

TO WHOM IT MAY CONCERN

**SUBMISSION: INQUIRY INTO THE FUTURE OF AUSTRALIA'S VIDEO GAME DEVELOPMENT INDUSTRY**

Many thanks for making this opportunity available to help influence the future of Australia's video game development industry.

I myself am only a hobbyist game developer – and I guess my responses reflect this in that they aren't overly deep and analytical (or complete – I couldn't offer any thoughts on exports). But I felt it was important to contribute what little I could. I firmly believe that there is no reason why Australians that have a passion for embarking on a game development career should have to venture overseas to realise their dreams if they'd prefer to stay here. Australia is full of talented game designers, programmers, artists, story writers, musicians etc – why should Australia let other countries reap the economic and cultural benefits from these awesome individuals. We should be doing everything we can to keep them here instead.

Yours sincerely

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### **How Australia can best set regulatory and taxation frameworks that will allow the local video game development industry to grow and fully meet its potential as a substantial employer?**

Firstly, the Australian Interactive Games Fund, or a similar scheme, needs to be reinstated as one of several tactics which will facilitate the "kickstarting" of smaller development teams / studios. Focusing on the kickstarting of smaller teams / studios and supporting their growth, is possibly warranted given the fact that the number of bigger studios employing several hundred employees has dramatically died off from its heydays of several years ago. Obviously, someone more learned needs to inform the overall process to determine whether Australia's game development industry would be better off by being characterised as having a smaller number of larger studios, a larger number of smaller studios, or something in between.

The regulatory / taxation framework needs to acknowledge that until fledgling teams / studios have grown to a certain level of maturity and capability to self-sustain its operations, there is little value in imposing taxes that may adversely impact that growth, or worse, kill off the team / studio altogether. That is, the government should not go for short term tax income as it may compromise the greater tax income over the longer term that may be derived from a successful game development studio.

Fundamentally, the games industry should be afforded the same level of assistance that is provided to other Creative Industry "sectors" such as film.

Game development companies need to be given incentives for investing in the growth of the game development industry, particularly where that investment will enhance the chances of creating a self-sustaining industry (ie one that is, ultimately, fundamentally non-reliant on any specific Government assistance). This point is linked to a discussion below. Game companies should receive incentives or other "breaks" if they demonstrate that they are making tangible contributions to the growth of the industry. For example, by offering sponsorships/scholarships for Australian youth seeking to embark on a game development career, supporting the growth of game development communities (such as supporting regular "meetups" of people in the community interested in game development - particularly in larger Australian centres outside of the capitals), supporting "Game Jam" events, etc.

I'm not aware of whether it has been done or not, but a specific study may be warranted to learn from other countries on how they have managed to grow their game development industry. Particularly if any incentives were implemented to make this change. If the reasons for those changes were not incentives based, the industry could assist the Government to identify what the core reasons were, to enable appropriate support to be provided to replicate them here. For example, several European cities have no doubt had to transform themselves from "old" industries to adopt the newer industries like the Creative Industries. Understanding how these cities have transformed themselves may be useful for implementing similar strategies in Australian cities that have had a similar industry background. For example, I understand Hamburg has undergone a transformation that could be applicable to cities such as Newcastle, Woolongong, Bundaberg, Fremantle, etc

### **How Australia can attract video game companies to set up development operations in Australia and employ local staff**

My response here is mainly focused on the second part of this question...attracting companies to employ local staff.

Obviously there are direct and indirect methods. Direct methods are the overt tax incentives or other financial support they can be offered.

In contrast to the direct methods, which might not be sustainable over the longer term, we need to understand the reasons for why the companies would want to employ local staff. There are two elements to this. Firstly, there needs to be a reliable and sustainable source of local game developers and secondly, these game developers need to be competent game developers.

What are the attributes of the local staff that make them desirable to employ? Like any employer, they will want employees that are competent at doing the jobs for which they are being employed. Competency is a function of, amongst other variables, knowledge, skills, abilities and experience. Therefore, Australia needs to implement strategies that seeks to maximise opportunities for people seeking employment in the industry to develop this competency.

Taking a longer term view of the Australian game development industry, the focus needs to be placed on making a career in the game development industry a realistic prospect for Australia's youth, and as part of that, providing the supporting mechanisms to enable them to embark on this career with confidence. Focusing then on core knowledge & skills development, Australia needs to place even greater emphasis on the formal education (Senior Secondary / TAFE / Tertiary) of prospective game developers to give them their core learning. As stated above, industry could then be incentivised to take on "new graduates" to enable them to develop the critically important abilities and experience elements of "competency" by allowing them to apply what they have learned to "real" game development. Obviously, to make this transition effective, industry would need to be heavily involved in the development of the courseware – to avoid students simply becoming "academic game developers".