals](#)

 [NSW Creative Industry Insights](#)