

## **Creative Industries Cluster Strategy Visual & Performing Arts Segment Report**

### **Overview**

On 27th June 2003, a number of representatives of the *Visual and Performing Arts* creative industries segment met at the Brisbane Powerhouse for the Department of State Development, Queensland Creative Industries Strategy workshop session. They were charged with the dual task of identifying the key business challenges (barriers to growth) for each of their companies or agencies, and the corresponding key industry future actions (flagship solutions) to grow the segment. The challenges and actions were summarised and added to lists on a whiteboard during the workshop, with similar challenges and similar actions integrated together. The industry representatives then voted on which challenges and actions they thought were a priority for the segment. The following document summarises:

- The top six priority competitive challenges identified by participants.
- The balance of challenges identified.
- The priority actions proposed by participants in response to the priority challenges. The seven priority actions are featured in *boxes*.

### **Priority Challenges (top six, not in order)**

#### **Finance**

- 1. Need to Adopt *Known Best Practices for Self-Sufficiency in the Visual and Performing Arts*.** This segment has highly diverse capabilities for financial autonomy. While many organisations have reduced their dependence on traditional financial sources to 50% or less, they still need better understanding of known options for generating revenue—from improved charging for services (exhibits, events and products) to how to understand markets and improve marketing of arts products and events. The key challenge here is working together to adopt known practices to their highest potential.
- 2. Need for *New Models for Sustaining Visual and Performing Arts Enterprise and Organisations*:** Across the globe arts organisations, artists and entrepreneurs are using new approaches to maintain their financial sustainability (beyond traditional support from government or foundations). These external innovations need to be identified and evaluated and, where appropriate, adopted in Queensland.

## Human Resources

- 3. Mentoring and Transfer of Experience:** Need to provide access to knowledge and experience of successful artists and arts entrepreneurs to educate the new generation on creative and business management practices. There are many experienced artists, arts management experts and government agency managers who can provide guidance to newer or younger visual and performing artists on how to develop talent and business. The arts world tends to be fragmented, despite both arts organisations and existing management services. More systematic efforts to bring resources together for the artist are needed.

## Innovation

- 4. Need for Market Research on Consumers and Geographic Demand.** While there is market data generated by public agencies, much of it is not transmitted to users in a form they can use or in a timely way. The challenge is to help artists and arts organisations better understand markets to both craft and match their output to changing demand—both in terms of content, packaging and delivery.
- 5. How to Match Arts Products and Events to Regional Needs and Scale:** Artists and arts organisations want to serve diverse regions across Australia. However, the distance and population size of regions requires careful understanding of how to define, package and deliver art products and events. For example, how can arts activities be cost effectively delivered to regions with smaller populations? What partnerships with cities, states, other counterpart organisations, national or local sponsors and institutions as well as logistical approaches are required to make outreach to these markets worthwhile?

## Physical Infrastructure

- 6. How to Preserve Local Buildings for Arts and Culture in the Face of Commercial Market Absorption.** Across Queensland, but in Brisbane in particular, buildings and spaces that are or could be used by artists and arts organisations are being acquired by commercial development. Arts groups cannot afford to lease space at competitive prices in most cases. There is no strategic allocation of space for the arts in urban areas. There is a need for urban land use policy and public sector planning that will enable arts groups to acquire financially affordable spaces. While new precincts will offer some space, there is a strategic issue that neighborhoods that might naturally support arts activities will be pulled out

of the market—both changing the neighborhoods and the cost structure for artists and arts enterprises. The bottom line is how to secure affordable space in suitable areas which might sustain a distinctive cultural environment.

### **Other Challenges (Excluding those listed above)**

#### **Information Infrastructure**

- Need for affordable and sustainable access to information technology such as computers, business and creative software, website development and support, video teleconferencing and related services. The cost of this infrastructure is the challenge for the visual and performing arts, few can afford more than the basic (often out of date) equipment and services.

#### **Human Resources**

- How to build and sustain arts teams given a fragmented or dispersed workforce. The arts workforce is spread across the state and is very mobile (moving to obtain opportunities). Therefore sustaining art enterprises and the personnel needed is often challenging, requiring sustaining relationships at a distance.

#### **Marketing**

- How to learn about arts partners and suppliers. As with any complex sector, Queensland's visual and performing arts segment needs the means to learn about what others are doing and requires forums through which information can be exchanged and networking undertaken. The demand for a Queensland-based arts trade show (not national) should be examined to determine if there is a need and whether that type of event could be viable.
- How to build an arts product "pipeline". Queensland arts enterprises and artists produce many products and services. But sometimes individuals or organisations are only able to focus on one activity at a time—unable to keep a flow of product to the market or funding agencies. For this reason, there need to be ways to help artists and arts groups to co-ordinate their products or events to build a pipeline of product. For example, for a theatrical group to have plays at different stages of development—some being written, others in rehearsal, others on the road. There is a need for a partnering process to enable strategic teaming on finance and production so that the arts pipeline content can flow to market.
- How to better understand and reach domestic and international consumer markets and market opportunities and (in doing so) increase audiences for

arts products and events. This is a fundamental challenge for this segment. Knowledge of markets will enable artists and arts groups to better channel their resources. See below also.

- How to better define and serve export markets with Queensland products, using innovative marketing concepts and distribution channels (such as web-based sales).
- How to better “productise” arts ideas so that they can better serve global, national and regional markets.
- How to find strategic partners who can bring financial expertise, product development knowledge and marketing expertise to the arts to help ensure that the arts “pipeline” will flow.
- How to improve the affordability of the business and marketing advice that so many artists and arts organisations require. There are many talented providers of services in Queensland. However, services are not free.
- How to educate the marketplace of corporations, government agencies and community institutions to better understand the economic value of the arts and to commit to investment more in arts activities.
- Need to move the arts away from the stereotypical view that focuses on art products or events. The arts are about creativity and its application. For this reason, this segment needs to work on getting other segments both within Creative Industries and across other sectors to focus on how artistic creative thinking and behavior can be an economic value—from design to communications to human resource management.

### **Business Climate**

- How to help artists and arts groups cope with the challenge of meeting business standards in management, such as accounting. Compliance with traditional standards can be costly for this segment.
- How to change the mentality of state and local government so that they are open to supporting the visual and performing arts in more than traditional financial ways, such as grants. There has been progress, but there are still challenges. For example, there is a state gift program which purchases Queensland arts products, but operates on a consignment basis which is hard for artists to sustain (not unlike galleries, where the agent/gallery owner does not pay before sales are made).

## Finance

- Artists and arts organisations need commercial credit, but may not have conventional cash flow and securitisable assets. For this reason, they may experience difficulty in securing access to credit. Artists and arts groups may need assistance in understanding business practices. However, there is also a need for the financial services industry to learn more about the financial dynamics of the arts world so that its legitimate business features are better understood and serviced.
- How to improve the consistency of the flow of funds to community arts groups and improve their sustainability. Often funding is on a one-time basis and creates a disruptive or unsustainable cash flow for an ongoing art activity. There are clearly two different needs here. First there is a need for funding agencies to provide more frequent funding “windows” (quarterly, rather than once a year) so that there are more opportunities to achieve an ongoing flow of funds—regardless of quantity. This need extends not only to government agencies but to corporations whose community relations or philanthropic programs may need to have a more informed approach to grant giving or investment in the arts. Second, there is a need for the arts community to have deeper understanding of the diversity of financial resources that are available and to improve business skills needed to acquire and manage those funds.
- There is a need for accounting services to help assist art enterprises and commercial enterprises carefully capture their losses to improve financial performance.

## Actions

**Challenge:** Enable artists and arts groups to adopt known best practices to become self-sufficient?

**Action:** Design and implement an integrated arts self-sufficiency strategy focusing on transferring best practices, business knowledge and fostering improved payment for arts by existing and new customers. See below.

- Establish a business referral service to help enterprises get needed expertise.
- Create commercial incubator/program for emerging artists to learn best practices, emphasise fusion of arts and business.
- Develop program to encourage resource sharing of skills and expertise in business life such as IT and supplies.
- Create a shared space to allow this to happen as a “community”, exploring linkages with entities such as the Metro Arts incubator.

- Establish training workshops on sustainability and devise creative ways to get people to them.
- Cultivate and ensure a local purchasing policy by government in which government pays market price for arts products.
- Educate the overall market to pay proper price for arts product.

**Challenge:** Identify innovative models from international sources for enabling sustainability of arts enterprise.

**Action:** Develop a highly focused effort to identify and acquire new information about distinctive organisational and business models that could be adopted by artists and arts groups to enable financial diversity and sustainability. See below.

- Review past successes: Establish lists of what worked in the past, looking at events and initiatives that have relevant business models.
- Assess overseas models: Explore how nonprofits have used alternative financial mechanisms to improve sufficiency. These would include:
  - Cooperatives for shared services: Using purchasing clout to reduce cost of commodities and services—from business accounting to real estate (e.g., working with developers on multi-tenant buildings).
  - Ownership of for-profit subsidiaries: hotels, catering, tourism enterprises, equipment, commercial buildings, consulting.
  - New financial mechanisms needed for this sector: Specialised lending institutions focusing on non-profit services.
  - Triple Bottom-Line Initiatives with Corporations: Increase company readiness to channel funds to employees, community and environment (with measurement of “returns”).
- Analyse domestic market information: Gain access to Arts Queensland data and analyse it to improve market insights.
- Explore new schemes: Consider establishing a product investment scheme such as was used for the Agribusiness ATO product.
- Harness Queensland business talent: Invite leaders from arts, corporate sector, local government, and special interest community groups to come together to develop models.
- Transfer best practices: Help Queensland organisations and their service providers adopt new practices. Use events, such as an “Creative Industries Trade show” at a location, such as the Powerhouse during summer, to show, tell and exchange. See next action as well.

**Challenge:** Need for knowledge and experience (access to) artistic and business advice.

**Action:** Establish a combination of mentoring and database and academic-arts exchange to ensure the transfer of creative knowledge and arts experience for other artists and arts groups. See below.

- Form a new database or improve existing ones to permit improved identification and referral and matching of business expertise and services. Note that this database or exchange can also be designed to include the actions that follow as well.
- Establish a formal mentoring system to link young artists with more experienced artists. This can be through direct matching or via a website.
- Extend mentoring to include matching of practicing artists with companies who can provide experience needed to enhance art enterprise. Explore how public grants might be used to provide support for these mentoring experiences. Note that this can link with university internships, as well (see below).
- Arts departments should be helped to include business related subjects in their courses, through cross department links with business schools or with guest lecturers from the business community.
- Industry should be encouraged to offer more internships for arts students to gain business experience.
- Hold creative industries trade show to exchange information and practices at powerhouse during down time over summer (after Christmas). Perhaps use BCC money from Fringe festival to create a statewide show.

**Challenge:** Need for current research information on state and local markets to enable targeting of arts products and services.

**Action:** Acquire market information from key public and private sources, and, if need be commission new market assessment and make this available to the arts community to enhance their product development, marketing and distribution of visual and performing arts. Note: *As a challenge this theme attracting considerable support.*

- Convene segment stakeholders to define the market information objectives.
- Assemble past market data and research information.
- Review past sources to determine trends of arts consumption, including attendance and sales.
- Define parameters for future market studies and how they would be funded (e.g., but public agency or syndicated financing by arts community or both).
- Disseminate market information via visual and performing arts channels, including those defined in this strategy.

**Challenge:** Need for strategic land use allocation to protect and develop visual and performing arts space.

**Action:** Develop a visual and performing arts land use and community plan with supporting policies (e.g., zoning, funding). To sustain and grow the visual and performing arts in Queensland there will need to be sufficient affordable and appropriately “co-located” spaces to foster the synergies characteristic of creative industries. This action focuses on using land use and community planning to preserve and harness existing real estate or foster reuse, independent of new construction (such as current prescient development). These activities may already be ongoing in certain communities, but representation of the visual and performing arts in these efforts is vital.

- Evaluate land use needs of the visual and performing arts across Queensland (presumably within each community). This would focus on availability of real estate by class and cost and how availability is changing.
- Examine current land use policies and opportunities to either recognise or preserve neighborhoods, districts or strategic structures within districts for visual and performing arts use. Recent plans may have addressed part of all of these issues in certain communities.
- Determine how zoning and other tools, such as the Community Cultural Infrastructure Fund (contributed to by local developers and government) can effectively be used create and maintain space for community arts space and show places (for example: venues and facilities in West End of Brisbane).
- Share best practices, track results and communicate within and across the Creative Industries.

### Next Steps

The Stewards and Delegates from the Visual and Performing Arts segment presented the findings of this workshop session at the plenary session for the Creative Industries. These findings will be used in conjunction with the ongoing analysis of the Creative Industries Cluster to help shape the state strategy.

This group voted and agreed that it would like to continue to function and grow, over time, to become a statewide design stakeholder group within the Creative Industries cluster. As a result, this group will be reconvened in the future as the Queensland Creative Industries Strategy moves forward. This group is particularly interested in seeing more participation from other sectors—such as corporations, banks, legal and accounting, marketing and government agencies--in the ongoing discussions. They are also eager to collaborate with the other segments of the Creative Industries Cluster and avoid unnecessary conflict in pursuit of goals.