



Date: 2 April 2022

Dear Treasury,

RE: Digital Games Tax Offset - Exposure Draft Legislation

My name is Matthew Clark, and I'm the co-founder and lead programmer at The Voxel Agents. As a director of a successful independent game development company I have two passionate beliefs for the games industry in Australia.

- 1) We need more large (100+) game dev companies in Australia
- 2) The success of our industry will be measured by small individual teams who create new IP working with their peers as co-owners.

The current draft of the Digital Games Tax Offset currently fails to serve small teams who co-own their IP due to the exclusion of owner salaries being potentially excluded in the existing draft (370-30 subsection 3.p).

In order to support smaller independent game studios I suggest that the DGTO should have consideration for a Fair Rate of salary for company owners who are drawing a wage, and who are directly involved in the development of the games as programmers, artists, game designers, producers etc.

Why is this important to me?

I was lucky enough to enter the game industry back in 2006 when there was a plethora of large companies in Australia. I got my first job at Pandemic Studios in Brisbane. There were ~100 employees there when I started, which grew to ~130 before the Global Financial Crisis in 2008 wiped out studios across Australia. In my 2 years working at Pandemic, I was surrounded by and worked with many game developers across a broad range of disciplines and levels of experience. I learned more in my first 6 months than I did in 4 years of university. This is the importance of large companies - it allows juniors to work alongside people with a range of skills and learn from people with decades more experience.

It was this experience and knowledge that gave me the confidence and ability to start my own independent game studio with two friends I met at university, who had also spent time working at much larger companies, learning and honing their own range of skills.

In the 13 years that I have been operating The Voxel Agents we have, at various times, employed a total of 15 Full Time developers (18 if you include the 3 co-founders). Peaking at 8 concurrent FT employees in 2017-18 when we released The Gardens Between to critical international acclaim.

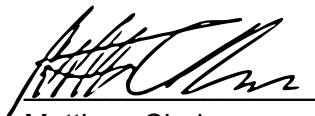
Throughout that whole time, as a small independent company - I spent 90% of my time working as a programmer directly contributing to the development of the games our studio created. Such is the nature of being a small company - everyone is expected to do their part in development.

In Victoria alone I can think of several highly-successful games that would have been excluded from the DGTO due to the exclusion of director salaries in the current draft legislation. Crossy Road, Untitled Goose Game, Flight Control, Train Conductor World, Agent A, and many many more. These are the games created by the owners of the studios that create them. This is where new IP is created; where the local industry flourishes; where each success inspires the next one.

The directors of these studios aren't drawing down elaborate wages. In the vast majority of cases, the salaries would be considered *well below* market rates for the equivalent talent.

This is why I believe a simple change to the draft to add consideration for a Fair Rate of salary for owner/directors who are drawing a wage and who are directly involved in development.

Signed,

A handwritten signature in black ink, appearing to read 'Matthew Clark', written over a horizontal line.

Matthew Clark
Director