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2021 Regional Telecommunications Review Secretariat  
Department of Infrastructure, Transport,  
Regional Development and Communications  
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Dear Secretariat

## Response to Regional Telecommunications Review Issues Paper

The Interactive Games & Entertainment Association (IGEA) represents the Australian video games industry, including the developers, publishers and distributors of video games, and the makers of video gaming systems, consoles, devices and accessories. We are pleased to respond to the Regional Telecommunications Review Issues Paper.

We have provided responses only to the questions most relevant to our industry.

### **1. What telecommunications services are required in regional Australia to meet current and future needs? Are there any things regional communities and businesses need to do, but can't, on their existing services?**

Reliable, fast, and affordable fixed and wireless internet is essential for Australia's regional community, such as a strong NBN network and regional 5G coverage.

Video gaming is one of the most popular ways in which Australians in both urban and non-urban areas enjoy the internet. Video games are commonly played on consoles and PCs connected to fixed broadband services via Wi-Fi, as well as on mobile phones via both Wi-Fi and wireless networks. According to our [Digital Australia 2020](#) research, 9 out of every 10 Australian households have a device on which games are played. Video games are increasingly and overwhelmingly played online, with Australian adult players commonly playing games with their children, partners, friends and family online. Strong internet infrastructure underpins the ability of Australians to play games with each other.

While video gaming sometimes has a perception of being an inconsequential past-time, this view severely underappreciates the social impact of the activity. For example, our Digital Australia research tells us that one of the most important reasons that Australians play games is to connect with others. For regional Australians, the connections created by video gaming can be a lifeline. [Research from the US](#) tells us that video gaming is a vitally important social activity for teenagers, and particularly for boys, and especially boys in rural areas, it is a key driver for creating and maintaining friendships.

If there was one gap in the Department's otherwise excellent discussion paper, it is that the popularity of video game was not identified alongside other major uses of the internet, including messages, calls, emails, news, browsing, social media, and streaming.

## **2. What changes in demand, barriers or challenges need to be addressed when it comes to telecommunications services in regional, rural and remote Australia?**

The changes that will come from our industry's perspective is that as video gaming becomes increasingly popular, including across regional Australia, the demand for strong internet services will likewise increase. Our Digital Australia research already tells us that two-thirds of all Australians play games, and also that games are not just popular amongst young people but Australians across all age groups. In fact, senior Australians 65+ comprised the fastest growing cohort of gamers in the country. In addition to an increase in game players, as games are evermore becoming realistic, immersive, and fulsome in content, players will increasingly demand faster and uncapped internet plans.

Currently, satellite internet is not an effective way for regional Australians to play many modern games. Last year, the Australian regional telecommunications service provider SkyMesh published [an excellent guide](#) about online gaming and Sky Muster, which realistically concluded that, while possible, satellite internet was not optimal for online gaming and that there were some genres of games that simply cannot be played. For this reason, subject to significant improvements in satellite-delivered internet, the focus should continue to be the continued expansion of high quality fixed and wireless internet.

## **6. How did the use of digital services change for regional consumers and businesses during the response to the COVID-19 pandemic? What insights for future service delivery does this provide?**

Our community's love for video gaming has only increased during COVID, as the pastime gave a way for Australians to stay occupied, positive, and connected to their friends and family during lockdown. As outlined in [this article in The Rural](#), research commissioned by NBN Co showed that Australians were spending an extra hour a week using online entertainment, including video gaming, since COVID. 1-in-7 users reported that gaming was one of their most important online activities, while 1-in-10 said it was the most important outright. According to [a 2020 Australian survey](#), video gaming had not only increased in popularity during COVID, but perceptions around the activity had too, with more people considering it an effective way to boost mental health and maintain social connections during a time of enforced physical distancing. [Research from overseas](#) suggests that social interaction from games is particularly vital for children in lockdown.

The implications for future service delivery are clear. With not yet any end in sight for the 2021 lockdowns affecting much of Australia, and the risks of recurring future COVID-like situations a very realistic prospect, for social reasons alone there is a vital need for strong internet infrastructure across both urban and regional Australian communities in future.

## **8. How can investment in telecommunications infrastructure work with other programs and policies to encourage economic development in regional Australia?**

With the country's first ever Digital Games Tax Offset (DGTO) set to be introduced on 1 July 2022, Australia is on a cusp of a new golden age of video game development, feeding into a global \$250 billion market that was already worth well over twice the size of film and music combined, and has reported grown by up to a quarter since COVID. The incoming DGTO will bring to Australia the creation of new game development studios, rapid growth to existing studios, and a stream of investment, jobs, and projects.

Video game development can potentially provide a wealth of jobs for regional Australians, and particularly young regional Australians. Uniquely amongst even digital industries, video game development studios have strongly embraced geographical diversity in their workforce and the ability to operate online in an effective way. Many of our members have employees who work in regional areas, and some Australian studios are entirely virtual and comprised of teams working remotely from their geographically dispersed locations. The RTIRC may be interested to note that one of the most successful mobile games of all time, *Crossy Road*, was actually developed in regional Victoria.

However, strong, fast, and reliable internet infrastructure is absolutely vital for video game development, which inevitably involves sending and receiving large data files, and even the most talented game developer in a regional area will be severely disadvantaged in terms of their employability if they do not have high quality internet. Unfortunately satellite internet rarely is able to deliver this. The [submission from Better Internet for Rural, Regional and Remote Australia](#) to the RTIRC during the previous review in 2018 highlighted the fact that the high latency of satellite connection causes issues for video game development, and included a quote from a video game developer living in Port Macquarie, NSW, who said that the lag from Sky Muster was so significant that they were not able to even test half of the games they were working on, and unfortunately lost work.

Continued Government investment in fixed and wireless internet infrastructure across regional Australia will help minimise reliance on satellite internet, and by doing so maximise the impact of the DGTO across all parts of the country.

**10. To what extent will new technologies enable significant change to the delivery of telecommunications services in regional Australia over the next 5-10 years? Are there any barriers to accessing these technologies?**

While this is a question primarily for telecommunications service providers and industry commentators to answer, we of course remain hopeful of the potential for impactful emerging technologies. For example, the discussion paper mentions Starlink, and while much remains to be seen with its rollout, we are encouraged by [reporting](#) that it may provide significant bandwidth in areas with low population densities such as regional areas. In the meantime, however, we encourage the Australian Government to continue its investment into the ongoing upgrading of the NBN to ensure that it has as much national coverage as possible, and to provide the most appropriate policy and regulatory settings to encourage telecommunications providers to extend its mobile coverage, including the rollout of 5G, to cover as much of geographical Australia as possible.

Should you wish to discuss our response further, please contact me at [ben@igea.net](mailto:ben@igea.net).

Regards

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