

THE DIGITAL ECONOMY: OPENING UP THE CONVERSATION

AUSTRALIA COUNCIL FOR THE ARTS RESPONSE

NOVEMBER 2017

The Australia Council for the Arts welcomes the opportunity to respond to the Digital Economy Consultation Paper released on 29 September 2017.

The vital role of the arts in the digital economy is increasingly clear. Four out of five Australians are engaging with the arts onlineⁱ and accelerating technological change is impacting artists and their practice.ⁱⁱ Recent reporting and commentary from organisations ranging from the Australian Council of Learned Academies (ACOLA)ⁱⁱⁱ and PwC^{iv} to the World Economic Forum^v, OECD^{vi} and Nesta^{vii}, highlight the skills and capabilities central to the work of artists are among those least likely to be automated and will be increasingly sought in workforces of the future.

Recent Australia Council for the Arts research provides further evidence of the alignment of artists' working lives and professional practice with future workforce needs.^{viii} It also reinforces the essential role of the arts in fostering social connection and cohesion which is crucial in times of societal disruption.^{ix} Consideration, therefore of the opportunities and challenges already being navigated by the arts industry are essential within development of a future Digital Economy Strategy.

Two sections of the Digital Economy Strategy Consultation Paper are addressed in this response:

- Our digital readiness
- Empowering all Australians through digital skills and inclusion

1. Our digital readiness

Digital technologies are becoming increasingly central to the lives and work of artists and in the way Australians engage, create, experience, explore and generate income within, and through the arts.

How are advances in digital technology changing the way you work, your industry and your community?

The arts have a place in the lives of 98% of Australians. *Connecting Australians: Results of the National Arts Participation Survey*^x demonstrated the increasing personal value Australians place on the arts, and the significant economic, social and cultural impact they have on our communities.

- In 2016, 81% of Australians engaged with the arts online. They consumed arts, researched and connected with artists as well as engaged digitally for creation, inspiration, sharing and connection.
- The ubiquitous nature of digital technologies has enabled new modes of connection and will continue to do so as audiences and artists expect and embrace new ways of engaging with the arts. With *Connecting Australians* identifying that diverse forms of online engagement are reaching new arts audiences, rather than replacing existing ones, digital technologies are enabling artists to find new markets for their work.

- *Making Art Work*¹ found that through new digital technologies, an increasing number of artists are experimenting and exploring alternative modes of artistic creation including the generation new hybrid art forms. Some artists are combining multiple technologies to explore a range of opportunities for enhancing access, engagement and creation in the arts.

Digital technologies are embedded in the work of artists and arts organisations. A particular focus should be on young Australians, with almost all those 15 to 24 engaging with the arts online (97%).^{xi} It is this group with constant connection as their reality who will continue to drive change in the creation and experience of the arts through digital technologies.

What key disruptive technologies or business models do you see? What do you predict is on the horizon in five, 10, 20 years' time?

Artists are among those who work at the forefront of technological and social change. They have also been among the first to face challenges of digital disruption to business models and livelihoods. Artists, arts businesses and audiences are continuing to experience a range of impacts from disruptive technologies, and to adapt with new business models. The early and ongoing experiences of the arts sector provide valuable learnings relevant to other industries and the national conversation around a Digital Economy Strategy.

Creating, promoting and selling art

- The use of digital technology by artists has been captured in a number of studies around the world^{xii}, and at least 65% of Australian professional artists regularly use some form of technology in the process of creating art.
- Digital platforms are driving new business structures, with younger artists in particular developing and navigating new distribution mechanisms.
- Across all age groups, the vast majority of Australian artists (70-80%) are using the internet to promote their work. Four in ten are selling work online through their own site (including 50% of visual artists and craft practitioners), and a similar proportion are selling through a third party's site (including 50% of musicians and 64% of composers).

New income opportunities are arising through economic transaction technologies like the blockchain^{xiii} with an increasing volume of commentary referencing the arts as one area that will continue to be disrupted.^{xiv} The opportunities and challenges presented through these digitally driven platforms are already being navigated by some in the arts as a way of removing the 'middle man' and ensuring transparent management of digital rights. The experience of artists in navigating these changes positions them as essential voices within the development of a Digital Economy Strategy.

Intellectual property and piracy

¹ *Making Art Work* is presented in two parts: a research report and a summary and response paper. Both can be found at - <http://www.australiacouncil.gov.au/research/making-art-work/>

New opportunities to distribute, commercialise or monetise content highlight issues of intellectual property and fair use. Protection of intellectual property can enable artists to control their work and receive appropriate payment from its sale and authorised exploitation.

New online copyright infringement research published by the Department of Communications and the Arts^{xv} showed that while more Australians are using streaming services to access content legally, one in four Australians consumed illegally downloaded or streamed content in the past three months. *Making Art Work* found that one in three Australian writers, visual artist and composers experience copyright infringement.

These research findings suggest that artists' livelihoods are likely to continue to be negatively impacted by audience expectations of free content, combined with opportunities for misappropriation and unauthorised exploitation enabled through digital technologies. This highlights the need to ensure policy and regulatory settings keep pace with change. They should be underpinned by the principles that: artists create work that has value; that artists contribute significantly to the health and success of our nation; and that artists should receive fair remuneration for their work. It is essential that intellectual property issues inform any Digital Economy Strategy being developed. There are particular implications for the work of cultural groups, communities and Traditional Owners where current laws do not provide substantial protection of intellectual property rights.

Big Data

For the arts, 'big data' and machine learning are informing artistic practice and understanding of audiences. The possibilities of these for learning, collaboration, connection, taste-making and commercialisation will continue to expand. Some of the early – and continuing – experiences of the arts sector (in particular music and literature) also provide valuable learnings for a Digital Economy Strategy. There are expanding opportunities for artists to connect directly to audiences online and artists continue to adapt and innovate in order to gain cut through in a vast sea of content. At the same time, digital platforms and algorithms are increasingly influencing which content is prioritised and monetised, often driven by the commercial interests of the platform rather than what is sought by the audience.^{xvi} The ability of Australian audiences to access Australian art and Australian stories is critical to the personal, economic, social and cultural value of the arts.

The 'gig' economy

By necessity, it has long been common for artists to adopt business models that mix creative practice with other income-generating activities. Creative work is predominantly and increasingly undertaken on a freelance or self-employed basis (81% of artists, up from 72% in 2009), with artists blending creative, arts-related and non-arts work.^{xvii} With an increasing trend toward portfolio careers and short-term work across the workforce more generally, artists have much to offer the conversation around the challenges, opportunities and lived experience of managing working lives and professional practice driven by digital disruption.

2. Empowering all Australians through digital skills

Times of significant economic, technological and social change come hand in hand with workforce disruption^{xviii} and a sharper focus on workforce capabilities. It is predicted that all

jobs in the future will see a reduction in manual tasks; and an increase in the time workers spend engaging with people, solving strategic problems and thinking creatively. Artists embody a mixture of creative and social skills and a willingness to develop and be agile – all of which are essential for a future ‘knowledge economy’.^{xix} In a digitally-driven economy where the place of the human and their creative capacity is prioritised, artists’ existing skills and capabilities position them as effective contributors to the development of an Australian Digital Economy Strategy.

What opportunities do we have to equip Australians with the skills they need for the digital economy, today’s jobs, and jobs of the future?

Global trends highlight the need for the development of transferable skills in all predicted future workforces. This is whether they are framed alongside a consideration of megatrends^{xx2} and automation^{xxi}; or considered within broader transferable enterprise skills^{xxii}, STEM, communication, or technical skills.^{xxiii} A willingness to gain new skills is also considered essential as workforces prepare for jobs yet to be imagined.

- An emphasis on lifelong learning essential for supporting workforce adaptability is already a reality in the arts. *Making Art Work* confirmed this assertion, identifying that seven out of ten Australian artists are engaged in training (72%).
- Artists increasingly identify the importance of ongoing skills improvement through self-education and learning on the job. This emphasis is further supported with six out of ten approved applications to Australia Council core grants for individuals (March 2015- June 2017) nominating skills development as a specific component.^{xxiv}
- The artist population is more highly educated than the workforce at large with just over three quarters (76%) of artists holding a university degree, significantly higher than the labour force as a whole at just 20%.^{xxv} The high levels of formal education held by artists provide them with a balance of general and art form specific skills, assisting their ability to work across multiple industries and adapt to future workforce needs.

The value artists add in interdisciplinary and diverse workplaces is increasingly recognised, positioning them effectively to take a different or enhanced role in a digital and automated future.^{xxvi} With the need for agility and development of new skills essential for future workforces, artists are well placed to contribute across industries and support development of skills required in a future Digital Economy Strategy.

What opportunities do we have to bridge the ‘digital divide’ and make the most of the benefits that digital technologies present for social inclusion?

The arts help bridge the digital divide through enabling connection and providing an avenue for people from all backgrounds to connect to each other. As evidenced in *Connecting Australians* the arts can, and do, provide points of connection through digital technologies about shared experiences.

² Megatrends refers to the forces reshaping society and the world of work – technological breakthroughs, demographic shifts, rapid urbanisation, shifts in global economic power and resource scarcity/climate change.

- The difference in engagement online for metropolitan (82%) versus regional (77%) Australia is not significant. With difficulties in accessing high speed internet in regional areas a reality for many^{xxvii}, these figures only reinforce the value Australians place on engaging with the arts, making an emphasis on digital important irrespective of location.
- Australians who speak languages other than English at home are even more digitally active with respondents from CALD³ backgrounds more likely to engage with the arts online (90%) than those not from CALD backgrounds (77%). The high levels of digital engagement across the community reinforces the way in which digital technologies and the arts work together to enhance inclusion for all cultural backgrounds.
- People identifying with disability engage with arts online at the same rate as those without disability, as well as attending arts in person at the same rate. The digital age is increasing the accessibility of the arts, and growing alternative opportunities for access and inclusion by diverse audiences.
- Three in four Australians believe that the arts are an important way to get a different perspective on a topic or issue (73%), an essential component when building a strategy aimed at boosting social and inclusive relationships through digital technologies.

Connecting Australians found that two in three Australians believe the arts impact their understanding of other people and cultures, and allow them to connect with others. The arts offer safe and engaging ways to boost social inclusion, generate empathy and provide opportunities for individuals and communities to interact. This can be amplified through digital technologies that only extend the reach of the arts, enhancing connection and engagement

What opportunities do we have to ensure digital technology has a positive impact on the cultural practices and social relationships of Australians?

Consideration of the value of the arts often focuses on its role in enabling connection, boosting cultural understanding and social cohesion. Through the arts, Australians have the opportunity to see themselves and their worlds authentically represented in all their complexity, and to gain insights into the lives and worlds of their neighbours near and far. With connection and engagement in the arts increasingly facilitated through digital technologies, the voice of artists in shaping a Digital Economy Strategy is again reinforced.

- *Connecting Australians* identified that two in three Australians believe that the arts impact their understanding of other people and cultures (64%) and allow them to connect to others (64%). These are in contrast to the previous tranche of the research in 2013 where only one in three Australians felt that the arts had an impact on empathy for others (36%).
- Digital technologies are providing increasing opportunities for First Nations peoples and the broader Australian community to connect with the living culture of Australia's

³ CALD – Culturally and Linguistically Diverse

First Nations, and with each other. Digital technology has provided a new medium for the maintenance, transmission and sharing of First Nations culture and heritage with 90% of First Nations people engaging with the arts online.^{xxviii}

The Digital Economy Consultation Paper aims to open the conversation to inform development of a Digital Economy Strategy. The arts have the ability to both address complex and often controversial societal issues and make our communities stronger and more cohesive. The existing skillsets of artists see them as well placed in predicted future workforces characterised by interdisciplinary and diverse ways of working. The fact the arts are already navigating the impact of digital disruption and pushing boundaries around the use digital technologies, makes their voice essential in shaping a future Digital Economy Strategy.

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