

IGEA

interactive games & entertainment association

Policy Advocacy Compendium

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Foreword

The Interactive Games & Entertainment Association (IGEA) is pleased to publish our policy advocacy compendium — a comprehensive overview of our key policy issues and positions important to our industry.

IGEA is the industry association representing and advocating for the video game industry in Australia and New Zealand, including the developers, publishers and distributors of video games, as well as the makers of the most popular game platforms, consoles and devices. We strive to further the business and public policy interests of our members, who are part of the world's largest creative industry that are loved by over 80% of Australians and New Zealanders who regularly play games.

One of our key roles is to foster understanding across federal, state and even local governments about video games, the people who play games, and the creators and companies that make and bring games to our consumers. Importantly, we advocate for government policies that can help our industry to grow and succeed, contributing to the economy and benefit to the wider community.

This compendium compiles our policy positions on 20 key issues across three overarching themes:

- 1) implementing well-informed and designed regulation;
- 2) driving industry development through ongoing investment and trade; and
- 3) boosting talent pipeline for a sustainable industry.

While this compendium does not cover every single one of our advocacy activities, it does highlight our positions and perspectives on key policy issues.

Our policy positions in this compendium have two main purposes. First, they help to provide our government stakeholders with our insights and articulate the reasons and evidence behind our advocacy. Second, they provide transparency not only to government, but to our members and the wider industry and public about the policy work that we do and why we do it.

This is a living document. As our industry grows and evolves, and governments and government policies change, so too will the issues that we advocate on. We will endeavour to continually keep this policy and advocacy compendium up to date.

For more information about this ledger or IGEA's advocacy activities, please don't hesitate to reach out to the IGEA Policy Team at policy@igea.net.

1. IMPLEMENTING WELL-INFORMED AND DESIGNED REGULATION

1.1 Implementing good public policy design and best practice regulation

The dynamic, fast-moving pace of technology presents challenges to the ability of government and regulators to respond quickly. This has resulted in reactive regulatory measures in online regulatory reforms that are rushed through government, leading to suboptimal and unintended consequences. Unfortunately, these are at the expense of ensuring good public policy design and best practice regulation; at worst, public trust in regulators' decisions diminishes. We support policies, laws and regulations that are modern, practical, sensible, evidence-based and compatible with the digital economy, especially for the video game industry ecosystem.

What is good public policy design and best practice regulation?

We support policies, laws and regulations that are modern, practical, sensible, evidence-based and compatible with the digital economy, especially for the video game industry ecosystem. Any proposed regulatory reforms should be well-defined, reasonable and clearly scoped, provide sufficient flexibility that are future proofed for evolving technologies, and be supplemented by relevant industry guidance to enable sufficient regulatory clarity and certainty. Policy and regulation, when well-designed and informed, can contribute (rather than inhibit) to innovation, productivity and economic growth. As an outcome, this will ensure that we have a robust and stable regulatory environment, leading to greater industry and wider community confidence and trust in our regulatory system for online services. These are critical considerations if Australia wishes to become a top 10 digital economy and society by 2030.

What happens when this does not occur in practice?

When additional reforms are introduced, without a proper identification and assessment of the problems (if any) and potential solutions, based on firm policy evidence, this can lead to regulatory overreach, create regulatory uncertainty and complexity to the current Australian regulatory landscape, and other unintended consequences. For example, unnecessary regulatory duplication and conflict with both existing and future regulations can arise. Minimising such duplication not only ensures administrative efficiency, such as reducing associated regulatory costs, regulatory burden and complexity, but also mitigates inadvertent inconsistencies between the regulatory instruments. In the case of online regulation, the dynamic, fast-moving pace of technology presents challenges to the ability of government and regulators to respond quickly. We have observed that this has resulted in reactive regulatory measures that are rushed through government, leading to suboptimal and unintended consequences. Unfortunately, these are at the expense of ensuring good regulatory governance practices; at worst, public trust in regulators' decisions diminishes.

How can government help?

We support government policy that continues to review regulations, cut unnecessary red tape (such as complex and duplicative regulations), and improve regulators' performances (such as regulator accountability). To strengthen public trust in our regulatory system, governance mechanisms can be built into legislation to ensure that regulators are more accountable and do not operate with unfettered power, along with proportionate measures to enable procedural fairness and review regulator decisions. This will not only ensure that regulatory burden and costs on industry are reduced, but also that our regulatory environment is being administered efficiently. There is also an opportunity to review our overall regulatory framework from a holistic systems approach. This will be informed by the amount of online regulation and incentives for attracting investment in Australia. For instance, if there is an imbalance of regulations that outweigh the incentives, this can lead to an unfriendly environment for doing business in or attracting people to come to Australia. It has been evident that this has not occurred in practice for online regulation, such as in relation to concurrent and multiple classification, online safety and artificial intelligence (AI) reform consultations, along with other interrelated reforms such as privacy, consumer protections, deepfakes, doxxing, and misinformation and disinformation. There are also occasions where the policy intent is not reflected in practice and disconnected from how it should be properly enforced such as in relation to IP. Our latest recommendations can be found [here](#).

1.2 Modernising the classification scheme for video games

We recognise the vital role that Australia and New Zealand's classification schemes work in helping game players, and their parents and carers make informed choices about what to play. Our industry supports these schemes through strict compliance and dialogue with regulators. As these classification laws and policies were designed in a pre-digital age, we encourage reforms to modernise how games are classified, including the expanded use of classification tools, and the classification of games reflecting the views of the community.

How are video games classified?

Classification in Australia and New Zealand involves the assigning of an age rating, and often a further consumer advice or descriptive note, to video games. These are displayed on the game's box or at the point of sale or download. In both countries, the government is responsible for classifying video games (together with films and certain other media). This function is performed by the Classification Board in Australia and by the Office of Film & Literature Classification in New Zealand, with the cost of classification largely funded through fees from game publishers.

The industry's support for classification

We believe classification plays an important role in the community and is particularly vital for children and their parents and carers by helping them to choose the right video games to buy or play, and to avoid content that may not be age-appropriate. We also know that many adults, who comprise 81% of game players in Australia and New Zealand, also find classification information useful. Our industry uses trained assessors to support the Australian Classification Board's decision-making, a scheme that we strongly support.

Improvements to the classification system

The legislation that underpins Australia's classification system and the equivalent legislation in New Zealand are over 30 years old. These classification laws were drafted for a pre-internet era and use community standards from the 1990s that often do not reflect society's views today. For example, the Australian classification guidelines treat video games more harshly than film for the exact same content.

As a first step, last year, we welcomed Australia's introduction of the self-classification scheme, which includes training for accredited assessors and through the International Age Rating Coalition (IARC) classification tool. We also recommend that ongoing and expanded use of this tool should also be adopted for use in New Zealand.

We look forward to resolving outstanding matters as part of the Australian Government's stage 2 reforms. These include our recommendations for harmonising classification between video games and films, merging of MA15+ into M as a non-restricted category, supporting the Australian Communications & Media Authority (ACMA) to be the single national regulator for classification (should the government decide to disband the Classification Board), and supporting in-principle for a new Classification Advisory Panel if it's well-designed.

You can read more about our recommendations [here](#).

1.3 Supporting and promoting online safety in video games

Our industry has a track record of making video games that are played in a fun and safe way. Game companies offer a range of tools, controls and settings that empower players and give parents the ability to control what games their children play, when and how they play games, and whether they communicate with others. We support sensible and appropriate online safety laws, and we will continue to work together with Australia and New Zealand leaders to raise community awareness.

The video games industry helps to protect children from harm

Critically, the video game industry has long spearheaded the implementation of the broadest and most proactive range of safety features to provide a safe and fun online environment. Online game services typically feature robust safety controls, developed over time to recognise a younger audience user base. Such parental controls on games platforms help parents and guardians manage controls including access, screen time, user communications, and spending. Our industry is constantly investing in and improving these tools, and regularly providing information and resources to educate players, parents, and carers on their use. These measures complement the industry's compliance with domestic and international classification and privacy laws for decades. Since 2021, the industry also adheres to the Australian Online Safety Act (OSA), heavily engaged in developing various industry online safety codes to protect children from illegal and restricted content enforced by eSafety. Further information at [IGEA's Trust & Safety Hub](#).

Video games are safe for children

Video games are some of the safest places for children to be connected to the internet, and video games are among the safest online activities that children can participate in. The industry has long spearheaded and pioneered parental control capabilities in video game services to address child access to age-inappropriate games, based on global industry best practice that enshrine online safety. These are built with the objective of creating fun and safe gaming experiences for all and for healthy gameplay by providing evidenced-based practical guidance. This in turn helps to protect children from online harm.

Video games are different from social media and other online platforms

Video games are fundamentally different from social media. While social media is primarily about socialising and sharing content, the essence of video games lies in play – this distinction is crucial. Video games are regulated by national classification regimes in Australia and New Zealand, providing clear guidelines on age-appropriateness and content. Research shows that video games can support cognitive growth, improve focus, and foster qualities like grit, persistence, and self-determination. Play is essential to human development, teaching us how to learn, connect and build culture, especially important for regional, underserved regions and marginalised groups. Many games are developed for Science, Technology, Engineering, the Arts & Maths (STEAM) education purposes such as digital design and programming.

The roles of governments and regulators to effectively support online safety in games

We believe that the most effective way that governments can support our industry's action on online safety is to focus on community awareness-raising, particularly among children and their parents and carers, and to improve knowledge of safe digital practices and the usage of the family settings, tools, and functionalities that already exist that help to make games safe. Our research tells us that only around 24% of Australian and 31% of New Zealand parents were not at all familiar with family controls. We continue to collaborate with Australian and New Zealand online safety leaders to help reach those parents.

Building on effective awareness-raising, we also support other policies if they are well-designed and evidence-based. However, we urge caution against unnecessary regulatory interventions, especially where they take a 'one-size-fits-all' approach that treat games like other, higher-risk, online platforms, or impose the same expectations on companies regardless of size or risk. Since the commencement of the OSA, the regulatory landscape has grown increasingly complex, with a range of overlapping regulations and reforms, contributing to a more fragmented framework. The 2024 OSA Review presents a timely opportunity to streamlining, simplifying and stabilising the regime.

1.4 Promoting digital health and wellbeing

We engage positively in policy and academic dialogue around screen time and digital health. Like all activities in life, we believe that video games should be enjoyed as part of a balanced lifestyle. Up to 81% of Australians and New Zealanders play video games, with the overwhelming majority doing so in a healthy and responsible way. To support this goal, our industry has a longstanding history of providing tools that allow game players, and their parents and carers to monitor and manage screen time more effectively.

The benefits of gameplay

Played in moderation, research shows that video games can support cognitive growth, improve focus, and foster qualities like grit, persistence, and self-determination. Play is essential to human development; it is how we learn, connect, and build culture. Games can also play an educational role in young people's development, with many games being designed explicitly for this purpose. Further, playing video games can be a meaningful and accessible activity for people experiencing challenges to participating in physical and community spaces. This is especially important for regional, underserved regions and marginalised groups. Many online game services have also been developed for Science, Technology, Engineering, the Arts and Mathematics (STEAM) education purposes, especially for younger players. For example, it can support the development of digital design and programming skills.

Excessive video gaming does not exist for the vast majority

According to independent community research that Bond University has undertaken for us for over a decade, there is not a problem of excessive video gaming for the vast majority of people. Australian and New Zealand game players respectively spend on average 90 and 97 minutes a day gaming, a figure that has remained steady in recent years. This is less than half of the time people in both countries spend watching TV. In contrast to dated stereotypes, the data shows us that Australian and New Zealand gamers overwhelmingly play socially, while also enjoying a rich and balanced lifestyle filled with other interests. The research also tells us that parents and carers regularly monitor their children's gameplay, and routinely discuss and set rules around when, and for how long, they can play.

Video game addiction is inconclusive

Our industry follows the academic discussion in this space carefully, and the reality is that there is currently no conclusive evidence behind the existence of video game addiction or disorder. While the World Health Organization (WHO) included 'gaming disorder' in the 11th edition of its International Classification of Diseases (ICD-11), it did so without undertaking research or citing evidence, and without consensus from the medical and academic community. In fact, dozens of health experts and social scientists from leading research centres like Oxford University, Johns Hopkins University, and The University of Sydney jointly and publicly opposed the inclusion. The risks of formalising a disorder that is not real doesn't just stigmatise video game players, but it creates a risk of harm from misdiagnoses that ignore underlying health issues, with some researchers arguing that some people may be using video games as a coping mechanism.

The industry's role in helping people manage their game play

Like any activity or hobby, from watching TV to playing sport, video gaming can be taken to an extreme. Everything should be taken into moderation. Our industry has a role to play in mitigating this risk and takes this responsibility very seriously. This is why our industry actively encourages people to play in moderation, and has provided a range of ways to help people balance their time playing games. Many video games and game platforms provide regular reminders for players to take breaks, and some developers design their games deliberately in a way that discourage extended gaming sessions. Many game platforms also provide tools and controls for parents and carers to monitor their children's play time, and to limit when during the week, and for how long, their children can play games. For further information on parental controls in games, see [here](#).

1.5 Destigmatising violent content in video games

Over three decades ago, video games were stigmatised by some politicians, commentators and parts of the media as a cause for real-world violence. Unfortunately, this still happens even today. However, the overwhelming scientific consensus over decades of research continues to show there is no link between games and real-world violence or aggression. Regardless, we continue to support the role of the Australian and New Zealand classification schemes so that children are not exposed to content that is not age appropriate.

Links between video games and violence are inconclusive

Whether there is a link between video games and real world violence has been one of the most studied areas in media, and decades of research show there isn't one. One of the most definitive studies ever done on this topic was published by the Oxford Internet Institute, within the University of Oxford, in 2019. This study interviewed over 1,000 British adolescent participants, and an equal number of their carers, and found no relationship between the amount of time spent playing video games and aggressive behaviour in teenagers. Research undertaken by the Australian Government in 2017 found that interactivity in video games even seemed to reduce the impact of violence compared to film, possibly because of player agency and empathy for the character. The 2020 Review of Australian Classification Regulation Report (Stevens Review) also acknowledged that there was a lack of conclusive empirical evidence regarding the impact of violence in video games. Further research by the Government in 2021 found evidence that video games did not have a negative impact on aggression, youth mental health, and attitudes towards women.

Shifting attitudes around violent video games in the media

Thankfully, public commentary around violent video games seem to be improving. While we still see some politicians and commentators talk about the unproven link between violence and video games, discussion of this topic has encouragingly become better, potentially because so many parents, politicians, and members of the community today have grown up with games and are much more informed about them. One of the most striking examples of this shift in attitudes is the Australian Government's views on Mortal Kombat. From once setting up an inquiry about the original game in the early 1990's, it has more recently invested in and celebrated the filming in South Australia of a movie adaptation.

Effective classification of video games to help children avoid violent content

Violent content are treated and classified more harshly in video games than in films, even when interactivity has no impact. The classification system should be changed so films and video games are treated equally to reflect community standards.

Setting aside this issue, the classification systems in both Australia and New Zealand work well to ensure that the level of violence in video games is assessed as a key part of the ratings process and provide age-appropriate guidance. Violent content is similarly assessed for video games that are classified through the International Age Rating Coalition (IARC) classification tool. To support age ratings on video games, all major gaming consoles and devices have family controls, settings and tools that enable parents and carers to set upper age limits for the kinds of games that their children can play. Finally, while there has traditionally been a belief about games being gory, this simply is not true.

Of the 223 games that were classified by the Australian Classification Board and Authorised Assessor for Computer Games in 2023-24, most were classified G or PG (62%) and fewer were classified M (21%). Just 13% were classified MA15+, and only 4% were classified R18+. The fact is that video games are an incredibly diverse and multi-genre artform and there are games to suit everyone.

You can read more about our recommendations [here](#).

1.6 Demystifying in-game spending and loot boxes

Video games use diverse and innovative revenue models to meet the different preferences and budgets of players. Some games, including many successful Australian games, use in-game spending. All game platforms provide controls for players and parents to manage in-game spending. Loot boxes (which contain randomised digital items) were reviewed by an Australian Senate Committee in 2018 that found that they were adequately regulated. Regardless, our industry continues to listen and implement new measures to increase the transparency of loot boxes. The Australian Government has also introduced new mandatory minimum classifications for video games containing gambling-like content in September 2024, which industry has closely worked with government to ensure a more seamless transition.

Revenue models for video games include in-game spending

Some games are supported by in-game advertising, subscription models, seasonal or downloadable content, or in-game spending, which is where players buy digital items that can be used within a game. Players support the vast majority of games that use in-game spending because they help to keep the cost of games low, with many of the most popular games that use it able to be played for free, while giving players the option to directly support the games they love. These days, players expect games to be an ongoing service with well-maintained servers and regular new content. Revenue generated by in-game spending helps to fund these costs. Further, with game development and the selling of digital games becoming more democratised, in-game spending like loot boxes has helped to sustain and keep most smaller developers and indies afloat, where the majority of games are free-to-play.

Loot boxes is not gambling

Loot boxes are a kind of in-game spending where the items that the player receives is randomised. While loot boxes have received some media attention, we believe that this is largely a result of misunderstandings about what they are. Loot boxes are a prize mechanic for in-game virtual items with no external monetary value. Players are guaranteed to win items from loot boxes, and includes elements of chance and uncertainty, sharing very similar characteristics with many other consumer-friendly products like card game packs, boardgames, surprise toys, and blind boxes. Loot boxes are usually optional and are not needed to play the game. Many only contain cosmetic items that provide no competitive advantages. In-game purchases, like any other product, are protected by all relevant consumer laws and guarantees. Loot boxes in video games should therefore not be confused or conflated with other concepts such as online social casinos, which is the online version of commercial casinos that should be clearly restricted to adults.

The industry's role in helping users manage in-game spending and loot boxes

Our industry provides transparency around in-game spending via the International Age Rating Coalition (IARC) classification tool, which gives consumer guidance of 'in-game spending'. The industry is also strictly compliant in providing consumer advice on in-game purchases as required by the Australian National Classification Scheme. All major gaming devices also enable players and their parents and carers to easily restrict or turn off in-game spending. Our industry has committed to disclosing the probabilities, or 'drop rates', of loot box items, and some developers have formalised principles around how loot boxes are used. We research community views on loot boxes, which enables industry to listen and learn, and will continue to work with governments on ways to make them better understood (e.g. industry-led ratings bodies overseas now use guidance of 'includes random items' for games with loot boxes). For example, the Australian Government introduced in September 2024 new mandatory minimum classifications for video games containing gambling-like content in September 2024. Industry has closely worked with the Australian Classification Board and Branch to ensure a more seamless transition for industry to meet these new obligations and raising public awareness about these new classifications.

1.7 Responsible management and protection of player data

Video games could not exist without data. Not only is data largely used by game developers to make their games better for players, but the use of personal data for this goal is a core expectation of players. The video games industry treats its responsibility to protect the data of its players as among its highest priorities, including leading the digital industry in the pseudonymisation of their players through 'gamer tags'. Future data regulation should take a clear but flexible principles-based approach that encourages good privacy practices, while avoiding overly prescriptive rules, stymie innovation, impose unreasonable red tape, or even have unintended negative impacts on privacy.

The video games industry's use of data

Player-generated data have many uses, most importantly to help ensure that games run well and players can have the best gaming experience. Developers use data to find bugs, identify areas of improvement, monitor in-game behaviour like text chat, detect cheating, and to learn how to make even better game play experiences. Likewise, games and game services may use limited personal information such as email addresses to strengthen account security, or ask for age-related data to help parents and carers to better monitor what their children play. While some video games are also ad-supported, typically allowing players to play them for free, it is unlike other online services such as social media that rely on advertising and monetise or commercialise private information as their core business model. In contrast, the video games industry mainly relies on revenue from game purchases, subscriptions and microtransactions. It is therefore critical to not confuse or conflate concerns about higher-risk services and video games.

Protecting player's data and privacy

Best practice means companies should be collecting consumer data responsibly, collect only what they need, and keep personal information secure. Our video games industry is committed to upholding all Australian and New Zealand data management laws, providing multiple and clearly-worded privacy notices to give transparency to players, adopting best practice account security measures, and, for many platforms, offering privacy settings to give players choice around how their data is used. To better protect the privacy of their players, our industry is renowned for its widespread use of pseudonyms, 'gamer tags', avatars, and device identifiers in lieu of more sensitive personal information such as player names. This is a practice that our sector leads the digital world in. Preserving robust privacy policies and nurturing a secure online game atmosphere are fundamental principles of our industry, empowering users to retain control over their personal information and to resolve any privacy issues that may arise.

Australia's privacy reform

Industry data management practices should always meet community expectations, and we will continue to be key partners in reform discussions. We support privacy laws that are modern, practical, sensible, evidence- and principles-based, and favour flexible and clear requirements that support, rather than impede, good privacy practices and responsible data stewardship. In contrast, we should avoid a framework that leads to overly prescriptive rules, stymie innovation, impose unreasonable red tape, or even have unintended negative impacts on privacy. This will allow game companies to continue to use data in innovative ways to keep improving their products, while still upholding privacy principles.

We support the first tranche of Australian Privacy Act Review reforms at the end of 2024, progressing multilateral efforts to promote overseas data flows that enable data-sharing between trusted markets and minimise the fragmentation of global privacy regulation. With the introduction of a Children's Online Privacy Code, it will be critical for the Office of the Australian Information Commissioner to ensure international regulatory coherence, learning lessons from similar overseas' implementations, and properly consult with industry to meet their obligations. We also welcome working closely with government on any further proposed reforms – for instance, we support a sensible definition of personal information that does not cover low-risk data like pseudonyms, as well as balanced notice and consent requirements that do not simply lead to 'fine print fatigue'. You can read more about our latest recommendations [here](#).

1.8 Safe and responsible AI in video games

AI has been used for decades in video games, focused on entertainment, safety or innovation purposes. We support the advancement of AI as a tool in the video game industry to ultimately enhance player enjoyability, accessibility, and safety. Therefore, unlike safety concerns associated with other online services and use cases of AI, video games are regarded as low-risk. As AI is an evolving subject that spans across multiple policy areas, we welcome ongoing collaboration with the government and other stakeholders regarding any proposed AI-related reforms.

How is AI used in video games?

AI has been used for decades in video games and continues to evolve, with a focus to ultimately enhance player enjoyability, accessibility and safety. As the pioneer of SafetyTech, the video game industry utilises advanced AI technology to empower content moderation capabilities and implement critical safeguards to meet and exceed the community's expectations. To meet every type of gamer's unique demand and expectations, developers are utilising innovative AI solutions to improve and enhance the player experience. To meet the community's expectations, publishers in the video game industry have begun developing internal generative AI capabilities to support developers in various game production tasks. AI is used as an assistive tool for quality assurance (QA) testing of popular mobile games with thousands of game levels in service. Gaming engines (game development software) increasingly integrate AI and machine learning in their products, reducing complexities that hinder the creation process. These are just some examples of the use cases for AI in video games that are clearly low-risk.

The impact of AI on the video games industry

Like in other creative industries, the use of AI (including generative AI) in video games raises questions about its impact on jobs and skills. Unlike the other creative industries, the video game industry uniquely sits at the intersection of entertainment, the arts and technology, hiring a wide range of artistic, technical and professional roles. As with any transformative and disruptive technology, it will be critical that governments and industry continue working together to ensure that displaced roles that might arise from evolving disruptive technologies like AI are suitably replaced and the future workforce is ready to embrace these changes.

Australia's AI reforms

It is fair to say that AI is a hot topic of reform in Australia. It arises in several policy areas including online safety, privacy, security, IP, consumer protections, and competition, just to name a few. However, this discussion is not limited to Australia and part of a broader global conversation.

In the case of safety, we would object to any mandatory obligations or guardrails being applied to low-risk applications such as in video games. For example, Europe is regarded as the leading region in regulating AI, and the European Commission specifically treats video games as low-risk.

In terms of copyright, like other creative industries, the use of generative AI in video games raises questions about the utilisation of copyrighted data for training and the safeguarding of new creations. There are indeed scenarios in which copyright protections might apply to ensure ongoing creativity and investment in new works. However, it is critical to distinguish copyright protections from the concept of AI-related risk to harm and safety and associated measures.

While AI in video games will unlikely require regulation, any regulation should be evidence- and risk-based, proportionate, carefully scoped, limited to what is practically necessary, and industry-specific. Given the continually evolving state of AI technologies and their use in the video game industry, we welcome ongoing collaboration with the government and other stakeholders regarding any proposed AI-related reforms.

You can read more about our latest recommendations [here](#).

1.9 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, evidence-based and compatible with the digital economy.

The importance of competition in the video games sector for consumers

The video games industry is one of the most competitive consumer markets, locally and around the world. With numerous developers and publishers, 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 downward 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.

The importance of competition for 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.

The effectiveness of Australian Consumer Law to video games

Video games use diverse and innovative revenue models to meet the different preferences and budgets of players. Some games, including many successful Australian games, are supported by in-game advertising, subscription models, seasonal or downloadable content, or in-game spending, which is where players buy digital items that can be used within a game. 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. There are a range of robust safeguards in place that ensure consumers are properly protected. Under the Australian Consumer Law (ACL) alone, for example, there are existing ACL protections that cover misleading or deceptive conduct, unconscionable conduct, unfair contract terms, and specific trading practices. In addition to the current consumer law protections, it should be recognised that various consumer protections are available, including under privacy, data stewardship, classification, and online safety. Should there be questions as to the adequacy of consumer protections, it is important to determine whether these current protections collectively provide sufficient consumer protections, and whether any proposed reforms would create regulatory overlap with existing arrangements, supported by robust policy evidence gathering (beyond stakeholder opinion). Behavioural studies would be useful for informing any proposed consumer related regulatory reforms. In the absence of firm policy evidence to the contrary, we believe the existing consumer protections are sufficient to adequately address consumer concerns arising from online games.

You can read more about our latest recommendations [here](#).

1.10 Effective regulation of intellectual property

Video games constitute some of the most renowned, innovative, valuable, and complex IP in the world. Locally made video games help to bring in export revenue that can last years. At the same time, games remain vulnerable to copyright infringement and IP theft. Noting the breadth of issues and diversity of views across the Australian and New Zealand creative sectors on IP policy, and particularly around copyright, our position is that where there is a need for reform, we support an approach that is considered, constructive, and consultative. Meanwhile, existing IP protections need to be properly enforced in practice.

The importance of intellectual property in video games

Video games comprise and create some of the most economically and culturally important IP in the world. Collectively, more creative effort goes into making video games than likely any other cultural product, with the development of some titles involving thousands of workers. Unlike other creative sectors, the video game industry 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. Under Australia and New Zealand's copyright frameworks, while games are not a specific category of copyrighted 'work' like a film, book, or song may be, practically all elements of a video game, from the game's code to everything that you see and hear within a game, are protected by copyright. Maintaining the core design of the current copyright system is essential to supporting innovation and safeguarding creators' rights. Robust IP and copyright laws are critical to fostering creativity and innovation in game development and encourages our industry to keep investing in making, releasing, and sustaining games locally.

Video game piracy still occurs

Unfortunately, yes. According to the latest research from the Australian Government, 26% of video game players said that they engaged in illegal copyright infringement to play some or all of their games. Our industry continues to proactively address copyright infringement and its drivers. Video games are already one of the most affordable forms of leisure, with a single game able to provide over hundreds of hours of entertainment. 'AAA' games have largely stayed the same price over the past decade, while many popular games are now free or bundled into subscriptions. Our industry also relies on Technological Protection Measures (TPMs) as a crucial and practical tool to fight copyright infringement. We support copyright laws that give content creators and owners the ability to protect their properties effectively and pragmatically.

Improvements to the Australian copyright system

We are a key stakeholder of copyright policy and engage with the Australian and New Zealand governments closely, including the Copyright and Artificial Intelligence Reference Group. Recognising that there is a range of views between stakeholders on this topic, we encourage all reform processes to be driven by evidence and consultation. Even within our own membership there can be diverse views, so we consider reform thoughtfully, and with an open mind, on a case-by-case basis.

Existing copyright policies that we support as being effective include: the current lengthy copyright terms that reflects the long-term value of games; protections around the usage of TPMs as a key tool for fighting infringement (and protecting players from interference and hacking); and the freedom to contract out of copyright exceptions, a practice that encourages developers to open up their IP for a wider range of third party uses.

In the case of generative AI and copyright, there are indeed scenarios in which copyright protections might apply. For example, at the output, if an author (such as a game developer or publisher) uses AI as a tool to create a work, reflecting their own creativity in an original manner, their new work should be copyright protected.

However, given the continually evolving state of AI technologies and their use in the video game industry, we welcome ongoing collaboration with the Government and other stakeholders regarding any proposed reforms in this area. In the meantime, there is an ongoing need for government and law enforcement agencies to be properly resourced to effectively enforce existing IP and copyright protections in practice.

1.11 Supporting a strong, accessible and neutral internet

One of the most important pieces of infrastructure to support a futureproofed economy and connected society is strong and reliable internet, both fixed and wireless. Specifically, we support continued government investment into broadband and wireless networks and a competitive market of service providers to ensure that internet is accessible and affordable for all Australians and New Zealanders. It is also essential that wholesale and retail internet service providers should not and do not discriminate against video game content and data.

High quality internet infrastructure to support video games

The community's love for video gaming, like most aspects of modern digital life as well as the digital economy, needs fast and stable internet. Our local game development studios have also told us how access to an effective and reliable internet connection is essential for their work. For these reasons, we support continued investment by governments into building, maintaining, and improving internet infrastructure, such as Australia's NBN Network and New Zealand's Ultra-Fast Broadband initiative, as well as support for the fast rollout of 5G in both countries. We believe access to the internet should be high quality and affordable in both urban and regional areas, and also support policies that ensure consumers have choice of service providers and plans.

Video gaming minimal impact on internet infrastructure

One of the myths around video games is that they take or use up a lot of internet bandwidth to play. Aside from the many games that can be played offline, most games that are played online use minimal data, even when playing with friends and family. In fact, most online games only take up a fraction of the bandwidth needed for even standard definition video streaming, even when the game's graphics look cinematic, as many modern games do. While many Australians and New Zealanders still buy boxed games, many also download games and while some game and update files can be large, our industry takes great care to deliver downloads as efficiently as possible. Games companies use a range of technologies and practices to minimise their impact on bandwidth, including pre-seeding data prior to release, using Content Delivery Networks to shorten the distance that data travels, managing bandwidth capacity, and scheduling releases for off-peak periods. Our industry works with Australia's NBN Co to help them manage bandwidth.

An open and free internet

We believe that the internet should be open and free from unreasonable traffic discrimination, such as blocking, metering, or throttling internet traffic, or charging different costs for different kinds or sources of internet traffic. Any such discrimination of online content is detrimental to competition, harms consumers, and stifles innovation. Thankfully, unlike in some territories, net neutrality is largely a consensus issue here, and we are appreciative that support for an open and neutral internet is generally widely shared by Australian and New Zealand governments, by industry, including wholesale broadband and retail internet service providers, and by consumers.

1.12 Reducing our environmental impacts

While our sector, being mostly digital, is greener than most, we know we must keep working hard to further reduce our environmental impacts. Our members are investing into improving their technologies and designs to achieve environmental and carbon reduction outcomes, while still improving their products. We are fully engaged in green policy discussions, such as goals for phasing out hard-to-recycle plastics, practical packaging reduction targets, and improving access to repair. We also support government policies that help to address climate change.

The impact of video games on the environment

Like all human activities, communities, and industries, video games have a carbon footprint. However, as a predominantly and increasingly digital industry, we believe that our industry is less energy-intensive, creates less waste, and produces less transportation-related emissions than most others. While video game consoles and some games are sold in physical format, all relevant video game companies are members of the Australian Packaging Covenant Organisation (APCO), as is IGEA, or comply with equivalent standards. Further, as consoles are designed to not need to be replaced for years.

While it is abundantly clear that our industry is compliant under the current regulatory arrangements, we recognise the call to support Australia's transition to a circular economy through regulatory reform and look forward to ongoing collaboration with governments and other stakeholders in these discussions.

Video games businesses' actions to reduce their environmental impacts

The global video game industry continues to lead the way for the innovation of more energy efficient and recyclable products as part of its commitment to product stewardship. As our industry grows, video game companies are continuously investing in their products and services to further reduce their environmental impacts. For example, the makers of video game consoles and devices continuously work on increasing the energy efficiency of their products, such as by improving their low power modes. Similarly, video game developers are constantly investing in improving how they deliver content to their players, from new network infrastructure to cloud gaming, with a key goal being to reduce the energy consumption of the gaming community. Many video game companies have further set ambitious green goals, from using 100% recycled and non-toxic packaging, to setting targets for becoming fully carbon-neutral.

Rounding this off, IGEA is a member of the Playing for the Planet - an Alliance that supports the video games industry to take action on the environment, and facilitated with the support of the United Nations Environment Programme (UNEP) and led by the games industry.

Australia's environmental sustainability reforms

We acknowledge the ongoing conversation about 'right to repair', including its environmental objectives. We engage openly in these discussions. However, environmental 'right to repair' arguments have limited relevance to us, given that as discussed above, video game consoles are designed to have a long and productive life, and when they are no longer wanted or even when unrepairable, are easily re-saleable or recycled. Critically in this debate, our sector also faces a unique threat from copyright infringement through the 'chipping' or 'modding' of consoles, which historically has been linked to independent repairers. For this and other reasons, all three console makers have invested heavily into extensive and high quality repair and/or replacement services.

Our latest recommendations can be found [here](#).

2. DRIVING INDUSTRY DEVELOPMENT THROUGH ONGOING INVESTMENT AND TRADE

2.1 Building recognition of our high potential industry

Few Australian industries have the potential to create goods with long term value, bring up a generation of versatile tech workers, access billions of consumers, and attract high foreign investment, while also exporting our culture to the world. In fact, we believe video games is the only one. Ours is an advanced, export-based, digital manufacturing sector. With the Federal Government introducing a refundable 30% Digital Games Tax Offset (DGTO) from 1 July 2022, we are ushering in a new golden age of Australian game development. With ambition and clear vision, Australia has the potential to become a global powerhouse.

How video game development drives the creative industries

Not only is game development an industry of its own, but it is also the largest creative industry in the world, generating global revenues of around \$300 billion in 2024, and continues to grow. Over 3 billion game players around the world spend far more on video games each year than they spend on films, streaming services, and music combined, alongside a widening generation of players. As games are mostly distributed digitally, Australian game developers can access this export market directly, immediately, and in its entirety. In fact, Australian developers already earn almost all of their sales revenues from overseas, and Australian-made games are already among the country's most successful creative exports ever. How much bigger can we go?

What does the Australian video games industry look like?

Australia has a long history of creating video games and the global industry continues to take notice of Australia. This is demonstrated by major publishers including Electronic Arts, Gameloft, Keywords, Riot Games, PlaySide and Sledgehammer recently establishing or expanding their studio presence in Australia. Despite its potential, Australia's game development sector employed just 2,465 fulltime workers and earned just \$339.1 million in revenue in FY 2023-24.

Opportunity to grow Australia's video games industry

With Australia being one of the most desirable places in the world to live and visit, with highly-trained and English-speaking games workers who are globally renowned for their creativity, our sector should be far larger. The reason for our small scale is that unlike most advanced economies, there has been little to no federal support for game development for a long time, having lost significant ground since the GFC, which allowed us to be outstripped by our equivalent economic peers like Canada. By way of contrast, the Canadian video games industry employs 34,010 FTEs and \$5.1 billion (CAD) to its economy.

Australia's potential as a globally competitive video games industry

With the introduction of the DGTO, along with complementary state and territory support, this is a critical first step to recover lost ground since the GFC. The government's continuing support for the industry over the longer term will, therefore, be important. With ambition and clear vision, Australia has the potential to become a global powerhouse for the video game industry, leading to greater economic wealth and creation of jobs, no longer tied to being labelled as an underdog and punching above our weight. With the global video game industry worth more than music and film industries combined, it makes good economic sense for Australia to replicate the success of the traditional screen sector for the video game industry. Following almost a decade of limited federal support, the current level of funding is still considerably less than support received by film and TV production, and it will be critical for a new phase of funding support.

Our latest recommendations on how we can reach this vision can be found [here](#).

2.2 Advocating for game development support

Despite being part of the screen production industry, our sector has in the past been excluded from all federal screen funding and incentives, and often limited state and territory support too. For years we fought for a 30% tax offset for game development, something we achieved when the Australian Government announced the introduction of the Digital Games Tax Offset (DGTO), and we continue to fight for the ability of game developers to access Screen Australia funding. We also lobby for strong, cohesive, and effective funding and incentives for game development across the states and territories.

How the Digital Games Tax Offset supports the sector

With the new DGTO and state and territory backing, Australia is poised to become a premier hub for game development. Based on global experience, the DGTO will transform the video game industry. It will empower existing studios to create more games, innovate, and produce ambitious projects. 'Work-for-hire' studios will gain a competitive edge in exporting game development services. Foreign investment will be attracted, fostering new 'AAA' studios in Australia, and generating thousands of skilled jobs. To achieve these goals, alignment with international best practices will be crucial. If done right, our modelling suggests a potential \$1 billion a year industry by 2030, supporting 10,000 fulltime workers.

How can the federal government build on the DGTO to support the sector?

The DGTO is a generous incentive, setting a critical foundation for building momentum and a pipeline for growth. We have also welcomed Screen Australia's 2023 announcement of funding for Australian gamemakers, with the federal government committing \$12 million over four years as part of the National Cultural Policy. With the global video game industry worth more than music and film industries combined, it makes good economic sense for Australia to replicate the success of the traditional screen sector for the video game industry. Nevertheless, like many high-tech and creative businesses, the recent post pandemic years have been challenging for game creators due to the many external forces impacting and disrupting the sector. The government's continuing support for the industry over the longer term will, therefore, be important. Further, following almost a decade of limited federal support, the current level of funding is still considerably less than support received by film and TV production, and it will be critical for a new phase of funding support.

We support areas where government can help grow and sustain the industry, including: ensure funding for the DGTO is maintained for the longer term, as a critical foundation for growing the industry; increase funding for Australian video game development to \$25 million in recognition of the need for 'catch-up' investment in the sector; expand funding to specifically support smaller video game developers who seek to sustain and scale their businesses, such as business training and skills-building initiatives; support video game developers similarly to how screen content creators are offered support; and actively marketing our industry to international jurisdictions. Supported by government, Australia can create a thriving video game industry ecosystem, potentially becoming a global powerhouse for the global video game industry.

How can the states and territories better support the sector?

Complementing federal support, many jurisdictions support game development through grants, loans, and other assistance. While they can never replace the need for federal support, they are vital. We advocate for effective, well-designed, and broadly-accessible funding in the states and territories. We also advocate for expenditure-based rebates across Australian jurisdictions, noting that Victoria and Queensland are leading exemplars, as proven methods for supercharging local and global investment.

Our latest recommendations can be found [here](#).

2.3 Advocating for a fair tax system that encourages innovation

Our industry, like all sectors, should rightly pay its fair share of taxes. In addition to corporate income and other taxes, GST in both Australia and New Zealand is collected on digital sales including in-game purchases, unlike in many other countries. Australia's export-focused game developers have also brought in significant taxes - generating more tax revenue than arguably any other creative sector. We advocate for tax policies that support SMEs, and incentives that drive innovation, like R&D tax incentives. Dialogue around tax reform and digital industries should be based on achieving global consensus.

The video games industry's contribution to Australia's tax system

We strongly believe the industry fairly contributes to Australia's tax system. While we are a digital sector, unlike many other parts of the digital economy our industry is still a traditional business model at heart. The games market continues to revolve chiefly around the transactional sales of consoles and physical and digital games, all of which are taxed locally. Like the physical market, GST is also collected on all digital sales in both Australia and New Zealand, from the purchase of AAA games to small in-game purchases. Further, while our industry is international, it is at the same time a very local one. Our members, who represent the overwhelming majority of the industry, all have physical offices and teams of staff in Australia and/or New Zealand, and many operate infrastructure like warehousing. Finally, our local game developers are undoubtedly among the most successful exporters across the entire creative sector and likely raise and pay tens of millions of dollars annually in tax revenues.

The digital tax debate

There has been ongoing discussion in Australia, New Zealand, and other countries around taxation of the digital economy, under various labels such as 'digital tax', 'multinational tax', 'big tech tax' and 'digital platform levy'. This debate is of limited relevance for our industry as games companies overwhelmingly generate revenue from selling consoles, physical and digital games, and game content, rather than through less tangible user-generated value. All parts of our sector, from consoles and platforms, to developers, publishers, and distributors, pay tax. We believe that the reforms last decade to extend GST to digital goods in both Australia and New Zealand, which we supported, have comprehensively dealt with the issue of tax in our sector. Nevertheless, as a digital industry, we are stakeholders in the broader tax debate and believe that reforms to the taxation of the digital economy can only be achieved effectively by reforming the international tax system, such as through the OECD, a process that we know is already underway.

Tax reforms to strengthen the video games sector

We have welcomed the introduction of the Digital Games Tax Offset (DGTO), setting a critical foundation to building a strong video game industry ecosystem. We look forward to other measures to ensure that this becomes sustainable in the longer term. This includes ensuring that barriers to investment are lowered, while greater incentives are also introduced, which can be addressed in our taxation system. In addition to the DGTO, we support stronger R&D tax incentives that more effectively cover software and encourage games companies to invest in new technology. We also support expanded payroll tax exemptions in Australia (noting that New Zealand has no payroll tax), particularly for small-to-medium-sized businesses. Finally, we support reform of corporate income tax to make our tax systems more competitive, with OECD data showing that Australia and New Zealand have among the highest business tax rates of all advanced economies.

2.4 Enhancing opportunities in digital trade and exports

Video games are the perfect export for Australia: weightless, high-tech, green, and IP-based with long-term revenue potential. We support export policies that strengthen the opportunities for Australian game developers to grow their existing export markets and to create new ones. We also advocate for international trade agreements and arrangements that encourage foreign investment, promote the open trade of digital goods and services, support the free flow of data, and take practical approaches to IP and data protection.

The importance of exports to the video games industry

Like other export sectors, to ensure a sustainable industry in Australia, it makes economic sense for the industry to have a strong trade and export market for generating revenue, not just within Australia. In fact, Australian developers already earn almost all of their sales revenues from overseas, and Australian-made games are among the most successful creative exports ever. Unfortunately, there is seemingly no federal support for any-game related export and trade activities.

The comparative advantage of video games exports

Video games are a born global industry. As a mostly digital industry, Australian game developers can export their games instantaneously to any person in the world with internet access. Games can easily be localised for different export markets, and given that around a third of the world's population play them, our market is massive and diversified, with games among the most widely-exported of any Australian-made product. Video games create IP, generate ongoing revenue that can last years, tell Australian stories, and have evergreen demand, even during economic downturns or global disruptions like COVID. Video games are not only exported as a good, but also as a service, with many Australian game developers exporting their skills and expertise internationally, similar to how our VFX companies undertake work for Hollywood.

Export policies that best support video game developers

We are working closely with, and lobby for, our industry's continued prioritisation by Austrade and its equivalent state and territory agencies. These trade and investment support bodies provide crucial assistance to ambitious Australian game developers by providing market insights, landing pads, and financial support for trade missions. They also work at attracting global games companies to invest in or to build their own studios in Australia. For instance, we advocate for government to work with us to establish a unifying Australian brand statement, bringing together the state and territory agencies, for exporting Australian video games overseas. The level of support for the video games industry through Austrade needs to be reviewed, to ensure that the industry is properly supported as they seek to grow and sustain their business overseas, as well as attract investment in Australia. The Australia's Export Market Development Grants Scheme also needs to be reviewed, to ensure that it is fit-for-purpose and targeted towards helping Australian game developers of all sizes to sell their games overseas and to find publishers, investors, and markets.

Australia's foreign trade agreements that support the video games sector

Free and open digital trade flows are vital to Australia's future economy. An Australian games industry that is closely integrated with the world strongly benefits Australia. Not only do Australian games studios benefit from accessing the massive global games market, but the inflow of games into Australia, which are played by 81% of the population, fuels our own near \$4.4 billion market and generates hundreds of millions of dollars in taxes. Gamers and the local industry are further advantaged because Australia and New Zealand are regarded as ideal markets for testing new games and technologies. We advocate for trade agreements that remove barriers to digital trade (like tariffs and data localisation rules), reduce barriers to investment, and treat issues like copyright and IP, and privacy protections pragmatically and in ways that do not create a burden for businesses.

Our latest recommendations can be found [here](#).

2.5 Telling Australian stories for new audiences at home and abroad

Playing video games is arguably the largest, and certainly the fastest-growing, cultural medium in the world. Games are not only popular, they are beautiful, complex, and narrative-driven, and many are deservedly celebrated as pieces of art. Video games are also giving a voice to a new generation of Australian story-tellers, and Australian-made games are irresistibly filled with our tones, values, voices, and humour. More so than perhaps any other Australian creative medium, Australian-made games have been quickly embraced by the world, and many are already among Australia's most impactful cultural exports ever.

Video games tell Australian stories

Video games are no longer perceived as the simple electronic toys they were decades ago, but are instead artistic and compelling platforms for interactive story-telling. Many locally-made games are set in Australia, from the iconic *Storm Boy* to the uniquely Australian *Burnout Masters*, as well as countless Australian sporting titles like *AO Tennis 2* and *AFL Evolution 2*. While some Australian-made games have more neutral settings, they often still deeply reflect their Australian origins and sensibilities, often in subtle yet unique ways e.g. via the playful, mischievous sense of humour on display in *Untitled Goose Game*. Even many games not made in Australia portray Australian characters and environments, from *Crash Bandicoot*, one of the world's great games franchises, to *Forza Horizon 3*, which created an entire Australian open world for millions to experience.

The importance of Australian-made games

Australian communities and governments have always cared deeply about the availability of Australian stories, especially for our younger generations. As content preferences change, video games are becoming an increasingly vital medium for Australian story-telling, and that is why we advocate for support at federal and state and territory level to ensure more games are made. Also, just as we celebrate the Australian movies and shows that find global success, locally-made games promote Australia abroad and help to shape how the world sees us, with diverse impacts that can affect tourism, trade, and even international relations. The role that video games can play was even specifically recognised in the Australian Government's last 2017 Foreign Policy White Paper.

To effectively harness this potential, it's crucial to understand the unique nature of the video games industry. Unlike traditional media, game devices and marketplaces already foster an environment where local content can be created and distributed both domestically and globally. Therefore, any efforts to support local developers should build on these existing strengths and take into account the distinct dynamics of the video games ecosystem, rather than applying traditional content regulation models.

Video games help to boost local and international tourism

Video games are not only popular, but their players are extraordinarily passionate about them. For example, the video games festival PAX Australia, which is typically held each year as a part of the Victorian Government-supported Melbourne International Games Week (MIGW), attracts close to 100,000 people, including many from interstate, and has become potentially Australia's most popular annual cultural event.

Further, IGEA organises the annual Games Connect Asia Pacific (GCAP) Conference for Australian game developers each year. Having taken place for more than two decades, the Conference is Australia's premier professional development and networking event for the game development industry, catering to a range of disciplines. It's an industry-based business-to-business conference, focused on up-skilling and connecting the local game development industry. The value of this Conference is demonstrated by year-on-year high attendance and returning attendees. Sustaining this Conference over the long term has only been made possible thanks to the sponsorship support across different levels of governments and industry around Australia.

Finally, cultural institutions that feature video games, such as the Australian Centre for the Moving Image (ACMI) and its exhibition Game Masters which has toured Australia and overseas, together with high-profile esports events, have proven to be incredible drawcards for local economies. This is why we support continued federal, state and territory, and local investment into institutions and events that leverage and celebrate video games.

2.6 Creating opportunities for serious games in government

Video games are no longer just being used for enjoyment and entertainment. Serious games and gamified technologies are finding diverse uses in education, health, policing, defence, and social services, as well as in the business and community sectors. While the serious games sector is still an emerging part of our broader industry, many Australian game developers have significant experience in 'gamification' and we remind governments about how games can be used innovatively to deliver policies, programs, and projects.

The power of serious games

While traditional video games are played for many reasons, including to entertain players and help them to relax, challenge themselves, or connect with others, serious games (or 'gamification') refers to the specific application of games for non-entertainment purposes. Serious games are the use or adaptation of video games, gaming technology, or aspects of traditional game design by government, non-government organisations, and industry for public or commercial purposes. One of the reasons why serious games are rising in prominence and use is because they are interactive and immersive, making them a highly dynamic way to teach, influence people, reach communities, convey a message, make an impact on consumers, or to engage with audiences.

Examples of how serious games are being used in Australia

Some of the best uses of serious games by government anywhere in the world are found in Australia. One of the earliest government adopters of serious games was Melbourne Metro Trains, which included games in its viral *Dumb Ways to Die* safety campaign. The eSafety Commissioner also developed a game, *The Lost Summer*, to educate teens about online safety. Games-based technologies have been used by governments to create simulations for law enforcement and defence, training programs for public workers from frontline staff to surgeons, immersive experiences for schools and museums, and even a recruitment tool for an intelligence agency. Even many traditional digital apps created by governments and companies use design and user interface features first developed in games. The use of serious games outside of government are just as diverse. Prominent examples include two games related to ear health: *Sound Scouts*, which checks children's hearing and has received federal funding for a nationwide rollout, and *Bring Back the Beat*, which support the rehabilitation process for Cochlear implants recipients.

Government applications of serious games

In addition to attracting private investment and global companies to establish themselves in Australia to grow the video game industry, government and wider industry can also play a role in procuring these technologies within their settings that could increase their productivity while sustaining the industry, as well as part of government's broader agenda of sustaining critical and emerging technologies. Within government, developing and implementing serious games is probably easier, cheaper, and faster than what many governments may think. We encourage anyone in government with a message, service, project, or program to deliver to ask themselves whether an interactive platform, service, or game could potentially help them to achieve outcomes even more effectively. If the answer is yes or even maybe, please reach out to us, because Australia has some of the best developers of serious games and gamification technology in the world, and many are members we proudly represent.

2.7 Developing a vibrant and innovative esports scene

Australia and New Zealand have developed burgeoning esports scenes that are rapidly growing and attracting significant investment from traditional sports. To support this growth sustainably and responsibly, we seek to ensure that esports is enjoyed fairly, safely, and positively. We encourage federal, state, and local government attention on esports as contemporary levers for boosting tourism activity and infrastructure investment, as well as harnessing new opportunities for youth engagement and community cohesion, such as through school-based and grassroots esports programs.

The popularity of esports

Esports is the competitive playing of video games among individuals or teams for ranking, prize money, or for fun. While esports is clearly a part of the video games industry, it also shares similarities with traditional sports – hence its name. Like sports, esports has broad grassroots popularity, features competitive and often team-based play, has passionate fans, and attracts audiences at live events as well as spectators on screens. Globally, Esports is a part of a billion dollar ecosystem, and is growing rapidly particularly in the Asia-Pacific region. According to our research, over a third of Australian and New Zealand adult video game players also watch esports online or in person. Today there are many professional esports tournaments being held in Australia and New Zealand. Most of the traditional sporting codes have also now added official esports competitions, and many sporting teams also run esports teams. While esports are often streamed online, it is increasingly broadcast on TV too.

Industry's role in esports

As the creators and owners of all the games that are played across esports, video game companies are at the centre of the sector and either run esports competitions themselves, or authorise third parties to run tournaments. Given the popularity of esports in the community and its likely continued growth and influence, the video games industry has a strong interest in supporting a strong, positive, and responsible esports sector. For example, IGEA and our counterparts across Europe and North America in 2019 released the [Universal Esports Principles for Fun & Fair Play](#), providing a set of key values applicable in all aspects of esports: safety and well-being, integrity and fair play, respect and diversity, and positive and enriching game play.

The role of governments in esports

Governments should invest in esports for the same reasons it invests in traditional sports. Government investment in capacity-building, such as the NSW Government's support for the Esports High Performance Centre at the Sydney Cricket Ground, will help strengthen the local sector's grassroots growth. Making new public venues and stadiums esports-enabled will futureproof them, while supporting esports tournaments, like the Victorian Government's sponsorship of the Melbourne eSports Open, can boost trade and tourism. Esports programs have also been introduced into scores of high schools across Australia and New Zealand, which educators are saying are helping to develop valuable skills relevant for the classroom and the wider world. Lastly, as video games are at the centre of esports, the Government has a major role in enforcing robust Intellectual Property (IP) laws to protect game developers and publishers, recognise their creative and technical ownership in esports.

See section 2.4 for further information about the opportunities in digital trade and exports for video games.

3. BOOSTING TALENT PIPELINE FOR A SUSTAINABLE INDUSTRY

3.1 Building a skilled workforce for our industry and Australia

Video game workers are highly trained technology-based creatives with incredibly transferable skills: exactly the kind of workers that both our industry needs and our wider economy. We support policies that support upskilling the existing local workforce, investment in diversity and inclusion initiatives to grow and strengthen local talent, and promote game development as a potential career pathway and invest in STEAM in schools and higher education institutions. We support migration policies that enable our industry to fill skills gaps and, most importantly, bring in the experienced managers and specialists we need to mentor and train up our next generation.

Jobs and skills created through making video games

Our industry has highly skilled, creative, and versatile digital workers, transferrable across many sectors. We uniquely intersect the arts and high-tech sectors, reflected by our workforce's diverse skillsets. The talent involved in developing and designing games include software engineers and computer programmers, digital artists and animators, producers and project managers, narrative designers and dialogue writers, graphics and audio engineers, data and AI scientists, and quality analysts. Games also create work for the broader arts sector, like actors and musicians. The people who publish, sell, and maintain games possess specialist skills, including product managers, marketing specialists, community managers, strategists, and network engineers.

The wider economic benefits of building a game development workforce

The video game development workforce is among the most in-demand talent in the economy. Workers from the industry offer transferable skills, flowing from industry investment, essential to economic diversification in Australia, building a robust economy that puts us on an equal footing to overseas peers. While game programmers and engineers can easily find work across the ICT sector, workers trained in game development are especially sought-after. They are creating animation and VFX for film and TV, revolutionising the advertising sector by making content without need for filming, creating AR/VR/MR simulations used in sectors from logistics to defence, using physics engines to design ships and planes, and creating digital programs, platforms and apps for businesses and governments. Finally, there is evidence that the prospect of a career in video games is a key driver of young people choosing to study Science, Technology, Engineering, the Arts and Mathematics (STEAM), highlighting our sector's unique role in the talent attraction of young people into the STEAM workforce.

The best ways for governments to help create this workforce

Despite the economic opportunities in our industry, labour supply is not meeting the high demand for experienced video game developer workers in Australia. With the Digital Games Tax Offset (DGTO) in force, the degree of specialisation in making video games will continue to expand due to larger productions taking place in Australia. Many of our members have expressed that the skills shortage of highly specialised positions is a major business blocker, causing disruption and cancellation of multimillion-dollar projects.

Building a strong game development sector, for which government support is critically needed, will bring a strong workforce with it. We welcome the Australian Government's modernisation of the Occupation Standard Classification for Australia (OSCA) list, recognising the Digital Game Developer occupation and reflecting the contemporary labour market in our industry. We need migration policies that make it easier for studios to attract overseas talent where it is not available here, with the biggest gap being experienced managers and specialists – these will not displace local jobs, but will bring the critical experience to develop our next generation of local talent. Visa pathways for this talent are often complicated and slow, creating a barrier to attracting talent in a globally competitive environment. Further, the absence of permanent residency pathways means that there are no long term incentives for talent to stay in Australia. We support policies that encourage studios to bring on staff, such as hiring incentives and payroll tax exemptions. Governments must also focus on upskilling the existing workforce, investment in diversity and inclusion initiatives to grow and strengthen our local talent, and prioritising and investing in STEAM education and training programs schools and higher education institutions that promote game development as a potential career pathway in Australia.

Our latest recommendations can be found [here](#).

About IGEA

IGEA is the industry association representing and advocating for the video games industry in Australia and New Zealand. Our industry includes the developers, publishers, and distributors of video games, as well as the makers of the most popular video game platforms, consoles and devices.

IGEA has over a hundred members, from emerging independent studios to some of the largest technology companies in the world.

Among 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), which celebrate the best Australian-made games each year.

Find out more: www.igea.net

For more information, please contact IGEA's Policy Team at policy@igea.net.

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.

IGEA recognises that our work also extends across to the lands of Aotearoa, and recognise the strength, wisdom and creativity of the Māori and the Moriori people.

We extend our respects to all Indigenous people of countries where our members and stakeholders live and work.