

18 January 2023

Budget Officer  
Chief Minister, Treasury and Economic Development Directorate  
ACT Government  
GPO Box 158  
Canberra ACT 2601

Dear Budget Officer

## **IGE A's 2023-4 Pre-Budget Submission**

The Interactive Games & Entertainment Association (IGE A) is pleased to make this submission to the ACT's 2023-4 budget process, carrying over our advocacy from prior budget processes.

The IGE A 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. IGE A 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. IGE A has over a hundred members, from emerging independent studios to some of the largest technology companies in the world. Some of our members are ACT-based.

### **The ACT's video game development industry**

According to our [2021-2 sector survey](#), the Australian game development industry employed 2,104 fulltime workers in Australia and generated \$284.4 million in revenue in 2021-2, with the total workforce growing 59% from the preceding year. While these figures are small compared to the global video games industry, which is more than twice the size of the global film and music industries combined, the potential scope for local industry growth is significant.

We are strong supporters of the ACT's emerging community of game development studios, such as our Canberra-based members [Uppercut Games](#), which has been developing award-winning games for over a decade, and [Game Plus](#), which has a games co-working space here. Further, [AIE](#), one of the Australia's largest educators of game developers, has a major campus in Canberra.

It is often discussed amongst veterans in our sector that the ACT was once one of Australia's most significant hubs for game development. For example, it was the home of the 'AAA' studio 2K Canberra which co-developed the *Bioshock* series of games, one of the bestselling and most influential games franchises of all time. While the previous golden era for the ACT games industry ended as a result of the Global Financial Crisis, the current emergence of a new golden era across Australia provides significant opportunities for the territory. Even today, the ACT has 3% of Australia's game development workforce, despite being just 1.5% of the total population.

Video game development can be a key driver of the ACT's future, digitally-based economy. Our sector is an advanced and creative digital manufacturing industry focused on the export of high-value Australian digital goods and services. Our sector supports a highly-skilled workforce comprised of programmers, engineers, digital designers, multi-media artists, and AI and data

specialists, among other creative, technology and business roles. Outside of our industry, these are jobs that are high in demand within the ACT and especially across the government sector. For example, we know from the past that whenever an ACT games studio closed or relocated, many of their workers were immediately hired by the Defence Department and other related agencies.

### Critical need for strengthened ACT investment

We applaud the ACT Government's commitment to its creative sectors through artsACT and its investment to the local screen industry through Screen Canberra, which we value and have a strong relationship with.

However, we believe there is a growing gap between the funding and investment available in the ACT compared to the rest of Australia at a time when the Australian game development industry is poised for massive expansion. We fear this will not only lead to a lack of growth for the existing ACT industry, but a loss of the ACT's existing game development studios to NSW and other states.

We are deeply appreciative that video games remain eligible projects for artsACT's Arts Activity Fund. However, it is currently the only funding program provided by the ACT Government that we are aware of that video games are eligible for, and given that studios must compete with practically every other form of artist in applying for funding, it is not a reliable source of support for a fast-growing sector. Unfortunately, video games are ineligible for either of Screen Canberra's other two key funds, the CBR Screen Investment Fund or the 10% CBR Screen Attraction Fund.

This means that despite their huge economic and cultural potential, video games are currently treated at the same level of prioritisation as short films in terms of the availability of funding, rather than feature film and TV production. By contrast, the states are doubling down on their investment in their video game sectors. Not only do most state screen agencies offer dedicated games funding, but South Australia, Queensland and NSW have also now launched dedicated 10% digital game rebates (15% for Queensland), while the 10% Victorian Screen Incentive is available to games. These new initiatives, together with the federal Digital Games Tax Offset (DGTO) that will take effect imminently, are leading to a surge of growth in these states.

While we appreciate that the level of funding available in the ACT will never be able to match the funding available in the larger states, we have two simple and sustainable recommendations:

1. First, we recommend that the **10% Screen Attraction Fund** also be opened up to game projects in order to attract larger studios and more ambitious projects to the territory.
2. Second, we recommend that the **Screen Investment Fund** be opened up to games. It will ensure that it becomes a true 'screen' fund and can support the region's emerging studios.

Actioning these two recommendations will boost the ACT's growing games scene and send a signal to the rest of Australia and the world that Canberra is again a serious place to make games. Further, the very small size of the ACT's game development industry at present also means that we do not believe these reforms will put significant strain on funding for the foreseeable future.

Should you wish to further discuss our recommendations, please contact me at [ben@igea.net](mailto:ben@igea.net).

With regards

Ben Au  
Director, Policy & Government Affairs