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Title: Regional Creative Industries: Transforming the Steel City into a Creative City in Newcastle, Australia

Authors: Susan Kerrigan and Samuel Hutchinson

Abstract:

The 'Steel City' of Newcastle, Australia is transforming into a 'Creative City'. Renew Newcastle provides a unique and innovative success story of the reactivation of 150 empty retail shops that were populated by 'makers' who could use those spaces as both studios and retail outlets to sell their authentic handmade products. Renew's story sits comfortably along side four in-depth interviews with other Creative Industry (CI) business owners from fashion, graphic and web design, accounting and film. This research reveals strategies used by regional businesses to survive, and connects a cities cultural identity with business confidence. This research builds the argument that opposites should be seen as being complementary so that binaries like competitors verses collaborators could be seen as competitors working together and sharing knowledge and skills. This research is supported by a systemic approach to creativity that places the individual as part of creative system where success and failure can be seen as complementary and where the community is just as important as the individual to achieve creative outcomes.

Introduction:

Newcastle, Australia had a reputation as being a 'Steel City', today it is being transformed into a 'Creative City'. When BHP steel making closed it's operations in 1999, it was a watershed moment for the economic future of Newcastle, a single industry town. How would the city employ its inhabitants after the city's primary employer of 80 years closed down its manufacturing. A decade later the Newcastle Herald printed an opinion piece confirming 'there is ample evidence to say the split between BHP and Newcastle was a good thing, a great thing, even for both parties' (Newcastle Herald, September 29, 2009). It was feared that the closure of BHP would cripple the city's industrial

development, and employment. Surprisingly this did not happen (Newcastle Herald, September 29, 2009) as the mining industry provided employment for this regional city. In 2015, the mining industry has faced severe global economic pressure and the Hunter's, Regional Development Authority (RDA) has begun to investigate the potential of Newcastle's Creative Industries [CI]. Renew Newcastle provides one story, that sits along side a number of other CI successes, that will be discussed in this research.

The recent development of Newcastle CI's ventures like Renew Newcastle and This Is Not Art (TINA), continue to gain national and international recognition in the Arts. Renew Newcastle has been responsible for creating 'maker' entrepreneurs in a city whose main street once had 150 vacant shop fronts (Westbury 2015). In 'Creating Cities' (2015) Marcus Westbury's tells a very personal story of growing up in Newcastle in the shadow of the BHP (2015, p.16). Westbury's book recounts the reasons behind the creation of Renew Newcastle, which offers opportunities for 'makers' to hire vacant shop fronts and warehouses to develop micro business ideas from their artistic skills. Westbury argues that 'Renew Newcastle was an exercise in creating fertile ground' (2015, 161). Since the reactivation of those 150 empty shop fronts, artists and makers have been able to thrive. Renew Newcastle is responsible for initiatives that 'have placed Newcastle's redevelopment and re-imaging of itself post-BHP on the national stage' (McIntyre et al, 2014,16). As a result of these successes Westbury sees that 'ingenuity and desperation can be the best form of innovation' (2015, p 104) going so far as to describe this as 'the poetry of constraint' (ibid).

What has been occurring with Renew Newcastle confirms creativity theorists arguments that 'constraints do not necessarily harm creative potential - indeed they are built into the construct of creativity itself' (Sternberg and Kaufman 2010, p. 481). So from this perspective academics from the University of Newcastle wanted to find out how other creative businesses have coped through the demise of the steel city and what opportunities exist in 2015 for new creatives to be part of the future of creative Newcastle.

Presented here is an ethnographic study that explores the working lives of four key informants who are part of Newcastle's creative industry in film, fashion, design and accounting. This research reveals attitudes and strategies that these business owners have used to sustain themselves in their creative endeavors in a regional Australian city. It also highlights the importance of a city's identity and how that brings confidence to the businesses operating in the city. Similarly, understandings that your competitors should not be your collaborators, are ideas that are challenged by these research findings which takes the positions that 'opposites are complementary' (McIntyre 2012, 58). This research illustrates a number of complementarities, which make it possible to see how constraints are a necessary part of creativity (McIntyre 2012). Renew Newcastle presents an exemplary model of how this can occur and a brief review of the Renew Newcastle story will follow before we look beyond it to other creative activities that are occurring in the city of Newcastle, that have also found success through constraints.

The story of Renew Newcastle:

Renew Newcastle has had tremendous success in reactivating empty retail and commercial spaces in the city centre. Their website states

Renew Newcastle aims to find artists, cultural projects and community groups to use and maintain these buildings until they become commercially viable or are redeveloped.

At the end of 2015 ReNews, the Renew subscription email from the organization asserts they have been involved in 219 projects across 74 properties since 2008. The structure of Renew has been replicated in other Australian towns and Renew Australia has been created as a national initiative, its website states that it 'is a new national social enterprise designed to catalyse community renewal, economic development, the arts and creative industries across Australia'. Westbury's personal account of this story can be

read in 'Creating Cities' (2015). Westbury began his Renew journey in 2007, he writes

I knew a community of makers and creators, I had been working with them, watching their rise, talking, broadcasting and writing about them. If I didn't know them personally, I knew that they were there, and I thought I knew where to find them (2015, 43).

But it wasn't just access to a group of creative individuals that Westbury required, to fulfill his ideals he had to get legal access to permit people to occupy these empty retail spaces. These vacant buildings in Newcastle's central business district (CBD), had occurred over a long period of time and it was a big issue for the city's real estate but also for the retail business. The slow demise of the center of the city was not directly related to BHP's closure in 1999. The CBD issues began a decade earlier, in 1989, with the Newcastle earthquake which caused severe damage to many of the heritage buildings, and access to the CBD was restricted for nearly a year. In that time consumers moved to the large shopping malls in local suburbs. Over time the retail outlets also moved to the shopping malls and the vacancy rates, in Newcastle's CBD soared (Westbury 2015, 56-59). Westbury grew up in Newcastle, he embodies the social history of Newcastle, and was culturally motivated to address the CBD issues and create opportunities for a community of makers that he had access to. In the case of many of the makers who are part of the Renew Newcastle venture, they are making original artworks, clothes, jewelry, hats and furniture and their products are sold directly to consumers, as their studios were located in the older retail zones of the city of Newcastle.

Drawing on cultural production literature it is easy to define Westbury as a cultural intermediary, that is, someone who mediates between producers and consumers (Hesmondhalgh, 2006: 226). Indeed he describes himself in his own online biography called 'About Marcus' as 'a writer, media maker and festival director who has been responsible for some of Australia's more

innovative, unconventional and successful cultural projects and events'. Westbury's ability to meditate and negotiate layers of legal, commercial and cultural barriers is remarkable and is the force behind Renew. He writes:

Lowering barriers, as opposed to picking winners, should not require a political, financial or practical consensus around doing any individual thing. It still leaves it to the market or the community in its willingness to support an idea to determine whether any given project survives, thrives or dies. (Westbury 2015, 162)

Westbury argues that 'there are lessons for most places in what has happened in Newcastle' (2015, 163) and he describes how he worked as a cultural intermediary for the community, 'the most important things for communities to do is to find a way to lower the price and risk of participation. (Westbury 2015, 162-163). That described exactly what Westbury did when he, and others created, Renew Newcastle.

The Australian arts and cultural community is aware of the activities and successes that have resulted from the Renew Newcastle project. Which is why it is perplexing that in a report written for the Hunters Regional Development Authority (RDA) in 2012 '*Prospects and Challenges for the Hunter Region*' failed to mention any of Renew Newcastle's activities in reactivating retail spaces and giving artists and makers studios in the heart of the city. It seemed that the cultural and artistic benefits of a creative enterprise, that nurtures and supports artistic entrepreneurs like Renew Newcastle was not on the RDA's radar.

Perspectives on CI development in Newcastle:

Perhaps it's no surprise, given that the Hunter has relied on the profits from coal mining since the early 1800's, that the RDA's report identified the mining industry as the most successful industry in the Hunter with projected growth being 75% by 2036 (Deloitte Access Economics 2012). What was a surprise

was the report omitted the activities of Renew Newcastle, which at that time had been operational for four years. Instead it identified the potential for CI development, given the city's proximity to Sydney:

The city needs to position itself as a vibrant alternative in its own right — one which can nurture innovative small businesses and creative industries, and deliver a blend of 'metro' entertainment options (Deloitte Access Economics 2012, 58).

Following the Deloitte's report, the RDA Hunter corrected their faux par in regards to Newcastle's CI by presenting a submission to the 'NSW Creative Industries Draft Industry Action Plan' (April 2013), which appropriately recognized that a paradigm shift is needed 'to recognize the importance of the Creative Industries' contributions to the economy' (RDA Hunter 2013, online).

Academics from the University of Newcastle have been working on shifting this paradigm, and mapping Newcastle CI activities through a three year Australian Research Council Linkage Grant called 'Creativity and Cultural Production in the Hunter'. This project has just started to publish its research findings (McIntyre et. al. 2014, McIntyre & Kerrigan 2014, McIntyre et. al 2015) and it is founded on a systemic approach to creative activities (Csikszentmihalyi 2014) as well as understanding that the Creative Industries 'all require some input of human creativity; second, they are vehicles for symbolic messages, that is, they are carriers of meaning; and third, they contain, at least potentially, some intellectual property that belongs to an individual or group' (Davies & Sigthorsson 2013, p. 1). The University research team understand that regional creative industry opportunities require a confluence of factors for them to be initiated, developed and sustained, they argue that

The creative industries, individuals and groups in Newcastle are not simply, if at all, outposts of Sydney or other organisations but are often intimately tied together as local

friends and business people who are also connected nationally and internationally (McIntyre et al 2014, 18)

To contextualize how a regional city like Newcastle makes a contribution to Australia's Gross Domestic Product (GDP), first requires a brief summary of the economics performance of Australian CI.

Australia's Creative Industries Economies:

The Creative Industries Innovation Centre (CIIC) undertook an economic analysis of Australia's CI productivity. The report '*Valuing Australia's Creative Industries*' (2013) claims Australia's:

... creative sector annually contributes \$90.19 billion turnover to the national economy. It adds \$45.89 billion in GDP, and generates annual exports of \$3.2 billion (CIIC 2013, 13).

Australia's employment and business statistics confirms that the Australian CI's employs just under 350,000 workers (CIIC 2013, 39) in approximately 123,000 businesses (CIIC 2013, 43) with the CI peaking in 2007/08 and due to the Global Financial Crisis [GFC] it has been on a steady decline of 1% per annum since (CIIC 2013, 9). However the CI's continues to make an annual 3% contribution to Australia's economy (CIIC 2013, 9). The GFC greatly affected Australian Advertising and Marketing, though other areas show stronger performances over the last five years including music and performing arts, software development and design and visual arts (CIIC 2013, 9). These quite different fortunes (CIIC 2013, 13) indicate the creative industries at the national level are in a dynamic state of change.

The CIIC report uses the Creative Trident (Higgs and Cunningham, 2008 p 26), a methodology used to measure creative occupations into three creative categories –specialists, embedded and support (Higgs and Cunningham, 2008). The CIIC report also draws on the NESTA model (National Endowment for Science, Technology and the Arts) and its seven descriptors, to illustrate how each creative industrial segment performed.ⁱ A closer look at

business outputs confirmed that most CI businesses in Australia are 'micro businesses or small to medium sized enterprises that focus on local markets' (CIIC 2013, 14) with 98% of them employing fewer than twenty employees (CIIC 2013, 10). A state based breakdown shows that NSW is the leading state in regards to CI businesses.ⁱⁱ. While this data provides useful descriptors of the CI economic climate it is very generalized and lacks the details about what is actually happening for practitioners who are working in regional Australia.

To find out what is happening outside of capital cities in the regions the NSW State Government created the 'Industry Action Plan – Creative Industries' (NSWDTI, online) and in 2013, the Hunter's RDA put forward a submission (RDA 2013, online). The submission identified that the work of small creative industry businesses in the Hunter is undervalued (RAD 2013, online). Comments from the Hunter's CI business owners pointed out other huge challenges for the sector like 'generally 80% of a job needs to be completed before the project is 'won' and any payment is made' (RDA 2013, online).

RDA's report also confirms that Hunter's CI practitioners are primarily concerned with creative labour issues, where creative labour explores the labour processes, employment relations and organization of work that surrounds a production process (Hesmondhalgh and Baker, 2011). One of the final recommendations of the RDA's report was to 'listen to practitioners to find out what the current needs are and provide resources to fill the gaps' (RDA 2013, online).

The RDA's report acknowledged the limitations in looking at econometrical studies to examine what is occurring in Newcastle, not because there is inactivity but because small statistical samples are unconvincing. For example Newcastle has a population of 300,000 (ABS 2011, online) and there are estimated to be 4070 creative industries occupations in Newcastle (McIntyre et. al 2015 9). The Newcastle City Council 'also recognises that this is a likely under-estimation of the numbers involved' (McIntyre et al. 2015, 9). So, if these 4070 workers were examined in terms of the seven NESTA

categories, noting that inside each category there are further sub-categories, one may find that the statistics and the entities they refer to become so diluted that they become ineffective for the purposes of mounting a convincing argument on the scope, scale and the value of a regional creative industry. For these reasons the ARC research team is using an ethnographic approach, and are conducting in-depth interviews with over forty CI practitioners to provide in-depth detail of the perspectives of CI practitioners and businesses in the Hunter.

Researching Newcastle's CIs

The ARC project's interim report 'The Creative Industries in Newcastle' (McIntyre et. al. 2015) provides in-depth accounts of the activities in the city and concludes that 'the creative industries in the Newcastle LGA are active and complex, especially in relation to structural interconnectedness' (McIntyre et al. 2014, pp. 25-26).

As part of the project two short films were commissioned in 2013. The first film takes the same name as the ARC project 'Creativity and Cultural Production in the Hunter' (CCPH). It's purpose is to provide an overview of the theoretical approach taken. The Chief Investigator, Associate Professor Phillip McIntyre emphasizes the unique ethnographic approach used by the ARC Linkage team.

There is very little ethnographic work done, there's a lot of descriptive work being done in as much as identifying what those industries are, saying what they do and so on. We then want to go in deep. We want to find a few key informants and then talk to them about what is going on and asking them questions about that to see if we can find a really quite deep understanding of what's happening (CCPH T/C 02:47-3:11).

Creative Newcastle (Hutchinson 2013a,) is the second film made as a visual case-study of creative industry practitioners working within Newcastle. The

authors of this paper were also the filmmakers and researchers with Kerrigan supervising Hutchinson through his research investigation of his creative filmmaking process. Hutchinson produced, directed and edited the films as part of his Honours research and submitted the films with an exegesis for examination (Hutchinson 2013c). Hutchinson, as a filmmaker himself was well placed to select the key informants for both films and this complied with his ethnographic research methodology. Hutchinson received 1st class honours and the films were publically screened at Newcastle's Real Film Festival, in 2014.

What follows hereafter is a selection of quotes conducted with four key informants, taken primarily from the films, these quote are identified with film time-code [T/C] references though a few quotes have been taken from the raw interview data. To comply with ethics all the interviewees have agreed to be publicly named in the films and therefore it is not necessary to repress their identity in this article. The four practitioners interviewed were a designer, a filmmakers, a general manager of a fashion design business and an accountant. The Creative Trident (Higgs and Cunningham, 2008) was used to generically describe these practitioners, with two 'specialists' and two 'support' workers being interviewed. There were no 'embedded' workers represented in this study which is unfortunate as it is an expanding area of employment due to the shrinking employment opportunities for 'specialist' (Hartley et al 2013, 65). The interviewees businesses were also categorised according to the NESTA models *Creative Service Providers*, *Creative Content Producers*, *Creative Experience Providers* and *Creative Original Producers* (NESTA, 2006 p. 55).

The Renew Newcastle 'makers' can be called 'specialists' who are *Creative Original Producers*, it was a logical move for Westbury to target this group as he had the most access to them. As a national cultural events producer Westbury had organized festivals in Newcastle, Sydney and Melbourne with this specific group. He was deeply immersed in the energy and activities of a vibrant and growing community, and he knew Newcastle had a rich resource

to be activated. He argues 'I *assumed* them. I knew that a city, even an empty one, is full of people who want to make things happen' (2015, 43).

Brett Piva was interviewed for the short film *Creative Newcastle*, Brett is from Pocket Design he is a traditional sign painter as well as a graphic and web designer. Pocket Design is a creative design agency established in 2009 and its point of difference is to focus on a handmade aesthetic, which Brett brings into the digital age. His micro business output generates a mix of products that means Pocket Design primarily falls into the NESTA business models of *Creative Service Provider* because of his desire to be referred to as an agency for web and graphic design. But the description of creating a handmade aesthetic for the digital age means that the company can also straddle both the *Creative Original Producers* and the *Creative Content Providers* classifications. NESTA points out that these two business models offer the greatest areas for economic growth because of their 'greater capacity for employment growth' (NESTA 2006, 54) with the potential to own and exploit their IP (NESTA 2006, 54).

Another *Creative Service Provider* interviewed was Shane Burrell from Final Post, a film and television production facility. Burrell established his business in 2012, and Final Post seeks to buck the trend of having high end post-production facilities only located in capital cities by using the accessibility of Newcastle (about an hours flight from major Australian capital cities), coupled with lower regional overheads to provide clients with cost-effective, high quality films, television series and commercials. This approach has been exemplified in the recently completed Australian feature film *Love is Now* (2014). Shane who has worked extensively as a film editor and colourist can be described as a creative 'specialist' (Higgs and Cunningham 2008 26). Shane's business can be classified as a SME because he has a number of employees and his business model is easy to expand when client demands are high. At which time he brings in freelancers to complete project-based tasks.

Kevin Coffey is the managing director of the ladies fashion company Jean Bas which can be classified as a *Creative Original Producer* because their fashion items are not mass produced, they are created as one-offs or limited production runs and they have an artesian based approach rather than an industrialized one. Established in 1981 in collaboration with his partner and fashion designer, Jean Bas. The business focuses on the unique, in an age of abundance. The products being created from this Newcastle designer are available nation wide in David Jones. Using the Creative Trident, Kevin can be described as a 'support' worker because he is employed in the creative industries in a non-creative occupation like 'managing, accounting for and technically supporting creativity activity' (Cunningham, 2013, 128). While the companies fashion designer, Jean Bas is the creative 'specialist' (Higgs and Cunningham 2008, 26).

The final interviewee for the film *Creative Newcastle* was Steph Hinds from Growthwise an accounting firm. Steph describes herself as the 'numbers ninja', Growthwise was established in 2009 and focuses on accounting for start-ups and small businesses. Using the Creative Trident, Steph can be categorized as a 'support' worker because she is employed in a non-creative occupation that services CI business activities. Unfortunately her business does not comply with any of the four NESTA models.

These practitioner interviews below appear in a different order to the films because the written medium, argument and audience presented here is different to the narrative used in the films.

Practitioners' interviews

In the film '*Creative Newcastle*' the four interviewees were asked a number of questions about Newcastle business climate from the perspective of a CI business.

Steph Hines from Growthwise is in a critical position to comment on the small business climate in Newcastle, she has witnessed a change

occurring particularly over 'the last four to five years' (Creative Newcastle T/C 4.53). Kevin Coffey, from Jean Bas stated that there is a change occurring 'now' we are 'right at a tipping point now [it] is about self-esteem for the city' (Creative Newcastle T/C 5.26), which is further supported by Brett Piva's views that 'people can still perceive Newcastle being a battler city' but he himself is optimistic in that 'we're not actually battling, we're achieving, we're getting things done' (Creative Newcastle T/C 5.01). For Shane Burrell from Final Post this change is rooted in identity and he has perceived weekly and monthly changes (Creative Newcastle T/C 5.01)

Newcastle is just starting to find its identity, like we've [...] recovered really well from the BHP closure and its kind of always kept its head above water but still never quite put its finger on who it was. (Creative Newcastle T/C 05:36)

These four interviewees have pointed out the importance of the cities identity Burrell's mention of the closure of BHP and Piva's mention of Newcastle being a battler city all confirm there is a deep connection to the social and economic history of Newcastle, which affects current confidences in the business community. Coffey elaborates on the development Renew Newcastle

Newcastle's a funny little example because it's doing a lot of things now, because it has to. It doesn't have a choice. Groups like Renew Newcastle have shown that, they would never have got that off the ground 10 years ago, not in a million years, but because of the desperate state of events, they said yeah, do whatever. So good on 'em, its fantastic. (Creative Newcastle T/C 10:15)

The reactivation of the city's CBD has brought people back into the city, and people bring confidence with them. Renew Newcastle also created collaborative co-working spaces with one exemplar being *The Roost* which

has served as a launching pad for many freelancers or sole traders. *The Roost* was the first home for Brett Piva from Pocket Designs, he has since re-located twice to other Renew Newcastle spaces. The socio-economic climate of the city of Newcastle provided unique infrastructure opportunities for Renew Newcastle to begin and that support assisted CI micro business growth. In Australia, 61% of CI businesses are sole traders only generating enough work to sustain the owner of the company (CIIC 2013, 87). 37% of these CI micro businesses earn under \$50K (CIIC 2013, 46). These bedroom business graduate to co-working spaces and eventually rent small offices (Davies and Sigthorsson 2013, 70) to accommodate the growth of their micro-enterprise. As a creative 'support' Steph Hines from Growthwise, is well positioned to comment on the emergence of co-working spaces, as this is where some of her client base comes from;

We've got a lot of co-working spaces popping up, little hubs that are popping up. People that are out of their back yards and out of their home offices and garages and starting to interact and collaborate to get bigger projects off the ground and to do much bigger things than they were limited to just on their own. (Creative Newcastle T/C 09:50)

Brett Piva who has lived this experience building his business and cliental base talks about the benefits of working in his own business:

Working for an agency, I find can be quite repetitive, so working for myself, I can do the kind of project I really want to do and harness those projects. So as soon as I start getting recognised for a particular piece of work I love and have put a lot of hours into, more and more of that work seems to pop up. Definitely taken a very big pay cut, but I'm happier. You're achieving things that you wouldn't normally achieve working for an agency. Hopefully the pay will get larger... you don't know (Creative Newcastle T/C 01:26)

Piva reveals his risk taking approach to his business, Pocket Design. As Westbury articulates

We need to recognize that most people have things to invest that aren't capital, and that some seek rewards and returns that aren't always about money (2015 163).

It is clear that Piva is seeking a business that balances 'a mix of monetary and non-monetary rewards' (Hartley et. al 2013, 63).

Expanding upon this, Kevin Coffey, who has had 30 years CI experience in Newcastle expresses his opinion about what these freelances and micro businesses should do next, 'the next thing is to grow that up to get it to commercial ventures that become self-sustaining' (Creative Newcastle T/C 10:15). Pocket Design is a classic example of the types of creative industry 'start-ups' which operates as micro business and hires in skills on a project-by-project basis, Brett explains:

My company harnesses collaboration. I am a one man show, but I work with so many young creatives to produce the right product for the right client ... so using a particular photographer for a certain project, or a particular illustrator, or a typographer that can help me out with a certain job, we'll just get a better product out there. (Creative Newcastle T/C 09:27)

Brett goes on to describes the competition he faced initially working in Newcastle:

it's competitive but that's kind of a good thing, I feel that this city being competitive makes you more motivated and strangely enough you meet that competition, and within a week or so, you're friends with that competition (Creative Newcastle T/C 08:36)

In Piva's case the co-working spaces, where groups of sole traders may be seen to be working in competition with each other can in fact be turned into a positive, where those competitors become collaborators.

By removing the binary opposition so that its not competitors verses collaborators its 'competitors ~ collaborators'. The tilde symbol '~' has been used as 'it indicates negation' (Oxford Dictionary, online) it can also mean 'approximately' or 'the same order of magnitude' and here it symbolizes the complementary relationship between these two factors. Reconceptualising binaries and seeing them as complementarities is something that the creativity literature supports (Sternberg and Kaufman, 2010) particularly in relation to issues of creative practice and agency and structure (Giddens 1984, McIntyre 2012). In Piva's case these successful collaborations have led to better quality products.

Everyone seems to work together, everyone at least.... the young passionate creatives around town, new startups and all that are really starting to appreciate everyone else's work and would rather work with them, than compete against them. I just find that quite nice (Creative Newcastle T/C 08:36)

Piva's optimism is in contrast to Coffey's cynicism, as someone who has been working in Newcastle for three decades Coffey sums up the harsh realities of keeping a business going in Newcastle

We can talk about it till the cows come home and we can talk about how the creative industries are wonderful at generating things, but at the moment they're a bunch of disparate freelancers trying to eek out an existence, that's what they are. (Creative Newcastle T/C 07:56)

This account comes directly from Kevin's personal experiences, as he describes the attitudes they faced when they first began Jean Bas Pty, Ltd in 1981.

When we first came to town, Jean and I, we both came up from Sydney basically and opened up a small atelier or design studio in King street. At that point people laughed and then they stopped and then they came in and engaged with what we did, but there was still quite a culture of going to Sydney to purchase your

fashion. I suppose the saying would have been back then, well if you're that good what are you doing in Newcastle? (Creative Newcastle T/C 03:45)

Thankfully Jean Bas Pty Ltd ignored the attitudes of those critiquing their business sense, and now Kevin is able to describe the financial benefits of having a business survive over the longer term in Newcastle:

So Newcastle, [...] has reasonable low overheads, so I may have picked this shop up and transported it to say Crown street in Sydney, to another eat street and I would pay four times the rent, to do that I would need to employ more people to generate more product, and if there's a slip, you fall real hard. Here, we have the ability to go into hibernation, because I can run the outlet and give the feedback to the design team and the design team can be just Jean. (Creative Newcastle T/C 06.26)

A key finding from these interviews is the business strategies that are employed to sustain themselves through volatile times. As CI theorist Hartley argues getting the business balance right in terms of monetary and non-monetary rewards 'associated with working in a volatile sector' (2013, 63) is essential for regional CI businesses.

Jean Bas Pty Ltd has survived thirty years in Newcastle regional economy and it is now one of the most prominent fashion houses in Newcastle because it employed business strategies that allowed the company to weather the more volatile economic times. Kevin explains:

This is no 9-5 gig, this is 24/7 gig, you are thinking about this while you're asleep. To do it properly, and there's no timeframe for things, there's no hourly rate in the creative industry [Newcastle Creative T/C 07:20] I suppose in summary, what I'd say about the creative industries is that it hurts sometimes being in the creative industries, it really hurts. (Newcastle Creative 08:27)

Forget about the chant of working on your business, when its tight, you need to be able to go back and get on the tools. So there's that side of things as well, in a tough time that Australia experiencing at the moment, or even globally, we can actually sneak through that, because we can do things ourselves with a fairly low overhead base. So that's why Newcastle's always sort of kept niggling at us, and also raising a family here, they're all now grown up. Having children here was a piece of cake compared to some of the places where you have to raise children, so if that answers the question of why Newcastle.
(Kevin IV 03: 44: 53: 08)

For young families Newcastle offers a great lifestyle, beaches, sunny climate and surf and affordable real estate. But selling high end fashion to Newcastle's population has been challenging for Jean Bas Pty Ltd. Kevin knows that their products are better patronized from those living outside of town:

It's the locals that are the ones that can't get their head around what we do. The visitors are fine with it. The visitors from Melbourne, Brisbane, overseas, push that door open, walk in, and engage with the product and they don't even know who we are, they can just see the product and they know its good. Here, on the other hand, the constant chant of, oh, where would you wear that in Newcastle (Creative Newcastle T/C 03:45)

Shane Burrell from Final Post also has clients from out of town '95% of our work comes from beyond our region, largely from Melbourne, Sydney and Brisbane' (Creative Newcastle T/C 02:24). Burrell knows that Newcastle is well placed geographically and well serviced by local infrastructure 'with our infrastructure and the airport, it's really cheap and easy for people to access Newcastle' [Creative Newcastle T/C 06:16].

As a relatively new comer to Newcastle's CI's Brett Piva, acknowledges that there are practitioner's in Newcastle that have worked hard to be where they are today:

There's so many inspiring young and old creatives here in Newcastle that, you know, are achieving great. They're slowing getting recognised, they're working their arses off. They're doing the hard yards, they're doing the long hours, they're getting their hands dirty and really putting the effort in to get noticed to get recognition by their peers, by people they admire, I just really hope in the future we can get recognised for that, for being hard working creatives, that are very passionate. (Creative Newcastle T/C 12:30)

All the interviewees were positive about the future of Newcastle's CI, Shane feels that Newcastle has a reputation as being an underdog and that it will be able to 'band together and make an impact' [Creative Newcastle T/C 12.12]. Steph Hines feels that Newcastle will be able to put itself on the 'world stage a little bit more' [Creative Newcastle T/C 12.22] by everyone supporting one another in Newcastle's CI community. But Kevin's final words astutely sum up the current attitude towards working in Newcastle's CI.

30 years ago people laughed and went "if you're that good, why are you in Newcastle, mate?". To get to the point where, "Why not Newcastle?" it's a global world, why not Newcastle? (Creative Newcastle T/C 13:10)

Discussion of Newcastle's CI.

These interviewees all have SME's that are classified as part of the 98% of Australian CI's micro-businesses. They all have an in-built capacity to expand employing freelancers to help complete the production of creative artifacts on a project-by-project basis. Two of these businesses, Final Post and Jean Bas rely on a client base that is more national than regional, where as Pocket

Designs and Growthwise find clients locally. These CI businesses have developed particular strategies in order to survive in a regional economy and to ensure that they can sustain themselves through volatile economic times, like the GFC. These survival strategies, viewed from a creativity theory perspective, appreciate that 'opposites are complementary' (McIntyre, 2012 p. 58) and understanding how to benefit from within these constraints is emerging as a sustaining strategy for regional CI's businesses.

Economic resilience is therefore an important characteristic for a CI business to have in a regional economy, but a closer look at Renew Newcastle suggests that opportunities can be born out of diversity too. Much of Westbury's work is focused on making opportunities for the individual creator, practitioner, artist, maker though this group can be seen to be economically constrained because they rely on the production of one-offs or limited production runs and typically there is 'less opportunity for commercial growth because they are artisan-based rather than industrialized' (NESTA 2006, 54). So why did Westbury intentionally target the artisan base, because what they offer in terms of the authentic and the handmade aesthetic, produced locally by locals 'Australian Made', has become a very attractive feature in the age of mass produced global products. Will this desire for a hand made authentically local product remain attractive to the consumer? The success of Renew Newcastle's activities suggests that it might.

Renew Newcastle provides opportunities for many practitioners to have a chance to succeed, to take a risk based on non-monetary rewards. Risk and chance like this can also bring failure. Westbury acknowledges that failure is part of the process of success and he muses over failure, in a chapter titled 'Failing to Fail enough' (2014 158) where he acknowledges that

'Renew Newcastle is a fudge. In an ideal world – regardless of how your particular ideology imagines it – such fudges, kludges, brokers, fixers and intermediaries should have no need to exist' (2014, 158)

And further he acknowledges that Renew is 'imperfect, carved out of compromise and contexts over which it has little or no control' (2014 161) yet it has done enough to 'show what fertile ground can yield' (2014, 161). Essentially what Westbury is suggesting is that success and failure are not binaries, they are complementarities, they are necessary components of a system. This confirmation brings this argument back to the ideas that 'constraints do not necessarily harm creative potential - indeed they are built into the construct of creativity itself' (Sternberg and Kaufman 2010, p. 481).

Csikszentmihalyi 'Systems model of Creativity' (1999, 315) illustrates that the creative systems produces novelty and that system also has the mechanism to reject novelty, which means success and failure is inbuilt into the complexity that is creativity (Csikszentmihalyi 2014). As Csikszentmihalyi cautions do not look too closely at the genius of the individual (2014, 99-125) as it is how a social system responds to novel ideas and products where creativity is judged:

it will make more sense to focus on communities that may or may not nurture genius. In the last analysis, it is the community and not the individual who makes genius manifest (2014,122).

Conclusion:

Heeding Csikszentmihalyi's words, this case study that examines the experiences of four of Newcastle CI businesses, and draws on Westbury's reflections on Renew Newcastle, should be treated as a representation of the activities of a regional economy. Rather than concentrate on statistics it is of more benefit, to a region to focus on the shared economic, social and cultural experiences of the city's businesses. By seeing binaries as complementary, which must exist for a system to function e.g. competitors ~ collaborators, failures ~ successes, it should be possible to understand the creative system that has enabled regional CI businesses to survive. In addition, looking too

closely at the individual practitioner and their experiences, and indeed focusing only on individual business success will not itself provide the understanding that is required to replicate creative industries in other regional areas, and it will not provide the confidence to transform the reputation of the once 'steel city' into a 'creative 'city'. The sharing of these experiences, both failures and successes, will.

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ⁱ The seven NESTA segments are Music and Performing Arts; Film, Television and radio; Advertising and marketing; Software and interactive content; Writing, publishing and print media; Design and visual arts; Architecture

ⁱⁱ There are more than 47,000 or 38.6% of CI businesses in NSW