



Australian Government



# **INTERACTIVE GAMES FUND CONSULTATION: NOTES FROM BRISBANE FORUM 17 December 2012**

Here's a snapshot of some of the thoughts, suggestions and opinions raised during the Brisbane public forum. The notes are pretty raw, and care should be taken in reading them out of context, but we hope they're useful – at least as a reminder for those who attended. If you feel that any important comments made during the forum have been misrepresented or would like to respond to any of these points, you can make your voice heard via the [online discussion board](#), or an email submission to [gamesfund@screenaustralia.gov.au](mailto:gamesfund@screenaustralia.gov.au).

Notes from the other public forums are also available via the [online discussion board](#).

## **Pre-production/prototype funding**

- R&D and experimental prototypes are important for the next generation of game developers/ critical for a sustainable industry
- Creation tools
- Games as cultural object space – not quite suitable for Australia Council for the Arts funding but not commercially viable as a mainstream product
- Prototype funding is critical but needs to be re-worded to reflect the above
- Innovative games engines/ technology can get commercialisation Australia funding
- R&D tax concession covers a part of prototyping
- Hole that isn't filled is from R&D to commercialisation
- No gap anymore – R&D tax incentive cover a broader range of development
- Prototype funding should be the lowest priority
- Difficult to assess
- Barrier to entry to create something is low – eg 48hr games
- Commercially oriented projects will build industry and keep talent in the country and these people will innovate
- Game industry is changing rapidly – don't know what will be mainstream/niche/experimental

## **What should be the application materials for production funding?**

- A playable demo is worth more than documents and trailers
- Playable should be the minimum requirement

## **Costs of development vs marketing and release**

- Marketing should be part of the business plan that is part of the assessment
- A marketing plan should be a prerequisite for funding
- Business creation skills including marketing are important to support
- Many free avenues for marketing assuming you have a quality product
- A successful marketing plan doesn't have to be expensive
- Time on marketing is not free; it costs money
- At the lower budget iOS level marketing is an ongoing process eg having a stand at PAX, making contacts with the press, transport and meeting costs
- Networking is an enterprise cost
- Marketing needs to be targeted well to avoid wasting resources
- Mentoring is needed in this space – people with experience in multiple channels, crowdfunding
- Mentorship, knowledge sharing etc is important for building a healthy ecosystem

## **Balance between Project Funding and Enterprise Funding**

- Projects funding excludes no one; should be 100% project funding
- Projects are the life blood of a company
- If you have a commercially successful enterprise you shouldn't take government money
- Funding should be for people in a precarious state
- Enterprise funding would enable a company to scale, to grow
- Balance between proving you need money but explaining why no one is giving it to you
- Balance between innovation vs commercial potential
- What lessons has Screen Australia learnt from Enterprise funding in the film industry?
- Lots of successful examples of film/tv companies that have received Enterprise funding. It has allowed companies to diversify and expand
- Will Enterprise have the same impact in the games sector given there is less funding?
- Successful companies are built on projects but also need ongoing marketing, data analytics expertise etc.
- Enterprise funding for small companies can give the fund the best bang for buck
- Building industry resilience – new ideas owned by locals is essential

## **Loans vs Grants**

- Third option is equity investment – invest in the projects, take an equity position in the project
- Non-recourse (soft) loans
- There should be a requirement for matched funding
- Repayment of loan could be means tested/dependent on the size of the funding given
- Should be a revolving fund

## **Eligibility thresholds**

- Could miss out on funding great ideas if we exclude entry level developers
- Enterprise funded companies could take on entry level developers
- Less experienced developers could partner with more experienced developers

## **Other**

- Don't want to over-finance games
- How many games can we fund?
- Don't want to limit number of games funded but can't assess thousands of applications
- Want diversity of slate – high end and lower budget games
- Should assess/fund as many projects as possible
- Recent graduates would be just below eligibility threshold for funding but they are essential for renewing the industry
- Federal New Enterprise Incentive Scheme – some successful game development businesses started on the NEIS program
- Matched funding
- Different types of possible eligibility criteria are possible, not limited to years in industry or number of credits
- Fund is a pilot program – can't be all things to all people, needs to be successful so it continues
- A funding stream dedicated to emerging talent would ease some of the industry's anxiety about the money going to companies that are already successful

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