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## **Submission for the Senate Committee on the Future of Australia's video game development industry.**

### **Overview**

There are two distinct groups in the Australian Game development industry; Bootstrapping start-ups and larger local and internationally owned studios. Both have differing but complimentary needs, and it is usually the intention of the former group to become a member of the latter, this can happen through well planned, and in most cases, minimal government intervention.

Start-ups and small independent developers should have access to grants and loans that can help establish themselves as sustainable studios.

Larger companies should have access to tax offsets and subsidies that will allow them to use their own money more effectively to provide employment for locals as well as provide incentive for the best and brightest developers in the world to come to Australia and boost our local economy.

Game Development is very much a talent driven industry, and the clearest path to success and prosperity is securing that talent, both through the training of new developers and the engagement of experienced ones.

Below we outline the key areas we feel are ripe for support and the rationale for why these make good investments.

## **Arts Funding**

Smaller studios should have access to and be encouraged to apply for arts funding in the same way that screen producers have been able to for many years. Provide grants for smaller teams and/or for the R&D phase of development, then loans for production funding, the repayments of which should be fed back into further loans and grants to support new projects.

Studios should be expected to be part of a rigorous grant acquittal and post mortem process and the lessons learned should be made available for other studios to learn from, to ensure that future funding is more effectively used and the chances of ROI are increased.

The effectiveness of these types of programs is not just speculative. Australia's Interactive Games Fund which was unceremoniously cut as part of the 2013 budget was a tremendous success, with many of the studios who received funding going on to create successful and profitable products, as well as repaying hundreds of thousands of dollars which could be used to help other developers thrive.

## **Training**

Incentives to hire younger workers with no previous experience with a view to nurturing and sustaining talent in the long term. Incentives could include payroll subsidies and training subsidies, or help with the funding of equipment and software specifically purchased to train new recruits and interns.

Educational institutions should be encouraged by way of financial incentive to engage local industry representatives to help with training the next generation of developers, examples include activities like curriculum consultation or guest lectures and tutorials.

## **Shared Spaces**

Funding for the setup and ongoing maintenance of development "Hubs" like Melbourne's Arcade. Shared spaces cut many of the costs involved in setting up a young studio that can then be put towards the engagement of more young staff, or more experienced developers that can sometimes be out of reach for smaller teams who desperately need the insights gained from that experience.

Shared spaces also offer the opportunity to engage with other developers in a friendly, non-threatening way leading to the sharing of information. Which in the long run helps more developers avoid costly mistakes and design missteps that could have easily been rectified with a small conversation with a friendly colleague.

## **Industry Outreach**

Funding for trade shows and expositions that serve to highlight and raise the profiles of developers to the general public and the media. Public events also help to establish a unique Australian cultural "voice" for the industry, which can be leveraged internationally to boost the profile of our products.

## **Awards and Recognition**

Government sponsored and endorsed recognition events with a similar structure to other arts recognition programs like the Prime Ministers Literary Awards. These help legitimise our industry in a climate where games and interactive entertainment are still seen by some sectors of the community as frivolous and meaningless pursuits more suited to children. Through these programs the government can acknowledge that this is in fact not the case, and that interactive entertainment should be taken as a serious cultural pursuit that has the power to educate and provoke meaningful thought and discussion as well as simply entertain.

## **Tax Offsets**

Tax offsets similar to those in other countries such as Canada and the UK, meaning larger companies can run more effectively without placing undue demand on funding bodies that could otherwise be supporting smaller studios.

Tax incentives also encourage larger international developers to set up studios in Australia, providing numerous jobs for the many talented developers who are currently in a position where they must either move to another country or found their own studio to stay here, many of which do not have the skills or inclination to do. Some people just want to work in their area of expertise for a stable, stimulating and well-managed company and they are currently unable to do so, which is a loss for the industry as a whole.

## **Other Considerations**

Better support for IT infrastructure as many studios are required to engage people who work remotely (both locally and internationally). Studios are also often required to send very large pieces of data across slow and unreliable networks which results in the loss of time and money as the process often requires monitoring and restarting multiple times.

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