Levelling up Locally: Growth Indicators for Games Businesses and Gamemakers in the City of Port Phillip
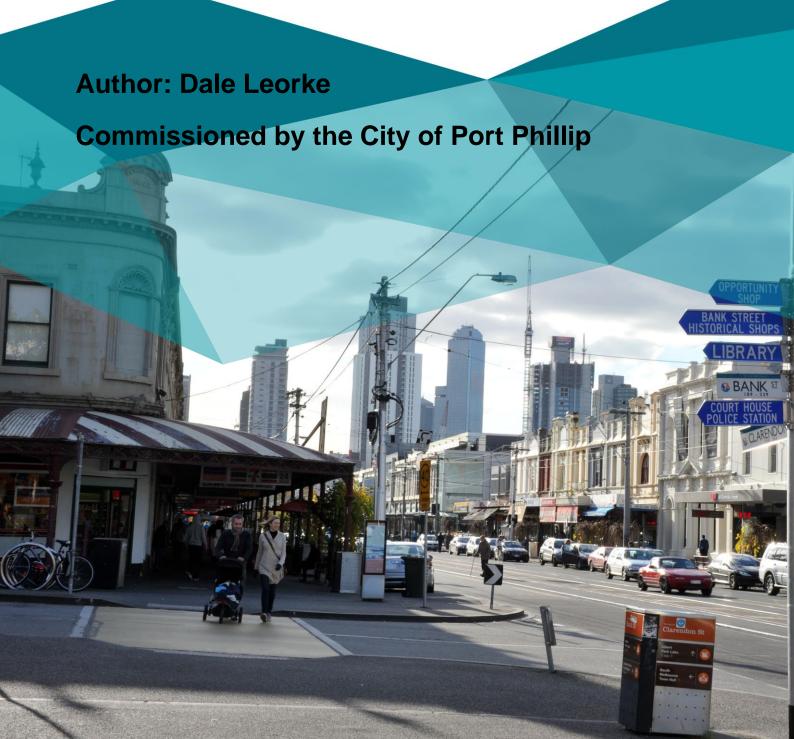
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1. Executive Summary

The City of Port Phillip's (CoPP) *Games Action Plan 2020-24* recognises game studios and games-aligned businesses as significant contributors to the City's economy and its cultural and artistic life. Over the next several years, the plan will allocate funding to initiatives that aim to attract gamemakers and games businesses to CoPP and to support their growth and expansion over time. This report draws on interviews with eight gamemakers from six different studios/collectives – most of whom are currently, or were previously, based in the CoPP area – to identify the key factors that enable gamemakers and games businesses to start up and grow over time. The findings from this research will establish key indicators for gamemakers' growth, highlight ways in which CoPP can support this growth, and serve as a benchmark for incorporating new data on CoPP's local games industry in future years.

Key Findings:

- Attracting funding and investment was the most prominent factor affecting the case studies' capacity to grow/scale. But all interviewees stated that achieving consistent, sustainable growth – rather than necessarily achieving rapid or exponential growth – was their key goal.
- Even small-scale or "micro-grants," such as subsidising workspace rental, providing free space and drinks for meetings and talks, or covering equipment costs – can make a substantial difference for startups and some established studios.
- International exposure is vital for Melbourne's independent game studios to scale up, particularly through international events or travel grants that connect gamemakers with global publishers and industry figures.
- Council can play a key role both helping game studios train and mentor game design degree graduates; and connecting game studios with non-games-aligned businesses, such as companies looking to create a game for their brand.
- The pandemic and related closure of the Arcade coworking space has forced game studios to relocate or shift to remote work. The next six-to-twelve months will be a crucial window for encouraging game studios to relocate or establish themselves within CoPP. Yet CoPP is just outside Melbourne CBD's boundary of convenience, so it will need to offer incentives, rent subsidies, or an appealing coworking space to accomplish this.

Recommendations:

1. Establish a coworking and/or hotdesking space in South Melbourne that is highly affordable and caters specifically to smaller and newer studios.
2. Offer easy-to-apply-for micro-grants that target both game studios and artist-gamemakers, such as subsidies to rent office space within CoPP or grants to cover costs like international travel, equipment, administrative staff, or hiring contractors.
3. Develop a paid mentorship program specifically for gamemakers that focuses on learning "soft skills" and navigating the complex ecology of grants and funding opportunities.

4. Organise an annual or semi-annual jobs expo and workshops focusing on resume/portfolio development and interview skills for the growing number of game design degree graduates in Melbourne seeking work.
5. Establish a network or business council focused on connecting gamemakers with non-games-aligned businesses and providing resources for corporations and NGOs to approach CoPP game studios and forge new business partnerships.

2. Background & Context

CoPP is a local government area (LGA) in Melbourne's inner south. It covers a land area of over 20km² and has a diverse population of over 112,000 people, one third of whom were born overseas. The creative industries are a vital component of CoPP's economy, accounting for about 35% of its economic activity.[1] In particular, CoPP is a key hub for digital games, animation, and interactive media development, where many gamemakers and studios, creative and digital service firms, and specialised film technology companies are based. In 2020, more than 75 active game studios and games-related businesses were estimated to be based in CoPP, although the COVID-19 pandemic has meant some of them have since shifted to remote work models.[2]

Recognising the economic and cultural contribution that games make to the municipality, the CoPP developed a *Games Action Plan 2020-24* to help make Port Phillip the "games capital of Victoria."[3] The *Games Action Plan* forms part of the council's wider *Art and Soul: Creative and Prosperous City Strategy 2018-2022*. It particularly helps meet two of this strategy's central goals: making CoPP "a prosperous City that connects and grows businesses"; and supporting "arts, culture and creative expression [as] part of everyday life."[4] This means that the plan aims to attract gamemakers and games businesses to CoPP and help them grow as a significant contributor to the City's economy. But, importantly, it also means recognising the artistic and cultural value that games bring by "supporting creative expression in our community and […] celebrating games and culture in our public places and precinct."[5] By recognising games as important economic and cultural pillars in CoPP, the *Games Action Plan* will support both *commercial* and *artistic* gamemakers through partnerships, advocacy, programming, events, and funding. These initiatives will help these gamemakers and their studios grow, connect with industry and cultural institutions such as libraries, and contribute to the City's creative and cultural life.

This report specifically addresses one of the key goals of the *Games Action Plan*, "supporting games businesses", which aims to "increase[…] the number of games and related creative industry businesses in Port Phillip, contributing to the local economy."[6] To fulfill this goal, Council has allocated funds from its *Creative and Prosperous City Strategy* to "develop baseline metrics for games businesses through consultation and advocacy, as well as develop attraction and retention actions for games businesses." To achieve this, Council has commissioned research that involves interviewing local gamemakers and the managers of game studios and collectives currently or previously based in CoPP. This research will identify and analyse their growth patterns, identify their key investment streams, and determine what key factors and drivers led them to start up and grow

over time. The findings from this research will establish key indicators for growth, highlight ways in which CoPP can contribute to or support this growth, and serve as a benchmark for incorporating new data on CoPP's local games industry in future years.

The digital games industry increasingly attracts government funding at the national and state levels, especially since it now surpasses film, music, and sport as the most lucrative entertainment industry.[7] Funding games at the local government level is less widespread, but CoPP is not the only LGA exploring ways to support local gamemakers. The City of Helsinki, for example, has partnered with the E.U.-funded Baltic Game Industry project to similarly develop a games action plan. Helsinki experienced a period of "hyper growth" between 2011 and 2015, reaching over 100 game studios, several of which have become top-performing studios globally. The plan aims to help sustain expansion across the sector as this growth spurt passes by streamlining access to funding schemes for struggling studios, partnering with industry to promote Helsinki as a games hub, and running events to attract new talent.[8]

Elsewhere, Montréal saw its number of game studios increase by 42% between 2015 and 2022, reaching over 200 studios, largely through subsidies like a tax credit that covers approximately a third of labour costs.[9] Research also shows that supporting local game-related festivals, installations, activations, and exhibitions can significantly boost local businesses. In 2018, for example, a large city-funded *Pokémon GO* street festival in Yokosuka, Japan, released ¥1.5b (approx. AU$19.4m) into the local economy over several days.[10] These examples show that local government investment in games, from small-scale programs to cross-regional partnerships and city-wide subsidies, can produce strong benefits for both the municipality's economic development and its cultural life.

3. Data Gathered & Methods Used

For this report, I interviewed eight gamemakers from six different game studios or collectives. These are outlined in the next section, **Case Studies.** I conducted the interviews either in person or online via Zoom, and recorded and transcribed them. The interviews lasted between twenty and ninety minutes, although most were approximately forty minutes. I used a semi-structured approach, which meant following a schedule of questions across the interviews, while also allowing interviewees to diverge and raise relevant issues or topics.

I shared the quotes from the transcript used in this report with the interviewees so they could approve and/or edit the quotes for accuracy. I also asked interviewees whether they preferred the comments to be attributed to them or to be anonymised. Only one interviewee requested anonymity. Because this interviewee shared a workspace with another of the interviewees, I created pseudonyms for both these interviewees and their studios to ensure they could not easily be identified. After conducting and transcribing the interviews, I used thematic coding to identify key themes, issues, and trends that emerged across the interviews. This analysis identified five overarching factors recurring across the case studies which influenced how studios/collectives were able to start up and scale up over time. These are outlined in the **Findings** section of this report.

When selecting potential interviewees and case studies, I took the following four criteria into account, giving equal consideration to each:

1. **Connection with CoPP:** A majority of interviewees and/or the studios they belong to should currently or have previously lived and/or worked in the CoPP municipality
2. **Diversity:** Interviewees and/or the studios they belong to should be diverse in terms of gender and race, reflecting CoPP's demographics as closely as possible
3. **Size:** Case studies should represent a mix of different sizes and stages of growth, from small startups (two or more employees/members) to medium-sized businesses (deemed to be over twelve employees)
4. **Business model:** Case studies should represent a mix of business models and approaches to gamemaking, from independent/artistic gamemakers to larger commercial studios making "AAA" (big-budget, mainstream) games

The case studies in this report most successfully met criteria 1 and 3. Five of the seven case studies had **strong connections** with CoPP. One was currently based there, while four had previously resided at the Arcade, a coworking space situated within CoPP, over several years. By the time the Arcade closed in early 2022, they had all either relocated their office space to another municipality outside CoPP or shifted to remote work.[11] The other case study had a tenuous connection with CoPP, having exhibited their work within the municipality. The case studies also varied in terms of **size**. They ranged from an artist-gamemaker duo, to established independent studios and new startups, to medium- and large-sized studios with employees based interstate and overseas.

The interviewees and case studies were reasonably **diverse**. Three out of seven interviewees were women, and two interviewees were people of colour. One medium-sized studio of over twenty employees had achieved gender parity across its staff and leadership team. The case studies' **business model** was less mixed: all were independent game studios or games service businesses. As a result, the report's findings are skewed towards independent, rather than larger AAA, studios. This sample reflects the current games industry in Melbourne, however, which is mostly comprised of independent studios and startups making "indie" games for smartphones and digital distribution platforms.[12] A final note on the makeup of case studies is that emphasis of this report was to analyse how game studios grow and scale up in a commercial sense. However, reflecting the *Games Action Plan*'s focus on both the economic and *cultural/artistic* value of games, I explicitly sought to include at least one non-commercial, artist-gamemaker case study to ensure this aspect of gamemaking was also reflected in the findings.

4. Case Studies

Drew Anders (Fathom Entertainment)*

Drew Anders is the co-founder and Managing Director of Fathom Entertainment, which has published eight games, predominantly on console and PC. Fathom Entertainment currently has

around eleven full time employees and will likely grow to fourteen within the next year. Early on, the studio's founding team moved into the Arcade, where they were based until its closure in early 2022. They then teamed up with fellow Arcade occupants Revolution Games to co-rent office space in Melbourne's CBD, where they currently reside. Anders has also taught game development at universities. As well as working on their own projects, Fathom Entertainment has done contract work for other companies and game developers, such as creating custom service games, co-developing games, and "porting" existing games to other platforms.

Rowan Gee (Revolution Games)*

Rowan Gee is the co-founder and Managing Director of Revolution Games, which he established in partnership with the lead writer on a prominent international game series. Revolution Games began with them and around five contractors, two of whom became full time. It now consists of eleven full time staff, which will soon scale to sixteen. Their first game will launch in 2023. With that game's launch the studio plans to scale up to thirty full time staff. Revolution Games were previously based in the Arcade, but following its closure moved into an office space in Melbourne's CBD with Fathom Entertainment. Gee has previously worked for the Game Developer's Association of Australia (GDAA) and for several years ran Games Connect Asia Pacific as well as the Australian party of the Game Developer's Conference in San Francisco. These connections and his international work experience were formative in attracting top international talent and Film Victoria funding for Revolution Games' first project.

Helen Kwok & Chad Toprak (artist-gamemaker duo)

Helen Kwok and Chad Toprak are an artist-gamemaker duo who create playful installations, experimental games, and public play activations. Kwok is a multimedia artist and designer with a background as a digital designer who relocated from Perth to Melbourne in 2019 to study games and animation at RMIT. Toprak studied game design at RMIT and is an experimental game designer, independent curator, and outgoing director of the Freeplay Independent Games Festival. Kwok and Toprak have collaborated over the past two years to create playful installations for public spaces. Recent examples of their work include *Street Tape Games*, which reworks traditional street games for COVID-19 social distancing; and *Make A Creature*, an interactive animated reworking of Surrealist game Exquisite Corpse for NGV. Their work is wholly funded by government, festival and arts organisation grants and commissions, some of which have included City of Melbourne, Moreland City Council, Bunjil Place, and Australia Council for the Arts.

Clara Reeves (Hipster Whale) & Giselle Rosman (Hipster Whale/Big Ant Studios/Keywords Studios/Game Developers Association of Australia)

Clara Reeves is the CEO of Hipster Whale, which was founded in 2014 by Andy Sum and Matt Hall shortly before releasing the enormously successful smartphone game *Crossy Road*. Reeves's

background is in fine art and programming and she previously worked at various game studios, traditional publishing companies and at Film Victoria before joining Hipster Whale in 2016. Since then, Hipster Whale has grown from three to thirty employees and signed publishing deals with Disney, Apple and Bandai Namco Entertainment. Hipster Whale's founders worked from home before moving into the Arcade, where they shared an office with another studio. In late 2019 Hipster Whale left the Arcade and rented numerous coworking spaces before taking on a lease for its own office space in Melbourne's CBD.

Giselle Rosman is a prominent figure in the Melbourne games industry and wears many hats. She is currently Office Integration Manager at Irish videogame services company Keywords Studios, which recently opened a headquarters in Melbourne. Previously she worked for Hipster Whale for four years as a Business Administrator and as a recruitment agent for sports game company Big Ant Studios for three years. She is also Director of the Melbourne chapter of the International Game Developer's Association (IGDA), running monthly meetups for game developers, acting as site coordinator for the Global Game Jam, and being closely involved in the Arcade coworking space.

Neil Rennison (Tin Man Games)

Neil Rennison is the founder and Creative Director of Tin Man Games and the CEO of Steel Sky Productions. His background is in 3D modelling, and he worked for a games company and then as a freelancer designer creating racing tracks in the U.K. In 2008 he moved to Australia and founded Tin Man. Tin Man has published dozens of games across most platforms, typically self-publishing rather than signing with a publisher, so their income stream is primarily sales from across their library of games. The studio has tended to remain at around 10-12 full time staff, scaling up or down with projects and contracts. They worked remotely before moving into the Arcade as one of its inaugural tenants when the space opened in 2014. Tin Man left the Arcade before its closure, during the pandemic, largely because the expense did not justify Tin Man remaining there. Tin Man has now returned to working remotely. Steel Sky Productions, meanwhile, was licenced to create a digital version of the tabletop game franchise *Warhammer Underworlds* for PC.

Pat Toohey (Millipede)

Pat Toohey is the General Manager of Millipede, a creative technology and innovation agency that makes mobile games and apps for clients ranging from business and government to non-profits and artists. Examples of Millipede's work include *Our Special Island*, a global play-based learning app created with assistance from the Department of Trade and Foreign Affairs to encourage healthy eating, *64 Ways of Being*, an augmented reality game funded by Creative Victoria, *Dumb Ways to Die 2*, a popular mobile game created for Metro Trains Melbourne to promote safe behaviours, and *Run that Town* for the Australian Bureau of Statistics, a town planning simulation that uses census data. Millipede was established in 2005 and in 2014 was acquired by AKQA, an international strategic design and communications agency. Millipede currently has about twenty full-time employees and is located in South Melbourne. They moved there after being acquired by AKQA,

sharing one floor of an office building with AKQA's Melbourne studio of about one hundred and fifty staff. Previously they were based in Richmond. Toohey joined Millipede soon after its founding.

* These interviewee and studio names have been anonymised

5. Findings

There are five key factors that inform how gamemakers are able to start up and grow which recurred across the case studies. They had varying levels of impact on each, but all repeatedly came up as factors that allowed the studios or collectives they worked for to take on new projects, hire new staff or contractors, and/or reach milestones in their growth. They were: attracting and sustaining **funding and investment**; achieving **international exposure**; having access to **networking opportunities and mentors**; learning **"soft skills"**; and the attributes of the **workspace and geographic location** in which they worked.

5.1 Funding and Investment

> The potential to attract external funding and investment was, unsurprisingly, the biggest factor in both commercial studios' and artist-gamemakers' capacity to start up and scale up. The interviews revealed three key findings relating to this process. First, the case studies all received funding and investment from a range of sources, and for most this consisted of a **mix of both private and public sources**. These ranged from local, state, and national government grants or partnerships to publisher investment, contract work for international corporations and other game studios, and even direct investment from larger Australian game studios. Second, in almost all the case studies, the studio or collective's key goal was to achieve **sustainable funding and/or growth**, not necessarily to grow larger. Lastly, most interviewees indicated that **even small-scale or "micro grants" can be valuable** and help support gamemakers to grow and scale up, especially during their early startup phase.

A Mixed Funding Ecology

Millipede most embodies the complex blend of public/private funding sources that the case studies described. As a services agency owned by AKQA, but retaining its own brand name and identity, Millipede's commissions might come from companies seeking to create a game advertising their brand, not-for-profit organisations creating play-based learning games for disadvantaged communities or regions, or government agencies like Creative Victoria or DFAT. Millipede was the only case study to have been acquired by a larger company, and Pat Toohey identifies this as a key milestone in Millipede's growth. He says, "that helped in a number of ways. It allowed us to delegate the administration and operations side of business to a parent company. It's given us access to the

kinds of scale and disciplines and thoughtful resources that [AKQA provide]." Toohey says that access to AKQA's team and its global reach expanded Millipede's "skill sets, our design and technology approach, our diversity of people and perspectives" – including having achieved gender parity across Millipede's staff and leadership team.

Hipster Whale received some tax offsets, but government grants did not play a role in their funding model. For other studios, like Fathom Entertainment and Revolution Games, funding from government agencies like Film Victoria (now VicSreen) was important early on, but has become increasingly less so as they attract investment from publishers. Fathom Entertainment's Drew Anders says government funding has "become less and less of the budget. Maybe initially it was like fifty per cent of the money […] now it's five per cent of our budgets, maybe less." Anders adds that the kind of games they make it "hard to pitch our work [to government], because we're not big art with a capital A, and we're not big corporate, we can't come to them and be like, 'if you support this game with half a million dollars […] then we'll be fifty people in two years. You'll get us across that line.' We've shipped enough games to know that not all of them make money."

Revolution Games, meanwhile, received a substantial grant from Film Victoria for their first game, whose success co-founder Rowan Gee partially attributes to his experience working with GDAA and learning the grants application process. Revolution Games then signed with a major international publisher. Gee describes this approach as "unusual" compared with other startups:

> A huge part of our strategy was that we wanted to have a project that's going to be loud. So we happened across people who just happened to have very big profiles due to my connections and [my co-founder's] history. Also the fact that I had worked with Film Victoria for a while with the GDAA. So I understood how it works, what they were looking for, I have advised a lot of people on their submissions for various grant projects for a long time. So I was able together a very convincing application, and through my networks I was able to find an investor.

Fathom Entertainment, in contrast, have followed a more conventional trajectory. Anders says that while their games to date have achieved modest success, at times Fathom has struggled to finance projects. So they took on various contracts with other organisations and game studios. As well as providing income, this enabled them to "improve pedigree of production across the board." It helped to demonstrate that "we're not this scrappy team anymore, we're actually serious developers, and we know what we're doing in these areas." This enabled them to scale up and hire more staff, but also meant they had to pursue more projects to pay for them. As a result, "we spread ourselves too thin across too many small things, not enough big things. We tried doing two projects at once and that didn't really work. Two major projects. And that happened during [COVID-19] lockdown," Anders says. "It was always an uphill battle to bring in more by shipping more titles, or by getting some sort of government grant to roll into this next thing, or taking on a contract." Their most recent game, however, brought in their biggest external funding so far through investment from an international publisher.

Tin Man Games has similarly received grants to finance many of their projects, including from Film Victoria, Creative Victoria, and VicScreen. They have largely self-published their games rather than

signing with a publisher, although they have received investment from Sony and Meta. Rennison also notes that at times, Tin Man has also received "private investment from other game developers that are wealthier than us [laughs], and want to share the love. They either want to do it just because they want to help the industry, or see they see potential in the game we're making and just want to invest their money in videogames." These have all been Australian game companies: "that comes back to this community that we have, and this spirit that we have here."

Gamemaker-artists Helen Kwok and Chad Toprak, meanwhile, rely almost solely on grants and commissions from governments and public institutions to support their work. Echoing Anders' earlier comments, Kwok and Toprak's work – combining games and art – struggles even more to fit into conventional games funding models. Toprak says, "the trouble that Helen and I face is that although the things we make, we would probably consider to be games or, or playful, game-like experiences, a lot of the support and funding that we get unfortunately doesn't come from games funding or games support networks or infrastructure. We often rely on arts grants and arts funding, instead."

Sustainable Funding & Growth

Intriguingly, all of the interviewees stated that achieving consistent, sustainable growth – rather than necessarily achieving rapid or exponential growth – was their key goal and/or challenge. Toohey says that sustainable growth has "always been the goal. We exist to create meaningful, playful experiences that deliver unique value […] while we've tried lots of different things, for the last seven or eight years we've been pretty clear about what it is we're about" and a key imperative for Millipede is expanding on a stable business model capable of realising their core vision. This focus on long-term stability and longevity extends to Millipede's partnerships and client relationships. Toohey says, "across all our work we prefer to [work with] clients who align with our values as a company, and who are looking to ideally create digital products that have a long life and that are designed to be in market reaching people and being available for those people to play or use or learn."

Hipster Whale's Clara Reeves notes that the studio remained "lean" during its first few years, working with external developers before eventually hiring new full-time employees as the studio branched out into different projects. She says, "grow, grow, grow isn't always the answer. You have to hopefully have a purpose for that growth, and a plan and a strategy for what [new employees] will do. As an independent company, there are probably more options than a public company in that regard, like what the directors wanted to do with this company." She says Hipster Whale will likely settle with its current team of thirty staff for the time being before embarking on any further substantial recruitment.

Anders similarly says that "'massive company' has never been a goal. It's finding a sustainable way to do what we do now without freaking out all the time about money and freaking out all the time about whether my staff are happy. Making [sure] everyone's life is good – money would always go towards that kind of stuff. Making sure we're doing things well and training people well." Rennison echoes this sentiment, saying that releasing a successful game helps to "keep everybody employed and keep things sustainable." Gee also says "not all is money," but ties this sentiment more explicitly to Revolution Games' bold strategy:

So for our first project, for example […] we would love it to make money. But that's not its purpose, its purpose is to be loud and to make a really big impact, so that that gives us additional leverage in future conversations with publishers. So we're now beginning to work on our second project, and that second project will be doubling the size of the studio. We'll be learning a series of new pipelines that we haven't really explored before in preparation of another project. So we basically have a series of rough gates that we're moving through.

Some interviewees attributed the importance of sustainable growth to the general precariousness of the games industry, where uncertainty and risk make it difficult to project future growth. Anders' comments above about his studios' "uphill battle to bring in more by shipping more titles, or by getting some sort of government grant to roll into this next thing, or taking on a contract" capture this struggle. Rennison similarly says, "when you're making a game, I call it posh horse racing, you're basically putting all your money onto a bunch of horses to run in. You do your best, but it's a big risk." Rennison says that cost factors like rent can stack up and lead to difficult decisions. Tin Man had been based in the Arcade since its founding, but when a major game project they published was not as commercially successful as expected, Tin Man downscaled and relocated to smaller office in the Arcade. But lockdowns meant that space was often inaccessible. And, as discussed in **Workplace and Geographic Location**, below, the Arcade's second location was less effectively designed. This sequence of events has ultimately led to Tin Man reverting to a remote work model indefinitely.

Artist-gamemaker duo Kwok and Toprak perhaps captured this struggle the most eloquently, particularly because the games they make are not commercial or designed to make a profit. They rely on a continual stream of government grants and commissions to pay them for their work, often juggling multiple projects simultaneously while pursuing new funding opportunities. Toprak says, "it's been a very busy two years for us. We've received grants from councils, from state government, both local and international opportunities. That's been great. But despite all of that, we're still finding it hard to reach financial sustainability. A big fear for us is that the moment we stop hustling and stop seeking out these opportunities, we have no income." For Toprak and Kwok, the best way out of this short-term funding loop is to secure funding for "longer term projects that also come with a much larger scale budget. That way, we can focus on less projects."

Another alternative model that Kwok mentions are grants that support "creative development," which gives artists time to prototype and explore ideas, rather than necessarily produce outcomes. She and Toprak received City of Melbourne Annual Arts, and Creative Victoria Sustaining Creative Workers, grants. These grants focus on creative development rather than project outcomes, and Kwok says, "to have that time and space without that pressure of delivering something at the end of it, to just learn new skills and develop our practice" is invaluable. Toprak adds, "another thing that we find is that sometimes it can be hard for us to take risks and try new things on the job when we're working on a grant, or a project for a client. So we're often hitting walls when it comes to our technical know-how, or methods, or approaches. We always say, 'it'd be really nice if we had the time and space to just tinker and experiment and learn. It's really hard to find that while also being paid" through most grants and commissions – particularly games grants, which are heavily focused on commercial outcomes like product sales.

The Power of "Micro-grants"

Most of the interviewees described even small-scale grants which helped to cover costs like equipment and administration, enabled them to hire short-term contractors, or subsidised their rental costs – what Gee calls "micro-grants" – are valuable to them. As Toohey put it, "any kind of relevant support" can be valuable to help scale up projects and teams, "it doesn't have to be big things or major capital expenditure." He specifically mentions Millipede's not-for-profit projects, like the Creative Victoria-funded augmented reality app *64 Ways of Being* (co-created with academic-artist-gamemaker Troy Innocent and street performance group one step at a time like this), which Council could invest in to achieve wider community impact. He says, "we have other projects like [*64 Ways*], which are important products that we want to develop ourselves, because we see real value in them." *Our Special Island*, an app that encourages healthy eating for South Pacific children, is one of these types of projects where "any kind of relevant support", from direct "monetary" investment to "connecting us with governmental functions or business interest, that can be supportive […] with the ongoing promotion and development of that game, for example [is] super helpful."

Other interviewees mentioned even more direct, pragmatic ways micro-grants can make a substantial difference. As noted in the previous section, the cost of renting a space in the Arcade coupled with less than expected sales of a major project meant Tin Man shifted to remote working. Rennison says of the risk-taking nature of gamemaking, "rent is obviously quite a big factor in that. If you can shave ten, twenty, grand off that, that's the difference between twenty grand of marketing for your game when it comes out, which might just [boost] those sales which make it successful."

Anders and Gee, meanwhile, both mentioned micro-grants that cover equipment costs, administrative staff, and rent subsidies as beneficial for them and other similar-sized studios. Gee says,

> City of Melbourne's small business grants were having an effect for some studios in helping them buy infrastructure and software and stuff like that […] that has helped a number of studios expand and get the tech and hardware that they need in order to function. That's the most successful local government program that I've seen. Office space is probably the only other big consideration that I think local government can really assist with, [aside from] having a full time role dedicated to helping studios in various ways.

Anders says that grants to help Fathom Entertainment hire administrative staff to handle office management, accounting, and other business-related tasks would free up him and his co-founder for other work. He also notes there's simply "no money to pay for things" like fixing broken equipment.

For artist-gamemakers like Kwok and Toprak, micro-grants could specifically help them cover additional costs for existing projects that would otherwise come from their own fees. For instance, they sometimes collaborate with other artists and designers, but typically only on projects that required expertise that they do not have, like music, sound design or high-level programming knowledge. Toprak points out, though, that also meant there was "less money left over for us as well, because we're having to pay some of grant money that we received" to them. Kwok adds, "it's really important that we do pay others fairly, according to industry rates." Micro-grants that top up existing

projects and cover the cost of hiring collaborators or contractors could mitigate this, in turn providing additional income and training for emerging artist-gamemakers.

Hipster Whale's Clara Reeves was the only interviewee who did not identify micro-grants as valuable for her studio. She says, "I think with any grant there's a time and cost benefit question you ask yourself and for any smaller grants it's just not there for us. The admin to do those things is not [feasible]. I think the more general federal tax offsets are really the things that make a difference for us." Reeves' comments suggest that there is a threshold that studios reach where micro-grants are no longer worth the time and would not make a substantial difference to their bottom line. As the largest case study in this report – having reached over thirty employees and made major international publishing deals – Hipster Whale has passed this threshold.

5.2 International Exposure

Although Australia already has a strong gamemaking community with global reach, in order to be commercially successful **studios need to achieve international exposure to scale up**. Of the five case studies that are commercial studios, Fathom, Hipster Whale, Revolution, and Tin Man had signed substantial deals with prominent international publishers, while the other, Millipede, had been acquired by an international firm. International networking events, like conferences and expos, are the best way to achieve this exposure, although **the connections made at these events often pay off in the longer, rather than shorter, term**. International exposure is also valuable for artist-gamemakers, but it **can also be a downside if they are unable to get grants to support their international travel.**

Gee captures the need for Australian gamemakers to network and engage internationally when he says, "there's not a lot that we can do within Australia, and from a money perspective, we just don't have the infrastructure. Investors in Australia – traditional investors, even software investors – don't have a sophisticated understanding of the risk involved with games, so that they will not enter into it, because it's seen as too risky. And they're right in comparison to the kinds of bets they normally make. That makes it very, very hard."

International events and conferences are the most important venues for studios to establish international contacts and grab the attention of big publishers. Anders describes how crucial these were for Fathom signing a deal with their current publisher:

I'd go to GDC, PAX Aus or America, if we did a booth somewhere I'd usually disappear from our booth and […] organise meetings on the side. I realised pretty quickly that even if people [move from one company to another], if we don't sign a deal [immediately], we'll sign a deal later […] we'll eventually end up working together. Our publisher now are people I met in 2014 at our first PAX […] but we didn't sign with them for eight years. The timing just wasn't right. So it was doing events, meeting people, learning

the industry, and trying to get a network. So when we were pitching this game around, I just had a long list of people I could send emails to.

Although Millipede tends to work with Australian organisations and brands, Toohey also says that international exposure and networking is vital for Millipede's growth. "In terms of our strategy and where we want to go, increasingly working on an international stage is important to us […] accessing opportunity on a global level is definitely one of the things that's up there near the top of my list."

Establishing connections internationally is also important for artist-gamemakers like Kwok and Toprak. Toprak says that travelling as a PhD student in 2013-2014, using scholarship funds alongside university travel funding to present at and attend conferences and events, strongly influenced his practice. He says, "I was very fortunate to have engaged with international game making communities. That was a huge learning experience for me as well, just attending other festivals and other events and hearing from other developers, getting to know other communities really helps with both my own gamemaking practice, but also all the other kinds of stuff that I do on the side," like running the Freeplay Independent Games Festival.

But unlike the other interviewees, the focus on international engagement can also have drawbacks for Kwok and Toprak. "Unfortunately in Australia, we kind of live in a society where you're taken more seriously when you've had a bit of international exposure and you're celebrated internationally." While organisations like VicScreen do have travel grants for gamemakers, "they've always been for approved conferences or festivals. The list of those festivals has been rather limited in the past […] mostly commercial. Things like GDC, PAX, more like trade- and business-oriented outlets. Whereas, there's festivals like A MAZE in Berlin, or Now Play This in London [that are] a lot more aligned with what Helen and I do. Those have never been on the approved list of activities." Toprak acknowledges this may change with VicScreen's new structure. But his comments show that even grants to fund gamemakers' international travel can be geared towards established commercial studios rather than independent gamemaker-artists, as is the case with games funding in general.

5.3 Networking and Mentorship

Aside from international networking, interviewees described local networking and mentorship programs as having varying degrees of value for them in scaling up. These discussions identified three areas for action. First, **following the pandemic local networking has been slow to resume** and many of the old avenues for networking have not fully restarted. Second, **job expos and training programs focused on recent graduates with game design degrees** could help both the graduates themselves and game studios who are hiring them. Lastly, **a network or business council focused on connecting gamemakers with non-games-aligned businesses** – especially those not already working with games – could spur new partnerships and growth.

Reconnecting Post-Covid

Aside from international networking, local networking and mentorship programs remained important for the case studies, particularly as ways to recruit and train new staff and attract investment. However there was a strong sense that they have taken a backseat during the last two years of Covid lockdowns and had yet to pick up again. Toohey, for example, says that while Millipede has been engaged with networking events in the past, particularly GCAP and PAX, the last two years of the pandemic have reduced opportunities to connect with the wider gamemaking community. He says,

> we're going to need to build out and reach out more. So that's something the CoPP can think about supporting, community events that bring gamemakers and sectors that are seeking to innovate together, and publicising it. From our point of view, gamemaking is not something that occurs in a silo – we make games that are connected to our immediate world, that impact specific human needs across diverse experience domains and sectors of activity. So there's real value in being connected to our local area and what other companies and industries are doing, with the opportunity for us to apply a creative or playful design lens to help solve their challenges.

Hipster Whale's Reeves says "we're probably a bit more targeted about what exactly we want to do." Echoing Anders' earlier comments about networking at international events, she says "we always do continue to network, but it's more thinking ten years in the future, like, 'let's meet interesting people' and maybe in ten years, we'll be like, 'remember that person, we should work together?' We're thinking more like that, rather than go[ing] to this market to try and drum up business."

Most the interviewees had engaged in, and/or were currently engaged in, networking events and mentorship programs – sometimes simultaneously as mentors and mentees. Anders, for example, is both a mentor and mentee under IGEA's mentorship program, and he also regularly attends monthly meetups organised by the director of IGDA's Melbourne chapter, Giselle Rosman. Kwok specifically mentioned a paid mentorship with NAVA (National Association for the Visual Arts), "where I was paired with another, more established based in Melbourne […] both the mentor and the mentee got paid for their time." She is currently undertaking an Emerging Creative Leaders Program mentorship from Footscray Community Arts Centre, which involves fortnightly workshops. She says, without these "my journey working independently and making games and art wouldn't have been as smooth." At the same time, mentorships have also taken a hit following the pandemic. Rennison has run internships at Tin Man, but with their shift to remote working he says, "I did warn the developer, 'I'm not going to be able to give you the kind of attention that we normally would,' just because the way it was set up" through online interactions.

Training/Preparing Games Degree Graduates

Aside from the overall general benefits that local/national networking events and mentorship programs bring, Anders and Rosman both identified a need for programs specifically targeted at training recent game design graduates. For Rosman, the large number of students graduating and seeking work who need guidance is one of the biggest challenges currently facing Melbourne's games industry. She says,

> there's a bunch of junior talent that needs a bit of direction now and then, but can do the job. But the thing is, it needs a bit of direction, and we haven't got enough "directors". My recent experience in hiring, it's like, I'd love to take on all these junior graphic artists and programmers, but unless I have someone to support them they're just going to fail.

Rosman comes from an events management background running open days at universities. Drawing on this experience, she sees potential for local councils and organisations to facilitate connections with games businesses through a job expo and workshops on resume and portfolio development. She gives the example of working as a recruiter for sports game company Big Ant, where job applicants often submitted sample artwork of fantasy creatures or guns. She says, "we make sports games. Have you ever considered [submitting] a tennis racket?" She acknowledges that "juniors are still going to struggle and this is the eternal problem," but with more skilled graduates than there are jobs available, very specific, practical advice like this can "give them an opportunity to know what to aim for."

Such training initiatives and programs could benefit games studios as well, not just graduates. Anders, for example, notes that

> one of the big problems with hiring graduates is that training is impossible, because we weren't seniors. We don't have hierarchy to train new people. So if I wanted to hire two new artists today, as great as our art director is, he's only as good as me, and he's been doing it for less than the time I have. We don't have that level of structure in place. There's a couple of scaffolding things we need to do with the business that money would allow us to do and growth will allow us to achieve.

Connecting Games Studios with Non-games-aligned Businesses

All the case studies benefited from networking events that brought together gamemakers and other games-aligned stakeholders. But some interviewees also specifically mentioned that events or initiatives that connected them with *non*-games-aligned businesses – particularly those that had not previously considered tapping into the games industry – would be valuable for them.

This is particularly the case for Millipede. As a "B2B [business-to-business] company" that creates games for clients across the private and public sectors, Toohey says that Council can play a role in connecting Millipede and other similar service agencies with new business, who may in turn hire them to make a game for their brand, or another creative project. He says,

> So CoPP, having an awareness of who we are and what we do, and perhaps having roles on that council that are dedicated to looking out for opportunities to connect businesses […] is of value […] I would like to see CoPP creating and supporting a network, a business council for example, with a forward-looking focus centred on gamemaking, digital innovation, education and storytelling, that multiple business sectors can contribute to, learn from, and ideally spark new partnerships, projects and commercial activity. This is the kind of activity that can become part of CoPP's standard operations […] it could differentiate CoPP as a Council that is able to innovate and promote the Port Phillip area as a meaningful base for creative industries and playful commercial endeavour.

Rennison similarly mentions that Council could play a role in hosting events "that give us exposure, really. Exposure, not on a public level, more on a more on an investment level, because there's a lot of people in Australia with a lot of money to burn. And they just don't know that the games industry is there potentially is a really good option for them." He says, "I think as a local government, if there's a way to say, 'here's a warehouse, it's not being used, let's run an event where we invite all these investors and we will give it to you for free for a weekend or week or whatever. Get all the games companies, give them a table.'"

5.4 "Soft Skills"

> Several interviewees mentioned programs and mentors who taught them "soft skills" – such as time management, writing a budget or grant, completing tax forms, negotiating funding, or phrasing emails – as **vital turning points in their career and capacity to scale up**.

Kwok mentions City of Melbourne's Test Sites public arts development program and the Emerging Creative Leaders program at Footscray Community Arts as formative for the development of her current public space-focused work. These provided her with funding for her work – but just as importantly it also provided her, as an emerging artist coming from a more design-oriented background, with the "soft skills" that allowed her to work independently as an artist.

When I ask Kwok for examples of these skills, she gives an extensive list: "managing time, how do you produce a project from start to finish? […] how do you budget for a project? How do you bring a team together? How do you pay artists who work with you, what are the rates? […] How do you write an invoice? How do you manage your own sole trader business, like doing taxes? And just general things like project management, managing of your own time, communication – how do you communicate with different types of people who have different communication styles? What do you do when people don't respond to you? And general things, like negotiation […] the power dynamics between independent artists and working with larger organisations, how to stand up for yourself as an emerging artist and stay firm with your rights and not just say yes to every request." Kwok says, "those are the things that aren't taught at unis. Unis focus so much on technical or conceptual skills, they don't teach you how to run your own small business, work as a sole trader. So learning those soft skills at the very beginning stage of my career was really, really useful."

Although they did not specifically use the term "soft skills," several other interviewees also underscored the importance of learning professional skills or entrepreneurial skills that allowed them to scale up their business or practice and navigate the complex ecology of funding models outlined above. Anders, for example, describes learning "small stuff" like how to create production timelines as "invaluable knowledge" for early career gamemakers.

5.5 Workspace and Geographic Location

Melbourne is already a major games development hub, home to over 50% of Australia's games revenue and studios.[13] Beyond this fact, gamemakers' physical workspace and its geographic location within Melbourne had varying levels of impact on the case studies' capacity to grow. Two overarching themes around this topic emerged across the interviews.

First, four of the six case studies had previously been based in the Arcade coworking space. Their experiences working there showed that shared working environments can **create opportunities for collaboration, networking, and knowledge sharing** between different gamemakers. This crucially allowed them to both scale up and expand their skillset and knowledge. But importantly, they also identified **key issues with the Arcade's layout and location that inhibited this potential**.

Second, when it came to renting an office space, most of the interviewees identified **affordability and proximity to Melbourne's CBD** as key factors that informed, or would inform, choice of location. Because their employees often gravitated towards Melbourne's inner northern suburbs, CoPP's distance slightly outside of the CBD means **Council would have to offer incentives and/or an attractive coworking space** to lure new gamemakers to the municipality.

The Arcade's Benefits and Shortcomings

The Arcade opened in 2013, first at a building on City Road, before relocating to a different building on King's Way. It then went on an indefinite "hiatus" in early 2022 when the lease for its second location expired and a new location had not been found. The general consensus among interviewees who were based in the Arcade was that it brought considerable benefits to them. But most also noted that it did not live up to its full potential and that its second site was not as conducive to networking and collaboration as the first one had been.

The potential to meet and work, both formally and informally, with other similar-sized games studios was the strongest benefit of working in the Arcade that interviewees identified. As Anders says, "the biggest value a combined space can offer is forcing people to talk to each other through proximity." Several interviewees mentioned that as well as meeting and swapping notes with other game studios, the Arcade's hotdesking model – where specialist games-aligned workers with specific skills, like quality assurance or trailer design, would rent a desk – was particularly beneficial. They could hire these workers for temporary, or what Anders calls "seasonal", work. Rennison even describes meeting his current closest colleague as a hotdesker at the Arcade before bringing him into Tin Man full-time: "that relationship would not have grown without the Arcade."

As well as exchanging advice with other studios, Rennison also mentions a more direct knowledge exchange he described as "offline technology sharing." He and other studios would occasionally

share technical knowledge, which would collectively help improve their games' visuals, running performance, or any factor that could help elevate the game in some way. Rennison says,

> when you have so many developers working on so many games that run on different platforms, with their own technical hurdles, it really helps to have someone around that might have faced the problems you've been dealing with. When you've got lots of people doing the same thing in the same space you can lean on each other to collectively be better.

Having a large number of games studios clustered in one place was another major advantage of the Arcade. Several interviewees described it as being a "one stop shop" for visiting publishers and games industry people. Rennison says "one of the benefits of the arcade as well is that during Games Week, the Sony PlayStation people want to come to the arcade and they want to meet everybody. They've got limited time, they've flown out to Australia, they're here for three or four days. Seeing ten of the main Victorian developers in one afternoon, it's a win-win for everybody." Rosman similarly says, "People world around go, 'Wow the indie games scene in Melbourne is great. So if I went to Melbourne, where would I find them?' And you could go, 'you'd find them right here.'" This was a drawcard for the Arcade's residents, since they were likely top of the list for visiting publishers. But Rosman also points out the downside of this for non-Arcade occupants. "The Arcade always got first bite of the apple for guests and visitors, so anyone not in there could potentially feel alienated."

Anders and Rennison both noted that the Arcade's second location was not as successful as its first. Rennison in particular says that the aforementioned opportunities for meeting hotdeskers, socialising with other studios, and helping each other out, "were still there, but I would say less than half as effective. It was really tricky. It became a little bit more of 'them and us' rather than a 'we.' […] because you wouldn't see those people [as often], that organic kind of thing just started to fall by the wayside." This was largely because the building size and layout meant that studios on one floor or side of the building would seldom, or never, come across each other. Anders emphasised the importance of choosing a location that was not too big, and also of filling it with similar-sized studios – ideally no larger than approximately fifteen employees each – so that the bigger studios did not have "too much of their own culture" that dominated. He says, "small teams, young teams, benefit from this kind of environment the most."

Rosman similarly says that the Arcade model, while valuable in its own right, did not always cater to studios at different stages of development. Putting aside the pandemic, which contributed to the Arcade's decision to close indefinitely, she says "it was supposed to evolve, like, Hipster Whale is supposed to move out, and people are supposed to level up into their own spaces because they can afford it, and then the smaller studios can have the subsidised spaces. But the trouble was, it was an expensive place to rent. You did it because you wanted to, rather than because it was a good value proposition." Hipster Whale moved out of the Arcade before the pandemic, and Reeves reaffirms that the studio simply outgrew the space: "the Arcade sort of changed what it was and we had probably changed what we were. We also found that we needed a bit more flexibility at that time, we weren't sure how big our team was going to be." Hipster Whale moved between various coworking spaces before renting their own office space in the CBD, where they currently reside.

The Arcade was also not particularly successful at engaging non-commercial gamemakers and artists. Kwok and Toprak have attended talks at the Arcade and hosted a board game night there through Freeplay. But as artist-gamemakers, Toprak says, "to me the Arcade is very commercial and business-focused. I'd love to see that change when/if they find a new space […] it would be great if other councils could hear about *Games Action Plan* so other councils can start adapting and incorporating that into their ways of thinking and funding. I think it's important that artist-gamemakers don't get left out of the picture. That's been a huge challenge for me almost all of my career […] that challenge of finding suitable grants or funding opportunities and finding suitable avenues of displaying or exhibiting the work."

The Arcade's abrupt closure left its remaining occupants, like Fathom and Revolution, largely to find their own way. Gee says, "we were companies that need physical space, we had projects that were coming up, and they were going to go through periods where production necessity required us to be in a safe space. So we knew early on that we would be we'd have to move." Gee could foresee that Arcade would not be able to find a new space once their lease expired – especially having been through the grants process himself – and decided that "this is not going to work for us, unfortunately and that we would have to go find our own space."

Anders concurs, adding the Arcade's managers had originally signalled that it would move to a new location, but abruptly announced they were instead going on "hiatus". "They didn't have a redundancy in place it you wanted to move [with them], they didn't go like, 'if you need to put your stuff in storage here's the storage companies you can use. If you need to get servers temporarily here's [an option].' There wasn't a solution in place because they didn't need one last time," when the Arcade last moved from one location within CoPP to another. "It's not the same people or company that ran [the Arcade] when it moved last time. And that also caused problems, because there's lost knowledge of how to do the move and how long it took."

City of Port Phillip versus Melbourne's CBD

The key criteria for most interviewees when choosing a suburb or area to work in are affordability and proximity to Melbourne's CBD. Although the sample size for this report is small, there was strong empirical and anecdotal evidence that the employees of Melbourne's game studios overwhelmingly live in Melbourne's northern suburbs, like Brunswick. Rennison captures this sentiment when he says, "a lot of game developers, [including] a lot of my staff, they are all in the north. They all love their coffees in Brunswick." After the Arcade's closure, Fathom and Revolution pooled their resources together to find an office together. Gee says,

> Being in the CBD was not something I initially wanted. I live in the northern suburbs […] but we did an internal study to see where the optimum places for offices would be given the spread of our employees, because we're pretty well spread. As a result, the CBD was the only area that didn't require someone to come in an additional twenty to thirty minutes a day. […] the natural decision was to sort of move here, because almost anywhere else was going to be prohibitive, it would be a step down from where we were. I don't love the CBD, but nobody can say it's inconvenient.

This skew towards Melbourne's north and the CBD's position as a convenient nexus for workers to come into put South Melbourne and CoPP's other suburbs outside this point of convenience for most studios. Anders says CoPP is "not convenient for anyone really, unless it's really on the edge near the [CBD]. The old Arcade we always felt was on the edge of convenient, just over the edge," because it took an additional fifteen minutes to reach after getting into the CBD. Rosman similarly says, "it's fifteen minutes out of the CBD. I come from [an outer suburb], so by the time I'm into the city circle [line], I'm like, 'how much further?'" Hipster Whale gravitated towards coworking spaces in the CBD after leaving the Arcade because, as Reeves says, "being in the middle of the city was pretty important to us, just for transport for people who wanted to come in."

This shows that CoPP would need to offer strong incentives in order to encourage gamemakers to relocate or establish themselves in the municipality. Nonetheless, there was strong interest from most interviewees currently based outside the municipality to move there if these incentives were offered. In most cases, this came down to rent subsidies. As noted in the **Funding and Investment** section above, savings on rental costs can make a big difference to gamemakers' bottom line. Rosman says, "you can't charge the same [in CoPP as the CBD], even if it's a better space […] the market becomes more geographic once you've once you're not straddling the city center." But, she adds, "there is certainly a market for it, not all game developers live in Brunswick" – yet it must be a viable proposition for them.

Rennison, for example, was open to moving Tin Man back to in-person work for the right price. He says, "if somebody came to me tomorrow and said, 'we can give you this place to rent, subsidised,' I'd probably bite their hands off, because I need people in an office. But I need it cost effective." Anders was more circumspect, given that he and Gee had just invested heavily in a multi-year lease on their current office. He says, "in the absolute short term you would have to pay for the breaking of our lease, as well as our fibre connection which is going to cost us like twenty grand across four years […] after that, we'd have to weight up what the commute costs us."

Rennison also noted that this possibility might be time-sensitive, as with the Arcade's closure and the pandemic's lingering impact many gamemakers were still remote working. The next six to twelve months were likely going to be a crucial window for Council to attract game developers to the City through either a coworking space like the Arcade or rent subsidies. Rennison says, "in six to twelve months' time we might have all gone and got somewhere. We might not be in the CoPP, we might be scattered to wherever we found the cheapest place." Reeves, for example, indicated that Hipster Whale was now well established in its central location in the CBD and would be unlikely to relocate again any time soon.

Rosman indicated that another way CoPP could attract gamemakers on a more temporary basis was through networking events held in South Melbourne. Again, this would have to overcome the additional time that people are being asked to travel to get there. She says, "South Melbourne, we can do things there, if you have a space that you want to fill once a month with game developers, like a lecture space where you can have drinks is the ideal space." She says that having talks, workshops, or masterclasses combined with an opportunity for socialising is the best way to attract

gamemakers to industry events – particularly students and emerging gamemakers. Similarly, Toprak's comments above showed that he and Kwok would be inclined to attend events in CoPP if there was space like the Arcade that also caters towards non-commercial artist-gamemakers.

Millipede have been based in South Melbourne in the CoPP municipality for the past eight years, but this was because they joined AKQA's office there after their acquisition. Toohey points out that the location has advantages, but also that these are not particularly unique. "Historically there's been value in us being central, and CoPP is central in some of the same ways that other inner city council areas are also central. So there is value in that because it provides a locus for people to come in from different directions." He also mentions the range of places to eat and socialise, as well as the Royal Botanical Gardens across the road from Millipede's office building, as particular advantages.

6. Recommendations

Recommendation 1: Establish a coworking and/or hotdesking space in South Melbourne

One of the strongest ways Council could attract and support gamemakers is by establishing a long-term coworking and/or hotdesking space in South Melbourne that is highly affordable, smaller than the Arcade, and caters specifically to smaller and/or newer studios. Not all of the interviewees in this report specifically stated they would move into this type of space. But most indicated that it was valuable for them during the early stages of their development. Several (e.g. Anders, Kwok & Toprak, Rennison) could potentially be inclined to relocate there in future if it helped their practice and/or the cost-versus-benefit calculation suited them.

Based on the findings of this report, there are several factors that Council should take into account in establishing this space:

- **Size relative to occupants:** The Arcade, particularly its second location, was too large overall and its occupants too dispersed to effectively and consistently cultivate socialising and knowledge sharing. Valuable social interaction and knowledge exchange still occurred, but was often inhibited by these factors. It is not possible to put a "cap" on the size of studios in a coworking space or predetermine the overall building size. But a building that accommodates a range of smaller studios – with between two and *approximately* ten employees each – would be most effective. These studios will primarily be new and emerging, although more established studios with slow, relatively stable growth will also be ideal targets. A coworking space targeted at smaller and emerging studios, rather than trying to accommodate larger studios of varying sizes, would be the most beneficial and valuable environment in the current post-pandemic, post-Arcade context where demand for office space remains in flux.
- **Proximity to Melbourne's CBD:** This report found anecdotal evidence that most of Melbourne's gamemakers tend to live in the city's northern suburbs. Former Arcade

occupants like Fathom, Revolution, and Hipster Whale relocated to office space in Melbourne's CBD precisely for this reason, as a "halfway point". Any coworking space will need to be situated as close to the fringe of Melbourne's CBD as possible; or it will need to offer strong benefits and incentives to compensate employees' additional travel time outside the CBD. As Anders puts it, "if the commute is going to suck, everything else has to be really great. I need people like me in that building."

- **Affordability:** Most interviewees indicated that the more they could save on rent, the better their bottom lines were. Taking into account CoPP's suburbs' distance from Melbourne's CBD, any coworking space in the CoPP will need to be highly affordable relative to the CBD to draw gamemakers to it.

- **Timeliness:** Rennison's comments suggest that the next six to twelve months are an ideal window to establish this space, while studios are still negotiating the benefits of remote working versus returning to an office.

- **Balancing commercial and non-commercial interests:** Coworking spaces boost productivity, networking, and knowledge sharing, but these benefits can extend to non-commercial gamemakers too. Kwok and Toprak indicated that the Arcade was too commercially focused for their practice, which is non-commercial. But the line between commercial and artistic gamemaking is also not clear-cut. Anders, for example, described Fathom's games as blending art and commerce, not always easily fitting into one category or the other. Many independent gamemakers also make "artgames" that blur these distinctions.[14] Given Melbourne-based gamemakers' strong skewing towards "indie", "experimental" and "artistic" games, a coworking space established by Council should also be friendly to artist-gamemakers. Desks could be reserved for artist-gamemakers, or events or mentorships could be held there that focus on this community. This could also facilitate strong knowledge exchange between commercial studios and non-commercial gamemakers, enhancing both types of gamemakers' practice – although further research is needed to determine the value of this.

Recommendation 2: Develop a micro-grants scheme that returns value to CoPP

Most interviewees indicated "micro-grants" would be valuable to them. These would help cover costs that would otherwise eat into their budgets or that they would not be able to cover, freeing up their budgets for marketing and production. Council could offer easily-accessible micro-grants that target both game studios and artist-gamemakers, similar to City of Melbourne's Small Business Transformation Grants.[15] These grants should be easy to apply for and access in order to attract a wide range of applicants, although they should be targeted specifically at emerging gamemakers and game studios or collectives with diverse members. They could also provide reciprocal benefits for CoPP. For example, subsidies for office space rental in the CoPP area would attract gamemakers to CoPP, boosting Council's profile as a hub for game development. Other grants, such as those covering international travel, equipment, website development, administrative staff, or hiring contractors could be linked to giving a talk or hosting an event within CoPP, producing further knowledge-sharing and collaboration among stakeholders. If recommendation 1 is implemented,

these grants could be more effectively tied to council by linking up with the coworking space – expanding the range of gamemakers across CoPP and feeding into the programming and events for the coworking space.

Recommendation 3: Establish a paid mentorship program

Several interviewees identified the important role mentorship programs provided them at the onset of their career. For artistic/non-commercial gamemakers, paid mentorships – where both mentor and mentee are paid for their time – are particularly valuable, because they provided invaluable skills and some income at a vulnerable point in their career. Council could develop a paid mentorship program specifically for gamemakers that focuses on learning "soft skills" and navigating the complex ecology of grants and funding opportunities, two areas that interviewees identified as crucial skills that allowed them to scale up. One model is Footscray Community Arts' Emerging Creative Leaders Fellowship.[16] It involves fortnightly workshops over about four months where participants – who do not necessarily require previous arts experience, but who show strong potential and enthusiasm for community art – are taught about the sector, learn practical skills, and network with industry connections and peers. The mentorship program should be as open as possible, but specifically targeted at emerging gamemakers who have not yet worked much in the industry but who show potential through their portfolio or student projects. The program could also be arts-focused, leading to outcomes for the *Games Action Plan*'s focus on improving the City's cultural life through artistic games and public play. Again, if recommendation 1 is implemented, the coworking space would be the ideal place to host the program and workshops, multiplying its networking capacity.

Recommendation 4: Organise job expos and workshops for game degree graduates

Council could organise an annual or semi-annual jobs expo with workshops focusing on resume/portfolio development and interview skills for the growing number of game design degree graduates in Melbourne seeking work. Industry organisations such as IGDA already organise events such as its Games Job Fair.[17] But Council could organise a smaller and more targeted event specifically at games degree graduates and emerging gamemakers situated in and around the City. Several of the interviewees for this report are both effectively employed full-time by game studios and run events and activities for industry bodies, like weekly meetups and game jobs, "*pro bono*". Council could provide a space, or one-off or regular event, that builds on this penchant for knowledge-sharing and networking among Melbourne's close-knit games community. Such an event would introduce games graduates to the various games studios located in and around CoPP, while providing those studios another avenue for recruitment while also showcasing their work as they re-emerge from lockdowns and reconnect with the community.

Recommendation 5: Facilitate connections between gamemakers and non-games-aligned organisations

Lastly, Council could establish a network or business council focused on connecting gamemakers with non-games-aligned businesses. Although this is likely to be more beneficial for games studios that create products for external clients, the diversity of funding sources and the precarity of income streams that almost all the interviewees described highlights how dynamic the games industry in Melbourne is, particularly for smaller studios. As games studios chase new funding sources, they take on contracts from companies, like Meta or Sony who outsource their game production on smaller projects. But there is also a another, more "untapped", opportunity to introduce non-gamemaking companies and organisations to Melbourne's gamemaking community who might design a game product for them.

This could simply take the form of a website that lists CoPP-based companies and their expertise and promoting the site to businesses, government and NGOs in Victoria, but this is unlikely to have a wide impact. Toohey and other interviewees advocated for a more active role by Council in providing resources for corporations and NGOs to approach CoPP game studios and forge new business partnerships. As part of its *Games Action Plan*, Council could host an event or conference connecting gamesmakers with potential clients, or appoint a staff member within Council to advocate for and foster connections between interested organisations. This recommendation raises a number of issues for Council in being inclusive towards its various stakeholders and not favouring certain companies over others. Such issues would need to be resolved through consultation with the affected parties. But as Melbourne's games studios diversify and attract investment from a growing array of sources, several interviewees identified this as one area where Council can "stand out" from others in attracting and supporting gamemakers to its municipality.

7. References & Notes

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[5] City of Port Phillip, *Games Action Plan*, p. 6.

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[11] The Arcade is a coworking space funded by the Game Developer's Association of Australia (GDAA), which is now the Interactive Games and Entertainment Association (IGEA). It opened in 2013 and was situated in South Melbourne within CoPP: first on City Road, before relocating to Kings Way. It closed in early 2022, when its lease expired and its managers had not secured a new space.

[12] See Brendan Keogh, 'The Melbourne Indie Game Scenes' in *Independent Videogames: Cultures, Networks, Techniques and Politics*, ed. Paolo Ruffino, Routledge, 2020, pp. 209-222. https://eprints.qut.edu.au/227028/1/102559579.pdf

[13] Matthew Forde, 'With Over 150 Studios, Melbourne Accounts for Half of Australia's Games Industry Revenue', *Pocket Gamer.biz*, October 7, 2019. https://www.pocketgamer.biz/asia/news/71752/melbourne-accounts-for-half-of-australias-games-industry-revenue

[14] Felan Parker, 'An Art World for Art Games', *Loading . . .* 7, no. 11 (2013): 46. https://journals.sfu.ca/loading/index.php/loading/article/view/119/160

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[17] See https://igda.org/event/games-job-fair-2022/