

IGEA

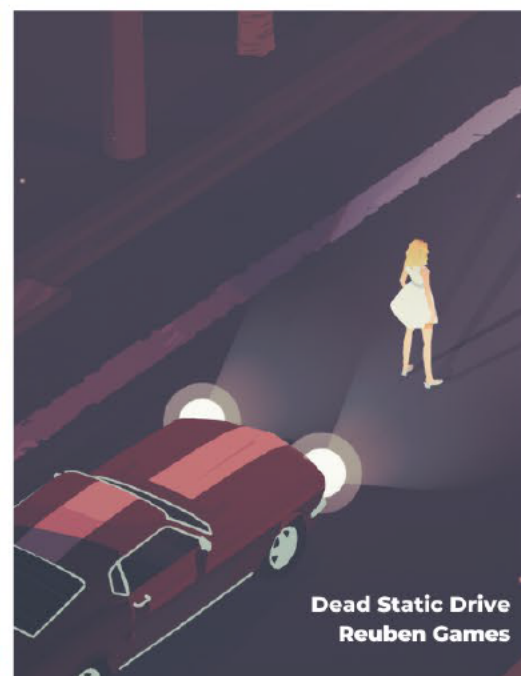
interactive games & entertainment association

Submission to the Senate Environment and Communications References Committee

Response to the Inquiry into the
National Cultural Policy

March 2023

We acknowledge the Traditional Custodians of Country throughout Australia and their continuing connection to the land and sea. We pay our respects to all Aboriginal and Torres Strait Islander peoples, their cultures and to their elders past, present and emerging.



Introduction

On behalf of the Australian video games industry that we represent, the Interactive Games & Entertainment Association (IGEA) thanks the Senate Environment and Communications References Committee (the Committee) for the opportunity to contribute to its inquiry into the Australian Government's National Cultural Policy (NCP) that was released on 30 March 2023.

IGEA is the industry association representing and advocating for the video games industry in Australia, including the developers, publishers and distributors of video games, as well as the makers of the most popular gaming platforms, consoles and devices. IGEA also organises the annual Games Connect Asia Pacific (GCAP) conference for Australian game developers and the Australian Game Developer Awards (AGDAs) that celebrate the best Australian-made games each year. IGEA has over a hundred members, from small 'indie' studios to some of the largest technology companies in the world. Please see [our website](#) for more information.

Video games and the National Cultural Policy

Video games as art and culture

We thank and congratulate the Albanese Government and in particular the Arts Minister the Hon Tony Burke MP for delivering a new NCP that is so comprehensive, ambitious and thoughtful. We welcome its long-term scope - being a 5-year plan to renew and revive Australia's arts, entertainment and cultural sector - and we completely stand behind and celebrate its goal of ensuring that there is a place for every story, and a story for every place. We also commend the Government, the Minister and the Office for the Arts for undertaking such a thorough consultation process, resulting in a highly informed and modern strategy. The NCP has been rightly applauded by stakeholders across cultural and artistic communities.

We extend our appreciation and gratitude to the Government for its recognition in the NCP of the rightful place of video games. Australian game developers are artists and our medium is showcasing Australian voices, stories, places and colours to the whole world. However, as we outlined in our submission to the consultation and in our various in-person engagements during the policy's development, games in the past have not always been treated as 'culture' by policy-makers or given the same standing as others forms of expression. Even though games are amongst the most powerful, impactful and popular of all cultural forms, with two-thirds of all Australians being game players and 9 out of 10 Australian households having at least one device on which games are actively played,¹ video games are often ignored as art.

We were therefore so thankful for the specific recognition in the NCP of video games as culture (p. 11). We greatly appreciated video games and other cultural expressions being highlighted as resources that have provided Australia with prosperity (p. 14). The NCP included a compelling example of the National Film and Sound Archive's interactive online trivia games as a way of using technology to reconnect seniors with Australian stories (p. 48). Finally, we were thrilled to see our research and data cited in the document to demonstrate the great potential of our industry for the economy and building an advanced local workforce (p. 85).

Being a long-term and forward-thinking thought-piece, the NCP contains many policy commitments spanning all corners of Australia's artistic and cultural sectors. Many of these have already been widely praised and we look forward to engaging with the Australian

¹ <https://igea.net/wp-content/uploads/2021/10/DA22-Report-FINAL-19-10-21.pdf>

Government and our fellow stakeholders further as details of these policies become more granular. Amongst other things, we are particularly supportive of initiatives to promote and showcase First Nations stories and give platforms to modern diversified Australian voices.

However, for the purposes of this short and targeted submission, we will focus on the two specific policy initiatives targeting video games outlined in the NCP, the Digital Games Tax Offset (DGTO) and new direct Screen Australia funding to support video game development.

Digital Games Tax Offset

Within the NCP, the Australian Government has committed to introducing a DGTO to support growth in large-scale game development in Australia (p. 105). By the time that the policy document was released, a bill for the introduction of the DGTO had already been passed by the House of Representatives and was awaiting passage in the Senate.² This makes the DGTO likely to be one of the very first measures from the NCP to be implemented.

The DGTO - an idea that has been years in its fomenting - is a momentous and ground-breaking reform that IGEA has championed. With the DGTO first being announced by the previous government in 2021 and affirmed by the current government which introduced a bill last year, the DGTO is a stellar example of bipartisanship in artistic, cultural, economic and technology policy. On its journey to reality, the idea for a tax incentive for video game development had been recommendations of several Parliamentary Committees, including the Senate Environment and Communications References Committee in 2016 in its inquiry into the future of Australia's video game development industry and the Joint Standing Committee on Trade and Investment Growth in two separate inquiries in 2020 and 2021. A tax incentive for game development has also been a reform of longstanding support by the Australian Greens.³

The DGTO is the most important and visionary policy that the Australian video games industry has ever seen, as well as one of the most significant arts and technology policy reforms in recent history. It will allow emerging Australian game development studios to take risks and double down on growth and ambition, accelerating digital export revenue while sharing Australian voices and stories with billions. It will further lead to vast global investment and the creation of new studios by making Australia one of the best places in the world to make games. All of this will attract highly skilled and creative tech workers from abroad, many of whom will eventually help to fill tech shortages elsewhere across the economy. Most importantly, it will bring a new generation of Australian kids into studying STEM through our medium's unique cultural allure.

We are in every way fully behind the DGTO, a landmark cultural policy of great merit and profound future impact, and we celebrate its rightful place within the NCP.

New Screen Australia funding for video games

Under the NCP, the Australian Government has committed to providing "\$12.0 million to increase investment to support digital games developers and small and medium independent games studios through Screen Australia" (p. 105). It is our understanding that this \$12.0 million commitment comprises \$3.0 million annually over four years from 2023-4 to 2026-7.

The establishment of a new Screen Australia game development fund was a key pillar of our advocacy during the development of the NCP and we welcome and praise the Government,

² www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=r6946

³ https://greens.org.au/sites/default/files/2018-06/20160628_Greens_Videogames_0.pdf

the Minister and the Office for the Arts for listening to us and our vibrant community of talented and ambitious game developers. As we highlighted in our media release in response to the NCP, the new funding recognises that Australian game developers have an essential role to play in the digital delivery of Australian stories and culture.⁴ With Screen Australia's short-term *Games: Expansion Pack* fund set to end in June, obtaining new funding was absolutely critical.

For the past decade, funding for Australian game development has been in a dire state. As we outlined in our submission to the consultation on the NCP, from 2013, when the previous Labor Government's barely-commenced Australian Interactive Games Fund (AIGF) was axed by the incoming Abbott Government, until the middle of 2022, when the first round of Screen Australia's *Games: Expansion Pack* fund recipients was announced, there was zero federal support for Australian game developers in contrast to practically every other cultural and artistic sector.⁵ Sadly, during this same period, state screen funding for game development has often also been on life support and - in the in case of states like NSW - entirely non-existent. This challenge is something that the Australian Greens has been acutely aware of, leading to its 2022 election commitment to create a \$100 million Games Investment & Enterprise Fund.⁶

Over these years, our sector has kept its fire burning and so many amazing local games have still been made, with some of them inevitably becoming among Australia's most successful and famous cultural exports so far this century, including *Crossy Road*, *Hollow Knight*, *Untitled Goose Game*, *Unpacking* and *Cult of the Lamb*. Unfortunately, countless stories have also been lost and some of our very best talent has departed for industries abroad. The development of Australian games and our industry is sadly still well behind where it should be, and this must be fixed urgently. For this reason, the NCP's inclusion of new funding for game development gives closure to the years of advocacy for games funding that the Government voiced during its time in Opposition and has deservedly received a standing ovation from our industry.

Recommendation to the Committee

That the Committee recommend in its final report that the \$12.0 funding committed for Australian video game development over four years be increased to \$25.0 million in recognition of the critical need for 'catch-up' investment into our sector. This expanded funding could include multiple funding streams, including one for enterprise funding.

While we are appreciative of the commitment of \$12.0 million, it falls short of what is needed given that it follows almost a decade of our sector being ignored at the federal level.

\$3.0 million per year is similar in scale to what VicScreen alone provides (\$2.7 million in 2021-22⁷) and given that it is needed to cover the whole of Australia, including states like NSW without any direct screen funding, it simply is not enough. It also represents a 25% fall in federal funding from the \$4.0 million that the *Games: Expansion Pack* fund provided in 2021-22.⁸ Most significantly, the \$12.0 million committed over 4 years in the NCP is substantially less than the

⁴ <https://igea.net/2023/01/igea-celebrates-the-reinstatement-of-the-australian-interactive-games-fund>

⁵ <https://igea.net/wp-content/uploads/2022/08/IGEA-submission-on-a-renewed-National-Cultural-Policy-FINAL.pdf>

⁶ <https://greens.org.au/sites/default/files/2022-03/Greens-2022-Policy-Platform--Jobs--Arts.pdf>

⁷ [https://vicscreen.vic.gov.au/images/uploads/VicScreen Annual Report 2021-22.pdf](https://vicscreen.vic.gov.au/images/uploads/VicScreen%20Annual%20Report%2021-22.pdf)

⁸ <https://www.screenaustralia.gov.au/sa/media-centre/news/2022/07-19-screen-australia-over-4-million-for-30-games>

\$20.0 million fund that the original AIGF was committed to providing (and sadly of which half was axed)⁹ or the \$25.0 million games fund that the Australian Labor Party promised in 2019.¹⁰

In practical terms, the urgent demand for support will far outstrip the \$3.0 million that will be available for each of the next four years. To exemplify just how many projects there are that are in need and deserving of investment, the 2021-22 funding round for the Games: Expansion Pack fund needed to be raised from \$3.0 million to \$4.0 million due to Screen Australia being “blown away” by the number of outstanding applications.¹¹ The funding round received over 100 applicants, despite the fund being announced three-quarters into the fiscal year, which meant that over 70 applicants, including surely high quality ones, were turned away.¹² Each one of these applicants – from just a single funding round – represents an Australian voice and artistic expression that may not be able to find an audience. As we outlined in our submission to the consultation on the NCP, a historical lack of federal support for our sector has meant that countless Australian stories have been unable to be told, including First Nations ones.

We therefore ask the Committee to make a recommendation for the funding commitment for a new Screen Australia-administered fund for video game development in the NCP to be expanded from \$12.0 million over four years to \$25.0 million, matching the Australian Labor Party’s 2019 election commitment. A commitment of \$6.25 million per year would still be highly targeted and sustainable and represents a sum that remains less than 10% of the support that Screen Australia already provides for film and TV production each year. A larger games fund would also allow Screen Australia to provide multiple funding streams to achieve different objectives. For example, the original AIGF included a highly successful enterprise funding program that supported game development studios to develop and grow as organisations.



One of the recipients of the first round of Screen Australia’s Games: Expansion Pack fund in 2022 was **Future Folklore** by Victorian studio Guck.

Australia’s first ever Aboriginal-led mobile game, *Future Folklore* is a crafting game inspired by an Indigenous lens that teaches players to restore the bush and care for Country.

⁹ <https://www.smartcompany.com.au/finance/economy/game-on-government-unveils-20-million-fund-for-interactive-games-industry>

¹⁰ https://www.billshorten.com.au/labor/s_plan_for_australia_s_creative_economy_saturday_11_may_2019

¹¹ <https://www.screenaustralia.gov.au/sa/media-centre/news/2022/07-19-screen-australia-over-4-million-for-30-games>

¹² <https://igea.net/2022/07/igea-welcomes-the-boost-in-funding-from-screen-australias-games-expansion-pack>

Any questions?

**For more information on any issues raised in this submission, please contact IGEA's
Director of Policy & Government Affairs, Ben Au, at**

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Game Connect Asia Pacific: [@GCAPConf](https://twitter.com/GCAPConf)

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