



CLARENCE CREATIVE BUSINESS PLAN



An initiative of Clarence Valley Council



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EXECUTIVE SUMMARY

The Creative Industry includes a broad range of sectors and activities, ranging from artists and musicians to architects, furniture designers and advertising companies. It includes:

- Individuals and free lancers who do not employ anyone. They generally produce one thing at a time
- Artisan-entrepreneurs and small to mid sized businesses that meet a larger market demand, such as potteries, photographers who produce multiple copies, high end furniture manufacturers etc.
- Specialised service companies and freelancers that design, deliver, and produce creative content in various forms, including graphic designers, advertising firms, multimedia, architects and web designers. They provide services and content to other businesses and private customers.

The Economic Development Strategic Plan found the Creative Industry in the Clarence Valley to have great potential for growth, but this is inhibited by the current fragmentation of the industry.

The Strategic Plan recommended the development of a virtual cluster to support and encourage the development of creative industry practitioners in the Clarence Valley, through networking, mentoring, business development advice and resource sharing.

The Creative Industry Working Group was established with the assistance of Arts Northern Rivers to oversee the development of the cluster and the implementation of other initiatives outlined in the Strategic Plan.

Consultants were engaged to develop the Business Plan for the cluster. This Business Plan delivers an innovative, achievable and sustainable cluster solution for the Clarence Valley's creative sector. The Business Plan has a life-span of 3 years commencing in January 2008.

The cluster will be known as Clarence Creative.

It is the culmination of extensive research and consultation over a four month period with industry practitioners and other stakeholders.

The Plan recommends the establishment of Clarence Creative with the overall objective of improving the viability of creative industry businesses and contribute to the establishment of the Clarence Valley as a creative hub.

Its target audience will be businesses, individuals and/or organisations involved in creative activities primarily as a business interest and who are attempting to make a living through this endeavour.

Clarence Creative will deliver a range of initiatives in pursuit of its objective including:

- Encouraging cooperation and communication between Creative Industry practitioners
- Professional development, including workshops and mentoring
- Marketing of creative industry businesses and their products and services.

The primary vehicle for delivering these services will be a website portal.

Clarence Creative will be a unique initiative in Australia. It will require minimal financial support, with projected grants over the first three years of operation being no more than \$50,000, and will grow to be a financially sustainable organisation within the timeframe of the Plan.

DISCLAIMER

Whilst all care and diligence have been exercised in the preparation of this report, Muller Enterprise and C B Thomson Consulting do not warrant the accuracy of the information contained within and accepts no liability for any loss or damage that may be suffered as a result of reliance on this information, whether or not there has been any error, omission or negligence on the part of Muller Enterprise and C B Thomson Consulting. As the Plan involves forecasts of membership numbers and financial projections which can be affected by a number of unforeseen variables, no warranty is given that a particular set of results will in fact be achieved.

1. INTRODUCTION

In June 2006, the Clarence Valley Council adopted the Clarence Valley Economic Development Strategic Plan (Strategic Plan) which is a framework comprising 30 strategies, and 12 priority projects.

The development of a virtual cluster for the Clarence Valley creative industry sector is identified in the Strategic Plan as a priority project.

Clarence Valley Council engaged Muller Enterprise and C B Thomson Consulting in June 2007 to develop a Business Plan for the cluster through a rigorous process of consultation and industry engagement. Terms of Reference for the Business Plan are at **Attachment 1**.

In summary this Business Plan is to deliver an innovative, achievable and sustainable cluster solution for the Clarence Valley's creative sector.

The Business Plan has a life-span of 3 years commencing in January 2008.

Various definitions exist for creative industries. They have been defined as 'those activities 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'.¹ Cathy Henkel, in a landmark study on the creative industries in the Northern Rivers, defined them as 'compris(ing) the traditional arts, cultural and media sectors and the new emerging enterprises resulting from the convergence of these sectors'².

For the purposes of this Business Plan and the cluster, the Creative Industry refers to businesses, individuals and/or organisations involved in creative activities **primarily as a business interest and are attempting to make a living through this endeavour**. The sectors and activities included is at **Attachment 2**. This comprises a number of sectors not included in the Henkel study, such as architecture and designer fashion.

The cluster will be known as Clarence Creative.

This Business Plan addresses the first three years of operation of Clarence Creative.

This Plan integrates and builds upon the outcomes and recommendations of a number of reports and planning documents including:

- Clarence Valley Economic Development Strategic Plan
- Clarence Valley Cultural Plan
- Northern Rivers Regional Industry and Economic Plan.

2. BACKGROUND TO THE PROJECT

A succession of studies and reports have highlighted the importance of the creative industries in the Northern Rivers Region.

¹ UK Department of Culture, Media and Sport, quoted by Evans, S, in *Introduction to Creative Industries, Creative Clusters*

² Henkel, C, (2000), *Imagining the Future, Strategies for the Development of 'Creative Industries in the Northern Rivers Region of NSW, Lismore, Northern Rivers Regional Development Board (NRRDB)*

Henkel found in 2000 that the creative industries in the Northern Rivers accounted for 4.1% of the region's workforce.³

In updating that report in 2006, Henkel found that the number of people actively engaged in the creative industries in the Northern Rivers had more than doubled since 2000. More than a third of these were sole traders and a significant number were also employed in micro businesses (many of which commenced as sole traders).⁴

While much of the region's activity is concentrated in centres such as Byron Bay, Nimbin and Lismore, there are many creative industry practitioners resident in the Clarence Valley.

Henkel's first report identified a high level of fragmentation in the industry throughout the region, it being dominated by sole operators. Accordingly, four of the most often cited areas of need for the region's creative industries were:

- *networking and regular industry functions;*
- *development of a central 'hub' or business centre;*
- *increase opportunities for training and mentorship; and*
- *a cohesive approach to marketing for the local industry.*⁵

Henkel's second report expanded on the themes in the original report with particular regard to the importance of collaborative links between creative industry practitioners and other industries such as tourism, education and training. It also identified a need for "greater focus on collaboration .. to produce and market high value added products and services ...building and enhancing these links between sub sectors is the key to future growth and prosperity in the region".⁶

The creative industries were also a focus of the Regional Industry and Economic Plan (RIEP) for the Northern Rivers.⁷ As part of the RIEP process, Arts Northern Rivers and the NRRDB conducted a series of Creative Industry Development workshops in the Clarence Valley in 2005. These workshops, which were held in every LGA in the region led to a number of a creative industry development strategies in the RIEP. The RIEP recommended, inter alia, a cluster based approach to development and support of the creative industries.

A number of organisations are addressing the need for better cohesion and coordination of the industry in the Northern Rivers, including:

- Arts Northern Rivers, established in late 2003, is the peak body for the arts and cultural communities in the region
- Northern Rivers Screenworks, established in 2000, aims to foster, drive and promote the development of an innovative, sustainable and vibrant screen industry culture in the Northern Rivers region of NSW
- the North Coast Entertainment Industry Association established in 1990, aims to foster professionalism, build networks, act as a conduit to the latest industry information and create special events to further enhance and strengthen the music industry
- the Visual Arts Network, established in 2006, by Arts Northern Rivers to:
 - improve business skills and market knowledge to enable visual artists to connect with and sell more work in local national and international markets;
 - support the development of quality and marketable art work; and

³ Henkel, C, (2000), *Imagining the Future, Strategies for the Development of 'Creative Industries in the Northern Rivers Region of NSW, Lismore, Northern Rivers Regional Development Board (NRRDB)*

⁴ Henkel, C, (2006), *Imagining the Future 2, Screen and Creative Industries in the Northern Rivers: Development trends and prospects for the next decade, Lismore, NRRDB*

⁵ Henkel, (2000),.

⁶ Henkel, (2006), p5

⁷ SGS Economics, (2005), *Regional Industry and Economic Plan for the Northern Rivers, Lismore, NRRDB*

- raise the profile of individual artists and of the region as a vibrant centre for quality visual arts.

There is some evidence that participation in these organisations and their activities by Clarence Valley based practitioners is relatively limited.⁸ This is probably explained in part by a finding of the Strategic Plan that the Valley's, 'location with respect to regional boundaries and meeting places poses access/ contribution limitations to regional initiatives and processes.'⁹

The Strategic Plan also indicates that the industry in Clarence Valley is highly fragmented and there is a consequent need to improve 'networking channels and information dissemination'.¹⁰ The Strategic Plan noted that communications infrastructure need to be improved in order for this to occur and that the establishment of creative industry precincts, 'would facilitate improved linkages between industry, community, artists and performers...'.¹¹

The concept of creative industry precincts was further expanded upon in the Strategic Plan to include a number of components including:

- a creative industry development facility which would provide studio space for artists, shared administration facilities, training, mentoring and marketing opportunities and equipment
- a gallery and shop
- performance spaces
- virtual clustering to support and encourage the development of creative industry participants, incorporating various of the above components such as networking, mentoring, business development advice and resource sharing.

The creative industry is also seen as a key component of the branding or positioning of the Clarence Valley, with the potential to depict many of its key values in terms of lifestyle and liveability, these being key features which have attracted practitioners to the area and inspire their activity.

A common theme of all these components is cooperation and this is best encapsulated in the concept of the cluster.

It should be noted here that the term virtual is a clear reference to the need to use communications technology, including the internet, to overcome the geographic fragmentation of the industry in the Clarence Valley. However, research undertaken in this process combined with a challenging communications infrastructure environment demand a need for innovation in developing the framework for this cluster. During the course of this project it was determined that a significant proportion of creative industry practitioners in the Clarence Valley do not use the internet on a regular basis, and it is clear that a cluster needs to encompass a range of communications and delivery mechanisms at this time.

Notwithstanding the earlier comment about limited participation by Clarence Valley creative industry practitioners in regional activities, all opportunities will be taken in the development of the cluster to integrate with them. Of particular importance is the Creative Industries Strategy, an initiative of Arts Northern Rivers and the Northern Rivers Regional Development Board, which will be developed in early 2008. While it is not yet clear what initiatives the Strategy will encompass, Clarence Creative will support its development and the implementation of initiatives identified in it.

⁸ Interview with Peter Wood and Melitta Firth, Visual Arts Network, August 2007

⁹ AEC Group, Clarence Valley Economic Development Strategic Plan Final Report, AEC Group, Brisbane, 2006

¹⁰ AEC Group, Clarence Valley Three Year Action Plan: Building on Competitive Advantage, AEC Group, Brisbane, 2006, p6

¹¹ AEC Group, *ibid*, p7

3. METHODOLOGY

Extensive consultation and research was conducted throughout the course of this project, including:

- review all relevant research, plans, policies, strategies, programs and other materials to establish an understanding of the regional and local area creative industry framework and programs as they relate to this project.
- review of Council's Economic Development Strategic Plan, Regional Overview Report, Sustainability Framework, Northern Rivers Regional Industry & Economic Plan, VAN Business Plan, Clarence Valley Creative Industry Action Plan, and Clarence Valley Cultural Plan
- review of local and overseas research on the creative industry and cluster initiatives
- a survey of creative industry practitioners in the Clarence Valley
- focus groups of practitioners to discuss needs and options for the cluster held in both Grafton and Angourie
- interviews with key agencies and individuals
- focus groups of practitioners to review proposed cluster model and confirm agreement with the proposed scope of cluster operations and structure. Again focus groups were held in Angourie and Grafton.

A detailed description of the methodology is at **Attachment 3**.

3.1 Summary of Key Survey Findings

Nature of business

The most common activity represented amongst respondents was visual art. The next most common were galleries, training and consulting and design.

Length of operation

The majority of respondents have either been operating for a relatively short time (up to 2 years) or for an extensive period (more than 10 years).

Income earned from creative industry and growth expectations

The survey indicates that there is a core of people who are fully committed to the creative industry. 28% of respondents earn the majority of their income from it and 45% work full time in it. However, for most respondents, it appears that the creative industry supplements other primary sources of income.

Most respondents have ABNs. Furthermore, those with ABNs on average earned a higher proportion of their income from the creative industry than others.

Where business is conducted

About 75% of respondents conduct the majority of their business from home. The majority believe their current location can accommodate their business now and in the future.

Markets

Local residents are the primary customers for 65% of respondents. Tourists are the next most important type of customer and private clients residing outside the local area is the third most important customer group. Just over half of respondents have customers elsewhere in Australia and/or in NSW.

Promotional brochures, newspapers and the internet are the three most commonly used marketing media. Those for whom creative industries represent only a small proportion of total income are far less likely than others to conduct active marketing of their businesses.

'Word of mouth', or some variant of this, was nominated by the majority of respondents as the most effective method of marketing. The next most nominated methods were publications, internet, galleries, flyers or brochures, but these are only a fraction of those who nominated word of mouth. A small number of respondents indicated that they do not know which marketing method is most effective.

Internet Use

Most respondents have internet connections at their business location but less than half had broadband. The frequency and type of use varied considerably across the survey group.

Networking

Just over half of respondents indicate they are members of an arts or creative industry association or organisation, including local, national or international. A high proportion of these are members of more than one.

A detailed report on Survey findings is at **Attachment 4** and the questionnaire is at **Attachment 5**.

3.2 Summary of Focus Group Outcomes

Key requirements and opportunities

Clarence Valley creative industry participants attending focus groups clearly identified the essential "ingredient" of a cluster as the interconnection of people who can support and benefit from working with each other.

It was also agreed that there is an opportunity for the cluster to provide:

1. Access to specialised services, bankers, accountants familiar with creative business activity
2. Inspiration and problem solving
3. Supportive work environment
4. Network for efficiencies – production, marketing and purchasing
5. Scale or collective critical mass that will increase total customer numbers

The groups were asked to identify what the Creative Industry Cluster could do to improve and grow the industry and rank the top three initiatives that were most achievable in the first year.

Whilst a range of activities were identified, they most commonly fell into one of three main categories:

1. Establishment and running of a professional organisation for the Creative Industry cluster
2. Development and implementation of marketing strategies
3. Professional development support

It was seen as essential that the cluster is not a duplication of existing support strategies or organisations.

The Virtual Cluster

The focus groups were also asked to consider issues associated with a virtual cluster. Key findings identified the need for :

- A website as a portal or gateway to and for the creative industry in the Clarence Valley
- The need to increase IT skills to make a virtual cluster beneficial for the broad population of practitioners
- A range of communication mechanisms be utilized including the web, email, telephone, letters/faxes and webcam as part of cluster operations.

The focus group(s) identified the need to have a virtual strategy as this was reflective of the new way of doing business and to set a new benchmark for the industry and the region. However it was also made clear that to ensure the immediate needs of industry are met, additional communication strategies should also be considered. In addition, many commented that creative people find value in connecting physically with others and thought this could not be replaced (even in the longer term) by a virtual only arrangement.

Cluster models

Participants were asked to consider a number of issues in respect to the structure and activities of the cluster.

Eight models were identified through this process. There were distinct commonalities to most models:

- Need for strong leadership team with expertise to drive the Creative Industry Cluster
- Role to play for both hobbyists and professionals
- Desire to have a web presence and e-communication strategy
- Need to address marketing needs and opportunities
- Need for mentorship program

Membership emerged as an area of greatest challenge. Four of the eight models identified the need for a selection based membership, the remaining four declared membership should be self selected.

There is also an expectation amongst all models that the Creative Industry Cluster could and would be financially self-sustainable. There is a desire to keep the model simple and user friendly (with regard to rules and regulations). Fees and charges will need to be realistic and offer appropriate benefits to end users or it will not be supported.

This is reflected in the proposed scope of activities/products/services identified in each of the eight models developed by focus group participants and the model recommended in this Business Plan.

Marketing

The survey identified marketing as an inhibitor to growth. The focus groups were asked to explore this issue further.

It was agreed that marketing will need to be a core component of the Cluster through skill development, joint marketing initiatives, creating marketing opportunities and also the establishment of a collective marketing brand.

A full report on the Focus Group discussions is at **Attachment 6**.

3.3 Review of draft model by Focus Groups

Taking into consideration survey responses, focus group outcomes and stakeholder consultations a recommend model was presented to two creative industry focus groups in September 2007 (held in both Grafton and Angourie). The results of feedback from these focus groups are summarised at **Attachment 7**. Where possible and appropriate, this feedback has been incorporated in this Plan.

4. CLARENCE CREATIVE CLUSTER RECOMMENDED MODEL

4.1 Mission

Clarence Creative will value add to the viability of creative industry businesses and contribute to the establishment of the Clarence Valley as a creative hub.

4.2 Objectives

The overall objectives of Clarence Creative are to:

1. Provide a forum for cooperation and communication between practitioners in all creative industry segments in the Clarence Valley
2. Improve business and marketing skills of creative industry practitioners
3. Raise the profile of the creative industries in the Clarence Valley within the local area, the broader Northern Rivers region and beyond so that it is recognised as a key driver of economic activity
4. Provide a vehicle to enable Clarence Valley practitioners to leverage off and complement activities of high profile creative industry practitioners in the Northern Rivers
5. Provide enhanced ability for creative industry practitioners to distribute products and services.

4.3 Targets

The target of the Clarence Creative in its first three years of business are:

1. Secure twenty five (25) members by end of 2008, fifty (50) members by end of 2009, and seventy-five (75) by the end of 2010.
2. Achieve a net annual income greater than operating expenses.
3. To secure at least \$10,000 each year from other funding sources, including grants.

4.4 Keys to Success

The following are considered to be the fundamental keys to success in both establishing and growing Clarence Creative:

- Expand the donor/corporate partner base and corporate contributions that add to the financial resources of the Cluster
- Provide practitioners with entrepreneurial business skills that can facilitate future business development opportunities
- Focus on what is practical and complements what other organisations and businesses themselves can do and are doing.

4.5 Legal Entity & Governance

Clarence Creative will be established initially as an informal working group known as the **Clarence Creative Working Group**. Funds collected from membership and other sources will be held in trust in a separate bank account in the name of Clarence Creative by Clarence Valley Council.

The legal structure will be reviewed within the first twelve months of operation.

Clarence Creative, dependent upon the level and nature of operations, will be established as an Incorporated Association at the end of the first 12 months of operations.

At that time, a bank account will be established in its name and the balance of funds remaining in the Council established account will be transferred to it.

4.6 Cluster Structure

As stated above, the Terms of Reference for this Business Plan emphasised achievability and sustainability solutions to the development of the structure. The Focus Groups confirmed the importance of managing the scale of Clarence Creative so that it does not require significant funding and other resources to support it. These principles have guided all aspects of Clarence Creative, including the activities it conducts and its structure. Accordingly, the supporting infrastructure for the cluster is simple and minimal in nature, the majority of ongoing activities being supported and implemented by industry volunteers and agencies and institutions such as Council and TAFE, with funding sought as required for projects described later in this Business Plan.

4.6.1 Leadership team

The duties of the leadership team are:

- To facilitate discussion and provide oversight of the activities of the cluster as defined in this Business Plan with the Working Group
- To make decisions on the fiscal annual budget for the best benefit of Clarence Creative.
- To each be a Chair of a specific areas of relevance to the health of Clarence Creative (as defined in this Business Plan). This is expanded upon later in the document.

The Leadership Team of Clarence Creative will be drawn from the Clarence Creative Working Group and will consist of 5 positions. Clarence Valley Council and Arts Northern Rivers will each hold one position on the leadership team. The remaining three positions will be decided by election from the members of the working group. The leadership roles will be for a period of 12 months.

It is essential that Clarence Valley Council builds capacity within the leadership team and the working group rather than a dependency on Council for the future sustainability. To that end, only one Council representative should be on the leadership team.

The existing Working Group having been involved in many cases since 2005 at the commencement of the Economic Planning process will be dissolved and Expressions of Interest (EOI) for membership will be called in January 2008 by Clarence Valley Council.

EOIs will be distributed through existing networks and organisations such as Arts Northern Rivers, Lower Clarence Arts and Crafts Association, Grafton Regional Gallery, creative industry

databases and will be publicised in local media. Existing Working Group members will be eligible to nominate.

The EOI will detail criteria for membership, including, but not restricted to those described at **Attachment 8**.

The Working Group will include a maximum of 12 members. Two positions will be reserved for the Economic Development Unit of Clarence Valley Council and Arts Northern Rivers. These two organisations will review and consider individual applications in light of the following criteria relating to its overall structure:

- Representation from a range of Creative Industry sectors
- Broad geographic coverage
- Diversity and balance of skills and expertise relevant to the aims and objectives of Clarence Creative

A maximum term of two years will apply to membership of the Working Group.

Working Group members will be assigned portfolio responsibilities aligned with the Products and Services described in this Plan. In addition, the following positions will be assigned to members:

- **Membership/Fundraising.** Direct mail and email plan, existing and potential database development and management, renewal notices, special member mailings, solicitation of sponsorship and membership.
- **Treasurer.** Documenting/monitoring the financial situation, developing/monitoring budgets.
- **Grants Officer.** Advising on and developing Grant possibilities. Responsible for meeting deadlines, helping with steps to obtain grants.
- **Public Relations.** Liaison with media, development of connections for the cluster. On establishment of the website this role will be responsible for its oversight.

The Working Group will meet every month, either face to face or virtually.

Within 12 months of acceptance of this Business Plan, the membership of the Working Group will be reviewed, and changes to the legal structure of the cluster implemented. At this point, it will be decided whether the Working Group continues in this role or whether members elect a new Leadership Team.

4.6.2 Executive support

Executive support will be provided by Clarence Valley Council. It will also act as manager of operations of the cluster encompassing:

- Advising the leadership team and receiving approval from it on areas concerning financial matters
- Contracting and assisting in oversight of projects and service providers
- Assisting the Grants Officer in researching and making application for grant funds
- Advising on directions and ideas in developing the related fundraising activities with the leadership team
- Coordinate fiscal management of the Working Group, with approval from the Treasurer and leadership team
- Other administrative tasks as required.

4.6.3 Secretariat

Secretariat services will be provided on a fee for service basis by an organisation or individual identified as having appropriate skills. This role comprises:

- Maintenance of the Working Group's meeting minutes
- Assistance in preparation and distribution of agendas, reports of activities and fiscal reports.

A formal quotation process will be undertaken to secure secretariat services.

4.6.4 Membership

Clarence Creative will be membership based.

Membership will be open with potential members asked to self assess against criteria described in the Market Analysis below.

Members will pay a membership fee of \$80 per annum. This will be reviewed annually.

Membership will be paid into the account of the Clarence Creative.

5. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

A number of SWOT exercises were conducted in the course of development of this Business Plan. It was evident that participants thought in terms of the creative industry as a whole or particular sectors within it, while others thought in terms of the cluster. The Economic Development Strategic Plan also conducted a SWOT on the creative industry as a whole.

The following is an amalgam of these exercises. It focuses on those relating to the cluster itself but, in so doing, it needs to be acknowledged that the issues facing the cluster closely reflect those affecting the industry as a whole.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Diversity of sectors • Geographical dispersal • Physical environment that creates/fosters inspiration • High skill level of workforce • Passion to raise the status of creative industry and improve business outcomes • Considerable local participation in the creative industry and the Cultural Development Sector • Artistic culture in the region • Investment in cultural service development staff in Council • Desire to communicate and work with others • Industry is showing signs of growth • Commitment to professional associations and membership of organisations. This demonstrates there is a need for and commitment to professional development • Changing demographics – sea changers. 	<ul style="list-style-type: none"> • Diversity of sectors • Geographical dispersion of practitioners • Lack of cohesion/direction within the industry • Lack of communication/information sharing • Newness and unfamiliarity of cluster concept • Ego – internal and external • Perception of creative industry in the broader community • Choice of lifestyle versus commercialisation – high number of hobbyists • Poor marketing • Apathy, rate of change may lead to low buy in to services/products/associations • Access to facilities for local artists • Lack of a dedicated, quality performing arts venue • Lack of exhibition space for local artists • Greater participation in/recognition

	of the Creative Industry sector in nearby regions.
<p>Opportunities</p> <ul style="list-style-type: none"> • Increase acceptance and profile of creative industry in the LGA • Establishment of creative industry branding for the region to market and promote the area as a creative hub • Influence purchasing patterns and decision making by consumers • Catalyst for investment – public and private • Establish complementary services and products to existing organisations and associations • Catalyst for development of collaborative projects • Raise awareness of and promote linkages between creative industry sectors and other industries (eg tourism) • Increase communication across the industry • Establishment of mentor program with new and established businesses • Cooperative purchasing • Sharing premises or the creation of creative precincts/resource sharing • Promotion/marketing of local practitioners • Joint marketing initiatives • Improved networking between practitioners • Co-development with creative industry in nearby regions. 	<p>Threats</p> <ul style="list-style-type: none"> • Parochial attitude • Increasing number of retirees and their resultant need to generate an income – this leads some practitioners to under-price their products • Competition from mass produced products • Need for, but lack of point of difference of Clarence Valley from rest of Northern Rivers • Support needed from CI community and beyond • Risk of duplication of products and services provided by other organisations • Competition and development of nearby regions as arts hubs • Broadband coverage • Level of IT skills • Participants may not be able to afford to pay for service/support • No consistency of inputs across the CI identified • Competition from membership of other organisations that have been established for a long time

6. MARKET ANALYSIS

Whilst there exists a range of data available on the creative industry in Clarence Valley, it is difficult to establish a comprehensive and cohesive snapshot of its structure.

Henkel found there were 330 creative industry businesses in Clarence Valley in 2005, comprising:

- 249 sole traders
- 53 employing 2-5 people
- 15 (6-10)
- 13 (11-50).¹²

¹² Henkel, *ibid*, p67

This closely matches the structure of the industry in the Northern Rivers, with the predominance of micro businesses. Henkel's work does not provide a segmentation by industry grouping.

With respect to employment, the Clarence Valley Cultural Plan quotes ABS statistics from the 2001 Census that there are 1058 Clarence Valley residents who are 'cultural' industry workers.¹³ There are some limitations to the employment data. Cultural industries encompass some activities such as libraries and museums which are not included in the creative industry. Almost half of the above number are employed in hospitality. Henkel also highlights that Census statistics can underestimate creative industry employment, as practitioners commonly earn income from other industries and may well list that occupation on the Census form.

The creative industry and the potential market for the cluster can be defined in the following way. (This is adapted from work done in Montana by Stuart Rosenfeld).¹⁴

- Individuals and free lancers who do not employ anyone, although they might occasionally work with family members. They generally produce one thing at a time. Many value lifestyle and creativity over commercial objectives.

Nevertheless, many may still be considered 'professional' artists, which has been defined as 'serious practitioners operating at a level and standard of work and with a degree of commitment appropriate to the norms of professional practice within their artform'.¹⁵

Creative activity may only be a supplementary income for many of them. Many move in and out of creative employment and activity. To amplify this, research has shown that, on average, artists spend about half of their time on their chosen creative activity, about 30% in arts related employment (most commonly teaching) and about 20% on non arts related employment.¹⁶

Some may be highly innovative and original in what they do, while others will produce relatively conventional art and concentrate on a narrow range of styles.

Some may commercialise their product. With business and marketing support, some might be able to turn their hobby's into businesses.

- Artisan-entrepreneurs and small to mid sized businesses that meet a larger market demand. This includes potteries which design and then use productive processes to replicate that design, photographers who produce multiple copies, high end furniture manufacturers etc. It also includes larger enterprises that are able to incorporate art into products that can be manufactured and into services that can reach mass markets. Clay and glass products, lithographs, publishers and sound studios are examples of this.
- Specialised service companies and freelancers that design, deliver, and produce creative content in various forms, including graphic designers, advertising firms, multimedia, architects and web designers. They provide services and content to other businesses and private customers.

¹³ Clarence Valley Council, 'Clarence Valley Cultural Plan 2007-22012', Clarence Valley Council, Grafton, 2007

¹⁴ Rosenfeld, S, 'Clusters of Creativity: Innovation and Growth in Montana, Regional Technology Strategies, Carboro, North Carolina, 2003, pp4-5

¹⁵ Throsby, D and Hollister, V, 'Don't give up your day job: An economic study of professional artists in Australia', Australia Council for the Arts, Sydney, 2003, p13

¹⁶ Throsby, et al, p39

There are various supporting services to these businesses, including:

- Professional services such as accounting, law, IT professionals, etc
- Providers of materials and equipment
- Freight and logistics
- Education and training providers, which supply skills and trained staff to the practitioners
- Market outlets, such as galleries, publishers, shops, web designers
- Other 'soft' infrastructure including various associations and clubs which provide for interaction and cooperation amongst sectors of practitioners.

As mentioned above, **Attachment 2** lists the key components of the creative industry in the Clarence Valley.

Within this mix are a small number of businesses which may achieve national and international recognition and markets and others which will find commercial outlets and move to scale through mass reproduction or publication. However, for the majority of participants, growth is expected to be relatively slow.

The primary market for the cluster is creative industry practitioners and businesses which wish to improve their business performance.

Membership of the cluster will be promoted as being relevant to businesses and individuals:

- Generating or trying to generate the majority of income from creative industry activities
- Possessing an ABN relating to the creative industry activity.

7. PRODUCTS AND SERVICES

Given the diversity of businesses involved, it will not be sustainable to conduct sector specific initiatives. The cluster will therefore focus on activities which are relevant to a broad range of sectors.

As noted above, the objectives of the Clarence Creative are to:

1. Provide a forum for cooperation and communication between practitioners in all creative industry segments in the Clarence Valley
2. Improve business and marketing skills of creative industry practitioners
3. Raise the profile of the creative industries in the Clarence Valley within the local area, the broader Northern Rivers region and beyond so that it is recognised as a key driver of economic activity
4. Provide a vehicle to enable Clarence Valley practitioners to leverage off and complement activities of high profile creative industry practitioners in the Northern Rivers
5. Provide enhanced ability for creative industry practitioners to distribute products and services.

A range of initiatives have been developed to support these objectives. The initiatives listed below are those considered to be necessary and capable of being implemented in the first three years of operation of Clarence Creative, which is the timeframe covered by this Business Plan.

7.1 Website

A key feature of the Cluster initiative will be a website. It will provide a broad range of functions in support of the Clarence Creative objectives. In summary, the website will incorporate two sections:

- The first tier will be public access and provide information on existing service providers, local, regional, State and National associations, events and general information. It will include an “encouragement statement” to those who may wish to join, emphasising the business focus of the cluster and including the criteria identified in the Market Analysis.
- This section of the website will also have a creative industry directory (discussed further below).
- Each week 5 member profiles will be featured in the public section of the website as a showcase and encouragement to join.
- Once a month, a creative industry case study on a leading practitioner will be featured on the public section of the website. This will be written by a journalist.
- The second tier will be accessible to members only.
- It will offer on-line training opportunities, on-line marketing opportunities (in the general section), exclusive training/marketing and promotional opportunities.
- All members will provide a profile of themselves and an overview of their products or services in the member profile section. This will be able to be edited by the user on-line. These will be replicated on the public section of the website, as described above. A help line will be established to assist users with this process.

In the third year, an on-line shopping cart for members products will be introduced.

The website will have an automatic payment option, which would record membership date, and automatically generate invoices each year.

As the profile of Clarence Creative develops, the website is anticipated to become the major single source of information for the creative industry. This would be measured in hit rate, and length of time spent on the site, number of members and number of renewals.

A detailed Website Plan has been developed and is at **Attachment 9**.

7.1.1 Creative Industry Directory

The Directory will be placed on the website and will include three components:

- Free single line listing – name of business, location name, phone number
- Paid advertising under the one line listing – up to three lines about the business = \$30/year
- Paid link to own website.

7.2 Cooperation and Communication

7.2.1 Website

The website will be a forum for communication and cooperation between practitioners, including the development of joint projects and the sharing of resources and equipment.

It will also include ‘Your Voice’, incorporating a Moderated Chat Room on topics nominated and/or led by the Working Group and/or members, and an Issues Notice Board.

7.2.2 Regular networking events at different creative industry businesses / venues with case studies / guest speakers

These events will be held three times per year for an hour.

They will be hosted by one practitioner and be a showcase of their business and products/services. They will be informal and social in nature, although there will be an opportunity for discussion of topics of current interest. They will be rotated around the LGA.

7.2.3 Workshops with case studies on quality product development and building and finding markets for products – focus on local, regional first, then national export

These will be the next level of promotion above the networking events. They will showcase local, national and international practitioners.

There will be an extensive media and marketing campaign for exposure of role models.

7.2.4 Projects

Clarence Creative will provide a conduit for practitioners to initiate and develop collaborative projects or develop joint tenders for projects initiated elsewhere. The website and networking events will provide the initial point of contact for such projects. Some projects may be funded by practitioners, while there may be potential for others to attract leveraged funding from different sources.

7.2.5 Sharing of resources, equipment and workspace

Clarence Creative will promote the sharing of resources and equipment by practitioners. The website will include a Classified section, listing:

- resources and equipment for sale and work space for rent or sharing
- resources, equipment, work space wanted.

This service will be provided free of charge as a member benefit.

7.3 Professional Development

The guiding principle of the cluster's approach to professional development will be to:

- ensure that Clarence Valley practitioners are made aware of and able to access the full range of professional development activities delivered by other organisations and
- where there are gaps in availability, initiate activities locally.

It is expected that the requirement for the latter will be minimal.

In order to identify skills requirements, the member's section of the website will include a link to a simple business skills self diagnostic on Clarence Valley Council's *SelectSurvey* database. The database will aggregate data on skill gaps which will be monitored to identify any priority and emerging needs.

7.3.1 Business Skill Workshop Program

The cluster will facilitate improved access to appropriate Business Skills Workshops by:

- Providing information on the website of workshops offered by other organisations such as Arts Northern Rivers, the NSW Department of State & Regional Development (DSRD), NRACC Small Business Field Officer, Northern Rivers Business Advisory Service, (NRBAS), industry and professional organisations, etc
- Partnering with DSRD to deliver Women In Business Program only for creative industries

- On-line workshops and discussion forums
- Partnering with training providers to deliver training options
- Ensuring that workshops conducted in the context of events have a business skill development component.

7.3.2 Business Plan Development Program

The cluster will promote to members the benefits of business plans through case studies on the website. It will also promote and facilitate access to training and support for the development of business plans, using:

- Specialist speakers
- Promoting use of resources such as the Creative Business Toolbox.

The NRBAS will support this component of the program.

The cluster will promote opportunities for subsidies provided by DSRD for the development of business plans.

7.3.3 Mentoring Program

Local practitioners will be invited to be mentors or mentees. Mentors and mentees will apply to the Working Group to become mentors or mentees. The initial focus will be on the recruitment of mentors. The Working Group will vet these applications and once approved, profiles of their skills and specialisations and availability will be placed on the website. Mentees will initially identify a mentor and apply to the Working Group.

Mentors and mentees will be required to manage the arrangement themselves, including agreeing on the timeframe and scope of the arrangement.

Depending on the level of demand, NRBAS may manage this program.

If sufficient mentors are not available locally, the cluster will investigate the potential to leverage off existing mentoring programs, such as:

- The Australian Businesswomen's Network mentoring program
- The Sydney Business Advisory Service's Business Buddies program.

7.3.4 Training for creative industry practitioners in use of IT

Existing education and training providers and/or IT professionals will deliver a range of existing programs, however the cluster will lobby for and facilitate the development and delivery of specialised workshops for creative industry practitioners.

Workshops will be delivered on a fee for service basis. Members will be provided with a discount for attendance.

The cluster will promote practitioners undertaking one on one training with IT specialists. The cluster will also investigate the potential of engaging youth with high level IT skills in supporting and mentoring practitioners.

7.3.5 Development of websites

Further to the above, members will be provided with assistance in the development/enhancement of their own websites.

This will include:

- Directing members to possible service providers, in the first instance those available locally
- Referring members to sources of financial assistance for website development, such as DSRD's New Market Expansion Program.

7.3.6 "CI Think Tank" –annual regional forum

This annual forum will address 'cutting edge' topics and issues relevant to the creative industry. They will include guest speakers and panel discussions.

It will be conducted as part of the spring ArtsFest and/or Lower Clarence Arts and Crafts Expo.

7.3.7 Intern, immersion, exchange program

There will be two core components to this program:

- A bursary for one practitioner to undertake a study tour or internship with another practitioner in Australia or overseas. Members will make proposals and a panel will choose one each year.
- Groups travelling to locations in Australia (eg the creative industry precinct at Kelvin Grove in Brisbane) or overseas to study design or creative processes (eg cluster initiatives) or business and marketing practices in the creative industries. Programs will be up to three weeks. Costs would be borne by the practitioners.

Members will be invited to nominate potential group study trips by the end of December each year. These must be specific as to location and activity and preferably include an indicative costing. These will be posted on the website, where they can be viewed by members. They will be considered by the Working Group and a shortlist of those determined to be the most feasible and relevant to the objectives of Clarence Creative will be put to a vote by members.

Council will provide key support for this activity by managing organisational arrangements. Participants in both these programs will provide training and showcasing of experience to other members upon completion.

7.3.8 Creative Partnerships

Montana is recognised as having a vibrant creative industry and there has been considerable attention paid to the creative industry cluster. A report by Regional Technology Strategies to the Montana Governor's Office recommended matching Montana's creativity cluster to other regions that depend on creative enterprise as one approach to sharing ideas and markets.

Clarence Creative will investigate the development of links with creative industry practitioners and groups within Australia (regional, state and nationally level) and overseas, including the United States, Great Britain and New Zealand, to share information and ideas, and potentially leading to shared marketing activities.

7.4 Marketing and Profile Development

7.4.1 Development and promotion of a Cultural Tourism Trail

This initiative will include:

- Enhancement of the existing Clarence River Tourism Association Online information on creative industry activities and attractions, including addition of an online map

- Possible development of an audio CD that talks visitors around the area in terms of cultural tourism
- The latter would be distributed on line, through VICs, tourist attractions and accommodation providers.

7.4.2 Engage the community to raise awareness

This program will include:

- Promotional campaigns
- Media coverage
- Members of the broader business community and the public will also be invited to selected networking events.

7.4.3 Media support

The website will include resources to assist practitioners in developing and implementing effective approaches to dealing with and engaging support from the media.

It will include the following components:

- On-line media kits or development packages
- Media training
- Compilation of successful media releases of practitioners
- Joint media development of range of practitioners at regular intervals.

7.4.4 Promotional Brochures

A simple promotional brochure ‘Clarence Creative On the Move’ will be developed to be used at tourism expos, and other trade and consumer events.

A brochure featuring leading practitioners, Hand Made in the Clarence, will also be developed.

7.4.5 Advocacy

Clarence Creative will also play an advocacy role on issues and initiatives such as:

- Development of a shared space/precinct
- Encouragement of Grafton & Maclean TAFE to reinstate Fine Arts course
- Establishment of a performing arts venue for the Lower River
- Businesses and apprenticeship opportunity awareness for the creative industry
- Encouraging greater take up of broadband internet by practitioners.

8. CLUSTER MARKETING PLAN

The development of Clarence Creative will change the reality of operating in the Creative Industry within Clarence Valley and develop a cohesive identity for the industry through:

- Developing a united industry approach to development of comprehensive and sustainable business support services
- Offering its target market communication and collective creativity opportunities, collaborative problem solving, product/service marketing and distribution opportunities.

The marketing strategy will capitalise on Clarence Valley’s proximity to existing areas within the Northern Rivers that have already established themselves as Creative Hubs. The plan will also establish brand awareness both nationally and internationally, and for Clarence Creative to be showcased as a model of best practice for the Creative Industries.

8.1 Membership

In order to facilitate uptake of Clarence Creative, the Working Group will:

- Identify potential members of the cluster
- Conduct consultations with identified key organisations to seek their support with linking to existing databases, and proactively encouraging membership of Clarence Creative
- Facilitate industry awareness forums, run advertisements in local newspapers and publications, produce information/promotional collateral for distribution

8.2 Evaluation

The Working Group will also consult with members and other Industry practitioners on an ongoing basis to exchange information and seek feedback on the products and service being offered in order to review and evaluate Clarence Creative products and services and ensure that adjustments are made when necessary and the cluster remains in tune with industry needs.

8.3 Cluster Scope and Use

The following list comprises the anticipated use of Clarence Creative within three years.

Customer	Status and type of usage	Target Number
Individuals and freelancers Non business orientated Business oriented	Non members Public access website, some events	Unlimited
	Members All services	15
Artisans/entrepreneurs and small to mid sized businesses	Members All services	40
Creative content developers and producers	Members All services	10
Associations and clubs	Non members Public access website, some events	Unlimited
Suppliers including: Professional services Suppliers of materials and equipment Freight, logistics Education and training providers Market outlets	Non members Public access website, some events	Unlimited
	Members All services	10
Customers	Non financial members	Unlimited

	Public access website	
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8.4 Promotional Strategy

A level of awareness of the proposed Creative Industry Cluster exists amongst the target market. However, the promotion and publicity strategy will focus on raising awareness of:

- Formalisation of the cluster
- The brand Clarence Creative
- New and expanded services on offer
- Increasing awareness of the role the Creative industries within the economy of Clarence Valley.

Promotions and advertising tactics will include:

- print based media - regional newspapers and industry newsletters
- electronic media - interactive website and internet
- other media - television and radio exposure for launch of Clarence Creative
- prominent display of branding – events, links with existing websites, links with Council website
- permission marketing – e-bulletins to existing databases (via existing organisations eg Arts Northern Rivers monthly e-newsletter)
- paid advertising of existing and expanding services.

The promotional strategy will select media that will thoroughly cover the target market to effectively tell the story of the Clarence Creative. The overall strategy for the first 12 months will be focused on targeting key industry practitioners in each of the segments to secure their support and membership. They will be known as founder members and their profile will be used to promote the cluster to other practitioners.

The promotional strategy will then focus on expanding membership in all segments and increase in range of services to members. This will be done through publicity, support of existing organizations (database), and promotional activities at major events.

To ensure the widest possible distribution and participation the membership benefits will need to be promoted via the following mechanisms:

- Working group to distribute to individual sector networks
- Council's sector list - hard copy and electronic form
- Distribution of Clarence Valley Council e-news to business and cultural databases
- Membership forms available at Council offices, all libraries and community centres
- Lower Clarence Arts & Crafts Association to their members
- Arthouse Australia to artists on their database
- Grafton Regional Gallery database
- Department of State and Regional Development's Clarence Valley database.

8.5 Pricing Strategy

The pricing strategy is full cost recovery and has been developed on a thorough understanding of the market and the products available to the Creative Industry within the area at present.

All members will pay a membership fee levied by the Clarence Creative. This fee is minimal and designed to cover basic ongoing costs of running the cluster, including secretarial, website maintenance, insurance etc. It will be the role of the Working Group to ensure the cluster remains financially viable through strategic planning and annual budgeting.

Fees for workshops and other activities will be set at a level to recover costs (plus a target of 10% - 20% profit on services provided to non members). If sufficient numbers of participants cannot be attracted, events will not proceed.

9. CLUSTER IMPLEMENTATION PLAN

YEAR 1	OBJECTIVE	ACTION	RESPONSIBILITY
January/ February	Select and establish Working Group	Issue EOI Review applications Interview where necessary	EDU Clarence Valley Council Arts Northern Rivers
February	Obtain funding for website, directory and promotional campaign	Write application	Clarence Valley Council Endorsed by Working Group
March/ April	Commence website development	Write project brief Select web designer Commence project	Working Group- project management Contractor – project delivery
March/ April	Commence development of creative industries directory	Write project brief Select contract Commence project	Working Group- project management Contractor – project delivery
June	Complete business directory	Install on website	Contractor
July	Complete website	Conduct user testing Activate website	Contractor
September	Launch website and membership drive	Utilise existing event (ArtsFest and/or Lower Clarence Arts and Crafts Expo) Conduct promotional campaign	Working Group
August (Ongoing for life of cluster)	Improve IT skills of creative industry practitioners	Workshop by existing training organisation	Working Group and Training Organisation
August (Ongoing)	Improve business management skills and practices	Promote existing training programs/opportunities	
November	Formalise Governance	Review governance options Apply for incorporation	Working Group
December (Ongoing)	Formalise links with training providers – public and private	Ongoing liaison	Working Group
January until launch	Establish profile for Clarence Creative	Engage the community to get them interested and aware of Clarence Creative, using media and	Working Group

of website		existing networks to inform stakeholders and general public on progress.	
YEAR 2	OBJECTIVE	ACTION	RESPONSIBILITY
January (Ongoing)	Raise profile of Creative Industry	Commence implementation of marketing strategies	Working Group
January (Ongoing)	Improve IT skills of Creative Industry practitioners	TAFE to design and run courses in IT and creative industry and students to develop, maintain and moderate site	Working Group + TAFE
January - June	Improve business management skills and practices	Conduct inaugural intern/immersion/international exchange program <ul style="list-style-type: none"> • Identify and establish project to be visited • Advertise project and bursary • Selection Panel interviews and select bursary recipient 	EDU Clarence Valley Council Working Group
March – September (Ongoing)	Improve business management skills and practices	Prepare for and conduct “CI Think Tank” – annual regional forum <ul style="list-style-type: none"> • Select topics • Identify speakers • Distribute invitations • Conduct event 	Working Group
March	Promote membership by showcasing leading practitioners	Implement membership profiling on website.	Website contractor
April (Ongoing)	Improve business management skills and practices	Develop Business Skill Workshop Program <ul style="list-style-type: none"> • Use Skills Analysis to identify priority topics not being addressed by existing programs • Identify deliverers and promote to industry 	Working Group EDU Clarence Valley Council
May	Improve business management skills and practices	Activate Business Plan Development resources and tools on website	Working Group
June – Dec (Ongoing)	Improve business management skills and practices	Establish Mentoring Program <ul style="list-style-type: none"> • Advertise project • Selection Panel interview and select and 	Working Group

		match participants	
September	Improve media and PR skills and practices	Develop media package and install on website.	Working Group
September	Raise profile of Creative Industry	Apply for grants – development of promotional brochure <ul style="list-style-type: none"> • Write application 	Working Group
November	Raise profile of Creative Industry	Write project brief for Promotional Brochure Select designer Commence project	Working Group – project management Contractor – project delivery
December	Market Creative Industry practitioners and product	Apply for grants – development of Cultural Tour Trail and Handmade in the Clarence project <ul style="list-style-type: none"> • Write application. 	Working Group
YEAR 3	OBJECTIVE	ACTION	RESPONSIBILITY
January (Ongoing)	Improve cooperation and communication	Commence Regular networking events at different creative industry businesses / venues with case studies / guest speakers. <ul style="list-style-type: none"> • Identify Network Event (3/year) dates and location • Begin promotion 	Working Group
February - September	Market Creative Industry practitioners and product	Commence development and promotion of Cultural Tour Trail <ul style="list-style-type: none"> • Establish project team to write the project brief • Select contractor • Complete project • Launch CD 	Working Group, CRTA – project management Contractor – project delivery
April	Improve business management skills and practices	Conduct workshops with case studies on quality product development and building and finding markets for products – focus on local, regional first, then national export <ul style="list-style-type: none"> • Establish dates, locations and businesses for case study • Begin promotion. 	Working Group

June	Improve business management skills and practices	Establish link with Creative Partner, via website	EDU Clarence Valley Council
August	Market Creative Industry practitioners and product	Establish Clarence Creative website as single point of information on Creative Industry in Clarence Valley. Website fully operational.	Working Group
October - December	Market Creative Industry practitioners and product	Hand Made in the Clarence (Leading practitioner brochure based on Bellingen Hand Made) <ul style="list-style-type: none"> • Write project brief • Select designer • Commence project • Complete project and launch. 	Working Group – project management Contractor – project delivery
November	Evaluate and ensure effectiveness of Clarence Creative	Review Business Plan Review outcomes, and prepare next 3 year plan	Working Group
ONGOING	ADVOCACY		
	Shared space/precinct	Monthly meeting	Working Group
	Encourage Grafton & Maclean TAFE to reinstate Fine Arts course	Monthly meeting	Working Group
	Performing arts venue for the Lower River	Monthly meeting	Working Group
	Businesses and apprenticeship opportunity awareness for the CI	Monthly meeting	Working Group

10. POTENTIAL FUNDING SOURCES

As stated earlier, a key principle underpinning the structure of Clarence Creative and the activities it will undertake, is sustainability.

Apart from membership fees, a number of other income and funding sources will be pursued.

10.1 Clarence Valley Council

In addition to its significant in kind support, the Working Group will explore with Council the potential of it providing funding to underwrite the ongoing operations and specific initiatives of Clarence Creative. Specific initiatives for which Council funding will be sought include:

Capital Costs

- Website development - half share (\$7,500) with co-funding by grant, or full cost (\$15,000)
- Business Directory - half share (\$2,000) with co-funding with grant, or full cost (\$4,000)
- Production of Promotional Brochure – half share with industry (\$2,000)
- Production of Cultural Tourism Trail CD – half share with grant (\$2,500)
- Production of Hand Made in the Clarence – half share with grant and/or industry (\$5,000)
- CI Think Tank (\$1,000/year) as seed funding
- Launch and promotion of Clarence Creative - half share (\$2,000) with co-funding with grant, or full cost (\$4,000)

Ongoing

- Secretariat
- Website management
- Intern, immersion, exchange program

It is intended that, over time, the majority of operating costs will be met by membership and other fees.

10.2 Department of State & Regional Development

DSRD has a number of programs which the Clarence Creative initiatives might be eligible for funding, including:

- Developing Regional Resources and Main Streets/Small Towns, with respect to website and Directory and brochure development
- New Market Expansion Program, with respect to website and brochure development (however, Clarence Creative would not be eligible for this until it has established itself as a legal entity – in the meantime, any grant would have to be provided to an individual business, which would also have to provide evidence of financial viability)
- Traveling Experts, for workshops.

The former two require matching funding from a partner.

In addition, the Business Clusters program provides support for the facilitation and growth of cluster initiatives including:

- Feasibility and formation planning
- Industry skills enhancement
- Marketing and promotional activities.

The program provides a 75% subsidy of up to \$10,000 during early stage development and matched funding of up to \$10,000 for any one project. Funding is limited to \$20,000 over a two year period.

Small to medium sized businesses must comprise at least 80% of membership and:

- Have been in business at least 2 years
- Be financially viable and provide financial reports which shows businesses are profitable
- Employ a minimum of one person in addition to owners
- Have a turnover between \$200,000 and \$50 million.

It has also been suggested by DSRD that there might be an opportunity for support through the Innovation Cluster Program. DSRD supports innovation clusters in Western Sydney, Northern Sydney, Coffs Harbour, and Newcastle, including groups specific to the ICT and building and construction industries. At the time of writing of this Plan, no information was available on the criteria for this program.

All DSRD programs are eligibility based. Clearly, the Business Cluster Program has the most stringent eligibility criteria. However, it is understood that the latter criteria do not necessarily have to be satisfied in order for an early stage development project and that Council could apply on behalf of Clarence Creative.

10.3 AusIndustry

The Building Entrepreneurship in Small Business Program provides funding for professional development initiatives. The latest round of funding included grants for two Creative Industry projects in Queensland and Victoria. The previous round provided funding for a project in Tasmania.

This is a highly competitive program. Strong evidence of need is required and preference is given to proposals which have co-funding.

This program would be suitable for the workshop, mentoring and business plan development components of the professional development activities.

10.4 Australia Council for the Arts

The Community Partnerships program provides funding for one-off community arts and culture projects which have a public outcome and involve cross-sectoral partners. This may be suitable for the website and brochures.

10.5 Regional Arts NSW

The Quicks Program aims to support travel costs for artists seeking professional development which could be used to support the Intern, immersion and exchange program.

11. FINANCIAL PLAN

PROJECTED CAPITAL BUDGET

	2008	2009	2010
Website	15,000	0	0
Business Directory	4,000	0	0
Promotional Brochure	0	4,000	0
Cultural Tour Trail CD	0	0	5,000
Hand Made in the Clarence	0	0	10,000
CI "Think Tank"		1,000	1,000
Promotion	2,000	2,000	0
TOTAL	21,000	7,000	16,000

PROJECTED CASH FLOW STATEMENT

RECEIPTS	2008	2009	2010
Membership fees	2,000	4,000	6,000
Business Directory Sales	4,000	4,500	5,000
Grants	25,000	11,000	16,000
Operational Projects	0	5,500	6,000
On-line sales	0	0	2,000
TOTAL RECEIPTS	31,000	25,000	35,000
PAYMENTS	2008	2009	2010
Start Up Costs			
Website	15,000	0	0
Business Directory	4,000	0	0
Promotional Brochure	0	4,000	0
Cultural Tour Trail	0	0	5,000
Handmade in the Clarence	0	0	10,000
CI "Think Tank"	0	1,000	1,000
Promotion	2,000	2,000	0
Total Start Up Costs	21,000	7,000	16,000
Operating Costs			
Website Operation	4,800	4,800	4,800
Intern, immersion, international exchange program	0	3,000	3,000
Promotional Brochure	0	0	2,000
Secretariat Support	4,000	3,000	2,000
Operational Projects	0	5,000	5,000
Legal/audit fees	0	1,000	1,000
Total Operational Costs	8,800	16,800	17,800
TOTAL PAYMENTS	29,800	23,800	33,800
Surplus(Deficit)	1,200	1,200	1,200
Opening Balance	0	1,200	2,400
Closing Balance	1,200	2,400	3,600

UNDERLYING ASSUMPTIONS

DESCRIPTION	ASSUMPTION
Website Start Up	\$15,000 contract to design and construct website
Business Directory	\$4,000 contract to research, write and sell directory listings
Promotional Brochure	Contract to design and print 5000 DL colour brochures
Cultural Tour Trail	Contract to develop an audio CD
Handmade in the Clarence	Contract to develop and print colour promotional booklet
CI "Think Tank"	Start Up budget of \$1000/year to assist with costs until it can be full cost recovery
Promotion	Budget to promote Clarence Creative in the first and second year to raise awareness of the project and gain members
Membership	2008 x 25 members @ \$80/year = \$2000 2009 x 50 members @ \$80/year = \$4000 2010 x 75 members @ \$80/year = \$6000
Business Directory	Advertising rate of \$30/year for business description Advertising rate of \$50/year for business description plus link to website Target is 50 business x \$30 + 50 business x \$50 = \$4000 plus annual growth of approximately 10%
Grants	Applications submitted to: <ul style="list-style-type: none"> • Clarence Valley Council • DSRD • Ausindustry • Australian Council for the Arts. <p>The budgeted amount includes \$2,000 in each of the first two years to contribute to working capital requirements.</p>
Operational Projects	Cost recovery for members, small profit from non-members with 10% growth through participation each year Eg Training, Workshops, Think Tank, business skills program, media support, networking events, creative partnerships
On-line Sales	Sales of Cultural Tourism CD via shopping cart facility
Website operation	Contract costs @ \$400/month – maintenance, data entry and help line for members
Intern, immersion, exchange program	Set bursary of not more than \$3000/year
Promotional brochure	Printing costs of 5000 DL colour brochures
Secretariat Support	Fixed price contract for services for the organisation. Initially higher cost due to establishment requirements. Anticipated at \$2000/year after establishment
Operational Projects	Cost of running projects
Legal/audit fees	Establishment of Incorporated Association, and ongoing requirements for this entity

ATTACHMENT 1

Terms of Reference of Business Plan

Project aims

Develop a business plan to support a best practice virtual creative industry cluster that:

- Facilitates access to and awareness of regional, national and international markets for Clarence Valley based creative industry stakeholders
- Provides opportunities for individual stakeholders to enhance promotional capacity
- Fosters greater awareness and recognition of the Clarence Valley creative industry output
- Provides a mechanism for industry engagement, participation and Extension
- Enhances opportunity for business capacity building of stakeholders
- Strengthens linkages between creative industry stakeholders within the local area
- Is sustainable

Strategic context

The project is to acknowledge and integrate the outcomes and recommendations of the following reports and planning documents:

- Clarence Valley Sustainability Framework
- Clarence Valley Economic Development Strategic Plan
- Clarence Valley Cultural Plan
- Northern Rivers Regional Industry and Economic Plan
- Arts Northern Rivers Strategic Plan.

ATTACHMENT 2

Components of the Creative Industry in the Clarence Valley

BUSINESSES

Advertising
Antiques
Architecture
Crafts
Designer furniture
Fashion clothing
Film and video production
Graphic design
Leisure software
Live and recorded music
Performing arts
Television, radio and internet broadcasting
Visual arts
Writing

ORGANISATIONS

According to the Action Plan, there are 34 community arts organisations located within the CV, operating across a diverse range of activities including music, theatre, dance, handicrafts, decorative art, embroidery, woodwork and all forms of visual art.

The Lower Clarence Arts and Crafts Association is the most significant of these, with over 100 members.

FACILITIES

Art Galleries

According to the Cultural Plan there are 15 art galleries in the CV, the largest of which is the Grafton Regional Gallery, which features both works from travelling exhibits and local artists. The gallery also provides all-ages creative workshops and classes, artist's lectures and seminars, art and food markets and incorporates a restaurant.

Other significant galleries in the CV include Arthouse Australia in Yamba and the Ferry Park Gallery in Maclean, which exclusively showcase local work, providing vehicles for local artists to increase their profile in the CV, obtain feedback, gallery experience and a market presence for their work.

Music and performing arts venues

Key organisations in music and performing art are the Clarence Valley Conservatorium, Pro Musica Grafton, Grafton Theatre Company and Pelican Theatre Company. At present, the CV's main music and performance venues are the auditorium at the Grafton Community and Function Centre, South Grafton Services Club, Grafton High School auditorium, Pelican Theatre (South Grafton), and Grafton Civic Centre.

Education and training

The Clarence Valley Conservatorium provides a range of music activities for students and community members.

NSW Regional Conservatoriums also offer additional music related services such as recording studios, music libraries, and instrument and equipment hire.

The Clarence Valley also has a state of the art multimedia centre situated at the North Coast Institute of TAFE (Grafton Campus).

EVENTS

Major events relevant to the creative industry include:

Grafton Artsfest

The Grafton Artsfest, run in autumn and spring each year, provides two programmes of workshops, master-classes and networking events for local artists/crafts persons and community members. Artsfest raises the profile of the Clarence Valley by bringing significant national and international expertise to the region.

Jacaranda Festival

The annual Grafton Jacaranda Festival held in late October, the festival encompasses a street parade, open gardens, art exhibitions, markets, talent competitions, music recitals, a grand float procession, festival of flowers, and a fireworks display.

Macleans Arts and Crafts Expo

Held in September each year the Macleans Arts and Crafts Expo includes open competitions and sales of a variety of arts and crafts. The festival also offers arts and crafts demonstrations and stalls of art supplies and handicrafts.

Yamba Surfing the Coldstream Festival

The inaugural Yamba Surfing the Coldstream festival held in November 2005 featured a short film festival, live music performances, street theatre, displays by local artists including a live oil painting, and creative workshops for youth prior to the event.

ATTACHMENT 3

Methodology

Task	Scope	Activities
Month 1 Policy/Plan Review	Review of all relevant research, plans, policies, strategies, programs and other materials to establish an understanding of the regional and local area creative industry framework and programs as they related to the project.	<ol style="list-style-type: none"> 1. Inception meeting between consultants and Working Group. 2. Review of all relevant materials, including regional, national and international research and relevant local and regional strategies 3. Summary of meeting outcomes provided to Working Group.
Month 1 to 3 Engagement and Consultation	Development of a survey instrument for distribution to creative industry stakeholders across the Clarence Valley. The survey aimed to: <ul style="list-style-type: none"> • determine customer/client profiles • determine available product scope • explore levels of industry support for cluster concept • define areas of business development need • identify opportunities and challenges for the project. Conduct of 2 industry focus groups to develop: <ul style="list-style-type: none"> • mission, vision and values for the cluster • business development opportunities and goals • identify constraints and barriers. Consultation with key agencies and groups including but not limited to Arts Northern Rivers, Department State & Regional Development, Clarence Coast Cultural Committee, Lower Clarence Arts & Crafts Association, Grafton Regional Gallery.	<ol style="list-style-type: none"> 1. Survey instrument developed in hard copy and electronic format. 2. Survey presented to the Industry Development Manager and Working Group for endorsement. Council administered the survey. 3. Survey distributed to over 300 businesses. 49 surveys returned. 4. Survey returns analysed by and presented to the Working Group 5. Consultations with a broad coverage of creative industry representatives across the Clarence Valley LGA via two half day industry focus groups in Grafton and Yamba. The forums explored concepts for virtual clustering structures, activities, opportunities and funding options 6. Individual consultations with key agencies and businesses focusing on the key outcomes of the survey and focus groups. 7. Presentation of outcomes of consultative process to Working Group.
Month 3 & 4 Development of Draft Business Plan	Development of a Business Plan for the virtual cluster including: <ul style="list-style-type: none"> • The opportunity • Cluster definition and offering • Situation analysis <ul style="list-style-type: none"> ○ concept / product ○ markets ○ customers/clients 	<ol style="list-style-type: none"> 1. Presentation of basic model for cluster to Industry Development Manager and Working Group.. 2. Feedback informed development of draft plan.

	<ul style="list-style-type: none"> ○ suppliers ○ operating environment ○ other key issues • Financial analysis and costings • Investment needs • Stakeholder relationship • Management and governance • Strategic action plan 	
<p>Month 4 & 5</p> <p>Draft Plan Presentation</p>	<p>Presentation of the draft Business Plan to creative industry stakeholders at two (2) forums</p>	<ol style="list-style-type: none"> 1. Draft plan presented to two industry forums. 2. Draft Business Plan revised to reflect industry input and presented to the Industry Development Manager to enable a public exhibition period. .
<p>Month 5 & 6</p> <p>Development of Final Plan</p>		<p>Following public exhibition period of one month, public submissions reviewed for incorporation (where appropriate) into the final Business Plan.</p>

ATTACHMENT 4

Summary Survey Findings

Creative Industry Virtual Cluster Business Plan Project

for

Clarence Valley Council

Introduction

In June 2006 Council adopted the Clarence Valley Economic Development Strategic Plan which is a framework comprising 30 strategies and 12 priority projects. The development of a virtual cluster for the Clarence is identified in the Strategic Plan as a priority project.

Muller Enterprise was engaged in June 2007 to assist Council and the Creative Industry Working Group develop a business plan to support a best practice virtual creative industry cluster that:

- Facilitates access to and awareness of regional, national and international markets for Clarence Valley based creative industry stakeholders
- Provides opportunities for individual stakeholders to enhance promotional capacity
- Fosters greater awareness and recognition of the Clarence Valley creative industry output
- Provides a mechanism for industry engagement, participation and extension
- Enhances opportunity for business capacity building of stakeholders
- Strengthens linkages between creative industry stakeholders within the local area
- Is sustainable

Stage one of the consultation phase included the development of a survey instrument for distribution to creative industry stakeholders across the Clarence Valley. The implementation method reflected the mix of web & non-web based stakeholders and was administered by Clarence Valley Council.

The survey aimed to:

- determine customer/client profiles
- determine available product scope
- explore levels of industry support
- define areas of business development need
- identify opportunities and challenges for the project.

Creative industry engagement is integral to the project. The conduct of this survey is a starting point to identifying key issues, constraints, concerns and possibilities moving forward for the cluster,

About the Survey

The survey was designed by Muller Enterprise to gain fundamental information about the current creative businesses in Clarence Valley Council area. The survey was distributed as both electronic (on-line) format and hardcopy format. The survey was conducted during July 2007 for a period of one month.

To ensure the widest possible distribution and participation the survey was promoted via the following mechanisms:

- Working group received electronic and hard copies of survey and letter for distribution to individual sector networks
- Council's sector list received the letter and the survey in hard copy and electronic form
- Distribution by e-news to business and cultural databases
- Survey were made available at council offices, all libraries and community centres

- Lower Clarence Arts & Crafts Association mailed hard copies to their 160 members
- Arthouse Australia distributed survey electronically to 170 artists on their database
- Department of State and Regional Development distributed to their CVC database
- Mayor issued a media release to inform people of the survey and encourage them to participate.

In total, there were 49 responses to the survey.

Nature of business

The most common activity represented amongst respondents is visual art. The next most common are galleries, training and consulting and, taking into account the 'other' category, design.

The remainder of respondents were distributed fairly evenly across categories. A number of categories are not represented.

If it can be assumed that the respondents to this survey would form the core of a cluster, this diversity will be an issue to manage in its development and in identifying the activities which it undertakes. On the other hand, there is strength in diversity.

This being the case a cluster mapping exercise will form part of the focus group program to identify the scope of participation across the potential supply chain of the cluster, including:

- Core members
- Businesses selling products and services to the core members
- Infrastructure that supports the cluster, including education and training, galleries, Council.

It could also include an analysis of the occupations included in the cluster.

Length of operation

The majority of respondents have either been operating for a relatively short time (up to 2 years) or for a long time (more than 10 years). Of those in the latter category, many have been operating for more than 20 years.

Given the range of experience of respondents, it may be worth exploring the potential for more experienced and successful operators to mentor less experienced sector participants.

Income earned from creative industry and growth expectations

The survey indicates that there is a core of people who are fully committed to the creative industry. 28% of respondents earn the majority of their income from it and 45% work full time in it. Most respondents have ABNs.

However, for most respondents, it appears that the creative industry supplements other primary sources of income. Almost half of respondents earn less than 10% of total income from it. As a further example, only one visual artist earns more than half of their total income from these activities and less than a third of visual artists advise that they work full time on visual art. Furthermore, more than half of respondents do not work full time on the business. It is interesting to note that 4 respondents who earn less than 10% of total income from creative industry

activities indicate that they work full time on the business, which seems anomalous or at least indicates that they may be getting a very poor return on effort and time invested.

Importantly it is also worth noting that almost half of respondents report that their business has grown in the last 12 months and 68% expect their business to grow in the next year.

Such positive expectations for the future, present an opportunity for professional and product development and business development support activities. There is also an opportunity to encourage those who do earn the majority of their income from and/or work full time in the creative industry to act as role models for less developed practitioners.

Where business is conducted

About 75% of respondents conduct the majority of their business from home.

About a third of these are visual artists. Only one visual artist who responded to the survey does not conduct the majority of their business from home. The next largest category of home based businesses is training and consulting.

The great majority (almost 80%) of these believe their current location can accommodate their business now and in the future. Most respondents whose home cannot accommodate their business intend to relocate.

Galleries are the most common type of business conducted away from home. Most businesses conducted away from home consider that their premises are adequate. However, three businesses advise their premises are inadequate and they are considering relocation.

The concept of a creative precinct may be worth exploring with these businesses. This issue has been raised as part of Council's economic development strategic planning processes.

Markets

Local markets, including tourists, are important to almost all respondents. Local residents are the primary customers for 65% of respondents. Tourists are next most important type of customer and private customers outside the local area is the third most important customer group.

Those for whom creative industries represent only a small proportion of total income are more likely to rely on local customers.

An interesting contrast is that only just over half of visual artists indicate that they sell product to local customers, including tourists.

Just over half of respondents have customers elsewhere in Australia and/or in NSW. A minority of respondents report they have markets elsewhere in the Northern Rivers and overseas.

Promotional brochures, (used by 72% of (30) respondents) newspapers (69% (29)) and the internet (67% (28)) are the three most commonly used marketing media.

Telemarketing (used by one respondent only) television (5 respondents) , radio (9) and the visitors guide (9) are rarely used.

Those for whom creative industries represent only a small proportion of total income are far less likely than others to conduct active marketing of their businesses. For example, of those who earn less than 10% of total income from creative industry:

- 56% have never used the internet to market their product, compared with 33% overall
- 50% have never used promotional brochures (cf 29%)

- 44% have never used newspapers (cf 31%).

Clearly, if people see the creative industry as primarily a supplement to primary sources of income or even a hobby, they will be disinclined to spend significant funds on marketing activities. However, there is always potential for even such practitioners to undertake active marketing at minimal expense. Moreover, given other findings regarding expectations of future growth in income from these activities, the link between active marketing and attracting new customers needs to be understood by practitioners. This issue can be explored further in focus groups.

When asked to identify the most effective method of marketing, 55% of respondents nominated 'word of mouth' or some variant of this. The next most nominated methods were publications including newspapers, magazines and the visitors guide, (17%), internet (15%), galleries, (12.5%) flyers or brochures (7%), and, but these are only a fraction of those who nominated word of mouth. Three respondents indicated that they do not know which marketing method is most effective.

There are many possible interpretations of these responses. One is that most respondents do not believe that they are gaining sufficient benefit from active marketing methods, such as the internet, brochures etc. This requires further investigation in the focus groups, including how they have evaluated effectiveness.

A cluster, by consolidating funding for cooperative marketing, presents an opportunity for practitioners to use a wider range of marketing media and to reach broader and potentially higher value customers and markets. However, given the experience of the Visual Arts Network with its website, caution needs to be exercised in placing particular emphasis on marketing exercises which rely on financial contributions from participants.

Another dimension of marketing is branding of the LGA as a creative location. The cluster can contribute to this by, amongst other things, showcasing local talent.

Business inputs and services

Respondents were asked to identify the most costly inputs specific to their business. The purpose of this question was to identify any areas where they may be scope for cooperative buying and/or opportunities to attract suppliers to the LGA.

Because of the diversity of sectors represented in the survey, and the low number of respondents within each, the scope for action in this area is somewhat limited. Given the relative predominance of visual artists, it is predictable that artists' materials, including canvas, paint and brushes are the most commonly nominated items (18 references). The next most nominated items are computer hardware, software and internet (8). Printing was nominated by 4 respondents.

Specialist materials, including fabric, timber, venetian glass and pearls were nominated by individual respondents.

When asked what inputs they would like to purchase locally which are currently purchased from outside the LGA, there was a wide range of responses. Unless it can be established that there is a 'critical mass' of demand for these, it is not realistic to expect that suppliers could be attracted to the LGA. However, there may still be scope for group purchasing of certain inputs.

With respect to professional services, all services were rated by the vast majority of respondents as average or good. The most highly rated professional service was accounting. Other findings of interest are:

- 52% of respondents rated IT support as average and 38% as good
- 41% rated galleries as average and 38% as good.

It may be worthwhile exploring some of these findings further in the focus groups to identify any areas where improvements can be sought.

With respect to where specialist inputs are sourced:

- 78% indicate that they source at least some and almost half indicate that they source the majority of their specialist inputs locally.
- 46% source at least some specialist inputs from elsewhere in Australia
- 37% source at least some specialist inputs from elsewhere in NSW
- 32% source at least some specialist inputs from elsewhere in Northern Rivers (although these generally represent a very small proportion of total input costs).

The majority of professional services are provided within the LGA.

There appears to be a very high level of support for and integration with local businesses, an important factor in promoting the importance of the creative industry to the local economy.

Internet usage

35 respondents indicated that they have internet access at their business location. 22 of these have broadband access. Only 3 indicated that they don't have access, but a further 11 did not answer this question, which suggests that they don't have access. Only 2 respondents explained why they do not have access. One referred to low level computer skills and the other to problems associated with solar power.

29 respondents indicate that they have used the internet for business purposes in the last year. 7 indicate that they haven't and again, 13 did not respond to that question. 16 respondents indicate that they use the internet daily and a further 12 weekly. Email is the most common application, followed by research and general information.

14 respondents intend to begin a service or upgrade their connection in the next year.

The responses to these questions have implications for the concept of a virtual cluster. While there is a core of people who use the internet quite intensively, there are also a significant number who are infrequent and/or light users or do not use it at all.

This suggests that the cluster may not be able to rely solely on the internet as its mode of communication and interaction. However, it may be a good vehicle for raising awareness of the opportunities provided by the internet.

Networking

Just over half of respondents indicate they are members of an arts or creative industry association or organisation, including local, national or international. A high proportion of these are members of more than one. Those which received more than one reference were:

- Arts Northern Rivers (6 references)
- Lower Clarence Arts and Crafts Association (6)
- National Association of Visual Artists (4)
- Grafton Regional Gallery (2)
- Ferry Park Art and Craft (2).

It is important that the cluster recognises and complements the types of support and value provided by these organisations.

The most common source of information on the creative industry is the web, with over 80% of respondents (39) access information from it. (This compares with the 29 respondents who advised that they used the internet for business purposes. A possible interpretation is that a number of respondents do not consider creative industry research as business use).

The next most common sources of information are:

- Personal networking
- Local arts organisations
- Workshops/seminars
- Professional associations.

The activities of the cluster need to recognise and build upon the importance of the web, personal networking and workshops.

35 respondents (71%) indicated that they do or could work in a cooperative way with other businesses. While the other 14 did not respond to this question, the fact that they responded to the survey indicated that they may be interested in aspects of a cluster.

The most commonly cited activity was cooperative marketing, followed by referral of work/customers and discussion groups. Participation in business management workshops was cited by only 16 respondents, but this may be an issue of terminology. It is likely that, if workshops are practical and topical, and involve interaction, they would be well supported.

Sharing premises was nominated by only 13 respondents, but this may still be sufficient to warrant investigation of the potential for co-location in a creative precinct.

As noted earlier with particular respect to the internet, any cooperative marketing activities will need to be clearly cost effective and not require substantial investment from participants.

While a number of comments were made about the solitary nature of art, there is generally positive sentiment about the concept and potential of a cluster. This needs to be balanced by a realistic understanding of what can be sustained within potentially limited resources.

ATTACHMENT 5 Clarence Creative Industry Survey

GENERAL INFORMATION

Name

Business Name

Postal Address

Work Phone

Email Address

Website address

Do you conduct most (more than 50%) of your business from home? Yes No

Primary activity (please tick one box)

Advertising, Marketing and Public Relations	Interactive Leisure Software
Architecture	Library/Museum
Arts Retail	Music and Theatre Production
Cinema	Performing Artist
Graphic Artist	Performing Arts Venue
Visual Artist	Printing and packaging
Design	Publishing
Fashion Design	Internet Publishing and trading
Film and Video Production	Events & Festivals
Film and Video Distribution	Gallery
Training and consulting	Photography
Other (please specify)	

What products and/or services do you sell?

How long have you conducted this business?

Approximately what proportion of your total income do you earn from the above activities?

Less than 10% 10 – 25% 25% - 50% More than 50%

In the past twelve months, has your business grown, declined, or stayed the same?

Grown Declined Stayed the same

Do you expect, in twelve months time, that your business will have grown, declined or stayed the same?

Grown Declined Stayed the same

Do you have an ABN? Yes No

STAFFING

Do you work full time on this business? Yes No

Do you employ anybody else? Yes No

If yes, how many people do you employ?

Permanent full time: _____ Permanent part time: _____ Casual: _____

Do you have difficulty in recruiting suitable staff? Yes No

MARKETING AND PROMOTION

Where do you sell your products/services?

Locally (including tourists) _____%
 Elsewhere in the Northern Rivers Region _____%
 Overseas _____%
 Elsewhere in NSW _____%
 Elsewhere in Australia _____%

Who were your primary customers in the last twelve months?

- Local residents
- Government
- Artists/performers
- Other (please specify)
- Tourists
- Other businesses
- Education (including schools, universities etc)
- Private customers elsewhere
- Major corporations

How often do you use these methods to promote your business and/or your products/services?	Often	Sometimes	Never
Television			
Radio			
Newspaper			
Promotional brochures or flyers			
Yellow Pages			
Visitor's Guide			
Magazines			
Billboards/signposts			
Direct Mail			
Telemarketing			
Internet			
Other (please specify)			

What do you consider to be the most effective method of marketing your business?

.....

YOUR SUPPLIERS AND SERVICE PROVIDERS

What are the most costly inputs which are unique to your business (ie excluding electricity, fuel, rent etc)?

.....

Where are the suppliers of these inputs located?

Locally _____%
 Elsewhere in the Northern Rivers Region _____%
 Overseas _____%
 Elsewhere in NSW _____%
 Elsewhere in Australia _____%

Please assess the quality and identify the origin of the following business services you receive.

SERVICE	QUALITY			LOCATION OF PROVIDER	
	Poor	Average	Good	Provided in LGA	Provided from outside LGA
Legal					
Accounting					
Consulting					
Information Technology					
Financial					
Transportation					
Galleries, display spaces					
Education and training					
Other (please specify)					

What business inputs, including raw materials and services, would you like to purchase locally (within the town or Local Government Area) that you currently purchase from outside the area?

.....

INTERNET

Do you have internet access at your business location? Yes No

If not, why not?

Did you or someone else in your business use the internet for business purposes in the last year? Yes No

How often do you use the internet for business purposes?

Daily Weekly Monthly

For what purposes do you use the internet?

- Email Paying bills Research General information
- Own website marketing products and services Networking
- Website of other entity marketing products and services
- Other (please list)

What is the main type of connection used by your business to access the internet?

Dial up ISDN dial-up ISDN Non dial-up Broadband

Is speed and reliability adequate? Yes No

If you do not use Broadband, why not?

- Unavailable in business location Start up connection costs too high
- Ongoing costs too high Computer is incompatible
- No apparent benefit Other (please specify)

Do you plan to begin service or upgrade the connection speed within the next year?

Yes No

BUSINESS LOCATION

Can your current location accommodate your business now and in the future?

- Yes No

If no, do you have plans to relocate?

NETWORKING AND COLLABORATION

Are you a member of any arts or creative industry association or organisation?

- Yes No

If yes, please name

.....
.....
.....

How do you access information about the creative industry sector?

- Web Workshops/seminars Professional associations
 Local arts organizations Personal networking Other (please specify)

Do you or could you work in a co-operative way with other businesses? (Please tick any which are applicable).

- Cooperative marketing Joint tendering
 Referral of work/customers Group purchasing of inputs
 Discussion groups Staff sharing
 Buying &/or sharing equipment Sharing premises
 Sharing distribution services Joint training of staff
 Joint participation in business management workshops
 Joint projects Other

Do you have any comments on the success or feasibility of these activities?

.....
.....

THANK YOU FOR YOUR ASSISTANCE.

ATTACHMENT 6

**SUMMARY OF OUTCOMES FROM
FOCUS GROUP(S)**

AGENDA

Tuesday **14th August** **Angourie**
Wednesday **15th August** **Grafton**

Commence 10am – Conclude 2pm

Content	Information
Introduction	Overview of the project scope and methodology
Results of the survey	Survey summary results presentation
What is a Cluster What is a Virtual Cluster	Participants begin to define what they think a cluster is, and specifically focus on their understanding of the scope of “virtual”
What can a Cluster Do?	<p>Presentation of outcomes/influences such as</p> <ul style="list-style-type: none"> • Strategic plan • VAN Business Plan • Survey results • National/international examples <p>Activity where participants will form groups to list as many things a cluster in CVC could do to improve and grow their business</p> <p>Groups will then prioritise all the ideas against a scale of what is achievable (what they would hope a cluster could achieve in the first year).</p>
Cluster Mapping Exercise	<p>Activity – small groups using butchers paper. Draw model of cluster including:</p> <ul style="list-style-type: none"> • Core members (not just artists.. integrate with people in other creative industry sectors that there are potential links with, and up and down the supply chain).. is this open to anyone or is it selective • Businesses selling products and services to the core members... economic distribution • Infrastructure that supports the cluster... modern communication strategies • Leadership - success factors of clusters... (commitment by members, resourcing, leadership, facilitation, team building, local champion, member selection and participation, information sharing, social relations, critical mass,)
Report back on cluster mapping	Facilitator to review mapping...commonalities
Potential Cluster Critical Review	SWOT analysis of the <i>group's proposed scope</i> of a cluster. Small group discussion followed with each individual writing their own comments under the four headings and then sticking them under the section heading on the group butchers paper. Facilitator will review with the whole group.
Survey Results	Structured discussion on topics of marketing and service delivery and input gaps that need further exploration from the survey – focus on what the cluster could provide.
Summary of the focus group	Facilitator to give a summary of the day and an overview of where to from here.

PARTICIPANTS

Grafton

Participant	Business	Sector
Santiago Acera	Marginal Productions	Performing Arts
Linda Wright		Architect
Russell English	IT River	Web Design

Melanie Shanahan		
Geoff Crispin		Ceramics
Pamela Denise		Visual Artist
Jude McBean	Grafton Regional Gallery	Gallery
Liza Bloomer		Web Design
Annie Wolfe		
Nickki Holmes		Artist
Robbie Coulton	Clarence Valley Conservatorium	Music
Gaye Harlow	Clarence Valley Conservatorium	Music
Annie Dodd	South Grafton Emporium	Retail
David Cartledge	Eisteddfod Society	Performance
Shirley Cartledge	Eisteddfod Society	Performance
Robert L Schwarz	Eisteddfod Society	Performance
Matthew Robison	NCI	Music

Angourie

Participant	Business	Sector
Linda Perram	Aspects of Yamba	Visual Artist
Peter Wood	Arts Northern Rivers	Administration
Kyoko Miyauchi		
Jeff Goyen		
Carol Davis	CJ Products	Glass blowing, visual arts, jewellery
Peter Matheson		
Mike Larder		Writer
Hazel Deeming		
Pam Newman		
Robyn Cumming (will be late)	Yoga	
Kelly Cameron	The Church Gallery	Furniture
Pam Turner	Local Clarence Arts & Crafts Association	Administration
Fiona Nichols		Visual Artist Educator
Ann Verran		
Melinda Gibbs	Arthouse Australia	Visual Artist Gallery Owner
Jenny Peardon		Visual Artist
Dom Ferry	Live Prawn Productions	Performance Artist Surfing the Coldstream (cultural event)
Paul Turner		
Brendan Smith	Cultural Officer	CVC
John Woods		

DEFINITION OF CLUSTER AND VIRTUAL CLUSTER

Why Cluster?

6. Access to specialized services, bankers, accountants familiar with business type.
7. Inspiration and problem solving
8. Supportive work environment
9. Network for efficiencies – production, marketing and purchasing
10. Scale that will increase total customer numbers

What is a Cluster?

Where enterprises concentrate they constitute a cluster. Not just the companies/businesses but the institutions and organisations that support them including TAFE colleges, non-profit organisation, business and professional associations.

Additional comments received from the group about this definition:

- Group like minded business people
- Specialize in associated industries
- Small or large groups
- Ongoing industries associated to keep ahead of creativity and fashion
- A grouping of like minded who see themselves as a group
- People directly involved in the industry
- Need support, nourishment, encouragement, appreciation
- Includes end users (consumer)
- Essentially about people
- Cluster = people interacting
- Organisation to access funding
- Common direction/goals/vision...looking for similar outcomes, sharing similar problems
- Need access to relevant industry information from external sources
- Cluster is not necessarily a business
- A cluster may create its own brand

The focus group identified the essential “ingredient” of a cluster as the interconnection of people who can support and benefit from each other.

Following the results of the survey which indicated lower level IT skills and challenges with broadband connectivity, the focus groups were asked for clarification on the scope of what a virtual cluster could achieve.

What is a Virtual Cluster?

- Is this what the industry wants
- Need someone managing the virtual cluster
- Assumes well developed IT skills, access to PC's, broadband
- Need to increase tech skills to make a virtual cluster beneficial for broader group
- Essential that everyone is able to communicate with each other
- Not just a website
- Limited by access to and availability of technology
- Web, email, telephone, letters/faxes, webcam ... anything where people aren't physically interacting
- Creative industries involve emotional, intuitive, creative, work-need for human physical interaction
- Too narrow to focus on this
- New ways to distribute information
- Entity is virtual but individuals may still come together in real presence

- One tool used to foster creative industries in valley
- May need to use other methods
- Physical get togethers are critical at special occasions/events
- Artistic community may be more likely to be internet savvy
- Virtual cluster may be a pathway to the rest of the world
- May mean contact other than actual

The focus group(s) identified the need to have a virtual strategy as this was reflective of the new way of doing business and to set an example for the industry. However it was also made clear that to ensure the immediate needs of industry are met, additional strategies should also be considered. In addition, many commented that creative people find value in connecting physically with others and thought this could not be replaced (even in the longer term).

CLUSTER SCOPE

The Cluster Scoping activity was designed to gain information on two components of the proposed CI Cluster. Firstly the group was asked to identify what the Creative Industry Cluster could do to improve and grow the industry. Secondly, they were asked to rank the top three ideas that were most achievable in the first year. Results were as follows:

Cluster Could do...	Ranking
Website – promotion, consumers, showcase of services and products	1
Information sharing – search for components of the CI... artists, users and suppliers... database	1
Establishing the format of the virtual cluster	1
Opportunity for the cluster to act as the industry peak body	1
Creative Audit – Who is here? What do they want?	1
Establish committee - leadership	1
Communication network	2
Lobby for financial resources	2
Branding of the CIC	2
Develop mentoring	2
Buy in bulk	2
Promotion of the cluster to increase size, quality and critical mass. Once critical mass, form smaller support groups.	2
Branding – group logo/image/concept	2
Self sustaining, professionally run	3
Working on the skills within the valley and promote marketing them outside the valley	3
E Bay Group Selling	3
Newspaper profiling of creative industry on a weekly basic	3
Marketing strategy development	3
Creative centre space - even temporarily	3
Insurance – collective policy for the cluster?	4
Database of members/skills directory	
Specialized marketing	
Chat room/forum	
Lobby capability	
Networking functions (attached to an event)	
Professional development – skill enhancement	
Consumer awareness	
Community awareness	
Promotion, raising awareness	
Interaction between organizations	
Lobbying outside cluster	
Opening new markets ... export product	
Knowledge of subsection	
Inclusiveness	
Creative industry definition	
Networking	
Define common goals of artists	
Support people in identifying that they are working in the creative industries	
Skills, equipment develop supply	
Collective branding and marketing	
Linking the virtual cluster with the VAN	
Create financial, emotional and creative support	

Minimising cost of material supply	
Create new business opportunities	
Identifying and connecting the drivers	
To have creative industries grow to a point that Clarence Valley is a destination for people working in the creative industries and for those who are purchasing from them	
CVC to support the info transfer via the internet	
Marketing	
Media = Group participation	
Training workshops	
Mentoring	
Financial assistance	
Physical help	
Sharing broadband/wireless	
Group projects eg artists, patchwork	
Meetings Groups	
Checking competition - pricing	
Committee Sharing	
Sharing commitment to teach workshops	
Space	
Advertising – target marketing and branding for impact sales	
Professional development opportunities	
Networking opportunities	
Group marketing/purchasing	
Develop a brand/slogan/logo for the CV Creative Industry	
Visitor information centres – point of distribution	
Common space – Freelands Cinema. Sublease back area	
Focus – Lower Clarence – Yamba/Maclean	
Allow for different learning styles	
Marketing – multi media approach	
Visual and vocal deliveries – simple and friendly approach from Council (eg song/sound/simple visual presentation	

Whilst a range of activities were identified, they most commonly fell into one of three main categories:

4. Establishment and running of professional organisation for the CI Cluster
5. Development and implementation of marketing strategies
6. Professional development support

CLUSTER MAPPING

This activity was designed to give focus group participants (working in small groups) the opportunity to develop potential models for the CI Cluster. Participants were asked to address the following:

- Core members (not just artists.. integrate with people in other creative industry sectors that there are potential links with, and up and down the supply chain).. is it open to anyone or is it selective?
- Businesses selling products and services to the core members ... economic distribution
- Infrastructure that supports the cluster... modern communication strategies
- Leadership

Eight models were identified through this process. There were distinct commonalities to most models:

- Need for strong leadership team with expertise to drive the CI Cluster
- Role to play for hobbyists and professionals
- Desire to have a web presence and e-communication strategy
- Need to address marketing needs and opportunities
- Need for mentorship program

The exercise however identified membership as an area of greatest challenge. Four of the eight models identified the need for a selection based membership, the remaining four declared membership should be self selected.

There is also an expectation amongst all models that the CI Cluster could and would be financially self-sustainable. This is reflected in the proposed scope of activities/products/services identified in each of the eight models.

MODEL 1

Cluster Committee

- Local government
- Reps from CI sector
- Sector agencies eg Arts Northern Rivers
- Local businesses supplying the CI

Membership

- Industry participants... commercially driven
- Service provides information and had a commitment to the CI

Membership conditions

- Open to all CI
- Open to service providers who have a commitment to the CI
- Open to hobbyists who are non-commercially driven “when they are ready”

Products and Services

- Professional development opportunities
- Marketing
- Brand development
- Communications
- Customers
- Networking opportunities

Infrastructure

- Existing venues
- Internet technology
- VIC
- Service directory
- Galleries and markets
- Branding and marketing strategies
- Training providers
- Community engagement

<p>Strength</p> <ul style="list-style-type: none"> • Brand development, marketing • Service directory • Solid core members • Good idea that hobbyists can upgrade to full participation • Service providers supporting industry • Development of strategic partners 	<p>Weakness</p> <ul style="list-style-type: none"> • Need to involve impact personnel such as tourist and other groups • Who is leading the cluster committee • How can hobbyists make the lead to full membership • Too many chiefs • Input commitment
<p>Opportunity</p> <ul style="list-style-type: none"> • For business participants NOT the hobbyists • Tourist office • Community organizations, service providers • Business imperative is driving the model • Associate membership for hobbyists 	<p>Threats</p> <ul style="list-style-type: none"> • Too professional • Who is doing the maintenance • Broad membership base • Membership selection • Potential that hobbyists could hitch a ride and contribute much... no push or pull for them to move up

MODEL 2

Leadership

- Arise from the membership

Membership

- Like minded people from CI
- Groups or individual

Membership conditions

- Selective to the creative industries

Products and Services

- Information sharing
- Workshops
- Mentoring and tutoring
- Selling and advertising
- % run organisation
- Feedback information... members of cluster ... positive and negatives

Infrastructure

- Venues
- Home based

<p>Strength</p> <ul style="list-style-type: none"> • Including various sized groups • Feedback is good idea x 2 • Need some sort of feedback structure • Seeking specialist advice 	<p>Weakness</p> <ul style="list-style-type: none"> • Allies to support structure • Feels like an existing organisation • Home based core • Too many groups... out of control
<p>Opportunity</p> <ul style="list-style-type: none"> • Promote and display • History • Right minded people for the core members 	<p>Threats</p> <ul style="list-style-type: none"> • rules and regulations may put off some people • sounds like selling is individually based

MODEL 3

Cluster Committee

- chair
- committee
- local groups – art specific
- artists

Membership

- local Govt – Brendan
- state
- federal
- local committee
- sub groups... skill type
- local groups... location

Membership conditions

- Non selective people
- Youth
- Traditional.Kooris
- Local presenters
- Services eg finances
- Hidden producers
- Educators
- Overt producers
- Suppliers
- Healing for mental health
- disabled

Products and Services

- NGOs, NFP
- Insurance
- Business advice
- Financial advice
- Banking
- Marketing
- Advertising
- IT
- Material supplies and services (galleries, publishers)
- Rental and real estate
- Education and training

Infrastructure

- Equipment/machinery...share resources ... personal space or group physical spaces (let or supply)
- Transport
- Bricks and mortar
- Government
- Telephone
- Electricity
- Mail
- IT... broadband, web design and pages, chat rooms and forums
-

Strength	Weakness
<ul style="list-style-type: none"> • Inclusive model that embraces all CI • Transport and youth link • Supplier driven • No exclusions for membership 	<ul style="list-style-type: none"> • Who does the decision making • No defined membership • Who pays... who benefits • Who will take advantage of the cluster

<ul style="list-style-type: none"> • Emphasis on networking • Using suppliers to transfer information throughout the industry • Youth x 2 • Communication through suppliers • All inclusive membership... may uncover hidden opportunities • Business sources might be stronger than local committee 	<p>strength</p> <ul style="list-style-type: none"> • Vast membership base... can it be sustained • Core members not necessarily marketing driven • Non selective membership • Membership is not industry development focused • Non selective membership can mean it is transient and lack commitment needed x 2
<p>Opportunity</p> <ul style="list-style-type: none"> • Market to wider audience • Dynamic • Connections x 2 • Building the base with a critical mass • Local presenters • Connecting, networking and support • Good sharing • Mental health and youth 	<p>Threats</p> <ul style="list-style-type: none"> • Is open to interest groups taking over or pushing individual agendas • Leadership is too top heavy, there are too many leaders with too many agendas • No leadership • Too open to negative input • All development up to “others” not enough “we” • Lack of sustainability

MODEL 4

Cluster Committee

- Committee from core members

Membership

- Print Garage
- Abmay Designs
- Museums
- Yamba Picture Framing
- Arthouse Australia
- Grafton Regional Gallery
- Artists
 - Visual
 - Performing
 - Musical
 - Film
 - Drama
 - Stage
 - Dance
- Media
 - Design
 - IT
 - Journalism
 - Print
 - Newspapers/publications
 - Ad
- Crafts
 - Embroidery
 - Architecture
 - Furniture

Membership conditions

- Desire to make a living
- Commitment to CI
- Standards/Ethics/Guild

Organisation to be tapped into when needed, not part of core membership

- Education
 - TAFES
 - ANR
 - Schools
 - Private and public providers
 - U3A
- Allies and Sponsors
 - NRRDB
 - NORPA
 - NIDA
 - Local Gov
 - Business Arts Australia
 - AN Rivers
 - Chamber of Commerce
 - DSRD
- Tourism
 - CRTA

Products and Services

- Marketing

<p>Strength</p> <ul style="list-style-type: none"> • Membership selective – make a living • Focus on commercially driven outcomes • Industry led • Coherent model • Membership is driven by a similar desire • Creative industry core • Commitment from members is mandatory 	<p>Weakness</p> <ul style="list-style-type: none"> • Resources • Governance model limited and complex • Selective membership • Not convince leadership can come from the group • Possibly misses out some people still committee to making a living which include the arts but is not entirely art • No opportunity for strategic partnerships • Too selective
<p>Opportunity</p> <ul style="list-style-type: none"> • Increase sales of product though marketing • Realistic and sustainable • To invite strategic groups to join the committee 	<p>Threats</p> <ul style="list-style-type: none"> • Lack of resource... just another committee • Strong leadership needed • How/what can hobbyists contribute • Desire to make a living – some creative persons may not be at that stage but may be motivated towards it by being a member of a cluster • Negative reaction form community to selective membership process

MODEL 5

Leadership

- Odd number of people coming from the core members

Membership

- Creative participant with a business intent
- Individuals
- Hobbyists can become members when they are ready

Membership conditions

- Areas of expertise required
- Financial leadership
- Practical engagement of core members
- Grant writing abilities

Products and Services

- Website
- Communication system
- Bank account
- Branding
- Professional training skills
- Membership fees (longer term)
- Grants (short term)
- Expo – commission and entry fees, sponsorship of special events

Infrastructure

- Post office box
- Meeting venue
- Computer

<p>Strength</p> <ul style="list-style-type: none"> • Easily understood model • Lobbying capacity • Expo x 2 • Long term vision • Fundraising ideas 	<p>Weakness</p> <ul style="list-style-type: none"> • Sources of income • Funding • Lack of definition • Not including hobbyists in core group x 2
<p>Opportunity</p> <ul style="list-style-type: none"> • Expo sales x 2 • Ability for the group to lobby • For artists to display work or process at unrelated events • Advancement of the industry • Income raising opportunities 	<p>Threats</p> <ul style="list-style-type: none"> • Hobbyists and visual artists dominating the cluster • Valley wide use of facilities for EXPI would be difficult for communities to decide where to hold them • leadership

MODEL 6

Leadership

- Elected by members
- Board structure
- Employed admin support

Membership

- Individual artists with services
- Organizations
- Educators
- Venues
- Suppliers to CI
- Individual artists with products

Membership conditions

- Membership fee

Products and Services

- Promotion
- Group marketing
- Sends newsletters
- Cooperative events

Infrastructure

- Website communication
- Existing communication channels eg Council newsletters

Income

- Pay to advertise on website and newsletter
- Membership fees
- Corporate sponsorship
- Donations
- Fundraising

<p>Strength</p> <ul style="list-style-type: none"> • Wide ranging thinking • Focus on communication • Cooperation between different kinds of artists to create events • Various fees based on membership type • Website communication to members • Comprehensive revenue raising • Good business focus 	<p>Weakness</p> <ul style="list-style-type: none"> • Paying for admin • Not clear how the cluster is organized • Big organisation might have too much power • Lack of leadership
<p>Opportunity</p> <ul style="list-style-type: none"> • New products, clientele as a result of the cluster • Branding • Collaborating on events 	<p>Threats</p> <ul style="list-style-type: none"> • Different level of fees can create confusion • Leaving all to the admin to run... what if they resign • Needs to reflect the CI needs more

MODEL 7

Leadership

- Voted in
- Incorporated body to protect and be able to change the cluster
- Constitution
- Legal aspects
- Time limit for leadership positions
- Succession planning

- Include a publicity officer
- Membership
- Artists
 - Arts admin
 - Arts bodies
 - Networks within the core
- Membership conditions
- Member commitment
 - Financial or in kind input
 - Membership is for a set period of time
- Business Support Needed
- Media
 - Transport
 - Other artists supporting and supplying the core
- Non Business Support Needed
- Volunteers
 - Friends supporting core members
- Infrastructure
- Access to low cost rental space
 - Artspace for film, visual arts, performance
 - IT including broadband
 - Communication means – CVC Cultural Officer, use existing channels, do not double up
- Income
- Work space rental
 - Tutoring and workshops
 - Grants
 - Membership fees
 - Volunteers
 - Fund raising
 - Wholesale
 - Business sponsorship and partnerships
 - Bequests
 - Social events
 - gifts

<p>Strength</p> <ul style="list-style-type: none"> • Incorporated body • Dynamic • Many income streams x 3 • Infrastructure • Leadership • Governance • On ground management • Linked with wide range of service providers • Low cost art space rental • Paid membership raises money and gives sense of ownership to members • Voting keeps the board fresh • incorporation 	<p>Weakness</p> <ul style="list-style-type: none"> • volunteers • coverage appears broad in terms of structure • costly to administer • grants don't mean sustainable • scope is too wide for the capacity of the sector at this time • who are the core members... only artists x 2
<p>Opportunity</p> <ul style="list-style-type: none"> • to become more diverse • business supporting arts • range of financial areas • attract support • development in participants • advertising • provides a way forward to develop • take and learn from experience of the Grafton Regional Gallery • look at ways to make it sustainable 	<p>Threats</p> <ul style="list-style-type: none"> • too much emphasis on visual arts • access to money • replication of Gallery x 3 • complexity may make it difficult to change • lack of core direction • domination of leadership team

MODEL 8

Leadership

- volunteers to begin with from core members
- council rep – EDU
- aim for paid sustainable positions

Membership

- everyone and anyone who sees a connection
- self selecting

Membership conditions

- nil

Products and Services

- Newsletter component of site
- Advertising and marketing
- Mentorship
- Links to other sites
- Marketing opportunities

Infrastructure

- Website
- Support from Council with web connection and staff support

Income Streams

- Fee for links to other sites
- \$80 membership fee
- Paid advertisements on the site
- grants

<p>Strength</p> <ul style="list-style-type: none"> • self selecting membership x 2 • sponsored adverts • focus on business sustainability • paid links • economic model • paid membership gets rid of time wasters 	<p>Weakness</p> <ul style="list-style-type: none"> • low membership fee or commitment from members • \$5000 is too expensive for a website • Sustainability • Reliance on volunteers • \$80 membership... what is in for me? • Leadership should not rely on volunteers(2) • Having to pay fees before generating an income • Leadership competency • Leadership definition • Too focused on the website
<p>Opportunity</p> <ul style="list-style-type: none"> • Communication • Easy to set up, easy to get off the ground • Could capture every sector of CI • Further expansion possible • Collaboration possibilities • Links to marketing 	<p>Threats</p> <ul style="list-style-type: none"> • May not get 100 members • Attraction to website and core • People don't always get along • Professionally run cluster with better resources • Individual opportunity component • Lack of money to sustain • Difficulty in funding

MARKETING STRATEGIES

The survey identified marketing as an inhibitor to growth... the focus groups were asked to explore this issue further. The responses were as follows:

- Art is a want not a need
- Lack of marketing skills ... do not know how to maximize the opportunities
- They make small amounts of money, and the relative cost of a marketing budget is prohibitive
- They do not have the skills to measure success or effectiveness of campaign
- They prioritise time for the development of product/service not to marketing
- Marketing is predicated on the need to increase sales, some people are not driven by money
- Do not see themselves in business
- Lower education level... makes process of marketing themselves challenging
- Not wanting to grow
- Lack of value of the product and this means the industry can be "price takers not makers"... again marketing costs then come off the already very small bottom line
- Confidence in dealing with consumers – the fear of rejection for something that you have given your heart and soul to creating.

Marketing will need to be a core component of the CI Cluster through skill development, joint marketing initiatives, creating marketing opportunities and also the establishment of a collective marketing brand.

COMMONALITIES IDENTIFIED FROM THE FOCUS GROUP

- There is a need for human interaction for creative people
- Need to access information to support business growth and development
- Need to support IT skill development and access to internet across the LGA
- Desire to create a common branding for the CI
- Website needs to be established as a portal for the CI
- Need to share information amongst the CI participants (focus on communication)
- Need for a common voice for the industry
- There is support for the establishment of a mentoring program
- Desire for joint marketing opportunities and training
- Leadership will arise from the membership base (though people want rules and regulations around this)
- There is a desire to work with service suppliers and supporting organisation (though there is inconsistency as to whether this is through membership)
- There is a concern that if the scope for the cluster is too wide, there will be “too many chiefs and not enough cooks”
- There is fundamental agreement that the cluster will need to be financially independent and not reliant on grants
- There is a desire to keep the model simple and user friendly (not too many rules and regulations)
- There is a need to ensure that the cluster offers real benefits to the audience

AREAS FOR FURTHER CONSIDERATION

- Limitation of internet usage by the target group
- Scope of the project – a cluster can not be all things to all people
- Expectation that the cluster will include hobbyists however there is a concern it may be dominated by this group
- Many participants are failing to focus on anything other than their own industry and not the collective creative industry as an entity
- Essential that the cluster is not a duplication of existing support strategies or organisations
- Membership of the Cluster may be contentious. Half the people adamant that it should not be selective, and the other half equally passionate that it should
- Fees and charges will need to be realistic and offer appropriate benefits to end users or it will not be supported.

ATTACHMENT 7

Strengths and weaknesses of draft model for Business Plan – Focus Group findings (September 24th & 25th 2007)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Objective well written • Keys to success very good • Love “fee for service” for secretariat • Able to tackle the organisation’s aim quickly • Business skill program utilising existing resources • Cultural tourism trail • Full cost recovery • Focus on the business of being creative • Self-assessing membership • Business skills workshops • Council back-up • Mission statement 2 • Label and branding everything to ensure awareness of Clarence Creative • Capacity for collaborative projects across creative disciplines • Small costs is good • Appeal to artisans • Keeping it simple is good • Small membership of working group is good • Setting up a website and creative industry directory • Networking • Cultural tourism trail • Creative partnership • Single point of information • Hand Made in the Clarence • Montana ‘hub to hub’ is great concept • Great name – catchy • Timing is achievable • Beyond virtual is good • Brand name –short and sharp • Business marketing skills • Starting small and developing for the future • Workable amount of membership (number and \$) • Website • Segmentation is good • Full cost recovery • Many diverse and creative people involved • Objective and targets good • Self assessment for membership • Having a business plan • Clarence Creative – great brand 	<ul style="list-style-type: none"> • Cooperation and communication aims – keep it simple • Governance issues – should it be a 355 committee of Council of incorporated, does this need to be decided at the beginning • Membership fee is too low – it is worth more • 6 networking session/year is too many..suggest half this • Too ambitious... is it too big? • Legal entity and governance should be resolved at the beginning, becoming incorporated is not a lengthy process • Governance - review the working group structure • Members self-selecting... members should be selected • Diversity of skills ... not enough numbers in specific sectors for high level of participation • Continuity of people involved in setting up to follow through... is it too big a burden? • After 12 months... can we go it alone? • Members self-assessment • New concept and will be hard work • Formal positions of board/committees not popular if it is incorporated • Legal entity and governance not being clearly defined at the beginning • Artists need to see relevance to them • Too ambitious • Communication between the different areas • Perception going into opposition with existing organisations... working group will need to relate to them about finding gaps • Council secretariat fees • Lack of volume in Clarence Valley • Loss of momentum...too slow to start...could do more in the first year • Skills not developed to use IT component of website • Clerical bureaucratic needs of formal structure...keep it simple for as long as possible • Commercial objectives • Contractors for website ..fees • One market segment could over-ride

<ul style="list-style-type: none"> • Targets are achievable • Implementing the plan is achievable • Define the economic value of the creative industries in the Clarence Valley • Partnership with Arts Northern Rivers with business and marketing skills in the visual arts • Combine meetings with showcasing and networking session • To unify valley artists • Ambitious • Profile building • BEC being involved • A specific person to talk to about requirements as far as membership opportunities, • Great opportunity to join the working group • In operation within two years • To create extra income to cover hobbyists as well as professionals in time • New markets • Regulated selling • Beyond virtual • Business and marketing skill development • Council continued support • Expand, develop and grow existing creativity • Website links to professional development links • Membership • Communication – both virtual and real • Baseline support • Entrepreneurial business skills • Commitment to the future of the industry • Business intent • Hobby to business transition support • Economic development is good • There is potential for website volunteers to update and manage the site 	<p>others</p>
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ATTACHMENT 8

Working Group Membership Core Capabilities

Core capabilities

- Ability to think strategically
- Knowledge of and awareness and interest in other cultures
- Awareness of trends and issues related to Clarence Creative's mission
- Being a team player – active listener, encourage others to express thought, ideas and concerns without judgment
- Ability to facilitate and chair effective and efficient meetings
- Demonstrated level of dedication and commitment to role – prepared for meetings, willingness to give time and enthusiasm to agreed roles, willingness to contribute expertise to support strategic direction. It is estimated that members devote 1 day per month to Clarence Creative business activities.
- Awareness of risk management strategies and their application in volunteer based organisations
- Commercial acumen and awareness
- Courage to look for opportunities and take risks which benefit Clarence Creative direction
- Relevant networks and contacts within the broader marketplace.

Additional capabilities

- Financial management and accounting skills
- Legal skills
- Information and communication technology skills
- Operations and project management skills
- Marketing and communication skills
- Policy development and government relations skills
- Experience as volunteer.

ATTACHMENT 9

Website Plan

Purpose of Website

The website will play an integral role in supporting the overall objectives of Clarence Creative to improve the viability of creative industry businesses and create an image of Clarence Valley as a creative hub.

It will be the platform for promoting, facilitating and delivering:

- Communication and exchange of information and ideas between creative industry practitioners
- Stimulating collective creativity between practitioners
- Collaborative Problem Solving
- Professional Development
- Product/service distribution
- Promotion of the creative industry.

Target Audience

The Creative Clarence website primary audiences are, in order of priority:

- creative industry practitioners in the Clarence Valley
- their customers
- the broader business community and general public in the Clarence Valley
- tourists
- creative industry practitioners in other locations.

The former group expect the website will provide:

- information, assistance and opportunities to grow their businesses and make them more successful
- a mechanism for communication and collaboration with other practitioners in Clarence Valley
- information on the importance of creative industry to the Clarence Valley and thereby elevate its image throughout the community.

The second, third and fourth groups will be seeking information on practitioners and their products and services and how to access them.

The website will provide a first point of contact with Clarence Valley practitioners for the fourth group.

The audience includes people with varying levels of IT competence and connection quality. Frequency of use will also vary greatly.

The site therefore needs to be easy to use and aesthetically pleasing, but with limited use of complex graphics or other content which would significantly affect download time.

Content

The website will consist of an open access component for all the audiences described above and one for members of Clarence Creative.

Features of Home Page

The Home Page will include the following links:

About Clarence Creative (active from June 2008, (with exception of Member Profile))

This will drop to five links:

What is the Creative Industry

- A description of the sectors comprising the Creative Industry and their common features. This will draw on information from the Economic Development Strategic Plan and work done for Arts Northern Rivers by Cathy Henkel.

The Era of Creativity

- A brief discussion of the nature of creativity, creative business and entrepreneurship. It will also drawing on work of researchers such as Richard Florida.

Creative Clusters around the world

- A brief description of the cluster concept and examples of creative industry clusters around the world. This will cross reference to items under the Resources link on the Home Page.

Clarence Creative

- A description of the Clarence Creative initiative, including a brief history and listing key stakeholders and sponsors.

Member Profile (this will be activated in 2008-09 financial year when membership reaches sufficient level)

- Profiles of 5 selected members, drawn from the Directory below and updated every month.

What's On

- A diary or calendar of creative industry events.

Creative Industry Directory (active from June 2008)

This will provide contact details of all creative industry practitioners who already earn, or intend to earn the majority of their income from the creative industry. Some listings will be a single line, others will include paid advertising of up to 3 lines. Some will have links to their individual websites.

These entries will be updatable by businesses.

Resources (active from June 2008 and continually developed over time)

This will drop to two links:

Articles and Books

Relevant research on creative industry and clusters.

Shopping Cart (active from 2008-09)

This will include Merchandise such as a Cultural Tourism CD and Member Products and Services.

The latter this will link with and/or complement existing outlets such as galleries, retail shops and other websites such as those of the Visual Arts Network and the National Association of Visual Artists.

Skills Needs Analysis (active from September 2008)

This will link to a business skills self diagnostic on Clarence Valley Council's *SelectSurvey* database. The database will aggregate data on skill gaps which will be monitored to identify any priority and emerging needs.

Becoming a member (active from June 2008)

This will drop to two links:

General Information

- Describing products and services, criteria for becoming a member and fees.

Member application form

- This will include information which will be used in Member Profile.

Member Login

The login will provide access to the Members section of the website.

1. Features of Members Section

The Members Section will include the following links:

Your Voice (active from June 2009)

This will include a Advocacy Topics, where members nominate or raise issues of concern for consideration by the Working Group and a Moderated Chat Room, discussions being led and moderated by a member of the Working Group or a member.

Some topics may form the basis of the annual Think Tank Forum.

On Line Classified (active from 2009)

This will drop to three links:

For Sale

Equipment or materials for sale by members.

Work Space Rentals

Vacant work space and/or shared work space.

Wanted

Equipment wanted to buy or share, work space wanted to lease, buy or share.

Projects (active from first project)

Members will post ideas for joint projects or seek partners for joint tenders. A number of examples of possibilities will be provided.

Media Support (active from 2009)

As stated earlier, this will include resources to assist practitioners in developing and implementing effective approaches to dealing with and engaging support from the media.

It will include the following components:

- On-line media development packages
- Media training
- Compilation of successful media releases of practitioners
- Joint media development of range of practitioners at regular intervals.

What's on (active from June 2008)

A listing of upcoming events for members only, including networking sessions, workshops offered by other organisations (eg Arts Northern Rivers) and the Think Tank Forum.

Business Skill Development Program (active from 2009)

This will include:

Training Programs and workshops being offered by Clarence Creative Business Plan Program

Templates for business plans and information on support available for their development

Mentoring Program

This will include applications for mentors and mentees and profiles of the former

Creative Partnerships

Information on interactions with creative industry clusters elsewhere

Intern, Immersion and Exchange Program

Applications and proposals for bursaries and study tours, information and booking for upcoming activities and reports on them.

Member Profile by Creative Industry Sector (active June 2008)

A listing of all members, a brief bio, activities and contact details.

A diagram depicting the website is on the following page.

TIMEFRAME

Development of the website will commence in February 2008. It will be operational by June 2008, when it will be placed with a commercial hosting service. This arrangement will be monitored and consideration will be given to alternative arrangements for managing the website, including by members who have received appropriate training.

While all functions described above will be designed and installed into the website framework from the outset, they will be activated on a staged basis, as described above.

Sections of the website, especially Members Profiles and What's On, will be updated on an ongoing basis, by industry practitioners themselves.

A design brief for the website will be developed by the Working Group, with support from IT staff of Council.



