

## **EXPLANATORY STATEMENT**

Issued by authority of the Minister for Communications

*Classification (Publications, Films and Computer Games) Act 1995*

### ***Guidelines for the Classification of Computer Games 2023***

#### **Authority**

The *Classification (Publications, Films and Computer Games) Act 1995* (Classification Act) forms part of cooperative arrangements between the Commonwealth, states and territories under the National Classification Scheme.

The *Guidelines for the Classification of Computer Games 2023* (Games Guidelines) are made under section 12 of the Classification Act, which provides that the Minister may, with the agreement of each participating state and territory Minister, determine guidelines to assist the Classification Board in applying the criteria in the National Classification Code. If the Minister and each participating Minister agree to an amendment of the guidelines, the guidelines are taken to be amended accordingly.

On 22 September 2023 the Games Guidelines were unanimously agreed to by participating Ministers.

#### **Purpose and operation**

The Games Guidelines are used, in conjunction with the National Classification Code, to classify computer games. They help to explain the different classification categories for computer games distributed in Australia and the scope and limits of material suitable for each category.

Updates to the Games Guidelines will address growing community concern about children accessing gambling-like content in computer games, especially games containing simulated gambling and paid loot boxes, and the potential harms associated with these products. Currently such games receive consumer advice labelling including ‘in-game purchases’ and ‘simulated gambling’, but there is no mandated classification for gambling-like content.

The introduction of mandatory classifications for gambling-like content in computer games was proposed by the 2020 Review of Australian classification regulation (the Stevens Review). The Stevens Review recommended a minimum classification rating of MA15+ (Mature Accompanied – legally restricted to persons under the age of 15 unless they are in the company of a parent or guardian) for games exclusively containing simulated gambling and PG (Parental Guidance – not recommended for persons under the age of 15 without guidance from a parent or guardian) for games containing paid loot boxes.

However, since this time stronger evidence has emerged around the potential harms associated with gambling-like content in computer games, which has resulted in higher recommended mandatory minimum classifications for games containing these products.

A 2022 review conducted by the Australian Institute of Family Studies on *Harms associated with loot boxes, simulated gambling and other in-game purchases in video games: a review of the evidence* found associations between paid loot boxes, in-game purchases and simulated gambling mechanics, and problem gambling. It also found evidence of links to other harms including internet gaming disorder, financial harms, emotional and behavioural problems.

Further research from the Australian Institute of Family Studies on *What is the link between video gaming and gambling?* in 2022, using data from the Longitudinal Study of Australian Children, found a causal link between young people who played simulated gambling games and the uptake of real world gambling as young adults.

The Games Guidelines will introduce mandatory minimum classification ratings of:

- (a) M (Mature – not recommended for persons under 15 years of age) for computer games which contain loot boxes and other in-game purchases linked to elements of chance, and
- (b) R 18+ (Restricted – legally restricted to adults 18 years and older) for computer games that contain simulated gambling.

The Games Guidelines have no financial implications.

Details of key updates in the Games Guidelines are set out in [Attachment A](#).

### **Consultation**

As part of the Stevens Review, a full public submission process occurred between 8 January 2020 and 19 February 2020. During this six-week period, 104 submissions were received and the Government also undertook targeted consultations with state and territory governments, industry and community groups.

A further public consultation process on the proposed Games Guidelines was undertaken from May to June 2023, following targeted consultations with state and territory governments and key stakeholders, including representative bodies for the computer games industry. During the most recent public consultation process, 22 submissions were received from a range of industry, community and advocacy groups, as well as the Federal Member for Denison.

### **Impact analysis**

The Office of Impact Analysis assessed the proposed introduction of mandatory minimum classifications for gambling-like content in computer games as having no more than minor regulatory impacts (OBPR22-03305).

### **Commencement and sunseting arrangements**

The Games Guidelines will commence on 22 September 2024. The delayed commencement date will provide time for industry to adjust to the new classification requirements.

The Games Guidelines are a legislative instrument for the purposes of the *Legislation Act 2003* (Legislation Act). In accordance with subsections 44(1) and 54(1) of the Legislation Act, they are not subject to disallowance or sunseting because the Classification Act facilitates the establishment or operation of an intergovernmental scheme involving the Commonwealth and one or more of the states, and authorises the instrument to be made by the Minister for the purpose of the scheme.

### **Statement of compatibility with human rights**

As section 42 of the Legislation Act does not apply to this instrument, being exempted under subsection 44(1) of the Legislation Act, a statement of compatibility with human rights is not required under section 9 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

## **Details of the *Guidelines for the Classification of Computer Games 2023* and changes to the guidelines**

### **Section 1 – Name**

This section provides that the name of the instrument is the *Guidelines for the Classification of Computer Games 2023* (Games Guidelines).

### **Section 2 – Commencement**

This section provides that the entirety of the instrument commences on 22 September 2024.

### **Section 3 – Authority**

This section states that the instrument is made under subsection 12(1) of the *Classification (Publications, Films and Computer Games) Act 1995* (the Act).

### **Section 4 – Definitions**

This section includes definitions used in the instrument and includes a note directing readers to some of the expressions used that are defined in the Act.

### **Section 5 – Determination of guidelines**

This section determines that the guidelines specified in Schedule 1 to the instrument are determined under subsection 12(1) of the Act to assist the Board in applying the criteria in the Code when classifying computer games.

The newly determined Games Guidelines specified in Schedule 1 reproduce the *Guidelines for the Classification of Computer Games 2012* and include mandatory minimum classification ratings of:

- (a) M (Mature – not recommended for persons under 15 years of age) for computer games which contain loot boxes and other in-game purchases linked to elements of chance, and
- (b) R 18+ (Restricted – legally restricted to adults 18 years and older) for computer games that contain simulated gambling.

Specific details of how these mandatory minimum classification ratings are given effect in the Games Guidelines are identified below.

The participating Ministers agreed to the Games Guidelines on 22 September 2023 through the Standing Council of Attorneys-General.

The Games Guidelines will apply to classification decisions on and from 22 September 2024.

### **Section 6 – Repeals**

This section repeals the *Guidelines for the Classification of Computer Games 2012*, which will occur on 22 September 2024.

## **Schedule 1 – Guidelines**

The Games Guidelines are specified in Schedule 1 to the instrument and, as described above in the note to section 5, reproduce the *Guidelines for the Classification of Computer Games 2012* with the inclusion of mandatory minimum classification ratings to address gambling-like content.

To give effect to the mandatory minimum classification ratings, the Games Guidelines include the following changes to the *Guidelines for the Classification of Computer Games 2012*.

### G (General) category

Under the heading ‘Themes’, a second line is inserted to clarify that in-game purchases linked to elements of chance and simulated gambling are not permitted.

### PG (Parental Guidance) category

Under the heading ‘Themes’, a second line is inserted to clarify that in-game purchases linked to elements of chance and simulated gambling are not permitted.

### M (Mature) category

Under the heading ‘Themes’, two additional lines are inserted to clarify that in-game purchases linked to elements of chance are permitted and that simulated gambling is not permitted.

### MA 15+ (Mature Accompanied) category

Under the heading ‘Themes’, two additional lines are inserted to clarify that in-game purchases linked to elements of chance are permitted and that simulated gambling is not permitted.

### R 18+ (Restricted) category

Under the heading ‘Themes’, a second line is inserted to clarify that in-game purchases linked to elements of chance and simulated gambling are permitted.

### List of Terms

Under the list of terms, new definitions are included for the terms ‘In-game purchases linked to elements of chance’, ‘Paid Loot Box’, ‘Real World Currency’ and ‘Simulated Gambling’.