

3 May 2016

### **Submission to the Productivity Commission from the College of Creative Arts, Massey University**

With the underlying premise being the need to improve the productivity performance of the New Zealand economy, this submission identifies the barriers to innovation that could be addressed by government and providers to increase the benefits from adopting new models of tertiary education from the perspective of the creative and cultural industries. **Given the critical role of tertiary education and training in raising productivity, the submission argues that the government needs to develop a more targeted approach that includes tertiary policy and an investment infrastructure that supports the growth of the creative and cultural industries in New Zealand.**

The submission is structured as follows:

- (i) The importance of the creative and cultural industries to economic growth
- (ii) Introduction to the Massey University College of Creative Arts
- (iii) Examples of innovation already taking place in the College of Creative Arts
- (iv) Systemic and institutional settings that inhibit productivity
- (v) Recommendations for systemic and institutional settings to increase productivity

### **The importance of the creative industries to economic growth**

In this submission we will use the creative industries definition from the UK Government's Department for Culture, Media and Sport (DCMS): **'Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.'** There are thirteen sub-sectors under the term 'creative industries' and these are: advertising; architecture; the art and antiques market; crafts; design; designer fashion; film and video; interactive leisure software; music; the performing arts; publishing; software and computer games; and television and radio.

For over ten years the creative and cultural industries have been the focus of much policy focus in the EU as policy-makers have turned towards business and industries that have been traditionally neglected but which have the potential to produce significant value. Figures published in January 2016 showed that the UK's Creative Industries are now worth a record £84.1 billion to the UK economy, with British films, music, video games, crafts and publishing taking a lead role in driving the UK's economic recovery. The grew by 8.9 per cent in 2014 - almost double the UK economy as a whole, rating £9.6million per hour, and all indicators are that 2016 is set to be another blockbuster year for UK's music, film, video games, TV and publishing sectors (<https://www.gov.uk/government/news/creative-industries-worth-almost-10-million-an-hour-to-economy>).

It's the same story across the whole of the EU. Last year EY published a report that showed that with an annual revenue of €535.9 billion and more than 7 million workers, the creative and cultural industries are today central to Europe's economy and competitiveness, and will play a key role in

Europe's economic recovery

([http://www.ey.com/Publication/vwLUAssets/Measuring\\_cultural\\_and\\_creative\\_markets\\_in\\_the\\_EU/\\$FILE/Creating-Growth.pdf](http://www.ey.com/Publication/vwLUAssets/Measuring_cultural_and_creative_markets_in_the_EU/$FILE/Creating-Growth.pdf)).

**This could be New Zealand's story if the government chose to invest in its creative industries.**

Sadly, New Zealand does not have a creative industries strategy. It has barely any mechanisms to measure the creative industries. Put simply, it does not value the creative industries.

In parts of the tertiary sector we have world class creative and performing arts education, but it is because of the passion of the educators in the sector rather than as an outcome of policy focus or sector support. The government has such a blinkered focus on STEM subjects as being the answer to its productivity woes that it doesn't see the relationship between STEM and the creative arts, particularly design, in creating products, services, experiences and policies of value.

The science industry dominates both the innovation and tertiary sector— from the privileging of STEM subjects, to the \$1.6billion invested in science research, to the way research excellence is measured in the PBRF, to the way BERD is measured and assessed as a sign of productivity. This is despite the facts showing that after all the investment that has been poured into science over the past 50 years productivity hasn't increased substantially. And yet, still there seems to be a sense that if the government eats just another 'wafer' that a miracle will happen (well we all know what happened to Monty Python's Mr Creosote!). For example, on 1 May the Minister launched the 'Make the World' Engineering to Employment (E2E) campaign to encourage more young people into a career in engineering. In launching the campaign he said "'Make the World' will illustrate the wide range of choices available within engineering, with opportunities to design everything from life-saving medical equipment to the latest agricultural and manufacturing technologies...Engineering study opens the door to fantastic career choices. Engineering is central to growing a modern economy, and to New Zealand's future success, it's a priority of the Government's Business Growth Agenda" (<https://www.beehive.govt.nz/release/make-world-e2e-campaign-launched>). Even the Minister's own words "opportunities to *design* everything" reflect the central role design plays, yet design itself is absent from government prioritisation.

While there is no dispute that engineering supports the development of new products, engineers need to work with designers to make great products! As John Maeda, the former President of the Rhode Island School of Design and now designer and technologist at Kleiner Perkins Caufield Byers has said "A designer without an engineer is an art gallery, and an engineer without a designer is a parking lot." The iPhone was well engineered, but it was design that turned it into the transformational product it has been. New Zealand company Gallaghers is a global leader in the innovation, manufacture and marketing of animal management, security and fuel systems, but the useability and appeal of its products are only created by the fusion of engineering with industrial design (Massey's Professor Tony Parker). When New Zealand industrial designer (and Massey alumnus) Danny Coster recently left the Apple design team after 21 years at Apple to take up the role as Vice President of Design at GoPro, the announcement about him joining GoPro caused the company's shares to rise some 20 percent to \$13.99, which was the largest one-day jump since July 1, 2014 (<http://www.eweek.com/mobile/apple-design-pro-danny-coster-exiting-moving-to-gopro.html>). In fact, over the last 10 years in the US design-led companies have maintained significant stock market advantage, outperforming the S&P by an extraordinary 219%, see: <http://www.dmi.org/?DesignValue>).

The New Zealand government needs to wake up to the productive value that the creative industries can bring to the economy. At Massey we understand this, but are not set up to drive the growth in this industry without government assistance.

### **Introduction to the College of Creative Arts (CoCA)**

Leading a creative life isn't a job; it's a calling. But it takes more than that to lead a successful career, or to create value in the economy and in our communities. The College of Creative Arts at Massey University is both a hot house and an accelerator: a short-cut to, and a setting for, skills acquisition and knowledge generation for a career in the creative arts. We provide the facilities, opportunities, experiences and tools to learn in a safe and nurturing environment from creative practitioners who work hard at being at the forefront of knowledge generation.

The **College of Creative Arts Toi Rauwaharangi** comprises New Zealand's oldest and largest **School of Design** Nga Pae Mahutonga (est 1886), the **School of Art** Whiti o Rehua (est 2001), and the **School of Music and Creative Media Production** Te Rewa o Puanga (est 2014). In the 2016 academic year the College is responsible for 1740 EFTS in under- and postgraduate programmes in Design, Fine Arts, Maori Visual Arts, Creative Media Production and Commercial Music.

The College represents 60% of the Wellington Campus of Massey University and is home to Massey's largest cohort of domestic enrolled students in a Bachelors degree in any one location – the BDes (Hons). In an environment of softening tertiary enrolments CoCA has maintained its market position, concentrating on growing both domestic and international markets and growing its respective share of those markets. The introduction of the Bachelor of Creative Media Production in 2015 and the Bachelor of Commercial Music in 2016 helped the College grow its new enrolments by 19.5% in 2015 and a further 18.5% in 2016. Our enrolments are projected to grow to 2,200 by 2021.

With around 170 FTEs, the College aims to promote the highest standards of research and scholarship and be a world leader for generating new ways of thinking and being, inspiring and supporting creative self-expression through scholarship and practice-based research. We are grounded in studio/project based learning — with an emphasis on both craft and creative problem resolution for the real world. We don't do mass lecture based teaching, and we don't do exams. Instead we employ mostly project-based learning techniques and use the generation of a portfolio of learning as summative assessment.

The College is home to the highest number of A and B (PBRF) ranked researchers in New Zealand, including the highest number of Maori Visual Arts researchers. It is the only provider in the Asia Pacific region accredited by the US National Association of Schools of Art and Design (NASAD), and is the third ranked design school in the Asia Pacific region as measured by Red Dot. The College contributes to local, regional, national and international economies, businesses and communities through entrepreneurial, enterprising and innovative activities that draw on and stimulate the intellectual and creative capital of staff and students. In 2013 the annual value of the College of Creative Arts to the Wellington economy was estimated to be \$237million and 416 FTE jobs.

The College's alumni include many significant artists and designers who have made an outstanding contribution to New Zealand's economy, reputation and identity through art, music and design. Many have also helped to transform the global economy and popular culture. This includes people like Sir Richard Taylor founder of Weta Workshop, Danny Coster, who was part of the Apple Design team creating the Apple Iphone and who holds over 500 patents to Apple products in his name,

Mark Elmore the designer of the Fisher and Paykel dishdrawer, and fashion designers Kate Sylvester, Colette Dinnigan and Rebecca Taylor. The full list of alumni in the College's Hall of Fame (est 2007) can be accessed here: <http://creative.massey.ac.nz/about/hall-of-fame/>

### **Innovation in the College of Creative Arts**

Inertia and unwillingness to try new things are **not** characteristics of the College of Creative Arts! **We thrive on being first movers and are often the earliest of adopters in the University.** This is because creative people are inherently innovative people. Never satisfied with status quo, the College is always aspiring to do and try new things, whether that be in the ways we deliver our programmes, becoming more productive and relevant to our communities, or the ways we structure our business model. Since 2012 we have been focused on advancing new models for creative entrepreneurship, enterprise, and civic innovation, and diversifying our staff mix. Having achieved most of our goals in our 2012-2015 strategic plan we are in the process of developing a new plan for 2016-20, and are informing its development using the Dublin Group's **Ten Types of Innovation** model.

Examples of our **willingness to try new things** include:

- The creation of **Open Lab** in 2012, a self-sustaining enterprise studio, where experienced design professionals, graduates, academics, student artists and designers collaborate to solve real world organisational, business and public policy problems. Open Lab nurtures creative graduates who are better equipped to enter the workplace, which in turn benefits the wider community who appreciate work-ready employees, and clients who benefit from creative thinking informed by best practice, academic research and fresh millennial-thinking students. It also offers an intern selection and management process on behalf of a number of government departments. Open Lab has its own dedicated studio and office space and a board, and since 2012 has raised over \$2.5m in revenue without spending a dollar on advertising.
- Building on from the Open Lab success, and responding to myriad requests from local and central government agencies thirsty for new knowledge, ideas and innovation, we are in the process of setting up a new initiative called **Toi Aria: Design for Public Good**. As a "third space", we are able to provide the environment and stimulation for new thinking, problem identification and resolution to take place outside the confines and exigencies of the government and business sectors. Toi Aria will aim to tackle large civic and social issues across New Zealand using a design-led approach to social innovation.
- To ensure a **21<sup>st</sup> century curriculum** with the student experience and learning at its core, we embarked on a significant redevelopment of our flagship program – the BDes (Hons) – in 2010. This resulted in a new vision for the degree that is both globally focused and culturally underpinned. The changes acknowledge the increasingly permeable nature of the creative industries in the 21<sup>st</sup> century and equip graduates with the skillset to negotiate those industries. We now have a common first year as well as all contextual studies, enterprise, and elective papers, shared between the BDes (Hons) and the BFA (Hons). The BDes (Hons) majors have the same structure centered around a suite of aligned core design studio papers sharing common learning outcomes, inflected by the specificity of each major (approaches, techniques, technologies, media, visual & material language); common thematic areas of investigation which give the context for each

brief; opportunities for students to self-select from a broad range of technical learning not confined to their own major; and moments in the schedule where students get together to collaborate or share ideas or just see what each other is up to.

- Reforming the curriculum gave us an opportunity to reflect on all aspects of the programme, including the engagement with te ao Māori, and we have rolled out an innovative approach to **diversity, equity and inclusion** that incorporates indigenous perspectives. The relationship of an indigenous Māori culture to a colonial European one, and the intrinsic role of art and design in shaping and reflecting national identity, required us to undergo a shift in thinking whereby a bicultural approach has been taken to embed Māori perspectives within the degree. Informed by the work of Māori educators, a **Powhiri Framework**, based completely on Māori values and principles, was introduced to the curriculum (see [youtube.com/watch?v=3oPkLYSid5E](https://www.youtube.com/watch?v=3oPkLYSid5E)). The vision was to create an invigorated environment where all staff and students are required to positively engage with indigenous worldviews. Nearing the end of the four year change program, a plethora of positive benefits have resulted. Last year the innovation was a shortlisted project in the QS Stars Reimagine Education Awards that aim to identify innovative experiments in Higher Education worldwide.
- One of our goals has been to ensure that the creative arts are recognized as an agent of change and innovation at a national level. In 2012 we initiated and led the national **Value of Design** project advocating for design and design thinking to be funded and supported by government. With no response from government, and despite this not being the function of the tertiary sector, we have had to develop our own project, working with PWC, the Wellington Regional Strategy Office, Callaghan Innovation, Designer's Institute of New Zealand, three other tertiary institutions, ATEED, Auckland City Council and Wellington City Councils to measure the value of design to the New Zealand economy.
- CoCA is responding to an environment in which employment outcomes are no longer pre-determined and in which increasingly graduates need to define their own future by preparing students for a range of post-tertiary options, including helping them set up businesses and getting value from their IP. In 2015 we established **Spring**, a **preincubation programme** for the College's graduates. After identifying that graduates produced IP that was not being capitalised upon because there were no pipelines to commercialisation targeted at design graduates the initiative has been supported by GrowWellington, Creative HQ, the Wellington City Council's innovation unit, Biz Dojo, BCC and Angel HQ. The initiative bridges the gap between university and existing incubation programmes, shifting the paradigm of existing incubation and acceleration models and questioning the formulaic approach currently taken. We believe the programme has potential to create a significant impact not only for our students wishing to graduate and undertake more entrepreneurial activities, but for the way in which creative arts entrepreneurship is viewed and developed in New Zealand.
- In 2014 we created, through a participatory design process, **Te Whare Pūkākā** —a new activity based staff workspace at the College of Creative Arts that has completely shifted the traditional model of academic working environments. It is an innovative response to changes in academic culture in which the solo scholar working in isolation is increasingly giving way to interdisciplinary teams co-teaching and researching together. The space brings together faculty, administrative, and clerical staff and has generated completely

different and exciting ways of working. Everyone who enters our staff office says that it feels more like a startup than a University. It has also produced significant financial savings.

We have been able to achieve all the above within the current tertiary business model, and with the support of Massey University. As great and innovative as they are, however, these are local innovations only. We could do so much more if our role in supporting the growth of the creative industries was strategically prioritised, and received targeted funding support, at a national level.

### **Systemic and institutional settings that inhibit productivity**

Aside from the absence of a national strategy to support the creative industries, there are a number of systemic and institutional settings that we have found to inhibit innovation and productivity. These include:

- Resourcing excellence in technology-hungry creative arts subjects is expensive. If the government is to extract the value and productivity that the creative industries can deliver for the economy it has to stop treating design and art like ‘soft’ or trades qualifications and stop the **proliferation of visual arts and design degrees** in so many Wananga and Polytechs. Like specialist professional subjects – Law, Medicine, and Engineering – productivity will only be enhanced in the creative sector when resources can be consolidated in a few nationally excellent institutions. Degrees in the creative arts should remain research-led qualifications, undertaken at research-intensive institutions — universities.
- The process of consolidation and recognition of excellence is not assisted by current CUAP quality assurance processes that require establishment of degrees before market testing. The idea that the quality of a programme can be proven before it has been offered, and that peer review of pre-documentation somehow guarantees quality, runs **counter to models of innovation** which recognise and provide for prototyping, agile and iterative development of products and services before going to market. The current very time consuming approval process over-emphasises documentation and does not incentivise innovative approaches that are genuinely game-changing. Instead it encourages the reproduction of existing models as a straightforward way of satisfying the compliance requirements.
- Despite the government wanting to see graduates viewing themselves as **future employers**, rather than employees, the TEC and MBIE’s focus on outputs that are able to be captured and measured means the system prioritises graduates as employees in “jobs”. The messages are completely skewed by the instrumental focus on what can be captured from existing data sources and this means that “value” is only understood in narrow terms. By only using metrics that are easily quantified (such as salary levels), an understanding of the real holistic benefits of tertiary education, both to individuals and society, is not possible. We acknowledge the difficulty in measuring, for example, contribution to cultural life and wellbeing, or a sense of worth and happiness, but we are concerned that the quantitative data sources that are used skew understandings of value disproportionately. These metrics focus on a small aspect of the purpose of tertiary education, as outlined in the *Issues Paper*, in section 3 beginning on page 28. We would prefer to be incentivised and be rewarded for creating value, whether that be in new product, service or business development, or in creating the cultural conditions that enable an economy to thrive. This requires the

conscious establishment of different measures of current value and future value and collection of different types of data. Creativity and new, original and unexpected outputs aren't easy to measure at the moment but this does not render them of lesser value!

**For the tertiary sector to become more productive we would like to see:**

- A national creative industries strategy that includes tertiary education and takes an ecological approach to the development of this area of the economy.
- Recognition that creativity is what's needed at the frontier — its where new questions are being asked and answers found. This requires more targeted project and initiative support from government agencies in creative subjects to make it easier to support student and staff innovation.
- Information to prospective students about the value of the creative arts and industries. As long as the government keeps privileging jobs as an outcome from education it will not see the productive parts of the tertiary sector contributing the value they are capable of providing
- We need more government interest in and help measuring the value of creative arts/creative industries.
- A government appointed Chief Design Officer would be a good start.
- The government promoting and supporting design at tertiary level in sites of excellence like Massey in order to truly reap productivity benefits from its investment in STEM subjects
- We need government/TEC encouragement and financial support for university-located sites of teaching and research excellence in the creative arts/industries, including refocusing of degree level teaching in universities.
- A funding mechanism, external to universities, that supports the delivery of creative industries initiatives that currently fall between CNZ and MBIE funding sources.
- And we need a quality assurance process that enables us to prototype and test programmes in the market before final accreditation.

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