

Submission to Inquiry into the Future of Australia's Video Game Development Industry

I currently work in the game development industry as a Senior Programmer and have been in paid employment in the industry over the last 8 and a half years. I have worked both with Australian employers and overseas employers in that time, on projects both small (Under \$100,000) to huge budget games like the BioShock franchise, all of this spent working from Australia.

The Australian Game Development Industry is one that has always punched above its weight with many popular video games made right here. Despite this not only do many people here in Australia not know that many of these games were made here, but we have not received as much government support as other creative industries.

The previous Interactive Games Fund was a huge boost in the arm of the industry here at a time where the high Australian dollar made overseas funding of studios here too expensive. From this fund several high quality and successful games have been released which otherwise would never of seen the light of day. Just in the last 12 months Australian made games like Crossy Road, Armello and Hand of Fate have all achieved 90% or higher ratings on their platform stores.

On top of this the Game Development Industry is one where the main expenditure is in development staff. Most popular game engines are now available for free and most platforms are accessible without a huge upfront payment. This means any investment in the industry leads to hiring more Australian developers.

There is also a huge number of Australians working overseas for large Game Development companies. A lot of them were forced to move as there was no opportunities for them here and I believe many would move back here if an opportunity arose.

The Victorian government currently has funding available to the Game Development Industry for games produced there and we now see that almost half of the industry in Australia is located there. Two of the successful games I listed earlier are from Victorian based developers and The Arcade, a collaborative workspace provides a huge opportunity for new developers to learn from the experienced developers there as well as have a cheap place to work.

In New Zealand, especially Wellington, is beginning to push funding more and really grow their industry. Game Development jobs have grown by 25% in the last financial and we are starting to see many individuals and companies leaving Australia to work there.

Examples of this are Morepork Games who released Swing Racers and reached #1 in Racing Games on the iOS App Store in 39 countries and the team at Camshaft Software moved there and afterwards released their Automation Game on Steam and were able to achieve sales of \$300,000 in just the first month. Both are these are missed opportunities for our industry here.

1. how Australia can best set regulatory and taxation frameworks that will allow the local video game development industry to grow and fully meet its potential as a substantial employer,

As proven by the amount of developers now in Victoria, the investment funding approach is a big success in terms of both growing the industry and in terms of producing quality and completed projects. The success of those studios and games which were backed with the Interactive Games Funds is also proof that the concept worked. Games like Armello, Framed, Submerged, Hand of Fate, Fight the Dragon and Assault Android Cactus have all been well received.

Locally in South Australia there is a significant youth unemployment problem and there are no big developers located here for young developers to get a start. Yet many of them are showing off games they have made in their own. At the recent AVCon held in Adelaide there was a huge collection of both Australian and Adelaide made games which were of a high quality level. Local government support here would kick start the industry in a big way and give our states a worldwide market to compete in.

Clustered places for development is also a great idea. Where as many industries have issues with poaching of staff and trying to keep things secrets, the Games Development Industry is quite an open and helpful one here in Australia. Working in close proximity to other developers lets us share strategies and help inspire each other.

2. how Australia can attract video game companies to set up development operations in Australia and employ local staff,

There are three main factors which prohibit the investment of setting up development studios in Australia. For overseas investment the value of the Australian Dollar is key. Whilst it is low, Australia is seen as a great place to invest, but when it is high Australian workers become expensive compared to many other places in the world. I don't believe that focusing on overseas investment is a worthwhile exercise as having a thriving local industry will just encourage that naturally.

The more talented staff we have and the more Intellectual property those teams and studios can produce, the more likely both overseas publishers will invest and fund games made here, but will also look to either purchase those studios or create their own presence to obtain talent.

The major issue is the talent pool, which I believe is the single most important issue. A large majority of the projects I have mentioned in this document and that were funded by the previous Interactive Games Fund were totally self-funded ventures. In few cases did this mean actually have employed paid staff. There are little opportunities for paid employment for new developers. I myself would probably not be employed if it wasn't for Uppercut Games receiving funding.

The majority of experienced developers left Australia to find jobs overseas and have not returned. This knowledge and experience therefore hasn't transferred to all the new graduating developers and many of them have no opportunity to work in paid employment. We need to both provide opportunities for those junior developers to get employment and learn from our experienced developers that are still here, as well as provide opportunity for many of our overseas Australian developers to come home.

The final issue is our internet infrastructure. I have worked remotely for both local and American based companies and having access to an Internet connection that can handle the large amounts of downloading and uploading that is required for game development is next to impossible. Remote work is growing option and is especially viable in the Game Development industry. If we can get a competitive internet infrastructure in place that is similar to other countries at the forefront of Game Development, we could provide opportunities for Australians to work for overseas companies from Australia and help bring some of those Australians back home.

We would also increase the marketing ability of our companies in Australia, as live internet streaming and marketing, submitting builds and large marketing materials and general video calling and interviewing opportunities become faster, more accessible and in some cases just a realistic option.

Locally the promotion of the games industry and the games we make will help inspire more people to enter the industry and help it grow.

3. how export opportunities from Australia's local video game industry can be maximised, and

The Games Industry is one of those unique opportunities where we are competing in a global market. The Australian market is only a 2% of the entire market, which means the majority of sales are coming from outside Australia. All the major game development platforms have centralized stores which are accessible from most of the world which means there isn't a huge increase in cost to compete globally.

One of the biggest ways the export opportunities can be maximised is to provide assistance and funding for Australian made games to show off at major conferences around the world. For example the Games Development Conference, Electronic Entertainment Expo or Gamescom are all huge shows, attended by all the major studios and game development related journalists.

Conclusion

Thank you for allowing me the opportunity to provide a submission on this matter. I really believe we have a huge potential as an Industry in this country, to become a world leader. However I fear if we don't take the opportunity soon we will be left behind, with the majority of Australian Developers moving to places like New Zealand, Canada, America and the UK.