

SUBMISSION TO THE DRAFT EMISSIONS REDUCTION PLAN November 2021

BACKGROUND

WeCreate is the alliance comprising forty of Aotearoa's major creative industry associations and organisations (representing 30,000+ Kiwi creators, support people, and creative businesses), which was founded in 2014 to propel growth in the sector and increase its contribution to New Zealand's social and economic wellbeing.

In 2016 WeCreate commissioned NZIER to produce a valuation of the creative sector which estimated its **contribution to GDP at \$17.5bn and employment at 131,000 people** – one third of whom work outside the creative industries.

The creative sector has been at the forefront of the transition to a low-carbon digital economy since the 1980s when screen and music production began to embrace digital and we saw the advent of digital video games. **In the 2020s most creative businesses are highly digital in how they produce content, provide services, market, export ('weightlessly') and earn.**

Creative tech (CreaTech) is the rapidly growing genre of activities in which technology enables creativity to produce new value-added products, services or experiences – and vice versa. In CreaTech a creative element – such as the use of design, story-telling, audio-visual material or performance – is the key constituent in achieving the final output and its desired benefits. The fusion of creativity and technology is revolutionising how we learn, live and work, and the environment we live in, and is increasingly being applied to the transformation of other sectors such as housing, tourism, health care, aged care and education.

SUBMISSION

WeCreate welcomes the Emissions Reduction Plan as a cross-government initiative developed alongside communities and business.

We submit that the draft plan significantly understates the opportunity to enhance and advance the transition to a low-carbon future via the strategic leverage of Aotearoa's knowledge-based and digital economies¹.

The Draft Plan states that *'New business models are required, and public attitudes and consumer preferences need to shift to support them. We need to see new approaches to how we power our economy and lifestyles, how we build our cities and how we move around them'*, yet the Draft Plan focusses almost entirely on reducing emissions, and not on concurrently empowering and growing New Zealand's already low-emissions industries – such as the creative sector and digital technologies – and consequently enabling greater economic diversity and resilience. WeCreate supports NZTech's submission regarding a Technology Roadmap as an addendum to the Emissions Reduction Plan.

The creation of Intellectual Property (upon which the creative sector is based) largely relies on human imagination rather than natural resources and the consumption of energy. Creative IP businesses can scale rapidly, and export globally and weightlessly, without a commensurate input of energy and resources.

¹ <https://www.mbie.govt.nz/dmsdocument/5866-growing-innovative-industries-in-new-zealand-from-the-knowledge-wave-to-the-digital-age>

Creativity, like technology, is not a sector vertical but a **horizontal enabler of environmental, social, economic, educational and cultural wellbeing**.

The New Zealand creative and cultural sector has been an early adopter of digital, and in several segments is among world leaders (visual effects, video games, music streaming uptake). As it has for technology businesses, COVID-19 has accelerated the domestic and export growth of digital creative products and services (including for traditional art forms), as the sector has been forced to adapt to online creation and delivery more rapidly than many others and has found new markets as a consequence.

The cultural and creative sector also has an important role to play in meaningfully engaging the public with climate change, and promoting the attitudes and actions required to transition to a cleaner, greener Aotearoa.

A key challenge is that climate change is an unprecedented “collective action problem” that requires agreement, collaboration and shared action among people and organisations that may not normally collaborate, ranging from the community and local authority levels to large-scale transnational political agreements. Also, decisions on climate action taken by organisations, communities and individuals will often depend not only on a factual understanding of climate change but the underlying personal values, social and cultural norms, and the ability to adapt. For this reason, there is a growing recognition that climate change constitutes not only an environmental and scientific challenge but a cultural challenge, and that there is a need to make climate change and climate action more meaningful and personally relevant in order for a comprehensive transition to take place. This will require a deeper understanding and appreciation of how people interpret climate change communications, assign value to different aspects of climate action, their ability to adapt to the expected impacts as well as consideration of methods of engagement beyond the presentation of the scientific facts.²

Alongside the Digital Technologies Industry Transformation Plan, a **broader and more ambitious Digital Industry strategic approach** would give Aotearoa the opportunity to both reduce emissions and to leverage economic growth and wellbeing benefits across other highly digital, and adjacent, sectors to Digital Technologies, and would not require stretch of capacity and resource.

Digital businesses outside of the ICT sector also:

- Generate ‘weightless’ export revenue
- Are less constrained by physical and natural resource limitations than other industries
- Create high value jobs

It is important however to clearly differentiate the differences in opportunities and challenges between:

- e-commerce of physical goods and services,
- and digital trade in ‘weightless’ digital goods and services.

For example, there are significant differences between the supply chain required to produce physical vs digital goods, the value produced, distribution logistics and carbon footprints, and trade barriers.

The 2021 PwC Entertainment & Media Outlook³ predicts that there is enormous potential for growth in creative digital markets: *The pandemic induced contraction of 2020 is giving way to a strong rebound this year and a return to continued growth above global GDP over the coming five years. The central role that the ever-expanding array of media experiences plays in consumers’ lives is set not just to endure but to strengthen over time.*

Reinstating the Creative ITP (proposed in 2019, and put on hold due to COVID-19 in 2020), as a complementary strategy alongside the Draft Emissions Reduction Plan, Digital Strategy and Digital Technologies ITP, is an obvious solution to ‘*How low-emissions actions and business models could be encouraged*’.

- All creative industries have a digital element with some being almost entirely digital (eg. interactive media and recorded music)
- The sector is increasingly well-organised with clear channels of communication and is uniquely placed to engage the public with the Emissions Reduction Plan.

² <https://www.creativeireland.gov.ie/app/uploads/2019/12/Engaging-the-Public-on-Climate-Change.pdf>

³ <https://www.pwc.com/gx/en/industries/tmt/media/outlook.html>

- There are loud calls for a national creative sector strategy from all parts of the creative and cultural sector.
- The WeCreate Action Plan (2019 – please see below), Screen Sector Strategy (2020), Interactive Aotearoa (2019) and various regional arts & culture/creative industries strategies provide well-informed foundations for the development of the Creative ITP.
- An industry-government strategic approach that encompasses both the digital and creative & cultural sectors has been proven in the UK – this has seen their sector grow five times faster than the average rate of the UK economy (pre-COVID) and increase their contribution to GVA by 60.5% in eight years.
www.thecreativeindustries.co.uk
- Many creative businesses are purpose-driven, low carbon, and positively impact both economic and social wellbeing.

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WeCreate

GROWING OUR CREATIVE SECTOR

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The WeCreate Action Plan

Between 2017 and 2019 WeCreate undertook extensive consultation across the sector, via hui and specific working groups (some of which are ongoing), resulting in a primary objective of partnering with government in a pan-Ministerial approach to an Action Plan to boost economic development and growth in the sector. A draft Action Plan was delivered to government in March 2019, and the sector was delighted to learn that it would be included in MBIE's Industry Transformation Plan programme from 2020.

The development of the WeCreate Action Plan included officials from MBIE, MCH, MFAT, NZTE, MoE, Stats NZ, and Callaghan Innovation. Regular hui were held to connect these Ministries and agencies with industry, and with each other, in a more 'joined-up' approach to the sector.

Alongside the sector-level Action Plan, WeCreate has been closely connected to the development of the Interactive Aotearoa report, the Screen Sector Strategy, and a variety of regional creative industries and arts strategies – all of which share strong similarities of intent and make recommendations to maximise opportunities and solve issues, and which could be most effectively addressed in a pan-sector approach.

With the advent of COVID-19, WeCreate consulted its Members & Friends on the impacts of the pandemic on their industries, and adapted the Action Plan to a Recovery and Renewal Plan, to address the immediate needs of the sector and lay the foundations for the ITP. The Recovery & Renewal Plan was delivered to Ministers in early April 2020.

In late July 2020, WeCreate was informed by MBIE and MCH that the Industry Transformation Plan for the creative sector would not be progressing for the foreseeable future, in light of the significant Budget 2020 investment made by government to support the Arts, Culture and Heritage Sector through its recovery from COVID-19.

WeCreate's current work-streams on behalf of the sector include:

- On-going liaison with government departments relevant to the economic development of the sector – including MBIE, MCH, MoE, TEC, MFAT, NZTE, NZ Story, MSD, Stats NZ, Callaghan Innovation.
- Working closely with NZ Tech/MBIE on the creative tech aspects of the Digital Industry Transformation Plan, and the NZ Tech & Innovation Story.
- Advising MCH on the development of a new measurement model for the sector.
- Participating in the Review of the Copyright Act from a sector-level perspective.
- Participating in the Reference Group for the design of the Workforce Development Councils in the Reform of Vocational Education, liaising between industry and the Toi Mai WDC, and liaising with central and local government on several other projects related to skills, capability and business development.
- Providing industry advice and connections to MFAT (including APEC/ABAC) regarding current and forthcoming trade negotiations and development of policy on digital trade.
- Providing industry advice and connections to the Productivity Commission in respect of its 'Frontier Firms' enquiry.
- On-going liaison with other strategic work in, or relevant to, the sector including the Screen Sector Strategy, Interactive Aotearoa, Te Taumata Toi a Iwi, Create Auckland 2030 and other regional arts/creative strategies – all of which have many commonalities with WeCreate's Action Plan.
- On-going liaison with CreaTer – the alliance of creative tertiary educators.



WeCreate's Members and Friends are:

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| Advertising & Illustrative Photographers Assn | APRA AMCOS NZ |
| Auckland Unlimited (formerly ATEED/RFA) | Australia & NZ Screen Association |
| Christian Copyright Licensing International | Commercial Communications Council |
| Copyright Licensing NZ | Creative NZ |
| Design Assembly | Designco |
| Directors & Editors Guild NZ | Equity NZ |
| Home Entertainment Association NZ | Independent Music NZ |
| Interactive Games & Entertainment Assn | Mindful Fashion NZ |
| Motion Picture Distributors Association | Music Managers Forum NZ |
| NZ Comedy Trust | NZ Film Commission |
| NZ Game Developers Association | NZ Institute of Architects |
| NZ Institute of Professional Photography | NZ Music Commission |
| NZ On Air | NZ Society of Authors |
| NZ Writers Guild | Playmarket |
| Print Media Copyright Agency | Publishers Association of NZ |
| Recorded Music NZ | SAE Institute |
| Screen Industry Guild Aotearoa NZ | Script to Screen |
| Screenrights | Sky Network Television |
| Screen Production and Development Association | The Creative Thinking Project |
| TVNZ | Weta Group |