Response to public consultation paper for a new National Cultural Policy

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Summary

This submission provides recommendations on the Australian Government's New National Cultural Policy, with a focus on Australia's videogame industry.

1. Current funding and support caters predominantly to a narrow slice of large-mid-size studios, where Australia's videogame industry is overwhelmingly made up of small studios, solo creators, and hobbyists.
2. Limited public funding, combined with the structure of private investment available to the sector, means that ambitious and culturally distinctive Australian games are systematically under-supported.
3. The next policy should respond with three specific measures: a baseline of public funding for games, a public co-investment and publishing vehicle that provides expertise as well as capital, and local content requirements for digital distribution platforms operating at scale in Australia.

About the authors

Dr Ben Egliston is a Senior Lecturer in Media and Communication at The University of Sydney. His research focuses on the political economy of the global videogame industries – the labour dynamics, business models, technologies, and wider institutional and economic forces that shape the sector. His current Australian Research Council DECRA Fellowship, *Paying and Playing: Assessing and Regulating Digital Games-as-a-Service* (DE240101275, 2024–2027), examines how new business models – particularly service-based monetisation – influence how games are designed, financed, consumed and regulated in Australia. He is the author of four books and more than forty peer-reviewed publications on games and digital media.

Professor Marcus Carter is a researcher in human-computer interaction at The University of Sydney, focusing on virtual reality, games and emerging technologies. He is currently leading an ARC Future Fellowship project on *The Monetisation of Children in the Digital Games* Industry (FT220100076, 2023-2027). His books include *Treacherous Play* (2022), *Fantasies of Virtual Reality* (2024) and *Game Studies: A Critical Introduction to the Field* (2026).

1. Cultural policy and the Australian games industry are misaligned

The Australian videogame industry is characterised by its heterogeneity – comprised of a handful of large and mid-sized studios alongside a much larger population of small ones.[1] The majority of practitioners work in studios of between two and ten people, alongside solo creators and hobbyists. This is not a marginal sector — games are among the most significant and fastest-

[1] Keogh, B. (2023). *The Videogame Industry Does Not Exist: Why We Should Think Beyond Commercial Game Production*. MIT Press.

growing parts of Australia's cultural and creative economy — yet public funding for them remains a fraction of that directed at film and television production. Several of Australia's most internationally successful cultural exports of the last decade are games (such as *Cult of the Lamb* and *Untitled Goose Game*), and many of these successes have been supported by federal and state funding schemes (and developed by small teams).

The mismatch between this structural reality of Australia's videogame industry and the design of public support is significant. The Digital Games Tax Offset — introduced under the 2023 Revive cultural policy — is the clearest example: welcome in principle, it nonetheless overwhelmingly benefits studios already large enough to meet its thresholds. For the solo creators, micro-studios and first-project gamemakers who make up much of the sector, it is largely inaccessible.

The narrow band of established mid-size studios that fit current funding settings is worth supporting, but it is not representative of the entire industry. Most of the cultural and commercial successes the sector is now celebrated for were made by people outside it.

2. Private investment is no substitute for government support

Funding shapes what kinds of games get made. Private investment does flow into the Australian games industry — from multinational publishers, venture capital firms, and other private investors — but it does not flow evenly, and it is not neutral about what it funds. It is available for some kinds of games and effectively unavailable for others.

Our recent research analyses a decade of corporate and financial investment into the Australian games industry (2015–2025) and identifies three patterns.[2] Investment is geographically concentrated in a handful of east-coast urban centres (Sydney, Melbourne, Brisbane); it is led by investors in North America and Asia; and it targets a narrow band of technology-aligned categories — live-service, blockchain, generative AI, immersive technology — rather than culturally distinctive work. The games most associated with Australia's international reputation are, in essence, not in scope of many investor priorities.

What private investment funds matters. Live-service models, microtransaction-driven free-to-play, loot boxes and cryptogames – which attract private investment – are design choices with implications for how games are made and played. They monetise player time and spending through ongoing transactions rather than one-off purchases, and they often incorporate mechanics — loot boxes in particular — that have attracted regulatory scrutiny[3] in several jurisdictions for their similarity to gambling (including where children are involved).[4] These models also presuppose

[2] Egliston, B. (2026). Innovation financing in the Australian video game industry. *Media International Australia*, *0*(0). DOI: 10.1177/1329878X251393564

[3] Carter, M., Zhangshao, T., Hardwick, T., Egliston, B., & Xiao, L. Y. (2025). Investigating mobile games' compliance with Australia's 2024 mandatory minimum age classifications scheme for gambling-like mechanics (SSRN Scholarly Paper No. 5543999). Social Science Research Network. https://doi.org/10.2139/ssrn.5543999

[4] Hardwick, T., Carter, M., Harkin, S., Zhangshao, T., & Egliston, B. (2025). "They're scamming me": How children experience and conceptualize harm in game monetization. In

particular production and distribution channels — platforms such as Steam, the App Store, the Play Store — each with its own design and commercial requirements. For example, our research shows that distribution in mobile app store marketplaces demands significant attention to user acquisition strategies and advertising spend.[5] These are elements of production which many of the developers we interviewed as part of our wider Australian Research Council funded research were ambivalent towards, expressing instead a desire to simply make games. To attract private investment is, in effect, to design for those platforms as much as for the player.

Public support, where it does exist, is also narrowly designed. Current public schemes engage developers only at the point of application and milestone reporting. But for small studios, much of the work that determines whether the next game gets made happens between projects: refining prototypes, finding publishers, building toward a new pitch, and so on. Our research finds that developers want forms of support that sit outside formal grant cycles — mentorship, advisory relationships, and continuity of engagement that does not depend on having a current production in progress.

3. Three recommendations

A baseline of federal investment proportionate to film

Many of the problems facing the Australian videogame industry will not be resolved without increased public support. The next National Cultural Policy should commit federal investment in games to a defined proportion of total federal, state and local screen funding. A baseline of ten per cent is reasonable on cultural and economic grounds, given current participation, employment and revenue figures.

A public co-investment and publishing vehicle

The investment patterns described above suggest that capital is not the only thing small Australian studios lack. They also lack access to the marketing, distribution, platform-negotiation, publishing and legal expertise that large international publishers provide as standard.

We recommend that government establish a public co-investment and publishing vehicle for Australian games — a tripartite arrangement among government, industry and sector organisations, providing both capital and the publishing and platform expertise small studios may not otherwise be able to access. Such a vehicle would complement, rather than duplicate, the role of existing screen and arts agencies.

Local content requirements on digital storefronts and live services

Contemporary games development is inseparable from a small set of international distribution infrastructures — Steam, the App Store, the Play Store and the consoles' first-party storefronts. If these are the unavoidable conditions under which Australian games are now made, distributed and played, the policy question is how to ensure that Australian creative work can

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Proceedings of the 2025 CHI Conference on Human Factors in Computing Systems (Article 130, pp. 1–14). Association for Computing Machinery. https://doi.org/10.1145/3706598.3713611

[5] Egliston, B., Hardwick, T.., and Carter, M. (2026, forthcoming). Mobile Games, digital advertising and circulation power: The case of playable ads. Platforms & Society.

happen, and remain visible, within them. International evidence, notably from Canada, indicates that without local content settings, national digital storefronts are dominated by international content, and domestic work is structurally disadvantaged regardless of its quality.[6]

We recommend that the next policy commit to developing local content requirements for digital storefronts operating in Australia, including prominence obligations for Australian work. The detail requires further policy work, but the principle — that the platforms through which Australians overwhelmingly access games carry obligations toward Australian cultural production — is well established in adjacent screen and broadcasting contexts and should be extended to games.

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CRICOS 00026A

[6] Nieborg, D. B., Young, C. J., & Joseph, D. (2020). App Imperialism: The Political Economy of the Canadian App Store. Social Media + Society, 6(2).