29th Voorburg Group Meeting

SPPI on Specialized Design Activities

Terry Bradley – Producer Price Indexes

statistics for informed

decision making

Overview

- Classification
- Definition of Specialised Design
- Market Conditions
- Pricing mechanisms
- Pricing method

Classification

ISIC Rev.4 Class: 7410 – *Specialized design activities*

Corresponds closely with

ANZSIC 2006 Class 6924 *Other Specialised Design Services*.

Definition of Specialised Design

ANZSIC Class 6924 *Other Specialised Design Services* consists of units mainly engaged in providing specialised design services not elsewhere classified.

Primary activities:

- Commercial art or Graphic Design service
- Fashion design service
- Interior design service
- Jewellery design service
- Signwriting

Market Conditions

As per 2009-10 Australian Input Output Tables,

Australian supply:

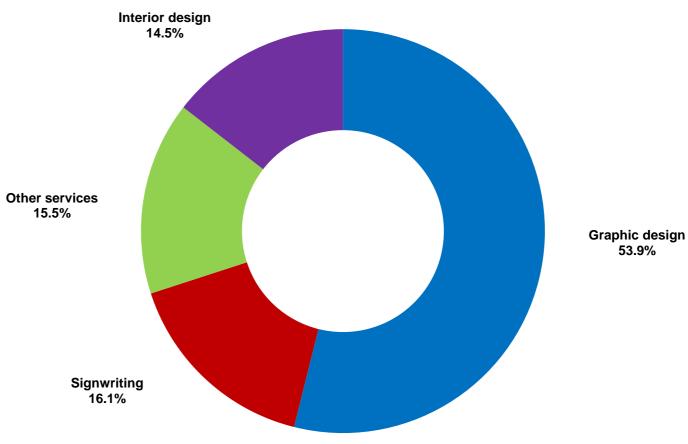| Commercial art and display services	$1413 million
Specialised design services n.e.c. (including fashion, interior and jewellery design)	$961million

This accounted for 1.4% of the supply at basic prices of ANZSIC Division M Professional, Scientific and Technical Services Industry.

Secondary production of $622m

Market Conditions

Products and services segmentation (2013-14)

Interior design
14.5%

Other services
15.5%

Signwriting
16.1%

Graphic design
53.9%

Source: WWW.IBISWORLD.COM.AU

Market Conditions

- Dependence on other industries

- Competition is increasing due to IT developments and other factors

- In-house vs outsourcing

Pricing mechanisms

The pricing mechanisms used in this industry include:

- hourly consulting fees,

- contracts, and

- fees quoted as a percentage of project value

Pricing Method

To *estimate* the price change the ABS uses a direct measurement of working time – hourly charge-out rates as a unit of measure.

Example:

COMMERCIAL ART & DISPLAY

Please provide the hourly rate applicable for the following graphic design services

Staff Level: Design and Development – Rate

	Final Price	Previous Final Price	% change
Creative Director			
Design Director			
Graphic Designer			

Questions