

# Chapter 1

## Introduction

### Terms of reference

1.1 On 22 June 2015, the Senate referred an inquiry into the future of Australia's video game development industry to the Environment and Communications References Committee. The terms of reference for the inquiry are as follows:

The future of Australia's video game development industry, with particular reference to:

- 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;
- how Australia can attract video game companies to set up development operations in Australia and employ local staff;
- how export opportunities from Australia's local video game industry can be maximised; and
- any other related matters.<sup>1</sup>

1.2 The reporting date for the inquiry was initially 1 April 2016. However, on 15 March 2016, the Senate agreed to extend the reporting date to 29 April 2016.

### Conduct of the inquiry

1.3 In accordance with its usual practice, the committee advertised the inquiry on its website and wrote to relevant individuals and organisations inviting submissions. The date for receipt of submissions was 18 September 2015.

1.4 The committee received 111 submissions, which are listed at Appendix 1. The public submissions are also available on the committee's website at [www.aph.gov.au/senate\\_ec](http://www.aph.gov.au/senate_ec).

1.5 The committee held public hearings for this inquiry in Melbourne on 19 February 2016, in Brisbane on 10 March 2016 and in Sydney on 11 March 2016. A list of witnesses who appeared at the hearings is at Appendix 2.

1.6 Following the Melbourne hearing, the committee undertook an inspection of The Arcade, a not-for-profit collaborative workspace created specifically for game developers and creative companies using game methodologies and technologies. The committee expresses its appreciation to the Game Developers' Association of

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1 *Journals of the Senate*, 2013–15, No. 99 (22 June 2015), pp. 2744–45.

Australia for facilitating this valuable inspection, as well as to the businesses located at The Arcade that assisted the committee on the day.

## **Acknowledgement**

1.7 The committee thanks all of the individuals and organisations that contributed to the inquiry.

## **Structure of the report**

1.8 This report comprises five chapters. The matters covered in the remaining chapters of the report are outlined below:

- Chapter 2 provides an overview of key aspects of, and developments in, the Australian video game development industry, which will inform the discussion in the remaining chapters of the report.
- Chapter 3 focuses on government support programs and tax incentives that are relevant to the industry. The chapter outlines the government programs that are available in Australia, or have been available, before providing an overview of key programs and incentives in place in other countries. The rationale for government support of the video game industry is also discussed.
- Chapter 4 examines policy proposals and other matters that submitters and witnesses called on the Australian Government to consider.
- Chapter 5 contains the committee's conclusions and recommendations.

## **Note on references**

1.9 In this report, references to the committee *Hansard* transcripts are to the proof transcripts. Page numbers may vary between proof and official *Hansard* transcripts.