REPORT FOR EXPORT NEW ZEALAND / JULY 2019

New Zealand Creative Exporters

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INTRODUCTION

THIS REPORT EXPLORES KEY THEMES ARISING FROM INTERVIEWS AND DISCUSSIONS THAT HAVE TAKEN PLACE OVER THE PAST 6 MONTHS WITH 25 HEADS OF THE CREATIVE INDUSTRIES, THOUGHT LEADERS, ACADEMICS, STUDENTS, BUSINESS START-UPS AND GENERAL MEMBERS OF AND CONTRIBUTORS TO NEW ZEALAND'S CREATIVE COMMUNITY. SOME OF THE POINTS THEREFORE ARE DIRECT COMMENTS AND QUITE CONVERSATIONAL IN NATURE.

THE FOCUS OF THIS REPORT IS ON THE SCREEN SECTOR OF THE CREATIVE ECONOMY, IN ITSELF COVERING SIGNIFICANT GROUND, INCLUDING: FILM, TV, GAMING, CODING, DESIGN, VIRTUAL, AUGMENTED AND MIXED REALITY, TOURISM, MANUFACTURING AND RETAIL (FILM PROP REPLICA COLLECTIBLES).

Key Themes

- The importance of a practical creative skill set for exporters

- The creative sector needs to focus on international opportunities to spread the peaks and troughs of project-based work and diversify opportunities.

- The marketing power of the proven track record of our New Zealand creative sector cannot be overstated but also risks becoming a "missed opportunity" for the country.

- The sector is dominated by some large successful exporters and a lot of new start-ups, but there is a "missing middle". Consequently, the question arises: Where are the mid-sized companies that will carry the sector forward on the next wave?

- Wellington is a creative cluster which has significant collaborative and spill-over benefits for companies operating in the region. Active regional and national strategies should be pursued for various regionally-based, internationally-focused clusters to benefit companies within their "halos".

- There is a formal and informal creative sector, areas where "creativity" has been captured for profit and areas where creativity exists outside the profit-based model. Opportunities for rapid "game changing" growth come from a careful balance of support for both sides of the creative sector.

Within these themes the report will also provide:

- Insights into key target markets and areas of development for New Zealand's creative organisations

- Views on how New Zealand's creative economy and business capacity are perceived internationally

- Strategies and solutions that New Zealand exporters have developed to manage trade challenges and barriers

- Recommendations on where our export trade infrastructure could be reviewed to better understand and support creative exports

- Evidence of how vital educational activities and industry connections are to the development of our creative exports and where opportunities exist to collaborate with international companies, individuals and academic organisations to better support trade.

WHAT IS THE CREATIVE SECTOR?

THERE ARE A MULTITUDE OF DIVISIONS WITHIN THE CREATIVE SECTOR THAT CONTRIBUTE OVER $17B TO ANNUAL GDP ACROSS ADVERTISING, ARCHITECTURE, DESIGN, FILM AND TV, GAMES, MIXED REALITY, MUSIC, PERFORMING ARTS, PHOTOGRAPHY, PUBLISHING, SOFTWARE AND VISUAL ARTS. WHAT FOLLOWS IS A VISUALISATION OF THE EXPORT SECTORS WITHIN THE CREATIVE SECTOR.

SCREEN SECTOR

FILM
TELEVISION
MIXED REALITY
GAMING
YOUTUBE CONTENT CREATORS

ARCHITECTURE AND DESIGN

INTERFACE DESIGN
INDUSTRIAL DESIGN
MEDICAL DESIGN
URBAN DESIGN
INTERIOR DESIGN
COMMUNICATION DESIGN
USER EXPERIENCE DESIGN

ENGINEERING

COMPUTER ENGINEERING
SOFTWARE ENGINEERING
STRUCTURAL ENGINEERING
AEROSPACE ENGINEERING
ELECTRONIC ENGINEERING

MANUFACTURING AND PRODUCTION

HIGH VALUE MANUFACTURING
FASHION
3D PRINTING
DATA PRODUCTION
BIOLOGICAL PRODUCTION
AGRICULTURE (AGRI-INFOTECH)

VISUAL ARTS

THEATRE
MUSEUM SECTOR
DANCE
TRADITIONAL ARTS
STREET EVENTS
SCULPTURE
PHOTOGRAPHY
VISUAL EFFECTS INDUSTRY

MUSIC

CLASSICAL/CONCERT
POPULAR
FESTIVALS
FILM INDUSTRY SCORES
GAMES INDUSTRY SCORES

MEDIA

ADVERTISING
SOCIAL MEDIA
MARKETING & TOURISM
MOBILE APP CONTENT
FILMS, GAMES, VR, AR
NEWSMEDIA
ONLINE CONTENT
STREAMING SERVICES

At the end of the first quarter of 2019 New Zealand employed 131,890 people in creative jobs - constituting 6.8% of the national workforce and contributing $17.5bn to the country's GDP. ($288bn as at October 2018).

Some creative sector jobs and GDP contribution highlights – as at first quarter of 2019:

- The games industry provided a total 2,305 FTE jobs (1,024 direct) and had a total impact on GDP of $239 million ($98 million direct)
- Book publishing provided a total 3,708 FTE jobs (2,026 direct) and had a total impact on GDP of $308 million ($128 million direct)
- The music industry provided a total 4,295 FTE jobs (1,754 direct) and had a total impact on GDP of $472 million ($213 million direct)
- Film and television provided a total 31,416 FTE jobs (14,431 direct) and had a total impact on GDP of $2,829 million ($1,303 million direct)

In an increasingly networked world, Kiwi creativity drives jobs and economic growth, not only in the creative industries but increasingly as a key enabler of other sectors.

So really the question is - what does creativity not cover?

Almost every industry and career path contains the potential for creativity and consequent innovation; New Zealand's population size, fluid management structures and culture of individual problem solving present many opportunities. Perhaps more relevant to this report is the significant range of creative solutions to be achieved through collaborations and the barriers to innovation unique to New Zealand.

What opportunities exist for us to leverage our creative reputation globally?

New Zealand sits at a global economic and historic crossroads. After a long post-war period in which the global economy has been configured around the supremacy of the United States and Western Europe, established trading blocks are witnessing the rise to prominence of previously semi-industrial and industrialising economies and trading blocks such as China, India, South East Asia and Latin America. While trade tensions and trade wars receive the greatest headlines, these blocks are increasingly cooperating and integrating in a manner that suggests a multi-polar economic structure is both inevitable and at hand. At the same time, technologies that promise the first significant wave of automation in cognitive labour are not simply on the horizon but are already making themselves felt. Developments in machine learning and neural networks, promised since the 1970s, are finally breaking through with notable rapidity. The changed economic landscape, alongside the disruptive potential of computer science and design technologies, in addition to a rapidly rising global awareness of the real threat climate change represents, are creating a context of expeditious, necessary and potentially unexpected social, political and economic change. In such a context, swift and creative solutions to current business structures are being, and will continue to be, sought out. Such an environment

presents significant opportunities for New Zealand should the country carefully leverage the advantages it has already built as a flexible advanced economy that nevertheless inhabits a unique geographic and cultural crossroads.

Leading existing creative markets (US, China and India as an up-and-comer), consider New Zealand a creative centre of excellence with a disproportionate ability to develop and lead the market in new creative technologies. But what do those opportunities actually look like?

Throughout our research with a range of organisations and creative individuals, the recurring theme has been that to ensure future expansion and continue to lead and compete at a high international level there needs to be a supported work force coming through with a great deal of practical experience and resilience and the ability to problem solve – all characteristics fundamental to providing creative solutions to global challenges.

So what do these creative opportunities look like?

New Zealand shares a number of characteristics common to well known, highly innovative countries such as Ireland, Finland, Norway, Sweden, Israel, Denmark and others. All these nations have populations below 6 million and can be characterised by highly mobile, well- networked and often diasporic people. While this is sometimes negatively portrayed as a problematic "brain drain", in the current economy, travel, connection, networks and global flow make for strengthened innovation pathways and an international outlook necessary for increasing global interconnection. Research abounds on the significant relationship between migration and innovation. Similarly, academic literature on understanding innovation suggests that creative breakthroughs are less the result of "eureka" moments and more the consequence of recombining already existing ideas in new ways. For instance, New Zealand's agricultural sector can and will continue to improve through gradual iterative developments in production processes. But over the medium to long-term the real opportunities lie in the fusion of ground level experience with information technology and bio-science developments, mixing already-existing research in new ways to provide for potentially large leaps in processes and productivity.

We can see similar examples already occurring in the screen sector where a strong 1970s and 80s film industry was able to extend its advantage by adding information technology making New Zealand the centre of the global visual effects industry. In such a context, countries with a small population, such as those referred to above, providing close access to governance and policy makers, low barriers to entry enabling innovative concepts to develop, and with the means to support creative business to fruition, will fare well (though access to sizable markets becomes a subsequent downstream consideration).

New Zealand's well-worn cliché of the "2 degrees" phenomenon should not be dismissed simply because it is a cliché. Our capacity to connect creative business entrepreneurs directly to the decision makers and leaders in the creative sector, both in New Zealand and overseas, has been crucial to our success and will have growing significance in a future ever more governed by the network effect.

An example of this is a project Miramar Creative has developed in which business start-ups, and students studying business, media, marketing, music, architecture and design work alongside industry mentors and creative content makers from leading organisations in New Zealand and abroad (we are working within film and mixed reality in this example) on several key areas of business establishment including:

- Intellectual property development and protection
- Financial planning and business viability
- International marketing and business scaling
- Concept design
- Media management and social media
- Story development and treatment
- Project and pitch proposals.

All are key areas of production development requiring a range of practical skills and active contributions from global creative industry leaders to ensure content is made and businesses develop.

One of the key points of difference for the New Zealand creative sector is access to the right people, due to our small size and supportive environment. The "right people" can seem hard to define but in this case we assert such people have a number of personal and professional characteristics. First, they have a high degree of international and local professional experience in their area of expertise. Second, they have a high degree of investment in the idea of sharing this expertise and mentorship for the good of New Zealand's next generation of innovators. Third (and as a result of the first characteristic), they are well-networked nationally and internationally and understand the value of sharing this resource.

In Wellington in particular we can access some world-renowned leaders, something we often take for granted. Overseas, this ability is hugely valued; it gives us leverage to set up amazing opportunities to support existing businesses and our up and coming creative leaders. In future we suggest the importance of this ability to access must be more readily acknowledged if we are to utilise it most effectively and preserve and extend it. Against a backdrop of large trading blocks and huge capital flows, New Zealand's high degree of interconnectivity is a vital resource and must be recognised and treated as such.

THE STRENGTHS OF OUR NEW ZEALAND CREATIVE SECTOR

MANY OF THE DEFINING ASPECTS OF OUR CREATIVE SECTOR ARE ATTRIBUTES SHARED ACROSS A MULTITUDE OF INDUSTRIES. WE ARE A WELL-CONNECTED COUNTRY, KNOWN FOR OUR ABILITY TO FIND SOLUTIONS WITH LIMITED RESOURCES, LARGELY A CONSEQUENCE OF OUR PIONEERING AND RESILIENT CULTURE.

Talent pipeline is supported

The success of the wider creative sector has been greatly influenced by the success of our local film and screen industry fostering a spirit of collaboration in many businesses. From an educational point of view the future looks bright with several academic institutions, including Massey, Toi Whakaari, Te Auaha and Victoria University of Wellington, offering a range of creative learning options. This wide range of options is the start of a pipeline which will draw more students to study, connect and work with industry, ensuring more creative projects that will feed into our local and national economy are established in Wellington.

Collaborative New Zealand

Effectively, Wellington and New Zealand are unique in that here the life cycle of creativity is well-nourished by a range of closely connected creative production companies, organisations and individuals. Educational facilities and business start-up support also help

to expand the scope of the international projects drawn up and produced in Wellington and New Zealand, along with our capacity and track record for excellence in production and ease of interaction, together with our ability to develop and master future technologies.

Wellington is a creative business ground breaker and global heavyweight – we have world-class studios, soundstages and post production facilities, creative entrepreneurs taking on multi-national conglomerates and globally top-ranking educational institutions (not to mention one of the world's most successful film Directors (James Cameron) electing to set up shop here). Yet industry pioneers and the sector as a whole are very humble in their achievements and in acknowledging their international capability. All the industry leaders who have taken part in this research are highly passionate about ensuring their legacy continues, thriving and expanding. Nor is this an idle gesture. There is, and has been for many years, significant investment by private individuals and organisations in the physical infrastructure and facilities that create and showcase content which promotes access and connectivity on both a local and international basis.

TRADE BARRIERS THAT NEW ZEALAND CREATIVE BUSINESSES ARE FACING

What the creative exporters say…

- **Local knowledge.** An understanding of a specific country or region can be hard to acquire. Having a strong relationship with New Zealand Trade and Enterprise certainly helps on the ground in most international markets - especially as while some new markets understand the creative sector and how it operates, some are still learning, which makes doing business in these regions (mainly lesser-known areas of South East Asia and India) quite challenging and often too difficult overall.

- **Our geographic position can be an issue.** Although the traditional market for creative exports is the US and the emerging market is China, we need to broaden our scope, moving into South America, South East Asia and India, which means increased travel costs to cement relationships.

- **It differs in each market.** Challenges in China, for example, involve the bandwidth of data capacity and the transfer of money in and out of the region.

- **Student pipeline.** We need more students coming into the industry with both local and international experience and a focus on practical hands on skill sets that can be shared to strengthen and enhance the skill sets of our New Zealand teams. We have found this combination of international and home grown experience works well in achieving a unique creative product, different from anywhere else in the world.

- **For business start-ups entering the industry.** For business start-ups there doesn't seem to be enough emphasis on basic business management skills and understanding how to protect and develop their own intellectual property. This places them in an exposed position where, potentially, larger organisations can take advantage of them.

- **Traditional trade focus.** There seems to be little support or advocacy for creative exporters. Government support continues to focus on the traditional physical production of goods and on the agricultural model. The issue is how to maximise New Zealand's unique capacity when within government, there is insufficient support/ understanding of industry on a trading basis.

- **Size of businesses operating within the same environment can be a challenge.** We have some giants, many start-ups and not a huge amount in between. The successful business group that leads our creative sector has its own international branding and marketing machines. Gaining access to key local market contacts is much easier for the group and the organisation's reputation almost speaks for itself. It would be ideal to see its market access and coverage shared where possible with other businesses trying to enter new regions.

- **New Zealand Trade and Enterprise have excellent networks within China, Korea and the US.** NZTE's networks help resolve any challenges in those regions but it doesn't always have the resource capacity to be able to work with new start-ups and businesses trying to upscale internationally.

- **Tyre Kickers.** Many international organisations see the value of partnering with a New Zealand creative organisation due to our global reputation and the ease of doing business here. However, there is a risk that often they want only our IP and not to collaborate. Having the local contacts and gaining advice from other businesses that have already trodden this path can be extremely helpful, reducing the amount of time invested in trying to find a genuine international partner.

- **Data Security.** The secure transfer of content between countries is most important to gaining international projects. The inability to meet this fundamental requirement will bring a project to a complete stand still.

- **Strict project deadlines.** New Zealand has a reputation for being able to deliver an extremely high calibre of content within a very short time frame. This has been both a blessing and a curse as it is now an ongoing expectation that has permeated the sector, placing a great deal of pressure on our teams, although it automatically puts us in a good position when competing for international contracts. The challenge is to balance this expectation - providing a fair working environment for our teams with realistic resources – with the unique value a New Zealand production brings.

HOW THESE BARRIERS IMPACT CREATIVE BUSINESSES AND HOW THEY ARE MANAGED

Exporters say…

- Understanding new markets and identifying clients who are able to genuinely invest in projects is an ongoing drain on the limited resources of creative businesses but is crucial to success. Often, spending time identifying worthwhile partners is not budgeted for and can cause a breakdown in other areas of the creative process. Being prepared for this, and reaching out to creative business leaders for advice and connectivity, is vital. Also, more in-market face to face networking sessions are helpful as they help to identify those who are legitimately willing to connect with New Zealand organisations.

- Having the confidence to engage with international partners about their budgetary and financial constraints is very important. Culturally, New Zealanders are often reluctant to discuss financial matters but doing so is a must and can quickly provide insights into the intentions of a potential partner. Understanding your point of difference, the value you are bringing to the project and related cultural elements, is very important. Once again, research and preparation at an early stage of connection is essential.

- Working with markets that give you a little more "bang for your buck" in terms of in-market visits or connection is a good approach to take. For example, China has only a few influencers and once a network has been built you can quickly establish the strengths of each organisation, how they operate and the opportunities that exist for working together.

- Language barriers are an ongoing challenge. Ideally, it is really helpful to have a production person or key contact working for you and embedded in the overseas business with which you are collaborating. That way you can establish personalities, expectations and intentions. While not realistic for many SMEs, having an understanding with a key contact who appreciates both cultures and with whom you can readily communicate is pivotal. An important note: this relationship must be managed very carefully. Understanding pressure points and communicating time frames and deliverables to meet expectations is an ongoing investment.

- An example of an ideal set up is where the sound department of a screen-based company producing the sound track of a Chinese film has employed a Kiwi mandarin speaker to provide guidance for the team on the nuances and inflections of the language and how these must be captured correctly to deliver the project to a very high standard. Once again, an appreciation of culture and language brings greater trust and understanding.

- Screen content censorship is a big issue in China – accepted as part of government control. In New Zealand you can have some idea of the rating you will get on a project but in China, at the end of the production, "SAFT" (the Chinese content and censorship body) will make last minute changes as it deems appropriate. This is a government agency and a process that is non-negotiable. It is important to understand and build into your project's time frame the strict content criteria.

- Learning from previous experience, SAFT limits the amount of money that can be transferred into the Chinese market to US$50,000 per project. A New Zealand bid will go to the government for approval, a process that can take 6-8 weeks. This time lag also needs to be taken into consideration. New Zealand organisations working in the market must have a cultural understanding of this requirement.

- Electronic material in bandwidth transfer is a challenge, as is the processing of funds (with delays in receiving payment). When SAFT and the China FTA delegation visited Wellington recently, these factors where discussed and they are trying to find solutions to improve these processes.

- NZTE, with the Film Commission, will provide 40% financial support for international collaborations, but in-market knowledge and on the ground assistance, by offering peer reviews and constant feedback, are the most important factors in helping resolve challenges.

- Understanding our international value proposition and perception is important. Don't compromise a project just to meet unrealistic deadlines. Find a client's pressure points and negotiate to deliver around those wherever possible, rather than aim for a fast turnaround. As an industry we need to move away from the unsustainable practice of delivering within ridiculous and unrealistic time frames.

WHAT MARKETS WE CURRENTLY OPERATE IN AND FUTURE EXPANSION

- For many in the creative sector the focus is on establishing a viable multiple market strategy. With substantial content required for growing global platforms, such as Netflix and Amazon, it is important to be diversifying as much as possible and not looking always to traditional markets such as the US and China. New markets being investigated include Canada, Australia, the Middle East, South East Asia and India.
- Wellington companies contribute significantly to the New Zealand film industry and are a major part of our persona internationally. Scale in overseas markets is becoming more of a requirement from the point of view of both competition and future sustainability.
- "Diversity of diet" when it comes to markets is a key long-term driver for many with enough capacity in terms of talent, new technologies and infrastructure to expand.
- Working within the traditional US market can be a risk providing as it does seasonal peaks and troughs in work-flow that have proved fatal for New Zealand creative businesses.
- New Zealand labour laws can be restrictive and some projects (in terms of hours required from team members to complete a project) can be more viable if completed overseas (with the current focus on China and India). Tight concrete deadlines also provide challenges and with competition rife, we might need to complete aspects of projects overseas and/or negotiate longer lead times based on our reputation and track record.
- Physical production such as props and miniatures are mainly exported to the US, UK, Australia and China. Future markets include Europe, the Middle East and also areas of South East Asia.
- Digital production markets are mainly in the US with some expansion into China. In a global market, the world is becoming a smaller place and ease of trade is a significant focus. Similarly to other physical production markets, the Middle East and South East Asia are now target markets for future partnerships.

WHAT MAKES THE NEW ZEALAND CREATIVE SECTOR SO UNIQUE?

- Our comprehensive business approach. Providing support and advice about our production management process, helping clients with every aspect, including how effectively to manage their time and save money in their budgets, keeping them informed they must make decisions within certain time frames, clearly communicating expectations about project completion from the beginning, scheduling in the realities and potential compromise of product delivery as a result.
- Kiwi cultural advantage. Combining the delivery of the creative imperative with creative production people. This factor is particularly well received in China, India and Japan.
- Our point of difference. New Zealanders are good at relationships with communication and common ground equalling trust and delivery! It is all about the people. The technology is available elsewhere but our point of difference is our people and the accessibility of very experienced leaders, bringing together the sum of significant experience to deliver amazing projects.
- Our understanding of complicated technology. Improving on the technology and explaining to clients its requirements in layman's terms, delivering practical and ingenious solutions.
- Our experience. Our track record and the New Zealand screen sector's air of mystique is certainly an advantage in terms of how we are perceived internationally.
- The opportunities we provide. This is particularly so for students trying to enter the workforce.
- The accessibility of Industry leaders. Businesses can gain advice and guidance about best practice and the best approach to business development.
- The Kiwi work ethic and belief in our products. This is a key factor to success focusing on the creative imperative, technology encryption solutions, problem solving and centring round the security of data transfer between New Zealand and other countries when collaborating internationally.
- Our tripod of success. Three legs contribute to our success infrastructure, our people's creativity, and our unique problem solving ability.
- Our problem solving via storytelling. This is a big part of educating people and organisations to be successful.

ONGOING EXPORT CHALLENGES

- New Zealand provides a unique space for creative start-ups. However, rising generational economic disparities risk operating as a drag on this environment.
- Film incentives and working within the required parameters are the biggest factors supporting and enabling trade with other countries.
- Language can be a barrier but can be worked through by bringing a region's native speakers into your project management team.
- Within manufacturing and consumer products businesses freight and distribution can be a challenge depending on the access and relationships you have with a region's buyers. Better relationships can be formed when you have your own strong marketing and branding presence.
- China is very much a market that all New Zealand creative exporters need to learn more about operating in. Chinese and Indian tariffs can be challenging and there should be more feedback to the Ministry of Foreign Affairs and Trade to help resolve tariff issues.

SOLUTIONS, POINTS OF DIFFERENCE AND ADVANTAGES THAT WE OFFER A GLOBAL MARKET

- Our Prime Minister supports the creative sector and the 10-year screen sector development plan will help encourage future industry growth.
- For the screen sector we provide solid screen design and manufacturing potential. This is very much an export business with considerable scope for further development.
- Concerted efforts to diversify our business model underpin our viability. More importantly, we are developing ongoing strategies, specifically focused on promoting diversity and sustainability.
- Business models in New Zealand are flexible enough to pivot, enabling businesses to evolve and diversify production to meet market needs.
- Balanced business strategies ensure businesses can "Do creative stuff that pays for itself!"

> Keep physical and digital production facilities busy with ongoing projects – making a business financially viable and teams consistently in employment

> Maintain passion for the market and the product/project

> Enable the wider public to share the experience (a specifically tourism focus)

- Challenges in the consumer products market are mitigated by other strengths and the ebbs and flows within the business. Once again, business diversity and the development of a range of projects at any one time, are crucial.

- The successful deployment of multiple strategies to exploit an existing business's advantage and drive business expansion.

- Team talent coming from a range of industries to meet a business's diverse needs. Many successful businesses have brought in expertise, especially in more technical fields. It is important to have both international and domestic technical team members working in a business.

- Many New Zealand companies have already seen considerable growth in their design and manufacturing capacity, areas where growth was critical and where the focus on growth needs to continue.

- Business strategies often recognise the importance of a business not stretching itself too thinly when developing new markets but instead explore opportunities in a clear and effective manner to minimise the demand on resources.

- SMEs too gain encouragement from New Zealand Trade and Enterprise. They need the confidence to take a targeted market approach understanding who the key influencers are and their pain points, alleviating any anxiety, recognising where there is a risk of failure and developing a solution. Businesses should focus on the fact that they are going to make clients look good! Reassurance is key – relationships and surety around the delivery schedule.

- A focus on value. Cheaper bids to win business provide cheaper solutions – businesses should not undersell themselves but have confidence that they have a point of difference. Passionate people get excellent results.

- New Zealand businesses care. Empathy in creativity is key. Emotional intelligence can help produce a successful outcome.

- Our ability to offer security and confidentiality provides more opportunities for specialist work.

- New Zealand is a location that benefits from a high degree of stability. As a location it is regarded as an appealing destination and as such is attracting high value talent from all over the world. This, unusually, means New Zealand is in both a geographically isolated position and at the crossroads of an influx of global technology talent that will only make the country more competitive over time.

WHAT CREATIVE BUSINESS EXPORTS WILL LOOK LIKE IN THE FUTURE

- The industry is becoming decentralised and truly global. There are examples where a project can have 15 vendors all working on one project. This was once an issue when transferring material around the world but no longer. The increased remote capacity now available means people are more confident sharing content this way.
- The move to "Platform Capitalism", with data the new raw material of the digital economy, places New Zealand in a strong position relative to past export models more heavily reliant on physical exports.
- The successful New Zealand creative businesses of the future will be those able to leverage the possibilities inherent in emergent cloud-based and big data structures. Two obvious early examples of this are Weta Digital and Xero. With the rise of global platform-based business models New Zealand has the potential to offer similar solutions on an international basis.
- Streaming content (Pay Per View) is becoming more popular, and we need to be prepared for how this demand will affect production requirements.
- With screen sector democratisation via easy access to technology, there is more and more content produced. The need to manage this constant flow of content will result in an ever-changing landscape.
- Vendors will become more specialised, focusing on one or two aspects of production. Where New Zealand sits in this environment will have to be managed by making a concerted effort to ensure all work together to lead the market.
- Some industry leaders have accreditation from major companies such as Fox and Disney and this carries substantial integrity, especially around security and delivery. All businesses working in the domain must be prepared to gain accreditation at the highest possible level and continue to increase it as their operations grow.
- From a consumer products point of view Europe is the main market companies are trying to expand into with wholesale becoming more of a focus. UK and Australia have been strong traditional markets but we need to be prepared for the European palate and its cultural understanding of business.
- Diversifying business offerings is important but shouldn't be the main future focus.
- LBE (Location Based Entertainment) is a very popular development in tourism where guests visit a facility to have an interactive and educational experience. There is huge potential here for further development in design and manufacturing capacity.

SUMMARY

The points made by creative exporters throughout this report highlight some interesting common themes in that:

- There is a real need for the experience and knowledge of our creative pioneers to better support and connect with new businesses and future thought leaders.
- Creative technology truly is a global market and we need to encourage solutions to reduce trade barriers to match the nature of this business.
- Secure management, storage and transfer of data are vital.
- We have a missing middle, mid-size firms that can grow into big firms and take the industry forward sustainably.
- Increasing economic disparity between generations could start to act as a drag upon innovation in the creative industries as economic barriers to entry rise for potential start-ups.

New Zealand is a key global player, with huge potential to continue to lead and dominate the market as the screen sector, in the production of entertainment experiences, incorporates new platforms and applications of rapidly developing technologies.

This is the result of some key attributes:

- Our capacity to tell a great story
- The ease of doing business in New Zealand
- Our ability to develop and adopt new technologies

In an ever-changing environment, businesses must be able to pivot to be adaptable. Ideally, this will happen by establishing key areas of strength, points of difference, a strong value proposition and collaborating to secure a range of projects delivering consistent revenue to alleviate the pressures of seasonal peaks and troughs. It is impossible to prepare for every trend or fad that could develop in this global market and there is no need to be an expert at everything. Rather collaborate and join forces with those who will share their knowledge and provide unique insights.

A point that does require some further emphasis: businesses should provide opportunities for internships and work with students wherever possible.

The next generation of creative entrepreneurs is extremely talented and able to contribute massively to the creation of relevant content – both from a technological and social standpoint.

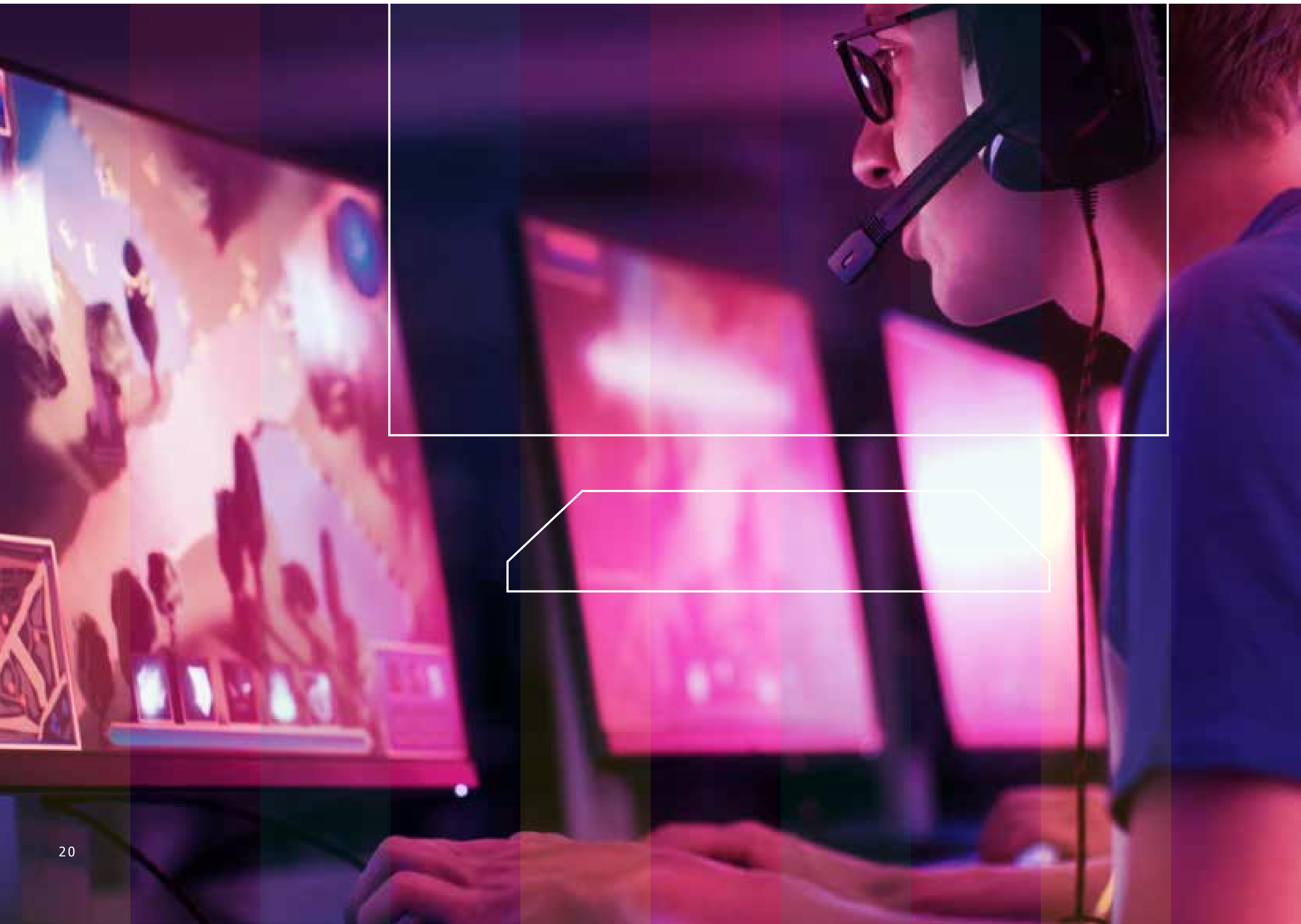
Finally, trying to keep up with constant changes to technology, both physical and digital, is going to remain squarely part of creative business strategy but it is important to establish areas to focus on. In five years from now, what specific global centres of excellence in creative technologies will New Zealand be known for in addition to Film, Mixed Reality, Creative business applications and platforms, Gaming and Sound Design? Similarly, what new businesses will be created by leveraging what we already have, and what opportunities exist within the creative sector that we cannot currently predict with any certainty? While future technologies and their impacts on the creative industries cannot be foreseen, the environment in which New Zealand businesses are able to emerge, adopt, develop and flourish can be taken as a positive indicator.

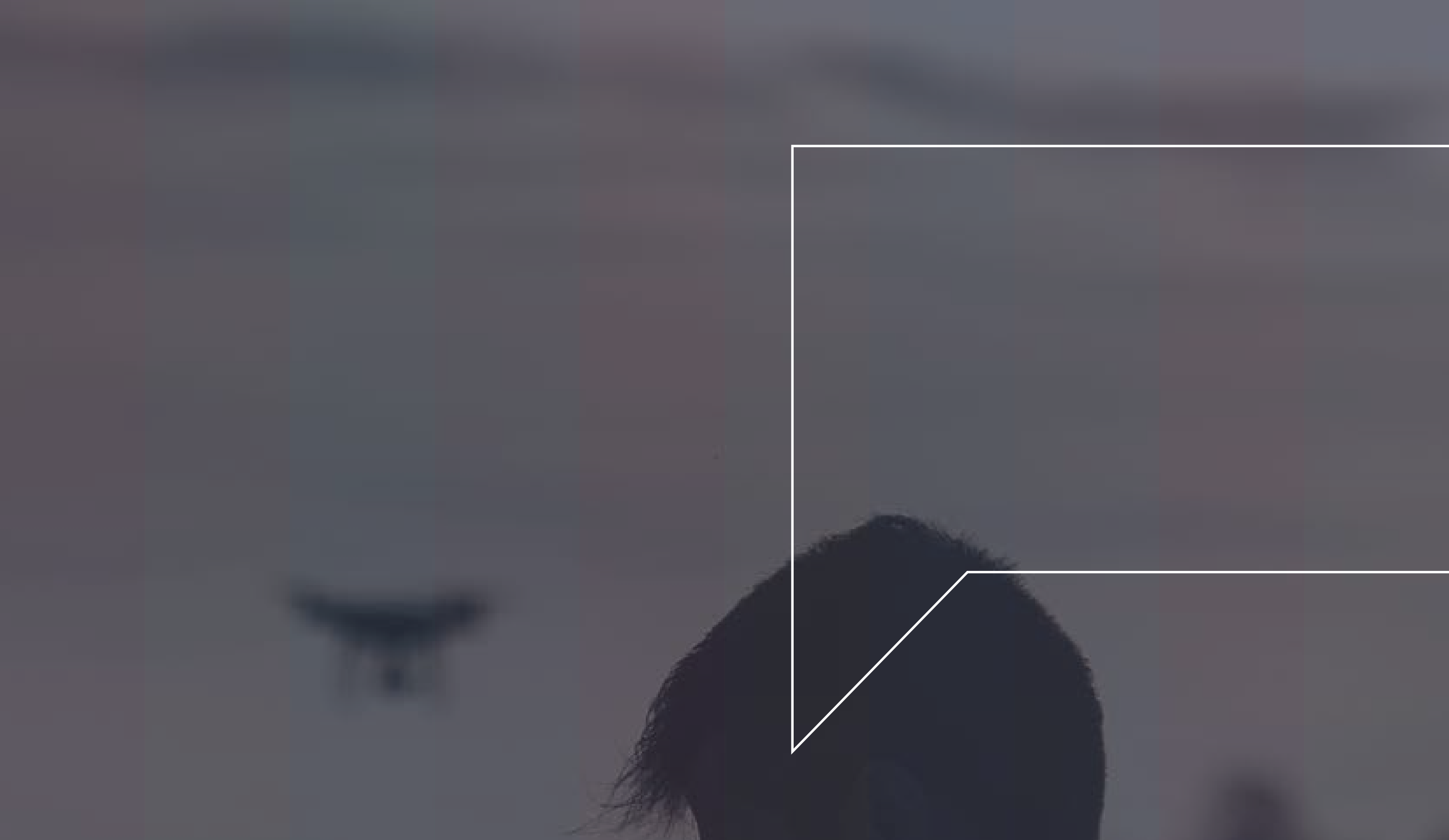
The question is, are industry, education and government able to work collectively with transparency, solidarity and strength of purpose with the aim of maintaining New Zealand's innovative environment or will they operate independently, possibly within silos?

Let's collaborate…

Kristy Grant
Director

MIRAMAR CREATIVE LTD –
A DIVISION OF NEW ZEALAND CREATIVE LIMITED





ABOUT THE AUTHORS

Kristy is the founder and Co-Director of Miramar Creative, an organisation established to facilitate greater connectivity between education, industry and the film and creative sector. With her Co-Director Jamie Selkirk (Co-Founder and Co-Owner of the Weta Group and Oscar Winner) they have purpose built and fit out two production and exhibition facilities in Wellington where they run a series of educational and engagement programmes to support the viability and sustainability of the creative industries in New Zealand. Prior to working in the Creative sector, Kristy has an export trade and marketing background – having worked in senior roles for several leading NZ manufacturers and exporters over the past 15 years. Kristy understands and is able to promote and connect international markets with kiwi production, innovation and ingenuity. This combination of international trade, creative industry experience and established business network has placed Kristy in an ideal position to formulate this paper and to facilitate future trade opportunities for NZ exporters.

Dr. Leon Gurevitch is Associate Professor at Victoria University of Wellington's School of Design where he researches global creative industries, transformative technologies and complex systems design. Leon has previously been a Marsden Fund recipient for "The Digital Workshops of the World" Research Project, a visiting scholar at multiple institutions across the United States including Yale University. He is a founding member of the UCLA Cultural Analytics group and has presented invited lectures about his research at Dreamworks, Blizzard Game Studios, Weta Digital, The Universities of California Los Angeles, Berkeley and Santa Barbra, Yale, Beida Beijing, Shanghai University and many more. Leon has published research and exhibited design work in over 40 international locations and presented over 80 peer reviewed conference papers, keynotes and invited talks around the world in the last ten years. Leon teaches photography and computational culture and is based in the Media Lab at Victoria University.

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