Smart State All Over

Opportunities for Broadcasting and Content Creation Enterprises in Regional Queensland

Report and Recommendations to the Department of the Premier and Cabinet, Queensland Government

October 2002

Creative Industries Research and Applications Centre (CIRAC) Queensland University of Technology

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Queensland University of Technology

Research Team
Professor Stuart Cunningham
Elinor Rennie
Stuart Glover
Cathy Henkel
Dr Michael Keane
Dr Jo Tacchi
Associate Professor Greg Hearn
Michael Doneman

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Yesterday Queensland Premier Peter Beattie called for Channel Ten's licence to be re-examined because of its decision to close its newsrooms in Cairns and Townsville. Beattie wrote to Prime Minister John Howard asking for the provision of Southern Cross Broadcasting's licence to be examined to see if the network could be forced to reinstate its local news bulletins.

"It would seem ridiculous to have a licensing system for broadcasters if there is no means of ensuring that the companies obtaining the licences are obliged to provide a local newsroom," Beattie told state parliament.

"It is crucial that the people of Cairns and Townsville - two of Queensland's largest cities - receive the widest possible choice of news to enable them to learn how all levels of government are using their taxes and rates."

Mr Beattie said organisations such as Southern Cross had a corporate responsibility to the people of north Queensland as well as to their staff.

"Organisations like this have much to gain from regions like the north and I believe they have some corporate responsibility to ensure they return the favour by offering high quality and credible news," he said.

"The bottom line with all of this is very clearly that the people of north Queensland are entitled to a fair go, they're entitled to local news and I want some action from the Prime Minister," an angry Mr Beattie said.

ABA to hold investigation into adequacy of regional news
ABC: "PM" - Thursday, November 22, 2001 6:50

'A new breed of Independents accounts for a growing share of the employment and output in some of the fastest growing sectors of the British economy: cultural industries such as design, fashion, multi-media and internet services. These Independents are mainly in the 20's and 30's. They run micro-businesses or are self-employed freelancers. They are often producers, designers, retailers and promoters at the same time. Independents already account for 6% of employment in large British cities and their numbers are rising. Their main assets are creativity, skill, ingenuity and imagination. Across Britain, thousand of young Independents are working from bedrooms and garages, workshops and run-down offices hoping that they will come up with the next Hotmail or Netscape, the next Lara Croft or Diddy Kong, the next Wallace and Gromit or Notting Hill.

… there is a 'missing middle' in public policy. Policymakers, both national and local, know little about this new generation of entrepreneur – how they work, where they come from, their distinctive needs – nor how to interact with them. This policy gap has to be closed – with new approaches to education, business support, finance and arts policy – to help provide these new cultural entrepreneurs with a firmer base to build upon.

Charles Leadbeater and Kate Oakley 1999,
The Independents: Britain's new cultural entrepreneurs

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Executive Summary and Recommendations

In Australia, broadcasting and communications have been historically a federal responsibility, with the states playing a negligible role in broadcasting, and a minor role in communications policy. But it is apparent, from international developments in the creative industries, that government at other than national levels has in recent years provided significant impetus to this sector.

An historic opportunity exists for the Queensland State Government to apply 'Smart State' policy orientations and initiatives to jobs and growth, and to promote regional development through community engagement in creative industries, beginning with interventions in broadcasting and building strategic opportunities in content creation more broadly.

The immediate context is the withdrawal of news services in North Queensland. This sudden withdrawal highlights the broader and longer-term erosion of 'localism' in Australian broadcasting.

When this is added to the uncertainties attending federal government policies on digital broadcasting and broadband development, the nation - and particularly regional and rural populations – faces both short-term and longer-term crises in essential and emerging communications amenities.

What is missing?

The end of the federal scheme *Networking the Nation*, and the fragile and declining regional broadcasting infrastructure, have highlighted a gap in Federal Government policy vision and provision.

Networking the Nation provided a series of initiatives to develop regional communications *infrastructure*. However, *strategies for content creation* have yet to be developed to maximise this enhanced - and other already established - infrastructure in regional Queensland.

The other significant gap is a 'missing middle' in policy, identified by Charles Leadbeater and Kate Oakley, in *The Independents: Britain's new cultural entrepreneurs* (1999). Their report, which was jointly funded by industry and government, points to a vacuum in policy making at both national and local levels in respect of creative industries entrepreneurs: how they work, where they come from, their distinctive needs, and how government at all levels might interact with such entrepreneurs.

The challenge laid down by Leadbeater and Oakley regarding the 'missing middle' in public policy means that we need to know much more about the potential for creative entrepreneurship in regional Queensland. This report recommends that better data on the creative industries in Queensland be collected, analysed and reported.

This 'missing middle' also refers to a necessary culture change amongst many in the creative sector. The challenge for emerging creatives is to grasp opportunity and to

fashion themselves towards the new economy, and to adopt a more entrepreneurial and business-like approach to creative production.

While it can be said that broadcasting is the present, it is increasingly evident that broadband represents the future of the network society. Understanding the interaction between the legacy of broadcasting and the potential of broadband is the key to positioning the state for future opportunities in content creation. For example, through its infrastructure, broadcasting links individuals and micro business creatives, enabling them to reach and enliven communities. Leadbeater and Oakley point to the crucial role of broadcasting for the development of the creative industries. They have compared the added value that local broadcasting production capacity brings to provincial cities in the UK, such as Cardiff, with cities without such capacity, such as Sheffield.

Local broadcasting provides a sense of local identity crucial to community engagement, self-respect and enterprise. And, because it extends the distributional potential and 'reach' of the content creator, local broadcasting contributes to micro and small business opportunity.

The future is digital

While local identity remains wedded to the familiar past, the future is one in which 'the rapid pace of technological change, particularly digitalisation and the Internet, will fundamentally alter how television, film software and entertainment is distributed, stored and viewed' (Leadbeater and Oakley p.11).

Looking to that future then, while significant current obstacles remain for the realisation of the full potential of digital television services, and for the wide penetration of broadband Internet services, we must assume these will be addressed and perhaps overcome in a medium and longer, up-to-ten years, time frame.

Lowered barriers to entry, industry growth, and regulatory reform, will provide the bases for digital content industries providing information, entertainment and community networking. New commercial television licences, with local focus and not necessarily nationally networked, may arise. Community stations may find a viable niche.

We must also assume that business models for large numbers of regional commercial enterprises occupying the converged broadcasting/broadband landscape will remain fragile, and that the advertising 'cake' will remain very stretched.

This paper argues that there is a short as well as longer-term role for the Queensland State Government to enter this field and provide for a future where lower barriers to entry and technological change and price reductions make production for commercial broadcasting and broadband viable in regional Queensland. This can be achieved by:

- Partnerships between commercial, public and community sectors
- Support for customised training to grasp new business opportunities
- Brokering with commercial broadcasters to create local windows in their schedules and offsetting their costs to facilitate these windows

- Community capacity building for regional enterprise development at the interface of ICTs and media
- Stimulating regional cluster and networked enterprise development in the creative industries.

We therefore recommend that the Queensland Government explore the opportunities in regional Queensland in content creation and distribution in a short (two year) term, and the medium and longer (up-to-ten years) term outlook by considering the following options.

Opportunities include:

1. **Establish a regional television production fund** directed at regional commercial broadcasters and public broadcasters who would be eligible to apply based on contracted business plans for locally-produced infotainment, information and entertainment content, much like the Radio Regional Production Fund, recently initiated by the ABC (www.abc.net.au/radio/fund.htm). The Queensland Government could explore the feasibility of establishing such a fund itself. Alternatively, the concept could be pursued with the Commonwealth Government and other relevant agencies.

   Regional commercial television operators claim that the provision of local content is very costly and that they would have to pay for the network 'feed' regardless of whether they broadcast it; thus local content costs 'double'. However, it is imperative that any initiative directed at enhancing regional content be focused on the distribution end of the value chain, where real markets and real audiences are always the bottom line. This will avoid the 'supply-side' thinking in much cultural subsidy and related public production support that limits effectiveness in reaching and developing audiences and markets.

   If there was believed to be not sufficient local production capacity for regional broadcasters to take advantage of this fund, submitted business plans might include a commitment to participate in training local talent to provide broadcast quality programming.

   While this initiative would take account of the current problems in the provision of regional news services, it would be aware of the regulatory complexities surrounding news (fairness, impartiality, balance) and thus seek to facilitate infotainment, information and entertainment programming as much if not more than traditional news services.

2. **Further develop community television services** in regional areas when and if spectrum is made available, possibly utilising satellite technology to rebroadcast either Briz 31 (currently the only community television station in Queensland) or a future networked community television stream. Local transmitters could then be used to insert locally produced material.

   The State Government could investigate the model of Access 31 in Western Australia, which sees the Perth-based community television station

rebroadcast on satellite to regional WA, with the insertion of local, regional, content, into the signal.

3. **Investigate the viability of establishing multimedia community production centres**, building upon existing community radio stations, in regional Queensland.

   The State Government could investigate the model of audaCITY in Bordertown, South Australia. Queensland currently has 66 community radio stations, many with the potential and capacity to develop opportunities for young people. Such initiatives may encourage people to stay in regional centres and country towns and to develop requisite skills and experiences for the new economy.

4. **Review current funding sources available to creative industries micro-businesses** and compare their efficacy with international examples. One scheme worth investigating is Creative Advantage West Midlands, a small venture capital fund targeting creative industries businesses in regional UK. The outcome ought to be the facilitation of better access to appropriate schemes, including seed funding and distribution assistance. The facilitation process might include State Development officials linking successfully with creative industries micro and small businesses.

   There are a range of assistance models that do not involve serial grant application making, and that assist in growing business practice and an entrepreneurial ethos and outlook. For them to work, however, they require concerted private-public-community partnership building. Such models could be trialled in conjunction with other initiatives outlined in this report.

5. **Strengthen training provision** in regional areas on creative industries. The Queensland Government could broker a coherent training package for regional content creation and creative entrepreneurship and provide incentives for providers to be involved.

6. **Identify enterprise opportunities** emerging at the interface of ICTs and media in service provision that draws upon content creation (for example, training, education and health).

7. **Identify creative industries hubs** in regional Queensland and initiate a planning process designed to strengthen and network regional creative industries activity, connecting them with appropriate digital infrastructure, training and other resources.

8. **Provide creative industries incubators** in appropriate localities within this network. Incubators would provide start-up infrastructure such as low-cost, shared office spaces and business support services for creative industries micro-business startups.

Recommendations

1. That better data on the creative industries in regional Queensland be collected, analysed and reported.
2. That the Queensland Government explore the opportunities to strengthen creative industries in regional Queensland, with particular reference to opportunities in content creation and distribution.

DISCLAIMER

The views and information contained in this report are not necessarily the opinions or views of The Department of the Premier and Cabinet or the Queensland Government. This document is not a statement of policy, and therefore carries no particular endorsement by Government.

1.0 Introduction

The Queensland Government's *Smart State* agenda aims to maximise the opportunities for the citizens of the state in the development of a knowledge economy. Building Queensland regions, and diversifying the state's economic base, are key planks of the *Smart State* agenda. Strategies to boost Queensland's participation in globalised information technology, biotechnology and creative industries have, however, been largely focused so far within South East Queensland. The Creative Industries Research and Applications Centre (CIRAC) proposed in late 2001 that it undertake a study into opportunities for knowledge economy and enterprise development within the state outside of the urban centres of South-East Queensland. This project was then commissioned by the Department of Premier and Cabinet in December 2001.

1.1 Purpose

The contracted objectives of the project are:

- To identify elements of knowledge economy infrastructure particularly in Queensland regions, which are capable of enhancement and enterprise development in keeping with *Smart State* objectives of growth and diversification of Queensland's economy;

- To identify appropriate actors (community, private sector, local shire and council, state or federal) and strategies (for example, cluster development) which may contribute to regional and community-based enterprise development; and

- To bring appropriate comparative perspectives to bear on these issues, both international and in respect of other regions of Australia.

1.2 Scope

The study, in its perspectives on the networked, creative economy in regional Queensland, has focused on enterprise development and the creative industries, broadly defined. The focus on 'enterprises' implies a small business approach to development but also, taking account of the crucial role of broadcasting and Internet-based networks, an approach that links small and micro-businesses to larger, more established businesses and networks.

This perspective is chosen for this report because
- the strands are interrelated (broadcasting and broadband) and thus could reinforce each other;
- there is already some focus on other areas of potential development (eg., the state library system as an incubator of enterprise development);

- each strand requires partnerships between the community, the private sector, and the various levels of government which could benefit from State Government leadership.

The report focuses on three related strands:

- Rejuvenating regional broadcasting as a site of converging community, public and commercial development;

- New content creation at the intersection between existing (broadcasting) and new (broadband) technology; and

- Maximizing existing capacity: Cluster and Network development in Regional Queensland.

2.0 The creative industries and the new economy

Creative industries are becoming an important area of economic growth. The Smart State cannot only focus on science-engineering-technology (SET) sectors to lead the knowledge economy in Queensland.

Worldwide, the creative industries sector has been among the fastest growing sectors of the global economy. Several analysts, including the OECD (1998); the UK government through its Creative Industries Task Force (CITF 2001); Jeremy Rifkin in *The Age of Access* (2000); and John Howkins in *The Creative Economy* (2001), point to the crucial role which creative industries play in the new economy, with growth rates better than twice those of advanced economies as a whole. Entertainment has displaced defence in the US as the driver of new technology take-up, and has overtaken defence and aerospace as the biggest sector of the US economy (Rifkin 2000: 161).

Creative production has become the model for new economy business practice (outsourcing; the 'producer' model of project management; just-in-time teams, etc). Rifkin (2000:163-4) claims that cultural production will ascend to the first tier of economic life, with information and services moving to the second tier, manufacturing to the third tier and agriculture to the fourth tier.

Most 'new economy' policies focus on science and technology at the expense of the content industries, broadly defined. But the broad content industries sector derived from the applied social and creative disciplines (business, education, leisure and entertainment, media and communications) represents 25% of the US economy, whilst the new science sector (agricultural biotech, fiber, construction materials, energy and pharmaceuticals) for example, accounts for only 15% of that economy (Rifkin 2000: 52).

In fact, all modern economies are consumption driven (60-70% of GDP) and the social technologies that manage consumption all derive from the social and creative disciplines.

Queensland can no longer afford to understand the social and creative disciplines as commercially irrelevant, 'civilising' disciplines. Instead they must be recognised as one of the vanguards of economic growth. In particular, Queensland needs to be positioned for the emerging wave of innovation needed to meet demand for content creation in entertainment, education, government, and health information, to exploit universal networked broadband architectures currently in development.

2.1 Defining the creative industries and summary initiatives

The term 'Creative industries' started life with a task force set up by the incoming Blair government in Britain in 1997. Located in the Culture, Media and Sport portfolio, it defined creative industries as:
> *activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through generation and exploitation of intellectual property.*

The Queensland Thirteen industry sectors were identified in an eclectic list that included craft and antique markets, alongside IT software, as well as film, TV and radio, the visual and performing arts, interactive leisure software, publishing, advertising, and architecture. The task force focused on those industries that combined creative content with export potential.

Their work has since been updated, with a new report released just before the 2001 election (http://www.culture.gov.uk/creative/mapping.html).

The idea of the 'creative industries' is now developing a life of its own. Some British universities have set up centres or renamed courses and departments, including Nottingham Trent in England and Napier University in Scotland. The term is used increasingly in European policy. The first of what will doubtless be a long line of books (Caves 2000) has been published in the USA by Harvard University Press.

In Australia, the Federal Government is examining 'Digital content and Australia's creative industries – a survey and case study on clustering and clustering strategies for industry development' (see http://www.dca.gov.au/mediarel.html). In Queensland, the Brisbane City Council has identified creative industries as one of several growth sectors for economic development, and the Department of State Development is currently developing a Creative Industries Strategy.

Government has, to the tune of $15 million, supported the development of a Creative Industries Precinct in partnership with the Queensland University of Technology (QUT), as part of its 'Smart State' strategy. QUT has also restructured large chunks of its offerings to launch the first Creative Industries Faculty, and its associated R&D arm, the Creative Industries Research and Applications Centre (CIRAC).

2.2 Current data on the creative industries in Queensland

The Queensland economy has traditionally been based upon the agricultural and resource sectors. It is widely acknowledged that the Queensland economy is in a period of transition from a primary industry to service industry economy and now displays a services sector occupying a dominant place on the GSP. Within the services sector there are broad content consumption services such as education, government and health information, entertainment, business and specifically financial services, and media and communication. They form the interface between consumers and innovation of all kinds.

The growth rates in the knowledge consumption services sectors are often stronger than these average rates. For example, education is now Queensland's third largest export.

Although available data are incomplete, it is also evident that there has been strong growth in the creative industries in Queensland itself over the past ten years. Rimmer (2000) summarises the available data thus:

❑ ABS figures valued Queensland Cultural Goods and Services (excluding creative industries activity in new media) at $3,383 million in 1993/94, which can be extrapolated on the basis of 7% annual growth to be $5,432 million figure for 2000/2001 (excluding creative industry activity in new media).

- State Government figures put overall annual factor cost for the Cultural and Recreational Services sector (calculated as contribution to Gross State Product, Gross Mixed Income and compensation to employees) as $1,394 million in 1997-98 increasing 285% over a ten year period from a base of $488 million in 1987-88.
- The above figures exclude new media categories, which remain outside present ABS cultural sector figures. In separate figures the ABS values the entire income generated by the Information Technologies and Telecommunications industry in Queensland at $5,085 million in 1995-96. It is presumed – in the absence of a coherent methodology for delineating creative content applications within the ITT sector – creative industries activity within new media and IT activity makes up some percentage of this figure
- State Government jobs figures indicate that 'cultural and recreational services' was the fastest growing employment area for the five years 1995 to 1999. There was an increase of 42% from 34,300 jobs to 49,000.
- The ABS estimates that, as at March 1997, 54,700 Queenslanders had paid involvement in the cultural industries. 103,300 people had some paid and unpaid involvement in the cultural industries, 251,000 had unpaid involvement and a total of 409,500 Queenslanders (15.6% of the population) participated as a paid or unpaid worker in some way.
- It seems clear, however, that while national jobs growth in the cultural sector has been among the fastest growing sectors for the past 15 years, in Queensland jobs growth (coming off a low-base) has been even more marked.

2.3 Estimates of Value of Queensland Goods & Services in Selected Cultural Sectors as at 1996 (Source: Rimmer 2000)

	Goods & Services	
	National $m	Estimate of State $m (at 15% of national figure)
Film & Video production	1129	169
Film & Video distribution	974	146
Motion Picture Exhibition	832	124
Radio Services	623	93
Television Services	3351	502
Public Broadcasters (R & TV)	776	116
Libraries & Archives	667	100
Museums	425	63.75
Music & Theatre Productions	594	89
Commercial Art galleries	87	13
Sound Recording studios	44	6.6
Performing Arts Venues	332	49.8
Services to the arts (nec)	356	65

Note: these are selected sectors which cannot be accurately aggregated to form a figure which is representative of overall activity.
Recommendation

The challenge laid down by Leadbeater and Oakley regarding the 'missing middle' in public policy means that we need to know much more about the potential for creative entrepreneurship in regional Queensland.

While available figures indicate rapid growth in the value of creative industries to the national and Queensland economies, many questions remain unanswered. It is important that **better data on Queensland's creative industries be collected, analysed and reported**.

3.0 Strand One: Rejuvenating regional broadcasting as a site of converging community, public and commercial development

3.1 Overview

3.1.1 Regional commercial broadcasting

According to the ABS, at the end of June 2000 Australia's 41 private sector television broadcasters employed 10,668 persons. In addition, 261 commercial radio broadcasters employed 5,064 persons. No ABS employment breakdowns currently exist for regional broadcasting. However, the significant number of television and radio stations that cover several sub-markets corresponding to major population centres in Queensland (see below) clearly demonstrates their key role in local communities, both in terms of employment and training, and in fulfilling the aspirations of people within those communities for local information.

Regional television in Australia was founded on the principle of localism. The *Senate Select Committee on Television Equalisation* reiterated in 1987 that 'ownership and programming should be controlled at the local level and that the programming provided should cater for the particular needs and interests of the community within the stations' service area'.

However, the consolidation of television licenses under the policies usually referred to as 'aggregation' or 'equalisation' were often in tension with this goal. Equalisation sought to provide three competing commercial television services within each aggregated market, in effect providing a diversity of information and services comparable to metropolitan markets. However, this meant that three stations now competed for the same advertising 'cake' as was available previously. The experience of equalisation on the ground has meant that the last station into many regional markets has always struggled to establish itself against incumbents.

There are 3 commercial television stations in the large (coastal) sub-markets of regional Queensland (*Approved Market A*). The licensees in regional Queensland are Southern Cross, Seven Network, and WIN, and these are affiliated with the Ten, Seven and Nine networks respectively.

Approved Market A is accordingly sub-divided into 6 licences zones under Section 30 of the Broadcasting Services Act of 1992 as follows:

Licence zone	Principal centre/ shire	Population
Far Nth Qld	Cairns	214,450 (200,000)
North Qld.	Townsville	201, 721 (186,000)
Central Coast/ Whitsundays	Mackay/Whitsunday	131,596 (139,000)
Capricornia	Rockhampton	177,784 (183,000)
Wide Bay	Maroochy	442,855 (433,000)
Darling Downs	Toowoomba	252,553 (226,000)

Population figures for regional areas, ABS 2001 August 5, 2001. In brackets are ACNeilsen 'television population potentials' data for corresponding zones. See Southern Cross http://tenqld.tvzone.com.au/stations.asp.

The Regional Queensland market serves more than 1, 420,000 people outside the Brisbane metropolitan market of 2,167,117. This base figure does not take into account viewers within the Richmond/Tweed zone, a total of 599,484, many of whom live on the Gold Coast and receive TV services from Approved Market B, and persons in central and outback Queensland serviced by less than 3 services, usually Imparja (from Alice Springs) and one of the other three licensees.

Commercial radio licences are more abundant in regional Queensland and are located in corresponding zones (also including Central Qld.):
- Far North Qld.: Atherton (4AM, 4AMM); Cairns (4CCA, 4EL, 4HOT, 4RGC); Innisfail (4KZ, 4ZKZ)
- North Qld.: Townsville (4RAM, 4RGR, 4RGT, 4TOO); Charters Towers (4CHT, 4GC); Mt Isa (4LM, 4MIC)
- Central Coast: Mackay (4MK, 4MKY, 4MMK, 4RGM)
- Central Qld: Emerald (4HI, 4HIT); Longreach (4LG, 4LRE); Charleville (4CCC, 4VL); Roma (4ROM, 4ZR)
- Capricornia: Rockhampton (4CC, 4RGK,4RO, 4ROK)
- Wide Bay: Maryborough (4CEE, 4FC, 4MBB); Bundaberg (4BU, 4RGB, 4RUM); Kingaroy (4KRY, 4SB); Gympie (4GY, 4NNN); Nambour (1150116, 4SEE, 4SSS)
- Darling Downs: Toowoomba/ Warwick (4AK, 4GR, 4RGD, 4WK)

3.1.2 Community Broadcasting

Australia's community broadcasting sector is extensive compared with other countries, and exists within a legislative framework that ensures community access, accountability and non-profit status. The sector is a valuable sphere of community information sharing, participation and creative production. Furthermore, many community broadcasters have significant networks with local businesses and other third sector organisations. ATSIC's submission to the Senate Inquiry into Regional Radio last year gave interview evidence of the social role of community stations. This was epitomised in the comment by Sandy Dann, of Puranyangu Rangka-Kerrem Media, that the frequency of requests for radio announcements means she can "never walk down the streets here without a pen and paper in my hand" (ATSIC, 2001). Working with these groups is a means to overcome community scepticism towards projects imposed from "outside". Community broadcasting stations possess the means to information dissemination, publicity, education and local business promotion as media distribution outlets.

Community broadcasting stations possess the following useful qualities:

- They have, on the whole, significant networks within their community;
- The stations are established, non-profit, incorporated associations, as required by their licence condition;
- The majority of stations have employed staff to oversee operations;
- They possess an established volunteer base;

- They have existing relationships with the private sector through program research/content and sponsorship;
- They have the potential to offer accredited training through the Community Broadcasting Association of Australia's status as a registered training organisation;
- They have distribution infrastructure and established, if in many cases small, audiences.

The stations, therefore, provide existing networks, as well as the organisational structure, through which there is the potential to implement further projects to encourage knowledge-based skills development. The creation of community media centres that also provide support and access for micro-business would provide the means to extend production in the absence of other facilities.

3.1.3 Public Broadcasters

As of 2001, the ABC employed more than 360 people in Queensland, of which 285 were based in Brisbane. The ABC claims to be Queensland's largest and most diverse media organisation, covering television, radio and internet services. It is a market leader in the conversion to digital broadcasting. It has co-located television and radio news services with bureaux in ten regional centres supplying news and current affairs to the ABC's national grid. It has 11 stand-alone radio stations around the State (Brisbane, Gold Coast, Sunshine Coast, Toowoomba, Wide Bay, Rockhampton, Longreach, Mackay, Townsville, Mt Isa, Cairns).

The ABC in Queensland has plans for expansion, with radio staff increased in regional centres with additional live programming, and newly created multi-media staff positions providing sound and pictures for ABC's multi-platform requirements.

SBS has a record of engaging Queensland program makers through SBS' production company SBSI, which has been an important broadcaster connection with independent film-makers in Queensland.

Leadbeater and Oakley identify the crucial role of public broadcasters, pointing out that the BBC invests more in cultural funding than the Arts Councils in many regions of the UK (1999: 54, 62). While Australia's public broadcasters do not enjoy the level of public funding that the BBC enjoys, there is scope for the State Government to partner with the public broadcasters in delivering enhanced local production through their existing broadcasting infrastructure. Opportunities exist to form partnerships between community and small-business content producers to supply regional ABC and SBS broadcasters with locally produced content.

3.1.4 The Importance of Local Broadcasting

Localism has been valued within Australian broadcasting policy for its ability to create and maintain local identities and cultures. However, where a gap exists in the provision of regional information and entertainment, regional communities are deprived of information concerning events in their area. Beyond that, national news is likely to become more "city-centric" with metropolitan viewers also missing out on information and issues concerning regional Queensland. The Australian Broadcasting

Authority is currently conducting a review of the adequacy of local news and information programs on commercial television in an attempt to address such issues.

This remains an important concern. Without local broadcasters disseminating local information and entertainment, the ability of a town or city to build and promote itself through a local identity is severely limited. What is often overlooked within much discussion around localism is *the importance that local networks, information and lifestyle play in the economic development of creative industries*. A sense of local culture or civic pride, as well as a network of contacts through which to develop partnerships, are all essential to reverse the movement of creative entrepreneurs to the cities.

3.2 Issues for Regional Broadcasting

3.2.1 The changing landscape of broadcasting

The broadcasting landscape in regional Queensland is set for significant change. Digital television services are to be introduced by 2003 with broadband networks likely to develop along with the uptake of digital receiver equipment. The prospects for local content delivery on both platforms will in part be determined by how robust the local industry and the ability of the regions to grasp opportunities for distribution are.

It can be assumed that broadcasting, in the short to medium term, will remain a central motivator for creative industries activity. Until issues of infrastructure and adequate business models for broadband are addressed, a substantial proportion of creative producers will continue to rely upon the existing broadcasting industry. The challenge will be to nurture an industry capable of responding to the convergent media environment: an industry that is organised and strategic in making the most of distribution opportunities and able to innovate for new multi-media content demands beyond the linear broadcast format.

The recent closures by Southern Cross Broadcasting of its regional production units is a blow to employment and production in regional areas. However, in spite of Southern Cross Broadcasting's move to withdraw its local news services, local broadcasting is still potentially a vehicle for the expansion of employment opportunities in the creative industries, primarily through the capacity to foster local micro production companies.

State government interventions can play an important role in providing a conducive environment for independent producers through incubators, information dissemination, and access to micro-funding schemes. Beyond this initial level of support, state governments can broker solutions to current obstacles that restrict broadcasters from commissioning greater levels of local content. In other words, emphasis should be on building the existing networks and supporting creative entrepreneurs in their attempts to innovate into other areas of creative industries: multimedia, games, computer graphics and the like.

3.2.2 Renewing regional production

A diminution of localism in television broadcasting has been occurring since the aggregation policies of the 1980s. The recent closures have been blamed on the financial burden of having to simulcast in digital, despite a $260 million subsidy from the federal government to assist regional broadcasters with the digital transition.

Perhaps a more significant hindrance involves the contractual arrangements between regional licensees and the networks, where replacing a network program with a local program effectively means paying twice. Regional broadcasters therefore have reason to prefer network content to locally produced, or in-house, content. Also, the closure of regional production units has meant a significant reduction in the work opportunities for creative workers in regional Australia.

To give one example 'on the ground', late last year (October 2001), Jason Ives was the Senior Director of Channel Ten in Townsville and the only Indigenous member of staff in the production unit. The station was providing a local news service, producing commercials and covering some major local events such as the basketball, rodeos, and the Charters Towers Music Festival. Jason and other colleagues had also initiated and produced their own local series called *Fish'n Four,* a program on fishing and four wheel drive touring. Channel Ten provided free access to equipment, but the crew had to cover other costs themselves (four-wheel drive costs, accommodation, web-site etc) estimated at around $7000-$8000 an episode. Although the program had a good audience reaction, they were not able to sell the program to Channel Ten in the capital cities, or other broadcasters, as it was deemed to be of "regional" interest only.

Since then, the news production unit in Townsville has been closed down (November 2001), following the purchase of Channel Ten by Southern Cross Broadcasting. However, episodes of the program *Fish'n Four* are still broadcast and attract local support. Closures also occurred in Cairns, Alice Springs, Darwin and Canberra.

Southern Cross Television's decision has drawn much criticism. Federal ministers Bob Katter made a strong submission to the ABA enquiry in relation to the adequacy of news on regional television and its effect on local communities. In his submission Katter pointed out that the population base of North Queensland was significant, more than 600,000 people, with a distinctive local identity made up of cattle, cane and hard-rock mining. This strong local identity was in danger of being eroded by the diminution of local content, in turn establishing a precedent for other affiliated broadcasters to follow suite.

Opportunities remain however, as regional broadcasters attest. Greg Dodgson, General Manager of Southern Cross' TNQ Ten at Townsville, indicated that there might be opportunities for local programming content, particularly in lifestyle and sports formats. He nominated fishing, basketball and horseracing but said that the advertising return was not sufficient to merit the local investment.

A more upbeat perspective was provided by Cory Pitt at WIN Television's RTQ at Townsville. Mr Pitt indicated that there was scope and community support for local content and perhaps two thirty-minute programs in sports and infotainment formats could be viable at RTQ. These could be slated to be produced in-house, mainly due to the availability of personnel and production facilities. He also intimated that there was a significant local backlash directed against Southern Cross due to their axing of the news bulletin in November 2001. This had resulted in increased advertising support for WIN.

 Mr Rod Hockey, GM of WIN Rockhampton agreed that Southern Cross' closure had translated into WIN's competitive advantage. However, he also pointed out that WIN Rockhampton does produce 'one-off' specials such as the Gympie Muster, but there remains a problem in providing staff to produce infotainment formats, which due to the competition from networked programming (99% of content) is inevitably scheduled on Saturday or Sunday afternoons. Hockey doesn't believe that programming outside prime time is the best use of funds. A better solution, he says, is to support a 5.30 Extra style program where existing infrastructure and journalists can be utilised. Hockey also pointed out there has been an added problem in accessing content from

remote regional areas since Telstra pulled out its reach points in these areas (These are points that enable stringers to send sound and vision for news broadcasts).

Similar broad concerns have surfaced for regional radio stations. The Senate inquiry into regional radio, *Local Voices* (September 2001), asserted that although networked programs can be relevant to a local audience, "real local radio has at its heart a relationship with the community that can only be created by being part of that community, a physical part of it" (13). Figures supplied by the ABA on the proportion of in-house produced programming compared with total programming were lower for Queensland than in the other states sampled in small and large regions (47.2% and 50.6% respectively). The figures were only marginally better in medium sized regions at 56.4%. The report's submissions show that, in terms of content, there is significant demand for local services in regional and rural areas. One illustration of this came from Mr Brad Smart of 4VL who commented that Roma listeners often complained about weather comments made by Townsville radio announcers experiencing tropical storms. "Unfortunately", writes Smart, "Roma is in the midst of the worst drought in 40 years and the local people are suffering badly. These types of comments can be quite hurtful" (61).

3.2.3 Competition – restricting local content development

A limited advertising pool means that regional television and radio broadcasters are likely to favour network content to keep costs down. David Bacon of the Federation of Australian Radio Broadcasters (FARB) described the current competitive environment in regional areas for the *Local Voices* inquiry. His comments are worth quoting at length:

> *Today in most regional areas there are a minimum of two commercial radio stations per market, plus community, aspirant community and narrowcast radio stations that are competing for advertising dollars. There are also three commercial television stations in each market spanning more radio station markets than the single TV station did prior to aggregation. In addition, most markets have long established newspapers and local area free newspapers; "yellow pages" style of business directories; more demands for sponsorship dollars from local businesses; Internet advertising; and a variety of sophisticated outdoor advertising. Not to mention the national press, such as The Australian newspaper, the Australian Women's Weekly and Family Circle magazines. All of this is squeezing radio profitability.* (80)

The Commercial Economic Advisory Service of Australia figures show that local advertising largely funds regional media. $83.9 million was spent on regional radio, $87.5 million on regional television and $225.2 million on regional newspapers (nationwide) by local advertisers in the first 6 months of 2001. Increased competition for these dollars – a situation that is unlikely to change – has been one factor in the trend towards networked material on local media platforms.

3.3 Digital television opportunities: Medium Term Opportunities and Objectives

Digital television has the potential to provide a significant improvement in media content provision and creation to regional Queensland. This technology allows for a range of services to be received through digital television receivers including interactive multimedia and web-based services. This creates new spaces for content that is of specific regional interest. Multi-channelling and interactive capabilities mean that viewers can use electronic program guides (EPGs) to select content that is relevant to their town or region.

Distribution of local television content could occur through the following means:

- Through proposed ABC regional digital television services;
- Commercial television and datacasting services;
- Through digital community television stations.

Digital regional television services are not required to commence broadcasting until 2003. However, as the uptake of digital reception equipment in metropolitan areas has proved extremely slow since services commenced in 2001, it is unlikely that digital television will be a viable option for regional television services for some time.

3.3.1 Commercial Broadcasting

The success of regional commercial broadcasters will depend upon their ability to provide innovative content if they are to avoid being superseded by broadband networks. One of factors in their ability to achieve this will be the availability of local, affordable content. Crucial to this is the strength of the local production industry.

Datacasting services to regional areas are not likely to eventuate until there is a significant adoption of digital receiver equipment in regional areas. Restrictive legislative barriers to the possibilities for datacasting services (in the form of genre restrictions) resulted in a lack of interest throughout the media industry. As a result, datacasting plans have been shelved and are unlikely to be addressed until the federal government considers opening up the broadcasting market in 2006.

3.3.2 Community Broadcasting

Digital community television services could prove viable for regional areas in the future, although plans are yet to be finalised. If it eventuates that community television is carried free-of charge, current expenses for these services would be likely to decrease. Options do exist for local analogue television distribution through community television services in the meantime. However, the establishment of regional community television stations is currently thwarted by communications policy. Metropolitan community television stations remain under trial on open narrowcasting class licences and the Minister for Communications has withdrawn the reservation of the sixth channel for all areas other than where there are current services.

The Minister is currently conducting a review into the digital transmission of community television, which will provide an answer as to whether new analogue licences will be granted. The ABA continue to assert that the introduction of digital television is the priority for spectrum planning and that changes to existing spectrum

plans are unlikely to occur before the end of the year. However, possibilities may arise for spectrum to be made available in a number of regional areas in the near future for regional community television services.

The state government of Western Australia has demonstrated strong support for the digital and analogue transmission of community television services. The submission from the Western Australian Departments of Industry and Technology, Training, Local Government and Regional Development to the recent review emphasised the importance of community broadcasting services in the regional areas and suggested models for the development of local services.

The Western Australian Government have offered Access 31, the Perth community television station, free use of the Westlink satellite during Westlink's downtime. Access 31 intends to use the satellite to retransmit their signal (and possibly a national programming feed) to regional towns throughout Western Australia. Kalgoorlie, Albany, Bunbury and Port Hedland have expressed interest in transmitting the service, with the intention of inserting locally produced programming into the signal once it is established.

Access 31 also intends to broadcast regional content to Perth audiences. They estimate that the cost of preparing the program feed to be around $192, 000 with administration costs for Access 31 an additional $155,000 a year (half of which would consist of Telstra charges for switching and landline rental costs between 31 and the Telstra Operational Centre). Costs would also include the establishment of transmitters within regional townships, although some have avoided this cost by retaining transmitters previously purchased for SBS transmission prior to its nation-wide distribution. In all, the costs are modest compared to subsidies currently intended for digital regional commercial television services.

3.3.3 Public Broadcasting

The creation of ABC regional television content should concentrate on additional federal government funding, but possibilities could exist for content provision to ABC regional stations from local media centres and businesses. The state government could provide financial incentives for the ABC (and SBS) to turn themselves 'inside-out' and source information and programming from community-based resources and talent. The public broadcasters in turn could upskill such community-based talent in the context of professional-community partnership programs.

It is certain that digital television is capable of bringing significant improvement in broadcasting services and production for regional areas. For this outcome to be realised, however, the existence of an innovative and viable creative industries sector within the regions is essential.

3.4 Options for Government

3.4.1 Federal Government Options

The measures that can be taken by the Queensland Government to increase local content in regional areas in the short term may be determined by decisions made at the Federal level in communications policy. The outcome of the ABA's current inquiry into local television news provision may also alter the need for State intervention, particularly if licence conditions are placed on regional broadcasters to provide local news services. Possible changes to the cross media legislation may have significant consequences for regional broadcasters. Possible outcomes flowing from these investigations include:

- *The imposition of local content quotas upon existing broadcasters*

Although the most direct measure, this may also hinder the viability of regional media services and discourage new business from entering the market. It may also mean the closure of some radio and television services in some locations.

- *Changes to cross media ownership laws in regional areas*

These changes may serve to encourage local media by enabling ownership across the print and broadcast media. The result could be a more economically viable local media industry if opportunities to merge local print and broadcast media are taken up.

- *A system of tradeable credits for local content provision*

The ABA proposed, during the regional radio Inquiry, that a system of "tradeable credits" be introduced. Broadcasters would be able to trade their credits or contract another station (including community broadcasters) to deliver on their behalf, to fulfil their local content obligation. This scheme would allow stations to share in costs of providing for localism and ensure that diversity overall was maintained. We believe that cooperation between all sectors is essential for the viability of information provision within regional areas where markets and advertising opportunities are not strong.

Where the objectives are to promote business development as well as strengthen local information, content production, skills, and social capital within regional areas, the inclusion of community stations into schemes involving collaboration is vital. Otherwise, within small towns, we are likely to see the current trends towards a centralisation of information sources and training to the cities.

3.4.2 State Government Options and Recommendations

With a limited advertising pool, options for economic growth will come through:

- strengthening the existing industry in order for it to take advantage of national and global markets;

- in the absence of legislative directives, stimulating distribution opportunities for local content producers; and
- achieving financial viability by avoiding duplication of services and resources.

The lack of local television distribution opportunities for creative producers must be rectified, if creative industries are to continue to grow and prosper in regional Queensland. There will be little incentive for creative industry workers to remain in regional areas unless opportunities for financial reward through the distribution of local content are created.

The ABC has recently established a Radio Regional Production Fund designed to showcase the talents of artists and program makers who live and work outside capital cities (www.abc.net.au/radio/fund.htm). $750,000 is available via an application process for the production of program content for broadcast on any of the national broadcaster's five domestic networks and on the ABC's internet-only radio station. A similar regional production fund designed to facilitate regional content production for television represents one strategy to support regional content producers.

Regional commercial television operators claim that the provision of local content is very costly and that they would have to pay for the network 'feed' regardless of whether they broadcast it; thus local content costs 'double'. However, it is imperative that any initiative directed at enhancing regional content be focused on the distribution end of the value chain, where real markets and real audiences are always the bottom line. This will avoid the 'supply-side' thinking in much cultural subsidy and related public production support that limits effectiveness in reaching and developing audiences and markets. To overcome distribution difficulties the fund could be directed at regional commercial broadcasters and public broadcasters who would be eligible to apply based on contracted business plans for locally-produced infotainment, information and entertainment content.

If there was believed to be not sufficient local production capacity for regional broadcasters to take advantage of this fund, submitted business plans might include a commitment to participate in training local talent to provide broadcast quality programming.

While this initiative would take account of the current problems in the provision of regional news services, it would be aware of the regulatory complexities surrounding news (fairness, impartiality, balance) and thus seek to facilitate infotainment, information and entertainment programming as much if not more than traditional news services.

An additional, longer-term, option would be to seek to enhance community television services. Community television services could be developed when and if spectrum is made available, utilising satellite technology to rebroadcast either Briz 31 (currently the only community television station in Queensland), or regional community television, and/or a future networked community television stream. In the first option, local transmitters would be used to insert locally produced material.

The State Government could investigate the model of Access 31 in Western Australia, which sees the Perth-based community television station rebroadcast on satellite to regional WA, with the insertion of local, regional, content, into the signal.

4.0 Strand Two: New content creation at the intersection between existing (broadcasting) and new (broadband) technology

4.1 Overview

The decline of the primary industry economic base of parts of regional Queensland and the slowing of tourism driven growth within others emphasises the importance of identifying and developing new economic drivers. Creative industries development has the potential to be part of a mix of new or renewed industry activity delivering a dividend of new jobs, income, exports, new business growth and greater community cohesion.

This strand of the report investigates the potential for the development of new creative industries enterprises (particularly content creators) in regional Queensland. It emphasises that despite the disadvantages in regional Queensland of smaller populations and isolation there are opportunities for content creators and new creative industry entrepreneurs.

There are a number of factors which support new content development and the ecology of small and micro business that accompany it:

- The maximization of underutilised capacity through community partnerships (particularly around regional broadcasters);
- The take up of opportunities offered through digital convergence;
- The fostering of entrepreneurial communities; and
- The development of new models of support by government for creative enterprises.

4.2 Issues for new content creators for and content creation

4.2.1 The maximization of underutilised capacity through community partnerships (particularly around regional broadcasters)

It can be said that broadcasting is the present, and broadband the future, of network society. Understanding the interaction between the legacy of broadcasting and the potential of broadband is key to positioning the state for future opportunities in content creation. For example, broadcasting links individuals and micro business creatives through its existing infrastructure to reach and enliven communities. Leadbeater and Oakley point to the crucial role of broadcasting for the development of the creative Industries, comparing the value it has in provincial cities such as Cardiff (see below), with those cities which do not have local broadcasting institutions, such as Sheffield.

The opportunities for regional creative industries workers to participate in broadcasting in the immediate future are vital to creative industries development in the longer-term convergent media environment. As Marion Jacka points out, for the time being at least, most broadband content will be repurposed from other sources with little produced solely for broadband distribution:

> *There is a very close connection between broadcast television programming and content on broadband services. Interactive or enhanced versions of*

traditional broadcast programming feature on interactive television services and the "walled gardens" of Internet content also found on these services are often related to television program. (Jacka 2001: 11)

In Cardiff in the UK, television broadcasters play a large role in stimulating employment beyond their immediate work force. Where broadcasting distribution opportunities exist, independent producers and post-production houses are likely to develop.

State government interventions may be useful in providing conditions conducive for independent producers in the first instance. Beyond this, solutions should be sought to current obstacles restricting the commissioning of greater levels of local content and emphasis should be on supporting creative entrepreneurs in their attempts to innovate into other areas of creative industries.

4.2.2 Opportunities offered through digitisation and convergence

Although broadband represents the "future" for the creative industries, for a small number of consumers it is already here. Some companies will "leap-frog" the opportunities represented through digital television and begin content creation directly for the new broadband networks. Already, this trend has begun to appear within the Indigenous creative industries (Keane and Hartley 2001).

While broadcasting continues to be an essential part of regional Queensland, the future depends upon nurturing existing industries to be responsive to the opportunities that are arising as a result of digital convergence. Where the Queensland Government can play a part is through investment in broadband infrastructure, skills development and by working to develop distribution opportunities for broadband content producers.

Digital convergence means that skills development and business opportunities need to consider information technology sector opportunities in addition to those growing out of the traditional broadcast media. Internationally, ICT initiatives have been touted as vanguards of regional development for some time. However, they have stalled as they are largely IT supply driven and have failed to specify and address the local cultural impediments and opportunities, and understand their relation to traditional media use (Oakley and Campbell, 2002).

ICT projects still reflect their IT based origins and are used for computer applications and information. Old media technologies are still turned to for education and entertainment. Significant opportunities are emerging to exploit the intersection of old and new technology. To exploit these opportunities a milieu is required which:

- leverages micro-business enterprise development off government funded infrastructure (technical and human) provision;
- helps communities migrate from old media ecologies toward mixed old/new media ecologies;
- seeds and harvest creativity at the margins;

- recognises the "deep culture" nature of demand and exploitation, that is, it is not supply driven but grows opportunities from within the community over time; and
- learns from global experiences whilst building on local assets.

At the same time, the future is rapidly coming toward us, and 'the rapid pace of technological change, particularly digitalisation and the Internet, is fundamentally altering how television, film software and entertainment will be distributed, stored and viewed' (Leadbeater and Oakley 1999: 11).

Looking to that future, then, while there are significant current obstacles to the realisation of the full potential of digital television services and to the wide penetration of broadband Internet services, we must assume these will be addressed and perhaps overcome in a medium and longer, up-to-ten years, time frame. We should be preparing for this future.

4.2.3 Entrepreneurial Communities

As Garlick (2001:5) notes there needs to be greater focus on the ability of regional communities to be 'enterprising', where they can create a local environment for investment activity to occur and generate a return - jobs, income, exports, new business growth, community cohesion, etc. Along with the economic focus of this conception, Garlick notes the critical importance of 'untraded processes' in the development of enterprising communities. These include:

- Engaging knowledge and learning;
- Regional leadership;
- Valuing social capital;
- Networks and partnerships; and
- External associations (Garlick, 2001:7).

The functioning of these processes in particular communities, and their absence from others, is usually related to the size and historical development of each region. In the instances where there is not a strong mix of these factors they may need to be primed by government and institutional intervention.

Social Entrepreneur Andrew Mawson, in his address to the Brisbane Institute in 2000 spoke of how involvement in the setting-up of a local café enabled one woman to utilise her existing knowledge and provided her with the motivation to later pursue further education (Mawson, 2001). The key to encouraging and pursuing initiatives at a local level in all of Mawson's projects was to identify opportunities from within the existing and familiar environment and culture. Described by Germaine Greer as neither "top-down" not "bottom-up" but "inside-out", Mawson succeeded in encouraging community members to seek new solutions to local issues by presenting them with options and resources that utilised their own community networks.

Where bureaucratic "top down" strategies were seen to be distant from the everyday reality of the communities, community "grassroots" initiatives risked failure through cultures and routines that restricted them from "thinking outside the box". By

encouraging government agencies to work with existing community organisations to extend their efforts, substantial outcomes were achieved.

This requires approaches that do not take for granted the relevance or the nature of the knowledge economy. Slack and Williams (2000) in their study of the Craigmillar Community Information Service on the outskirts of Edinburgh found that place was integral to the development of a globalised information society. While popular conceptions of the ramifications of information communication technologies emphasise "flows" over "places" (such as Castells, 1996), they found that only through understanding of the lived reality of local experience can the nature and potential for participation in the information economy be seen (see also Coates, 2000).

4.2.4 New forms of government engagement with the creative industries entrepreneur

Charles Leadbeater and Kate Oakley (in *The Independents: Britain's new cultural entrepreneurs,* 1999) have pointed to a significant gap, a "missing middle" in creative industries policy. At both national and local level, more information is required about the creative industries entrepreneur: how they work, where they come from, their distinctive needs, and how to interact with them.

This missing middle also refers to a culture change necessary amongst many in the creative sector, for whom the challenge is to grasp opportunity and to fashion themselves towards the new economy, adopting a more entrepreneurial and business-like approach to creative production. In many instances, creative entrepreneurs working with new media do not seek subsidy as the larger, traditional cultural institutions do. Mostly, they aspire to be successful within the marketplace and see such success as an indicator of their performance and popularity. However, these businesses are fragile. More often than not established creative workers in regional areas are over-stretched in their time and resources, yet wish to remain in their home town in order to tell its stories.

These micro-businesses have been identified as important for the cultural image and vitality of regional cities in the United Kingdom as well as representing a significant area of economic growth. By identifying these micro-businesses in Queensland's regional centres and recognising these areas as "hubs" of a potentially wider network throughout the State, strategies can be developed to support and encourage these creative businesses.

Government, therefore, can enrich local content creation from the ground up through a twofold endeavour involving:

- The stimulation of a conducive environment out of which such entrepreneurs will emerge and remain, and
- Assisting micro-businesses to become sustainable and to grow where possible.

The micro-businesses of the creative industries emerge spontaneously and cannot be set-up by government. However, factors such as the existence of robust tertiary institutions – becoming known as a "university town" – will attract young talent and stimulate networks. Attractive lifestyle, available financial assistance and distribution possibilities (commercial and non-profit) will all help to keep creative workers and their businesses in regional areas. Therefore, one of the goals of State and Local

Governments may be to seek solutions to improve the lifestyle of the larger regional centres in such a way that they become known as creative centres (Glasgow's branding of itself through the European City of Culture in 1990 is an example of this).

Skills advancement is an important factor in regional areas, particularly outside of the regional centres. The development of community media centres to provide training and equipment for local content production is one means to develop the skills base within smaller towns while simultaneously value-adding to existing community media enterprises.

Finally, an important factor is to find ways to connect producers to local, national and international distributors. Setting up support and training for multi-skilled "stringers" to produce content which can be sold to metropolitan commercial and national broadcasters is one means to achieve this. Encouraging "intermediary" companies that work between the producers and the networks (broadcast and broadband) will prove to be a vital link in establishing an industry capable of participating in national and international markets.

4.3 Case Studies

4.3.1 Case Study One: Bordertown – audaCITY

5tcbFM is a community radio station in Bordertown, South Australia. Bordertown has a population of 2,500, the Shire has a population of 10,000. At the end of March 2002, 5tcbFM will open audaCITY, a multimedia learning centre, recording studio, broadcasting and webcasting complex. The complex is housed in the same building as the radio station and will provide nationally accredited multimedia and broadcast training in house and online. The complex will offer local musicians and artists opportunities to access professional recording facilities, Internet audio streaming, packaging, promotion, and webcasting and broadcasting opportunities. Because of the connection with the radio station, musicians and artists will have access to 5tcbFM itself as a distribution channel, but also to a national distribution channel as 5tcbFM is part of the Digital Delivery Network (a data channel initiative on the community radio satellite, COMRADSAT). In addition, the webcasting facilities offer a global distribution channel.

The General Manager of 5tcb thinks it is the first time in Australia that such a facility and the opportunities it offers are made available to country people in a familiar and local environment (Geoff Williams, telephone conversation March 2002). This project is federally funded from the Networking the Nation initiative and the federal Department of the Arts. It is community owned and community run. As an idea the complex developed as the General Manager of 5tcbFM saw funding opportunities for establishing a multimedia centre through his membership of the Regional Development Board. They could not find any models for this project in Australia, but it grew out of a major concern of Bordertown residents – that is the loss of young people to the cities. They wanted to build something that would attract young people and keep them in the country. This is also a major issue for regional communities in Queensland.

An agricultural area, the farmers in the locality have successfully diversified and managed to achieve good returns. However, fewer people are employed as mechanical methods produce better efficiency for farmers and young people are moving away to find work and opportunities in Adelaide and Melbourne. audaCITY is an initiative that offers training and employment opportunities as well as entrepreneurial opportunities. Indicative of the problems faced by this regional community is the fact that the biggest short-term challenge is finding someone to employ with the right skills to run the project.

audaCITY has been funded with $80,000 from Greater Green Triangle Region Association (GGTRA) for the development of its Multimedia Learning Centre. These were Networking the Nation (NTN) funds. $30,000 came from SA Department for the Arts for the Recording Studio. 5tcb's existing FM radio service and its Internet Café were already established.

Together these make up 'audacity digital media' which is a all of multimedia learning centre, recording studio, broadcaster and webcaster. It provides the community with access to and instruction in the use of specialist video editing, graphic animation, audio and web authoring, CD and DVD recording, Internet access and training, web site maintenance and development, Internet conferencing and web hosting. It offers accredited training. The focus is on youth opportunities to develop talent and employment.

audaCITY is part of 12 new information technology public access projects across the Greater Green Triangle region. That programme promotes and supports 'innovative community-based telecommunications and information technology projects for rural and regional communities in the region' (Robert Quantrelle, Executive Officer of GGTRA).

Apart from possible grant aid funding revenues, the Manager of 5tcb is currently working with figures that predict gross revenues of $40,000 in the first year for audio recording and $25,000 in the first year for training (mainly Adobe and Macromedia software usage) and services like web production and video editing services, plus around $3,000 for web hosting services.

A net surplus is not expected until the second year. Broadband access was cited as the main development obstacle, which is expected to be overcome within the first two years of operation.

4.3.2 Case Study Two: Goolarri Media Enterprises, Broome, Western Australia

See http://www.gme.com.au/

Incorporating local knowledge with a national Indigenous cultural perspective, Goolarri Media Enterprises in Broome, Western Australia is one of the most recognised Indigenous media centres in Australia (along with the Alice Springs-based Central Australian Aboriginal Media Association (CAAMA), and Brisbane-based 4TripleA).

A model for community involvement in regional media organisations in Australia, the Goolarri Media Enterprise (GMA) is owned by the Broome Aboriginal Media Association (BAMA). It was established with capital funding from ATSIC in 1996.

Goolarri operates principally as a distribution point for radio services, partnering with 16 Indigenous media groups in Northwest Australia and sharing programs across the region (and around the country) via the networking infrastructure of the National Indigenous Radio Service (NIRS), located in Fortitude Valley, Brisbane. The technical infrastructure provided by GME allows young Indigenous persons hands-on experience in broadcasting, film and television production, and multimedia. Goolarri's diversified interests provide its staff and volunteers with a range of technical and management skills.

Goolarri works to bring together the Broome community in a way that encourages reconciliation, respect for tradition, multiculturalism, and community development. As such Goolarri is an example of an entrepreneurial management team making the best use of local knowledge to create a commercialisable media brand, while at the same time generating genuinely local content that embraces respect for tradition.

GME operates a number of integrated media facilities:
- Goolarri Radio 99.7FM
  - Broadcasting to the town of Broome and surrounding areas (population 15,000), Radio Goolarri employs 5 full-time staff, 2 part-time staff and 24 volunteers. Programs from Goolarri radio are also received nationally. The station is most well known for the Mary G Show, airing twice a week, and recently complemented by the Mary G television show.
- Goolarri television GTV35
  - A community television station, GTV35 allows local business to sponsor programs that reflect community interests, as well as providing essential information to tourists not available on the commercial free-to-air service. The channel covers local events and festivals, and provides a 'wheel' of local content, including music, festival footage, interviews etc.
- Goolarri Film and Television Production Services
  - Goolarri Film and Television Productions is a full service film, television and multimedia production company that produces video, and film, and graphics for broadcast television, corporate video presentations, and health promotion. The company was the producer (with SBS Independent support) of the Mary G Show, subsequently broadcast on SBS television..
- Goolarri Music
  - Goolarri Music provides recording and rehearsal studios for local performers, as well as a range of organisational, distribution and marketing services.
- Goolarri Events Management
  - Goolarri Events management project managed the nationally acclaimed Indigenous Arts and Cultural festival 'Stompem Ground' from its inception in 1992. GME has also been responsible for reviving

Broome's internationally acclaimed 'Shinju Matsuri' Festival of the Pearl.

- Goolarri Technical Services
  - The studios of Radio Goolarri host the PAKAM (Pilbara and Kimberley Aboriginal Media radio network). PAKAM operates a 24 hr satellite delivered Radio Network service, switching programme feeds brought by phoneline and digital CODECs from the various member stations to the network hub at Goolarri Radio in Broome and sending out by leaseline to the Optus B3 satellite uplink at Imparja Television in Alice Springs. This provides a full time regionally relevant indigenous bed programme to member communities and enables sharing of news, information and stories throughout the region.

4.3.3 Case Study Summaries

Both of the projects described above demonstrate some basic similarities. Each is to some degree attempting to improve information and knowledge flow, bridge the digital divide, create local enterprise and/or economy growth and involve traditionally excluded participants in the new knowledge economy. They also have in common the notion that information and communication technologies play a key role in community development.

Success in each of the projects is attributed to the innovative nature of the approach to the development issue (bridging the digital divide and/or encouraging local social, economic and enterprise development). In addition, in each case there is an element of ground up development of projects rather than top down implementation. This is also an important precursor to success. It is well established that community participation is essential for community-based development.

In each case there is a desire for:

- Job creation in regional/rural/disadvantaged areas and enterprise development;
- Strengthening of communities in regions/rural areas;
- Building of social, cultural and knowledge capital;
- Provision of locally relevant content and training and access for local content creators;
- Interesting and innovative uses of existing and new infrastructures and the development of networks;
- Creation of transferable skills and networked resources;
- Partnerships between individuals, commerce, creative industries and government departments; and
- A move towards a focus on distribution through networks as the new form of markets in the new economy.

4.4 Options for Government

The examples cited above demonstrate some of the ways that Queensland might consider furthering its promotion of enterprise development, the *Smart State* and community engagement in regional communities through:

- Innovative uses of old and new technologies;
- Using existing infrastructures and communication channels; and
- Adding value through innovative convergences.

For example, Queensland has 66 radio stations operating on community licences. These stations are community owned and run. Many of these stations are located in regional Queensland and function as a social and communication hub of these communities and are largely untapped resources. With these services there is often access to satellite and Internet communication channels, through COMRADSAT, the DDN and NIRS. This is a strong and powerful infrastructure that links much of regional Australia. Through the Networking the Nation initiative there has been further infrastructure developments and some local IT training and access initiatives. Facilitated networking of such resources (old media such as radio and local press content and infrastructure; new media content development; ICT infrastructure) offers possibilities for regional community and enterprise development.

As stated above micro-businesses of the creative industries emerge spontaneously and cannot be set-up by government. However there are a range of factors that may attract or keep young talent in regional areas and stimulate networks:

- Attractive lifestyle;
- Available financial assistance; and
- Distribution possibilities (commercial and non-profit).

One of the goals of State Government may be to seek solutions to improve the lifestyle of the larger regional centres in such a way that they become known as creative centres

In order to support skills advancement government might develop community media centres to:

- Provide training and equipment for local content production;
- Simultaneously add value to existing community media enterprises; and
- Provide support and training for multi-skilled "stringers" to produce content which can be sold to metropolitan commercial and national broadcasters.

Government may review its existing funding strategies for business and culture in order to target specific funds to creative industries micro-business enterprise. In order to make these (often transient) enterprises sustainable, the Queensland Government may consider:

- Providing assistance through the provision of shared office-space;
- Providing access to equipment and administrative help;
- Support for customised training to grasp new business opportunities.

Specific opportunities which the Queensland Government could explore include:

- **Investigating the viability of establishing multimedia community production centres** in regional Queensland. Existing community radio stations in regional Queensland provide one option for locating such services. Queensland currently has 66 community radio stations, many with the potential and capacity to develop opportunities for young people.

- **Review current funding sources available to creative industries micro-businesses** and compare their efficacy with international examples. One scheme worth investigating is Creative Advantage West Midlands, a small venture capital fund targeting creative industries businesses in regional UK. The outcome ought to be the facilitation of better access to appropriate schemes, including seed funding and distribution assistance. The facilitation process might include State Development officials linking systematically and successfully with creative industries micro and small businesses.

  There are a range of assistance models that do not involve serial grant application making, and that assist in growing business practice and an entrepreneurial ethos and outlook. For them to work, however, they require concerted private-public-community partnership building. Such models could be trialled in conjunction with other initiatives outlined in this report.

- **Strengthen training provision** in regional areas on creative industries. The Queensland Government could broker a coherent training package for regional content creation and creative entrepreneurship and provide incentives for providers to be involved.

- **Identify enterprise opportunities** emerging at the interface of ICTs and media in service provision that draws upon content creation (for example, training, education and health).

5.0 Strand Three: Maximising Existing Capacity: Cluster and Network Development in Regional Queensland

5.1 Overview

In this final section, we canvass cluster issues for the major regional centres outside south-east Queensland, and network opportunities outside the major regional centres. Due to the limits of resources and the need for a major population base to sustain developments, our cluster analysis concentrates on Cairns and Townsville. Some significant initiatives are already being taken by local and state government agencies to encourage creative industries development and which advance notions of cluster development. There is, however, within these centres a high level of awareness of the obstacles currently impeding the growth of a knowledge-based economy. Despite this, there are substantial opportunities for private partnerships with creative industries initiatives that exist in these centres that may not exist elsewhere in regional Queensland. Furthermore, creative workers express a desire stay in these cities rather than move to the capital cities due to the lifestyle benefits.

We have also included a case study of the development of the ARTSynC incubator at the Sunshine Coast. At the end of the previous section, the potential contribution of creative industries incubators in providing facilities to support content creation in regional areas was highlighted. At this point in the development of creative industries in Queensland, ARTSync is a significant attempt at a regional Queensland creative industries incubator.

Because of the barriers to the formation of successful creative industry clusters faced even by larger centres regional centres such as Townsville, Cairns and the Sunshine Coast, we also canvass the importance of networked development as key strategy for smaller centres spread across a region. We use the case study of the MITEZ network to demonstrate the important ways in which creative industries activity may utilise existing networks and institutions to foster development.

5.2 Clusters

The notion of clusters has been associated with the work of Harvard Business School professor Michael Porter. Porter defines clusters as 'geographic concentrations of interconnected companies and institutions in a particular field' (Porter 1998: p. 78). We propose that the notion of *clusters* should be focused on physical conglomeration, while *networks* stress virtual as much as physical interconnection.

The advantages of clusters include:

- They provide a basis for exchange of resources and ideas;
- They provide a 'target' for state policy interventions and support;
- They facilitate construction of corporate identity and therefore investment opportunity;
- They can serve as symbols of urban renewal, especially if the cluster includes renewal of consumption as well as creative industry production;

- Clusters can build creating new connections across tiers of education, between education and industry, community access, urban planing, and primary, secondary, tertiary and information sectors of the economy.

5.3 Case Studies

5.3.1 Case Study: Townsville Cluster

5.3.1.1 Background

The twin cities of Townsville and Thuringowa rely on an economic base largely revolving around mining, military bases and operations, marine science and research in addition to its port activity, the sugar cane and cattle industries and tourism. The College of Music, Visual Arts and Theatre (COMVAT) at James Cook University (JCU) plays a strong role
in creative industries for Northern Queensland.

5.3.1.2 Creative industries in Townsville and Thuringowa

The Arts and Culture Regional Organisation of Councils (ACROC), involving seven regional councils including Townsville and Thuringowa, is examining a wide range of factors that impact on enterprise development in the cultural sector, including an audit of facilities, groups, venues and activities in the region. There are, however, vast differences between the seven councils in terms of environment, population, community interests, demographics and climate have meant that there has been some resistance to attempts to find a unifying factor that will identify the larger North Queensland region.

Key developments in Townsville include the following.

- The Townsville CBD Taskforce is developing a **Knowledge Centre** in a prime location on the river in Townsville as a centrally located information and access point to Townsville and the North Queensland region. The centre will collect, house and disseminate information and knowledge to the region including library services, health services, research facilities, links to the cultural and creative industries, tourism assets and access to IT resources and training. This Centre could become a focal point for the collection, storage and dissemination of local knowledge and a valuable resource in the development of local production.

- The strengths of Townsville in terms of local production lie in the areas of writing and documentary production. There are a number of experienced **screenwriters** and **indigenous film-makers** actively working in the region. There appears to be a lack of production and post-production facilities and skilled production crew. Examples of local product being created in Townsville include:
  - short and feature film scripts being written by Christine Langtree
  - a documentary for SBS entitled "Soccer Lady" directed by local indigenous film-maker Donna Ives with crew from northern NSW

- o the "Fish 'n Four" series outlined elsewhere in the report. This series was initiated from within Channel Ten by members of the news team and led by indigenous producer Jason Ives. Channel Ten equipment was used and the crew covered the other costs of the program themselves. The series was popular but never screened beyond the Townsville region and has now ceased production with the closure of the local news unit in Townsville.
  - o The Indigenous Media Unit at JCU is developing a commercial arm and looking for ways to connect more directly with the commercial and public broadcasters.

- **A Creative Industries' Precinct** is being developed on the waterfront in the Townsville CBD. The project includes the potential relocation of COMVAT (College of Music, Visual Arts and Theatre, James Cook University) to the Railway precinct and support for cluster initiatives as part of that development. This project has a wide range of enterprise building possibilities. The vision statement says:
  The College has the capacity - and the will- to be a creative crucible for the university, partnering in innovative synergies across areas as diverse as IT, Engineering, Marine Science etc. Artists across the spectrum lead in problem solving, tilt at the boundaries, and challenge the ordinary, to the ultimate benefit and enjoyment of the knowledge nation and its economic base. The former firewalls between art, entertainment and applications will continue to evaporate as the century gains momentum. (COMVAT: Our Mission, Our Commitment, Our Vision. 2001).

  A major urban redevelopment plan in the Railway precinct will provide the opportunity to develop a vibrant cluster within the city, with the close proximity of galleries, museums, the Civic Theatre, Dance North, the Townsville Bulletin, a publishing house, the local newspaper and cultural heritage establishments. If James Cook University's College of Music Visual Arts and Theatre (COMVAT) was to be relocated to the precinct, it would provide the college with access to other arts and cultural organisations, the general public, commercial enterprises and sponsorship opportunities.

The potential exists for the development of an **Indigenous Cultural Centre** in Townsville linked with the CBD re-development and the COMVAT initiative. The Indigenous Media Unit at James Cook University is well placed to coordinate this development and link it to commercial media organisations and activities in the city.

The need to consolidate and extend networks is well recognised by creative industries workers in Townsville. Individuals attempting to develop innovative projects can become cut off from funding bodies, agents, producers and the like, increasing the difficultly in generating outcomes. As Christina Toga, a film-maker who is currently developing the commercial arm of the Indigenous Media Unit at JCU has commented, working in isolation can be a demanding and frustrating experience. However, she does not want to leave the area: "As a film-maker, I wouldn't be anywhere else. There are such intricate and important stories here".

Writer Christine Langtree identified the importance of maintaining contact with the capital cities and suggested the need for travel schemes in order to meet with funding

bodies, agents and to attend events and festivals. Indigenous film and television producer, Donna Ives, also expressed the need amongst writers and producers for travel assistance, particularly to access face-to-face script editing expertise.

Training was seen to be an area of possible improvement for most creative industry workers interviewed. Mentorship programs were suggested, as well as artist-in-residence schemes for the university in order to extend the knowledge and skills of local workers.

Additionally, the importance of a location to house current information in regard to local events and organisations in the region should be set up, possibly in addition to a web site as well as improving the ties between cultural industries and other industries, in particular tourism. This is seen as a priority for the economic viability of the creative industries.

5.3.2 Case Study: Creative Industries Development in Cairns

5.3.2.1 Background

Cairns is a city that exists in a region rich in natural assets including the world heritage listed Great Barrier Reef and tropical rainforests as well as mineral, agricultural and fisheries resources. As a result, Cairns boasts the largest commercial fishing fleet in the country, an international airport, the most sought after port in Australia for luxury yacht cruising, an international yacht refurbishment industry, a growing film industry, and a competitive goods and services industry. Most importantly, tourism accounts for between 25 - 40% of the region's economy.

5.3.2.2 Creative Industries in Cairns

The existing framework for the creative industries in Cairns is strong compared to many regional areas.

- Cairns is the headquarters of **CREDC (Cairns Regional Economic Development Corporation)**, an industry led development body with three specific goals:
    - to unite the region for economic development;
    - to support business retention and expansion through clustering models, developing business plans and implementing collective marketing strategies;
    - attracting new business to the region.

  CREDC formed out of an industry-based economic summit held in Cairns in 1996. A strategy based on the Michael Porter cluster concept was adopted with CREDC established as an industry-led agency with support from local council and state and federal governments. According to John Dean, CEO, the cluster approach is "an essential enterprise tool", and in his view the most realistic option for the area:

  This is a lifestyle region with over 14,000 companies, most of which employ less than five people. With this number of micro-businesses, the cluster model

provides the best way of achieving a critical mass for businesses to grow locally and effectively promote themselves in the international arena.

CREDC currently provides administrative support to the Film and Television Association.

- **The Film and Television Association (FTA)** based in Cairns is committed to taking a cohesive approach to the development of the local industry. This sector has been subject to divisions and conflicts, with some practitioners seeing the FTA as a rival to their businesses. The FTA is attempting to move beyond that and develop a cluster approach that will benefit the whole industry. This is being developed in conjunction with CREDC who are currently looking after the administrative needs of the FTA. This organisation is also initiating a study into the feasibility of building a sound stage and studio facilities in Cairns.

- A Far North Queensland Information Communication and Technology Cluster known as **Cairns Infotech Enterprises (CITE)** was formed in 1998 and provides advanced high-speed data links to anywhere in the world. This sector employs approximately 1500 people in the region and they claim the region has a state-of-the-art telecommunications system providing high capacity, high speed, voice and data links to anywhere in the world. CITE have adopted a cluster approach to further development of this sector.

- **Arts Nexus** is another key industry development organisation in the Cairns region. Its objectives are concerned with economic and enterprise development of arts and cultural industries in the region. It sees itself as the linking organisation between the FNQ community and art consumers, the industry sector and groups, the government sector and representatives and the arts industry service providers (many of which are capital city based).

- The **Just Us Theatre Enterprise (JUTE)** works at generating theatre within regional Queensland as well as developing regional playwrights. It is also working with Arts Transit to develop touring regional strategies. JUTE and Kick Arts recently received joint funding of $2.7 million to build a **Centre of Contemporary Arts (COCA)** in Cairns. It will be located somewhere in the CBD, and will include a 200-seat theatre, gallery and office spaces. JUTE is looking to develop cluster opportunities around this new centre in conjunction with history and heritage groups (who recently received $1million for a Cultural Heritage Gateway Project to point people to local heritage sites), environment groups and indigenous cultural organisations. The centre is also committed to developing multi-media projects and could become a focus for the development of local new media content.

A challenge to the region is the lack of cohesion and collaboration between key players and the lack of producing skills and experience. A number of measures were proposed by key players in the region to address these needs, including:
- A regional skills assessment and audit;
- Developing strategies to plug the gaps and upgrade the skills of the region. This could be done through professional development programs in conjunction with the

Australian Film, Television and Radio School (AFTRS) or the Pacific Film and Television Corporation (PFTC);

- Programs and incentives to encourage more experienced producers to move to the region and set up businesses;
- A coordinated approach to industry development in conjunction with CREDC and the Australian Film Commission and Pacific Film and Television Commission;
- Encouraging state and federal funding agencies to build a stronger presence in the region. This could lead to the development of measures to increase support, access to information, expertise and advice on the development stage of projects.

A further opportunity exists for Cairns through participation in the World Clustering Conference, which it has won the bid to host (October 2002). The conference is organised by the Competitiveness Institute, an international organisation based in Spain representing 500 regions around the world.

Most participants agreed that opportunities existed to create greater links with other industries, particularly the tourism industry but also the sugar, fishing, and forestry sectors.

- Elizabeth Brown, Cultural Officer with the Cairns City Council said that the main obstacle to a more cooperative relationship is that local industry "requires a mind shift that they will benefit from collaboration with the arts and cultural sector".
- Nicholas Mills of Graft "N" Arts suggested that the state government could play a key role in driving the mechanisms for collaboration with the tourism industry, by assisting in building Cairns as a show-case for Queensland cultural products to the thousands of tourists that it attracts.
- Suellen Maunder, Artistic Director of Just Us Theatre Enterprise (JUTE) saw a need for an "effective communication package" to enable groups to approach the corporate sector. Her concern was that the time, money and effort spent to develop corporate partners was out of proportion to the amount of money such efforts generally attracted. She saw a role for government in building stronger ties with big business, siting the Australian Business Foundation for the Arts (ABFA) who offer awards for best practice in corporate collaboration with the arts.
- Further suggestions included: Establishing showcases and exhibition spaces for cultural products in the new developments taking place in Cairns (such as the CBD redevelopments, the City Port and the Esplanade) and creating tax incentives for the commercial industry to engage with the cultural industries, and public art prizes.

Indigenous creative industries were seen to be one area where strategic planning would be of significant benefit, incorporating mentoring and training schemes for local practitioners.

Support for library services was seen as an important area of need, particularly in the centralisation of information, and as centres for training, communication and story telling. Linkages between IT centres and libraries throughout the region was also identified, as well as the need to collate information on grants and other funding

sources. Eric Oates of Arts Nexus also suggested that grant application guidelines and processes could be streamlined and simplified.

John Dean, CEO of the Cairns Regional Economic Development Corporation (CREDC), identified the need for new branding strategies to promote Cairns as more than simply a tourism town, and expanding the lifestyle region to attract new enterprises to the area.

5.3.3 Case Study: ARTSynC - Sunshine Coast arts business incubator

ARTSynC is an arts/creative industries business incubator, currently under development, on the Sunshine Coast.

The aim of business incubation is to assist new businesses to become established and profitable by providing facilities, services and support. Incubators are known to reduce the failure rate of new start-up businesses. They create jobs and assist local economic development. Tenants are generally incubated for one to three years, following which they graduate into the wider business community (PriceWaterhouseCoopers, 1999).

ARTSynC's goals are to develop skilled arts-workers, encourage new and sustainable creative enterprises, which aim to increase the supply of arts products in the region and to facilitate the creation of innovative products that can be taken to a wider market.

ARTSynC intends to offer access to:
- multi-purpose production space for dance, drama, music, circus, performance art and new media;
- professional and creative development training;
- hands-on business advice and assistance with accessing funding and/or financial resources;
- on-site arts management;
- low-cost office, meeting, conference and storage spaces and film/video/multimedia production spaces and equipment.

ARTSynC is Queensland's only arts incubator. Australian experience with creative industries incubation is limited and information scarce. This case study describes the development of ARTSynC to the present time and highlight issues for arts/ creative industries incubation drawn from the ARTSynC experience and the literature on business incubators.

5.3.3.1 Financing and financial viability

ARTSynC has been established with capital funding of $520,000 from the Department of State Development. Maroochy Shire Council assisted with the purchase of the old Nambour Ambulance Depot with funding of $150,000 and will lease the building to ARTSynC at a very low cost.

A consulting Business Planner was contracted for ARTSynC in late 2001 to construct a business plan and to identify an appropriate site for the development of ARTSynC. The business plan, a Feasibility Study and the consultant's final report were recently endorsed by Maroochy Council. ARTSynC will operate under the auspices of Maroochy Council until it is ready to incorporate as an independent not-for-profit association later this year.

ARTSynC's Business Plan stipulates total expenses of $237,100 for the first year; income from rental and service charges is estimated at $61,100 and thus, $176,000 will be needed in subsidies. Over a three year period, it is estimated expenses will be approximately $844,900 and income $377,800 (from revenue generated) and $515,500 (from grants and sponsorships).

The major concern is that ARTSynC has not to date secured the necessary operational funding commitments to support these projections. ARTSynC's Business Planner has identified potential funding from the Commonwealth Government (around $375,000 over two years through the Small Business Incubator Fund), and may need to approach Arts Queensland for operational funding in the third year (2005). Without recurrent operational funding, possibly for around three years, the incubator will be in jeopardy.

5.3.3.2 Business versus arts?

A second concern for ARTSynC is the potential tension between its goals as an arts business incubator and an arts centre. In support of ARTSynC's business planning process, a survey of potential members was conducted in May 2002. At the time of writing, it was noted although over fifty percent of completed surveys returned reflected a strong interest in business skills development (particularly assistance with gaining finance), a preference was demonstrated for workshops that would further artists' creative skills.

In focus group and individual consultation meetings, a strong interest was shown in programming and services related to multimedia and film.

5.3.3.3 Networking

Initially, the networking mechanisms of ARTSynC will be informal. On the Sunshine Coast, there are over 500 artists resident, all potential ARTSynC members. Maroochy Shire Council is collecting data for the Sunshine Coast Artists Register - a database of these artists. This will act as a contact, referral and networking tool for artists, Maroochy, Noosa and Caloundra Councils and other relevant organisations. A project is underway to place this database on the web and to create an online marketing and information site to facilitate networking and employment generation. Across the spectrum of creative industries, there are skilled people in the area working on projects who can involve, teach and mentor new creative artists and students.

Partnerships will be sought with the private sector. An interesting unforeseen spin-off from the ARTSynC development has been the discussions between ARTSynC and a private communications company regarding the provision of substantial broadband infrastructure for the arts incubator at basic cost. Other partnerships and projects are envisaged with academic and research establishments such as CIRAC and the new

Creative Industries Enterprise Centre within the Creative Industries Precinct at Queensland University of Technology (QUT) Kelvin Grove. The Creative Industries Precinct (and Enterprise Centre) is a joint project of the Department of State Development and QUT. ARTSynC will also tap into around a dozen cultural hubs across the state, which coordinate regional cultural and arts information gathering, training and development.

ARTSynC may contribute to an expanded local tourism market. As creative entrepreneurs create new cultural tourism products or spin-offs from existing regional events such as the Woodford Folk Festival, tourists may become attracted to the area as a cultural destination. The potential publicity could stimulate further, year-round events in the region.

Once the necessary ICT is set up, ARTSynC plans to take advantage of broadband and other internet communications technology to enhance inter-cluster networking (between the Sunshine Coast and other regions) and links to regional high schools. Working relationships with the Innovation Centre are envisaged, with new Creative Industries enterprises at ARTSynC benefiting from resources and knowledge in a mixed new economy business incubator. This does raise the question however, whether it would be better practice to accommodate the arts incubator in or near this larger facility that has strong links to the University?   The Innovation Centre, however, is focussed on high potential technology-based enterprises, while ARTSynC will assist creative industry enterprises and individuals working in either community-based or higher-tech projects.

At this point in time, ARTSynC does not have strong networks established with industry actors such as broadcasters, distributors, or those known as 'business angels': businesses that can invest in, and distribute, products. This, it is hoped, will be rectified once the incubator is fully operational.

ARTSynC should also benefit from connections within an emerging Creative Industries Cluster on the Sunshine Coast which is being facilitated by the Department of State Development. This includes arts agencies (such as Cooroy Butter Factory, Maleny Book Farm), local councils, tourism bodies and the media. A new organisation, Smart Screen, formed in 2001 to promote film industry initiatives on the Sunshine Coast, claims the region has a large film and television skills base and potential capacity to produce feature films. The Department of State Development has commissioned a feasibility study of the Sunshine Coast's production capabilities.

The region's experiment in establishing ARTSynC is an interesting one. It will be important to monitor the progress and success of this initiative as there are potential lessons for arts and creative industries in other regions.

5.4 Issues for Cluster Development in regional Queensland

Impetus for cluster development

Our research has uncovered a significant awareness amongst knowledge workers in all three regional centres about the possibilities and strategies required to encourage greater creative production involving cluster initiatives, collaboration and wealth generation. Furthermore, there is a willingness to form greater ties between commercial, community and government enterprises to ensure that opportunities and information are not missed. The utilisation of information and communication technologies, the promotion of Indigenous cultural products and a greater movement of expertise between Brisbane and regional areas are also seen as integral to this development.

Limits to cluster developments

The disparate nature of regional Queensland towns, in terms of their climate, industry, population sizes and resources means that there will be no "one size fits all" solution to encouraging knowledge and creativity-based activities and entrepreneurship. Elizabeth Brown, Cultural Officer at the Cairns City Council expressed concern that the cluster model is not appropriate at the "grassroots" level where resources, infrastructure and training are severely lacking. However, at the professional and industry level, the cluster model has significant merit in terms of overcoming the "fragmented" nature of the arts sector and in order to form closer ties with tourism, farming and other local industry sectors.

Evidence of capacity in the region to respond to increased regional broadcasting infrastructure and demand for local production of creative content

The regional centres of Townsville, Cairns and the Sunshine Coast differ in their capacity to respond to increased broadcasting infrastructure and demand for local product.

Cairns has a small but growing film and television industry and a significant number of content creators. The region also has major infrastructure capabilities to further develop these resources, including CREDC (Cairns Regional Economic Development Corporation) which has committed support to the Cairns-based Film and Television Association (FTA). Cairns also has an active Information Communication and Technology (ICT) cluster known as **Cairns Infotech Enterprises (CITE)** which claims the sector employs approximately 1500 people in the region and has state-of-the-art telecommunications systems providing high capacity, high speed, voice and data links to anywhere in the world. Another key industry development organisation in the Cairns region is **Arts Nexus** which is concerned with economic and enterprise development of arts and cultural industries in the region. A major challenge to this region is the need for more cohesion and collaboration between the different sectors and key players and more support for networking, training and professional development. With well-targeted support, these resources and assets could lead to a healthy and vibrant local production centre in both traditional and new media content.

Townsville faces greater challenges as a production centre. The strengths of the region are in writing and indigenous media production, but there are significant gaps in production facilities, technical expertise and experienced producers. The proposal for the development of a Knowledge Centre in Townsville could provide a significant asset to local producers of content, and the development of a Creative Industries' Precinct on the waterfront in the Townsville CBD could lead to new partnering and creative opportunities in content creation.

Capturing synergies between arts and creative industries

For the Sunshine Coast, the test will be if capacity across several creative forms can be harnessed in a way that makes for a coherent sense of regional development, identity and branding. Attracting viable emerging businesses to the incubator that feed off existing and future networks; attracting those who want to make a business out of their creativity; and those with appropriate contemporary management skills, are the key challenges.

5.5 Networks outside major provincial centres

Where knowledge-based industries do not already exist, or where opportunities to participate in the knowledge economy have not yet been recognised and exploited, a different approach is required to that outlined by the participants from Cairns and Townsville.

5.5.1 Case Study: The MITEZ Meta-Network, North Queensland

The MITEZ Meta-Network (M_2N) project is a major initiative currently in development across the nine local government areas that define a corridor from Mt Isa to Townsville. It demonstrates important ways in which creative industries activity may be integrated in a holistic approach to regional development utilising existing networks and institutions. The project is an outcome of CIRAC research in the north west, and includes a concept of nine discreet social-cultural development projects to be planned and delivered across the region over a period of three years.
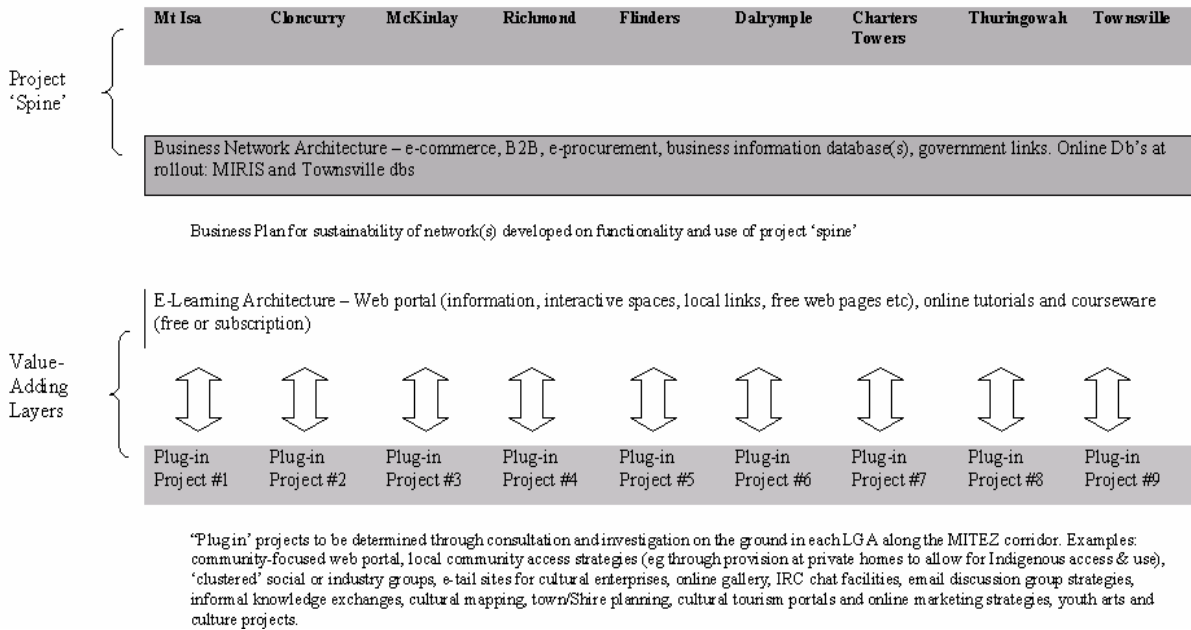
MITEZ is a consortium formed in 1995 to 'to provide a unified voice and strategic advocacy for communities and businesses from the Northern Territory border to Townsville on matters affecting economic, social and environmental sustainability.' (*MITEZ Investment Guide*, 1995) The MITEZ corridor is 1,200 kms long and its nine sub-regions support a population of 202,300 people, 5,500 businesses (80% of which are SME's) and a Gross Regional Product of $6.5 billion. Day to day management of the network is vested in the Mt Isa Chamber of Commerce, with the Chair currently located in Townsville.

MITEZ MEMBERSHIP

Local Government Authorities	Queensland Government Departments	Queensland Government Agencies	Institutions	Organisations	Private Sector
Mount Isa City Cloncurry Shire McKinlay Shire Richmond Shire Flinders Shire Dalrymple Shire Charters Towers City Thuringowa City Townsville City	State Development Natural Resources and Mines Main Roads	Townsville Port Authority Queensland Rail Ergon Energy	James Cook University	Mount Isa Chamber of Commerce Townsville Chamber of Commerce Townsville Enterprise Work North	BHP Cannington Placer Pacific Osborne Mine Selwyn Mines Limited Mount Isa Mines Western Metals Limited Mount Gordon WMC Fertilisers Phosphate Hill Macair

The M_2N Project embraces a holistic understanding of regional communities to include both economic and social-cultural development as integral elements.

M₂N
CONCEPT MAP

	Mt Isa	Cloncurry	McKinlay	Richmond	Flinders	Dalrymple	Charters Towers	Thuringowah	Townsville

Business Network Architecture – e-commerce, B2B, e-procurement, business information database(s), government links. Online Db's at rollout: MIRIS and Townsville dbs

Business Plan for sustainability of network(s) developed on functionality and use of project 'spine'

E-Learning Architecture – Web portal (information, interactive spaces, local links, free web pages etc), online tutorials and courseware (free or subscription)

Plug-in Project #1	Plug-in Project #2	Plug-in Project #3	Plug-in Project #4	Plug-in Project #5	Plug-in Project #6	Plug-in Project #7	Plug-in Project #8	Plug-in Project #9

'Plug-in' projects to be determined through consultation and investigation on the ground in each LGA along the MITEZ corridor. Examples: community-focused web portal, local community access strategies (eg through provision at private homes to allow for Indigenous access & use), 'clustered' social or industry groups, e-tail sites for cultural enterprises, online gallery, IRC chat facilities, email discussion group strategies, informal knowledge exchanges, cultural mapping, town/Shire planning, cultural tourism portals and online marketing strategies, youth arts and culture projects.

Operationally, the project will establish a powerful ICT architecture to provide in effect a 'network of networks'. This 'meta-network' will enable sophisticated business information and transaction functionality, developing an income stream over an establishment period of three years to provide for its own sustainability. An important model for its commercial functionality – MIRIS, the Mt Isa Regional Information Service – has already been developed under the auspices of Mount Isa Chamber of Commerce and supported by the Department of State Development, Mount Isa City Council, the Work North initiative, mining companies in the region and goods and services providers.

During the M₂N establishment period a series of nine 'plug-in' projects – one in each LGA – will be developed and implemented to complement core economic activity with a set of social-cultural development strategies. Such projects may involve the generation of new creative industries or new employment in existing ones, innovative development partnerships between cultural workers and government and private sector, community web portals, commercial value-adding to regional arts hubs, and networking and training/professional development activities.

The overall aim of the 'plug-in' project program of the MITEZ Meta-Network is to deliberately embed social-cultural development processes in economic development activity, towards what has been described as the 'Enterprising Region'. As such, social-cultural activity is expected to contribute here to the development of at least nine new and sustainable enterprises in the tourism, arts/culture/entertainment, IT/multimedia, education/training and human/community services sectors.

A typical pilot project will proceed thus:

- Project manager (QUT) researches, consults, and establishes working group (eg Richmond Shire Council, MITEZ, Richmond Marine Fossil Museum, Dept Employment and Training, UNISYS, third-party multimedia developer)
- Project is framed around development of new interactive multimedia displays at Fossil Museum, coupled with a training process for interested local people in maintenance and further development of the display. (Museum contribution is subsidised through a government grant brokered by the steering group.)
- A new company is created to serve the ongoing display maintenance contract, and to use new skills to work with UNISYS on developing e-learning materials based on the Richmond fossil fields.

In each of the nine MITEZ sub-regions, projects of this kind will be negotiated by project managers *on the ground* with key local stakeholders to develop and leverage local strengths and potentials.

Project partners include Unisys, which will contribute 'Smart Regions', a purpose-built regional web portal product, as well as web hosting and technical support services, and QUT's Creative Industries Research and Applications Centre, which will contribute consultation, research and management support for 'plug-in' projects. There is also an important strategic partnership with *Desert Knowledge*, a development project of the Northern Territory's Office of Territory Development and Alice Springs Town Council.

The M_2N Project is significant as an activity characteristic of what Steve Garlick calls the 'enterprising region', a conception which emphasises the need for regions to generate their own economic development dynamic, consistent with local strengths and needs, rather than rely on external modelling or leadership.

5.6 Issues for Network Development

Major centres as hubs for networked development

Major regional centres such as Townsville and Cairns may be supported to be hubs for creative industry networks encompassing smaller centres, facilitating information exchange (databases for mapping, grants and potential partnerships with institutions and industry). Cairns, in particular, can play a significant role as a "gateway" to regional Queensland, capable of attracting tourists into the region and providing information to individuals and businesses on activities occurring throughout Queensland.

5.7 Options for Government

Options relevant to this strand are similar to those identified in strand two. They need to focus on what government can do to assist micro and small enterprises become sustainable. Clusters and incubators can share characteristics such as:

- Providing assistance through the provision of shared office-space;
- Providing access to equipment and administrative help;
- Support for customised training to grasp new business opportunities.

Specific opportunities which the Queensland Government could explore include:

- **Identify creative industries hubs** in regional Queensland and initiate a planning process designed to strengthen and network regional creative industries activity, connecting them with appropriate digital infrastructure, training and other resources.

- **Provide creative industries incubators** in appropriate localities within this network. Incubators would provide start-up infrastructure such as low-cost, shared office spaces and business support services for creative industries micro-business startups.

Networks outside of provincial centres, such as the MITEZ Meta-Network, could be facilitated by:

- Negotiating integration with the Department of Innovation and Information Economy's 'Whole of Government Service Locator' online database;
- Developing working relationships with major LGAQ networking projects (funded by NTN) current over the next two years in regional Queensland;
- Developing protocols for the integration of economic and social-cultural elements in regional development policy and strategies – towards a more holistic reading of regional development (cf Garlick's 2001 concept of 'enterprising regions').

6.0 A final word

This report has sought to highlight some opportunities to strengthen creative industries in regional Queensland over the coming decade. The report focuses in part, but not solely, on broadcasting and content creation opportunities for regional communities – opportunities with job creation potential, but also potential to reinforce community identity and counter the loss of local broadcasting content.

It is important to look closely for lessons that can be learnt from experience in other states and regions. For this reason, this report has highlighted several projects and perspectives that have great relevance to Queensland. These are both from other countries such as the United Kingdom and from other states of Australia where innovative creative industries projects scaled appropriately to the realities of regional Australia are being created.

However, there is no substitute for an on-the-ground grasp of the realities of the circumstances and opportunities facing regional Queenslanders right now. That is why this report has been prepared in contact with many creative leaders in regional Queensland. In some cases, those who have worked on the report are themselves active in the development of some of the projects or similar projects. The perspectives and opportunities identified have been in many cases 'road-tested'.

Media and communications policy uncertainties at the federal level have produced frustration for those looking to digitisation, convergence and new services to 'loosen up' the grip a few centres of production have in this country. This report has focused on what a state government can do in the current circumstances, and has aimed its identification of opportunities and recommendations accordingly.

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Consultations[1]

Interviewee	Position[2]	Organisation
Elizabeth Brown	Cultural Planning & Development Officer	Cairns City Council
Phyllis Fong	Manager	Policy and Research, Australian Broadcasting Authority, Sydney
Michael Gordon-Smith	Member	Australian Broadcasting Authority, Sydney
Donna Ives	Indigenous film and television producer	
Jason Ives	Producer	TEN
Christine Langtree	Writer	
Jen Levy	Manager	Blackspots Programme, Department of Communications, Information Technology and the Arts, Canberra
Erik Oates	Manager	Arts Nexus
Suellen Maunder	Artistic Director	Just Us Theatre Ensemble (JUTE)
Ian McFadyen,	Development Officer,	ABC, Queensland
Barry Melville	General Manager	Community Broadcasting Association of Australia, Sydney.
Nicholas Mills	Arts Project Development Officer	Graft 'N' Arts Youth & Community Art Centre
Mike Popovic		Mt Isa Chamber of Commerce, Mt Isa.
Darcy Redman	Executive Director	MITEZ, (Mt Isa to Townsville Economic Development Zone) Inc., Mt Isa
John Dean	CEO	Cairns Region Economic Development Corporation (CREDC)
Dan Scherr		Information and Communications Policy, Department of Industry and Technology, WA Government, Perth
Barbara Smith	Regional project coordinator	Arts and Cultural Regional Organisation of Councils (ACROC)
Greg Dodgson	General Manager	Southern Cross' TNQ Ten Townsville
Cory Pitt		WIN Television's RTQ Townsville

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[1] Consultations were conducted between October 2001 and May 2002.

[2] Positions consultants held during October 2001 and May 2002.

Nancy Young	Business Planner	ARTSynC, arts incubator, Sunshine Coast
Stewart MacIntryre	Manager Service Delivery	Department of State Development
Peter Glasby	Manager, Technology and Service Industries Branch	Department of State Development
Stephen Copplin	CEO	ILab, Brisbane
Mark Bradley	Manager of Facilities	Innovations Centre, University of Sunshine Coast
Tricia Dobson	Arts and Cultural Development Officer	Maroochy Shire Council
Gary Wariner	Principal State Development Officer	Mooloolabah Office of State Development
Rod Hockey	General Manager	WIN Rockhampton

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