

Introduction

Thank you for your time and consideration in evaluating the role of Australia's video game development industry (the **Industry**), and for the opportunity to contribute to public discourse on the matter. My name is Nathan Runge and I manage a small video game development company in Sydney. I recently contributed to the Inquiry as the primary author of SIGDA's submission, which furnished the Committee with five recommendations:

1. Introduce a public sector funding programme tailored to the Industry.
2. Extend the Producer Offset to video game development.
3. Support video game development clusters.
4. Promote awareness of existing public sector support programmes by:
5. Fund and conduct a thorough study into opportunities for Australia to benefit from its video game development industry.

I wish to add my personal support to each of these broad recommendations. However, whereas SIGDA's submission represented the collective recommendations of the association's diverse Board and Committee, this submission constitutes only my personal thoughts and recommendations. I strongly advise the Committee to consider SIGDA's submission with the utmost regard, and I will not waste your time by repeating its contents in full. Instead, I will constrain my submission solely to matters in which my opinion diverges from those of SIGDA, or which were otherwise unreflected by its submission.

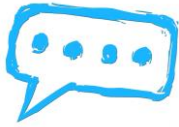
While respecting the direction and objectives identified in SIGDA's submission, I urge the Committee to consider my single recommendation regarding the introduction of a public sector funding programme:

Consider only commercial objectives. Do not fund cultural programmes.

Commercial Support Rather Than Cultural

I strongly support recognition of the cultural significance and value of digital interactive media. I have been, and continue to be, a passionate advocate for the medium. Nevertheless, I must recommend that any public sector funding programme targeting the video game development industry **should not** consider the cultural value of projects when determining the allocation of funding. It must be a commercial programme, not a cultural one, for four (4) reasons:

1. Cultural funding is not an effective response to the Inquiry's Terms of Reference, whereas commercial funding provides direct benefits by addressing the needs of the Industry.
2. Cultural outcomes, when considered as part of commercial funding applications, introduce significant ambiguity and diminish the quality of both applications and funding allocation.
3. Cultural outcomes, when considered as a separate stream from commercial funding, divert significant resources from targeted Industry support while introducing additional overheads.
4. Cultural output benefits most strongly from skill development and Industry growth.



The Inquiry's Terms of Reference establish clear commercial priorities for the Industry. These priorities are best realised by promoting sustainable Industry growth, thereby allowing the Industry to accommodate greater employment and contribute more significantly to the Australian economy. Allocating funding to cultural programmes may incidentally advance these objectives, but does not directly address them. A direct and effective response to the Industry's and Inquiry's commercial objectives demands funding targeting commercial growth and sustainability.

Indeed, the introduction of funding for cultural considerations could be actively detrimental. Consideration of cultural output risks introducing significant ambiguity if introduced as a component of commercial funding allocations. Ambiguity would negatively impact the quality of applications and the integrity and effectiveness of decision-making with respect to funding allocations. Alternatively, the introduction of a separate cultural funding stream would divert significant resources that could be otherwise allocated to targeted Industry support while also introducing additional overheads.

Finally, it is also quite possible that Australia's cultural output would benefit more strongly from the skill development and Industry growth derived from a targeted commercial funding programme than the immediate introduction of a cultural funding programme. Commercial funding incentivises the development of business administration, project management, and marketing skills by directly rewarding quality applications. The growth targeted by such a programme will also allow the Industry to accommodate greater employment and larger enterprises. Greater employment will allow Australia to sustain a larger number of video game developers, while larger enterprises foster skill development and permit the retention of more experienced developers. Growth and prosperity are therefore likely to increase both the scale and quality of our cultural output, even before considering the additional benefits derived from increased investment, improved infrastructure, and a stronger entrepreneurial culture.