



ART, CULTURE, THE CREATIVE INDUSTRIES AND INDIGENOUS ECONOMIC DEVELOPMENT

THE TORRES STRAIT REGION BUSINESS GROWTH PACKAGE

Sasha Lennon

In my more than 25 years consulting throughout Australia in the field of regional economic development, I've been struck by the often unassuming but powerful role that culture, and specifically the arts and creative industries play in the contribution they make to a region's 'socio-economic architecture'. Eclectic by nature and often small in scale, the arts and creative industries are essential for the way they define a region's character and the contribution they make to its appeal as a place in which to live, work and invest.

Where I've found arts and creative industries to be particularly powerful in the contribution they make to economic development and community wellbeing, is in Indigenous communities. Art and culture and the creative industries are intrinsically linked with Indigenous economic

development. As is the case for regional economies more broadly, efforts to help Indigenous communities prosper are most successful when they capitalise on existing comparative and competitive attributes and advantages.

'INDIGENOUS ECONOMIC DEVELOPMENT' DEFINED

'Indigenous economic development' refers to the involvement of Indigenous people in employment, business, asset and wealth creation in the communities and regions where they live. Realising the potential of Indigenous businesses is important for Indigenous communities and the regions in which they operate more broadly. Indigenous enterprise development can help engender a greater culture of employment and social contribution within local communities and foster an

environment which supports further innovation and opportunity by inspiring the next generation of Indigenous business owners.

Indigenous business development leads to employment creation. Indigenous businesses are over 100 times more likely to hire Indigenous workers than non-Indigenous businesses. Many also make significant contributions to the community, such as the provision of pro-bono advice and support, or sponsorship of local sports teams and cultural events. In turn, successful Indigenous businesses can create a 'multiplier effect' that in itself can foster further economic development and wealth creation.

One place where I've seen the successful design and implementation of Indigenous

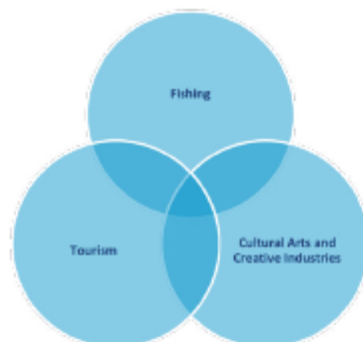
business development programs first-hand in Australia's Torres Strait Region. Over a period of five years from early 2015, I was fortunate to have spent many weeks and months working in the Torres Strait Region's 16 communities, firstly to review the Torres Strait Regional Authority's previous community and economic development program and thereafter, to help design a new approach to regional economic development through the preparation of the Torres Strait Regional Economic Investment Strategy (REIS).

The REIS was prepared by the Torres Strait Regional Authority (TSRA) with the assistance of SC Lennon & Associates in 2015 and officially launched in 2016. Recognising the Torres Strait Region's many challenges, the REIS defines an approach to business assistance that is informed, strategic and targeted in nature. It identifies sustainable industries which - in light of the many challenges and constraints on the region's economic growth - provide the greatest potential to establish and grow commercially-viable businesses throughout the Torres Strait.

A key recommendation of the REIS was that the Torres Strait Regional Authority (TSRA) pro-actively focus its business assistance services on opportunities for commercially-viable business development within three 'focal' industries, being:

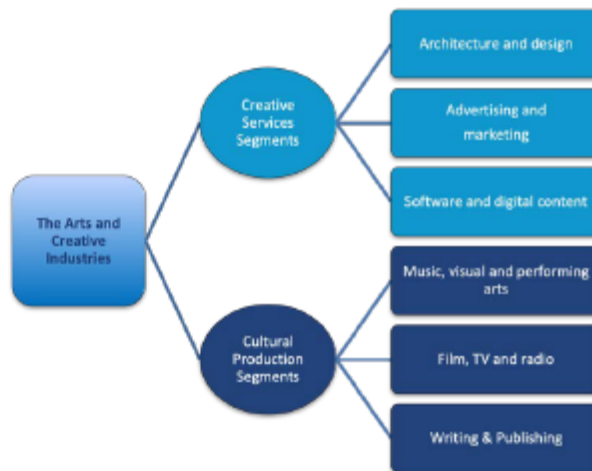
1. Fishing;
2. Tourism; and
3. Cultural Arts and Creative Industries.

Figure 1. 'Focal' Industries for TSRA Business Assistance



Source: SC Lennon & Associates and Torres Strait Regional Authority

Figure 2. Creative Industries Segments and Sectors



Source: SC Lennon & Associates and Centre of Excellence for Creative Industries & Innovation (2013)

The design and rollout of a new business support product, the Torres Strait Business Growth Package, was a direct outcome of that key recommendation. Recognising the embedded nature of art, culture and creativity throughout the communities of the Torres Strait Region, interest in the Business Growth Package from both established and emerging local artists and creatives has been particularly strong.

DEFINING THE ARTS AND CREATIVE INDUSTRIES

Because the arts and creative industries are eclectic in nature, for the sake of policy design, strategic planning and program implementation, it is important to understand the differences, as well as the commonalities, between art and culture and creative industries.

'Culture' can be defined as the sum of attitudes, customs and beliefs that distinguishes one group of people from another. Culture is transmitted from one generation to the next, or from one group of people to others, through language, material objects, rituals, institutions and art.

'Art', which is a form of 'cultural production' includes, for example, music, singing, dance, visual arts and other performing arts like acting, as well as writing and film-making. These artistic endeavours are often non-commercial or not-for-profit in nature and their value is recognised in the contribution they make to individual and community wellbeing through artistic expression and enjoyment.

These 'cultural production' activities, if transformed into commercial outcomes also form part of what is known as the creative industries. This refers to a broad grouping of individuals and organisations (businesses) that turn original creativity into commercial outcomes. Highly dependent on creative talent, creative industries can be distinguished from other industries by the fact that 'creativity' is their primary source of value. They include six broad segments or types of creative individuals and businesses, being:

1. Music, Visual and Performing Arts (e.g. musicians, singers, dancers, actors, jewellery-makers, weavers, sculptors);
2. Film, TV and Radio (e.g. video producers, radio presenters);
3. Writing & Publishing (e.g. creative writers, journalists);
4. Software and Digital Content (e.g. computer animators, software designers, video game designers);
5. Advertising and Marketing (e.g. marketing and advertising specialists, copywriters, public relations specialists);
6. Architecture and Design (e.g. architects, landscape architects, graphic designers, web designers, photographers, illustrators, fashion designers, interior designers).

Industry segments 1-3 above are what are known as the 'cultural production' segments, while segments 3-6 are the 'creative services' segments.

How government programs which encourage and support businesses and individuals in these creative industries are designed, should reflect the important distinction between art and culture as a social, cultural or community pursuit and the creative industries as commercially-oriented business pursuits that can contribute to a region's economic development.

Support for local art and culture can focus on developing the skills, capabilities and experience of local artists. This includes professional development / career development, but it does not include business development. In other words, the primary focus is on non-commercial activities and the aim should be to protect, promote, revitalise and maintain cultural heritage in the interests of community wellbeing.

On the other hand, creative industries support programs with an economic development focus - to help increase an area's level of income and employment - should be specifically designed to support individuals and businesses with a commercial focus. This includes those seeking to build a business based on arts and culture as well as those looking to develop other 'creative' businesses or business ideas in 'new economy' sectors like, for example, web design, marketing and promotions, photography, etc.

THE TORRES STRAIT CULTURAL ARTS AND CREATIVE INDUSTRIES BUSINESS GROWTH PACKAGE

The Torres Strait is one of the most remote and sparsely populated regions in Australia. High costs of basic services and of doing business in the region, infrastructure shortfalls, unemployment and a lack of economic independence amongst many Torres Strait Islanders and Aboriginal people living in the region pose significant challenges in efforts to facilitate opportunities for commercially-viable businesses.

According to the Australian Bureau of Statistics' 2016 Census of Population and Housing, the Torres Strait region - which includes the three local government areas of the Torres Shire Council, Torres Strait Island Regional Council and Northern Peninsula Area Regional Council - has

a population of 10,920. The Torres Strait region's population is widely dispersed across an area that is about 200 kilometres from north to south and approximately 240 kilometres from west to east, or 48,000 square kilometres in area. Thursday Island is the region's principal centre, with a resident population of approximately 2,900.

The Torres Strait Regional Authority (TSRA) is the lead economic development 'solution broker' for the Torres Strait Region. The TSRA Economic Development Programme Team works in partnership with other government and non-government organisations and individual communities to advance regional economic development by creating sustainable industries and increasing employment opportunities for Torres Strait Islanders and Aboriginal People living in the region equivalent to the wider Australian community.

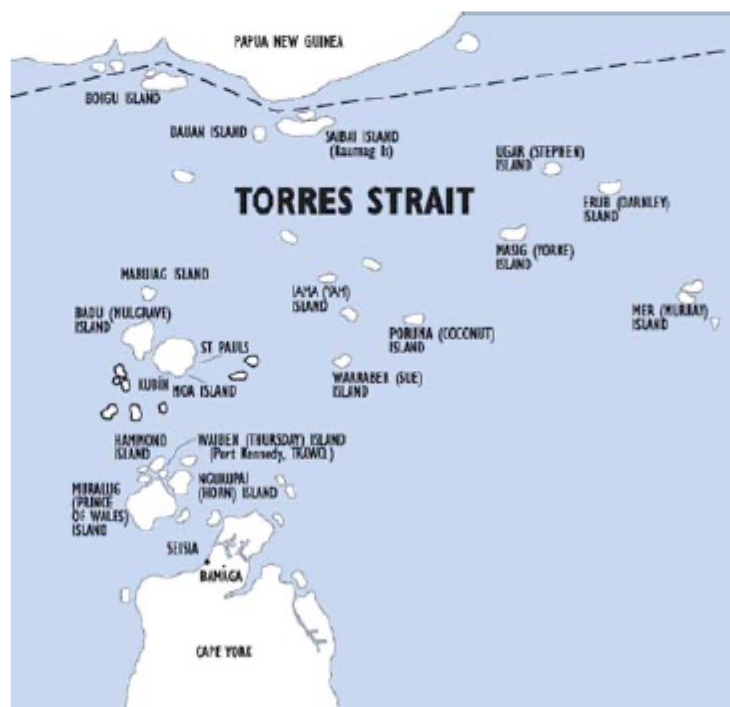
The TSRA's Economic Development Programme aims, as articulated in the Torres Strait Development Plan 2014-2018, are to stimulate economic development across the Torres Strait Region; advance business skills and align training initiatives

with regional employment opportunities; and advance Torres Strait Islander and Aboriginal ownership and management of businesses in the region.

Realisation of the TSRA's Economic Development Programme objectives has been achieved through the design and implementation of the Torres Strait Regional Economic Investment Strategy. The Regional Economic Investment Strategy, or 'REIS' as it is commonly referred to in the region, is a strategic planning document which provides the overarching framework for the delivery of business assistance products and services by the TSRA.

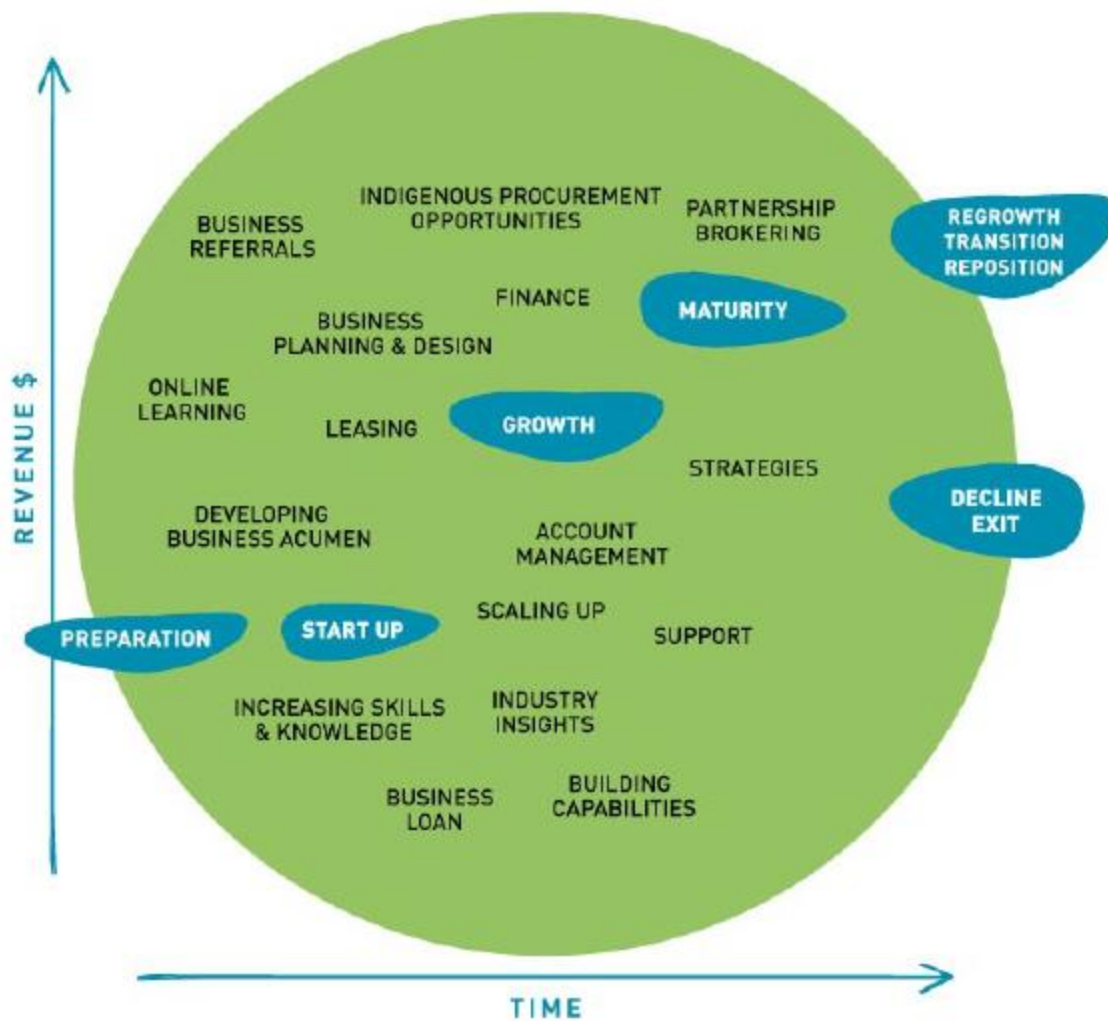
In line with the Torres Strait Development Plan, the REIS provides the TSRA with a well-researched, analytical and informed approach to delivering targeted enterprise assistance to support commercially-viable Indigenous business development for all communities of the Torres Strait Region. By adding value to the TSRA's Economic Development Programme objectives, implementation of the REIS has helped realise the region's vision of 'Empowering our people, in our decision, in our culture, for our future'.

Figure 3. The Torres Strait Region



Source: Torres Strait Regional Authority

Figure 4. The Business Life Cycle



Following the launch of the REIS in 2016, the TSRA's Economic Development Programme Team embarked on a more strategic, informed and targeted approach to the delivery of business assistance products and services. A key recommendation of the REIS was that the TSRA pro-actively focus its business assistance services on opportunities for commercially viable business development within three 'focal' industries, being: Fishing; Cultural Arts and Creative Industries; and Tourism.

The Cultural Arts and Creative Industries Business Growth Package is specifically designed to support businesses that rely on 'creativity' as their primary source of value. This includes those seeking to build

a business based on traditional arts and culture as well as those looking to develop other 'creative' businesses or business ideas in any of the six Arts and Creative Industries segments referred to above.

The BGP was designed specifically to support and grow commercially-viable businesses owned and operated by Torres Strait Islanders and Aboriginal people in the Torres Strait Region. It is focussed on more 'mature' businesses and proposals with a well-developed business case and is designed to complement the suite of other business support products and services of the TSRA and other agencies including the Department of Prime Minister and Cabinet (PM&C), Indigenous Business Australia (IBA) and the Queensland Government.

The TSRA's Economic Development Programme Team has developed and implemented a suite of products and services to support business entrepreneurs through every stage of the business life cycle.

In addition to the BGP, under the REIS framework, the TSRA facilitates business development workshops and access to business mentoring and support services as well as business loans. The TSRA also provides access to support offered by others, including support for participation in business development summits, trade events, forums and conferences as well as referrals by the TSRA to other (non-TSRA) business assistance products and services.

The REIS focuses the TSRA's programme of business assistance on the promotion and delivery of a strategically targeted mix of financial and in-kind assistance designed to identify and develop commercially-viable businesses. To be eligible for REIS assistance from the TSRA, applicants need to provide evidence of their own investment or commitment to invest financially in the business proposal and the means for financing their investment (e.g. savings, commercial loan, other forms of borrowing, etc.). This is a critical point of difference between the REIS and the TSRA's previous approaches to providing business assistance using a grants-based approach.

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SOME KEY TAKE-AWAYS

Growing a pipeline of emerging Indigenous business operators and potential TSRA customers is constrained by a range of regional challenges referred to above. The TSRA's historical learnings and experience of business failures significantly informed the preparation of the REIS and the shaping of the Economic Development Programme's processes and service delivery. In developing the REIS and the Business Growth Package, the TSRA recognised a need to place greater emphasis on assessment and pre-loan support around business knowledge, acumen and implementation.

In recent years the Economic Development Programme has increased its focus on

supporting aspiring entrepreneurs to better understand the capability and business acumen needed for successful and sustainable business ownership. In addition to the skills required to be successful in business. As a result, a number of individuals chose not to pursue business immediately and were instead supported in building their basic business capabilities first.

To maintain its focus on a strategic, informed and targeted approach to business assistance, the TSRA's Economic Development Programme team administers the Business Growth Package on the basis of three fundamentals, being:

1. The quality of the enterprise and /or business proposal (good prospects for commercial viability);
2. The quality of the business proponent (that is, the owning / controlling / managing entity must demonstrate a propensity to be capable of realising the commerciality of the enterprise); and
3. Alignment of the business proposition with the Torres Strait Region's strategic comparative and competitive advantages and opportunities for industry / economic development.

These fundamentals underpin the delivery of the BGP as well as all other products and services delivered through the TSRA's Economic Development Programme.

Consistent with the aims of the Economic Development Programme, the implementation of the REIS has proactively addressed identified challenges and targeted opportunities for the sustainable economic development of the Torres Strait Region. Specifically, the REIS has worked to facilitate a number of commercially-viable business opportunities in the region and successfully guided the Economic Development Programme in the delivery of a range of services and products designed to meet its Programme aims.

Through the Business Growth Package, the TSRA has had a number of successes assisting both creative and other businesses grow into commercially-viable operations. Experience in the Torres Strait has shown that, in designing business support programs to encourage Indigenous economic development,

the emphasis should be on 'for-profit' commercial business opportunities in the creative industries - both cultural production and creative services (as well as in other focal industries) - which can help deliver real economic development outcomes in the form of business development, employment generation and local wealth creation.

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ABOUT THE AUTHOR

SASHA LENNON



Sasha Lennon is a Brisbane-based consultant with over 25 years' experience specialising in the preparation of regional economic development strategies, tourism strategies and destination management plans, economic needs and impact assessments, business cases, corporate plans and strategic plans. He is the Director of consultancy firm SC Lennon & Associates Pty Ltd. Go to www.sashalennon.com.au