

# Practical and common-sense competition and consumer policy

**The video games sector is an ecosystem of many consoles, platforms, storefronts, publishers, and developers all operating under significant competitive tension. There is fierce competition for players, as evidenced by game prices remaining steady over the decades, even as inflation and development costs balloon. Video game companies are committed to building trust, loyalty, and consumer satisfaction, with gamers having greater choice than ever. We advocate for competition and consumer laws that are modern, practical, sensible, and compatible with the digital economy.**

## How does competition in our sector benefit consumers?

The video games industry is one of the most competitive consumer markets, locally and around the world. With three major consoles, mobile devices, and multiple digital storefronts available on PC, consumers are spoiled for choice in terms of how they play games and what games they play. Altogether, Australian and New Zealand video game players have hundreds of thousands of titles that they can choose to play. Game devices and marketplaces compete aggressively with each other to attract game developers and publishers to use their platforms, who in turn compete with each other for players. The end result is sustained downwards pressure on the prices of consoles and games, and the creation of innovative and diverse business models that allow many video games to be made available for free, for a nominal cost, or through subscription models.

## How does competition in our sector benefit game developers?

Of all of Australia and New Zealand's cultural products, quality gaming content is arguably the most sought after and rewarded. Creatives in our sector, including even very small studios, have some of the most direct and accessible opportunities to find audiences. Whereas many other creative sectors may have multiple gatekeepers, talented video game developers can easily publish their games across a range of platforms, giving them an immediate worldwide market. To encourage game creation, gaming platforms provide significant support and provide competitive terms for content creators, who also retain all of their IP. There are many examples of early-stage Australian and New Zealand developers who have made games that found global success.

## Does consumer law apply to digital games?

Consumer law in Australia and New Zealand applies to digital products, such as online and downloadable games and in-game purchases, just like they do to physical products. However, uncertainty or confusion can sometimes arise because aspects of these laws, including consumer guarantees and remedies, have been written with only physical goods in mind and may be impractical or inappropriate when applied to digital goods like video games, which are some of the most complex forms of digital content available. One critical difference between physical and digital goods is the fact that issues in digital games can almost always be fixed promptly through patches. We support reforms to consumer law that recognise the unique nature of digital games, such as bespoke schemes, consumer guarantees, and remedies appropriate for digital goods.

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