

Australian Video Games Industry Policy Platformer

Raising the Game

Executive Summary

February 2025

To help Australia to
reach its full potential as a
**serious global player in
the video games industry**

Our vision for the Australian video games industry



Australia has much to celebrate when it comes to video games.

Australians enjoy playing video games for many reasons, including fun, connection, challenge, de-stressing, and keeping the mind active.

Latest research shows:

- 81% of Australians play video games.
- Most Australian households have at least one device to play video games.
- 91% of parents play with their children to connect as a family.
- Contrary to stereotypes, almost half are women playing games.
- The average age of players is 35 years old.

The Australian video games industry not only provides entertainment to players across the world; it creates businesses and employment, inspires innovation and talent, while contributing to the Australian economy.

Our latest annual data shows:

- Australian-made games brought in \$339.1 million in largely export revenue.
- Australians spent \$4.4 billion on video games.

Australia can reach its full potential as a serious global player in the video games industry, beyond simply games.

We have welcomed the introduction of a 30% Digital Games Tax Offset (DGTO) through the support from all sides of government, along with additional state and territory backing, signalling a new era for the industry and laying a foundation for growth.

More can be done to match our willingness to buy and play games, and recover lost ground post GFC, by attracting investment in Australian game development.

With the global video games industry worth more than music and film industries combined, it makes good economic sense for Australia to replicate the success of the traditional screen sector for the Australian video games industry.

With this revenue and employment opportunity, supported by government, Australia can build momentum to create a thriving video games industry ecosystem.

With a looming Federal Election, there is no better time to open this conversation.

Key indicators of success for Australia to reach its full potential:

- **A thriving video games market involving responsible industry players** that operate under fit-for-purpose legal and regulatory frameworks.
- **Recognition that video games are one of the most popular, important and valid forms of entertainment for consumers.** People play games for many reasons including fun, enjoyment, connection, relaxation, education, health and creativity.
- **A vibrant, diverse and growing local games development industry,** comprising an ecosystem of both independent homegrown studios as well as high-investment international studios that develop games for Australia and global markets via a creative, highly trained, highly skilled, future-focused workforce.
- **Government policies at all levels that recognise the cultural and economic potential of video games development,** including grants and tax incentives to encourage creative activity, production and investment, with an educational and immigration system that allows and supports studios to find, attract and retain talent.
- **A regulatory environment that is built on best regulatory practice and good public policy design,** consistent with policy principles such as transparency, collaboration, practicality, proportionality, technology neutrality, fit-for-purpose and evidence-based policy. If well-designed, these will lead to productivity-enhancing and optimal outcomes and provide industry with a globally competitive edge.

Measures of success for any government, with an ambitious vision for the industry by 2030:

- \$1 billion a year in revenue
- Over 90% of revenue coming from overseas markets
- Mature digital export flows to Asian, North American and European regions
- 10,000 full-time game development workers
- Major game development precincts in Sydney, Melbourne, Brisbane and Adelaide
- Additional game development hubs in Perth, the Gold Coast, Hobart, Darwin and Canberra

How government can help the industry reach its full potential

Drive industry development through ongoing investment and trade

1 | *Build on the momentum for industry development, enabled via the DGTO.*

- Ensure that funding for the DGTO is maintained as a critical foundation for growing the industry.
- Increase funding for Australian video game development to \$25 million to address 'catch-up' investment.
- Expand funding to support smaller game developers with business training and skills-building initiatives.
- Support video game developers similarly to how screen content creators are supported.

2 | *Implement a fair tax system that encourages investment, rather than hinders.*

- Strengthen R&D tax incentives to better cover software and encourage game companies to invest in new technology.
- Expand payroll tax exemptions in Australia, particularly for small-to-medium-sized businesses.

- Reform corporate income tax to make Australia more competitive, as OECD data shows it has one of the highest rates among advanced economies.

3 | *Enhance opportunities in digital trade and exports.*

- Establish a unifying Australian brand statement for exporting video games overseas.
- Review Austrade's support for the games industry to aid growth overseas and invest in Australia.
- Review the Export Market Development Grants Scheme to help game developers to sell overseas and find investors.

4 | *Create opportunities for serious games in government.*

- Better integrate serious games into government to support critical and emerging technologies.

Boost talent pipeline for a sustainable industry

5 | *Immediately close the talent gap.*

- Friction-free migration policies to help studios attract overseas talent, especially experienced managers and specialists.
- Upskill the existing workforce to advance to mid and senior-level careers, through industry-led initiatives supported by the government for broad accessibility.
- Support policies that encourage studios to hire staff, like incentives and payroll tax exemptions.
- Introduce skilled visa pathways for video game industry workers.
- Continue investing in diversity initiatives to strengthen Australian game development talent.

6 | *Build a sustainable talent pipeline.*

- Continue investing in Science, Technology, Engineering, the Arts and Mathematics (STEAM) education programs that promote game development as a career pathway.
- Partner with industry and education providers to develop relevant training packages in game development.

Implement well-informed and designed regulation

7 | *Good public policy design and best practice regulation.*

- Cut unnecessary red tape in online regulations that hinder investment in Australia.
- Review regulations and regulators' performances, based on good public policy and best practices.

8 | *A modern classification scheme for video games.*

- Support ongoing reforms of the classification regime to keep it fit-for-purpose.

About IGEA

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 video game platforms, consoles and devices.

IGEA has over a hundred members, from emerging independent studios to some of the largest technology companies in the world.

Among our various activities, IGEA also organises the annual Games Connect Asia Pacific (GCAP) conference for Australian game developers and the Australian Game Developer Awards (AGDAs), which celebrate the best Australian-made games each year.

Find out more: www.igea.net

For more information, please contact IGEA's Policy Team at policy@igea.net

9 | *Support and promote online safety in video games.*

- Support collaboration amongst government, regulators and industry to promote online safety through community awareness initiatives.
- Support reforms to simplify the online safety regime to help service providers enhance user safety.

10 | *Constructive and consultative approach to intellectual property.*

- Ongoing government support to address gaps in copyright and IP protection for the games industry.

Acknowledgement of Country

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.

IGEA recognises that our work also extends across to the lands of Aotearoa, and recognise the strength, wisdom and creativity of the Māori and the Moriori people.

We extend our respects to all Indigenous people of countries where our members and stakeholders live and work.