

Fears grow over loss of talent

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Gamers in Edmonton celebrated the 20th birthday of a marquee game developed in the city, amid fears that the industry itself might be draining out of the province.

The BioWare game *Shattered Steel* was released in 1996 and that fired the starter's pistol for game development in Alberta. The company has gone on to be a wild success, but developers say it's getting tougher for firms to turn down the perks offered by other provinces.

"Our talent is getting poached," said Logan Foster, a local game developer who has been lobbying the province to create a friendlier environment for small video-game studios.

The gaming industry's costs are heavily tilted toward labour, with about 68 per cent of costs going to paying employees. In Quebec, and other provinces, tax credits are offered on a percentage of labour costs that can top out at half the total wage bill.

Foster said there have been talks with the province about how to support the industry and some small measures have been implemented, including an investor tax credit that starts in January.

The provincial government did not respond to several requests for comment.

Trent Oster, who runs the game development studio Beamdog in Edmonton, says a tax break on labour could mean a lot for a small studio like his, with one or two more staff members making a big difference for the bottom line.

"It's a weird genre because it's not a direct, linear relationship in terms of how many people work on a product, how much product you create, to how successful it can be," said Oster. "There's almost like this magical tipping point."

Oster was one of the founding members of BioWare who worked on *Shattered Steel* in 1996 and said he has roots in Edmonton that will probably keep him in the city regardless. He said that decision can be perplexing to others in the industry.

"When I tell people we've got a game development studio in Edmonton ... if they're anywhere else in the world, they say 'Why are you in Edmonton? You could be getting huge money,'" he said.

Oster said he's seen jobs at BioWare leaking over to Quebec, where the company has an office in Montreal and where the tax breaks are more generous. In Quebec, they've been "building an industry out of nothing," he said.

BioWare did not respond to requests from Postmedia for comment but, in 2012, general manager Aaryn Flynn told the *Globe and Mail* that the lack of tax credits in Alberta "throttles" the company's ability to grow.

BioWare went on to develop the massively popular *Dragon Age* series and was purchased by Electronics Arts in 2007 for \$650 million.

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