



# SUPPORTING OUR VIDEOGAMES INDUSTRY

## Fostering creativity and new jobs

One of the world's fastest-growing industries

The videogames industry is the world's fastest-growing entertainment industry, and Australian talent is not being given the opportunity it needs to thrive. The Greens are strong supporters of Australian creative industries.

Every day millions of Australians turn to videogames for leisure, entertainment and education.

The videogames industry is the fastest-growing entertainment industry in the world. In Australia alone, this industry generates over \$2B in retail revenue<sup>1</sup> and is continuing to grow.

Australian-developed videogames like Fruit Ninja and Crossy Road now appear on countless mobile devices around the world. Whilst the emerging Australian games industry clearly has the talent and the motivation, it has been constrained by policy incoherence and neglect.

In April 2016 the Senate Environment and Communications Committee tabled a unanimous report<sup>2</sup> into the future of the games industry in Australia. It found a bright future for the industry and made an extensive series of recommendations in order to bring it about. The Greens were proud to initiate this inquiry, and this initiative draws largely on those recommendations.

### > BUILDING A THRIVING VIDEOGAMES INDUSTRY

Australia is a creative nation, and that creativity is no more evident than in our budding videogames industry.

The videogames industry is a massive asset to the Australian economy. It employs producers, designers, actors and marketers. It generates retail revenue, and it tells a powerful artistic story.

The Greens are committed to fostering talent in this field by investing in the areas that the Government has turned its back on.

In collaboration with industry, the previous Labor government initiated the Australian Interactive Games Fund (AIGF) in 2013, which was a major asset to the games industry which had been hit hard by the high Australian dollar and then the global financial crisis. This \$20M fund administered by Screen Australia helped new and upcoming games developers find their feet, allowing popular games to get off the ground<sup>3</sup>.

As part of Tony Abbott's devastating budget cuts from 2014, the Australian Interactive Games Fund was axed with only half the funds disbursed. Employment in the industry is now roughly half what it was before the global financial crisis<sup>4</sup>.

#### 1. Reintroduce the AIGF

The Greens are committed to funding this important creative industry, whilst fostering new talent and creating new jobs. The first step is to re-introduce the Australian Interactive Games Fund, following an evaluation to ensure that lessons learned in its brief first iteration are incorporated into a stable, long-term revolving fund.

This is estimated to cost \$20 million over the forward estimates, using a similar mix of small grants and loans as the original scheme.

#### 2. Extend the Producer Tax Offset

The Greens propose to extend the Producer Tax Offset<sup>5</sup> of 40% to videogame developers, to expand the coverage of this successful and widely understood offset to games studios for eligible projects. This is a refundable tax rebate for producers of Australian feature films and television, but it has never applied to developers of games. Extending it in this way has been estimated by the Parliamentary Budget Office to cost \$133 million over the forward estimates, and is probably the single most important initiative we could take for providing enduring confidence in the industry as an essential part of screen culture.

#### 3. Co-working spaces

The Greens propose to allocate \$5M over the forward estimates to assist in the development of creative co-working spaces. This would give new developers an independent space to work and create new content, encouraging entrepreneurship and innovation.

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The best example comes from the Arcade in Melbourne, funded in part by the Victorian Government<sup>6</sup>. The Arcade brings together exemplary talent from all quarters of the industry, and also fosters and mentors incoming developers, offers them employment and gives them avenues to realise their potential.

The Greens propose that this should also be administered through Screen Australia.

#### **4. Commonwealth support to promote diversity**

During the 2016 senate inquiry, the industry was forthright in its concerns that while the audience for games is extremely diverse, the industry workforce is heavily demographically skewed toward young males. A variety of strategies for promoting diversity were canvassed during various hearings of the committee, leading to a unanimous recommendation that any Commonwealth funding support such as the proposals addressed in this paper should be premised on pro-active developer strategies to improve the diversity of its workforce.

#### **5. Fix the NBN**

The industry recognises that its fortunes are tied to the rollout of a fast, universally accessible national broadband network. The Greens are strongly in favour of reversing the avoidable mistakes of the Abbott-Turnbull era and getting the NBN back on track to a Fibre to the Premises (FTTP) build. Our 2016 policy on the NBN can be found at <http://greens.org.au/nbn>

## **> BUDGET IMPLICATIONS**

This initiative has been costed by the parliamentary budget office, and is estimated to cost \$158M over 4 years, on a fiscal balance basis.

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<sup>1</sup> <http://www.igea.net/2016/03/infographic-total-value-of-the-australian-video-games-industry-in-australia-in-2015/>

<sup>2</sup> [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Video\\_game\\_industry/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Video_game_industry/Report)

<sup>3</sup> <http://www.screenaustralia.gov.au/new-directions/past-reviews/games-consult>

<sup>4</sup> <https://theconversation.com/sizing-up-the-future-for-australias-video-game-industry-54817>

<sup>5</sup> <http://www.screenaustralia.gov.au/funding-and-support/producer-offset>

<sup>6</sup> <http://thearcade.melbourne/>