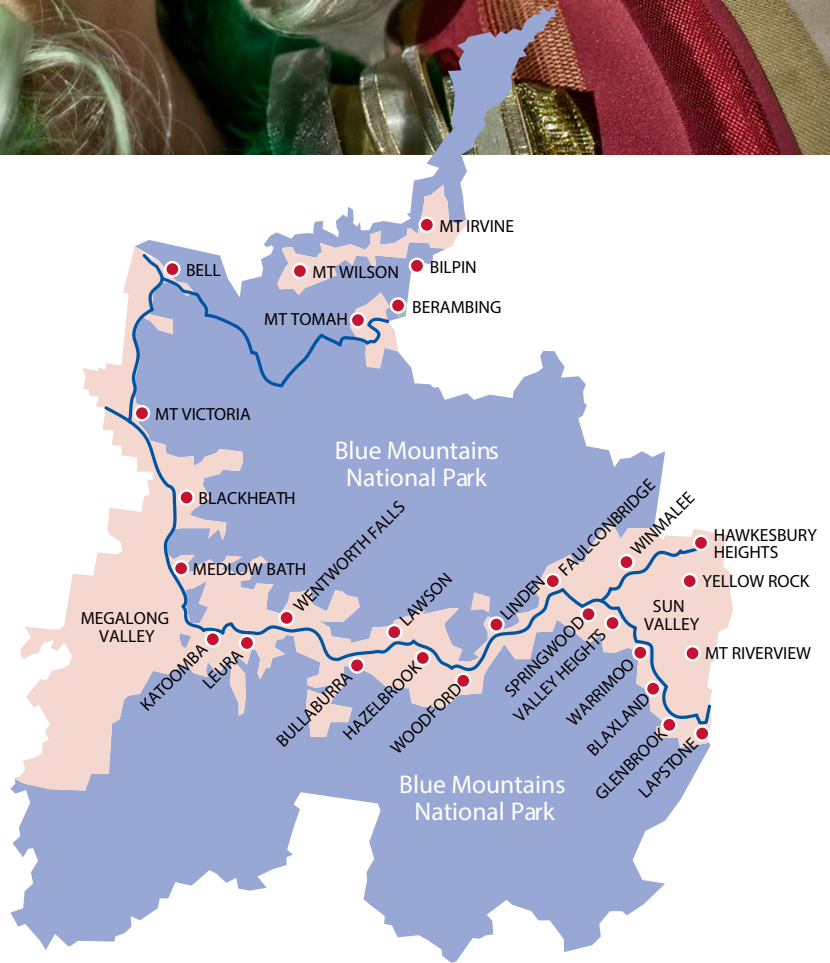




Blue Mountains Creative Industries Profile

Issue 1: 2014



1.0 Introduction

Creative Industries are generally defined as “those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property.” (UK Department of Culture, Media and Sport.) The Creative Industries can be further broken down into two sectors: Cultural Production and Creative Services.

Cultural Production refers to activities that bring creative outputs predominantly to consumers (B2C), which includes:

- Music, performing and visual arts
- Libraries, archives and museums
- Music, print and other publishing (excluding digital publishing)
- Media production and broadcasting (excluding digital broadcasting)

Creative Services refers to activities that bring creative outputs to a variety of consumer and corporate clients, which are predominantly involved in business-to-business (B2B) activities. Creative services include:

- Internet and digital services (including digital publishing and broadcasting)
- Internet service providers and computer system design and related services
- Advertising services
- Design (including architecture and industrial design)

Background to Creative Industries

The Blue Mountains has long been recognised as a creative hub and was named the inaugural ‘City of the Arts’ in 1998. Much of the success of the region as a premier tourism destination is linked to arts and cultural experiences. A residence and retreat destination for many of Australia’s pre-eminent artists across all disciplines and a renowned festival location, the Blue Mountains’ reputation as an arts and cultural hub is well established.

The 2012 opening of the Blue Mountains Cultural Centre in Katoomba further cements the region’s competitive advantage by providing a world-class exhibition program, the world-heritage interpretive centre and a focal point for creative industry development. In addition to this the Springwood Civic Centre development will add strength to the region’s appeal as a creative destination.

Creative Industry Sectors

There is no official definition given to industries classified as ‘creative’ in Australia. Consequently, in the Blue Mountains LGA, the industries listed in Table 1.0 below have been identified as contributing to the local Creative Industries sector using Australian Bureau of Statistics (ABS) Industry Codes – ANZSIC 2006. The Creative Industries in the Blue Mountains has further been divided into the two sectors mentioned above: Cultural Production and Creative Services as suggested by the NSW Department of Industry and Investment, 2013.

TABLE 1.0 SECTORS CLASSIFIED AS CREATIVE INDUSTRIES IN THE BLUE MOUNTAINS

CULTURAL PRODUCTION	CREATIVE SERVICES
Music, Performing and Visual Arts	Internet and Digital Services
Music and Other Sound Recording Activities	Internet Service Providers and Web Search Portals
Performing Arts Operation	Data Processing and Web Hosting Services
Performing Arts Venue Operation	Computer System Design and Related Services
Creative Artists, Musicians, Writers and Performers	Software Publishing
Motion Picture Exhibition	Internet Publishing and Broadcasting
Libraries, Archives and Museums	Advertising
Libraries and Archives	Advertising Services
Museum Operation (includes Art Gallery Operations)	
Information media	Design
Music Publishing	Architectural Services
Newspaper Publishing	Other Specialised Design Services
Magazine and Other Periodical Publishing	Professional Photographic Services
Book Publishing	Engineering Design and Engineering Consulting Services
Other Publishing (except Software, Music and Internet)	Jewellery and Silverware Manufacturing
Media Production and Broadcasting	Creative Construction Services
Motion Picture and Video Production	Other Construction Services
Post-production Services and Other Motion Picture and Video Activities	Landscape Construction Services
Cable and Other Subscription Broadcasting	Creative Education
Free-to-Air Television Broadcasting	Arts Education
Radio Broadcasting	

2.0 Employment within the Creative Industry Sector

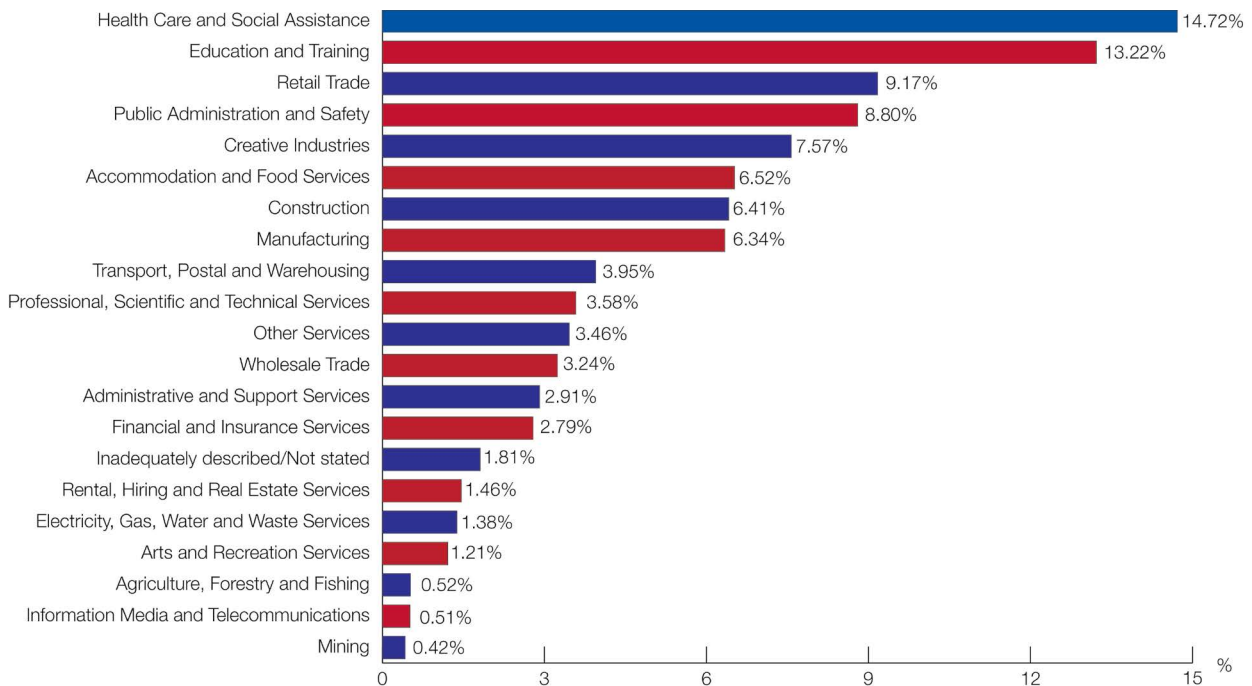
According to the Department of Industry and Investment based on ABS Census 2011 data, the Creative Industries directly employ almost 148,000 people in NSW, representing approximately 4.7% of total employment in the State.

Within the Blue Mountains LGA itself there were 35,609 working residents in total (i.e. people who live in the Blue Mountains and are employed either within the LGA itself or elsewhere). The three industry sectors which employed the majority of Blue Mountains residents were:

1. Health Care and Social Assistance (5,243 people or 14.72%)
2. Education and Training (5,217 people or 14.65%)
3. Retail Trade (3,265 people or 9.17%)

By comparison, the Creative Industry Sector as a whole (as defined in Table 1.0 within the Blue Mountains LGA) ranked fifth, employing an estimated 2,696 working residents. This equates to approximately 7.6% of the total working residential population positioning the Creative Industries sector in the top five of all employing sectors as illustrated in Figure 1.0 below:

FIGURE 1.0 BLUE MOUNTAINS RESIDENT WORKFORCE BY INDUSTRY SECTOR OF EMPLOYMENT INCORPORATING THE CREATIVE INDUSTRIES, 2011



Source: ABS Census, A.P. SHEERE CONSULTING, 2013

Note: industry employment figures have been adjusted to take account of the sub-industry sectors identified as making up the Creative Industries in the Blue Mountains.

NSW Summary of Creatives' place of work

Research undertaken by the Department of Industry and Investment (2013) has identified the presence of 'creative hotspots' where the concentration of Creative Industries activity is high, although concentrated in a small area. The Blue Mountains was identified as a regional creative hotspot.

The largest and 'hottest' area of creative activity is around central Sydney, in particular the local government areas (LGAs) of North Sydney, Willoughby, Lane Cove and the City of Sydney. The number of creatives who work in these areas, as a proportion of total workers, exceeds 12% - that is, over 12% of people who go to work in these LGAs work in the Creative Industries.

Outside of the Sydney metropolitan area, there are a number of regional Creative Industries hotspots identified by the Department of Industry and Investment as shown in Table 1.1.

TABLE 1.1 NSW DEPT OF INDUSTRY AND INVESTMENT REGIONAL CREATIVE INDUSTRIES 'HOT SPOTS', 2013

REGIONAL NSW AREA	SECTOR OF CONCENTRATED ACTIVITY
Byron Bay	Concentrated activity in terms of the proportion of workers that are active in the creative industries in general
Byron Shire	In terms of the concentration of design workers, as well as music, visual and performing artists (MVPA)
Palerang LGA and Blue Mountains LGA	Regional hotspots for music, visual and performing artists (MVPA) activity
The Northern Rivers, Port Macquarie, Coffs Harbour, and a south eastern "creative belt" stretching from south of Sydney into the Yass Valley	Higher concentrations of creative industries activity than the majority of regional NSW.

SOURCE: NSW CREATIVE INDUSTRIES ECONOMIC PROFILE, DEPT INDUSTRY AND INVESTMENT, 2013.

Where are Blue Mountains resident Creatives employed?

Based on ABS Census data, 20,531 or 59% of Blue Mountains LGA resident workers travel outside of the area to work. 41% (14,142 persons) of working residents worked within the Blue Mountains LGA itself followed by Penrith - 18% (6,199 persons) and Sydney - 7% (2,417 persons).

The number of Blue Mountains residents working within the Creative Industries sector in the Blue Mountains LGA itself is estimated to be 1,230 persons in 2011. Of these, approximately 708 residents cited 'working from home' during the 2011 Census or 58% of the total. Those employed outside the Blue Mountains LGA in the Creative Industries was approximately 1,440 persons or 54% using ABS Census 2011, data.

Sydney LGA followed by the Penrith LGA provided most jobs for Blue Mountains Creative Industries sector workers outside of the Blue Mountains.

The top 10 regions which employed most residents in the Creative Industries are shown in Table 1.2

Creative industry jobs available locally

The employment data in Figure 1.1 represents the number of people employed by businesses/organisations in each of the industry sectors within the Blue Mountains LGA itself. This 'place of work' data represents the total number of jobs without conversion to full-time equivalent employment.

In total there were 16,517 jobs identified in the Blue Mountains LGA itself (as opposed to outside the LGA) based on Census 2011 data. Health Care and Social Assistance provided the most employment locally with 2,900 jobs or 18% of the total number of jobs. This is followed by the Retail Trade sector (2,194 jobs) at 13% with both Education and Training (2,009 jobs) and Accommodation and Food Services (2,007 jobs) each accounting for 12% of the total number of local jobs.

TABLE 1.2 TOP 10 LGAs EMPLOYING MOST BLUE MOUNTAINS' RESIDENTS IN THE CREATIVE INDUSTRIES, 2011

RANK	PLACE OF WORK	WORKERS
1	Blue Mountains	1,230
2	Sydney	384
3	Penrith	212
4	Parramatta	78
5	North Sydney	68
6	Blacktown	67
7	Ryde	53
8	The Hills Shire	45
9	Hawkesbury	32
10	Willoughby	24

SOURCE: ABS 2011 CENSUS OF POPULATION AND HOUSING, A.P. SHEERE CONSULTING

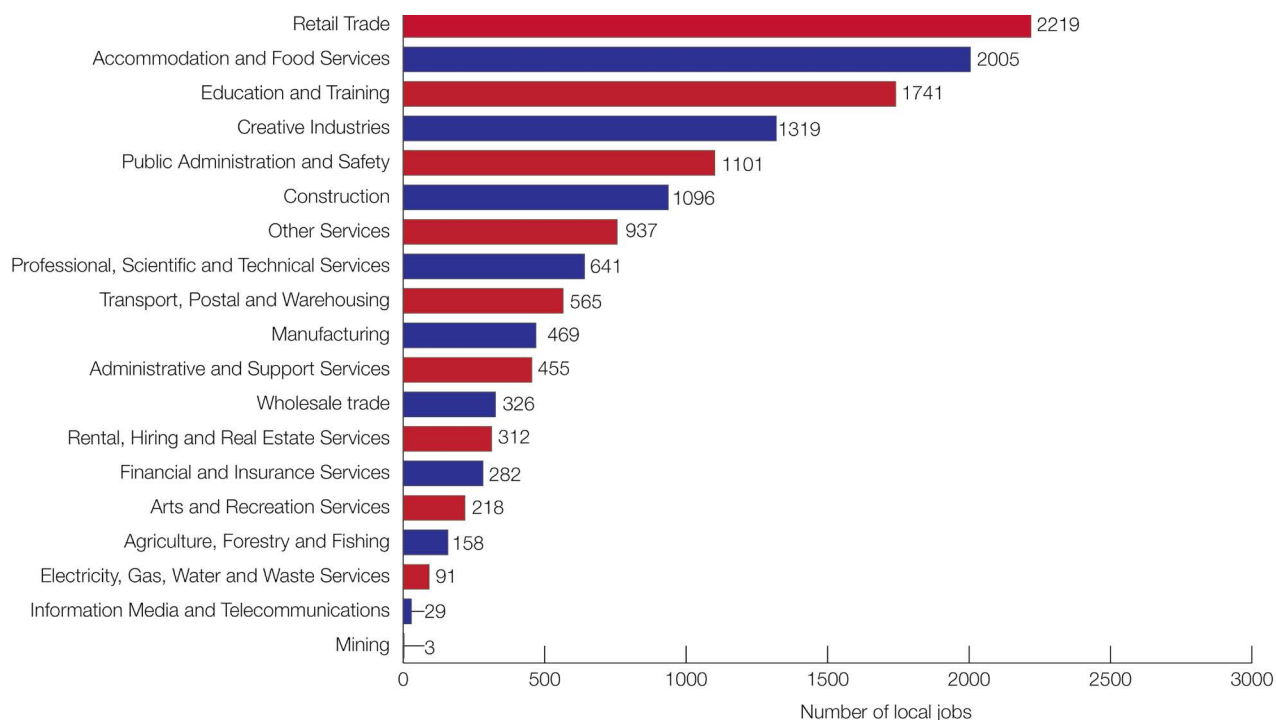
By comparison the Creative Industries sector with an estimated 1,319 jobs lies within the top five employing sectors providing 8% of the locally available jobs (i.e. within the Blue Mountains LGA itself) – see Table 1.3 and Figure 1.1.

NOTE: INDUSTRY EMPLOYMENT FIGURES HAVE BEEN ADJUSTED TO TAKE INTO ACCOUNT THE SUB-INDUSTRY SECTORS IDENTIFIED AS MAKING UP THE CREATIVE INDUSTRIES IN THE BLUE MOUNTAINS THUS AVOIDING ANY DOUBLE COUNTING OF FIGURES.

TABLE 1.3 TOP 5 LOCAL EMPLOYING SECTORS

INDUSTRY SECTOR	NUMBER OF LOCAL JOBS	% OF TOTAL NUMBER OF LOCAL JOBS
Health Care and Social Assistance	2,890	17.50
Retail Trade	2,219	13.43
Accommodation and Food Services	2,005	12.14
Education and Training	1,741	10.54
Creative Industries	1,319	7.99

SOURCE: ABS 2011 CENSUS OF POPULATION AND HOUSING, A.P. SHEERE CONSULTING

FIGURE 1.1 EMPLOYMENT WITHIN THE BLUE MOUNTAINS LGA INCORPORATING THE CREATIVE INDUSTRIES SECTOR, 2011

Source: ABS 2011 Census of Population and Housing, A.P. SHEERE CONSULTING

Note: industry employment figures have been adjusted to take into account the sub-industry sectors identified as making up the Creative Industries in the Blue Mountains.

3.0 Business activity within the Blue Mountains

In 2013 a survey of Blue Mountains' Creative Industries workers was undertaken. The results of this survey showed that most people were employed in Writing and Publishing followed by Creative Makers such as handicraft, jewellery, furniture, ceramics and textiles.

TABLE 1.4 TOP 5 EMPLOYING SECTORS

INDUSTRY SECTOR	% OF RESPONDENTS
Writing & Publishing	23.84%
Creative Makers (handicraft, jewellery, furniture, ceramics, textiles, design pieces etc)	19.87%
Performing Arts	15.89%
Painting	13.91%
Graphic design	13.25%

A summary of key results is provided below:

- 82% of respondents lived in either Katoomba (52%), Blackheath or Leura (15% each).
- 77% worked from home and 84% did not employ any staff.
- 70% were Business Owners established as Sole Traders.
- Half of respondents had a source of income other than the work they did in the creative industries.
- 84% distributed their products online and 40% sold their goods to international markets.

4.0 Economic impact of the Creative Industries

Industry Value Added - NSW

Industry value added (IVA) is a measure of an industry's economic size in terms of its contribution to the value of goods and services produced in a country or region. Estimates for the IVA of Australia's creative industries indicate that the size of the sector was at over \$36 billion in 2012. This ranks the Creative Industries 13 out of 20 among Australian industries in terms of economic size. Creative Services accounts for two thirds of the industry value added of the total Australian creative industries, with cultural production making up the remainder.

Internet and digital services is by far the largest segment in terms of IVA, accounting for half of all Australia's Creative Industries IVA. Music, print and other publishing, followed by design, and media production and broadcasting are the next largest segments by IVA.

Source: IBISWorld; ABS cat. no. 5204.0; NSW Trade & Investment estimates

Industry Value Added – Blue Mountains LGA

To estimate the Industry Value Added for Creative Industries in the Blue Mountains LGA, input/output data was analysed using the REMPLAN tool. Each sector identified as a Creative Industry in the Blue Mountains was reviewed and numbers adjusted where necessary to avoid double

counting to create values for the Creative Industries sector itself.

Therefore, from a direct increase in output of \$331.764 million resulting from 1,319 Creative Industries jobs based in the Blue Mountains LGA, the corresponding increase in direct value added to the local Blue Mountains economy is estimated at being \$152.80 million. From this direct expansion in the economy, flow on industrial effects in terms of local purchases of goods and services are expected to occur. It is estimated that these indirect impacts result in a further increase to value added of approximately \$73.988 million.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are also estimated to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario further boost value added by approximately \$50.335 million.

Total value added to the local economy by the Creative Industries sector therefore, including all direct, industrial and consumption effects is estimated to equal up to \$277.118 million.

Taking the estimate of direct Value Added (\$m) to the economy, comparatively speaking the Creative Industries sector was the third greatest contributor at approximately \$152.80 million in 2012 (see Table 1.6 below).

TABLE 1.6 ESTIMATED VALUE ADDED TO LOCAL ECONOMY BY INDUSTRY SECTOR, 2012

INDUSTRY SECTOR	VALUE ADDED (\$M)	VALUE ADDED (%)	FULL TIME EQUIVALENT LOCAL JOBS	% SHARE OF LOCAL EMPLOYMENT
Rental, Hiring and Real Estate Services	381.34	19.93	312	1.89
Health Care and Social Assistance	220.83	11.54	2890	17.50
Creative Industries	152.80	7.99	1319	7.99
Education and Training	144.13	7.53	1741	10.54
Retail trade	128.64	6.72	2219	13.43
Public Administration and Safety	128.00	6.69	1101	6.67
Accommodation and Food Services	112.42	5.88	2005	12.14
Construction	110.64	5.78	937	5.67
Financial and Insurance Services	107.90	5.64	282	1.71
Transport, Postal and Warehousing	77.44	4.05	565	3.42
Professional, Scientific and Technical Services	74.56	3.90	641	3.88
Manufacturing	56.28	2.94	469	2.84
Wholesale Trade	54.00	2.82	326	1.97
Other services	51.81	2.71	756	4.58
Administrative and Support Services	48.53	2.54	455	2.75
Electricity, Gas, Water and Waste Services	23.14	1.21	91	0.55
Agriculture, Forestry and Fishing	17.47	0.91	158	0.96
Arts and Recreation Services	12.69	0.66	218	1.32
Information Media and Telecommunications	6.08	0.32	29	0.18
Mining	4.61	0.24	3	0.02
Total	\$1913.3m		16,517	

SOURCE: REMPLAN, INCORPORATING DATA SOURCED FROM THE ABS 2011 CENSUS, 2008/2009 ABS NATIONAL INPUT / OUTPUT TABLES, AND ABS GROSS STATE PRODUCT (JUNE 2012) A.P.SHEERE CONSULTING



The design sector employs the most Blue Mountains residents



Creative Industries contribute up to \$592 million in Total Output to the Blue Mountains economy

Creative Industries contribute the 3rd greatest amount to Gross Regional Product

Impact on Output

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

From a direct increase in output of \$331.764 million resulting from the 1,319 local Creative Industries jobs, it is estimated that the demand for intermediate goods and services is boosted by approximately \$173.569 million. These industrial effects include multiple rounds of flow-on effects, as servicing sectors increase their own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to be \$87.259 million.

Total output, including all direct, industrial and consumption effects is estimated to be boosted by the Creative Industries by up to \$592.591 million.

Impact on Employment

It is estimated that the flow-on industrial effects of the 1,319 local Creative Industries jobs in terms of local purchases of goods and services, result in the gain of a further 654 jobs.

A proportion of the wages and salaries paid to these employees are again typically spent on consumption and some of this expenditure is consequently captured in the local economy. The consumption effects of the local Creative Industries under this scenario are estimated to be boosting employment by 391 jobs. Total employment therefore, including all direct (1,319 jobs), industrial and consumption effects is estimated to total up to 2,364 jobs.

Impact on Wages and Salaries

Wages and salaries in this report refers to the value of entitlements earned by employees from their employers for services rendered and includes wages and salaries received by employees in cash and in kind (e.g. provision of food, accommodation or motor vehicles), and employers' social contributions such as superannuation contributions and workers' compensation premiums.

The flow-on industrial effects of 1,319 jobs in terms of local purchases of goods and services, is estimated to result in the gain of an additional 654 jobs and a further increase in wages and salaries of \$46.149 million.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost employment in sectors such as retail therefore further increasing wages and salaries by \$21.656 million.

Total wages and salaries, including all direct, industrial and consumption effects is estimated to total up to \$161.007 million.

Creative Industries Economic Impact Summary

Table 1.7 below provides a summary of the estimated economic impact of the Creative Industries sector in the Blue Mountains in 2012.

The Creative Industries is estimated to make a direct contribution of \$152.795 million to the Blue Mountains' Gross Regional Product (GRP). Once flow-on industrial and consumption effects are also taken into consideration, the total contribution to GRP is estimated at up to \$277.118 million (includes all direct, plus flow-on industrial and consumption effects.)

IMPACT	DIRECT EFFECT (\$M)	INDUSTRIAL EFFECT (\$M)	CONSUMPTION EFFECT (\$M)	TOTAL EFFECT (\$M)	TYPE 1 MULTIPLIER	TYPE 2 MULTIPLIER
Output (\$M)	\$331.764	\$173.569	\$87.259	\$592.591	1.523	1.786
Employment (Jobs)	1,319	654	391	2,364	1.496	1.792
Wages and Salaries (\$M)	\$93.201	\$46.149	\$21.656	\$161.007	1.495	1.728
Value added (\$M)	\$152.795	\$73.988	\$50.335	\$277.118	1.484	1.814

SOURCE: REMPLAN 2013

5.0 Business Counts - NSW

Like most industries, there are a high proportion of small businesses to total businesses in the creative sector. According to the ABS, the Creative Industries accounted for 7% of all NSW small businesses in 2011.

Of the approximately 50,000 businesses operating within the NSW Creative Industries, 97.4% were small businesses (0-19 employees), 2.3% were medium (20-199 employees) and 0.3% were large.

NSW had the largest share of creative businesses, with

36.6% of Australia's creative enterprises based in the State. This is above NSW's share of all businesses (33.1%), indicating a higher concentration of creative organisations here.

Creative Services accounted for over three quarters of Creative Industries businesses, with cultural production organisations making up the remaining quarter. By sheer numbers of organisations, the largest segment in the NSW Creative Industries according to the Creative Industries Profile, Dept Industry and Investment, 2013, was Internet and Digital Services, followed by Design, and Music and Performing Arts.

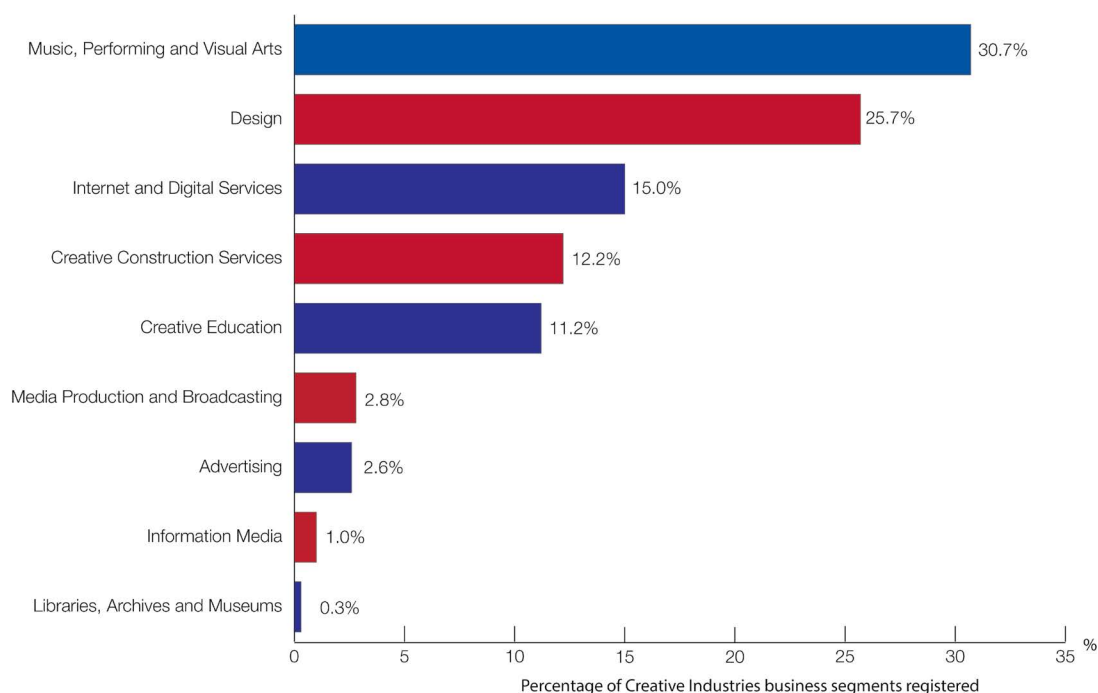
Business Counts – Blue Mountains

In the Blue Mountains there were 3,771 registered businesses classified as Creative Industries in 2013. Of these, Creative Services accounted for 67% of all Creative Industries businesses with Cultural Production organisations making up the remainder. By sheer number of registered businesses, the largest segment in the Blue Mountains Creative Industries was Music, Performing and Visual Arts (supporting its recognition as a ‘hotspot’ by

the Department of Industry and Investment), followed by Design, and Internet and Digital Services (see Figure 1.4).

There were in fact 994 registered businesses classified as Creative Artists, Musicians, Writers and Performers. It should be noted that some of these registered businesses could be individuals primarily employed in other industry sectors and may not be included in the total for Blue Mountains residents employed in the Creative Industries.”

FIGURE 1.4 CREATIVE INDUSTRIES BUSINESS COUNT BY PERCENTAGE SHARE OF TOTAL SECTOR, 2013



Source: ABR data 2013; REMPLAN; A.P.SHEERE CONSULTING

6.0 Sector trends

According to the Department of Industry and Investment (based on ABS Census 2011 data), the Creative Industries directly employ almost 148,000 people in NSW.

The Creative Industries are more important to the NSW economy than they are for any other state, making up 4.7% of total NSW employment, which is above the concentration for Australia as a whole (3.7%) and Victoria (4.1%), which has the second highest concentration of creative industries of the Australian states.

The Creative Industries also account for around 6.8% of NSW's total services exports, worth around \$1.38 billion.

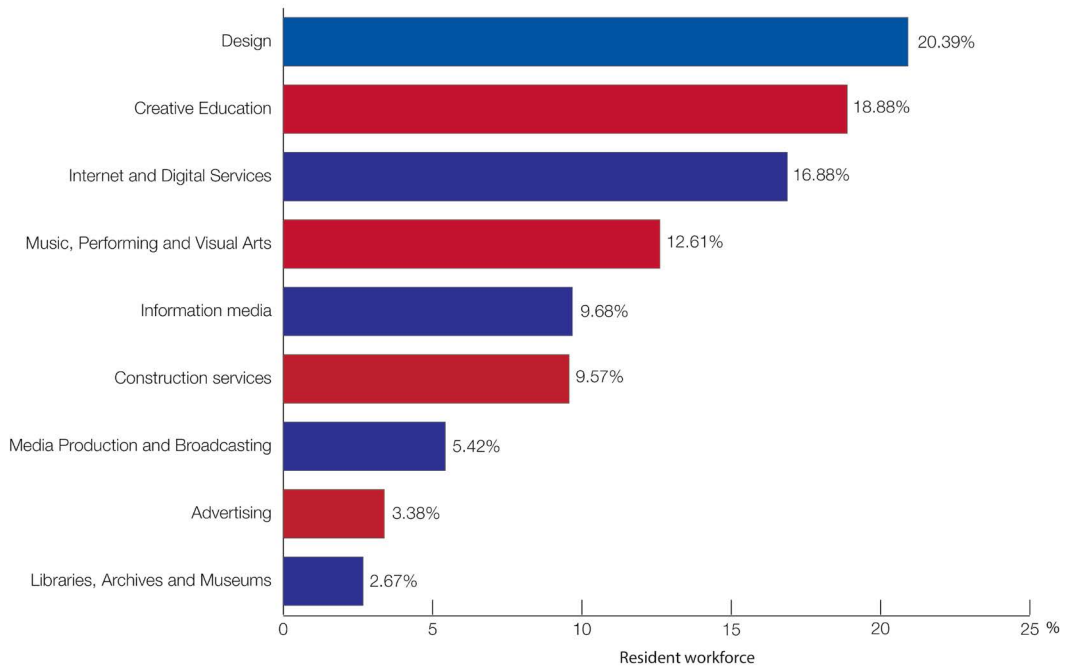
The Creative Industries in the Blue Mountains comprises of two sectors: Cultural Production and Creative Services. The Creative Services sector employs by far the most resident workers totalling 1,877 persons or 70% of the sector's workforce, with Cultural Production employing 819 working residents.

TABLE 1.8 CREATIVE INDUSTRIES SECTOR TRENDS

CULTURAL PRODUCTION	NO. RESIDENTS EMPLOYED, 2011	CREATIVE SERVICES	NO. RESIDENTS EMPLOYED, 2011
Music, Performing and Visual Arts	340	Internet and Digital Services	455
Libraries, Archives and Museums	72	Advertising	91
Information Media	261	Design	564
Media Production and Broadcasting	146	Creative Construction Services	258
Sector totals	819		1,877
CREATIVE INDUSTRIES TOTAL			2,696

Source: Based on ABS Census 2011, A.P. SHEERE CONSULTING

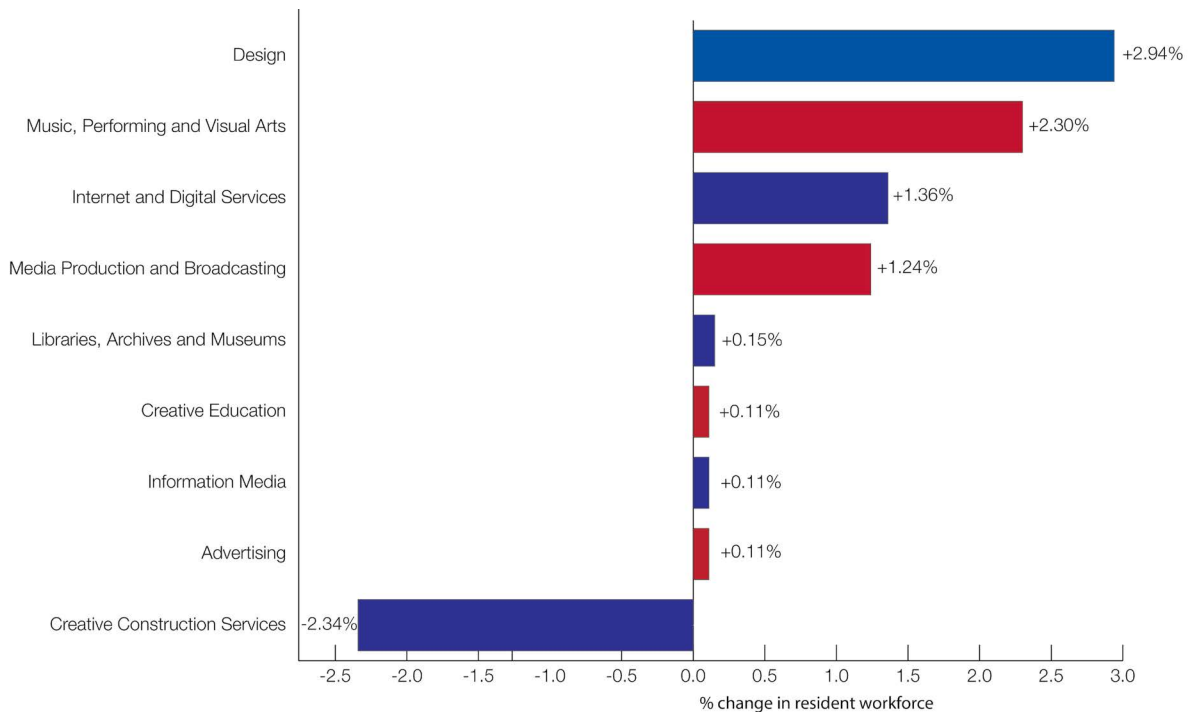
FIGURE 1.5 PERCENTAGE OF BLUE MOUNTAINS RESIDENT WORKFORCE BY CREATIVE INDUSTRIES SECTOR, 2011



Source: Based on ABS Census 2011, A.P. SHEERE CONSULTING

Between 2006 and 2011 the Creative Industries sector increased in terms of residents employed by 6%. This represents an average annual increase of 1.2%. The Design segment experienced the most growth between 2006 and 2011, increasing by 2.9% followed by Music, Performing and Visual Arts. Only the creative Construction Services experienced a decline in number of residents employed over the same period of -2.3%.

FIGURE 1.6 RESIDENT EMPLOYMENT IN CREATIVE INDUSTRIES CHANGE OVER TIME, 2006 -2011



Source: Based on ABS Census 2011, A.P. SHEERE CONSULTING

7.0 Sector Analysis-Cultural Production

The cultural production sector within the Creative Industries includes businesses involved in producing creative outputs predominantly to consumers (B2C).

Cultural Production – NSW Analysis¹

Cultural Production employed 51,000 workers in NSW, or 35% of total creative industries employment in 2011.

- Employment growth over the past five years has averaged 2.1% per annum in NSW, which now accounts for 41.9% of Australia's cultural production employment.
- Australian industry value added (IVA) for cultural production industries in 2012 was \$12.3 billion, or 34% of total creative industries IVA. This is expected to grow at only 0.4% per annum over the next five years to 2017.
- Total household spending on cultural expenditure items was estimated at \$886.7 million in 2009-10 in Sydney. This was nearly 20% more than the expenditure of Melbourne households. On a per household basis, Sydney households spent more on cultural expenditure than any other city with the exception of Canberra.

Cultural Production – Blue Mountains

- Cultural Production employed an estimated 819 resident workers, or 31% of total creative industries employment in 2011.
- There were an estimated 1,293 Cultural Production businesses registered in the Blue Mountains which accounts for 34% of all Creative Industries businesses.
- Employment in Cultural Production increased by 14% between 2006 and 2011.
- Employment growth over the past five years has averaged 2.8% per annum which is higher than the NSW average of 2.1%

7.1 Music, Performing and Visual Arts

Major activities undertaken within the Music, Performing and Visual Arts (MPVA) segment include music performance and recording; artistic performances and venue operation (e.g. theatres), motion picture exhibition and; artistic activities such as writing and visual arts.

NSW summary¹

Within the MPVA sector defined by the Department of Industry and Investment, there were over 12,000 people employed in 2011 in NSW, representing 40% of Australia's workers in the segment. Employment growth in NSW averaged 7.5% per annum from 2006-2011, above the creative industries average of 2.1%. This growth was largely driven by strong growth in the number of creative artists, musicians, writers and performers, as well as a corresponding increase in employees of performing arts venues over the five years to 2011. Specialists also make up the majority of workers in this segment (66%).

Of the 16,500 MPVA businesses in Australia, over 40% were located in NSW. There is a higher concentration of small businesses within this sector than in the creative industries as a whole, with 99.1% of MPVA firms employing less than 20 workers (the creative industries average is 97.4%).

Blue Mountains summary

The Music, Performing and Visual Arts (MPVA) segment employed approximately 340 Blue Mountains residents in 2011, representing 12.6% of workers in the Creative Industries sector. The resident workforce employed within the MPVA segment increased by 21.86% between 2006 and 2011. This was largely due to the Creative Artists, Musicians, Writers and Performers segment where the number of workers changed from 153 to 241 persons in 2011. In 2013, there were 1,140 registered MPVA businesses in the Blue Mountains.

TABLE 1.9 MUSIC, PERFORMING AND VISUAL ARTS SUMMARY

MUSIC, PERFORMING AND VISUAL ARTS	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Music and Other Sound Recording Activities	6	0.22 %	6	46
Performing Arts Operation	33	1.22 %	29	81
Performing Arts Venue Operation	12	0.45 %	14	12
Creative Artists, Musicians, Writers and Performers	241	8.94 %	153	994
Motion Picture Exhibition	38	1.41 %	34	7
Total	340	12.6%	279	1,140

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: Based on ABS Census 2011, A.P. SHEERE CONSULTING

¹ Source: NSW Creative Industries Economic Profile, Department Industry and Investment, 2013

7.2 Libraries, Archives and Museums

Libraries, Archives and Museums (LAM) is a mixed segment, with organisations receiving both public and private funding.

Museums are involved in the preservation and exhibition of heritage objects, and/or visual arts and crafts with aesthetic, historical, cultural and/or education value. Libraries and archives maintain collections of documents (such as books, journals, newspapers and music) and facilitate the use of such documents, physically and/or electronically.

NSW summary²

In NSW, there were nearly 4,000 people employed in the LAM segment in 2011, making this the smallest creative industries segment by workforce. NSW only accounted for 27% of Australia's LAM employment, making it the only segment for which NSW was responsible for a lower share than its share of total Australian employment.

Estimated IVA for the LAM segment was \$1.4 billion in 2012 (3.9% of total creative industries IVA). This is expected to grow to \$1.5 billion over the next five years, representing 1.2% growth per annum (below the creative industries average of 4.1% growth per year). IBISWorld notes that high levels of government assistance and low levels of competition are the key drivers of these performance estimates.

Blue Mountains summary

The Libraries, Archives and Museums segment employed 72 Blue Mountains residents in 2011, representing 2.67% of workers in the Creative Industries sector. The resident workforce employed within the Libraries, Archives and Museums segment increased by approximately 5.88% between 2006 and 2011. This was largely due to the Libraries and Archives segment, where the number of workers changed from 32 to 40 persons in 2011. In 2013, there were 12 registered LAM businesses in the Blue Mountains.

TABLE 2.0 LIBRARIES, ARCHIVES AND MUSEUMS SUMMARY

LIBRARIES, ARCHIVES AND MUSEUMS	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Libraries and Archives	40	1.48%	32	7
Museum Operation	32	1.19%	36	5
Total	72	2.67%	68	12

Source: ABS Census 2011, A.P. SHEERE CONSULTING

7.3 Information media

The Information Media segment is comprised of organisations engaged in music publishing, and traditional media publishing (e.g. newspapers, books, but excluding digital publishing). These firms are integral in bringing creative work to a broad consumer audience. However, the rise of self-published artists and the growing preference for digital media has threatened the business models upon which many of these organisations have traditionally relied.

NSW summary²

In NSW, there were approximately 18,000 people employed in the Information Media segment in 2011 which accounted for 11% of NSW's total creative industries employment in 2011. 41% were specialists, with the remainder support workers.

Employment has fallen over the past five years, at an annual average rate of 1.6%. This reflects the transference from traditional (e.g. print) media to digital, which is inherently a less labour intensive method of delivering content.

Forecasts indicate that the total value of this industry is set to decline by 3.4% per annum nationally over the next five years, as more content migrates to online publishing.

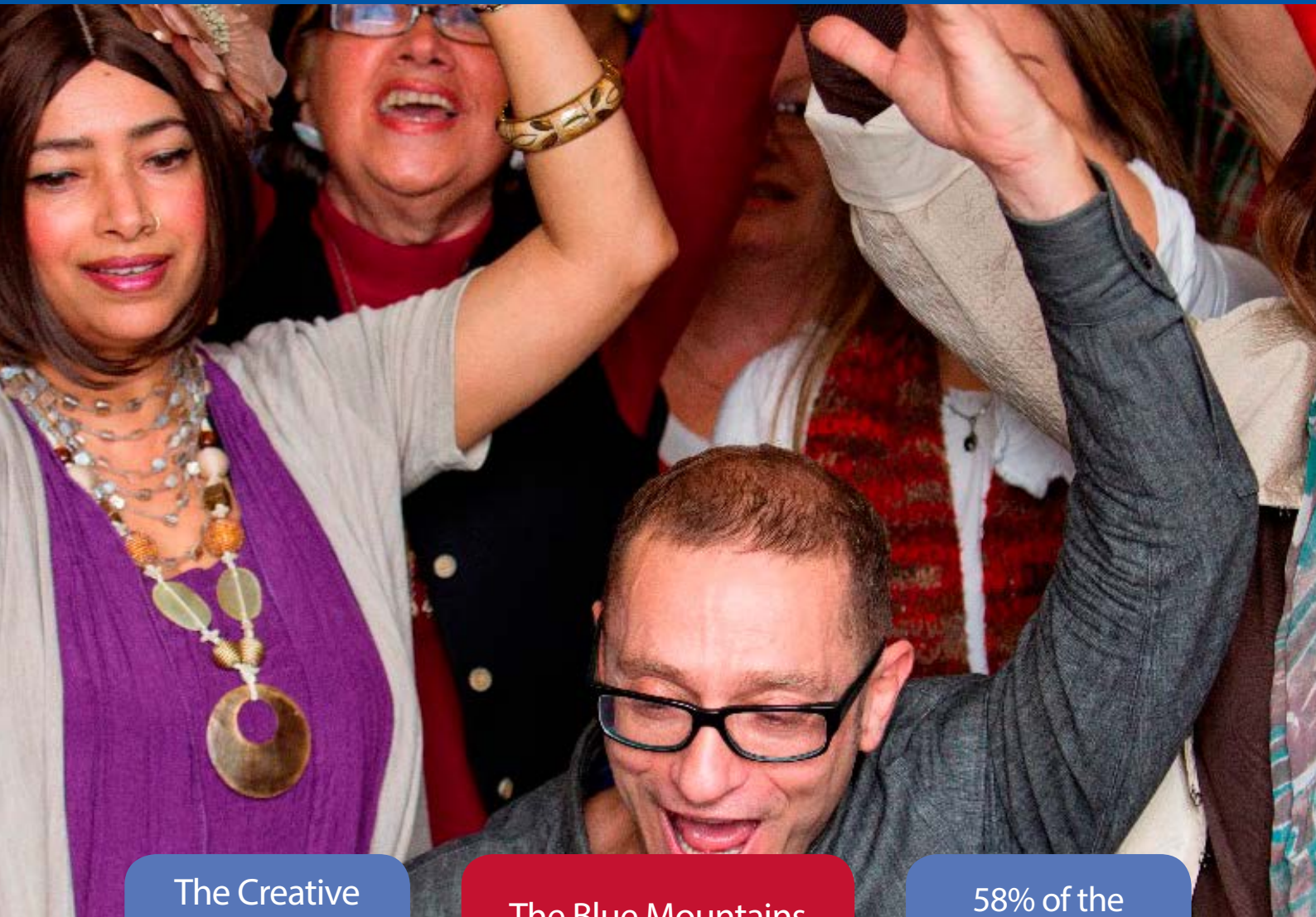
Global revenues are expected to rise, however, on the back of continuing demand from emerging markets for traditional, as well as new media. IBISWorld analysis indicates that increasing global competition, and the status of traditional media publishing as either mature or declining industries will be major factors affecting the performance of this segment into the medium term.

Technological change is also a factor in the Information Media segment's decline. The growth in consumers' preference for digital media is evidenced by the increase in digital content downloads.

Blue Mountains summary

The Information Media segment employed approximately 261 Blue Mountains residents in 2011, representing 9.68% of workers in the Creative Industries sector. The resident workforce employed within the Information Media segment increased by 1.16% between 2006 and 2011. In 2013, there were 38 registered Information Media businesses in the Blue Mountains.

² Source: NSW Creative Industries Economic Profile, Department Industry and Investment, 2013



The Creative Industries employ the 5th highest number of residents

The Blue Mountains has 3,771 registered businesses in the Creative Industries

58% of the local Creative Industries workforce works from home

TABLE 2.1 INFORMATION MEDIA SUMMARY

INFORMATION MEDIA	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Music Publishing	5	0.19%	3	2
Newspaper Publishing	123	4.56%	146	0
Magazine and Other Periodical Publishing	49	1.82%	53	17
Book Publishing	51	1.89%	38	17
Other Publishing (except Software, Music and Internet)	0	0	0	2
Total	261	9.68%	258	38

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: ABS Census 2011, A.P. SHEERE CONSULTING

7.4 Media Production and Broadcasting

Organisations in the Media Production and Broadcasting (MPB) segment engage in a range of creative activities including movie and television production, post production services, and television and radio broadcasting.

NSW summary³

In NSW, there were approximately 18,000 people employed in the Media Production and Broadcasting segment in 2011 with 60% being specialist creative workers, which is well above the creative industries average of 46.5%. NSW also accounts for the largest share of Australian MPB employment – 50.6% (the highest NSW concentration of any creative industries segment employment).

The MPB segment in NSW has experienced strong growth in employment over the last five years, averaging a 3.4% annual increase in employment from 2006 to 2011. This is despite falls in employment in radio broadcasting and

the reproduction of recorded media. The latter has been especially threatened by the rise of digital media and broadcasting, as demand for CDs and other recorded media has been superseded by online digital content.

Blue Mountains summary

In the Blue Mountains, the Media Production and Broadcasting segment employed 146 persons in 2011, representing 5.42% of workers in the Creative Industries sector. The resident workforce employed within the Media Production and Broadcasting segment increased by 29.2% between 2006 and 2011. This was largely due to the Free-to-Air Television Broadcasting and Motion Picture and Video Production segments. In 2013, there were 103 registered Media Production and Broadcasting businesses in the Blue Mountains.

TABLE 2.2 MEDIA PRODUCTION AND BROADCASTING SUMMARY

MEDIA PRODUCTION AND BROADCASTING	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Motion Picture and Video Production	54	2.03%	43	79
Post-production Services and Other Motion Picture and Video Activities	6	0.23%	6	20
Cable and Other Subscription Broadcasting	4	0.15%	6	1
Free-to-Air Television Broadcasting	60	2.26%	45	0
Radio Broadcasting	11	0.41%	13	3
Total	146	5.42%	113	103

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: ABS Census 2011, A.P. SHEERE CONSULTING

³ Source: NSW Creative Industries Economic Profile, Department Industry and Investment, 2013

8.0 Sector analysis-Creative Services

The Creative Services sector of the Creative Industries includes businesses involved in bringing creative outputs to a mix of business and consumer customers, but is predominantly involved in business-to-business (B2B) activities.

Creative Services – NSW Analysis⁴

- Creative Services employed 97,000 workers in NSW, or 65% of total creative industries employment in 2011.
- Employment growth over the past five years has averaged 4.1% per annum in Australia's Creative Services employment.
- Australian industry value added (IVA) for cultural production industries in 2012 was \$12.3 billion, or 34% of total creative industries IVA. This is expected to grow by 0.4% per annum over the next five years to 2017.
- Australian IVA for Creative Services was \$23.9 billion in 2012 – 66% of the nation's total creative industries' IVA. Creative services are forecast to be the major driver of future creative industries growth, (5.9% per annum to 2017).
- Global Creative Services revenue growth is tipped to be even stronger at 6.2% per annum from 2012 to 2016, growing from \$609 billion to \$774 billion.

Creative Services – Blue Mountains

- Creative Services employed an estimated 1,836 resident workers, or 69% of total Creative Industries employment in 2011.
- There were an estimated 2,478 Creative Services businesses registered in the Blue Mountains in 2013 which accounts for 66% of all Creative Industries businesses.
- Employment in Creative Services increased by 3.2% between 2006 and 2011.
- Employment growth over the past five years has averaged 0.6% per annum which is less than the NSW average of 4.1%.

8.1 Internet and Digital Services

Certain areas of the Internet and Digital Services segment involve intrinsically creative activities, such as Internet publishing and broadcasting, and software publishing (in the case of electronic games).

Some Creative Industries definitions include firms which do not directly produce or significantly affect creative content. Rather, businesses such as Internet service providers (ISPs), data processors and web hosting businesses which are considered to be enablers for the transmission of creative output.

NSW summary⁴

The global size of Internet and Digital Services Segment is difficult to accurately quantify given the diverse nature of the segment. According to PricewaterhouseCoopers, global ISP and interactive games industry revenue alone stood at over \$500 billion in 2012. Of this, Australia was estimated to have accounted for 2.3% (or 12% of the Asia-Pacific region's share) of global revenue.

Within NSW and Australia, the Internet and Digital Services segment is the largest of the creative industries. In NSW alone it employed nearly 60,000 people, up from 47,000 in 2006. This represents 4.6% annual average growth over the five year period. The Internet and Digital Services segment accounted for 41.1% of all NSW creative industries firms in 2011, with 92% of those businesses classified as computer system design and related services, largely as a result of a lack of greater definition in the ABS's industry classification.

Blue Mountains summary

The Internet and Digital Services segment employed approximately 455 Blue Mountains residents in 2011, representing 16.5% of workers in the Creative Industries sector. The resident workforce employed within the Internet and Digital Services segment increased by 8.59% between 2006 and 2011. This was largely due to the Computer System Design and Related Services segment, where the number of workers changed from 402 to 425 persons in 2011. In 2013, there were 556 registered Internet and Digital Services businesses in the Blue Mountains.

TABLE 2.3 INTERNET AND DIGITAL SERVICES SUMMARY

INTERNET AND DIGITAL SERVICES	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Internet Service Providers and Web Search Portals	9	0.33	8	4
Data Processing and Web Hosting Services	7	0.26	3	20
Computer System Design and Related Services	425	15.76%	402	504
Software Publishing	5	0.19%	0	4
Internet Publishing and Broadcasting	9	0.33%	6	24
Total	455		419	556

Source: ABS; Census 2011; A.P. SHEERE CONSULTING

⁴ Source: NSW Creative Industries Economic Profile, Department Industry and Investment, 2013

8.2 Advertising Services

The Advertising industry engages in the creation of advertising campaigns and materials, and much of this work is of a directly creative nature.

The global advertising industry recorded global revenues of US\$105.2 billion in 2012, of which Australia accounted for US\$1.2 billion (or 1.1%). This demonstrates that the global industry has recovered from a severe revenue decline in 2009 associated with the GFC and its aftermath, and it is predicted global advertising revenue will continue to grow strongly to US\$133 billion by 2016 (6% per annum growth).

NSW summary⁵

Advertising is a significant employer in NSW, with 14,000 people working either as support workers (7,700) or creative specialists (6,200). NSW dominates Australia's Advertising employment, with 45.8% of the workforce based in this

state, having grown by 3.3% per annum over the five years to 2011.

There were over 4,600 Advertising businesses in NSW in 2011, or 41% of the national total. Advertising's estimated net contribution to the Australian economy was \$745 million in 2012, or 2.1% of total creative industries IVA. However, growth is expected to slow over the next five years, at 1.8% per annum through to 2017 due to increased industry and pricing competition according to IBISWorld.

Blue Mountains summary

The Advertising Services segment employed 91 Blue Mountains residents in 2011, representing 3.38% of workers in the Creative Industries sector. The resident workforce employed within the Advertising Services segment increased by 3.4% between 2006 and 2011. In 2013, there were 97 registered Advertising Services businesses in the Blue Mountains.

TABLE 2.4 ADVERTISING SERVICES SUMMARY				
ADVERTISING SERVICES	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Advertising services	91	3.38%	88	97
Total	91	3.38%	88	97

Source: ABS Census 2011; A.P. SHEERE CONSULTING

8.3 Design

The Design segment predominantly consists of architectural services, and other specialised design services (such as graphic and industrial design). One of the key characteristics of the design segment is that many design workers do not work in design related industries, but rather add value to other sectors of the economy from public administration to manufacturing.

NSW summary⁵

There were 24,000 people directly employed in design-related industries in 2011, making design the second largest employing creative industries segment in NSW. Of those, 16,600 were specialist creative workers – 69.5% - the highest ratio of any creative segment. When design workers employed in non-design industries are also included, the total employed in the segment reaches 44,000.

Design workers are scattered throughout the general economy, with the largest contingent as a proportion of total employment working within the public administration and safety industry. The largest concentration of design workers here is in local government, (mostly urban and regional planners).

There were nearly 13,000 design businesses in NSW in 2011, which represented 35.6% of the Australian total. This is above NSW's share of all businesses, indicating a design concentration in the State. The concentration of other specialized design services (including graphic design) is particularly acute.

Design was estimated to have directly contributed \$5.1 billion to the Australian economy in 2012 (14% of creative industries' total IVA). Growth is predicted to be steady at 2.4% per annum, with design IVA tipped to reach \$5.8 billion by 2017.

Globally, design was estimated to have recorded revenue in excess of US\$170 billion, with architectural services accounting for US\$129 billion, and graphic design US\$44 billion.

According to best estimates, Australia accounted for 6% of design revenue, and 4.8% of architectural services revenue worldwide. Global design revenue is expected to grow to US\$190 billion by 2016 (equivalent to 2.5% annual growth over the next four years), and Australia's share of this increased total will rise to 6.1%.

Blue Mountains summary

The Design segment employed approximately 564 Blue Mountains residents in 2011, representing 20.92% of workers in the Creative Industries sector. The resident workforce employed within the Design segment increased by 16.05% between 2006 and 2011. This was largely due to the Engineering Design and Engineering Consulting Services and Other Specialised Design Services segments. In 2013, there were approximately 955 registered Design businesses in the Blue Mountains.

⁵ Source: NSW Creative Industries Economic Profile, Department Industry and Investment, 2013

TABLE 2.5 DESIGN SERVICES SUMMARY

DESIGN SERVICES	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Jewellery and Silverware Manufacturing	25	0.93	15	28
Architectural Services	124	4.67%	102	161
Other Specialised Design Services	112	4.22%	85	300
Professional Photographic Services	40	1.51%	51	214
Engineering Design and Engineering Consulting Services	221	8.32%	191	207
Total	564	20.92%	486	955

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector. Number of registered businesses includes those identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: ABS; Census 2011; A.P. SHEERE CONSULTING

8.4 Creative Construction Services

Creative Construction Services consists of businesses mainly engaged in Landscape Construction. This sector has been identified as a creative sector within the Blue Mountains as gardens are an element to the region's competitiveness as a tourist destination. Landscape Construction includes land forming, provision of retaining walls and paths, garden drainage control and garden watering systems, garden features and planting.

Although landscape consulting and design services are included in Class 7821 Architectural Services according to the ABS, it is fair to assume that some of this data will in fact be captured in Landscape Construction Services.

NSW summary⁶

The Construction Industry as a whole is the fourth largest contributor to Gross Domestic Product (GDP) in the Australian economy and plays a major role in determining economic growth. In chain volume terms, the construction industry accounted for 6.8% of GDP in 2008-09, compared with 7.0% in 2007-08. The industry had previously experienced seven consecutive years of growth as a proportion of GDP, since the introduction of the Goods and Services Tax (GST) in 2000-01. As at May quarter 2009

the construction industry employed 9.1% of the Australian workforce, making it Australia's fourth largest industry.

Those classified as Creative Construction Services employed up to 14,482 persons in NSW according to ABS Census 2011 data.

Blue Mountains summary

The Creative Construction Services segment employed approximately 258 Blue Mountains residents in 2011, representing 9.57% of workers in the Creative Industries sector. The resident workforce employed within the Creative Construction Services segment decreased by 19.38% between 2006 and 2011. Landscape Construction Services did experience an increase in working residents of 4.76%. As a whole, the decline in numbers is attributable to 'Other Construction services' (which includes 'not further defined' and 'not elsewhere classified'). It is possible that the decline in numbers results from people better classifying their occupation in the 2011 Census.

In 2013, there were approximately 452 registered Creative Construction Services businesses (including Landscape Construction services) in the Blue Mountains.

TABLE 2.6 CREATIVE CONSTRUCTION SERVICES SUMMARY

CREATIVE CONSTRUCTION SERVICES	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Other Construction Services (include nfd and nec)	85	3.20	149	265
Landscape Construction Services	154	5.80	147	187
Total	258	9.57%	320	452

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: ABS; Census 2011; A.P. SHEERE CONSULTING

⁶ Source: ABS, 2010

8.5 Creative Education

Creative Education consists of businesses mainly engaged in Arts Education. Arts Education covers the teaching of skills specific to the fields of literature, television, radio, film, visual arts and crafts, design, music, performing arts and other arts. Skills taught include creative writing, acting, dancing, singing, music composition, music playing, visual design, radio, television and film production, post-production and direction, photography, and sound engineering and recording.

NSW summary⁷

Formal education in Australia may be categorised into four broad areas: early childhood education, schooling, vocational education and training (VET) and higher education. In 2010, there were 63 389 Students enrolled in VET Creative arts courses in Australia.

The Education and Training sector provided 245,119 jobs (8.2 %) to total employment in NSW and contributed an estimated \$20,292.684 million (4.8%) of total value-added to the NSW Economy (2013).

Arts Education directly employed 6,386 persons in NSW according to ABS Census 2011 data.

Blue Mountains summary

The Creative Education segment employed approximately 509 Blue Mountains residents in 2011, representing 18.88% of workers in the Creative Industries sector. The resident workforce employed within the Creative Education segment increased by 0.59% between 2006 and 2011. In 2013, there were approximately 418 registered Creative Education businesses in the Blue Mountains.

CREATIVE EDUCATION	CREATIVES RESIDENT WORKFORCE 2011	% OF TOTAL CREATIVE RESIDENT WORKERS 2011	CREATIVES RESIDENT WORKFORCE 2006	NUMBER OF REGISTERED BUSINESSES, 2013
Arts Education	175	6.49	161	226
Total	509	18.88%	506	418

Note: Total workforce figures include workers identified as 'undefined' and 'not elsewhere classified' for this sector. Number of registered businesses includes those identified as 'undefined' and 'not elsewhere classified' for this sector.

Source: ABS Census 2011; A.P. SHEERE CONSULTING

9.0 Summary

The Blue Mountains LGA is a hub of creative activity clearly illustrated by the economic data provided in this profile.

Both Cultural Production and Creative Services are well established within the region. The Creative Industry Sector (according to Census 2011 data) as a whole employs an estimated 2,696 residents who live within the Blue Mountains LGA, equating to approximately 7.6% of the total working resident population. This places the Creative Industries sector in the top five of all employing sectors for Blue Mountains' residents.

In terms of jobs available within the Blue Mountains LGA itself, the Creative Industries sector provides an estimated 1,319 local jobs and lies within the top five local employing sectors. The Creative Industries subsequently provide 8% of the locally available jobs (i.e within the Blue Mountains LGA itself).

Total Value Added to the local economy by the Creative Industries sector, including all direct, industrial and consumption effects is estimated to equal up to \$277.118 million according to REMPLAN data (using ABS input/output data).

In addition to this, taking the estimate of Direct Value Added (\$m) to the economy, comparatively speaking the Creative Industries sector was the third greatest contributor to the local economy reaching approximately \$152.80 million in 2012.

The NSW Department of Industry and Investment has clearly identified the Blue Mountains LGA as a regional 'hot spot' in terms of creative activity in particular within the Music, Visual and Performing Artists (MVPA) sector.

There were approximately 3,771 registered businesses classified as Creative Industries in the Blue Mountains in 2013. Of these, Creative Services accounted for 67% of all Creative Industries businesses with Cultural Production organisations making up the remaining. By sheer number of registered businesses, the largest segment in the Blue Mountains Creative Industries was Music, Performing and Visual Arts (supporting its recognition as a 'hotspot' by the Department of Industry and Investment), followed by Design, and Internet and Digital Services.

Industry trends point to a bright future with diverse and continued development expected within the Creative Industries. The development of the National Broadband Network, greater ties with international markets, population growth and collaboration with education providers and other agencies all provide opportunities for expansion within the Blue Mountains' Creative Industries Sector.

⁷ Source: ABS, 2011



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