

# **We Still Make Games Here: A Sustainable Australian Videogames Industry?**

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## **ABSTRACT**

In this paper we describe and analyse the profound structural transformation of Australia's videogames industry post GFC. Drawing on fieldwork semi-structured interviews with Australian videogames developers we consider the developers self-understandings of these transformations and the associated precarity that they experience as they have adapted to the new conditions of cultural production. Finally we focus on analysis for actionable reform, including government policy interventions, which may contribute to fostering a viable and sustainable Australian video game development industry.

## **Keywords**

Videogames Industry, Australian Videogames Industry, Cultures of Production.

## **INTRODUCTION**

The current Senate Environment and Communications Committee ([www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Video\\_game\\_industry](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Video_game_industry)) into the future of Australia's video game development industry provides a welcome opportunity to consider the factors that might contribute to a sustainable and thriving local development industry.

The statistics tell a stark story of destruction of Australia's videogame development industry. Of the 1431 reported employees in 2007, by mid-2012 only 581 remained, and reported game development income had dropped from \$116.9 million to just \$44.4 million. The industry's revenue streams were massively exposed to overseas work for hire. It accounted for about 80% of the industry's total income (ABS 2013).

By 2012, the majority of the bigger studios had closed, especially in Brisbane, and the industry had retreated to be largely concentrated in Victoria. According to the Games Developers Association of Australia (GDAA), the main advocacy and professional association for the industry, somewhere between

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60-70% of industry workers had either moved to another industry or had left Australia for more resilient industry locations and/or those better supported by government policy and programs (Banks and Cunningham 2016; also see Apperley and Golding 2015).

In 2014, the GDAA documented about 800 now working in the industry. But it does not dispute that the industry has experienced massive revenue loss. This is the recent history of an industry much reduced in terms of turnover and traditional employment, but one which has transformed its revenue base from 80% work for hire to 75% original IP – an almost complete reversal in the balance between business models (Reed, 2014). The GDAA believes the official figures underestimate the extent of active involvement in the industry, suggesting that there are many ‘indies’ which fall below the official statistician’s radar. This reassertion of a vibrant development scene is characterised by a range of business models and diverse approaches to the craft of making games. But can this more diverse ecology that has emerged support a sustainable local videogames industry that can have resilience through future shake-ups and shocks?

Australian policy making and support for local videogames development has been intermittent, half-hearted and often poorly targeted seeking to fit games into the established cultural template that had been developed over decades for the arts, film and television (McCrea 2012). The most important recent initiative, Labor’s \$20 million Australian Interactive Games Fund, was cut in half by the incoming Liberal government in 2013.

Concrete policy and program commitments at the state level especially in Victoria through the Film Victoria Games Development Fund have supported local developers and seen the survival of a thriving indie scene concentrated in Melbourne.

How then can we build from the pool of developer talent and expertise and convert it into a future sustainable and viable Australian videogames development industry?

This paper is grounded in fieldwork research conducted from mid-2014 to early 2015 involving semi-structured interviews with 22 developers from 17 development studios, and with Tony Reed, President of the Australian Games Developers Association (GDAA). Many of the developers interviewed described the distinct challenges that they confront as Australian-based developers seeking to compete in a rapidly changing global market. They invariably commented on their distance from key industry scenes (especially the USA) and the uneven and uncertain policy support they receive, especially at the Federal government level. In describing the rejuvenated Australian development scene none of the developers were especially panglossian or naïve about the challenges and precarity confronting Australian based developers.

Many of the Australian developers we interviewed commented on the favorable regulatory and taxation frameworks enjoyed by developers in other countries. They proposed that lack of similar frameworks and schemes in Australia meant that they faced further competitive constraints in an already turbulent and rapidly changing markets. Developers such as Wicked Witch in Melbourne, Defiant and Halfbrick in Brisbane, indicated their motivation to develop sustainable businesses to employ Australian developers. Many of the developers interviewed, including leading developers such as Morgan Jaffit (Defiant Development Brisbane) and Trent Kusters (League of Geeks, Melbourne) spoke of the benefits they

enjoyed from the government support they had received. Indeed they commented that successful recent games releases such as Defiant's *Hand of Fate* and League of Geek's *Armello* would not have been possible without this support at key junctures. But they also spoke directly to the challenge of converting these opportunities into sustainable and viable long-term enterprises that would provide good jobs and opportunities for Australia's emerging game developer talent.

A sustainable future for Australia's videogames industry is one that governments, industry representatives, researchers, as well as those who are *still* making games, can work on together. In this paper we draw on the fieldwork research with Australian videogames developers to consider their understanding of the conditions of cultural production that both constrain and enable this future.

## BIO

John Banks is an Associate Professor of Media and Communications in the Creative Industries Faculty, Queensland University of Technology. He researches co-creativity, media industries cultures of production, labor and social media in the creative industries. He has a special interest in videogames developer organizational and studio workplace cultures. His most recent book is *Co-creating Videogames* (Bloomsbury Academic, 2013).

Stuart Cunningham is Distinguished Professor of Media and Communications, Queensland University of Technology. His most recent books are *Digital Disruption: Cinema Moves Online* (edited with Dina Iordanova, 2012), *Key Concepts in Creative Industries* (with John Hartley, Jason Potts, Terry Flew, John Banks and Michael Keane, 2013), *Hidden Innovation: Policy, Industry and the Creative Sector* (2013), *Screen Distribution and the New King Kongs of the Online World* (with Jon Silver, 2013), *The Media and Communications in Australia* (4<sup>th</sup> ed., with Sue Turnbull, 2014) and *Media Economics* (2015, with Terry Flew and Adam Swift).

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