

IGEA

interactive games & entertainment association

South Australia Government

Creating for the Future

January 2024

IGEA acknowledges and pays respect to the past and present Traditional Custodians and Elders of this land and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. We would like to extend our acknowledgments to the indigenous people from countries overseas & recognise their strength, wisdom and creativity.

Introduction & Overview

The Interactive Games & Entertainment Association (IGEA) welcomes the opportunity to provide a submission to Creating for the Future, a discussion paper to shape a long-term vision for the arts, culture and creative sector in South Australia (SA). Given the economic significance of the creative industries, and in particular the growing economic contributions of the SA video games industry, we welcome the SA Government's initiative to create a vision for the arts, culture and creative sector. Our submission addresses key questions posed by the discussion paper, highlighting how the Government can support the future of video game development in SA.

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 emerging independent studios to some of the largest technology companies in the world.

Artistic & Cultural Significance of Video Games

Video games and interactive entertainment are cultural and artistic outputs that in the past have been under-appreciated and under-recognised from a policy perspective, which has also been reflected in their omission from governmental research and data-gathering priorities. However, this is being rectified not only with the introduction of the federal Digital Games Tax Offset, but with increasing federal, state and territory funding and support for the video games industry. These are welcome investments and policy decisions for the video games industry, indicating an increased awareness of the culturally and artistically rich gaming industry, which has passed under the radar for many years.

Video games are a powerful way to promote a cultural dialogue, particularly through Australian game development. Australian games provide a unique showcase of local art and culture, and they deserve to be recognised and celebrated. Further, our research shows that 81 per cent of Australians are video game players and 94 per cent of Australian households having at least one device on which games are actively played,¹ pointing to the widespread popularity of video gaming in Australians' lives. The future of digital storytelling is ultimately one through games, presenting an influential and unavoidable artistic and cultural force. Embracing this future and putting the Australian video games industry on the map, should be a forefront consideration for policy makers.

Beyond the artistic and cultural significance of video games, in supporting local content, the video game industry is a significant contributor to the Australian digital economy. According to our data, video games are worth around \$4.21 billion annually in Australia,²

¹ [IGEA Australia Plays 2023 Report](#)

² ['Australians subscribe to video game growth' \(IGEA Media Release, 8 June 2023\).](#)

while Australian-made games brought in \$345.5 million in largely export revenue last year.³ Moreover, because the video game sector uniquely sits at the intersection of entertainment, the arts and technology, video game companies hire a wide range of artistic, technical and professional roles and are thus a wellspring of high-quality sustainable careers, and are an engine for growth in the Australian national economy. Indeed, Australian game developers are internationally renowned, and ours has the potential to be one of Australia's most important future growth industries and an integral component of the Australian Government's vision for Australia to be a top 20 digital economy and society by 2030.

Creating for the future

What do you most value about the arts, cultural and creative sector in South Australia?

Government support is greatly appreciated and valued by the video games industry; an industry traditionally overlooked by policy makers. SA was one of the first Australian states to offer a video games rebate,⁴ which has proven successful in attracting developers such as Keywords Studio (Tantalus South) and Big Ant Studios to establish studios in South Australia.⁵ With the government seeking to invest \$3.8 million per annum into the rebate by 2026-27,⁶ there is confidence in the SA Government to back the industry.

Whilst it is critical to continue to encourage and attract international and national gaming studios to SA, a vibrant and diverse video games industry also requires providing support to smaller video game businesses or 'indie' developers. Although the SA Video Games Rebate is a policy intended to build the local industry, the expenditure threshold of \$250,000 has made it difficult for smaller indie developers to access the support.⁷ As seen in other states such as Queensland⁸ and Victoria,⁹ grant-based funding is a key way to support, nurture and grow the existing indie scene, as well as retaining local talent. Grant-based funding for early-stage development will also align with federal government commitments under *Revive*, by matching funding provided by Screen Australia.

Grant-based funding would ensure studios have the proper support to pursue creative and innovative projects and participate in the wider video games ecosystem. We note that the South Australian Film Corporation (SAFC) devolves targeted grants for film projects. Similar grant programs for video game development in South Australia will ensure that local talent is retained and contributes to the state's arts, culture and innovation.

³ ['Aussie game developers pull in \\$345.5 million for the local economy' \(IGEA Media Release, 18 December 2023\).](#)

⁴ <https://dti.sa.gov.au/articles/game-on-rebate>

⁵ <https://dti.sa.gov.au/articles/it-s-play-on-for-the-games-sector-in-south-australia>

⁶ <https://dti.sa.gov.au/articles/it-s-play-on-for-the-games-sector-in-south-australia>

⁷ <https://next-play.com.au/video-games-are-growing-but-south-australian-developers-are-struggling-to-play-the-game/>

⁸ <https://screenqueensland.com.au/games/games-grants/>

⁹ <https://vicscreen.vic.gov.au/funding/games>

We recommend that a new cultural policy include greater targeted support for smaller indie game studios, including grant-based funding for video game development, to retain and grow the local industry.

Further, we note that the name SAFC no longer reflects the contemporary arts and culture industry developed by screen-based activities, not just film. As seen on a federal level and in all other states, SAFC should be renamed to reflect its role as an agency supporting the screen industry in totality (that is, film, television, games and more).

We recommend that a new cultural policy encompass a name change for the South Australia Film Corporation to better reflect the screen sector as a whole, and not just film.

What role do we want the arts, culture and creative sector in South Australia to play in a national and international context?

The local video games industry is not only an economic opportunity but an opportunity to capture and present local stories to national and international audiences. As content preferences change, video games are becoming an increasingly vital medium for Australian story-telling, providing a critical opportunity to expand local, national and international audiences for cultural experiences. With many locally made video games set in Australia, they offer a unique opportunity to celebrate local culture whilst providing significant export and economic benefits. For example, Big Ant Studios, which now has a branch in South Australia, developed *AFL 23*,¹⁰ bringing the quintessentially Australian sport to national and international players.

Further, ongoing support from the government is key to ensuring local studios can be put in front of international audiences. For example, last year SAFC supported several SA studios' attendance at the preeminent international video games conference, gamescom.¹¹ Government support in such circumstances ensures that international audiences and investors are exposed to SA video game art and culture, and local studios have access to overseas markets to connect with publishers and investors. Also, just as we celebrate the Australian movies and shows that find global success, locally made games promote Australia abroad and help to shape how the world sees us, with diverse impacts that can affect tourism, trade, and even international relations. Ultimately, investing and ongoing support for the SA video games industry is a powerful way to expand local, national and international audiences.

We believe financial support for SA studios to participate in international conferences such as gamescon is core to growing international audiences for the benefit of the local and national economy, and we advocate for ongoing support from SAFC to make this happen.

¹⁰ [AFL 23 | Great Games \(bigant.com\)](https://www.bigant.com.au/news/afl-23-great-games)

¹¹ <https://www.safilm.com.au/latest-news/sa-video-game-creatives-shine-at-gamescon-2023/>

Where can we use our strengths, history, size and scale to our advantage?

SA is now well positioned to attract further investment and grow the local video games industry and the broader interactive technology ecosystem. A healthy and sustainable video game ecosystem requires a variety of studios, from indies to national and international companies. This allows video game developers the ability to gain skills across the ecosystem and use their skills to contribute to the local development scene. To grow the video game development scene in South Australia, the government should consider incentives and projects to draw in larger scale studios.

Further, ensuring a sustainable video games sector in South Australia will assist in retaining young talent in the state. Video game development is a highly skilled, technology-driven digital goods and services export industry of the future. Video game development jobs are highly skilled, well-paid jobs that are attractive to young South Australians; supporting the sector means supporting young people to stay in the state and grow with the industry. Even further, video game development workers represent the jobs of the future, with highly transferable skills in digital and interactive technology that can be used across several industries, including education and defence.

We recommend the SA Government continue to support the SA Video Games Development Rebate and consider other incentives to draw in national and international studios to build the local ecosystem.

What aspects of arts, culture and creativity could only happen here?

Interest and recognition of the SA video games industry is growing, as reflected in the creation of SAGE - the South Australia Games Exhibition. In 2023, it was a one-day event that was hugely successful.¹² Extending to two days in 2024, SAGE presents an opportunity to put SA on the national and global radar. It is critical for the government to continue to support SAGE and even consider positioning it around other state games weeks, like Melbourne International Games Week, to maximise investment and attendance.

We recommend that video game events such as SAGE continue to receive government support and that specific event funding be considered to allow for the exhibition and recognition of the local video game industry.

What is your one big idea?

South Australia has the potential to be a significant video games hub. Creating a space or precinct dedicated to incubating video game projects can attract larger studios as well as allow smaller studios to establish themselves. A government supported video game development incubator would provide the local industry with significant support and resources to develop ideas, seek investment and grow business. An incubator or precinct creating spaces for smaller studios to start and expand their operations, as well as collaborate with other studios and partners, will catalyse and support the growth of the local video games industry, and broader creative industry.

¹² 2022-23 ANNUAL REPORT for the South Australian Film Corporation, Page 5-6