



18 June 2020

Content Options Review Team
Department of Infrastructure, Transport,
Regional Development and Communications
GPO Box 594
Canberra ACT 2601

Dear Content Options Review Team

Gameloft Australia response to the Content Options Review

My name is Dylan Miklashek and I am the Studio Manager for Gameloft Australia, a video game development studio based in Brisbane.

Headquartered in Paris, Gameloft is one of the largest and most innovative video game companies in the world, with 17 studios around the world employing 4,600 workers. Our games are distributed in over 100 countries and are played by almost 100 million people every month.

Gameloft Australia was established in 2014 and is one of Australia's largest game development studios with 40 workers. We are also one of the very small number of studios in Australia that have been created through direct foreign investment from the global games industry, and one of an even smaller number that have been built from the ground up rather than through an acquisition.

I am writing this letter to the Content Options Review to call for the Government to provide a 30% tax incentive for video game development, similar to the PDV offset, or to extend the PDV offset to include video game development work.

In my role as the Studio Manager of Gameloft Australia - and having previously worked in studios in North America - I have experienced firsthand the high cost of operating a game development studio in Australia compared to other countries, with a typical 50 person video game studio spending approximately \$7 million per year to run. While various tax offsets are available to the film and TV industry in Australia to support their content creation, no tax offsets are available for game development even though they are needed in our industry for the same reasons.

Countries, states, provinces, and cities all around the world, particularly in the UK, Canada, and France, have all put in place strategic game development tax incentives, putting Australia at a massive competitive disadvantage. The lack of a game development tax incentive has unfortunately been a roadblock on the ability of existing medium-sized studios in Australia like us to grow - and for some to even survive in Australia. Just as importantly, the lack of an offset has also meant that the Australian economy and workforce has been missing out on opportunities every day as billions of global spending on video game creation goes towards more investment-friendly countries.

Locally, a tax incentive will help larger studios like Gameloft Australia that play a crucial role in training and supporting the local labour force to not only stay in Australia but to expand, hire new workers and take on bigger projects. It will also encourage many other global game publishers to open studios in Australia, injecting potentially hundreds of millions of dollars of new investment over the next decade, and create initially hundred, and later thousands, of creative technology jobs.

If a tax offset for video game development is implemented in Australia, we have an opportunity to build a thriving and long term industry similar to what other countries like Canada and the UK and many US states have been able to do with those same proven incentives. Investing in our industry is an investment into high tech jobs with high salaries that have injected significant economic growth and tax revenues in the regions that they are located in, and have helped to transformed cities like Vancouver, Montreal, Austin, and Helsinki into global innovation and technology hubs.

Around the turn of the last decade, Australia got close to achieving an established and thriving video game eco-system. However, the global financial crisis occurred and several international companies either shrunk or closed their Australian operations. With the continued growth of the global video games industry, we now have a fresh opportunity to transform our local games industry into a global leader and a massive driver of Australia's future economic growth and job growth. However, if we continue to ignore this opportunity, we will continue to see the billions of dollars spent each year on video game development globally bypass Australia and go towards other parts of the world.

As a member of the Interactive Games & Entertainment Association, we also support the submission that they have made also arguing for a new tax offset for video game development.

A handwritten signature in black ink, appearing to be 'DM' with a stylized flourish extending downwards and to the right.

Dylan Miklashek
Studio Manager
Gameloft Australia