

Creative Industries Innovation Centre (CIIC) Briefing Session 30 June 2008

Below are the questions and answers that were discussed during the Creative Industries Innovation Centre briefing session on 30 June 2008. The questions have been grouped under four themes:

- [Structure](#)
- [Partner Offering](#)
- [Eligibility](#)
- [Application Process](#)

STRUCTURE

Q1: What is the fundamental aim of the CIIC?

Each Innovation Centre will provide a different set of activities which will leverage off the one system to provide a full set of resources and infrastructure to build business capability and create sustainable industries.

Q2: Is the Government looking to place the CIIC in any specific geographical location or to target a specific sector within creative industries?

No, there are no preconceptions regarding geographical location or sectors which will be targeted.

Q3: Where do Innovation Centres fit into the Manufacturing Centres? How do the Manufacturing Centres work? Are they Government Departments? Can staff move between the Centres?

The Manufacturing Centres and the Innovation Centres are both funded by the Australian Government. Currently, the Manufacturing Centres offer services to both manufacturing and service firms, however this is expected to change shortly. They will soon focus only on manufacturing firms and service firms involved in manufacturing supply chains. It is expected that the Innovation Centres will cater for firms within the service industries.

The Innovation Centres will provide services to a range of specific industries. There is a potential for staff (Business Advisers or support staff) to move between the centres, however, this will depend on the transferability of the individual's skill set.

Q4: Are there any connections between the Business Enterprise Centres (BEC) and Enterprise Connect centres?

A: The fundamental difference lies in the target market that these initiatives support. The BECs focus on businesses that are in their start up phase, while the Enterprise Connect Centres focus on firms that are already established. Furthermore, BECs tend to provide generalised business advice to all industries, Enterprise Connect Centres offer more specific advice, tailored to specific industries.

Q5: Are there any limitations to where the partner organisation's co-funding is sourced from?

A: There are no limitations on where the partner organisation's co-funding is sourced from. In order to expand the resources available to CIIC clients, partner organisations will offer complementary services. Co-funding can be cash or in-kind.

Q6: State government funding for complementary services will likely to be conditional on services being delivered within the state. Do you expect the complementary services to be delivered nationally?

A: Yes we expect the complimentary services to be delivered on a national basis. However, if an applicant faces restrictions in where they can deliver services it may be advantageous for them to partner with other organisations that may compliment their proposal and allow them to deliver their services nationally.

Q7: Who will control the co-funding contributed to the complementary services?

A: The successful partner organisation will retain control of their co-contribution. Co-funding of the complimentary services can be either monetary or in-kind services, including the provision of accommodation for the Centre Director and support staff, or expertise relevant to the creative sector.

Q8: What form of complimentary service delivery do you envisage, for example, workshops, one on one mentoring, etc.?

A: The Government is limited in the amount of money it can provide, therefore the allocation of the complementary services must reach the widest audience possible on a national basis. When developing an application it is important to think about who your market is and how to effectively target them. Given the characteristics of the creative industries, a one-on-one mentoring service may not be an efficient way to reach the target market.

Q9: Who are the Business Advisers and how are they engaged?

A: The Business Advisers for the Innovation Centres have not been engaged yet. Under the Manufacturing Centres, Business Advisers are engaged through partner organisations, however under the Innovation Centres, they will be engaged directly with the Department. The selection criteria for the Innovation Centre Business Advisers are still being finalised. The Business Advisers for the CIIC can potentially be located at other Enterprise Connect Centres, however potential partners may suggest alternative locations in their proposal.

Q10: In relation to staffing, what will be the structure of CIIC centre? Are all the CIIC staff accommodated by the partner organisation?

A: The Centre Director, Business Advisers, and support staff will all be directly employed by DIISR. The operations of the CIIC will be overseen and managed by the Centre Director, including the performance of the Business Advisers. An advisory board will be established to provide strategic direction on the services and delivery model of the CIIC. It is expected that all staff will be accommodated by the partner organisation unless the partner organisation

feels a synergy may exist from co-locating staff with the Manufacturing Centres. Alternative accommodation arrangements can be outlined in your proposal.

Q11: Will the Government pay the salaries of Business Advisers? Who will cover the other HR functions and costs associated with the Business Advisers?

A: DIISR covers the costs associated with delivering the core services of the CIIC (the Business Review and the Tailored Advisory Service). Therefore, DIISR will be responsible for the salaries and other HR costs of the Business Advisers. The KPIs and general performance management of the Business Advisers will be set and managed by DIISR, however DIISR is open to suggestions from the successful partner in setting these KPIs.

Q12: What will the legal structure of centres look like? Will they be a separate legal body or will the CIIC be part of DIISR?

A: Each Innovation Centre will be part of DIISR. The Department will directly employ the Centre Director, the Business Advisers and the support staff. The partner organisation will be contracted by the Government through a funding agreement for the delivery of services and the provision of the Centre headquarters.

Q13: Is a hub and spokes model with only one hub the only option for structuring the CIIC? What are your thoughts about having multiple hubs, for example a northern/southern hub?

A: The Government has indicated that it has only resources to cover salary of one Centre Director. It is up to the partner organisation how it proposes to allocate the available resources between one or more nodes. We are looking for synergies from the location of the centre(s) and creativity around what complementary services will be offered.

Q14: Why is the advisory board only interim?

A: All Enterprise Connect boards are interim as the Government is still considering what the long term model of the Enterprise Connect Centres will look like. The board will be appointed once the call for proposals process is completed. It is not yet been determined who the board members will be, however, it is envisaged that the chair will be an eminent member of the sector and the other members will be representational of the industry.

PARTNER OFFERING

Q15: In the presentation slides, is the list of typical projects for the Tailored Advisory Service (TAS) grant exhaustive?

A: No, the examples listed do not represent an exclusive list. However, TAS projects must relate to issues identified in the Business Review process.

Q16: Will Business Advisers provide the services for TAS?

A: Ideally Business Advisers would not provide services for TAS as firms may see Business Advisers having a vested interest in the initiative, rather than providing credible, and frank advice. Under the current model Business Advisers do not provide TAS services.

Q17: Is the fundamental difference Manufacturing Centres and Innovation Centres the engagement of the Business Adviser?

A: No. The primary difference between the Manufacturing Centres and the Innovation Centres is that the Innovation Centres take a specific sectoral or regionally targeted approach to enterprise development.

Under the Manufacturing Centres, the Business Advisers are engaged through partner organisations, while under the Innovation Centres, Business Advisers will be engaged directly with DIISR. From a client firm's perspective, they can access a free Business Review delivered at the same quality irrespective of which Enterprise Connect Centre they engage with.

Q18: There are many idiosyncrasies within each industry, so how will the CIIC ensure that the Business Advisers are able to provide expert advice in an industry which is so diverse?

A: The advice provided by Business Advisers in the Business Review relates to management and operational issues within the firm, rather than specific technical advice and know-how. It will be important for the CIIC Business Advisers to tap into the knowledge pool of the Enterprise Connect network when seeking more specific technical advice for the firm.

Q19: What sort of projects can the Tailored Advisory Service grants cover? Most actors, artists wouldn't require grants in the order of \$20,000. Could the TAS grant be for an event or a specific project?

A: The advisory board will be involved in developing the eligibility criteria for the CIIC services. The nature of the TAS grant under the CIIC is still being considered. Regardless of the type of projects, the purpose of the TAS grants is to help build the sustainability and competitiveness of the business. It is important that the CIIC services are not duplicating services provided by other governments or other bodies.

ELIGIBILITY

Q20: The \$20,000 Tailored Advisory Service grant is provided on a reimbursement basis under the Manufacturing Centres. Many small firms won't have this money upfront, so is there scope to review this model for the CIIC?

A: The final model of the TAS grant under the CIIC is still being considered. The Department understands that some firms that access the initiative may have limited cash-flow. The Department is open to exploring other options including panel bulk-bill style payments.

Q21: Can you provide a broad outline of the proposed eligibility for the CIIC?

A: The eligibility criteria have not been finalised yet, however the eligibility criteria for the CIIC will not necessarily mirror those for the Manufacturing Centres. Many of the firms in the CIIC target market are anticipated to be sole traders and small enterprises, so it is unlikely that the \$2 million turnover threshold under Manufacturing Centres will be applied to the CIIC. Ultimately, the criteria will be set by taking into account how the limited amount of resources can be used most beneficially for the target group of firms.

Q22: What will the definition of an SME be under the CIIC? It would be valuable to have this clarified so applicants can accurately represent the sector in their proposal.

A: Micro business will be included the CIIC. How resources will be targeted to these firms is yet to be determined. The Department is open to concepts provided through the call for proposals, so it has not been prescriptive on this area.

Q23: Under the TAS grant, could firms fund their 50% contribution through other grants, such as from state governments?

A: One of the objectives of Enterprise Connect is to improve the long-term sustainability and competitiveness of SMEs. It is important that the firm takes some responsibility and has some 'skin in the game' so that the services offered hold greater value by firms. It would be expected that firms would invest a percentage of the cost of the TAS project out of their own pocket.

Q24: How open is the CIIC to working with firms that are manufacturers? Will the Centre work with firms in designer – maker fields?

A: The CIIC will be open to working with creative firms that also have a manufacturing component, such as those in the designer-maker fields. The focus of the CIIC will be on the business itself, not the art of the business.

Q25: Can businesses in industries other than manufacturing access an Enterprise Connect Business Review?

A: The Business Review is currently only offered by the Manufacturing Centres. Currently, firms in industries other than primary production can access a Business Review. However the eligibility criteria under the Manufacturing Centres will be changed very shortly to include only manufacturing firms or services firms that are involved the manufacturing supply chain.

APPLICATION PROCESS

Q26: Would it be possible to provide a detailed break down of the budget and where you see the allocation of funds for the centre being directed?

A: The background paper available on the enterprise connect website (<http://www.enterpriseconnect.gov.au/Innovation/Pages/CreativeIndustriesInnovationCentre.aspx>) provides a broad break down of the budget. It is felt that

by defining the budget in any more detail would detrimentally limit the content of applications.

Q27: When applying as a consortium, do you require the nomination of a lead organisation?

A: Yes. During the application process one company must be nominated so contract negotiations can take place. However, if the consortium is successful, there may be scope to change the structure of the consortium further down the track.

Q28: When applying as a consortium, do you need to list details about all firms within the consortium in the application form, or just the lead firm?

A: Only the lead firm needs to provide detailed information and fill out the application. Information regarding previous government funding should only be recorded if the amount received was over \$100,000 and was received in the past three years. Further information may be requested regarding the other firms within the consortium when negotiations begin with the short listed applicants.

Q29: Throughout the briefing session you have referred to research about the characteristics of creative industries; will this be available for public view?

A: Below are links to the creative industries research papers that the Department of Environment, Water, Heritage and the Arts, and the former Department of Communication, Information Technology and the Arts have worked on or referred to in the last 3-4 years.

Australia's creative economy information sheets

<http://www.cci.edu.au/publications/australia%E2%80%99s-creative-economy-information-sheets>

Australia's creative economy: basic evidence on size, growth, income and employment

<http://www.cci.edu.au/publications/australia%E2%80%99s-creative-economy-basic-evidence-size-growth-income-and-employment>

Australia's creative economy: Definitions of the segments and sector

<http://www.cci.edu.au/publications/australia%E2%80%99s-creative-economy-definitions-segments-and-sector>

Australia's creative economy: mapping methodologies

<http://www.cci.edu.au/publications/australias-creative-economy-mapping-methodologies>

The creative industries: topography and dynamics

<http://www.cci.edu.au/publications/the-creative-industries-topography-and-dynamics>

How Creative are the Super-Rich?

<http://eprints.qut.edu.au/archive/00005799/>

Building a Creative Innovation Economy: opportunities for the Australian and New Zealand creative sectors in the digital environment

http://cmc.gov.au/_data/assets/pdf_file/7817/Building_a_Creative_Innovation_Economy.pdf