

Submission to the Department of Infrastructure, Transport, Regional Development, Communications & the Arts

Response to Stage 2 Classification Reforms Consultation Paper

May 2024

IGEA acknowledges and pays respect to the past and present Traditional Custodians and Elders of this land and the continuation of cultural, spiritual, and educational practices of Aboriginal and Torres Strait Islander peoples. We would like to extend our acknowledgments to the indigenous people from countries overseas and recognise their strength, wisdom, and creativity.

www.igea.net | @igea

Contents

Introduction4
Overview4
Additional background5
Summary of recommendations5
About IGEA9
1. Purpose and scope of the National Classification Scheme10
1.1. Are the guiding principles set out in the Code still relevant in today's media environment?
1.2. Do you support the proposed criteria that defines what material should be classified under the Scheme?11
1.2.1 User-generated vs professional produced content11
1.2.2 Live content14
1.3. Are there any other issues with the current purpose and scope of the Scheme that should be considered?
1.4. Do you support changes to the definition of a 'submittable publication' to provide clarity on publications requiring classification under the Scheme?
2. A framework for evidence-based classification guidelines
2.1. Do you support the establishment of an independent Classification Advisory Panel or similar body?
2.2. What issues or expertise relevant to the classification environment would you like to see represented in a Classification Advisory Panel or similar body?
2.3. Are there any aspects of the current Guidelines that you would like the Classification Advisory Panel or similar body to consider?17
2.3.1 Classifiable elements17
2.3.2 Applying the same classification standards across delivery formats26
3. Fit-for-purpose regulatory and governance arrangements for classification29
3.1. Do you support the consolidation of classification functions under a single national regulator at the Commonwealth level?
3.2. What key considerations should inform the design of fit-for-purpose regulatory arrangements under a single national regulator model?
3.2.1 Fit-for-purpose considerations for a single national regulator model
3.2.2 Removal of MA15+, and access and legal restrictions

3.3. Is there a role for the Classification Board and the Classification Review Board under a single national regulator model?
3.4. Are there any gaps or unintended consequences that may be caused by consolidating classification functions under a single national regulator at the Commonwealth level?
Appendix A: Background and context
A.1 Trends in the classification of video games
A.2 Changing video game player environment40
A.3 Industry's leadership role41
Appendix B: Recent significant studies disproving the link between video games and real- world violence and aggression
Appendix C: Differences between the Classification Guidelines for Computer Games and Films
Appendix D: Summary of our review of research on the relationship between interactivity and impacts in video games
D.1 Note to this summary53
D.2 Overview
D.3 Limited research on interactivity available54
D.4 How interactivity can reduce content impacts55
D.4.1 Interactivity and mental processes55
D.4.2 Player agency within games56
D.4.3 Games as a moral educator56

Introduction

The Interactive Games & Entertainment Association (IGEA) welcomes the opportunity to provide a submission to the Department of Infrastructure, Transport, Regional Development, Communications & the Arts (Department) on its consultation of the Stage 2 classification reforms consultation paper.

Overview

This consultation follows the 2020 Review of Australian Classification Regulation Report, including its findings and recommendations led by Neville Stevens AO (Stevens Review). As part of that consultation process, IGEA actively engaged and made comprehensive submissions to that review.

Subsequent to the Stevens Review, the Australian Government passed through Parliament the Classification (Publications, Films and Computer Games) Amendment (Industry Self-Classification and Other Measures) Bill 2023 in September 2023. This passage marked the Stage 1 classification reforms, which recently commenced operation.

In response, while IGEA has raised some concerns about how the changes to the Classification Guidelines for Computer Games resulting from the Stage 1 classification reform have been implemented, we welcomed the first stage of these reforms towards modernising the National Classification Scheme (Scheme).¹ We also expressed our positive anticipation for the second stage of reforms, as the next step to a fit-for-purpose Scheme.

As significant as the Stevens Review was for the Stage 1 classification reforms, which were a long time coming, we expect more from the Stage 2 reforms, especially with respect to harmonisation of classification between video games and other media. And as the saying goes, there is no better teacher than history in determining the future.

Over the past two decades, IGEA has developed a strong relationship with the Classification Board and Classification Branch, first in the Attorney-General's Department and then later when it was transferred to the Department of Communications & the Arts (later to evolve and become this Department). We have worked closely with the Board and Branch to ensure industry compliance with classification regulation, to support the effective and efficient operation of the Scheme and to advocate for appropriate legal and policy reforms. It is important to acknowledge the invaluable knowledge, expertise and experience, as well as the relationships and trust which has been developed over this extensive period between the key government agencies and stakeholders in the industry and the wider community.

Yet, there are outstanding matters that we consider unresolved since the Stevens Review, about which we made substantial comments. In reflecting on our previous 2020 submission to the Stevens Review and outcomes with the Stage 1 classification reforms, we consider that certain aspects of our previous submission are pertinent to this consultation. Therefore, for the purposes of this consultation, we have reiterated parts of our previous submission that we would like to have resolved for the Stage 2 reforms, which also addresses the questions raised in the Department's consultation paper. Given that it has been over four years since the Stevens Review, it would also be worthwhile to provide updated comments, where relevant.

¹ IGEA, 'Australia's National Classification Scheme Gets a Boost' (Media Release, September 2023), <u>https://igea.net/2023/09/australias-national-classification-scheme-gets-a-boost/</u>.

Additional background

The past decade and more has seen some vital reforms for the classification of video games.² For many years, we advocated tirelessly for an R18+ classification category for video games, which was finally achieved at the start of 2013. We participated closely in the Australian Law Reform Commission's 2011-12 Inquiry into Content Regulation and Convergent Media (ALRC Inquiry), an Inquiry that IGEA also supported as a member of the steering committee. That Inquiry delivered a final report in 2012 and a range of recommendations that unfortunately has been ignored by the government of the day and governments since.

We have also worked closely with the federal government to deliver two major pieces of practical reform. The first reform concerned changing the 'modifications rule' to enable video games that are modified to continue using the original classification of the video game. The second was amendments to the legislation to enable the Minister for Communications & the Arts to approve classification tools that can make legally valid classification decisions. We subsequently supported the federal government's partnership with the International Age Rating Coalition (IARC) to implement the IARC classification tool in Australia, a tool that the Government co-governs as a member of the IARC Board. A decade later, IARC is well-embedded in Australia, enabling a high volume of digital and mobile games to be classified more efficiently in terms of speed, consistency, ease of use and costs.

While the Stage 1 classification reforms have recently commenced, substantive aspects of the Scheme and the legislation that underpins it continue to be desperately out of date. The Classification (Publications, Films and Computer Games) Act 1995 (Act), the Classification Code 2005 (Code) and all three classification guidelines have largely been unchanged since 1995 when they all came into place and have not been subject to a comprehensive review since the early 2000s. The language and practicality of these laws still reflect the industries, technologies and entertainment environment of the early to mid-1990s, with most of their provisions designed for a pre-internet age. The community standards enshrined in these laws, unfortunately, reflect many of the baseless fears and moral panics that surrounded video games during that decade and assumed, incorrectly even then, that video games were only played by children. None of these laws are reflective of where society is in 2024 and the rich, complex and profoundly popular entertainment medium that video games are now today. They also continue to reflect an unwarranted divergence in classification of video games compared to other media. While we touch upon these matters throughout our submission, we have included at Appendix A further background and context regarding classification trends in video games, the changing video game environment, a better informed and equipped community, and industry's leadership role in trust and safety.

Summary of recommendations

We are reassured by the passing of the first stage of reforms and further Government commitment to reforming the Scheme at this second stage. To help inform the direction of future reform, we have responded to the consultation paper questions and have laid out a range of recommendations in this submission. We look forward to further discussions with the Government throughout the year to support the progress of this very necessary and important reform process.

Below is a summary of our recommendations in response to the consultation paper questions.

² While classification laws refer to the term 'computer games', in this submission we refer to the more commonly used term 'video games', except when directly quoting legislation.

Consultation paper questions	IGEA recommendations
1.1 Are the guiding principles set out in the Code still relevant in today's media environment?	We generally support the current principles outlined in the Code and especially the first principle that "adults should be able to read, hear, see and play what they want". This principle must be central to any reformed Scheme. While we generally support the rest of the principles, future reform provides an opportunity to update their language.
1.2 Do you support the proposed criteria that defines what material should be classified under the Scheme?	We support in-principle excluding user-generated content from the scope of classifications. However, further development is required for determining the relevant criteria for classifiable content (e.g. 'professionally produced' according to an industry accepted standard), clarify who should realistically be responsible in practice, and allow for some flexibility for platforms and other online service providers should they wish to rate user-generated content. We recommend that the scope of the future Scheme be clarified as it applies to film only applies to films and episodic content and will not inadvertently cover live content like esports broadcasts. In this regard, we welcome the Stevens Review consideration that "live video streams that are not discrete recordings" be excluded from classification.
1.3 Are there any other issues with the current purpose and scope of the Scheme that should be considered?	No further comment at this stage
1.4 Do you support changes to the definition of a 'submittable publication' to provide clarity on publications requiring classification under the Scheme?	At this stage, we do not consider there to be a clear direct impact on the video games industry regarding changes to the definition of 'submittable publication'. However, we would be concerned if there were unintended consequences in the treatment and classification of video games, as a result of any changes to the definition of 'submittable publication' and government decides to align its approach to classification of publications with films and computer games. Government will need to further consult with industry if this were to be contemplated.
2.1 Do you support the establishment of an independent Classification Advisory Panel or similar body?	In principle, we would be supportive of guidelines that properly reflect the community standards and emerging community issues of the day. If the process is well-designed for enabling this, then we would welcome the establishment of the Classification Advisory Panel (CAP), as recommended by the Stevens Review. There are practical questions regarding how the CAP might operate effectively as part of the broader reformed classification governance system that are also being considered as part of this consultation.

Consultation paper questions	IGEA recommendations
	Lessons can be learnt from overseas approaches such as ESRB and PEGI. For example, we understand PEGI includes an Experts Group, which sounds similar to the proposed CAP. We strongly encourage the Department to consult with ESRB and PEGI as to whether such groups have been effective and relevant for Australia, if it has not already done so.
2.2 What issues or expertise relevant to the classification environment would you like to see represented in a Classification Advisory Panel or similar body?	See our responses to section 2.1 and 2.3 in this submission.
	 Themes: We support the existing treatment of themes in the Guidelines and only recommend changes to the definition of 'themes' to ensure that it remains broadly scoped. For similar reasons as with other classifiable elements, we recommend that the Guidelines be amended so that the same level of treatment and classification of certain topical themes that is permitted in films is also permitted in computer games.
	<u>Violence</u> : Violence is treated more harshly in video games than in films, even when interactivity has no impact. We do not believe that the Guidelines' harsher treatment of violence in video games compared to films reflects Australian community standards. We therefore recommend that the Guidelines be amended so that similar or equivalent violent content in films and video games are treated equally to reflect community standards.
2.3 Are there any aspects of the current Guidelines that you would like the Classification Advisory Panel or similar body to consider?	<u>Sex:</u> We recommend that the Guidelines at the R18+ level be amended so that the same level of sexual activity that is permitted in films is also permitted in computer games. Any activity that is legal in the real world should be able to be legally depicted. We also recommend removing the specific rules around games with sex linked to incentives and rewards. This kind of content is more flexibly addressed through the overall consideration of interactivity in video games.
	Language: We recommend that the Guidelines at the M and MA15+ level be amended so that the same level of language that is permitted in films is also permitted in computer games.
	Drug use: We recommend that the Guidelines at the PG level be amended so that the same level of drug use that is permitted in films is also permitted in video games. The Guidelines should also clarify what is meant by 'drugs' and that the definition should exclude fictional drugs and medicines. We also call for the softening of the rule regarding interactive drug use, especially at the R18+ level, and the outright removal of the rule that causes drug use linked to incentives and rewards to be RC. Both of these aspects of drug use in video games are already being addressed through consideration of context and interactivity.
	<u>Nudity:</u> We recommend that the Guidelines at the G and PG level be amended so that the same standard of nudity is applied to both video games and films. We also recommend removing the specific rules

Consultation paper questions	IGEA recommendations
	around games with nudity linked to incentives and rewards. Video games will already be assessed more critically due to the Classification Board's requirement to consider the impact of interactivity and the context of the nudity.
	<u>Alignment between classification guidelines:</u> We support the adoption of a single set of classification guidelines for both video games and films, as was recommended by the ALRC Inquiry. ³
3.1 Do you support the consolidation of classification functions under a single national regulator at the Commonwealth level?	Following the Stage 1 reforms, with the expansion of options for industry to self-classify, and role of IARC, this removes part of the Classification Board's functions and raises questions as to whether it can pivot and focus on other priority matters; or alternatively, whether it should be integrated as part of another existing government agency with appropriate capabilities, expertise and experience such as ACMA, as recommended in the Stevens Review. Regarding the Classification Review Board itself, we maintain our view that its role is obsolete, given the cost for seeking a review and
	infrequency of use (as identified by the Stevens Review). This could be the role of the Classification Board or, if the Government prefers, ACMA.
3.2 What key considerations should inform the design of fit-for-purpose regulatory arrangements under a single national regulator model?	 Fit-for-purpose considerations for a single national regulator model: Should the Government decide to proceed with a single national regulator that moves away from the Classification Board, we would strongly recommend the ACMA take over this responsibility, given its demonstrated experience in regulating audiovisual content and similar responsibilities in broadcasting, in line with the Stevens Review recommendation. To ensure stability and continuity, arising from the experience, expertise and knowledge of the Classification Board, consideration needs to be given to ensuring the relevant capabilities are retained under the new agency within the ACMA. Removal of MA15+, and access and legal restrictions: We generally support the existing classification categories for video games with the exception of MA15+, although we also recognise that there are problems with PG and M. We recommend that MA15+ be merged with M into a non-restricted category. We are aware that some stakeholders previously supported a new category between PG and M, such as PG-12 or PG-13. While this was not a priority for our industry, we are happy to consider this further if needed. We recommend that a new Scheme be changed to an entirely advisory system without legal access restrictions on any categories. In particular, we support removing legal access restrictions on MA15+ which the ALRC supported.

³ For example, see Recommendations 5-2 and 9-1 of the ALRC Inquiry, pp.103, 208, <u>https://www.alrc.gov.au/wp-content/uploads/2019/08/final_report_118_for_web.pdf</u>.

Consultation paper questions	IGEA recommendations
3.3 Is there a role for the Classification Board and the Classification Review Board under a single national regulator model?	We consider that the Classification Board, at least its expertise, experience and knowledge should be retained. There could be an opportunity for the Classification Board to pivot and update its functions to focus on priorities following the changes arising from the Stage 1 classification reforms. Regarding the Classification Review Board, we do not believe that it is required, given its expensive cost to access and utilise, and infrequent use. Instead, its classification decision review function could be subsumed within the Classification Board, Department or the single regulator proposed by the Department such as ACMA. However, any review body should comprise of the same level of expertise and experience as the current Classification Review Board.
3.4 Are there any gaps or unintended consequences that may be caused by consolidating classification functions under a single national regulator at the Commonwealth level?	It is important that the strengths of the Classification Board are retained should the Government decide to disband and move its function to another regulator such as ACMA. We firmly support the recommendation in the Stevens Review for ACMA to be the appropriate regulator if functions were to be moved away from the Classification Board. Should there be a new regulator responsible for classification, they will need to replace the Classification Board position in the IARC.

About IGEA

IGEA is the industry association representing and advocating for the video games industry in Australia, including the developers, publishers, and distributors of video games, as well as the makers of the most popular gaming platforms, consoles and devices. IGEA has over a hundred members, from emerging independent studios to some of the largest technology companies in the world.

Amongst our various activities, IGEA also organises the annual Games Connect Asia Pacific (GCAP) conference for Australian game developers and the Australian Game Developer Awards (AGDAs) that celebrate the best Australian-made games each year.

Video games are a beloved Australian activity and significantly benefit Australian game players, the wider community, and the economy. Video game developers and publishers are the innovators, creators and business leaders reimagining entertainment and transforming how we learn and play. Two in three Australians play games, mainly for enjoyment and relaxation, and games are increasingly being used for serious and educational purposes, including by governments. Video games provide a digital outlet for Australian art, culture, stories and voices, and Australian-made video games are among Australia's most successful and valuable cultural exports. Our medium also brings kids into STEM and helps them build technology skills that will feed Australia's workforce needs.

In supporting local content, the video game industry is a major contributor to the Australian digital economy. According to our data, video games are worth around \$4.21 billion annually in Australia,⁴

⁴ IGEA, 'Australians subscribe to video game growth' (Media Release, June 2023), <u>https://igea.net/2023/06/australians-subscribe-to-video-game-growth/</u>.

while Australian-made games brought in \$345.5 million in largely export revenue last year.⁵ Moreover, because the video game sector uniquely sits at the intersection of entertainment, the arts and technology, video game companies hire a wide range of artistic, technical and professional roles and are thus a wellspring of high-quality sustainable careers, and are an engine for growth in the Australian national economy. Indeed, Australian game developers are internationally renowned, and ours has the potential to be one of Australia's most important future growth industries and an integral component of the Government's vision for Australia to be a top 20 digital economy and society by 2030.

1. Purpose and scope of the National Classification Scheme

1.1. Are the guiding principles set out in the Code still relevant in today's media environment?

Recommendation: We generally support the current principles outlined in the Code and especially the first principle that "adults should be able to read, hear, see and play what they want". This principle must be central to any reformed Scheme. While we generally support the rest of the principles, future reform provides an opportunity to update their language.

As noted in the consultation paper, the Code sets out four principles that classification decisions are to give effect to, with the first principle being that "adults should be able to read, hear, see and play whatever they want".⁶ This principle is the first one in the list for a reason – it represented the transformation from the censorship regime that Australia had for most of the twentieth century to a more modern Classification regime. This principle should remain forefront under any reformed Scheme and properly given effect to, something that we believe the current Guidelines (even with the recent Stage 1 reforms) have not been able to achieve.

We are largely supportive of the other principles outlined in the Code, although we query whether some of its language is still appropriate and relevant. For example:

- The second and third principles still adopt a highly black-and-white and 'Government knows best' approach to the exposure of content to the community. While we acknowledge that protecting the community is one of the roles of classification, throughout this submission we have also noted the evolving role of classification towards one of providing guidance and empowerment to the community to help them be informed of their choices and to make their own decisions.
- We question whether the archaic reference to 'offensiveness' in the third principle, rather than harm, should still be a relevant standard for a modern Scheme.
- We note that since the current Scheme started, there has been confusion around the meaning of 'the portrayal of persons in a demeaning manner' in the fourth principle and urge the Department to consider whether and to what extent it is still relevant.

⁵ IGEA, 'Aussie game developers pull in \$345.5 million for local economy' (Media Release, December 2023), <u>https://igea.net/2023/12/2023-agds/</u>.

⁶ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 'Public Consultation Paper: Modernising Australia's Classification Scheme – Stage 2 Reforms (April 2024) ('Consultation Paper'), p. 8, <u>https://www.infrastructure.gov.au/sites/default/files/documents/classification-public-consultation-paper-cleared-final-accessibility-enhanced.pdf</u>.

IGEA's position on the guiding principles is in-principle aligned with the Stevens Review, which recognised "many aspects of these overarching principles retain value", but "other concepts and language contained in these provisions ... are in need of an update".⁷

The Stevens Review recommended updating the key principles to provide that:⁸

- Adults should be able to read, hear, see and play what they want, with limited exception;
- Minors should be protected from content likely to harm or disturb them; and
- Everyone should be protected from exposure to content of serious concern to the wellbeing of the community.

However, with respect to the recommended updates to the guiding principles in the Stevens Review, there are further questions that would need to be clarified should the Government wish to consider these further:

- Principle 1: What is meant by 'with limited exception'?
- Principle 2: What is the definition of "minors"?
- Principle 3: In replacing "unsolicited material that they find offensive" with "content of serious concern to the wellbeing of the community", what does the new terminology mean? Does this provide any more clarity than the current 'offensiveness' terminology?

1.2. Do you support the proposed criteria that defines what material should be classified under the Scheme?

1.2.1 User-generated vs professional produced content

Recommendation: We support in-principle excluding user-generated content from the scope of classifications. However, further development is required for determining the relevant criteria for classifiable content (e.g. 'professionally produced' according to an industry accepted standard), clarify who should realistically be responsible in practice, and allow for some flexibility for platforms and other online service providers should they wish to rate user-generated content.

The consultation paper refers to the Stevens Review's recommendation regarding a proposed criteria for what material should be classified, where service providers should be responsible for classifying content that meets this criteria for classifiable content, but would exempt user-generated content.⁹

To provide better context, it is worth revisiting the Stevens Review's discussion on this topic.

⁷ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 'Review of Australian classification regulation' (Report, May 2020) ('Stevens Review'), p. 9, <u>https://www.infrastructure.gov.au/stes/default/files/documents/review-of-australian-classification-regulation---may2020.pdf</u>.

⁸ Ibid.

⁹ Consultation Paper, p. 9.

The Stevens Review did indeed recommend excluding user-generated content from classification, with the following example:¹⁰

User-generated videos such as home videos or how-to tutorials. Content may be semiprofessional but would not meet the same criteria of professionally produced content as for a feature film or television program and would not be directed at an Australian audience. Online content would continue to be regulated under the Online Content Scheme, in addition to the consumer protection mechanisms provided by video platforms themselves.

And this concept would be extended to YouTube, with the following content recommended to be excluded:¹¹

- User-generated videos (e.g. home videos, how-to tutorials and other videos without obviously high professional production values)
- Videos not specifically directed at an Australian audience

In grappling with evolving and dynamic streaming services, the Stevens Review and stakeholders acknowledged the challenges of trying to define content and services that should be classified, while accepting that user-generated content should be generally excluded.¹² In response, it recommended that the Classification Act be amended to:

... include a set of high-level principles for content that should be classified, supported by a legislative instrument that provides specific guidance and examples of content and services that should be classified. A legislative instrument that can be updated as required would provide the necessary flexibility to take into account industry changes in the future.

Elaborating on these principles, it suggested the following:¹³

'Professionally produced' implies higher quality production values where there is a likely involvement of a production team that may involve (but is not limited to) a writer, director, producer and/or support staff. This would differentiate professional films and television programs from home videos posted on YouTube or other social media.

'Distributed on a commercial basis' relates to organisations or individuals that distribute media content as part of their business, as opposed to individuals or community groups whose main purpose is not to distribute media content for commercial gain. I consider that 'distributed on commercial basis' does not necessarily mean that the user must pay a fee to watch the content, though in many cases they will pay for subscription VOD or transactional VOD (such as for film rentals). One such example is broadcasting VOD services including SBS On Demand, ABC iView, 9Now, 7plus and Tenplay, in which Australian consumers do not need to pay fees to watch the content. Even though these services are provided free of charge to the public, I consider that broadcasting VOD services should be captured by classification laws - the important aspect here is that the content provider (the ABC, SBS and commercial free to air broadcasters) are organisations that undertake commercial transaction to buy, make or license the content for distribution in Australia.

¹⁰ Stevens Review, p. 40.

¹¹ Ibid, p. 41.

¹² Ibid, p. 38.

¹³ Ibid, p. 39.

'Directed at an Australian audience' acknowledges that there may be some online VOD platforms hosted overseas that may be available to Australians via the internet, but may not necessarily be directed at, or marketed to an Australian audience. It would not be realistic to require providers of such content to carry Australian classifications.

An indicator of 'directed at an Australian audience' could be a VOD platform having a selection of content specifically available in Australia or have marketing specifically directed at Australians. It is important that the content provider or distributor choosing to make the content available in Australia should be responsible for classification, which may not necessarily be the original maker of that content.

And acknowledging IGEA's previous comments on classifying professional content for video games, the Stevens Review stated:¹⁴

... it is clear from the consultation process that industry recognises the need to continue classifying professional content. Given that the IARC classification system is in place and is working well, I recommend that all computer games made available in Australia continue to be classified apart from exempt computer games."

While a less significant issue compared to user-generated videos, I am aware there are some usergenerated online games that may not be distributed on a commercial basis or directed at an Australian audience. As such, I recommend applying similar principles to the classification of computer games that are applied to films and television programs. The legislative instrument approved by the Minister could specifically include physical boxed games and games made available on online gaming storefronts. Classification should continue to be the responsibility of the provider that makes the content available first in Australia, regardless of who originally makes the content.

It therefore recommended that "the scope of classifiable computer games should be clearly articulated to focus on professionally produced computer games distributed on a commercial basis and directed at an Australian audience".¹⁵

In principle, we do not object to the Stevens Review's reasoning and proposed delineation between user-generated content and professional content. Such a principled approach will enable flexibility in responding to evolving commercial online services content in classifications. It would be impractical and infeasible to attempt to require all content that may appear online to be classified, especially by the wider community. However, further thought will need to be given to its scope.

For instance, more work will need to be done to properly define the scope of 'professionally produced' content. As stated in the Stevens Review, the definition of 'classifiable content' needs to be narrowed for online video on demand providers and online games stores directed at Australian consumers but excludes user-generated content.¹⁶

We appreciate that the Stevens Review attempts to provide a high level description of what might be deemed to be 'professionally produced', along with the other criteria around commercial distribution and targeting Australian audiences. However, this raises questions about how this might be assessed. For example, should this be measured against a particular set of standards that are

¹⁴ Ibid, pp. 41-42.

¹⁵ Ibid.

¹⁶ Ibid, p. 9.

recognised as 'professionally produced' in industry? If so, what would be considered an agreed standard?

Further, if the consultation paper proposes that "classification is the responsibility of the service provider who makes the content available in Australia, regardless of who originally makes the content", consideration needs to be given to how this might apply in practice for digital and mobile games classified under the IARC tool. We understand that it would be difficult in practice to require the relevant platform service provider to be responsible for rating of games under the IARC system. The design of the IARC places the onus on developers to be responsible for completing the IARC questionnaire, which are based on algorithms and ratings that are administered by participating rating authorities. IARC rating authorities also have an important role in monitoring the accuracy of the ratings, which can be modified as required. Therefore, the platform service provider is not required, as it does not need to determine the rating or its accurate display.

Additionally, we understand that IARC is used by some online storefronts to rate certain types of user-generated content. This suggests that the consultation needs to be more flexible to allow platforms and other service providers to rate user-generated content, should they wish to do so.

1.2.2 Live content

Recommendation: We recommend that the scope of the future Scheme be clarified as it applies to film only applies to films and episodic content and will not inadvertently cover live content like esports broadcasts. In this regard, we welcome the Stevens Review consideration that "live video streams that are not discrete recordings" be excluded from classification.

We recommend that it be clarified that the scope of the future Scheme as it applies to film only applies to films and episodic content and will not inadvertently cover live content like esports broadcasts.

The Stevens Review did explicitly list "Live video streams that are not discrete recordings" that should be excluded from classification.¹⁷

In this regard, we particularly welcome the Stevens Review's consideration that "live video streams that are not discrete recordings" be excluded from classification. The Stage 2 classification reforms provide an opportunity to move forward with this.

1.3. Are there any other issues with the current purpose and scope of the Scheme that should be considered?

We have no further comment at this stage.

1.4. Do you support changes to the definition of a 'submittable publication' to provide clarity on publications requiring classification under the Scheme?

At this stage, we do not consider there to be a clear direct impact on the video games industry regarding changes to the definition of 'submittable publication'.

¹⁷ Ibid, pp. 39-40.

However, we note that the Stevens Review did recommend the following: ¹⁸

... that the current categories for submittable publications be replaced with equivalent categories currently in use for films and computer games: Unrestricted would be replaced with *M*, Category 1 restricted replaced with R 18+ and Category 2 restricted replaced with X 18+. This change would be clearer for consumers and bring greater uniformity to the classification system.

As we are recommending for better alignment to reflect community expectations between the films and computer games guidelines, we would be concerned if there were unintended consequences in the treatment and classification of video games as a result of any changes to the definition of 'submittable publication' and government decides to align its approach to classification of publications with films and computer games. Government will need to further consult with industry if this were to be contemplated.

2. A framework for evidence-based classification guidelines

2.1. Do you support the establishment of an independent Classification Advisory Panel or similar body?

Recommendations:

- In principle, we would be supportive of guidelines that properly reflect the community standards and emerging community issues of the day. If the process is well-designed for enabling this, then we would welcome the establishment of the Classification Advisory Panel (CAP), as recommended by the Stevens Review. There are practical questions regarding how the CAP might operate effectively as part of the broader reformed classification governance system that are also being considered as part of this consultation.
- Lessons can be learnt from overseas approaches such as ESRB and PEGI. For example, we understand PEGI includes an Experts Group, which sounds similar to the proposed CAP. We strongly encourage the Department to consult with ESRB and PEGI as to whether such groups have been effective and relevant for Australia, if it has not already done so.

The consultation paper notes that there is currently no requirement to undertake regular reviews of the Guidelines, leading to Guidelines that it considers may not always reflect community concerns or emerging evidence.¹⁹ To address this, it notes that the Stevens Review recommended for the establishment of a Classification Advisory Panel (CAP) comprising of experts, community representatives and industry representatives. The CAP would not be a decision-making body, but would advise the governments on possible updates to classification criteria, informed by an evidence-based and community considered approach.

In reviewing the Stevens Review, we understand that there was general support from other industry stakeholders for the desire that the Guidelines be regularly updated to reflect shifting community standards and emerging community issues.²⁰ The Stevens Review agreed with this in its assessment,

¹⁸ Ibid, p. 11.

¹⁹ Consultation Paper, p. 11.

²⁰ Stevens Review, p. 77.

highlighting examples of overseas approaches that could be adopted in Australia. Particular examples were from the British Board of Film Classification (BBFC) in the United Kingdom, and the Netherlands system which has expert and stakeholder committees, providing sound evidence base and regular systematic review of classification standards.²¹

The Stevens Review therefore made the following recommendations:

- **Recommendation 8-1:** The classification guidelines should be updated to contain specific, objective criteria for consistent classification decisions.
- **Recommendation 8-2:** The classification guidelines should be reviewed every four years.
- **Recommendation 8-3:** A Classification Advisory Panel should provide advice on the classification categories, classification guidelines, National Classification Code and the matters to be taken into account in decision-making in the Classification Act.
- **Recommendation 8-4:** Advice of the Classification Advisory Panel should be informed by empirical evidence, community research, international best practice and consultation with stakeholders including the eSafety Commissioner.

In making its recommendations, the Stevens Review noted that the strength of a new CAP is on the premise that they are represented by relevant experts from various domains, along with those with industry experience and community organisations. These members would be appointed by the Government in a similar way as for the current Classification Board. The role of the CAP would include reviewing empirical evidence and community research, monitoring and making recommendations on developments concerning media platforms and emerging issues of community concern, and recommendation research to test community attitudes and views on classifications.

In principle, we would be supportive of guidelines that properly reflect the community standards and emerging community issues of the day. If the process is well-designed for enabling this, then we would welcome the establishment of the CAP, as recommended by the Stevens Review. For instance, the composition of the CAP would need to be properly balanced with representatives from industry and the community to address any perceived biases and politicisation are managed properly, appropriate understanding about classifications including its scope and purpose, along with how the CAP will be governed in the spirit of procedural fairness. There are also certainly lessons that can be learnt from overseas approaches such as ESRB and PEGI.

For example, in the case of PEGI, we understand that there exists the PEGI Experts Group, which may be a similar concept to the proposed CAP. According to PEGI's website:²²

With the [PEGI] Council's focus on country representation, PEGI also maintains a network of technical experts that have been an important source of advice for PEGI over the years. The Experts Group involves specialists and academics in the fields of media, psychology, classification, legal matters, technology, the online world, etc. They advise PEGI by considering technological and content-related development as recommended by the PEGI Council, the PEGI Management Board or through circumstances brought to light by the complaints procedure.

A list of these representatives is available on PEGI's website. From an industry perspective, it is important for there to be industry representation, which has been reflected in the Experts Group. Supporting the Group are two administrators, the Netherlands Institute for the Classification of

²¹ Ibid, pp. 78-79.

²² <u>https://pegi.info/page/pegi-committees</u>

Audiovisual Media (NICAM) and Games Rating Authority (GRA). Their roles are to perform examinations and classifications for PEGI. These administrators are crucial because they will signal developments to the Experts Group if they require further discussion, and they are also the ones that will bring any decision by the Group into practice after it has been approved. As to further details in how the Group is governed, operates and its overall effectiveness and value, we strongly encourage the Department to consult with PEGI, if it has not already done so.

There are also practical questions regarding how the CAP might operate effectively (including scope of functions and responsibilities, and interaction and coordination with the Classification Board and/or other regulatory bodies such as the ACMA), as part of the broader reformed classification governance system that are also being considered as part of this consultation. In this regard, we discuss further about in section 3 about fit-for-purpose regulatory and governance arrangements for classification.

2.2. What issues or expertise relevant to the classification environment would you like to see represented in a Classification Advisory Panel or similar body?

In section 2.1, we discussed the Stevens Review's suggested composition of a new CAP body. Regarding issues for further consideration with respect to Guidelines (particularly classifiable elements and alignment of classification standards across delivery formats) by a CAP body, we discuss these in section 2.3 below.

2.3. Are there any aspects of the current Guidelines that you would like the Classification Advisory Panel or similar body to consider?

The following are outstanding matters related to the Guidelines that we have previously raised, requiring attention:

- Classifiable elements; and
- Applying the same classification standards across delivery formats.

2.3.1 Classifiable elements

As a general comment, for each of the classifiable elements discussed in this section, we are seeking for regulatory coherence between the way video games and films are treated and classified to reflect community expectations. In particular, we consider the treatment of video games continues to be more restrictive and harsher compared to films. Collectively, we also discuss that the guidelines for films and computer games be aligned and integrated in section 2.3.2 below.

The Stevens Review provided a limited assessment of these specific elements in the context of video games, with recommendations that largely focused on whether there should be alignment or integration between the Computer Games Guidelines and Films Guidelines. However, the Review did consider there were applicable issues for films that could be extended to video games. It also only focused on certain aspects related to video games such as simulated gambling and interactivity, which we discuss further below.

2.3.1.1 Themes

Recommendations:

• We support the existing treatment of themes in the Guidelines and only recommend changes to the definition of 'themes' to ensure that it remains broadly scoped.

• For similar reasons as with other classifiable elements, we recommend that the Guidelines be amended so that the same level of treatment and classification of certain topical themes that is permitted in films is also permitted in computer games.

We support the existing treatment of themes in the Guidelines and only recommend changes to the definition of 'themes' to ensure that it remains broadly scoped.

We note that the Stevens Review considered that themes were too broad, which warranted more specific consideration and guidance for the community.²³ While we accept that the themes element can be broad in its scope, we consider that this enables flexibility to consider various social issues that may remain contemporary to the Australian community of the day.

Therefore, we do not see the need for changes in any of the provisions in the Code or the Guidelines relating to the treatment of the classifiable element of themes.

From our perspective, themes are currently being applied effectively and consistently with Australian community standards. Themes are one of the more challenging classifiable elements to define but the fact that the Guidelines are not overly prescriptive on themes, unlike how some of the other elements are addressed in the Guidelines, is positive. 'Themes' has a very broad scope and we believe that the flexibility of this category is its strength. Unlike other parts of the Guidelines, the treatment of themes is approached maturely and does not automatically assume that games are dangerous. On that, we also note the Department's past research that parents consider the portrayal of strong themes in media to have benefits for young people.²⁴

The flexibility of themes has been key to the Classification Board's ability to respond to the increasingly complex, narrative-driven and richly contextual nature of contemporary video games and this characteristic will be vital to classification as games continue to evolve in the future. While 'themes' itself may be a broad term, it is generally understood and is complemented effectively by the consumer advice (CA) process which has allowed the Board to specify certain themes to highlight. We also note that 'themes' has been a highly effective way for the Board to classify games with simulated gambling appropriately, often with consumer advice of 'simulated gambling'. The only change we would suggest is that the definition of 'themes' in the Guidelines be reviewed to avoid any doubt that the classifiable element is not limited to 'social issues' as per the current definition, but also encompasses a broader range of topics of ideas that can be explored through the medium of games.

We note that the Stevens Review also did specifically address simulated gambling, loot boxes and micro-transactions, and made associated recommendations. Since then, the Stage 1 reforms will introduce mandatory minimum classifications for computer games containing gambling-like content, coming into force in September this year. For similar reasons as with other classifiable elements, we recommend that the Guidelines be amended so that the same level of treatment and classification of such topical themes that is permitted in films is also permitted in computer games.

2.3.1.2 Violence

Recommendation: Violence is treated more harshly in video games than in films, even when interactivity has no impact. We do not believe that the Guidelines' harsher treatment of

²³ Stevens Review, p. 85.

²⁴ Department of Communications and the Arts, 'Community standards and media content: Research with the general public' (Final Report, May 2017), p. 13, <u>https://www.classification.gov.au/sites/default/files/2019-10/community-standards-and-media-content-research-with-the-general-public.pdf</u>.

violence in video games compared to films reflects Australian community standards. We therefore recommend that the Guidelines be amended so that similar or equivalent violent content in films and video games are treated equally to reflect community standards.

We continue to firmly maintain that violence is treated in classification more harshly in video games than in films, even when interactivity has no impact. Violence is also treated more harshly in Australia than in most comparable jurisdictions around the world. We do not believe that the Guidelines' harsher treatment of violence in video games compared to films reflects Australian community standards. We recommend that the Guidelines be amended so that similar or equivalent violent content in films and video games are treated equally. While we appreciate that this subject was considered as part of the Stevens Review, evidence provided to that consultation reinforces our position. We discuss this further below.

Stevens Review's consideration of violence in video games

The Stevens Review paid particular attention to the concept of interactivity and its impact, and its association with violence and other elements. Of particular note, the Stevens Review acknowledged "an ongoing but inconclusive global debate regarding the impact of violence in computer games", where "academic literature has consistently found that research into links between violent computer games and aggression is highly contested and inconclusive".²⁵ It also acknowledged the Department's research, which found that parents were very aware of the importance of educating their children about violent content and the dangers of imitating it.²⁶ However, in the same research, parents also did not believe that violent games and films had a significant influence on adult behaviour.

It is also worth noting the Classification Board's comments in the Stevens Review regarding this matter:²⁷

In its submission, the Board opposed the current treatment of interactivity as a "stand-alone concept," proposing that it instead be assessed as part of context, as with "frequency, treatment, tone, the use of special visual effects, musical scores, sound effects and other impact accentuation techniques that are used across films and games."

Despite these various pieces of evidence and acknowledging the "lack of conclusive empirical evidence", the Stevens Review took a conservative view "that most of the community would consider that interactive content *is* potentially impactful, and particularly on the behaviour or attitudes of children".²⁸ It suggested that research should be reviewed by the CAP in considering the impact of interactivity.

Ultimately, the Stevens Review did not consider there was an urgent need to amend the Guidelines relating to classification of violence in video games.²⁹ Instead, it recommended that the new CAP evaluate each classifiable element unique to video games in the new Computer Games Guidelines and advise on whether there should be more consistency with the Films Guidelines while maintaining appropriate protections.

²⁵ Stevens Review, p. 101.

²⁶ Ibid, p. 90.

²⁷ Ibid, p. 101.

²⁸ Ibid.

²⁹ Ibid, p. 104.

We appreciate the Stevens Review's consideration of the points raised in our submission, acknowledging the lack of conclusive evidence of a causal link between violence in video games and aggression. Regardless of the lack of evidence, it also alludes to a likely perceived bias in some parts of the community "that there *is* a potential" that interactive content can have an impact on children's behaviour or attitudes. We appreciate that this can be a highly emotive and politically charged subject, as it has previously been over three decades ago. However, there needs to be a degree of reason, sensibility, perspective and objectivity to ensure proper discourse and robust policy. This can only be achieved by being informed by substantiated evidence, irrespective of personal views or opinions regarding video games. To date, there is lack of evidence to substantiate that video games are systemically causing aggression in people.

Nevertheless, as the Stevens Review has deferred any further consideration of reviewing the classifiable elements to a newly formed CAP, we consider it worthwhile to reiterate our previous comments (along with updated information) in this latest consultation with respect to each of these elements.

Case for treating and classifying violence in video games similarly to films

The Code and the Guidelines were drafted at a time where there was an ongoing debate about the links between games and community violence. Even at the time, this debate was being criticised as an irrational moral panic, and in 2024 the debate has long been settled. While from time to time violence in games is brought up by politicians for scapegoating purposes and to deflect from more difficult policy issues, academic discourse has long since dismissed any links between violence in video games and violence or aggression in the community. This conclusion is consistent with almost any comparisons of crime and video game data sets. There is no need to discuss this topic any further but summaries of recent significant independent studies looking into the supposed link between games and violence is provided at **Appendix B**.

There is no evidence that the Classification Board's consideration of violence in video games is too lax for Australian community standards, nor are we aware of any broader community concern about violence in games or any concerns raised by the Department's community research.

As an aside, Australia has traditionally lain on the 'stricter' side of its treatment of violence in video games compared in comparison to other jurisdictions, with no evidence to suggest that Australian community standards show a lower tolerance for such content compared to others. For example, the Australian classifications for two popular games in Australia, Fortnite and League of Legends, were higher than their corresponding ratings in other countries (e.g. M rating in Australia, T (13) in US, and 12 in Europe (PEGI), Germany, Brazil, South Korea and Singapore). There are several more prominent examples, especially around the midrange categories of PG and M.

If there are differences in Australian community standards compared to other countries, as it relates to violence, we do not have issue with ratings that consistently reflect that across all media. However, to reiterate, our concern is the different treatment of violence in video games compared to other media in Australia.

A key reason for the relative harshness of the treatment of violence in games under the Scheme is the history of political anxiety towards such content, and games generally, in past years. It was not so long ago that Australia did not have an R18+ classification category for video games, which only came after a process of almost a decade of debate. All of the arguments for an R18+ category were there. Almost every other comparable jurisdiction had an equivalent category. There was already a principle under the Scheme that adults should be able to watch and play whatever they want. The community overwhelmingly supported an R18+ category. Educating and busting myths about video

games to policy makers is one of IGEA's highest priorities and one that we are incredibly proud of our industry's efforts.

We commend the Classification Board members over the last decade for improving the Board's consistency in its treatment of violence in games and for decisions that we believe mostly reflect the community's expectations. However, we know that the quality of Board decisions is highly dependent on the ever-changing composition of the Board, so this could change or deteriorate in the future. This is why it is vital that we use every opportunity to get the Guidelines right, even if the changes that need to be made seem relatively minor.

On that note, we do believe changes must be made to the Guidelines regarding its treatment of violence. A common theme in this submission will be the harsher standard that the Guidelines impose on video games in comparison to films. At **Appendix C**, we have compared the Guidelines side-by-side and highlight all the ways where they impose a stricter threshold on video games than on films. These include:

- <u>MA15+:</u> The Guidelines state that "strong and realistic violence should not be frequent or unduly repetitive", while the film guidelines simply state that violence should be justified by context. Similarly, implied sexual violence justified by context is permitted in film, but not games.
- <u>R18+:</u> The Guidelines provide several limitations around 'high impact violence', while the film guidelines have no such restrictions. Similarly, depictions of sexual violence are permitted in film, but not games. Such content found in video games will lead to the game being RC.
- <u>RC:</u> There are prohibitions around certain 'realistic' and 'repetitive' violence in video games not found in the film guidelines.

We dispute the assumption that the interactive nature of video games means that violent content (or any content) in a game will automatically be higher in impact than the equivalent content in a film. In some circumstances, interactivity may increase the impact of violent content in a game, but in most games, we would argue that interactivity has little to no effect on impact. We also note that many of the arbitrary rules in the Guidelines (that we advocate for the removal of throughout this submission) do not even differentiate between content that is interactive and content that is non-interactive, such as content in a static cutscene. In some circumstances still, interactivity may even lessen the impact of violence. After conducting focus groups to assess community standards, the Department previously published findings that:³⁰

... interactivity appeared to lessen the impact of violence on participants, reportedly due to a sense of control over the action in games, greater tolerance of violence when they themselves were perpetrating it ... and being focussed on the problem solving and skills aspects of gameplay while seeing violence as simply a means to an end.

While we acknowledge there is an argument that in some circumstances interactivity may increase the impact of violence in a game, this has already been addressed in the Guidelines which states, in several places, that interactivity in games may increase the impact of certain content compared to the equivalent content in films. This guidance already provides a clear expectation to the Classification Board that interactivity must be very carefully considered, on a case-by-case basis and not as an automatic factor, while also providing the Board with the ability to assess the specific

³⁰ Department of Communications and the Arts, 'Community standards and media content: Research with the general public (Final Report, May 2017), p.10, <u>https://www.classification.gov.au/sites/default/files/2019-10/community-standards-and-media-content-research-with-the-general-public.pdf</u>.

content, the context and the level of interactivity involved in a game on its own merits. We believe this is more than sufficient to adequately address the issue of interactivity in games.

By contrast, the discriminatory and rigid rules in the Guidelines around the specific treatment of violence at each classification level such as those addressed above are not evidence-based and will continue to create unjust decisions. The rules are not suited to the increasingly nuanced, thematic and narrative-driven games that exist now and will surely be unsuitable for future games as they continue to evolve in in future. These rules also do not equip the Classification Board to apply the appropriate discretion that a situation demands.

One oft-cited example is the original 2013 RC decision given to the video game *South Park: The Stick of Truth*, based on the popular satirical cartoon, due to interactive animated sequences depicting 'sexual violence' against both adults and minors.³¹ There is no doubt that there is content falling under this description that should deservedly cause a game to be RC, but there will also be content that does not. Because of the inflexible Guidelines, the Board had no choice but to RC *South Park* regardless of actual impact, resulting in Australia and a very small number of Asian countries being the only territories not to allow the sale of the original version of the game in at least one format.



Source: South Park: The Stick of Truth, Obsidian Entertainment

Under a reformed Scheme, these peculiar and anachronistic rules should be removed, not just the ones relating to violence but for all the classifiable elements, and the treatment of content should no longer systemically discriminate between films and computer games as is currently the case.

Finally, we would also like to share our updated summary of our review of literature on the links between interactivity and the impact of content in video games, **at Appendix D**. Our summary highlights a body of research that may help explain why interactivity may actually decrease the effect or impact of content on a player compared to viewing non-interactive content, contrary to the common presumption that interactivity increases impact.

³¹ For the full decision report, please see: Classification Board, Decision Report, 'Codename' (File No: T13/2997, September 2013), http://cdn2.sbnation.com/assets/3745411/ScanDoc 2013 12 18 16 42 21 840.pdf.

2.3.1.3 Sex

Recommendation: We recommend that the Guidelines at the R18+ level be amended so that the same level of sexual activity that is permitted in films is also permitted in computer games. Any activity that is legal in the real world should be able to be legally depicted. We also recommend removing the specific rules around games with sex linked to incentives and rewards. This kind of content is more flexibly addressed through the overall consideration of interactivity in video games.

We find the treatment of sex by the Classification Board and under the Guidelines to be generally appropriate and consistent with community expectations. However, once again, we consider to be unfair the different standards set by the Guidelines for sex in video games compared to the guidelines for film, as we have highlighted in **Appendix C**. These include:

- <u>MA15+:</u> A specific prohibition against sexual activity related to incentives or rewards in video games.
- <u>R18+:</u> The standards between sex in games and films are drafted completely differently, including the specific prohibition against explicit and realistic simulated sexual activity in games, which don't apply to the same content in films.

We see no reason why certain kinds of simulated sexual activity in films are permissible at the R18+ while the same kind of activity is not possible just because it is in a video game. This holds true even when the simulated sexual activity is not only unrelated to incentives and rewards but also in a non-interactive part of a game, such as a cutscene. More broadly, we believe that any activity that is legal in the real world should be able to be depicted in a game or film. It is sufficient that interactivity is already a consideration for the Classification Board when determining whether the specific depiction of high impact sex can be accommodated at R18+.

We do not support the current prohibition, at all levels below R18+, against sex related to incentives and rewards. This rule is necessarily inflexible and unique to Australia. While this rule is less problematic than the equivalent rule for drug use (where such content will always be RC) and few if any of our members publish games with sex linked to incentives and rewards, we nevertheless urge change. We call for this on the basis that we support a more modern and principles-based approach taken in a reformed Guidelines that does not take positions on specific kinds of content but enables classification decisions to actually reflect community standards as they evolve, rather than seek to dictate them.

2.3.1.4 Language

Recommendation: We recommend that the Guidelines at the M and MA15+ level be amended so that the same level of language that is permitted in films is also permitted in computer games.

As with the previous classifiable elements that we have discussed, the Guidelines impose a higher standard for language in video games than in films. The specific differences, as we've outlined in detail at **Appendix C**, are:

• <u>M:</u> The Guidelines treat language in video games the same as the film guidelines treat language, except that the Guidelines inexplicably impose a further restriction that language in video games should not be "gratuitous, exploitative or offensive".

• <u>MA15+:</u> The Guidelines treat language in video games the same as the film guidelines treat language, except that the Guidelines impose a further restriction that language in video games should not be "exploitative or offensive".

These differences mean that there is language that is permitted in a film that would not be permitted in a video game, even if it occurred in a non-interactive cinematic part of the game. As with the previous classifiable elements that we have discussed, there is no logical basis for these differences in standards, which appear arbitrary and not evidence based. We believe the only reason for these differences is simply the moral panic around 'dangerous games' that unfortunately existed during the 1990s and influenced political and policy discourse. After three decades, it is well-overdue to finally fix this.

2.3.1.5 Drug use

Recommendation: We recommend that the Guidelines at the PG level be amended so that the same level of drug use that is permitted in films is also permitted in video games. The Guidelines should also clarify what is meant by 'drugs' and that the definition should exclude fictional drugs and medicines. We also call for the softening of the rule regarding interactive drug use, especially at the R18+ level, and the outright removal of the rule that causes drug use linked to incentives and rewards to be RC. Both of these aspects of drug use in video games are already being addressed through consideration of context and interactivity.

The Guidelines have a highly prescriptive and sometimes baffling approach to drug use, which we have highlighted at **Appendix C.** The Guidelines impose a harsher standard for drug use in video games than the equivalent content in films, regardless of the level of interactivity, such as at the PG level where drug use must be infrequent as well as justified by context. We see no reason why the standard for drug use in video games should not be the same as in film, especially (but not solely) if it is non-interactive. We note that our previous Digital Australia 2020 research highlighted that drug use is one of the least concerning elements of media content to parents and adults in general, perhaps reflecting a more mature understanding of how this topic can be addressed in media.

There are also two further specific rules for drug use in video games that we urge be fixed. First, there is a rule stating that "interactive illicit or proscribed drug use is not permitted" at all levels except for R18+, where "interactive illicit or proscribed drug use that is detailed and realistic is not permitted". While we understand that in the 1990s the idea of drug use in video games may have caused greater fear than it would now, times have changed, and classification must change with it. For example, the video game *Beyond: Two Souls* features a scene where the protagonist, a young female, is offered a marijuana joint in a party setting. If the player chooses to accept the joint, she coughs violently, becomes visibly affected and unsteady and has other party-goers ask if she is OK. The 'interactivity' in this scene was one of the reasons why the game was required to be classified R18+ under the Guidelines.

The game 'Beyond: Two Souls' addresses peer pressure thoughtfully



Source: Screenshot from Beyond: Two Souls, Quantic Dream

This scene is not in any way exploitative, gratuitous, detailed or glorifying of drug use but rather, is challenging and thoughtful and addresses drug use in the same thematic way many programs and films aimed at teenagers do (and arguably does it better than most). For example, this highly contextualised scene, which unambiguously highlights the negative consequences of drug use, has a higher classification than the MA15+ film *Pineapple Express*, a 'stoner' film literally named after a strain of marijuana. Even the Department's past research into this scene appeared to indicate that the Guidelines did not meet community expectations, with around three-quarters of respondents saying that the level of impact in this scene was very mild, mild or moderate.³² We believe that it is sufficient that interactivity be an additional consideration for the classification of drug use in video games and there is no need for arbitrary rule-setting that invariably becomes problematic when applied.

However, this is not even the most problematic aspect of the Guidelines' treatment of drug use. At all levels from G to R18+, the Guidelines state that "drug use related to incentives or rewards is not permitted". This is one of the rules that has led to the most RC decisions related to video games and one that, as far as we know, exists nowhere else in the world. Among the games affected by this rule are *DayZ*, due to the presence of a restorative 'cannabis' resource, which for a time led to worldwide self-censorship due to the difficulties of creating two versions of a game (one for Australia and one for everyone else). This decision and other decisions regarding marijuana are made even more incongruous by the spreading legalisation of cannabis all around the world, the undisputed therapeutic value of cannabis, the legality of medicinal cannabis in Australia and the growing prospect of legal recreational marijuana use in Australia, with the personal use of marijuana in the ACT now decriminalised.

Other RC decisions in Australia have been just as uncomfortable. These include the fictional psychedelic used in the game *We Happy Few* which reduces gameplay difficulty, generically named power-ups in *The Bug Butcher*, and the existence of the legal medication Adderall in *Paranautical Activity*. In all of these games, it is our understanding that Australia is the only territory that these games were 'censored' and it is hard to understand why games with such features should not be accommodated – at the very least – at the R18+ level. We feel that even the Classification Board itself has increasingly grown tired of this rule. The Board noted in its response to the *DayZ* decision that

³² Department of Communications and the Arts, 'Community standards and media content: Research with the general public' (Final Report, May 2017), p. 159, <u>https://www.classification.gov.au/sites/default/files/2019-10/community-standards-and-media-content-research-with-the-general-public.pdf</u>.

the game would otherwise have been able to be accommodated at the MA15+ level had this rule not restrained them, and pointedly referred to the Stevens Review process to review the Code and Guidelines in its media release.³³

The decisions for *DayZ*, *We Happy Few*, *The Bug Butcher* and *Paranautical Activity* discussed above also highlight a lack of clarity around the definition and scope of 'drug' under the Guidelines. If the basis of concern about drug use in games is the risk of imitable behaviour, surely entirely fictional drugs and medicines should be out of scope. Furthermore, given the legal ambiguity around both marijuana and pharmaceuticals generally, there should be a consideration as to whether 'drugs' should *generally* be limited to certain classes of high risk legally scheduled narcotics instead.

2.3.1.6 Nudity

Recommendation: We recommend that the Guidelines at the G and PG level be amended so that the same standard of nudity is applied to both video games and films. We also recommend removing the specific rules around games with nudity linked to incentives and rewards. Video games will already be assessed more critically due to the Classification Board's requirement to consider the impact of interactivity and the context of the nudity.

Just like with the discrimination that occurs with each of the other classifiable elements, nudity is treated differently under the guidelines depending on whether it is in a video game or a film. While nudity is permitted at G and PG levels in films as long as it is justified by context, the same content in video games must also be infrequent. We believe the same standard of nudity should apply across both video games and films. There does not appear to be any logical reason for this higher standard, not in the 1990s and certainly not three decades later. Even without this specific rule, we note that nudity will still be inherently treated under a higher threshold given the Classification Board's requirement to consider the impact of the level of interactivity in a video game.

There is also a prohibition at all levels below R18+ against nudity related to incentives and rewards. This is yet another rule that is unreasonably inflexible and unique to Australia and one that we do not support. While this rule is less problematic than the equivalent rule for drug use where such content cannot even be accommodated at R18+, and few if any of our members publish games with nudity linked to incentives and rewards, we nevertheless urge reform on the basis of poor policy. It is not the role of the Scheme to set community standards but to simply reflect them. We therefore support a more modern and principles-based approach taken in a reformed Guidelines that does not take positions on specific kinds of content but enables classification decisions to adapt to and reflect community expectations as they evolve.

2.3.2 Applying the same classification standards across delivery formats

Recommendation: We support the adoption of a single set of classification guidelines for both video games and films, as was recommended by the ALRC Inquiry.

³³ Classification Board, 'Classification history of the game DayZ' (Media Statement, August 2019), <u>https://www.classification.gov.au/about-us/media-and-news/media-releases/media-statement-classification-history-game-dayz</u>.

We continue to firmly maintain support for a single set of classification guidelines for both video games and films, as was recommended by the ALRC Inquiry.³⁴

While the Stevens Review acknowledged similar views shared between the Classification Board and IGEA for combining the guidelines,³⁵ it stopped short of recommending further alignment (beyond alignment of R18+).³⁶ Instead, it deferred any recommendation to align the guidelines to the proposed CAP to provide further advice.³⁷ Its decision appeared to be weighed towards general community perceived concerns that interactive content in video games *is* potentially impactful on the behaviour or attitudes of children. This was despite the Stevens Review acknowledging that there was lack of conclusive empirical evidence concerning interactivity, violence and aggression in video games.³⁸

We respectfully disagree with this conclusion and reasoning, despite compelling substantiating evidence that would outweigh any unsubstantiated community concerns.

As we have outlined in our comments regarding each of the classifiable elements above, almost each of the differences between the computer game and film guidelines, highlighted at **Appendix C**, are superfluous and no longer reflective of community standards (if they ever were). To ensure that a future combined set of guidelines can adequately assess films, games and everything in between, it is sufficient that the guidelines provide direction on how interactivity can affect the impact of the classifiable elements. This will provide a more effective and future-proofed approach to classifying not only games but a broad range of content in an increasingly converged and unpredictable media environment.

We have already spoken about the increasingly blurred lines between films and video games - or what was traditionally considered linear content and interactive content. From a video games perspective, developers and publishers have been pushing boundaries and changing expectations around what a 'game' is, with many games now feature highly linear narratives and limited interactivity designed primarily to bring the player closer into the story.

³⁸ Ibid, p. 101.

³⁴ For example, in the ALRC Inquiry, Recommendation 5-2 states that "The National Classification Scheme should be based on a new Act, the Classification of Media Content Act. The Act should provide, among other things, for: ... a single set of statutory classification categories and criteria applicable to all media content". Also, Recommendation 9-1: "The Classification of Media Content Act should provide that one set of classification categories applies to all classified media content as follows: G, PG, M, MA 15+, R 18+, X 18+ and Prohibited. Each item of media content classified under the National Classification Scheme should be assigned one of these statutory classification categories." See: ALRC Inquiry, pp.103, 208, https://www.alrc.gov.au/wp-content/uploads/2019/08/final_report_118_for_web.pdf.

³⁵ Stevens Review, p. 81.

³⁶ Ibid, pp. 81-82.

³⁷ Ibid, pp. 104-105.

The Australian-made game 'Florence', regarded as one of the best mobile games of recent years, is alternatively considered an interactive story



Source: Art from Florence, Mountains

From a film perspective, it is clear that there is a significant level of experimentation with interactivity occurring and we may see significant changes to how we experience films and shows in the future. Digital media platforms provide the opportunity for interactive filmmaking and user input in storytelling, such as Netflix's *Bandersnatch* and *You vs. Wild*. Films are also increasingly being told through virtual reality, creating a medium that is not a video game yet arguably involves far more interactivity than many games. In other words, the assumption that films will always be passive linear content has gone. Similarly, the popularity of mixed and augmented reality has not only broken down barriers between video games, non-game apps and digital art, it has also blurred the lines between digital media and the real world.

Finally, we also see an increasing diversification of content distribution, or in other words, an amalgamation of different content on platforms. Most popular consoles and devices already have storefronts that offer both video games and films, and with the increasing investment in video game streaming services from both video game businesses and businesses that have traditionally provided linear content, we see these trends continuing. This means that the traditional distribution chains and segmented markets that made it easier to separate the regulation of films and games are diminishing.

The examples of convergence discussed in the preceding paragraphs are likely to be joined by many more in the coming years, including ones we cannot foresee. The current Scheme still differentiates films and video games, a distinction that is becoming less relevant, and forces classifiers first to determine what kind of media a particular content is and then apply different standards based on that decision, a process that is becoming less helpful. A future Scheme with a single set of guidelines that can flexibly be used to classify a broad spectrum of diverse content is a far better approach.

Having said all of this, we know that the Department's past research shows that there is still a segment of the community that worries about content in games more than in films. We do not believe this is evidence for the need to have separate guidelines. The same research also shows that the reason for this stems not from a belief that content in video games are inherently more impactful than films, but from the outdated stereotype that "games are for kids".³⁹ We know this stereotype is incorrect and a major objective of our almost two-decade history of publishing and presenting on our Australia Plays (formerly Digital Australia) research is to defeat this stereotype, and we believe the Australian community year by year is becoming more mature with its views on gaming.

3. Fit-for-purpose regulatory and governance arrangements for classification

3.1. Do you support the consolidation of classification functions under a single national regulator at the Commonwealth level?

Recommendations:

- Following the Stage 1 reforms, with the expansion of options for industry to selfclassify, and role of IARC, this removes part of the Classification Board's functions and raises questions as to whether it can pivot and focus on other priority matters; or alternatively, whether it should be integrated as part of another existing government agency with appropriate capabilities, expertise and experience such as ACMA, as recommended in the Stevens Review.
- Regarding the Classification Review Board itself, we maintain our view that its role is obsolete, given the cost for seeking a review and infrequency of use (as identified by the Stevens Review). This could be the role of the Classification Board or, if the Government prefers, ACMA.

With the introduction of industry self-classification (and expected administrative efficiencies) as part of the recent Stage 1 classification reforms, along with a well-embedded IARC system in Australia, this presents an opportunity to further review whether the current classification process is fit-forpurpose including efficiencies to be gained. This includes reviewing the relevance of the current classification bodies, functions and personnel.

For instance, we believe there will still need to be a regulator to both oversee the new Scheme but also to classify content upon application. We expect that some publishers and distributors will still prefer to entrust assessors in the regulator to classify certain high profile or sensitive games or games with borderline ratings. We also see a role for the regulator to set expectations for the kinds of content that can be accommodated at each classification level, thereby helping to ensure that tools and industry assessors continue to make decisions that reflect contemporary community standards.

With the expansion of options for industry to self-classify and role of IARC, this removes part of the Classification Board's functions and raises questions as to whether it can pivot and focus on other priority matters; or alternatively, whether it should be integrated as part of another existing

³⁹ Department of Communications and the Arts, 'Community standards and media content: Research with the general public' (Final Report, May 2017), pp. 56-57, <u>https://www.classification.gov.au/sites/default/files/2019-10/community-standards-and-media-content-research-with-the-general-public.pdf</u>; and Department of Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and

Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and attitudes research' (May 2022), pp. 38-41, https://www.classification.gov.au/cites/default/files/decuments/5270_ditrds_classification_usage_publication_

https://www.classification.gov.au/sites/default/files/documents/5270 ditrdc classification usage publication report finalv2.pdf.

government agency with appropriate capabilities, expertise and experience such as ACMA, as recommended in the Stevens Review.⁴⁰

Regarding the Classification Review Board itself, we maintain our view that its role is obsolete, given the cost for seeking a review and infrequency of use (as identified by the Stevens Review). Nevertheless, there would still be value in having an independent review mechanism in place, but this would need to be more accessible and composed with the relevant expertise, similar to the Classification Board.

Further, under a co-regulatory model where decisions may be made with classification tools and trained industry assessors, we do not expect reviews to be common. Unlike the current framework, decisions made by the IARC system (and presumably other tools) should in future be able to be amended or corrected through the system itself, rather than needing to go to the Classification Board. It is also important that decisions that are made by trained industry assessors are able to be relied upon, especially for physical boxed products so that publishers and distributors can manufacture packaging material confidently. Rather than enabling the regulator to change these decisions at any time, we believe there are other controls to ensure trust in industry ratings, including various safeguards such as training requirements and complaints-handling, audits conducted by the regulator, regular reporting of decisions and the threat of sanctions. We note that this is not dissimilar to the approach to classification that has been adopted in the television space where any regulatory action that ACMA takes is generally post-broadcast such as complaints-handling and monitoring.

Where an industry applicant applies to the regulator for a decision, they should also have recourse to a review as they currently do now, although we expect them to be rare. Our members seldom seek reviews (via the Classification Review Board) of decisions made by the Classification Board, even if they disagree with them, mainly because of the \$10,000 fee, an amount (along with timeframes) that the Stevens Review considered "are incompatible and not sustainable in the current media environment".⁴¹ Under a reformed Scheme, we do not see the need for a Classification Review Board. Rather, any review could simply be performed by different assessors working for the regulator. This is consistent with the approach recommended by the ALRC Inquiry that suggested that the Classification Review Board be disbanded and supported the view that the Classification Board members, within the bounds of natural justice. Under a reformed Scheme, we expect the fee for a review would be similar to the fee for having a video game classified for the first time given that they follow the same process.

3.2. What key considerations should inform the design of fit-for-purpose regulatory arrangements under a single national regulator model?

3.2.1 Fit-for-purpose considerations for a single national regulator model

Recommendations:

 Should the Government decide to proceed with a single national regulator that moves away from the Classification Board, we would strongly recommend the ACMA take over this responsibility, given its demonstrated experience in regulating audiovisual content and similar responsibilities in broadcasting, in line with the Stevens Review recommendation.

⁴⁰ Stevens Review, pp. 114-121.

⁴¹ Ibid, p. 29.

• To ensure stability and continuity, arising from the experience, expertise and knowledge of the Classification Board, consideration needs to be given to ensuring the relevant capabilities are retained under the new agency within the ACMA.

As discussed above, we consider that with the Stage 1 classification reforms, there is an opportunity to assess whether the current regulatory framework including roles of relevant classifications agencies are relevant, or should change or be subsumed by another existing government agency such as the ACMA or Department.

In this regard, it is important that the trusted relationships and experience developed between the industry and Classification Board are not lost with any proposed changes to the regulatory framework. We have valued the expertise and experience of the Classification Board, providing an independent and informed understanding of classifications, balanced with an appreciation of the value of the creative arts industry. We would be disappointed if surgical amendments were made to the framework focused purely on function and roles, but did not have regard to the invaluable expertise, knowledge and experience of the Board and their personnel.

For instance, we consider that the Classification Board has a good grasp of how to review and regulate content, while respecting the guiding principles in accordance with the National Classification Scheme. This is likely as a result of its many years of experience and engagement with stakeholders including industry and community around classifications and regulation of content. This is why we firmly believe that if the Government decides to disband the Board, as a result of the Stage 1 reforms, that the individual knowledge and expertise accumulated be retained as much as possible.

We would be significantly concerned if a new single national regulator was chosen that had the least experience in classification. This does not diminish the value of any particular regulator that has specific functions and responsibilities, charged with addressing important issues in their respective domains.

For example, we note that the ACMA and eSafety have been identified in the consultation paper as "two primary models for the regulation of content in Australia that could inform the development of future options".⁴² The consultation paper provides very brief commentary regarding the two government agencies.

However, we would like to refer the Department to the Stevens Review, where it considers the roles of various government agencies, including providing several firm views regarding the respective roles of the ACMA and eSafety, before concluding:⁴³

I agree that ACMA is best placed to be the Australian Government regulator for classification. ACMA currently regulates broadcasting classification and has many decades of experience in overseeing industry self-classification in the broadcasting sector and in handling complaints. Like the current Classification Board, ACMA is an independent statutory body with accountability through annual reporting and Senate Estimates.

⁴² Consultation Paper, pp. 13-14.

⁴³ Stevens Review, p. 114.

In consideration of eSafety, the Stevens Review states:⁴⁴

The eSafety Commissioner would continue to have responsibility for responding to online content that is illegal, including content that would be Refused Classification under the National Classification Scheme.

Further: 45

To make the role between ACMA and the eSafety Commissioner responsibilities very clear, I recommend that ACMA would be responsible for taking action related to classifiable content online and the Office of the eSafety Commissioner would continue to focus on taking action on illegal and harmful content online, including websites and user-generated content.

As an aside, we note that there is a concurrent review of the Online Safety Act, which we understand is out of scope for this Stage 2 classification reforms consultation. Nevertheless, the Stevens Review's consideration of eSafety's role in the context of classifications may also be a relevant consideration for the Online Safety Act Review.

Overall, we support the Stevens Review's recommendation that ACMA would be the more appropriate regulatory body, should the government decide to move the functions of the Classification Board to a new single national regulator.

Finally, while the questions in this consultation appear to be largely focused on the operational considerations around a single national regulatory model, including preferred government agency to take over this responsibility, the appropriate regulator will need to be capable of addressing the following outstanding classification reform matters that we have previously raised, namely:

- Removal of MA15+; and
- Removal of access and legal restrictions.

We discuss these further below.

3.2.2 Removal of MA15+, and access and legal restrictions

3.2.2.1 Case for removing MA15+

Recommendation: We generally support the existing classification categories for video games with the exception of MA15+, although we also recognise that there are problems with PG and M. We recommend that MA15+ be merged with M into a non-restricted category. We are aware that some stakeholders previously supported a new category between PG and M, such as PG-12 or PG-13. While this was not a priority for our industry, we are happy to consider this further if needed.

We have been advocating for MA15+ to be merged with M into a non-restricted category. Despite the Stevens Review noting that AGD research had shown "confusion between the M and MA 15+ categories among about 1 in 3 people ... suggested that changes may be needed",⁴⁶ and acknowledging IGEA's submission, the Stevens Review considered that there was no compelling

⁴⁴ Ibid, p. 39.

⁴⁵ Ibid, p. 120.

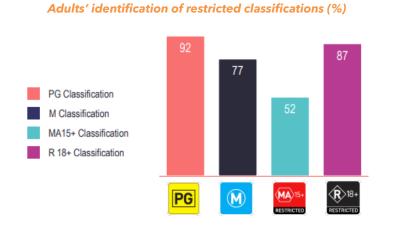
⁴⁶ Ibid, pp. 66-67.

case for changing the current classification categories at this time.⁴⁷ We disagree with the Stevens Review in not addressing the confusion between M and MA15+, which still persists.

There is no doubt that there continues to be a role for the classification categories. While perhaps only a minority of adults use the categories for their own media, it is for many parents a useful resource. Whether the current categories remain appropriate and useful is a more complex question. On the one hand, it is clear that many ratings schemes around the world, both government-run and industry-led, have shifted to an age-based advisory or guidance model. For example, PEGI in Europe uses the ratings of 3, 7, 12, 16 and 18, which clearly indicates the age suitability of content. The ESRB also takes an age-based approach and provides ratings of E (everyone), E10+, T (teens 13+), M (mature 17+) and AO (adults 18+). The IARC ratings categories for non-participating regions likewise adopts age-based numbers.

Meanwhile, Australia has maintained the same categories since the Scheme was implemented, G, PG, M, MA15+ and R18+, although the category of R18+ for video games was only introduced in 2013 – almost 20 years after it was introduced for films. Video games and films share the same categories, except films which also has X18+. The difficulties involved in changing the categories, which requires a consensus between the federal and state and territory governments, is the key reason why the categories largely have not changed, even if there was evidence that revisions would be constructive.

Since our 2020 submission, our research continues to show that there is a reasonably strong familiarity with the current categories in the community. In our latest research, there have been improvements in Australian adult gamers' accurate identification of classifications, however there continues to be relatively poorer understanding of MA15+ with just over a mere half of respondents accurately identifying MA15+.⁴⁸ While it is positive to see some improvement in understanding of ratings across the board, the relative lack of understanding of MA15+ continues, which reinforces our opinion that MA15+ is superfluous and likely to also cause spill-over confusion with M. See the chart below for the specific breakdown of our survey results.



Source: IGEA, Australia Plays 2023

The Department's more recent 2022 research also continues to reaffirm ongoing confusion, with a relatively greater proportion of respondents (36%) confused in the delineation between M and MA

⁴⁷ Ibid.

⁴⁸ IGEA, 'Australia Plays 2023' (Final Report, August 2023), p. 26, <u>https://igea.net/wp-content/uploads/2023/08/IGEA_AP2023_FINAL_REPORT.pdf</u>.

15+, since its 2014 research.⁴⁹ Separately, there was also confusion between G and PG (22% of respondents), and between PG and M (25%). Contradicting this confusion, three in four respondents agreed that the classification categories did not need to change, which may be more indicative of overall support of the classification system.⁵⁰ It is not clear however whether respondents were specifically asked if they supported merging M and MA15+ together to properly address that particular confusion. Further, it is also not clear whether respondents perceived making modest changes to the classification categories as equivalent to a binary decision of supporting or not supporting the classification system.

Notwithstanding this, respondents appeared to be more open to improving consumer advice in terms of greater specificity and expansion.⁵¹ This would be to better reflect current societal concerns and sensitivities, and provide specific warnings on potential emotional/mental health triggers. In principle, we do not object to consumers being provided with relevant and helpful information, and would welcome exploring ways to provide them with useful information. However, we would be cautious against overloading consumers with information leading to information fatigue, which would be a compliance burden, without providing them with much value. While well-meaning, these regulatory issues have arisen in other areas such as in privacy with the privacy paradox.

This consultation process provides an opportunity to revisit the Stevens Review for further review of more age-specific guidance for children. While we understand that there may be benefits towards a clearer age-based guidance model, and would be happy to explore this further should the matter arise. However, it is important to be reminded that this may be a significant overhaul of the current classification categories attached with risks.

The age and history of the current categories means that the symbols have significant recognisability across the community, even if people do not always fully understand what each category precisely means. This would be consistent with respondents' opinion of their overall satisfaction with the classifications system in the Department's 2022 research.

Many of today's parents have grown up with the same markings that they are using now for their own children, while they are likely to also be recognisable to grandparents. We are also acutely aware that new categories would need to be complemented by a significant investment in education and awareness-raising.

The Government would also need to achieve agreement or at least broad support for an alternative set of categories. The ALRC Inquiry, Stevens Review and the Department have previously undertaken research and run consultations on whether and what alternative model of classification categories should be adopted. We understand the outcome of these consultations were inconclusive and that community and stakeholder views were divided. Given all of this, we are not sure whether there is sufficiently clear and convincing evidence for wholesale changes to the categories at this time.

Having said that, we anticipate that some stakeholders may continue to advocate for changes to the mid-level categories to address some of the issues that we have discussed above. In particular, some may propose a new additional PG category, such as a PG12 or PG13 category, to sit between the current PG and M categories. This could address one recurring concern that the three current

⁴⁹ Department of Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and attitudes research' (May 2022), pp. 26-27, <u>https://www.classification.gov.au/sites/default/files/documents/5270_ditrdc_classification_usage_publication_report_finalv2.pdf.</u>

⁵⁰ Ibid, pp. 27, 34-35.

⁵¹ Ibid.

categories of PG, M and MA15+ all revolve around the (arbitrary) age of 15 years. As noted earlier, the Scheme currently treats video games more harshly than films, and video games are arguably rated more conservatively in Australia than in many other regions, with games that are on the border between PG and M likely to be classified M. A new PG category may therefore solve this.

While a new PG12 or PG13 category is not a priority for our members, if the Government were to support this new category, we would be happy to consider this idea further and to engage in further discussions with the Government and our fellow industries on its development and scope.

3.2.2.2 Case for removing access and legal restrictions

Recommendation: We recommend that a new Scheme be changed to an entirely advisory system without legal access restrictions on any categories. In particular, we support removing legal access restrictions on MA15+ which the ALRC supported.

In addition to removing the MA15+ category, we continue to maintain that there be an entirely advisory system without legal access restrictions on any categories, namely, removing access and legal restrictions on MA15+ content. These are for policy and practical reasons, consistent with the most effective and trusted schemes from around the world. If such a reform were to be implemented, we suggest that the MA15+ category is superfluous and should be removed entirely, while still maintaining the M category. We otherwise do not consider changes to the other classification categories as matters of high priority.

In consideration of the Stevens Review, it had noted IGEA's previous submission, especially as it related to the difficulty to comply with MA15+ restrictions in practice, unenforceability and inconsistent application in the offline world; while also recognising that gaming consoles had robust parental control capabilities to address child access to age-inappropriate games.⁵²

The Stevens Review further acknowledged the practical limitations of enforcing MA15+ content both online and offline.⁵³ It also accepted that parents and carers wish to ultimately play a role and make judgements about what their children watch or play, not for classifications to essentially become the parent or carer of their children. In this regard, the Stevens Review agreed that parental controls coupled with adult supervision would be the better alternative than maintain a problematic legal restriction on MA 15+ content online. However, it considered that MA 15+ remain restricted along with current enforcement measures for the physical world, with the assumption that proof of identification that it considers to be well established and accepted by the community.

We consider that the continued access and legal restriction to MA 15+ content is logically unrealistic and unenforceable in practice. While we welcome the Stevens Review's consideration that MA15+ for all online platforms be treated as an advisory category, we strongly prefer that it be subsumed by the M for reasons discussed earlier. Further, with due respect, the assumptions made in the Stevens Review about how MA15+ access could be managed in the physical world is deeply flawed, socially exclusive and raises more questions as to how this can be achieved in reality. The Stage 2 classification reforms offer a well-overdue time to address this.

The Department's research also continues to show that the Australian community's expectations widely recognise that the classification system is a guidance tool, with 80% agreeing that it was up to people to decide what was suitable for them to watch or play, and 81% agreed that it was

⁵² Stevens Review, p. 69.

⁵³ Ibid, pp. 69-70.

ultimately up to parents and carers to decide what was suitable for children to watch or play.⁵⁴ By inference, this suggests that classifications has a critical role in providing guidance and education to especially help parents and carers be informed about what their children watch and play.

The ALRC's final report, Recommendation 10-4, called on the future Scheme to not require access restrictions on MA15+ content. In reaching this recommendation, the ALRC concluded that:⁵⁵

Preventing persons under the age of 15 from accessing MA 15+ films and computer games is problematic offline and near impossible online. The existing laws that endeavour to restrict online access to MA 15+ content are widely seen as ineffective and unenforceable.

The ALRC's reasoning was not just one of pragmatism, and the Commission also questioned whether MA15+ was even still helpful to the community:⁵⁶

The classification symbols and warnings may serve a useful purpose as consumer advice, but arguably there is little or no further practical benefit in legal access restrictions for this content, particularly online. Few countries impose mandatory access restrictions on content at the MA 15+ level.

The closer that we look at the MA15+ category, the more problems come to light. In the offline world, the legal restrictions that MA15+ supposedly carry are difficult to comply with in practice, are applied inconsistently and are entirely unenforced both offline and online.

First, it ensures that teenagers who wish to watch or buy MA15+ content must have proof of age ID of some kind, disadvantaging those too young to get a driver's license, choose not to get a license or passport or cannot afford one. While in the 1990s having a driver's license was almost a rite of passage, it is less common now among kids. Second, responsibility for compliance has in the physical world been delegated entirely to cinema counter staff, now usually at the concession stand, and to retail staff at DVD and game stores who are often themselves minors.

As cinema ticketing has moved largely to an online booking system and physical boxed games are increasingly sold online and delivered to the home, the ability to conduct age checks gets even harder. While our observations are that most retail stores that sell video games do check for ID, we also note that these legal restrictions can also be easily circumvented by a minor under the age of 15 simply watching a movie or buying a game with an older friend, not necessarily a parent or guardian, or asking them to buy a ticket or product for them. Access restrictions are also simply 'gatekeeping' processes that do nothing to stop minors from playing MA15+ games by themselves after the game has been bought for them or gifted to them, something that is better addressed by better education to parents and guardians.

Despite the legal restrictions on MA15+ that exist on paper - which confusingly differ from jurisdiction to jurisdiction - these laws are unenforced in reality. While we acknowledge that we have limited visibility of policing, in relation to the MA15+ restrictions we are not aware of any state or territory police that has conducted systematic compliance checks on any storefronts that sell video games in recent history, nor anyone being charged for non-compliance. It is our general view that

⁵⁴ Department of Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and attitudes research' (May 2022), pp. 28,

https://www.classification.gov.au/sites/default/files/documents/5270 ditrdc classification usage publication report finalv2.pdf.

⁵⁵ Australian Law Reform Commission, 'Classification-Content regulation and convergent media' (Final Report, ALRC Report 118, February 2012), p. 255, <u>https://www.alrc.gov.au/wp-</u>content/uploads/2019/08/final_report_118_for_web.pdf. ('ALRC Report')

⁵⁶ Ibid.

laws that are not being actively enforced are not good policy as they erode the value and credibility of the laws and put compliant businesses, like our members who go through significant expense to have their games appropriately classified and properly packaged, at a disadvantage against the many stores, both physical and on online marketplaces, selling unclassified or foreign labelled products.

Finally, one of the biggest contradictions of the MA15+ rating is that while the category under the Scheme carries legal access restrictions, the MA15+ under the broadcasting codes have no such restrictions.⁵⁷ Instead, MA15+ content is directly broadcast into any household that has a television, which is arguably far more intrusive and unsolicited than physical or online media. While MA15+ content can only be broadcast in the evenings and at night, this is not analogous to the legal restrictions that apply under the Scheme. Furthermore, the time zone restrictions are not onerous given that they have in recent years been brought earlier to 8:30 pm and are also often not applied to the same broadcasters' online catch-up TV-on-demand services, defeating the purpose of the time zone in the first place.

These are just the challenges to the MA15+ legal restrictions as they apply offline. Online, these restrictions are not only unenforceable, but they cannot even be sensibly complied with in the first place. Not only do the inconsistent requirements and dated language of the various state and territory laws mean that they are incompatible with the digital environment, verifying the age of any person is near impossible online and, arguably, actually impossible for a 15, 16 or 17-year-old minor.

Even in 2012, the ALRC was recommending that the MA15+ access restrictions be discarded. Over more than a decade has passed, the continued evolution and strengthening of alternative solutions such as parental and family controls on consoles, devices and games including passcode locks have surely only strengthened the basis of the ALRC's recommendation.

Not only do we support the ALRC's recommendation to remove access restrictions on MA15+, we go even further and question whether there is still even a need to keep this category at all if we already have M. As we have already discussed, the M and MA15+ classification categories are the most confusing of all the categories and MA15+ in particular is the least understood. Both M and MA15+ say that content is not recommended for children under the age of 15 and both still allow children under the age of 15 to access the content legally. The distinction between the two is difficult enough for practitioners, with stakeholders previously consulted by the Government questioning the logic of having two similarly named categories with the same age reference point of 15.⁵⁸

MA15+, and its difference to M, is even more inscrutable for the public. Despite MA15+ existing for over three decades, a large proportion of our community do not truly understand it, as discussed earlier.

We believe it is also worth considering whether the access restrictions for R18+ content are still effective or helpful, particularly in the digital environment. While it may seem like a radical step, we note that legal age restrictions on accessing or buying films and computer games, both offline and online, is already highly uncommon around the world. Discussions and policy consideration around online age verification, both globally and in Australia, have so far been limited to the context of access to adult online content and the few attempts at implementation have generally not gone well.

⁵⁷ While the content permissible at MA15+ under the National Classification Scheme and under the broadcasting codes may not be identical, they are very similar.

⁵⁸ Attorney-General's Department, 'Classification ratings: Stakeholder and practitioner consultation' (2014), p. 9, <u>https://www.classification.gov.au/sites/default/files/2019-10/classification-ratings-stakeholder-and-practitioner-consultation.pdf</u>.

More recently, the eSafety Commissioner's Roadmap for Age Verification found that age assurance technologies were immature and presented their own privacy, security, effectiveness and implementation issues; hence the Government was unable to mandate age assurance.⁵⁹ Nevertheless, the Government has recently announced funding commitment to a new pilot of age assurance technology.⁶⁰ Public commentary from experts suggest the likelihood of policy failure with such trials due to the lack of feasibility of these technologies, which can be easily circumvented by users. We reiterate caution against infringement upon privacy and security, especially pertaining to the data of children, that may arise from implementing such technologies.

3.3. Is there a role for the Classification Board and the Classification Review Board under a single national regulator model?

As discussed above, we consider that the Classification Board, at least its expertise, experience and knowledge should be retained. There could be an opportunity for the Classification Board to pivot and update its functions to focus on priorities following the changes arising from the Stage 1 classification reforms.

Regarding the Classification Review Board, as also discussed above, we do not believe that it is required, given its expensive cost to access and utilise, and infrequent use. Instead, its classification decision review function could be subsumed within the Classification Board, Department or the single regulator proposed by the Department such as ACMA. However, any review body should comprise of the same level of expertise and experience as the current Classification Review Board.

3.4. Are there any gaps or unintended consequences that may be caused by consolidating classification functions under a single national regulator at the Commonwealth level?

As discussed above, it is important that the strengths of the Classification Board are retained should the Government decide to disband and move its function to another regulator such as ACMA.

We firmly support the recommendation in the Stevens Review for ACMA to be the appropriate regulator if functions were to be moved away from the Classification Board.

Should there be a new regulator responsible for classification, they will need to replace the Classification Board position in the IARC.

Thank you for allowing IGEA to contribute to the Department's consultation on its consultation paper. For more information on any issues raised in this submission, please contact <u>policy@igea.net</u>.

⁵⁹ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 'Australian Government response to the Roadmap for Age Verification' (August 2023), <u>https://www.infrastructure.gov.au/sites/default/files/documents/government-response-to-the-roadmap-for-age-verification-august2023.pdf</u>.

⁶⁰ Prime Minister, 'Tackling online harms' (Joint Media Release, May 2024), <u>https://www.pm.gov.au/media/tackling-online-harms</u>.

Appendix A: Background and context

A.1 Trends in the classification of video games

Since the start of the National Classification Scheme in 1995, our video games industry has maintained a policy of strict compliance to ensure that games that are bought or distributed in Australia, and their associated advertising, are appropriately classified. Our publishers and distributors have worked closely with retail outlets to ensure that video games are sold in compliance with necessary state and territory classification enforcement laws and carry all the appropriate classification markings. This environment has resulted in many thousands of games being legally classified and enjoyed throughout Australia. Where video games have been Refused Classification – and there have been many over the years both before and after the R18+ category – our industry has similarly adopted a policy of strict compliance, even where we have disagreed with the decision.

The biggest industry change that we have seen over the past decade and more from a classification perspective has been the rise of the digital distribution of video games, which the classification legislation did not foresee and preceded the current rise of digitally distributed films. This rise was driven by the explosion of mobile gaming in the 2010s, largely comprising hundreds of thousands of video games being distributed on Android and Apple mobile devices. This had two significant implications for classification. The first was that it would be physically impossible for any Classification Board to manually classify such a large volume of video games if they were ever to be submitted for classification in Australia. The second implication was that as many of these games were free games or sold for a very small fee, it would be impossible or at least highly unfeasible for a small game developer, often distributing a modest free game, to submit their game for classification. The cost of obtaining multiple classification ratings for a global release can easily reach tens of thousands of dollars.

Industry and the Government recognised this problem early and immediately worked together on a solution. This relationship underpinned the development of the IARC classification tool for online and mobile games. Our industry built this tool in collaboration with government and non-government ratings agencies around the world, including Australia which showed leadership to pass legislation to enable tools to classify content here and to invest resources for its implementation. The Government now sits on the IARC Board of Directors. The IARC tool has been rolled out on Google Play, the Nintendo eShop, the Microsoft Windows and Xbox stores, the Meta Quest (formerly Oculus) store, Electronic Arts' Origin, and PlayStation Store. Hundreds of thousands of games, if not millions, have been given legally recognised classification ratings through the IARC tool, giving guidance to children, their parents and guardians and adult gamers that would otherwise not be possible.

A long-term indirect impact of the increased digitalisation of video games is the challenge that it has placed on the physical (boxed) games sector. This challenge has put sustained pressure on the retail games market that has driven so much of the Classification Board's video game classification work over the past three decades. With symbolic timing, the day after the Stevens Review consultation process was launched, EB Games, one of the biggest video game retailers in Australia, announced that it would be closing 19 unprofitable stores. Another key trend in the video games environment has been the diversification of video games business models towards many developers and publishers focussing more heavily on a smaller number of titles so that rather than making a greater number of games, they invest more heavily on supporting fewer games to ensure their greater longevity, with some games still popular after more than a decade.

The pressures on the retail market and the evolution of business models mean that fewer games are being released in physical (boxed) format. It therefore also means that the number of video games that are being submitted for classification is getting fewer and fewer. While we believe there will continue to be a market for physical games for the foreseeable future, we do anticipate that the ongoing decline in the number of games submitted for classification will continue. One of the implications of this is that the sustainability of the current model of classification by the Classification Board will continue to deteriorate, including from a government budgetary perspective, over the medium rather than long term and we believe it is now the time for a fundamental rethink of how classification runs.

A.2 Changing video game player environment

Just like how the games industry has changed, the gaming community has likewise evolved since the mid-1990s when the current Scheme was designed and implemented. Video games were already a highly popular medium back then and its popularity has continued to expand year-on-year. All kinds of Australians across all demographics are now playing games, making it one of the most popular leisure activities. For almost two decades, IGEA and Bond University have researched gameplaying in the community through our Australia Plays (formerly Digital Australia) project, making this work the longest-running series of its kind in the world.

Our latest research conducted in 2023 found that four out of five Australians are game players. Furthermore, the research told us that the average age of an Australian game player is 35 years old and that 84 per cent of Australian players are adults, not children or teenagers. The average age of a gamer is a figure that has steadily risen since we started our research. 68 per cent of Australians aged 65 and over play video games, with older Australians now amongst the fastest growing cohort of game players. Our full Australia Plays 2023 research is available <u>here</u>.

Adults almost never use classification for their own choices, especially for video games, according to the Department's latest research.⁶¹ That being said, parents and carers highly value classification as a source of information to help them when choosing what media is suitable for their children.⁶²

Although parents and carers continue to utilise classifications when choosing what media is suitable for their children, other sources continue to also inform parents, who are arguably far savvier about media now than they were in the 1990s. There are many more sources of information about the appropriateness of media for their children, mostly via the internet, including in-depth reviews, gameplay footage on YouTube or Twitch, alternate ratings systems, other advisory resources such as Common Sense Media and online parental forums, which also allow parents to share their own views and of others and engage in debate. In other words, while in the 1990s classification ratings were the only way that parents could get information to guide them on what content was suitable for their children, it is now one of many ways, and often not even the most detailed way. Social media also allows parents to challenge and provide feedback to content makers directly.

Irrespective of classifications, parents appear more able and willing to make their own decisions about what content their children should watch or play. Parents are also far more confident about content generally, especially video games, than they used to be, with parents of young children more likely to be gamers themselves or have experience with video games than parents were in the 1990s. Combined with the increased availability of content-on-demand, parents can much more easily try watching a part of a show or playtesting a bit of game first.

⁶¹ Department of Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and attitudes research' (May 2022), p. 15, <u>https://www.classification.gov.au/sites/default/files/documents/5270_ditrdc_classification_usage_publication_report_finalv2.pdf</u>.

⁶² Ibid, p. 16.

Our Australia Plays 2023 research shows that parents are increasingly playing games with their children. We found that parents play video games if they live with children under the age of 18.⁶³ They value family gameplay as part of their parenting experience, with cited benefits including spending time together, educating, monitoring and establishing boundaries. Further, our findings show that most parents use rules in some capacity for children's video gameplay including online. These findings suggest that parents are likely to be better equipped to apply their own judgement and take active responsibility for what their children watch and play. This greater empowerment is consistent with research conducted by the Department that continues to find that the public is treating classification ratings less like rules and more like guidance, with most agreeing that parents and carers should ultimately decide what was suitable for their children to watch and play.⁶⁴

Further, the increased digitalisation of games has increased the range of technology-based tools that are available to parents and guardians to manage their children's access to content, especially games. What this means is that parent and guardians are being empowered with increasing means to monitor and control what their children play and watch and can utilise tools beyond classification that did not exist when the Scheme was born. Tools on consoles and mobile devices include special child accounts, age-gated download and content restrictions, parental control apps, passkey locks, in-device internet filters, text filters, time limits and alarms, monitoring of what and when children play, and communications restrictions. Tools within games include customisable 'graphic content' settings and the ability to mute, block and report other players and content. Based on our research, 64 per cent of parents are either completely or quite familiar with these controls.⁶⁵ While not every parent is familiar with family controls yet, we believe that there is value in ongoing investment by industry, not-for-profit organisations and governments to increase awareness.

A.3 Industry's leadership role

IGEA, its members, and our counterparts from around the world take our responsibilities very seriously for protecting children from content that may be inappropriate for them and our industry's investment in the IARC tool and all the child safety tools and features discussed above are just some of the ways this has been demonstrated.

The video games industry has taken a proactive approach to raise awareness and education around parental controls and responsible gaming. IGEA's website provides information on <u>parental controls</u> and we will always support other organisations in Australia that help to promote the use of these controls. IGEA has published videos educating parents about gaming and we also support the <u>www.askaboutgames.com</u> resource and parents' guides developed by our global industry counterparts.

Together with our fellow industry associations from around the world, we have established <u>www.healthyvideogaming.com</u>, a portal to guide parents and guardians about safety features and controls that they can use on the most popular gaming platforms. The portal also provides research on other issues like screen time and healthy gaming. Our website and many of the websites of our members also provide links to external resources, including <u>www.classification.gov.au</u>. Increasing

⁶³ IGEA, 'Australia Plays 2023' (Final Report, August 2023), p. 15, <u>https://igea.net/wp-content/uploads/2023/08/IGEA_AP2023_FINAL_REPORT.pdf</u>.

⁶⁴ Department of Infrastructure, Transport, Regional Development and Communications, 'Report on classification usage and attitudes research' (May 2022), p. 29, <u>https://www.classification.gov.au/sites/default/files/documents/5270_ditrdc_classification_usage_publication_report_finalv2.pdf</u>.

⁶⁵ IGEA, 'Australia Plays 2023' (Final Report, August 2023), p. 26, <u>https://igea.net/wp-content/uploads/2023/08/IGEA_AP2023_FINAL_REPORT.pdf</u>.

transparency and addressing community concern is a focus of our industry, with an example being our <u>industry's announcement</u> that consumers will be more informed about the probability of receiving items in loot boxes (drop rates).

We have made sure in designing our Australia Plays (formerly Digital Australia) series of research that we ask hard questions not only about classification but about broader issues that are of most concern to parents and guardians, including their concerns about content. We work hand-in-hand with Bond University to undertake this research to ensure that it is robust, objective and consistently conducted so that we can track changes in perceptions over time. The results of our research are provided to our members to help them to understand risks and opportunities with online safety in their games. We particularly recognise the importance of parents and guardians monitoring and playing games with their children. We encourage this type of play and are pleased that families are increasingly enjoying gaming together and managing their online safety.

Many of the largest video game companies in the world, including the parent companies of many IGEA members, have banded together with other stakeholders in the industry to create the <u>Fair Play</u> <u>Alliance</u>, gaming professionals and companies committed exchange learnings on methods to encourage healthy and positive communities and player interactions in online gaming.

By way of further example, Electronic Arts (EA), a key member of IGEA, runs the <u>Building Healthy</u> <u>Communities Program</u>. This program establishes a Player Council which, in turn, provides ongoing feedback to inform EA programs, policies and suggestions but also supplies additional avenues for community feedback. In partnership with players, EA develops new anti-toxicity tools and in-game features to more easily manage and effectively report disruptive behaviour across its services. Through keeping their player community informed on a quarterly basis, new initiatives are communicated and toxicity is mitigated.

The video games industry is also implementing steps to ensure esports, a burgeoning industry still in its infancy, prioritises its responsibility for safeguarding its participants and its viewers. Together with our international counterparts, we have established the <u>Universal Principles for Fun & Fair Play</u> which outlines four core values applicable in all aspects of the global esports environment: safety and well-being, integrity and fair play, respect and diversity, and positive and enriching gameplay.



A panel hosted by IGEA at PAX Australia 2019 discussed moral panic, classification and family controls and the positive role of games in society

Source: IGEA

And this year, in support of Safer Internet Day, IGEA launched our Trust & Safety Hub. The Hub is a resource that provides holistic advice for parents and players to stay safe and continue enjoying online experiences whilst also honing in on the tools available on a specific device or platform. Further information about this Hub can be found <u>here</u>.

Appendix B: Recent significant studies disproving the link between video games and real-world violence and aggression

Christopher Ferguson and John Wang, 'Aggressive Video Games are Not a Risk Factor for Future Aggression in Youth: A Longitudinal Study' (2021) 24(1) Cyberpsychology, Behavior, and Social Networking.

• The study suggests that the harmful impact from aggressive video games "may have been greatly exaggerated", with "older adults tend to be most concerned about the impact of games, consistent with moral panic theory". This arises where the effects are exaggerated and proponents are incentivised to promote these exaggerations further.

Eun-Ju Lee, Hyun Suk Kim and Soonwook Choi, 'Violent Video Games and Aggression: Stimulation or Catharsis or Both?' (2021) 24(1) *Cyberpsychology, Behavior, and Social Networking*.

• The study found "overall game use had no significant effects on physical or verbal aggression" over time (measured six months later). Extended violent video game play was also found to lower aggression, anger and hostility among heavy users, regardless of the game type, suggesting that game playing provided an outlet for players to manage their stresses and negative emotions.

Aaron Drummond, James Sauer and Christopher Ferguson, 'Do longitudinal studies support long-term relationships between aggressive game play and youth aggressive behaviour? A meta-analytic examination' (2020) 7(7) *Royal Society of Open Science*.

• The longitudinal studies found that there was no support for the correlation between aggressive game content and youth aggression over the long term. Instead, where researchers have drawn correlations, it suggests these are due to "methodological weaknesses and researcher expectancy effects than true effects in the real world".

Andrew Przybylski and Netta Weinstein, 'Violent video game engagement is not associated with adolescents' aggressive behaviour: evidence from a registered report' (2019) 6(2) *Royal Society of Open Science*.

 A study of 1,000 youths aged 14-15 indicated that video games do not cause aggressive behaviour and that "There was no evidence for a critical tipping point relating violent game engagement to aggressive behavior." The research findings also suggested that "biases might have influenced previous studies on this topic, and have distorted our understanding of the effects of video games."

Simone Kühn, Dimitrij Kugler, Katharina Schmalen, Markus Weichenberger, Charlotte Witt, Jürgen Gallinat, 'Does playing violent video games cause aggression? A longitudinal intervention study' (2019) 24 *Molecular Psychiatry*.

• The study findings showed that an extensive game intervention over two months did not reveal any specific changes in aggression, empathy, interpersonal competencies, impulsivity-related constructs, depressivity, anxiety or executive control functions, neither in comparison to an active control group that played a non-violent video game, nor to a passive control group.

Whitney DeCamp and Christopher Ferguson, 'The Impact of Degree of Exposure to Violent Video Games, Family Background, and Other Factors on Youth Violence' (2016) 46 *Journal of Youth and Adolescence*.

• In a study examining video games, family background and other environmental factors, researchers found "video game violence is not a meaningful predictor of youth violence and, instead, support the conclusion that family and social variables are more influential factors."

Christopher Ferguson, 'Do Angry Birds Make for Angry Children? A Meta-Analysis of Video Game Influences on Children's and Adolescents' Aggression, Mental Health, Prosocial Behavior, and Academic Performance' (2015) 10(5) *Perspectives on Psychological Science*.

• The researcher notes that academic publishing suffers from publication bias when it comes to video games, stating: "the overall results of the meta-analysis indicate that video games, whether violent or nonviolent, have minimal deleterious influence on children's well-being."

Source: 2015-2019 information and extracts from Entertainment Software Association information sheet

Appendix C: Differences between the Classification Guidelines for Computer Games and Films

Note: Highlighted text represents the higher standard placed on computer games compared to film

G - General

Classifiable element	Computer games	Films
Themes	The treatment of themes should have a very low sense of threat or menace, and be justified by context.	The treatment of themes should have a very low sense of threat or menace, and be justified by context.
Violence	Violence should have only a low sense of threat or menace, and be justified by context.	Violence should have only a low sense of threat or menace, and be justified by context.
	Sexual violence <mark>, implied or otherwise,</mark> is not permitted.	Sexual violence is not permitted.
Sex	Sexual activity should be very mild and very discreetly implied, and be justified by context.	Sexual activity should be very mild and very discreetly implied, and be justified by context.
	Sexual activity must not be related to incentives or rewards.	
Language	Coarse language should be very mild and infrequent, and be justified by context.	Coarse language should be very mild and infrequent, and be justified by context.
Drug use	Drug use should be implied only very discreetly, and be justified by context. Drug use related to incentives or rewards is not permitted. Interactive illicit or proscribed drug use is not permitted.	Drug use should be implied only very discreetly, and be justified by context.
Nudity	Nudity should be <mark>infrequent and</mark> justified by context. <mark>Nudity must not be related to incentives</mark> or rewards.	Nudity should be justified by context.

PG - Parental Guidance

Classifiable element	Computer games	Films
Themes	The treatment of themes should generally have a low sense of threat or menace and be justified by context.	The treatment of themes should generally have a low sense of threat or menace and be justified by context.
Violence	Violence should be mild and infrequent, and be justified by context. Sexual violence <mark>, implied or otherwise,</mark> is not permitted.	Violence should be mild and infrequent, and be justified by context. Sexual violence is not permitted.
Sex	Sexual activity should be mild and discreetly implied, and be justified by context. Sexual activity must not be related to incentives or rewards.	Sexual activity should be mild and discreetly implied, and be justified by context.
Language	Coarse language should be mild and infrequent, and be justified by context.	Coarse language should be mild and infrequent, and be justified by context.
Drug use	Drug use should be infrequent and justified by context. Drug use related to incentives or rewards is not permitted. Interactive illicit or proscribed drug use is not permitted.	Drug use should be justified by context.
Nudity	Nudity should be <mark>infrequent and</mark> justified by context. <mark>Nudity must not be related to incentives</mark> or rewards.	Nudity should be justified by context.

M - Mature

Classifiable element	Computer games	Films
Themes	The treatment of themes may have a moderate sense of threat or menace, if justified by context.	The treatment of themes may have a moderate sense of threat or menace, if justified by context.
Violence	Moderate violence is permitted, if justified by context. Sexual violence, implied or otherwise, is not permitted.	Moderate violence is permitted, if justified by context. Sexual violence should be very limited and justified by context.
Sex	Sexual activity should be discreetly implied, if justified by context. Sexual activity must not be related to incentives or rewards.	Sexual activity should be discreetly implied, if justified by context.
Language	Coarse language may be used. Aggressive or strong coarse language should be infrequent, justified by context, and not gratuitous, exploitative or offensive.	Coarse language may be used. Aggressive or strong coarse language should be infrequent and justified by context.
Drug use	Drug use should be justified by context. Drug use related to incentives or rewards is not permitted. Interactive illicit or proscribed drug use is not permitted.	Drug use should be justified by context.
Nudity	Nudity should be justified by context. Nudity must not be related to incentives or rewards.	Nudity should be justified by context.

MA15+ - Mature Accompanied

Classifiable element	Computer games	Films
Themes	The treatment of strong themes should be justified by context.	The treatment of strong themes should be justified by context.
Violence	Violence should be justified by context. Strong and realistic violence should not	Violence should be justified by context. Sexual violence may be implied, if justified by context.
	be frequent or unduly repetitive. Sexual violence, implied or otherwise, is not permitted.	Justified by context.
Sex	Sexual activity may be implied. Sexual activity must not be related to incentives or rewards.	Sexual activity may be implied.
Language	Strong coarse language may be used. Aggressive or strong coarse language should be infrequent <mark>, and not</mark> exploitative or offensive.	Strong coarse language may be used. Aggressive or very strong coarse language should be infrequent.
Drug use	Drug use should be justified by context. Drug use related to incentives or rewards is not permitted. Interactive illicit or proscribed drug use is not permitted.	Drug use should be justified by context.
Nudity	Nudity should be justified by context. Nudity must not be related to incentives or rewards.	Nudity should be justified by context.

R18+ - Restricted

Classifiable element	Computer games	Films
Themes	There are virtually no restrictions on the treatment of themes.	There are virtually no restrictions on the treatment of themes.
Violence	Violence is permitted.	Violence is permitted.
	High impact violence that is, in context, frequently gratuitous, exploitative and offensive to a reasonable adult will not be permitted.	Sexual violence may be implied, if justified by context.
	Actual sexual violence is not permitted.	
	Implied sexual violence that is visually depicted, interactive, not justified by context or related to incentives or rewards is not permitted.	
Sex	Depictions of actual sexual activity are not permitted. Depictions of simulated sexual activity may be permitted.	Sexual activity may be realistically simulated. The general rule is "simulation, yes - the real thing, no".
	Depictions of simulated sexual activity that are explicit and realistic are not permitted.	
Language	There are virtually no restrictions on language.	There are virtually no restrictions on language.
Drug use	Drug use is permitted.	Drug use is permitted.
	Drug use related to incentives and rewards is not permitted.	
	Interactive illicit or proscribed drug use that is detailed and realistic is not permitted.	
Nudity	Nudity is permitted.	Nudity is permitted.

X18+

There is no equivalent computer game category for the X18+ category for sexually explicit content in films.

RC - Refused Classification

Computer games / films will be refused classification if they include or contain any of the following:

Classifiable element	Computer games	Films
Crime or violence	Detailed instruction or promotion in matters of crime or violence.	Detailed instruction or promotion in matters of crime or violence.
	The promotion or provision of instruction in paedophile activity.	The promotion or provision of instruction in paedophile activity.
	Descriptions or depictions of child sexual abuse or any other exploitative or offensive descriptions or depictions involving a person who is, or appears to be, a child under 18 years.	Descriptions or depictions of child sexual abuse or any other exploitative or offensive descriptions or depictions involving a person who is, or appears to be, a child under 18 years.
	Depictions [<u>whether or not gratuitous,</u> <u>exploitative or offensive]</u> of:	Gratuitous, exploitative or offensive depictions of:
	(i) violence with a very high degree of impact which are excessively frequent, prolonged, detailed <mark>or repetitive</mark> ;	(i) violence with a very high degree of impact or which are excessively frequent, prolonged or detailed;
	(ii) cruelty or <mark>realistic</mark> violence which are very detailed and which have a very high impact;	(ii) cruelty or real violence which are very detailed or which have a high impact;
	(iii) actual sexual violence.	(iii) sexual violence.
	Implied sexual violence related to incentives and rewards.	
Sex	Depictions of actual sexual activity are not permitted. Depictions of simulated sexual activity	Depictions of practices such as bestiality. Gratuitous, exploitative or offensive depictions of:
	that are explicit and realistic are not permitted.	(i) activity accompanied by fetishes or practices which are offensive or
	Depictions of practices such as bestiality. Gratuitous, exploitative or offensive depictions of:	abhorrent; (ii) incest fantasies or other fantasies which are offensive or abhorrent.
	(i) activity accompanied by fetishes or practices which are offensive or abhorrent;	
	(ii) incest fantasies or other fantasies which are offensive or abhorrent.	

Classifiable element	Computer games	Films
Drug use	Detailed instruction in the use of proscribed drugs.	Detailed instruction in the use of proscribed drugs.
	Material promoting or encouraging proscribed drug use.	Material promoting or encouraging proscribed drug use.
	Computer games will also be Refused Classification if they contain:	
	(i) illicit or proscribed drug use related to incentives or rewards;	
	(ii) interactive drug use which is detailed and realistic.	

Appendix D: Summary of our review of research on the relationship between interactivity and impacts in video games

D.1 Note to this summary

IGEA made a supplementary submission to the Stevens Review, providing further information on research relating to the relationship between interactivity and impacts in video games. Since that 2020 Review, there have been additional research which we have also included in this section.

For context, IGEA's original submission to the Stevens Review drew attention to the Guidelines for the Classification of Computer Games and the higher threshold and specific rules it places around the level of content permissible in video games compared to films. These differences exist for most of the classifiable elements and classification categories, but are especially evident for violence, drugs and sex. As our submission and many other submissions to the Stevens Review pointed out, there is no evidence justifying these differences. Instead, the differences can best be understood from the prism of the decades-old moral panic around video games.

We note past research from the Classification Branch that found that parents did not appear to consider that violence in video games were likely to have a higher degree of influence on their children's behaviour compared to film.⁶⁶ Even more intriguingly, in our submission we cited research conducted by the Branch that suggested that interactivity appeared to lessen the impact of violence on the player, a result that took the Branch by surprise.⁶⁷ Participants in the research cited some potential reasons that could explain their views, including that the sense of control given to the player as well as the focus on problem-solving had a moderating effect on the violence.

We wanted to investigate this latter finding further, given that it is contrary to the general prevailing narrative often cited by the media, certain advocacy groups and politicians when discussing the supposed dangers of video gaming.

D.2 Overview

There has been limited research conducted on the links between interactivity and the impact of content in video games. However, our review sheds light on a body of research that provides evidence for the view that interactivity can decrease the effect of content on a player compared to viewing content non-interactively. These findings offer an intriguing perspective that contradicts the prevailing view of a positive correlation between interactivity and impact.

IGEA conducted a simple desktop review of the available research on the interactivity in video games and whether there was evidence that it increased, decreased or had no effect on the impact of content compared to non-interactive content like film. The context of this research was the evidence given in our submission to the Stevens Review, citing research conducted by the former Department of Communications and the Arts finding that, at least concerning violence, interactivity appeared to reduce the impact of content on the player.⁶⁸

⁶⁶ Department of Communications and the Arts, 'Community standards and media content: Research with the general public)' (Final Report, May 2017), p. 44, <u>https://www.classification.gov.au/sites/default/files/2019-10/community-standards-and-media-content-research-with-the-general-public.pdf</u>.

⁶⁷ Ibid, p. 43.

⁶⁸ Ibid.

D.3 Limited research on interactivity available

Significant research has been conducted on whether violence in video games causes players and particularly children to be violent, with the overwhelming body of studies unable to show any evidence of a link. Even the American Psychological Association has maintained the position that there is insufficient scientific evidence to support a causal link between violent video games and violent behaviour.⁶⁹ We address violence in detail in our submission, so we will not repeat this discussion here.

Most research on the psychological effects of video games to date has tended to focus on violence, meaning that much of the research on video game impacts has been limited to violence.⁷⁰ By contrast, we found that relatively little research has been conducted on content (and therefore other classifiable elements) other than violence, such as whether depictions of drug use or sex in video games had any impact on player behaviour, or studies on interactivity more generally.

We were unable to find much analysis postulating as to why there appeared to be an absence of such research, but in our view, possible reasons could include:

- the relatively greater political and media attention over the years on violence compared to other kinds of content in games has led to an overwhelming skew in research attention towards violence;
- the relatively few games that include material like drug, nudity and sexual depictions compared with games that contain some level of violence;
- difficulties in constructing useful or feasible research models or experiment parameters related to video games and drug use or sexual activity, compared to models that have sought to identify links between violent games and aggression; and
- regarding research on the impacts of content on children, the increased sensitivities and difficulties of conducting research on minors.

Similarly, limited research has been undertaken on the general relationship between interactivity in video games and video game effects, and some of these studies have shown mixed results.⁷¹ Some commentators have noted in particular the difficulties of successfully isolating and measuring the impact of interactivity separate to other potential variables. Others have highlighted flaws and biases in sampling interactive content in existing studies that may have inadvertently favoured hypothesised patterns.

Acknowledging the constraints of our modestly scoped desktop review, a key finding has been that there does not appear to be incontrovertible evidence one way or another that interactivity either increases or decreases the impact of content on the player, whether violence or any other content. However, while the effect of interactivity in games is surprisingly an area of limited research and therefore highlights the need for further academic attention in the future, such as through

⁶⁹ American Psychological Association, 'APA Reaffirms Position on Violent Video Games and Violent Behavior' (Press Release, 3 March 2020), <u>https://www.apa.org/news/press/releases/2020/03/violent-video-games-behavior</u>.

⁷⁰ Sarah Hodge, Jacqui Taylor and John McAlaney, 'It's Double Edged: The Positive and Negative Relationships Between the Development of Moral Reasoning and Video Game Play Among Adolescents' (2019) 10(28) Frontiers in Psychology.

⁷¹ For example, see: Jonathan deHaan, W. Michael Reed and Katsuko Kuwada, 'The effect of interactivity with a music video game on second language vocabulary recall' (2010) 14(2) *Language Learning & Technology*. Also see: Wei Peng 'The mediational role of identification in the relationship between experience mode and self-efficacy: Enactive role-playing versus passive observation' (2008) 11(6) *Cyberpsychology & Behavior*.

longitudinal studies, we have been able to identify some intriguing research that appears to help explain and provide an empirical basis to the Department's past finding that interactivity can decrease the effect of impactful content in a game.

D.4 How interactivity can reduce content impacts

Overall, there is a commonly accepted academic view that the effects of interactivity should not be exaggerated, and that interactivity may instead moderate both the negative (e.g. behavioural) and positive (e.g. educational) effects of video games.⁷² Notwithstanding this view, the objective of our review was to investigate a potential theoretical basis for the Department's past research finding that interactivity in video games appeared to decrease the impact of content compared to film content, at least concerning violence. Our review, therefore, sought to identify academic studies and research that might explain or at the very least help us better understand why this may be the case.

Before we explore this, we will briefly note the more popular narrative around video games in the media and policy discourse, being the prevailing assumption that interactivity accentuates the risks and impacts of media content compared to observed content like film. There are two primary theories around how interactivity might be positively correlated with the impact level of content in games. One argument is that the interactivity of video games assists players to form specific, favourable attitudes to certain patterns of behaviour, reinforcing the player's learning and increasing the likelihood that the player will repeat that behaviour in the future - either inside or outside of the game.⁷³ Another argument is that by providing immediate and ongoing feedback on a player's decisions through in-game consequences, both positive and negative, the immersive nature of interactivity in games may intensify game effects.⁷⁴

However, the focus of our review was to highlight research that appears to show or explain how interactivity may instead decrease the impact of certain content compared to non-interactive content such as film and television programs. Research findings that we found to demonstrate this link are discussed further below.

D.4.1 Interactivity and mental processes

- Interactivity occupies a greater proportion of a player's mental capacity compared to noninteractive media, reducing the impact of game effects as fewer mental resources are left for other cognitive processes.⁷⁵
- The brain's focus on problem-solving in video games may moderate other effects of interactivity. In particular, a meta-analysis has found that violent games, and especially

⁷² Rene Weber, Katharina-Maria Behr and Cynthia DeMartino, 'Measuring Interactivity in Video Games' (2014) 8(2) *Communication Methods and Measures*.

⁷³ For example, see: Bandura, A. (2009). Social cognitive theory of mass communication. In J. Bryant & D. Zillman (Eds.), *Media effects. Advances in theory and research* (pp. 94-124). Mahwah, NJ. Lawrence Erlbaum Associates.

⁷⁴ For example, see: Nicholas Carnagey and Craig Anderson, 'Violent video game exposure and aggression: A literature review' (2004) 45(1) *Minerva Psichiatrica*.

⁷⁵ For example, see: Annie Lang, 'The information processing of mediated messages: A framework for communication research' (2000) 50(1) *Journal of Communication*. Also see: Seung-Chul Yoo and Jorge Peña, 'Do violent video games impair the effectiveness of in-game advertisements? The impact of gaming environment on brand recall, brand attitude, and purchase intention' (2010) 14(7-8) *Cyberpsychology, Behavior, and Social Networking*.

shooting games, helped to focus and develop the cognitive functions and spatial awareness of children.⁷⁶

• Video games and particularly violent games may provide an emotional release for players, such as enabling them to vent existing aggression and help them to 'get it out of their system' in a safe digital environment.⁷⁷

D.4.2 Player agency within games

- The ability to interact and make decisions in a video game can give players a sense of agency and allow them to more closely identify with their character, compared to merely viewing a protagonist in a film, potentially reducing the effects of impactful content as the player has a more nuanced understanding of what is happening on-screen.⁷⁸
- The ability to carry out violence and other 'bad' behaviour in the virtual environment of games appears to accentuate feelings of guilt associated with ethical violations and increase the moral sensitivity of players.⁷⁹
- Some studies have shown that rather than desensitising players to violence and other impactful content, which has been used as a rationale for highlighting the dangers of video games, interactivity in games has no negative impact on a player's empathy or ability to process emotion.⁸⁰

D.4.3 Games as a moral educator

- Playing video games in a multi-player context helps players to learn to cooperate with others, stimulating higher moral reasoning and forcing them to consider the societal impacts of their behaviours better.⁸¹
- The fact that games can reward or punish in-game decisions provides a powerful mechanism that can affect impact, as it helps the player to understand 'right' and 'wrong' behaviour.⁸² Given that the vast majority of video games perpetuate a 'righteous' narrative, such as

⁷⁸ Nathan Walter and Yariv Tsfati, 'Interactive experience and identification as predictors of attributing responsibility in video games' (2018) 30(1) *Journal of Media Psychology: Theories, Methods, and Applications*.

⁷⁹ Matthew Grizzard, Ron Tamborini, Robert Lewis, Lu Wang, and Sujay Prabhu, 'Being bad in a video game can make us morally sensitive' (2014) 17(8) *Cyberpsychology, Behavior and Social Networking*.

⁸⁰ For example, Gregor Szycik, Bahram Mohammadi, Thomas Münte and Bert te Wildt, 'Lack of evidence that neural empathic responses are blunted in excessive users of violent video games: An fMRI study' (2017) 8(174) *Frontiers in Psychology*. Also see: Simon Goodson, Kirstie Turner, Sarah Pearson and Pelham Carter, 'Violent Video Games and the P300: No Evidence to Support the Neural Desensitization Hypothesis' (2021) 24(1) *Cyberpsychology, Behavior, and Social Networking*.

⁷⁶ Isabella Granic, Adam Lobel, and Rutger Engels, 'The benefits of playing video games' (2014) 69(1) American Psychologist.

⁷⁷ For example: Scott Cunningham, Benjamin Engelstätter and Michael Ward, 'Understanding the Effects of Violent Video Games on Violent Crime' (Discussion Papers, No. 11-042, 2011) *ZEW - Centre for European Economic Research*. Also see: Eun-Ju Lee, Hyun Suk Kim and Soonwook Choi, 'Violent Video Games and Aggression: Stimulation or Catharsis or Both?' (2021) 24(1) *Cyberpsychology, Behavior, and Social Networking*.

⁸¹ For example, see: Angeline Khoo, 'Video games as moral educators?' (2012) 32(4) *Asia Pacific Journal of Education*. Also see: Anat Shoshani and Maya Krauskopf, 'The Fortnite social paradox: The effects of violent-cooperative multi-player video games on children's basic psychological needs and prosocial behavior' (2021) 116 *Computers in Human Behaviour*.

⁸² Michael Heron and Pauline Belford, 'Do you feel like a hero yet? Externalised morality in video games' (2014) 1(2) *Journal of Games Criticism*.

defeating an evil enemy or saving an innocent party, even high impact content is moderated by interactivity where it is justified by that narrative.⁸³

• The impact of interactivity is not a blunt instrument and can be safely calibrated, such as for education. For example, the evaluation of the Australian drug education game *Pure Rush* (see below) showed that it was an effective way to teach players, despite the sensitive topic.⁸⁴

Pure Rush: Drug Education Game

Pure Rush is a drug education game created by <u>Positive Choices</u>, an Australian Governmentfunded online resource providing interactive evidence-based drug education resources for schools. Developed by the University of Sydney's Matilda Centre for Research in Mental Health and Substance Use and educational game designer 2and2, *Pure Rush* is a side-scrolling platform game that enables the player to choose to consume or avoid particular drugs. Consuming a drug will show an on-screen drug effect and display a warning, while avoiding a drug enables the player to proceed towards a music festival.



As an aside, *Pure Rush* has not been classified by the Classification Board, although it has been classified G under the IARC tool. If the Board had classified it, we argue that this Government-funded game for children may need to be classified R18+ due to interactive drug use, again highlighting the problematic treatment of game content under the Classification Guidelines.

⁸³ Sarah Stang, 'This Action Will Have Consequences: Interactivity and Player Agency' 2019 19(1) *Game Studies*.

⁸⁴ L.S. Stapinski, B. Reda, N. Newton, S. Lawler, D. Rodriguez, C, Chapman, & M. Teesson, 'Development and evaluation of Pure Rush: An online serious game for drug education' (2010) 37(1) *Drug and Alcohol Review*.