



29 MAY, 2021

SKIN IN THE GAME

The West Australian (Saturday edition), Perth

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Tax breaks will help WA developers compete on a global stage, but can smaller operators keep up?

ANDREW AMOS

WA game developers say new tax breaks from the Federal Government will take them to the next level but warn small companies could be left behind.

Industry leaders said the digital games tax offset, announced in this month's Budget, would give local developers their first real opportunity to compete on the international market.

The \$18.8 million scheme, to start in July next year, would put the development industry on par with film and television, with a 30 per cent refundable offset on productions that spend more than \$500,000.

Australia's game development industry is worth \$185m a year, a fraction of the more than \$250 billion worldwide.

Matthew Dyet, a lecturer at SAE Institute Perth, said the scheme would help bigger studios develop talent in their staff.

"Our smaller teams in the State . . . won't really get much benefit out of the tax offset," Mr Dyet said.

"It's still a good thing because if the larger studios grow we get more skilled people who then make smaller teams."

The tax offset is not the first initiative by Federal and State governments to foster game development but it is the biggest.

Interactive Games and Entertainment Association chief executive Ron Curry said the latest offering was "one of the most significant" globally.

"It will give existing Aus-

tralian studios the support they need to take on new projects which will accelerate growth, attract the creation of new

Australian game development studios and attract blockbuster AAA studios to Australia," Mr Curry said.

Mr Dyet shared in a \$100,000 ScreenWest Interactive Pilot Fund in 2019 for Omi Oh My AI, an in-development puzzle game. The test run was successful, but he said the \$20,000 he received did not go far.

"That's not enough for someone to work on a project full time for even a year," Mr Dyet said. "It helped us to

subsidise costs, paying audio people, getting lawyers."

While the offset will be welcome relief for those who have suffered from a lack of government support, developers have called for more help from the start of a project.

The \$20m Australian Interactive Games Fund, introduced in 2012, helped industry leaders such as Perth's Black Lab Games founder Paul Turbett get

a leg-up. But that program was discontinued two years later, with only half the funds spent.

"That's the reason why the company exists. That was the catalyst that turned us from a hobby business to a professional business," Mr Turbett, pictured, said.

Black Lab Games is one of

the biggest game developers in Perth and works on

licensed projects for internationally renowned titles such as Warhammer 40,000.

Their spending easily meets the \$500,000 mark for the tax offset, but Mr Turbett said more avenues of funding were needed to secure the industry's future: "If people have talent, ability, and drive, that can get you so far. But you need money to make things happen. There's not many funding avenues."

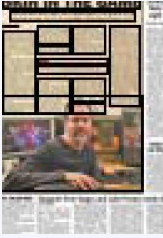
The West Australian understands ScreenWest is looking to support local game development with up to \$3m for a permanent funding scheme soon.

Developers said they would continue pushing for more government initiatives to kick-start game development in WA.

"We don't need a fund the size of Victoria's (offering grants of up to \$300,000)," Mr Dyet said.

"We just need a small fund to springboard the local community with \$60,000 to \$100,000 grants, letting someone work on a project full-time."


Mr Turbett said that for businesses to take advantage of the tax offset, they needed more support to grow to the \$500,000 point.



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Picture: Iain Gillespie