



# Value and role of design

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## The Issue ... the Value and Role of Design

The positive impact of design on an organisation can be significant, measurable and fundamentally affirmative. Consistent with this view is that Australia's design industry is a major contributor to the nation's wealth and prosperity.

Operating across domains and disciplines, the design industry bridges the functional and the creative to conceive, develop and activate diverse solutions to meet complex needs and make the world a better place. In addition to delivering on increased revenues and profitability, design is pivotal in solving complex problems to meet emerging social and environmental challenges.

A key finding from extensive research by McKinsey & Company on 'The Business Value of Design' (2018), concludes that "*good design matters whether your company focuses on physical goods, digital products, services or some combination of these*".<sup>1</sup>

The design industry is a key sector when it comes to value-adding and making a direct contribution to the economy. It is also a key service industry that proactively and collaboratively works to support the endeavours and activities of other sectors, including:

- Manufacturing, including textiles, clothing and footwear
- Building, construction and spatial
- Digital and communication
- Education, management and applied research

The potency and widespread relevance of design across industries, sectors and communities is well established but

more can be done to inform, educate and implement additional policies, programs and investment to further build Australia's design capabilities and potential.

As an indication for one State, the Wallis report (2015)<sup>2</sup> commissioned by the Victorian Government, notes the economic, trade and employment significance of the design industry and the following findings:

- Victorian design consultancies earned revenues of \$5 billion servicing local, interstate and international clients.
- Design generates an estimated \$450 million in international exports.
- Victorian businesses spend \$4.3 billion on design services.
- More than 85,000 people are directly employed in design roles in Victoria.
- 25,000 work as designers in design consultancies and over 60,000 are employed in design roles in other businesses across the economy.
- Total design related employment is estimated to be 136,450, comprising some 85,000 designers and 50,900 (non-design) support staff.

Maximising the use design remains an important ongoing activity for the DIA, and should be proactively supported and amplified by end-user organisations, including businesses and industry associations, not-for-profits, educational institutions and government at all levels.

Government and industry research confirms that businesses that use design grow faster, export more and tend to be more innovative, than businesses that do not use design. McKinsey & Company note that "*the potential for design-driven growth is enormous in both product and service-based sectors*".<sup>3</sup>

The value and role of design is further highlighted by its essential position as a vital tool in developing and delivering the Fourth Industrial Revolution (4IR). Design has and will continue to translate concepts, ideas and briefs into innovative products, services, buildings and spaces, and this includes all areas of digital design and communications.

For example, according to the Victorian Government approx 6,100 design consultancies contribute \$6.3billion annually to the State economy. And an estimated 98,700 people are employed as designers however two thirds are working in non-design practices, hiding its integral value.

This policy statement on the value and role of design seeks to underscore the need for expansion, extension and enhancement that results in increased engagement of the Australian design industry and its contribution to responsible prosperity.

## The Need for Reform

It is core to DIA policy to work collaboratively with other key stakeholders to address these imperatives and further amplify Australia's design excellence locally, regionally and internationally.

The ongoing imperative is to continue to proactively build capabilities, boost competitive advantage, better engage end-users of the design industry, and improve design literacy across the community.

The DIA will:

- work closely and collaboratively with its members to further advocate the value and role of design to key decisions makers in government, industry and education;
- conduct regular research to quantify the economic, social and environmental contribution of the design industry;
- develop and implement a targeted communications campaign to better inform, educate and engage senior government officials and MPs on the value and role of the Australian design industry;
- develop and implement a targeted communications campaign to better inform, educate and engage the media, including journalists, editors, producers and presenters;

- develop and implement education initiatives to better inform procurement professionals to recognise and purchase Australian designed products and services;
- participate in trade missions to proactively promote Australian designed products and services;
- work closely with tertiary education institutions to share professional and market intelligence that aligns with current and future curriculum development;
- continue to conduct high quality professional development and training programs to further improve professional standards, increase competencies and enhance overall excellence of the design industry; and
- continue to host and promote awards programs that recognise and acknowledge Australia design excellence across all domains and disciplines.

The DIA also recommends the following actions:

- Federal, State and Territory Governments should ensure that the value and role of the Australian design industry is both acknowledged and harnessed as part of the policy development process across all relevant portfolios, departments and agencies.
- Federal, State and Territory Governments should adjust their procurement process for products and services to ensure that Australian design businesses and end-users of Australian designers are given preferential purchasing status.
- The Australian Academy of Technology and Engineering should acknowledge and include the Australian design industry as part of its policies and programs.
- Other?

**As a priority, the DIA is calling on Federal, State and Territory Governments to increase investment and support that can help grow and expand the widespread adoption of design across all sectors and industries in Australia.**

## The Benefits of Change

The specific benefits of promoting and supporting the value and role of the Australia design industry cover several key measures, including:

- Increased employment opportunities for professionals and practitioners in consulting firms.
- Increased employment prospects for graduate designers.
- Increased exports and trade associated with Australian designed products
- Increased exports and trade associated with Australian design services.
- Maintain and increase the international competitiveness of Australian design.
- The translation of leading edge products, systems and services into commercially successful outcomes.
- The growth and development of intellectual property.
- Enhanced R&D initiatives involving design expertise and knowledge.
- The harnessing of design expertise and knowledge to address complex social and environmental challenges.
- Other?

The World Design Organisation clearly states how design and designers can bring positive to many locally, nationally and globally:

*“At its heart, design has always been about finding a better way, and improving quality of life. The design process—its focus on the end users and the environment in which they live—can provide a fresh and innovative perspective on the international development agenda.”<sup>4</sup>*

## Next Steps

The DIA will continue to work with key stakeholders including government officials, elected representatives, industry associations and other professional bodies to highlight the significant role and value of the design industry.

We also welcome and encourage input from DIA members and other interested parties to further advocate and amplify the DIA’s policies.

If you have specific recommendations or proposed initiatives and measures that would further bolster DIA policies, then we want to hear from you.

## About the DIA

The Design Institute of Australia (DIA) is the peak professional association for designers and design businesses in Australia, representing professionals in all design disciplines for over sixty years. The DIA is run by and funded by designers for designers. The DIA champions design and design thinking as a central element in a flourishing digital economy and a sustainable future, and believes that Australia’s highly skilled and innovative design community offers the prospect of solutions to the world’s most pressing problems, as well as ways to make everyday life more comfortable and enjoyable.

## Contact details

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<sup>1</sup> The Business Value of Design. McKinsey and Company, October 2018, p5.

<sup>2</sup> Wallis Consulting Group report on the Victorian design industry (14.04.2020), <https://creative.vic.gov.au/news/2019/creative-victoria-design-research-2019>

<sup>3</sup> The Business Value of Design. McKinsey and Company, October 2018, p10.

<sup>4</sup> World Design Organization discussing UNEP’s Sustainable Development Goals (14.04.2020), <https://wdo.org/about/vision-mission/un-sdgs/>