

# Aussie Indies

Ashley Zeldin | May. 23rd, 2011

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By the time Luke Muscat was hired at Halfbrick four-and-a-half years ago, the independent studio already had carved out a niche doing contract work.

“Whenever we completed a contract, we had another one lined up,” he recalled.

When the global financial crisis hit in late 2007, the Australian games industry was worth \$130 million, with some 2,000 game developers employed at 50 studios across the country.

“It seemed to be so stable, but all of a sudden companies were just shutting down. Everyone thought Pandemic was untouchable,” he said. The Los Angeles-headquartered studio known for the Star Wars: Battlefront, Destroy All Humans! and Mercenaries series closed its Brisbane office in February 2009.

“It didn’t affect us directly in any great sense, but it affected our morale and made everyone aware how quickly things could change,” Muscat said. “It’s not a big industry by any means.”

Just as suddenly, the contracts stopped coming in.

“We were full-time pitching for work and nothing was coming through. It was pretty clear to us at that point that working on contracts wasn’t going to sustain us anymore,” he said.

Luckily, Halfbrick CEO Shainiel Deo’s foresight had led him to implement the Halfbrick Fridays initiative: every second Friday, Halfbrick’s employees get together and prototype new ideas.

“We had a whole bunch of concepts and IP ready to roll,” Muscat said. Raskulls was already in development for Xbox Live Arcade, but out of Halfbrick Fridays came the titles Echoes, Aero Racer, Blast Off and Age of Zombies, and the foundations of one of the biggest games worldwide: Fruit Ninja.

“Had we been a bit later or a bit slower, I don’t know that we’d still be around,” Muscat said.

Plenty of other studios aren’t.

Brisbane studio Auran went into liquidation in December 2007 after Fury failed in the marketplace, only to reemerge as a subsidiary of N3V with the successful Trainz series.

Transmission Games, the Melbourne studio that specialized in sports and action games, announced layoffs in October 2009 and didn’t survive the month.

Krome Studios, Australia’s largest video game developer and one of the world’s largest independents with more than 400 employees in Brisbane, Melbourne and Adelaide at its height in July 2009, shed 60 employees in November 2009 and 50 more in April 2010. The studio known for the Ty the Tasmanian Tiger series and the relaunch of The Legend of Spyro lost 100 more personnel when it closed its Adelaide operations and cut staff in Brisbane and Melbourne in August 2010, before shutting its doors in October 2010, with only a skeleton staff finishing out its work.

A survey conducted as part of the Interactive Skills Integration Scheme, a two-year game development industry project, found that Australian game development jobs have been reduced by more than 50 percent since 2008, the industry employing just 931 game developers spread out over 126 studios spanning six states.

Though Tony Reed, CEO of the Game Developers' Association of Australia, said that there are no authoritative stats—and won't be until the GDAA survey is concluded in a few months' time—the sheer number of game development companies reflects the trend that has emerged: the rise of so-called “indies”.

“The way we tend to identify an ‘indie’ from an independent studio is based on the work they do. If they work purely on their own intellectual property and have not done any contract work for a publisher they would be defined as an indie. Studios that have done contract work for a publisher are classed as an independent studio. It's a very simple distinction, but it helps the GDAA determine programs and initiatives that service the needs of both structures,” Reed said.

Formed in December 1999, the GDAA's mission is increasing the profile of the Australian games industry both domestically and internationally by promoting growth and a sense of community within the industry, attracting and retaining local talent as well as foreign capital and publisher interest.

“Thankfully many of the talents that were affected by the downsizing elected to stay in the industry and start up their own, smaller studios, driven by the rise of the mobile and social games space,” Reed said. “I feel the industry has taken a step forward as a result. Not only do we have an industry capable of producing high quality product efficiently, but now Australians are being given an opportunity to flex their creative muscle.”

Matt Clark is one such example of this resiliency. The former Pandemic programmer moved to Melbourne to start an indie studio and take advantage of start-up incentives. He was joined by Simon Joslin and Tom Killen, formerly of Halfbrick and Hoodlum Interactive, respectively.

“We were young, and the time seemed right,” said Clark, now technical director of The Voxel Agents. “Our passion is making games, and we didn't want the

pressure of a publisher limiting our creativity and forcing our ideas.”

And so the indies have shifted the industry’s focus from obligation to opportunity.

Work-for-hire dominated the Antipodean games industry before the GFC, as the weak Australian dollar made Australia attractive to overseas publishers.

“Rapid development of good titles at a reasonable cost became the specialty of the

Australian industry, and ironically it was this type of work that prepared the Australian developers for what happened during the GFC and the rise of the digital distribution age,” Reed explained. “When the contract work started drying up we had a lot of skilled individuals used to rapidly prototyping ideas and producing good product on a low budget, and the Australian indie community was born.”

Logan Booker, former Kotaku Australia editor, thinks that game developers have benefitted from the chance to build their own indie studios.

“I think you have more of a vested interest in the success of a business if you’ve played a part in nurturing it,” said Booker, now the media liaison for Melbourne-based Firemint. “It’s easy to get detached from the passion of games development if you treat it like a 9-to-5 job, and joining a big, established company doesn’t necessarily inspire you as much as being one-third of the three-man indie team giving it all they’ve got.”

Booker sees the “resurgence of so-called garage developers” as a positive for the Australian games industry.

“Larger studios tend to be risk-averse, and the financial crisis did little to ease the purse strings, so the smaller guys really are a breeding ground for

innovation,” he said.

Indie developers are in a position to think and create outside existing concepts of game aesthetic and design.

“You’re always going to get a certain amount of innovation and risk-taking from indies, pushing the boundaries on playability and art styles,” said Neil Rennison, founder and creative director of Tin Man Games. “Bigger companies have the bigger picture to consider. Big companies also do take innovative risks, it’s just that their risks are more contained and calculated.”

Going indie, Rennison said, gave him and his team complete control that they would not have if working for a large studio.

“It allows you to be flexible in making creative decisions, and those end up becoming business decisions,” Rennison said. “As a small indie every decision you make will dictate your fate.”

Halfbrick faced a similar decision-making process when going forward with Fruit Ninja.

“It’s almost hard to imagine it this way now, but when we were making Fruit Ninja, we were taking a big risk there,” Muscat said of the mobile title that has sold more than 25 million copies worldwide. “Hindsight makes it seem like it was the safest bet in the world but it was a real unknown.”

Indeed the mobile games market has been a mainstay of the Australian games industry.

“The flipside to all the big companies shutting down is we have all these amazing indie studios in Australia now working on exciting stuff,” Muscat said. “It feels like there’s more games coming out of Australia than there ever used to be, just by virtue of the fact that there are a lot of indie titles and mobile titles.”

Firemint, of Flight Control fame, made headway into the mobile games market a decade ago.

“[Firemint CEO] Rob Murray identified early on that games were fast becoming a personal experience, from arcades to living rooms and finally portable devices. He also recognised that users of these devices wouldn’t be buying their games from traditional bricks-and-mortar stores, [and] digital distribution was on the rise,” Booker explained. “Given their increasing power and the inclusive, innovative functionality in the form of accelerometers and touch controls, we felt sure mobiles would be a big thing in the coming years. When Flight Control took off on the App Store, we knew we’d made the right decision.”

There is, of course, uncertainty as to whether and when the indie bubble might burst.

“We’re already starting to see a fair bit of growth of our independent studios,” Reed said. “I think some form of consolidation is inevitable, especially as the resources required to develop a title increase. We should see greater interaction within the indie landscape, possibly in cooperative development, and we’ll likely see some acquisition of an indie by another.”

Firemint, for one, acquired Infinite Interactive in January, before becoming an in-house studio for Electronic Arts earlier this month.

“In fact, the rise of indie studios in this country proves the old models were never really sustainable anyway. I believe this forced evolution, though painful, will ultimately leave us in a much stronger position than before,” said former Infinite CEO Steve Fawkner.

Rennison foresees a “levelling off” in the industry.

“There will be indies that fall by the wayside. That’s just natural in any evolution of industry,” he said.

Marketing, long an underrated aspect of the business of the games industry, is key to indies' survival. Halfbrick has benefitted from the social media, cross-promotion and media relations strategy of its in-house chief marketing officer Phil Larsen.

During the development of his Frootrees games, Rennison learnt the importance of marketing firsthand.

“It’s phenomenal how much marketing we’ve had to do just to get our name out there,” Rennison said. “You could have the best product in the world but if nobody knows you exist, it doesn’t matter.”

The interactive fiction Gamebook Adventures series proved more successful for the Melbourne developer, and, thanks to Film Victoria funding, its sixth instalment hit the app store earlier this month.

Reed pointed to the lack of Australian investment in the local game development industry as a critical element that has held Australia back as a major competitive force in the global industry.

“The industry has been reliant on foreign investment and as such beholden to the demands of those providing the production funding,” Reed said. “This is changing, albeit slowly, and is a priority for the GDAA in the months to come. The industry will definitely grow and a combination of impending government tax initiatives and local investment will support that growth.”

The Queensland and Victorian governments especially have supported their local games industries through loans and grants, game development kits, sponsorship to international game developer conferences and other incentives.

For its part, the GDAA provides assistance in garnering international media exposure and plans to offer free government, legal and accounting guidance to indie studios, Reed said.

“The GFC taught the indie industry a few very valuable lessons and I’d like to think we won’t see the same mistakes made. The indie community has adapted cleverly to market conditions and is now instrumental in driving the games industry forward,” Reed said.

As he sees it, the Australian games industry has come full circle.

“In the early days of the industry small Australian studios were producing exceptionally creative products, the same titles that got them noticed by the international community. When the Australian dollar weakened it made sense for publishers to turn to Australia for contract work, and from an Australian perspective it was an opportunity to work on global brands and mature their production process,” Reed said. “Today we are seeing interesting ideas being generated from indie and independent studios by people who have that global experience.”

While Muscat appreciates the experience of having worked on contract games, he prefers pursuing his own and his peers’ ideas on their own development schedule.

Above all, he values the stability and flexibility Fruit Ninja has provided Halfbrick.

“Fruit Ninja really has given us the time we need to make the games as good as we’d like. We set an extremely high quality bar for ourselves. If we weren’t in a really stable financial position it might be a case where we create a feature and we’re like, ‘That’s pretty good, that’ll do,’” Muscat said. “Now Fruit Ninja has really given us the luxury to say, ‘Yeah, that’s pretty good, but we want it to be absolutely awesome, so scrap it and let’s see what else we can do.’ That’s a really amazing luxury to have.”



*Ashley Zeldin (@snidelyhazel) is a freelance writer from Los Angeles. She first gained exposure to the Australian games industry while earning her master's degree at the University of Sydney, and observed the rise of the indies firsthand. The real-life ninja has sliced more than 222,000 fruit.*

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