Growing Australia's Creative Industry

The Australian Broadband Advisory Council Creative Industry Expert Working Group Position Paper

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Abstract: The Australian Broadband Advisory Council (ABAC) released a position paper on the future of Creative Industry in March 2022, as part of series of papers formed by various industry expert working groups. The purpose of the Creative Industry position paper was to provide advice and recommendations to the Minister for Communications on ways to maximise the benefits of the National Broadband Network (NBN) and other high-speed networks in key sectors of the economy. This article outlines the key findings of the position paper and discusses briefly other key global and local activities since the publication of the position paper that are of note, such as Covid-19, the 2023 writers' strike and the concerns around AI technology deployment in the Creative Industry.

Keywords: Creative Industry, Entertainment, Streaming, Immersion.

Introduction

The Australian Broadband Advisory Council ("ABAC"), chaired by Ms Deena Shiff, was set up to advise "the Australian Government on how broadband infrastructure can be leveraged to accelerate economic and social benefits for Australia" (ABAC, 2022, p. 3). ABAC chose the Creative Industry as one area in which to explore the impact that broadband infrastructure has. This decision was made in response to the significant growth of the industry through streaming and immersive content. A position paper on the Creative Industry was prepared by

ABAC members, Zareh Nalbandian and Vince Pizzica (co-authors of this journal paper), was endorsed by the Creative Industry Expert Working Group, and was released in March 2022.

This article discusses the findings made in that position paper and beyond its publication, touching on the further technological impacts being felt by the industry. The current widespread deployment of accessible Artificial Intelligence (AI) technologies within creative industry and processes validates now more than ever how digital infrastructure is critical to the global positioning in this sector, while also offering a wider range of commercial opportunities than ever before.

The Creative Industry

The Creative Industry sector encompasses many different mediums, including entertainment content. Content can be delivered by several methods, from live performance, to traditional television on free-to-air channels, and to online streaming and on-demand services. The most common (and therefore most emphasised in the report) are those streamed and traditionally delivered.

Entertainment content broadly includes, but is not limited to, games, film, television, advertising and marketing, interactive (augmented/virtual reality), and location-based entertainment (such as theatre performances and museums).

During the worldwide pandemic, the industry saw both an explosive growth period and a significant struggle. Streaming and immersive content was in high demand, while the arts sector suffered a massive downturn with the heavy restrictions on the population.

Beyond the ABAC position paper, other issues impact the industry and its technology considerations, including the 2023 Writers' Strike and the increasing rollout of accessible AI and Generative AI tools across all aspects of the creative industry's sector.

Therefore, it is clear that, in an ever-changing industry, it is highly important to stay on top of changes and have the much-needed adaptable infrastructure available to meet that ever-changing nature.

Key to the position paper was focusing on the commercial aspects of the industry and how the industry could gain a higher proportion of the global market.

Why the sector is so important

The Creative Industry is comprised of hundreds—if not thousands—of different skill sets. The skills required to be in the industry are vast and highly sought after. These include blending innovation, digital technology, and a wealth of talent. As so many different skills are required, this creates wealth and jobs through the creation of intellectual property (IP).

A multiplier effect is created from the industry, as its success also creates opportunities for tourism and culture. Wealth built in this sector has an impact on many jobs, from drivers, to directors, to catering. The reach and crossover are vast.

The most important parts of the Creative Industry are those where investment and growth is leading the charge. This is seen in new media and entertainment content, which gives other sectors and industries spillover benefits.

The main sectors of focus include games, film, television, advertising and marketing, interactive (augmented/virtual reality), and location-based entertainment (such as museums). These sectors are growing at different rates, partly due to the level of maturity they have attained in the business cycle.

With the onset of the pandemic, people needed to feel connected to others, which has pushed a dramatic shift in the Industry. A surge in technology trends and uptake of digital technologies has created an opportunity for innovation and growth; and also rapid access to a global market. This has been experienced worldwide, so our goal is to ensure Australia is an active and significant participant in the market.

Beyond this paper, it is clear that the Creative Industry is also impacted by AI technologies and expansion of revenue opportunities via direct-to-consumer commerce and micro content publishing.

The ABAC Position Paper on the Creative Industry

Guidelines

The following principles were devised by the Chair, Deena Shiff, and ABAC Members, Zareh Nalbandian and Vince Pizzica (co-authors of this journal paper), to help position an understanding for the paper of what success and methodology meant, in what most would term a 'unique industry'.

These principles act as guidelines that the Creative Industry Expert Working Group deemed essential for what technological infrastructure needs to do to adequately support the Creative Industry in Australia:

- Encourage global content creators to establish and maintain a presence in Australia;
- Support Australian artists and producers to operate as freelancers or small businesses within the global supply chain;
- Profile innovation across emerging technologies in the newest forms of storytelling;
- Promote a uniquely Australian character to content creation in the newest forms of media.

The following were used as goals for success in terms of the outcomes that could be further enabled via progressive technological infrastructure:

- Hasten the exponential growth of the businesses in the industry and enhance their economic stance in the worldwide economy;
- Correlate the existing digital infrastructure and broadband with upgrades to meet the future needs of the industry;
- Provide methods to overcome not only the current, but also the foreseeable, industry skills deficiencies;
- Provide crossover opportunities that will benefit bordering sectors, in particular to the arts, sports, entertainment, and tourism sectors.

Drivers of change

The paper identified that there are nine key drivers of change in the Creative Industry as validated by data collected and reviewed at the time. Events and trends since the paper was published has validated these drivers:

1. Growth in demand for original content will remain strong beyond the next decade.
2. Traditional content distribution formats and business models will continue the shifts begun in the last decade and accelerated by COVID-19, such as embracing OTT [Over-the-Top] service models.
3. Emerging use of virtual production technologies will grow to affect over 15% of the volume of content produced and have a structural impact on the end-to-end workflow for content creation.
4. Storytelling forms and creativity will evolve into more interactive and multi-dimensional forms as technology and business models match the characteristics that younger demographics find compelling.
5. The purpose for which content can be created will increase opportunities for creative content producers, putting art and storytelling into an increasing range of physical locations (retail, museums, offices, conferences, events, etc.).
6. The skill sets of these talent bases will converge to a much similar combination across *all* sectors of the Creative Industry, as will the other technology capabilities needed to develop assets and Intellectual Property (IP).
7. Cloud infrastructure and cloud-native tools will impact all dimensions of the content value chain, becoming the primary underpinning technology of the industry for both creation and distribution.
8. The commercial nature of the workforce relationships between creative talent and production companies and studios will become more fluid.

9. Integration into cloud-based supply chains is essential for Australian companies to be competitive globally, with barriers to entry in each sector linked to security frameworks.

Out of these drivers, the paper identified two that would have the most impact on the industry. These are interactivity in content creation and storytelling, and location-based experiences. These are predicted to have the biggest impact on growing Australia's share of the global market in the long term. Skills surrounding these will be the most valuable in the future.

Australia has key advantages for guiding the success of the Creative Industry into the newest ways of working and production. These include:

- An outstanding talent pool of professionals and creatives, and a sound academic training system, both operating within a stable political, legal and social system;

- A generous network of production conditions that have excellent support capabilities, combined with a healthy incentive program; and

- The National Broadband Network (NBN), aligned with other broadband capabilities, which ensure a wide geographic connection for most of the population.

It is also important to note there are also significant challenges for the Creative Industry. These include:

- Geographical distance (domestically and internationally);

- Differing time zones;

- Small scale of existing participants;

- Investment and distribution concentration outside of Australia;

- Hyper-competition over limited resources and talent in the lowest parts of the value chain; and

- Shortfalls in skilled labour since the pandemic.

Keys to success

The Chair and ABAC members, with feedback from the Creative Industry Expert Working Group, identified that there are four key success factors:

- Expanded IP ownership in Australia;

- Talent and Skills;

- Crossover of Creative Sectors;

- Investment in digital clusters.

Key 1: Expanded IP ownership in Australia

The Creative Industry, where creative design is the driver of value, centres on the monetisation of the IP that has been created. This has been constant over the years and has not changed in recent times. Create the IP, have it positively geared, and new opportunities will arise.

This key factor is found in many different industries, but what is unique to the Creative Industry is that, no matter how the story is delivered (e.g., via a cinema or a smartphone), decisions around the value content are driven top down by this value chain. The decisions and margins for sustainable investment decisions flow from the top.

One of the main priorities for the Creative Industry is to invest in the development of content IP, which can then flow through the value chain. This should be done with respect to ensuring the decision-making control is held by an Australian business. Throughout all of the supply chain, the decision-making power on investments will always link back to the IP owners, in consultation with local stakeholders.

To expand IP ownership in Australia, the following questions must be asked:

- What is the most beneficial and sustainable method for attracting investments in the Creative Industry that will promote growth and expedite the crossover benefits to the wider economy?

- How can the incentives provided from within the supply chain also have a positive effect on the IP ownership?

- Is it useful to stimulate the infrastructure for worldwide integration that will also assist global content producers and investors to consider moving capital to Australian-sourced content?

Key 2: Talent and skills

Creation and design are very much a human-based skill (although we will discuss the impact of new AI technologies further on). Therefore, the growth of this industry relies heavily on the volume, experience, talent, and breadth of those people working in the industry.

Creating and growing the IP owned by Australians relies heavily on the skills and talents to create it. As a worldwide participant, we must ensure our country is a ***destination*** for the world's leading and aspiring talents. We should not be a ***source*** of creatives who then use those vital skill sets elsewhere.

The challenges facing this key area are as follows:

- A relatively small pool of high-end talent that can be used to drive projects and develop IP that is necessary to expand their business to a higher playing field;

- A deficiency in graduates and middle-tier people who hold the necessary skills to commence contributing positively immediately from educational institutions;

- Only a small portion of the qualified people entering the industry; more are needed to yield growth.

- A shortage of individuals with the entrepreneurial skills and experience needed to create new and innovative projects to meet demand in emerging sectors and geographies.

Australia has an attractive lifestyle, which can lure overseas talent to our shores and has done so successfully in the past. However, while there are multiplier effects in doing so, there is also a strong urge to self-develop those higher-end skills within the Australian market.

To ensure we have talent and skills in our own marketplace, the following questions must be asked:

- How can we grow and accelerate the postgraduate programs that will increase the skills and therefore value of Australian talent cost effectively, as well as encouraging the industry to influence training at an undergraduate level?

- How can digital clusters be facilitated to build the success of these skills programs?

- What can be provided in the short term in the form of incentives that will have an immediate effect in solving problems in this area?

Key 3: Encourage crossover of creative sectors

The Creative Industry is always expanding to ensure the most wonderful elements of what artists create are a physical experience using leading technology. This brings people to specific locations and boosts other sectors, such as food and beverage, retail, and tourism.

More and more, the industry is creating immersive experiences in venues such as museums, sports venues, and performing arts centres. Success in this area, for both domestic and export industry, requires sector crossover and removal of hurdles between industries. It also relies on investment. While we have the technology domestically, there is still a lack of market share, with most opportunities being offshore.

The industry needs to find ways to encourage crossover between sectors that can assist with removing barriers that limit opportunities. The challenges that still exist are as follows:

- During the pandemic, there was only a small number of immersive experience projects being launched by Australia's tourism destinations;

- We need better ways to efficiently utilise government infrastructure investment to

nurture an increased partnership between the Creative Industry and other organisations;

• Expanded funding from multiple layers of government is needed for projects in the crossover field of festivals and place-based cultural events;

• What measurable incentives will ensure more crossover projects being proposed by all levels of government and business to increase the growth in the Australian sector?

• How do we better integrate STEM [Science, Technology, Engineering and Mathematics], HASS [Humanities and Social Sciences], and Work Integrated Learning into our educational systems?

• What crossovers will have the best positive impact on export opportunities that will attract global economic value?

Key 4: Invest in digital clusters

Digital clusters are an amazing launch pad for expanding digital services that will create growth for the Creative Industry. Already, there have been fantastic results with digitally focused communities.

Increasing investment in this area will help to develop creative skill centres. This will then increase the community of skilled labour from areas outside the major population zones. In turn, this will lead to a growth in market share for Australia.

The Australian Creative Industry is currently overly concentrated in major capital cities, with one-third of the workforce being in Sydney. Being able to expand to the whole country is a massive opportunity to increase the workforce.

Several states and territories do have plans in place for providing this infrastructure and services in regional areas. We need to focus on areas that can benefit most from this opportunity.

We need to ensure the following to achieve this key goal:

• Better geographical alignment between where the skilled workforce is educated, trained, and wish to live. This is best aligned with more processing, storage, security infrastructure and bandwidth provided. People's proximity to clusters can enable development of interactive skills and content, particularly in regional areas.

    o An example of such infrastructure support is NBN Co's Business Fibre Zones (BFZs). These support businesses of all sizes and in locations across Australia, by reducing the significant variation that has existed in the cost of business broadband services in regional and rural areas compared to Central Business

District (CBD) zones. Eligible businesses within any BFZ that order an enterprise Ethernet service will receive their chosen speed tier and service based on the same CBD-equivalent wholesale charge that is applied to a company based in a CBD zone.

- We need to improve the capacity and capability of facilities within these clusters, to stimulate spillover benefits into other industries while supporting integration into the global supply chain for the Creative Industry. The stated perspective of the position paper is that the supply side of the market will meet the needs of the demand-side opportunities once these digital clusters are identified.

Case Studies in the Position Paper

Rising Sun Pictures

Rising Sun Pictures has been in the industry for 26 years and produces visual effects. Clients are predominantly based in the US, with work filmed in the US, Canada, or UK. Staying connected is critical for them, which has led them to innovate. 'Functional from a distance' is their goal. Rising Sun Pictures states that to innovate around problems and distance is part of being Australian.

Rising Sun Pictures built their own network and tools in order to use digital communications, which were then new. This has enabled them to work better with their clients so they feel connected and enmeshed in their clients' businesses.

Rising Sun Pictures found that developing and accessing talent, particularly in regions, requires a reliable platform. For interactivity, each user needs minimum broadband speeds of 100 Mbps with less than 40 ms latency, as well as relevant experience and a certain level of digital skills.

Rising Sun Pictures believes that Australia needs to focus on overcoming barriers to innovation and entrepreneurship in order to create an attractive market. They believe it is time to change fee-for-service arrangements and to build opportunities for content IP. They look forward to the next forms of entertainment, such as virtual and immersive worlds in, for example, gaming.

VANDAL

VANDAL has been in the industry for 35 years and specialises in creative production using emerging technologies. With an impressive body of work behind them, they have crafted many forms of entertainment, including commercials, interactive installations, projection mapping,

virtual reality, augmented reality, digital placemaking, virtual environments, and digital experiences.

VANDAL is a leader in digital media and digital placemaking. They found that investing in people, creative development, emerging media platforms, and pursuing emerging digital technology trends have been beneficial in growing the business and offering new digital media solutions to clients. They believe that regional Australia can become a hub for new development; however, connectivity and good Internet are vital to this outcome.

VANDAL believes that Australian businesses are completely capable of producing new assets and creative IP. However, investment needs to be made in order to protect and nurture the talent pool. Growth and investment in Digital Entrepreneurs are vital to Australia being a leader in the digital landscape.

Animal Logic

Animal Logic[i] is an award-winning digital screen content studio that has been in the industry for 30 years. They have studios in Sydney, Vancouver, and Los Angeles. They have a history of world-leading innovation and are committed to their worldwide audience.

Animal Logic used the challenges from the pandemic to accelerate their technology and to enable their workforce to operative effectively from remote locations. They invested substantially in infrastructure to empower staff to work efficiently and securely.

Animal Logic have identified that staff retention can be challenging, as short-term contracts are common. However, they have developed a training program that provides exposure to the industry for real-world experience. They work closely with education partners to develop their training program and suggest that, linking with universities, they can engage students and provide industry exposure.

Mighty Kingdom

Mighty Kingdom have been in the industry for 10 years. They have grown into a company that has 140 employees and partners in Europe, the US, Israel, and Asia. They have carved a niche of developing games for children, young people, and women. Their popularity and success have attracted production companies wishing to partner with them.

Mighty Kingdom have found their younger staff work easily online and have employed people from regional Australia, from Tasmania to far north Queensland. Due to security frameworks and certification, Mighty Kingdom are unable to work in a shared online space and have therefore created a standalone space.

Mighty Kingdom have identified that fast connectivity is essential to their business and that

cybersecurity is costly. They have suggested that there is scope for the government to assist with this issue.

Mighty Kingdom have incorporated machine learning into their game development, which has enabled them to increase the productivity of their processes and allowed for a bigger focus on content development. They are also focused on developing their own IP and are partnering with publishers to share costs and encourage investment.

Interactive Games and Entertainment Association

The Interactive Games and Entertainment Association (IGEA) represents the voice of Australian and New Zealand companies in the video games industry. They do this through advocacy, research, and education programs. Their members range from sole traders to larger global developers.

IGEA believes that fast Internet speeds are critical to helping their members. They also make use of shared studio spaces to collaborate. They have several around Australia, including in Melbourne and Brisbane.

IGEA states that studios in Australia are always in capital cities; however, that is not the case worldwide. They are currently in talks with the government to design regional studios and technology-related platforms. They have also identified that investment in this sector is difficult, especially for new entrants. They would like to see funding support to create and retain projects within Australia.

Greatest Of All Time Interactive

Greatest Of All Time Interactive (GOATi) has been in the industry for 10 years and focuses on game delivery, content creation, and business models for e-sports. They have built their own technology platforms, which has piqued the interest of other businesses.

GOATi has stated that broadband connectivity has been great, which has led them to believe geography is not a problem for them. They are trying to keep their business in Australia and invest in themselves.

GOATi believes that investing in emerging technologies and supporting Australian technology and IP will entice talent back to Australia and help support future talents. They believe the opportunities for overseas work are too enticing for our talented people and we need to ensure they stay in Australia.

GOATi states that, while the game sector has 2000 graduates from Australian game development schools each year, only 2% of them can be hired. They believe Australia could

align its approach with those of overseas countries by educating students with tools to go out and develop their own business.

Fika Entertainment

Fika Entertainment[ii] is a virtual production services, solutions, and software company with the ability to automate animation and the visual effects production process via real-time production. More than 80% of interest comes from overseas companies.

Fika states that Internet connectivity and technology are essential for every Australian business. With a base in Queensland, and clients worldwide, they effectively work on a global scale with the right technology. They have suggested that better infrastructure is needed to ensure efficiency moving forward.

Fika has found specific technical skills are difficult to source within Australia and have had to use talents from Canada and Spain to fill vacancies. Fika utilises a virtual server, which is costly; subsidies in this area would help Australian businesses. They have also noted cybersecurity to be a costly expense also.

Queensland University of Technology

QUT was the first university to adopt the 'Creative Industry' brand back in 2000. It has been a leader in its field for many years. They rely on high-speed Internet connectivity across all campuses and have invested greatly in "digital campuses". They have students from all over the world.

QUT's programs prepare graduates to work across a range of Creative Industry sectors. They have utilized new technologies in order to successfully move online through the pandemic and reached new audiences.

QUT believes that there is a need to partner with the industry and allow for online modules and short courses, rather than focusing on traditional post-graduate courses. QUT are always developing ways for a more agile curriculum that meets the needs of the industry.

Looking Beyond the Position Paper

Whilst the ABAC position paper was delivered in March 2022, the pace of the shifts and market developments impacting the Creative Industry have continued to gain pace. At this point, nearly two years since its findings were presented, it is interesting to briefly describe:

1. How the trends and changes can be mapped back to what was described in the position paper and what impacts the position paper has had within the Creative Industry in Australia over this period; and

2. Delve a little further into intervening emergences of Generative AI and Accessible AI tools, which is the sort of disruption which accelerates the shifts identified in the position paper but perhaps can damage the very structure of the downstream business structures within the Creative Industry.

It is important to note that the delivery of the position paper to ABAC occurred just as the Federal Government was changing administrations, which inevitably creates a period of transition as policy priorities adjust. However, 2023 also saw probably the most destructive industrial action that the Media and Entertainment industry has ever experienced, which coincided with financial markets completely resetting the metrics around valuation of Entertainment businesses.

While the use of AI technologies is not new across many industries, late 2022 saw the deployment of Generative AI tools worldwide. This motivated great excitement and, at the same time, great concern around what would be the impact of these tools on the future of our industry.

Has the Position Paper contributed to the discourse in this period?

It was timely that the position paper accurately anticipated the trends and impacts that occurred in 2022 and 2023, given the discourse and debate that was drawn out of the participants and leaders in the industry during its writing. The dramatic drop in share prices of companies like Disney and Netflix, because of the subscription business models they have embraced, was the trigger of a new phase of industry restructuring. Whilst there is ample scope for further examination of this topic alone, the main impact, which the position paper had drawn focus towards, was the increased importance of ownership of Creative IP over the execution of services in the building of creative content.

Reduced return on investment for distribution of entertainment caused by increasing market risk, shifts in consumption and a drop in the cost of distribution also support the aim of the position paper to drive crossovers between sectors, since this will increase returns from investments in skills and asset production.

The extended strikes in the US by the Writers Guild of America (WGA) and Screen Actors Guild (SAG/AFTRA), which effectively shut down the industry in many parts of the world, will also have lasting and permanent impacts on industry structure. Both strikes were aimed at restoring the ability of their members to sustain a career in the industry and effectively reset the cost structures of talent in content production. A consequence of this will be less volume of work funded by the existing industry leaders as they search to control costs and find better returns. Interestingly, this can also have a positive impact on demand for talent

when coupled with the shifts in industry structure and the forms of media being monetized. More value can be driven by pushing ownership of the IP back towards the creators of that IP – a trend that was clearly identified in the position paper and demonstrated by the rise of the so-called Creator Economy, which industry estimates indicate has already >50 million people globally with somewhere between 5 and 10% of these creators earning a liveable income from their work (Arbanas, 2023).

However, probably the biggest contribution the position paper has made to these issues has been the elevation of these topics in the minds of leaders within and around the industry at this precise time of change. Enabling Australians to grow their share of this industry as it transforms will require leadership from those executives, artists, and investors to recognize the opportunities and gaps that exist. In feedback from many across the industry in Australia, it is clear that the position paper has contributed to the actions being taken in many areas, including within the academic domain with the newer generations of creative talents embracing its recommendations and goals.

AI tools & Generative AI in the Creative Industry: friend or foe?

As previously noted, the recommendation of the position paper around investing in Regional Digital Clusters was in large part around recognizing the emergence of AI tools and significant productivity improvements alongside collaboration between local and globally located cells of talent. However, the reaction in the market to the dramatic demonstration of Generative AI capabilities accelerated concerns at its potential to take away jobs.

Opportunities that have been flagged at a rapid and global scale include:

- Improving creative ideation, production and manufacturing processes (Law, 2023);

- Rapid generation of personalized content based on individual user preferences (Davenport & Mittal, 2022);

- Enhancing cross-sell and upsell opportunities for direct-to-consumer content owners and creators, retailers and consumer packaged goods companies (Chui *et al.*, 2023);

- Collecting insights to improve product offerings (Chui *et al.*, 2023);

- Transforming industries and creating job opportunities/upskilling (Hiltbrand, 2023);

- Advancements in AI-driven creative workflows and tools (Preeti Padma, 2022).

Concerns that are currently being cited:

- **Deepfakes or look-alikes/sound-alikes**: Generative AI has led to the rise of deepfakes, creating realistic but entirely synthetic media, which poses ethical and

security challenges for existing IP owners and performers (Dilmegani, 2023);

- **Data Privacy**: Generative AI models require vast amounts of data, potentially risking breaches of personal and proprietary information (Ortiz, 2023);

- **Cybersecurity**: The technology can be exploited maliciously, such as creating phishing content that is highly convincing (Ortiz, 2023);

- **Copyright Issues**: Generative AI's ability to produce content leads to potential copyright infringements (Lawton, 2023);

- **Intellectual Property Concerns**: Widespread adoption of generative AI creates challenges related to copyright and ownership rights (Mahadik, 2023);

- **Loss of work and Deteriorating Work Conditions**: Generative AI might exacerbate poor working conditions in the Creative Industry, especially for routine creative tasks (Flew, 2023). Also, there are concerns about mass layoffs that appear to be occurring in various sectors within the Creative Industry.

The 2023 WGA Strike has been a response to the potential impact of Generative on writers and also on many other creative practitioners. The strike raised the following concerns:

- AI was being used by studios as a tool to avoid paying union members (Silberling, 2023);
- Hollywood writers were in a battle over being exploited by AI, eventually securing a new contract with strong guardrails addressing the AI issue (Anguiano & Beckett, 2023);
- There were worries that studios would downgrade screenwriters' roles to merely reworking scripts produced by AI (Coyle, 2023). This was one of the factors triggering the Writers Guild of America's strike (Merchant, 2023).

Overall, many see that embracing AI is unavoidable, much as were other key technological leaps, like the emergence of printing in the 16th Century, the introduction of the train, the plane or motor cars, and in more recent times the introduction of the Internet. This type of major change creates disruption and loss and, in equal measure, opportunities and innovation.

There will always be a desire for the authentic 'human touch or connection' in creative works and content experiences for a multitude of reasons. However, it is clear right now that AI is greatly beneficial as part of the current creative ideation, production, and commercialisation process. For example:

- **Large-scale creative projects and businesses** (e.g., feature films and TV series). The production, facilities and operational elements that support the making and marketing of these projects will look to further embrace 'process' efficiencies, analytics and effectiveness to help improve their budgets (and thus profits), and the quality and effectiveness of content landing on audiences. Since it is still common practice for the commissioning and promotion to draw upon the personal heuristics of executives, which leaves decision making prone to certain biases around the market rather than the more common industry practices adopted in e-commerce, new AI tools in processes can have immediate benefits.

- **Independent, smaller/fragmented-scale creative projects and businesses** (e.g., TikTok and YouTube creators, writers, performers, gaming). AI capability is also paving the way for what some would view as the welcome fragmentation and democratisation of creating and commercialising creative content and experiences. Deloitte's recently released '2023 Media & Entertainment Industry Outlook' (Arbanas, 2023) and other publications (e.g., Koerner, 2023) talk of the relentless rise of the new creator economy that is successfully commercialising its art and content direct to it audiences globally without needing to rely on large budgets and/or 'top of the funnel gatekeepers' (i.e., big studios and distributors) to get there. Instead, they are leveraging global publishing platforms like YouTube, TikTok, Steam, Unreal, and Cameo that allow for greater creator and IP autonomy and authentic connection with their audiences. The concept of a direct-to-consumer business model in the Creative Industry is not new, but it is evolving, and AI will only help creators and originating IP owners evolve faster with it.

Thus, as the ABAC position paper asserted, technological infrastructure and various resources need to be progressive in this country in order to ensure that Australia is able to compete and be positioned globally in not only the Creative Industry but all industries.

Conclusion

The winds of change in the global Creative Industry are launching tremendous opportunities and threats for Australian companies and talent. The window to seize a larger share of the global market whilst also securing more certainty of returns for existing businesses is the next five years; and the path to success clearly centres on more ownership of Creative IP in Australia, by Australians. There are many ways for the Australian Creative Industry to be supported by the Federal Government. Investing in infrastructure is vital to how Australian businesses can lead in this emerging new market around Creative IP and the business models in its value chain. In this modern, post-pandemic world, with the rollout of accessible AI tools

and AI generative technologies, this is an especially important priority. These newer technologies are allowing creators of original intellectual property and established brands to explore new revenue opportunities that leverage content production, publishing, and sales technologies with the potential of tapping into 'direct to consumer'. Without reliable and fast Internet connectivity, most businesses will not be able to work, compete, adapt, innovate, and sell on a global scale.

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Endnotes

[i] The third author is Co-CEO of Animal Logic.

[ii] The first author was the Founding CEO of Fika Entertainment.