29th Voorburg Group Meeting

SPPI on Specialized Design Activities

Terry Bradley – Producer Price Indexes
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.
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:

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial art and display services</td>
<td>$1413 million</td>
</tr>
<tr>
<td>Specialised design services n.e.c. (including fashion, interior and jewellery design)</td>
<td>$961 million</td>
</tr>
</tbody>
</table>

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)

- Graphic design: 53.9%
- Signwriting: 16.1%
- Other services: 15.5%
- Interior design: 14.5%

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

<table>
<thead>
<tr>
<th></th>
<th>Final Price</th>
<th>Previous Final Price</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design Director</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Graphic Designer</td>
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Questions