



Response to Towards a new National Cultural Policy

*Prepared by Liam Esler on behalf of Summerfall Studios
for the Office for the Arts
Sunday 24th May, 2026*

Overview

We are excited for the opportunity to respond to the consultation paper for the next National Cultural Policy, and provide our experience as recipients and beneficiaries of the national videogame policies and programs enacted as a result of *Revive: A place for every story, a story for every place*, the previous National Cultural Policy.

Since the introduction of the Digital Games Tax Offset and Screen Australia's return to funding games and supporting the games industry through a variety of programs, there have been significant benefits to Australian studios. We became a more competitive target for international investment, had multiple international publishers and developers start studios here, creating new jobs and opportunities for Australian game developers, and saw some truly stellar Australian videogames receive international acclaim.

During this period, however, the global videogames industry has experienced some of the most significant instability and volatility in its history. In some of the industry's most fiscally successful years ever, we also saw record-breaking layoffs, massively reduced funding opportunities through publishers and investors, and significant turmoil created by the proliferation of Large Learning Models (LLMs, colloquially known as AI).

In significant part due to fantastic support from the state and federal governments, through the Office for the Arts, state screen agencies, and Screen Australia, the Australian games industry has been able to weather these storms - but not without cost. We have seen the closure of studios, our own repeated layoffs, and significantly reduced international opportunities. Without government support, however, the

Australian industry could have been decimated much like it was almost two decades ago during the Global Financial Crisis of 2007-2009.

For Summerfall Studios, the DGTO as well as state and federal funding programs for games have been absolutely critical to our continued survival during this difficult period. Despite setbacks, we have persisted - like many Australian games studios - and are optimistic about the future of the Australian games industry.

To give context to what this period has been like and how the last National Cultural Policy as well as state funding programs have been of use to us, we have included the story of our journey so far, our wins and our setbacks, as honestly as we are able.

Our experience, and what we have learned in conversation with our peers and partners in Australia and internationally, lead to the recommendations for each of the 5 pillars of the next National Cultural Policy.

Among others, our core recommendations are:

- Make the DGTO more internationally competitive and easier to access for Australian game developers by removing the requirement for release, allowing annual claims, increasing the cap on director-employees to a more reasonable market rate, including marketing and community development roles as qualifying spend, and lowering the overall project budget requirement to \$250k
- Better scaffold the growth of 'mid-tier' (15-50 FTE) Australian studios through a self-sustaining fund providing multi-project, milestone-based soft loans of \$500k-\$1.5m, repayable through a % of revenue earned by the studio from those projects
- Incentivise the hiring and training of juniors through a dedicated national co-funding program informed by existing state models, mandating actual training time before a junior is expected to contribute materially to a project
- Create a program co-funding up-skilling, cross-skilling and discipline transition opportunities for mid-to-senior game developers

Our Story

Summerfall Studios started in 2018 with the goal of being one of the best places to work for in the industry, making character and narrative-driven games. It was founded by three of us: myself (Liam Esler), an experienced local with expertise

across narrative, production, and business; Elie Young, an events and talent professional from the music industry, and Canadian-born David Gaider, former lead writer of the famous *Dragon Age* franchise, who migrated to Australia through the Global Talent (Independent) visa program in 2021.



For our first project, we collaborated with acclaimed games composer Austin Wintory and voice actor/director Troy Baker, both living in LA, to create *Stray Gods: The Roleplaying Musical*. We were able to secure voice acting legend Laura Bailey to play our protagonist, Grace, and began to assemble an impressive voice cast. Thanks to VicScreen's and our own investment, in 2019 we ran a crowdfunding campaign and raised almost \$1m AUD, which then led to us securing a publishing partnership with Humble Games in 2022.

Over the course of *Stray Gods* and its DLC, *Stray Gods: Orpheus*, VicScreen invested \$425k through project grants. Leveraging that investment, we were able to secure over ~15x that amount in funding for the project, through crowdfunding (primarily from international sources) and international publisher investment.

Stray Gods and *Stray Gods: Orpheus* employed 25 FTE Australians, as well as 23 Australian contractors and service providers over that time period, in addition to (thanks to a grant from the Victorian Music Development Office) recording a majority of the soundtrack's orchestral instrumentals with Orchestra Victoria. A significant amount of our team came to us from non-games disciplines, including TV animation, video editing, content creation and more, and we were able to help them transition into the games industry. The majority are still in games or adjacent fields.

One notable program we ran during *Stray Gods* was the first iteration of our Juniors program. Supported through VicScreen's placement programs, we hired and trained 3 junior game developers across Narrative, Production and Engineering. We invested a great deal of time and resources in training and mentorship, with a slow on-ramp to 'productive' work. It was a hugely successful program, and we plan to replicate it whenever we can in the future.

During *Stray Gods: Orpheus*, we also transitioned to a 4-day work week, which we retain to this day and has been very successful for us.

Stray Gods was released in August 2023. Among others, it received a Grammy nomination (*Best Score Soundtrack for Video Games and Other Interactive Media*), a BAFTA nomination (*Debut Game*), a GLAAD award nomination (*Outstanding Video Game*), won *Best in Innovation* at the Games for Change Awards, won *Australian Game of the Year*, *Excellence in Music* and *Excellence in Accessibility* and was nominated for *Excellence in Art* and *Excellence in Narrative* at the Australian Game Development Awards, was a 2023 Tribeca Film Festival Selection, and received Honorable Mentions for *Excellence in Audio* and *Excellence in Narrative* at the Independent Games Festival Awards.

In June 2024 we released *Stray Gods: Orpheus*. Over its development, we were able to further upskill our diverse team of games professionals, giving critical leadership opportunities to many of our team members and allowing them to cross-skill.

Unannounced "Double-A" Title

With our DGTO refund from the development of *Stray Gods* and support from VicScreen, we went on to prototype and pitch a larger "Double-A" (AA) title, intended to enable Summerfall to scale to 50-60 FTE. While we were successful in reaching late stage conversations with several potential publishing partners, by the time our full gameplay prototype was ready for pitching, industry funding conditions had changed drastically, the budget range we were looking for became increasingly non-viable, and we were unable to secure funding.

Despite this, the feedback we received from publishers was both very helpful (with in-depth, qualified suggestions and feedback for areas we could improve) as well as heartening.



We made the difficult decision to put our unannounced AA project on ice, and with the remainder of our DGTO refund for *Stray Gods* and support from VicScreen, we pivoted our focus to a smaller title we could ship on a shorter timeline. This became our third release and second shipped game, *Malys*.

Taking on feedback from publishers we had received while pitching our previous title, we focused on building our expertise as a studio with gameplay systems design, and once more did our best to allow our team to cross-skill and gain experience across a broader range of areas. One highlight was supporting one of our seniors to transition into a wholly new discipline, hiring consultants and contractors to aid them as they learned a whole new skillset. In a sometimes volatile creative industry, allowing cross-skilling and career transitions feels like a deeply necessary function and again we hope to repeat this in the future wherever we can.

We were able to repeat our Juniors program with another VicScreen supported talent placement, this time focused on Marketing.

Throughout the project we sought additional investment, as we felt the game deserved more time than we were otherwise able to devote to it financially. We ran an unsuccessful crowdfunding campaign, falling 20% short of the finish line, and while again we reached late-stage conversations with two publishers, we were unable to secure additional investment. The funding environment had become increasingly difficult, with most publishers having to pause or heavily limit their investments due to their own struggles - and we were shipping into an extremely competitive market.

Through a combination of our own additional investment and unfortunately having to wrap up the contracts of and lay off multiple members of the team, we managed a pathway to release - we felt very passionately that everyone who worked on *Malys* deserved to have their work shipped.

Due to the DGTO's eligibility requirement for a project to ship within the previous financial year, we were forced to a public release during FY25 in order to ensure we could receive the DGTO refund in any remotely timely way, which the project financing required. This meant instead of working to a timeline that was focused on making the best game possible, we instead had to work towards a staggered release through the Early Access model and get the game into a publicly releasable state before the end of June 2025.

We self-published *Malys* into Early Access on Steam on June 26th, 2025, approximately 9 months from project inception, and released the finished title in October 2025 for a total 13 month development cycle. We learned exactly what we were looking to learn, and remain very proud of what we were able to achieve in such a short time period on such a comparably ambitious project.

Overall, *Malys* employed 16 FTE Australians over the course of the project, as well as 11 contractors and service providers.

Project Callisto

Building on the experience gained from *Malys*, we began work on another game concept, and were successful in receiving grant funding to bring it to prototype with a small team. We have been working on this since November 2025, and have interest from multiple publishing and funding partners.

It is another ambitious project, returning us closer to our Role-Playing Game roots while integrating everything we have learned over the past 8 years. We are working hard to build something innovative and exciting, and seek to once again grow as a studio and deliver a stellar, commercially successful and internationally recognised project.

Addendum

We feel the need to acknowledge the crucial role VicScreen has played in Summerfall Studios' journey and survival. Without VicScreen's support and the confidence instilled in us by the expert grant assessors of each funding round we have taken part in, we would not exist, and would certainly not have been able to take the creative and commercial risks that success in this industry requires.

On the challenges facing the Australian games industry

Our studio is one of many facing challenging market and funding conditions, amongst a bevy of other risks and realities. Summerfall has weathered some of the most difficult years in the industry to date, but without further support and changes to existing programs, like many others we face the very real risk of closure.

Over the next 5 years, some of the challenges we will collectively face include:

- The increasing consequences of the dearth of mid-sized (15-50 FTE) studios generally, leading to talent pipeline issues with fewer opportunities for juniors entering the industry, lack of growth of salaries and benefits due to lack of competition, and slower industry growth in general
- Tax offsets and grant programs in other countries becoming more and more competitive (such as New Zealand's Game Development Sector Rebate, Germany's Deutscher Games-Fonds, and Canada's Media Fund) reducing the advantage Australia's fantastic state and federal support lends to our industry - making it less likely international publishers and investors will prioritise Australian content
- The lack of Australian publishers and games investors continuing to ensure international publishers receive the bulk of financial success when a game does well, rather than that money flowing back into the Australian economy
- A volatile and competitive international funding environment, requiring significantly more capital investment in projects *before* funding partners can evaluate them due in order to de-risk
- Increasing expectations from publishers and investors for developers to create more larger games with decreasing budget sizes (as well as currency instability) forcing lower salaries and worse working conditions
- Issues along the talent pipeline, particularly on the industry side - increasingly limited budgets forcing the hire of mid-level talent instead of training juniors, placing high expectations on those trying to break in to have existing shipped work before they'll be considered for hire - a difficult catch 22
- Disadvantageous and sometimes even predatory publishing and investment deal terms due to perceived risk - we have already been seeing this over the past two years, but with competition for limited funding opportunities becoming heated, and the threat of global downturn looming, publishers and

investors will become more and more risk averse - both of which lead to deal terms that leave developers at a distinct disadvantage

- Lack of growth opportunities for senior game developers due to the lack of mid-sized studios and failures in staff retention leading to 'brain drain' as seniors are forced to move overseas or retrench to other industries in order to advance in their careers
- Marketplace visibility across all games distribution platforms is becoming harder and harder to achieve, requiring new and innovative approaches to marketing
- The proliferation of generative AI contributing to a loss of high-level expertise and skill, and even less opportunities for juniors

The Opportunity

As with any period of industry volatility, through the challenges we face we are also presented with a number of opportunities. Australian games talent has always been world-class, and given the right incentives and support, we could become a true international heavyweight on the scale of the Canadian, Swedish or Finnish industries.

Australian game studios generate over \$608 million in annual revenue, with 93% of that earned overseas – making games one of this country's most effective cultural exports. With support, we could over the next decade become a significant contributor to Australia's total export, reducing national dependence on industries like mining and coal.

By finding solutions to our current and future challenges, we will make a great deal of headway towards that goal.

National Cultural Policy Recommendations

Our recommendations are based primarily on our own experience, as well as conversations with other studios and individuals, screen agencies, international publishers and funding bodies.

First Nations First

As a studio led by those who are *not* First Nations, we believe that in order to truly support First Nations-led studios and game developers, policy must be created in direct, paid consultation with mob rather than suggested by those of us with no lived experience of the challenges and barriers First Nations people face in this country. This is not an area of our expertise, but we advocate:

- That any funds created to support First Nations-led, studios and projects must have First Nations people involved from their inception in, as well as in the determination of program goals and KPIs, funding decisions and ongoing administration
- The creation of a dedicated fund to support First Nations-led studios and projects, which face very different challenges and require very different support structures than other studios and projects - often starting with very little
- A commitment by government to hire, equitably pay and support First Nations consultants and program coordinators with game development experience, working with them towards long-term goals and commitments rather than short-term, one-off or cancelled funds and opportunities. We have often heard from First Nations game developers that they are often called upon to consult or provide opinions to government agencies, but are rarely paid for their time.

A Place for Every Story

Funding for games should match at least 10% that of film and video production

We hopefully do not need to belabor the point that the global videogame industry is larger than the television, film and music industries combined, or that it is one of the most engaged-with artistic mediums of our time based purely on consumption statistics.

Videogames have become a ubiquitous component of Australian life, embedded within the fabric of daily existence, played by the vast majority of Australians even if they don't necessarily think of themselves as 'gamers'. Gaming is becoming closer to reading, or watching a television show - a regular, unremarked upon activity almost all people engage in.

As pointed out in Freeplay's national games and play working group submission *A national cultural policy for games, play and interactive art*, according to ABS figures, in 2023-2024 games funding only represented 3% of the public funding film and video production receives, while our industry employs at least 10% of the total workforce of film and video production.

We echo Freeplay's call to increase federal funding for games to at least \$29m, to match 10% of the public funding directed towards film and video production.

Growing the 'missing middle' - scaffolding support for mid-tier studios

Right now, state agencies and the Screen Australia Games Production Fund help fund projects needing sub-500k in support, and the DGTO supports larger projects from studios that can afford to cover the financial gap between shipping, applying for and then receiving the DGTO refund, but there is little to support studios trying to scale - and thus we have a gap in the ecosystem: the 15-50 headcount studio.

In order to reach the quality and scope of prototype or vertical slice required by publishers for a mid-scale project (budgets of \$5-30m AUD), developers are now required to spend substantially more than they did even five years ago in order for their pitches to be seriously considered. Publishers require projects to be extremely de-risked, and will not take on the risk of an early stage project that has not been proven out.

Unlike in film, where pre-production can be very cost-effective, game developers must show they have solved a majority of production issues, which on mid-scale projects requires a larger team with a broad cross-disciplinary skillset. Where we could previously provide simple, gameplay-driven proofs-of-concept, our prototypes must now be virtually at the "vertical slice" stage, meaning they must represent the quality level of a small section of the finished game. These prototypes can easily cost the same amount of money as entire smaller projects, often more.

On top of that, building a multi-project portfolio is critical to the survival of mid-tier studios, and current grant programs do not well support the scale required or incentivise planning beyond the immediate project.

Our suggestion is a self-sustaining fund supporting multi-project, multi-year concessional loans of \$500k-\$1.5m for studios, repayable on the developer making revenue from those projects.

To apply, a studio would need to submit a 3-8 year strategy covering 2 or more projects, showing a clear throughline, market research, and thoughtful reasoning. This may include specific concepts for projects, but should be primarily focused on the higher-level business strategy rather than the individual titles (although studios must be able to prove through experience that they can ship and deliver high-quality projects). How will they scale? How will they hire? How will they market test? How will they handle production? These are the kinds of questions critical for assessment.

Loan payments would need to be milestone driven, tied to each agreed project, and would need to be flexible, under the expectation that even best-laid, brilliant plans rarely survive contact with reality.

This kind of structure, or something like it, would go a long way towards incentivising studios to grow and plan for the future.

Supporting local games publishers and investors

There are extremely few Australian games publishers and investors, meaning we must look overseas to fund projects, and if those projects are successful, only a limited percentage of that money can flow back into the Australian games industry and broader economy.

We recommend a fund targeting Australian publishers and investors who are partnering with Australian studios, matching a percentage of project investment up to a certain cap.

A national agency for games

The creation of a national agency specifically catering to the unique needs of the games industry should be a high priority. While it has made sense for games to sit under the screen umbrella previously, fundamentally game development has wildly different timelines, production requirements, and industry conditions. By placing games under the same umbrella as film and television, expectations from those industries are placed on us - which often do not apply, or apply in very different ways, proving damaging and difficult to untangle.

A national agency specifically for games, built and staffed by those with recent industry experience as well as deep experience of the local sector and international

funding environments would ensure games funding programs can be built from the ground up to be appropriate to us, rather than retrofitted from screen.

Centrality of the Artist

Co-funding junior placements and training

With few studios prepared or able to take on juniors and properly train them, due to increasingly limited budgets forcing the hire of mid-level talent rather than juniors, we will soon be facing an even more significant talent shortage than we already have.

We recommend incentivising the hiring and training of juniors through a dedicated national co-funding program informed by existing state models, mandating actual training time before a junior is expected to contribute materially on a project.

Our experiences with our own Juniors program, supported by VicScreen's placement program, allowed us to take the time to properly engage with and train new industry entrants and give them the time, feedback and support needed until they could begin to be productive members of the team.

We could not recommend this model highly enough and wherever possible will continue to employ it, provided we are able to.

Co-funding for up- and cross-skilling

In an industry increasingly moving towards the contract worker models employed by film, television and VFX, and in an era of smaller and tighter budgets, it can be difficult for companies to feel they can invest in the growth and development of their workers and contractors.

A small fund, accessible to both studios as co-funding (incentivising them to invest in their talent) and mid-to-senior individuals as grants (needing to up or cross-skill to remain in the industry) requiring a detailed plan and paid training or mentors would help to ensure workers get the opportunities they need to grow.

While we have aimed to provide these opportunities on each of our projects, on *Malys*, as mentioned above, we were able to support a senior individual cross-skill and transition into another discipline. It required us to hire consultants and additional assistance within the discipline, but it was well-worth it for both the individual and us as a business, gaining a skillset we had previously entirely lacked.

Targeted support for creative service providers

There are a wealth of talented creative service providers in the Australian games industry that regularly get overlooked for support, because they provide services across multiple projects in Australia and overseas. These workers and their businesses are often critical to support small-to-mid-sized studios and projects that cannot afford or do not need full-time assistance, and may not be eligible for incentives like the DGTO due to smaller budgets.

Art and programming outsourcers, audio providers, composers, writers and more often fall into this gap.

We advocate for a targeted grant program to support service providers build their businesses (including business skills training), and broadening access to any industrial development, up-skilling or cross-skilling grants to include service provider businesses.

Bring Australian talent back home

Over the past two decades, a huge amount of Australian games talent has been forced to relocate overseas due to a lack of senior roles and growth opportunities. Many would love to move back home given the opportunity, and some have expressed to us that they would love to start their own studios here in Australia if they had the support and opportunity.

A program to encourage Australian talent to return home could help these highly valuable and experienced game developers to make the call.

Our recommendation is a small fund providing relocation grants of up to \$15-20k for those highly experienced game developers looking to move back to Australia from overseas.

Fund the ABS to gather critical annual data about the games industry

Current and reliable data on the Australian games industry is remarkably hard to come by.

This has consistently been a problem both for industry and government, preventing us from having a clear picture of exactly what is going on, where support is needed, and what the specific impact of government programs on industry has been.

By allocating specific funding to the Australian Bureau of Statistics we can address this issue and ensure we have long-term, reliable data on our industry to inform future decisions.

Strong cultural infrastructure

Make the DGTO more accessible and internationally competitive

The DGTO has been a huge success, and critical to us as a studio - but it also has some pointed issues to address, and is becoming less and less competitive internationally.

The DGTO was built from the bones of the Producer Offset. This has benefits for government, but presents a number of challenges for game developers. The production and post-production timelines for film and television projects are a great deal shorter than the timeline for the average game, which is usually 3-6 years. A fairly typical mid-scale project in some ways, *Stray Gods* took 6 years to make end-to-end. If we had relied on the DGTO to assist in funding the development of the project - as is intended - we would not have been able to ship.

This delayed access to the DGTO represents a difficult challenge for developers, who must find ways to cashflow their projects – and there are shockingly few ways to do this unless you can do so out of your own pocket.

While making *Malys*, in order to ensure we were able to benefit from the DGTO (which was required to finance the project), we had to build our shipping timeline around EOFY - forcing us to prematurely release a game that suffered as a result.

It also makes it challenging for publishing partners and investors, who must either front the 30% themselves on the condition of repayment (which, to my knowledge, no publisher or funding partner has yet been willing to do) or require the developer to do so at their own expense. This can complicate the already complex evaluation and negotiation process for a publishing deal, which is already often a 6-12 month process. Anecdotally, we have heard of at least one larger-scale project which had a publishing deal fall through during evaluation primarily due to the structure of the DGTO, which was initially a significant draw for the publisher.

In addition, tax offsets in other countries are improving upon and exceeding the value of the DGTO, and this will only continue. New Zealand's Game Development

Sector Rebate, for example, while only 20%, is annual, not contingent upon release, and includes roles such as marketing and community development as qualifying spend. The UK's Video Games Expenditure Credits for Corporation Tax is also annual and not contingent on release.

On top of the 125 million euros Germany dispenses through Deutscher Games-Fonds annually as of 2026, the German government plans to introduce additional games tax incentives within the next few years.

While the DGTO is overall a fantastic program - point in case, Summerfall Studios would no longer exist without its benefit - in order to achieve the goals set for it, it requires some changes.

We recommend the following changes to the DGTO:

- Remove the requirement for release
- Allow annual claims, making the DGTO more accessible to developers as well as de-risking it for international funding partners
- Increase the cap on director-employees to a more reasonable market rate for a senior
- Lower the overall minimum budget requirement for Completion and Ongoing Development certificates to \$250k
- Lower the cap for the Porting certificate to \$100k - in its current form, the porting certificate is almost impossible for 90% of studios to apply for, as porting costs for most games usually sit at around \$100k per platform
- Include marketing and community development and public relations roles as qualifying spend

Fund Games Festivals and Events

The cancellation of the Games Festivals and Events Fund at Screen Australia was deeply unfortunate, resulting in the cancellation or reduction of a number of events, including Melbourne's famous Freeplay Festival.

Australia's games industry is in dire need of more events to bring together experienced game developers outside of Melbourne International Games Week, especially with the cancellation of SXSW Sydney.

Since the cancellation of the Games Festivals and Events fund, very few games events have been successfully funded through Screen Australia's combined Screen Industry Partnerships fund, with a clear preference for film and television.

We strongly advocate for the return of the games events fund at Screen Australia, or an increase in the amount of games events and festivals funded through the Screen Industry Partnerships Fund.

Ensure governance bodies and agencies making strategic or policy decisions about the games industry have games representation

Games is a unique industry with a significant amount of expertise to offer to the broader screen industry. We are also extremely poorly represented in spaces where strategic and/or policy decisions get made about our industry, especially at executive and board levels, leading to key organisations making unconscious assumptions that because we fall under the Screen umbrella, we operate the same way as an industry.

Ensuring game developers are represented at the decision-making and executive levels of governance bodies and screen agencies brings our industry's unique experience to the table, and also ensures a voice for game developers during key moments when it is necessary.

Engaging the audience

Targeted marketing grants

Visibility is becoming a critical issue for game developers as game distribution platforms are flooded with more and more content every year. As an export industry, it is critical Australian games gain international attention and audiences.

To assist with this, we recommend a fund with a two pronged approach:

- 1) Provide \$5-10k market research grants, intended to assist developers to conduct actual market research on their titles early in development, either in-house or with an Australian marketing service provider.
- 2) Targeted marketing support grants of \$15-50k for either pre-release activities or post-release support, focused on driving innovative marketing strategies, creating high-quality marketing assets such as trailers, or conducting paid ad campaigns.

National grants for export market travel support

One of the most critical things we have done for our success as an Australian studio is ensuring we go to events such as Gamescom, the Game Developers Conference, DICE, and other international events. The value of these trips increases with

repetition as relationships are established and grown, experience is shared, and friendships are born.

Being so far away from the majority of game publishers, investors and international studios, we are at a distinct disadvantage when it comes to building and establishing strong relationships – one of the most important elements to any successful business.

We have been very lucky to receive support from VicScreen and more recently Screen Australia to attend international events, and each time we have brought back intel that has proven invaluable and changed our approach as a studio or started valuable conversations with publishers, funding partners, and other studios. Every single one of our successes with reaching key points in funding conversations has been due to the building of relationships and trust over time through repeatedly meeting at international events.

We strongly advocate for rolling funding at the national level to allow Australian game studios and service providers to attend international events, allowing developers to make a case for the event they wish to attend, and acknowledging that travel and accommodation costs differ per region (eg. a \$5k grant might get you to a Japanese event, but a trip to Gamescom in Germany now costs closer to \$8-10k).

