

Briefing to the Minister for Economic Growth

Problems a thriving creative economy will help to solve:

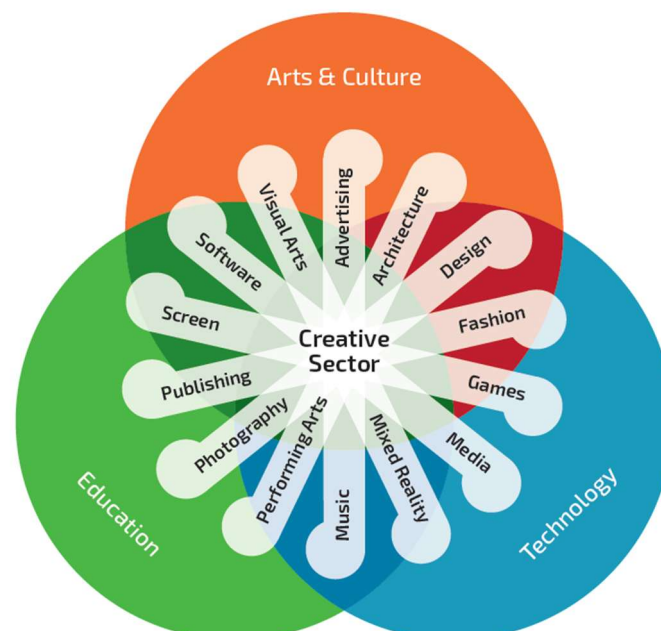
- New Zealand's reliance on shipping physical goods offshore, including the risks of international economic shocks, the imposition of tariffs by our trading partners, and geopolitical upheavals.
- The volatility of market prices for traditional sector products.
- Dependence on a small number of export markets.
- Low productivity.
- New Zealand's workforce being ill-prepared for future occupations and employment. The World Economic Forum's *'Future of Jobs'* 2023 report states that the major business organisations surveyed rated Creative Thinking as the number one 'Skill on the Rise', with Technology Literacy at number three.
- Under-leveraging the Māori creative economy. Māori culture and creativity are increasingly becoming key assets of Brand NZ internationally.

Actions needed to help resolve these problems:

- A **Minister-led cross-government commitment** to drive growth in New Zealand's creative economy. The creative sector is an ecosystem, which does not operate in 'boxes' but in ever-evolving synergies within, and between, our industries – and with technology, arts and culture, and education. Driving growth in our sector will require a similarly 'synergistic' approach. (see diagram below)
- Expanding the work of the WeCreate Data and Insights Working Group to **gather fit-for-purpose data & insights** - especially in relation to digital occupations, products and services, and creative exports – that keep pace with the rapidly changing nature of the sector, and that provide evidence for decision making, and progress monitoring¹.
- **Education and vocational training investment, policy, and programmes** that create the pathways for meaningful and well-paid careers for our young people, including the development of the transferable skills our future economy will need – creativity, critical thinking, and digital literacy. This requires equal access to creative and digital education for all schools and students.

¹ The UK has a dedicated creative sector policy and evidence centre at [NESTA](#), providing independent research and authoritative recommendations that aid the development of policies for the UK's creative industries, contributing to their continued success.

- Training and **employment policy that works for a largely freelance and micro-SME workforce**. Estimates in the sector vary by industry but Infometrics (2023 for MCH) report that over 35% of people in the sector are self-employed, and that over 90% of creative businesses employ less than five people.
- Empowering [Toi Mai](#) (the Workforce Development Council for Creative, Cultural, Recreation & Technology), which is the first industry training-type organisation the creative sector has had working on its training needs, to **develop the skills and talent that the sector needs to grow**.
- Developing **regulation that supports the economic growth of the sector** – including appropriately resourcing MBIE to effectively and efficiently complete the Review of the Copyright Act, and to address the potential impacts of Artificial Intelligence on Intellectual Property rights – in a way that enables our creators and creative businesses to earn from their work.
- Leveraging trade settings, strategies, and actions to **optimise creative export earnings potential** (especially digital exports of our Intellectual Property) to maximise the sector's contribution to Government's ambitions of doubling exports by 2033. Many creative digital 'products' can be made once to sell billions of times.
- Ministers and Trade agencies building **high-level government relationships with the multi-national platforms** who control the global digital economy, and ensuring that these companies are contributing fairly to the New Zealand market.
- Investing in creative businesses (as opposed to creative projects) including **opening access for creative tech businesses to R&D incentives** in line with other digital businesses and industries.
- **Supporting our Māori & Pasifika creative businesses** to grow, find new markets, and tell their stories, their way.
- **Sustaining a vibrant and diverse arts and culture sector** – where creative talent is developed and nurtured.



The importance of creative tech

Creative Tech is the merger of art, design, media, and content creation with digital software tools and services. Creation, production, distribution, and marketing in most of our creative industries have long been digitised – interactive products, screen and music streaming, and e-books being just a few examples. The **estimated global market size for the Creative Tech sector was USD8.5billion in 2021 and it is expected to grow 7% per year²**. New Zealand is home to software companies creating digital production tools for a range of creative and other industries, and has an international reputation for creativity in screen, design, media, and advertising.

New Zealand has a huge addressable global market for digital creative products (Intellectual Property) and services, yet our trade policy and export support services remain largely geared to the export of physical goods.

We note from the Prime Minister's recent 'State of the Nation' speech that he wants 'a country with more start-ups, more investment, higher incomes, and whole ecosystems of growth and innovation'. The New Zealand Creative Tech sub-sector has been at the forefront of digital innovation for several decades now, creates high value (and many highly acclaimed) exports and jobs, and has excellent potential for further growth, if given appropriate support.

We do not currently know the value of our creative digital exports, yet anecdotally they are becoming an increasingly important source of our export revenue. With continued advancement of digital technologies (including Artificial Intelligence/AI) creative capital will become equally important to New Zealand as financial and natural capital is.

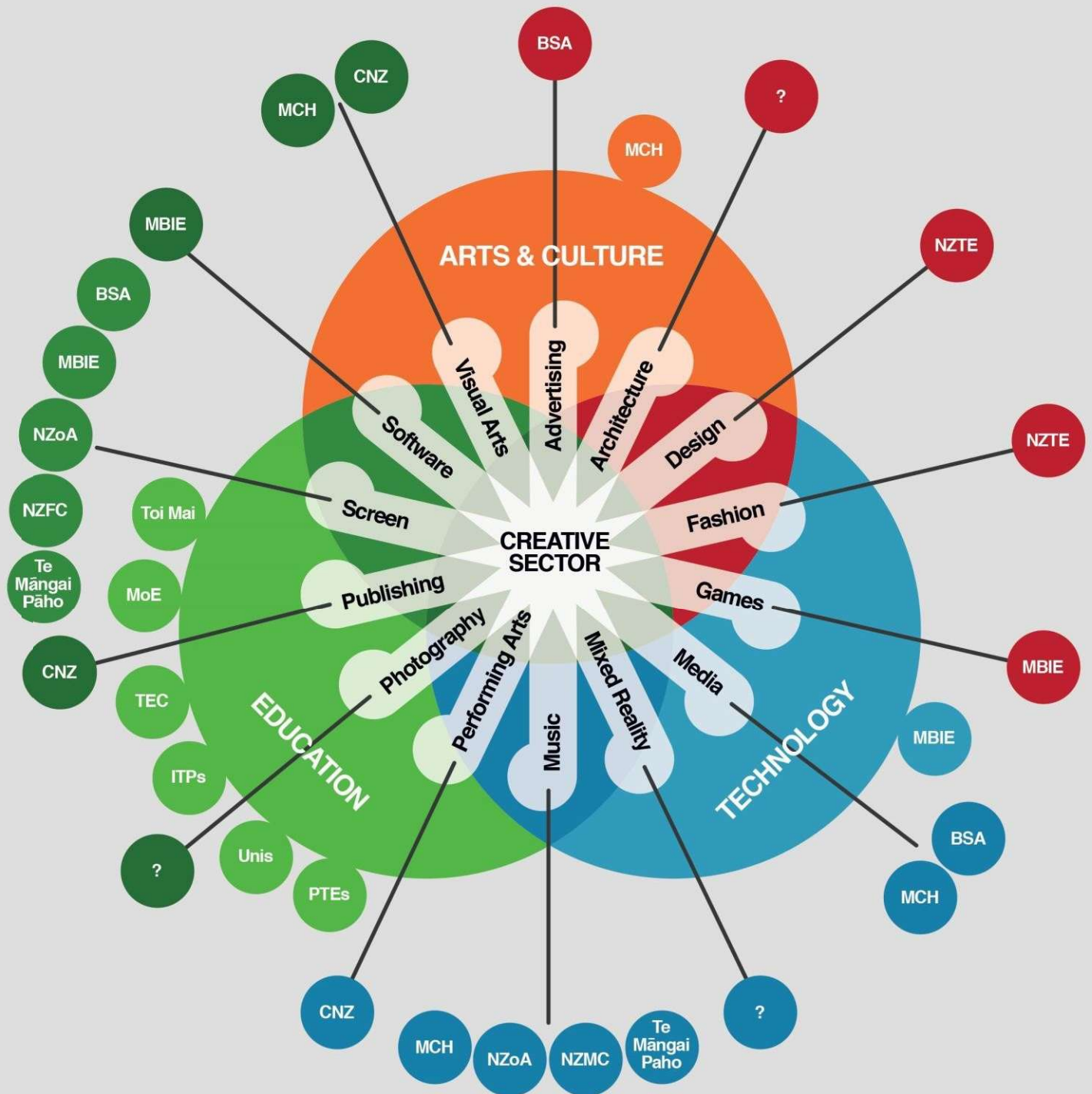
Creative digital exports are distributed 'weightlessly' and with less impact on the environment than physical goods. They are seldom subject to traditional trade barriers, although some non-tariff barriers do exist.

Creative tech businesses are where the transferable skills (creativity and technology literacy), and innovative talent, that New Zealand's future workforce will require - are developed, yet there are few incentives for these businesses to train and develop their staff. There is no government-backed apprenticeship-type scheme for creative tech workforce development.

The Toi Mai Workforce Development Council is the only government agency bringing together creative and tech workforce insights and structures needed for sustainable careers both in the Creative Tech economy, and in other technology.

² Grand View Research – "Creative Software Market Size, Share & Trends Analysis Report By Deployment, By Type, By region, And Segment Forecasts, 2022 – 2028", 2021.

Government Agency Connections with the **Creative Sector**



This is intended to be indicative of the interactions the sector has with government, not a complete picture.

International examples of a cross-government strategic approach to the creative economy

Countries looking to diversify their economies, and maximise the opportunities of 21st century trade, are looking at new ways of capturing the value and productivity of sectors that do not solely produce physical goods, but increasingly emphasise digital products and services. They are also focusing on occupations and skills that will be most likely to withstand replacement by, or develop alongside, technology.

Progressive economies around the world are implementing plans, in partnership with government, to accelerate growth in their creative sectors. One example of this - the United Kingdom – is detailed below. Another recent example is Australia where, in February 2023, the whole-of-government [National Cultural Policy 'Revive'](#) – was launched. This is a five-year strategy which recognises that '*culture permeates every level of human activities and economies, which it is government's role to enable, manage and legislate – it doesn't exist in silos*'.

UNITED KINGDOM - Sector Deal (2018) to Sector Vision (2023)

The UK is the exemplar for an industry-government partnership in growing its prosperity as a creative nation. In 2010, at the instigation of their new Conservative government, the Creative Industries Council was formed – a joint industry and government group co-chaired by Nicola Mandelson (VP EMEA, Facebook) and the Secretaries of State for Business, Innovation & Skills and Culture Media & Sport. It included representatives from across the sector - from industry, trade associations and public bodies.

2014 - the Creative Industries Council's overall goals in their *Create UK Creative Industries Strategy* were:

- Government and industry working in partnership to put creative industries at the heart of the growth agenda, as the most important growth sector to the UK economy.
- Ensuring a business, regulatory, and fiscal environment that encourages the creation of, investment in, and commercialisation of Intellectual Property (IP) assets, so UK creative businesses can start up, succeed and grow and the UK is seen internationally as an attractive place to do business.
- Having support for the UK's creative industries at all levels of government and across all departments.

Also in 2014 - UK Trade and Investment launched the *UK Creative Industries International Strategy* with 2020 targets of:

- Doubling the value of exports from the creative industries.
- Doubling the number of UK creative businesses that use UKTI services.
- Winning a greater share of inbound foreign direct investment.

2016 - the strategy was fortified and extended in *Create Together* to champion eight key drivers of creative industries growth - digital infrastructure, diversity, education and skills, finance for growth, Intellectual Property, international, regions and clusters, and regulation.

2018 - the UK launched a landmark [Industrial Strategy: Creative Industries Sector Deal](#), an agreement between government and industry, investing £150 million to unlock growth for creative businesses.

- Places – Support creative centres across the country, to enable clusters of world-class businesses to increase GVA and employment.
- Ideas – Open up R&D funding to catalyse innovation.

- Business Environment – Tackle copyright infringement, continue to address the transfer of value from the creative industries and progress work on closing the value gap.
- Reduce barriers to accessing finance for growth.
- Build on a strong export performance to drive a Global Britain.
- People – Increase the supply and diversity of skills and talent in the creative industries.

2022 – [The Creative Industries Trade and Investment Board](#) (CITIB), an industry-led forum with industry-wide representation and expertise on exports and inward investment, launched a strategy to advise and support creative businesses accessing new markets and to grow their presence around the world. The CITIB strategy aims to grow the UK's creative exports to £78bn by 2030.

In June of 2023 the UK's Conservative government launched its [Creative Industries Sector Vision](#): a joint plan to drive growth, build talent, and develop skills – aiming to grow the sector by an additional £50bn, and create one million extra jobs, by 2030, which includes the objectives of:

- Growing creative clusters across the UK, enabling creative businesses to reach their growth potential powered by a step-change in regional investment, and strengthening collaboration with local authorities.
- Increasing public and private investment in creative industries R&D and innovation.
- Building a highly productive and inclusive workforce for the future by providing a foundation of education and opportunities to foster talent from a young age and developing skills and career pathways to generate a workforce that meets the industry's skills needs.
- Expanding on the export objectives, investment and actions of the Creative Industries Trade and Investment Board including:
 - tripling funding for music export
 - doubling the number of creative industries trade missions
 - expanding the DBT's Export Support Service to better assist creative exporters
 - ensuring more creative businesses have the specialist resources and knowledge they need to access international markets
 - ensuring the UK has beneficial trade terms and minimised market barriers for creative industries in priority markets
 - increasing the profile of the UK's creative industries at overseas events and trade shows – with a focus on creative tech companies at key tech global conferences.
 - Extending and increasing the public funding of the NESTA [Creative Industries Policy and Evidence Centre](#) to ensure the availability of good data for effective policy-making.

This committed industry-government strategic partnership to grow the UK creative sector has had spectacular economic results:

2016 - Fastest expanding sector, growing at 8.9%, and delivering a 48.9% increase in exports since 2009.

2018 – Fastest growing sector, earning £10.5m an hour, delivering £98.1bn to GVA and 9.4% of services exports.

2023 – The creative sector has grown 1.5 times faster than the wider economy since the industry-government partnership was launched a decade before. The contribution to GVA is £108bn – 60.5% growth in the past eight years.

In October 2024, the UK launched '[Invest 2025 – The UK's Modern Industrial Strategy](#)', which identifies the creative sector as one of eight growth-driving sectors. Ambitious and targeted Sector Plans will be designed in partnership with business, devolved governments, regions, experts, and other stakeholders, through bespoke arrangements tailored to each sector and where there is evidence that policy can address barriers to growth.

You might also find the following UK reports and strategies, implemented under the Conservative government, interesting to consider:

- [UK Creative Industries Sector Deal \(2018\)](#)
- [UK Sector Vision \(2023\)](#)
- [UK Creative Industries Trade & Investment \(2022\)](#)

OTHER INTERNATIONAL STRATEGIES FOR ECONOMIC GROWTH:

Further examples of international industry-government strategies for growing creative economies can be found at the links below:

- [Australia - SE Asia Economic Strategy for Creative Industries Exports](#) (DFAT 2023)
- [Ireland – Roadmap for Digital & Creative Industries \(2024\)](#)
- [The Republic of Korea - K-CONTENT GOES GLOBAL](#): How government support and copyright policy fuelled the Republic of Korea's creative economy (UNCTAD 2024)