



## Submission to the Senate Standing Committees on Environment and Communications for the Senate Enquiry into the Future of Australia's Video Game Development Industry

Prepared by Giselle Rosman 17/09/2015

Thank you for the opportunity to contribute a submission for this inquiry, and please do not hesitate to get in touch if we can be further assistance.

The International Game Developers' Association (IGDA) is a global advocacy group for game developers, and is primarily based in the US. Melbourne has one of the most active chapters in the world. IGDA has been active since November 2009, holding regular meet ups for game developers and game development students with an average attendance of well over 100 every month.

IGDA Melbourne endorses the IGDA and GDA submissions to the Senate Enquiry.

As Chapter Leader of IGDA, I receive a lot of feedback regarding what can be done to make the games industry better. Here is an outline of the most recurring themes discussed within the games sector in relation to the Senate Enquiries Terms of Reference.

**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,**

I refer to the IGEA and GDAA Enquiry responses with regards to the best answers to these questions. Specifically I endorse extending the Producer Offset to include game development and creating or re-instating a self-sustaining funding option along the lines of the now defunct Australian Interactive Games Fund (AIGF).

Key recommendations:

1. Introduce a self sustaining funding program, similar in scope to the previous Australian Interactive Games Fund (AIGF)
2. Extend the Producer Offset to include the digital games industry.

**How Australia can attract video game companies to set up development operations in Australia and employ local staff?**

The most effective way to encourage international companies to set up within Australia seems to be via tax breaks, as evidenced in countries like Canada and the UK. Extending the Producer Offset to the games industry would go some way to addressing this and encouraging external investment the Australian games sector.

Again, IGDA Melbourne endorses the IGEA and GDAA submissions and would like to emphasise the need for a reliable internet infrastructure. Encouraging international companies to set up shop in Australia is going to be very difficult due to the lack of reliable internet. Australia needs a sturdy and reliable NBN to support both local and international companies operating in digital spaces.

Focusing primarily on encouraging established overseas companies to our shores is not the only, or even the best way, to encourage local games industry growth. There are a number of local studios who create locally own IP that can be supported for greater growth.

Both local and international companies would benefit from subsidising junior and intern roles. The financial commitment to training new graduates to be productive members of staff is often prohibitive to smaller companies, which is to the detriment of the skillset of future generations of game makers.

Key recommendations:

1. Create a sturdy, reliable and cost effective internet infrastructure.
2. Subsidise junior/intern roles to enable upskilling of the local workforce.

**How export opportunities from Australia's local video game industry can be maximised**

One of the biggest challenges for the local games industry is distance from their primary markets. On average, local sales constitute a mere 3% of sales for game developers. It is important for games studios to be able to develop their networks with both their markets and potential overseas business partners. [The TRIP Fund](#), as administered by the Victorian State Government, has been successful in assisting local companies bridge the divide from their markets and international networks. Offering a similar program on a national level to assist Australian games studios would open up more opportunities nationwide.

The next biggest challenge for videogame exports is localisation. Currently one of the largest, untapped market to local development studios is the Asian market. Assistance with both localising games in terms of languages and iconography, as well as creating the business relationships required with Asian companies to ensure the best penetration of their vast market.

Key recommendations:

1. Create a National fund for assisting games studios to be part of important conferences and expos such as; Game Developer Conference (GDC), Electronic Entertainment Expo (E3), Gamescom, PAX Prime/East/South and Casual Connect. [The TRIP fund](#) format would serve as a good template for this.
2. Offer financial and resource support for digital games localisation.
3. Create opportunities for marketing, publishing and business management upskilling.

**Any other related matters.**

The majority of game development currently occurring in Australia is carried out by relatively small teams. Creating spaces like [The Arcade](#), a game development co-working space in Melbourne, allows the sharing of knowledge and resources as well as creating central spaces which increase the visibility of the local sector.

Australia lacks the investment infrastructure available in many other territories. Silicon Valley was essentially built on 'Angel' style investments in tech start ups. Encouraging investment companies to work with local companies is restricted by the Australian company infrastructure requirements.

Games are not all about entertainment. The adaptation of games concepts to non-games industries is on the rise, particularly with regards to areas of; health, education, simulation and defence. The opportunity to be a world leader in 'serious games' is available, and Australia's in a good position to maximise on lead the way in the the development of this emerging sector.

Another important area that needs addressing to strengthen the video game industry is addressing the current lack of diversity. I refer to Dr Dan Golding's submission and support his view on what the issue is and how it would best be addressed.

Key recommendations:

1. Develop and support digital industry co-working spaces similar to [The Arcade](#).
2. Reduce barriers for entry for private investors.
3. Support the emerging 'serious games' sector.
4. Develop pathways and mentor opportunities for those underrepresented, eg women.

Finally I would like to once again endorse the feedback and recommendations of the IGEA, the GDAA and Dr Dan Golding.

Sincerely,

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