Feedback on
Cultural and Creative Activity Satellite Accounts Methodology Refresh: Consultation paper
(February 2023) ('the paper')
Stuart Cunningham
Marion McCutcheon
Scott Brook

Key points

We welcome this Consultation paper ('the paper'). The Cultural and Creative Activity Satellite Accounts have been a very important addition to the evidence base for the scale and scope of cultural and creative activity in Australia since their first publication in 2014. The reasons given in the paper for the need to refresh their methodology are well taken. We make this submission in good faith, supporting *Revive: Australia's Cultural Policy for the next five years'* calls for improved data collection 'to better capture the contribution of the cultural and creative sector' which will 'support effective policy development and planning by informing decision-making and the efficient use of resources for service delivery'.

We support the overall thrust of the paper. However, we have a number of concerns.

Concern 1 Concentric circles

The paper attempts to reintroduce the concentric circles model after it was considered in the ABS *Information Paper: Cultural and Creative Activity Satellite Accounts Australia* in 2013 but not used for the original ABS satellite account in 2014. [1,2] It seeks to repopulate the NESTA/CCI/QUT (the Trident model), combining layers from the concentric circles model with the Statistical Working Group of the Meeting of Cultural Ministers' (and the original ABS satellite account's and BCAR/BCARR's later versions') broad categorisation of activity into creative or cultural, or creative and cultural.

While we can see that progress could be made with the repopulating of the Trident model and that greater granularity may be achieved by replacing the Statistical Working Group of the Meeting of Cultural Ministers/ABS' broad creative or cultural or creative and cultural categories, we submit that reintroducing the concentric circles model introduces unnecessary complexity and confusion.

David Throsby attributed an implicit normative value to his concentric circles model, saying 'at the core of this industry model lie the creative arts as traditionally defined'. They are 'the locus of origin of creative ideas' from which 'other core', 'wider' and 'related' industries 'radiat[e] outwards as those ideas become combined with more and more other inputs to produce a wider and wider range of products' (*Economics and Culture*, 2001, p. 112). The proposition that the core creative arts can be the locus of origin of creative ideas is a normative not empirical claim, made hugely challenging by the economic reality that the core creative arts form a very small and diminishing component of the cultural and creative sector and the wider creative economy. [3]

---

[1] https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/5271.0.55.002Main%20Features32013
[2] https://www.abs.gov.au/AusStats/ABS@.nsf/MF/5271.0
[3] See, for example, A New Approach, Insight Report 5, https://newapproach.org.au/insight-reports/australias-cultural-and-creative-economy-a-21st-century-guide/

Furthermore, the concentric circles model is not needed to achieve the refresh's goals and could cause confusion. The original ABS satellite account in 2014 had no such hierarchy of value. It followed the Statistical Working Group of the Meeting of Cultural Ministers model in treating all identified relevant activity as either 'cultural' or 'creative', or both, allowing for very generous crossovers when in doubt, illustrated in a Venn diagram. All subsequent BCAR/BCARR satellite accounts have replicated this model.

At several places, the concentric circle layers (core creative arts industries, other core creative industries, wider cultural industries, and related industries) cause confusion, especially when compared with the other models. Some industries are called 'creative' which are clearly cultural (in the sense of the Trident model's distinction between cultural production and creative services) and are placed in the 'other core creative industries'. The concentric circles layers relegate the entire creative services (in the Trident sense) set of industries to 'related industries'. There is also a confusion about 'supporting' activities/industries. On the one hand, higher education is called a 'supporting' industry (page 14) but the Trident definition of a support activity is used more often, and accurately (most critically, in Fig 7, page 16).

There needs to be greater justification as to the benefits of adding the concentric circle layers onto the Trident model. As defined, the concentric circle layers bear an almost directly inverse relationship to the scale of economic activity represented by the hierarchy into which these categories (core creative arts industries, other core creative industries, wider cultural industries, and related industries) have been placed. This key statement, contained in the definition and scope section of the need to refresh the satellite accounts (page 7), needs to be clarified in the light of the points above: 'Classifying core sectors of the cultural and creative economy may help to draw distinctions of this activity from wider and related sectors that support this core activity'. As a statement of economic reality, in what sense do the outer layers 'support this core activity'?

Sidestepping this unnecessary complexity, the Trident model already presents a straightforward solution to the need to disaggregate the cultural and creative sectors at a more granular level than the Statistical Working Group of the Meeting of Cultural Ministers/ABS (creative/cultural/creative and cultural) model. 'Trident II' divides cultural and creative subsectors into cultural production (film, TV and radio; publishing; music, performing and visual arts) and creative services (architecture and design; advertising and marketing; digital content and software). The former focus on final consumption (B2C) while the latter are mostly an input to business services (B2B).[4] We submit that Figure 7 (page 16) can be remodelled, using Trident II, by type of activity determined by role in the economic ecosystem (creative services / cultural production) and the seven sectors developed by QUT – as illustrated for employment counts in Table 1 below.

---

[4] Higgs, P L, and Lennon, S. 2014. Australian Creative Employment in 2011 - applying the NESTA Dynamic Mapping definition methodology to Australian Classifications. https://eprints.qut.edu.au/92726/; Cunningham, S. 2014. Creative labour and its discontents: A reappraisal. In *Creative work beyond the creative industries: Innovation, education and employment*, eds. G. Hearn, R Bridgstock, B. Goldsmith and J Rodgers. Edward Elgar.

Our creative employment dashboards are another illustration of how the Trident + sector definition can be used in practice at the upper level (each of the seven sectors can be further disaggregated into its components). This approach provides a clearer and more immediate insight into the contribution of various parts of the creative economy than grouping according to a subjective hierarchy.[5]

Table 1 Cultural and creative employment in Australia—Trident model, 2021

		Creative services			Cultural production				
		Advertising and marketing	Architecture and design	Software and digital design	Film TV and radio	Publishing	Visual and performing arts	Other industries	Total industries
Creative services	Advertising and marketing	14,549	1,032	5,738	1,489	1,188	2,010	90,112	116,117
	Architecture and design	2,134	48,643	2,305	955	1,298	1,130	35,305	91,771
	Software and digital desi..	1,430	834	44,123	866	524	501	59,264	107,545
Cultural production	Film TV and radio	1,467	462	675	14,657	755	2,835	4,737	25,585
	Music and performing arts	249	213	242	950	156	12,076	8,421	22,309
	Publishing	377	85	1,324	1,929	7,315	3,951	14,451	29,439
	Visual arts	150	965	264	1,051	366	7,630	6,007	16,438
Other occupations		21,714	35,947	186,121	17,879	17,247	26,530	11,334,778	11,640,217
Total occupations		42,065	88,171	240,806	39,775	28,855	56,670	11,553,076	12,049,410

Source ABS 2023, Australian Census of Population and Housing, TableBuilder

Concern 2 Defining cultural and creative industries and occupations
We further recommend a re-focus on what is creative and cultural using the UK DCMS definition – those industries and occupations that have potential for wealth and job creation through the exploitation of intellectual property. To apply this definition methodologically, refer to the dynamic mapping exercise conducted by Higgs and Lennon using Census 2011 employment data.[6] We have also written a short piece that outlines this approach and lists the industries and occupations identified as creative by Higgs and Lennon and used in our subsequent research.[7]

BCARR could refresh the QUT creative industry and creative occupation lists through a new dynamic mapping using 2023 Census data. This approach would prevent occupations such as cinema managers and antique dealers from being defined as creative specialists and allocate them to support roles under the creative trident. This would ensure that the frame defining cultural and creative would identify those activities that generate jobs and wealth through IP and subsequent growth and productivity gains.

Concern 3 Identifying cultural and creative IOPCs
Taking a similar approach to identifying appropriate IOPCs is also important. For example, it is necessary to clarify the categorisation of items such as 15100020 Newsprint, which is a product that has no specialist cultural role per se, but has an important support role in manufacturing a cultural product. All the IOPCs listed in the appendix require individual consideration of their role in the economy and their position in cultural and creative value chains, rather than being placed within a core-to-periphery hierarchy.

---

[5] https://public.tableau.com/app/profile/ml.mccutcheon/viz/WesternAustraliaCreativeTridentEmploymentCounts2021/DB_Employed
[6] Higgs, P L, and Lennon, S., op. cit.
[7] https://research.qut.edu.au/creativehotspots/defining-the-creative-economy/

To identify their role in the economy, QUT's seven sectors can be applied to differentiate those IOPCs that are primary business-to-business services, and those that provide cultural outputs direct to consumers. To categorise their role in the cultural and creative value chain, consideration should be given to whether each IOPC is (1) IP generating, (2) IP exploitative, (3) is part of a cultural/creative supply chain or (4) is part of a different supply chain.

Having said all this, we support the inclusiveness represented in Figure 7 and can envisage a recategorization of the horizontal and vertical axes consistent with our preceding points. We note a very important addition is the commitment to include Rest of Industries, which means embedded creative activity may be measured more comprehensively.

Brief additional responses to feedback questions not covered above

1.   How do you currently use the cultural and creative activity satellite accounts and estimates?

We are humanities, economics and social science researchers carrying on work begun in the early 2000s at Queensland University of Technology (QUT) and (between 2005 and 2014) the Australian Research Council Centre of Excellence for Creative Industries and Innovation (CCI) which informed the ABS' 2014 Cultural and Creative Activity Satellite Accounts and subsequently the BCAR's (and then BCARR's) adoption of that framework and its estimates of cultural and creative activity on an annual basis since 2018. With key contributions from Peter Higgs and working internationally with the UK's Nesta[8], this work involved:

(1)   the identification of industry and occupation categories that needed to be brought together from different divisions in order to more properly account for cultural and creative activity in Australia (forming the basis for, and advocating the development of, a satellite account) and

(2)   the development of the Trident concept of accounting for the 'creative economy' which we defined as the sum total of employment across specialist, support and embedded workers.

Our contributions to and ongoing use of the satellite accounts and estimates is for the purpose of establishing an evidence base that is as rigorous as possible to inform understanding of the full scope and scale of the cultural and creative industries, the creative economy, and the creative workforce while striving to make this evidence base available for use by other researchers, industry, and policy makers and officers.

2.   Are there further studies in the cultural and creative literature relevant for this analysis?

Relevant literature is footnoted in our discussion above.

---

[8] Please note that the paper misidentifies authorship of the 'Nesta/CIIC model/QUT' (page 9). This should be the 'Nesta/CCI/QUT model'. The Australian Research Council Centre of Excellence for Creative Industries and Innovation (CCI), not the CIIC (Creative Industries Innovation Centre), is the co-author of the key 'dynamic mapping' publication at the paper's footnote 11. The CCI (which ran from 2005-2014) was based at QUT and continued the work commenced at QUT.

3.   What are your thoughts on the proposed new trident framework? Do you think this will address current issues and provide better estimates of cultural and creative activity?

Our key thoughts are captured above.

4.   What are your thoughts on the scope of proposed layers, domains and categories of cultural and creative activity?

We have commented on some of the concentric circles/layers issues above. A further example is:

- IOPC 55130010 Motion picture theatre services categorised as Core Creative, while IOPC 55110010 Motion picture and video production is a Wider Cultural Activity. It makes no sense to treat a commercial cinema as inherently more cultural than the making of a movie.

5.   What are your thoughts on the scope of industries and occupations included in the proposed definition of cultural and creative sector?
- *What products, industries or occupations are still not captured in the proposed definition of cultural and creative activity?*
- *Do you have suggestions on which products, industries or occupations should be included, excluded or modified?*

Rather than identifying individual industries, occupations or products that may not be captured in the proposed tables, ensure that they are included systematically. Cultural and creative activity supply chains encompass activities that include the creation of new IP that has capacity to generate economic growth and productivity gains, the exploitation of IP generating ongoing revenues, and demand for other products and services across the economy. Including all these elements as cultural and creative activity risks overstating the contribution of cultural and creative products to the national economy. Instead, these elements should be identified and categorised systematically. Suggested approach:

- IOPCs: Categorise according to whether the product (1) is IP generating, (2) is a part of a cultural and creative supply chain that is IP exploitative, (3) is an other part of a creative and cultural supply chain or (4) relates to other activities (reflecting the DCMS definition of the creative industries). Examples from Appendix C:
    - IOPCs 13200051 – 13520050 Various clothing, footwear and accessories categories. These relate to the manufacturing of clothing, not their design. These products are a part of the cultural and creative supply chain that is IP exploitative.
    - IOPC 15100020 Newsprint. Newsprint is an input into newspaper manufacturing. It is a part of the creative and cultural supply chain.
    - IOPC 24110020 Photographic goods nec (excl sensitised photographic film, paper, plates and chemicals). These are equipment used in photography. They are part of the creative and cultural supply chain.

- Industries and occupations: Refresh the Higgs and Lennon dynamic mapping exercise to update the current QUT lists of creative industries and occupations. The outcomes of

ongoing consultation by the ABS on the ANZSIC and ANZSCO codes, in particular any resulting disaggregation of digital services codes, should be taken into account to ensure consistency and improved accuracy over time.

A word of caution. The IOPCs listed in Appendix C appear to have been generated by concordance with the Input-Output Industry Groups that underpin the current version of the satellite tables. There are ten times as many IOPCs – which means that each cultural and creative IOIG has the potential to correspond to IOPCs that may not actually be appropriately categorised as cultural or creative. Examples from Appendix C include:

- IOPC 24190080 Radio and radar equipment, navigational aids, and radio remote control equipment. This category does not relate to television and radio broadcasting equipment and is not part of a cultural and creative supply chain.
- 54140030 Directory, mailing list, collection or compilation – advertising services. While this product includes 'advertising' in its title, it represents directory listing services. It does not relate to creative advertising and marketing services and is not part of a cultural and creative supply chain.
- IOPC 55120010 Motion picture and video distribution services. Distribution and exhibition are not parts of the screen industry where creative activity occurs. Both are parts of a cultural and creative supply chain.

6. What other datasets could BCARR use to further improve the estimates?

The paper mentions Labour Force Australia (Detailed), and Labour Account Australia). The Labour Force Survey is not designed for analysis of detailed combinations of industry and occupations. Great care will be needed to ensure that estimates derived from the survey are reliable at the 'domain' or Trident 'sector' level. It also cannot be used effectively at a subnational level as the variability in Labour Force Survey data at the ANZSIC industry class level at a state level is too great for meaningful analysis.

Alternatives to the Labour Force Survey are the ABS' merged data environments, the Linked Employer-Employee Database (LEED) and the Business Longitudinal Analysis Data Environment (BLADE), which bring together employment data from multiple sources and are not necessarily as vulnerable to the variance limitations of the Labour Force Survey. These merged datasets should provide a more detailed view of changes in cultural and creative employment over time, including multiple job holding.

The paper has a section at the end: 'Opportunities for additional cultural and creative statistics' and mentions employment and the issues of states and territories (also, we add, municipalities). Our ongoing work on employment may be of use in consideration of both of these components not currently in scope in the refresh:

- McCutcheon, M. and Cunningham, S 2022. The Creative Economy in Australia, What Census 2021 Tells Us, Briefing Paper 1 tinyurl.com/ykza3rdy.

- McCutcheon, M and Cunningham, S 2023. The Creative Economy in Australia, What Census 2021 Tells Us. Briefing Paper 2: Embedded Creative Employment and Creative Incomes. tinyurl.com/2uhm2sew.

- Interactive dashboards prepared for our research partners using Census 2021 employment data, focussing on cultural and creative employment, earnings and mean incomes in South Australia, Western Australia and the City of Sydney: https://public.tableau.com/app/profile/ml.mccutcheon

Also see some of our analysis of Census 2016 employment data, at https://research.qut.edu.au/creativehotspots/publications/:

- Stuart Cunningham and Marion McCutcheon 2018, Factsheet 1 Creative Employment Overview, Digital Media Research Centre, Queensland University of Technology, Brisbane.

- Stuart Cunningham and Marion McCutcheon 2018, Factsheet 2 Employment by Sector, Digital Media Research Centre, Queensland University of Technology, Brisbane.

We are currently working on various aspects of cultural and creative activity that may be of interest to BCARR (see below) and we look forward to any opportunity to work with BCARR to further enhance the satellite account methodology.

Aspect of creative work	Relation to Census	Significance of this project	Innovations to be derived from this project
Creative Qualifications	Counted	Map creative qualifications across labour market	Integrate education statistics with industry and employment for Trident III model
Embedded creative labour	Counted	Map distribution of creative skills outside CCIs Identify reasons for key industries employing creatives and their career trajectories	Build qualitative knowledge of creatives' work experiences and innovative contributions outside CCIs
Secondary employment	Not counted	Map scale of creative employment below main income and non-CCI occupations ('day jobs') that sustain such creative workers	Innovative use of new merged employment data sources (BLADE and LEED) to identify extent of employment activity and value.
Volunteer labour	Not counted	Model relationships of paid, unpaid and occasionally paid creative work Map scale of creative work within and beyond the labour market	Innovative use of new Cultural Participation Survey to study CCIs Apply concept of 'creative vocations' to better understand creative work and workers
Social media creatives	Unidentifiable in Census	Exemplary case of unidentified growth in creative career opportunities	Build qualitative knowledge of social media creatives' work and relation to the CCIs