

Case Study: Australia's Computer Games Audience and Restrictive Ratings System

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Abstract: Computer and video games are big business in Australia, just as they are in many other developed economies. However, Australia is unique among developed states because there is no R18+ or "Adult" rating for computer game content in Australia. The present case study represents a snapshot of a larger national audience study of 1614 homes and 4852 individuals within those homes. The research presents demographic, behavioural and attitudinal data by which the largely functioning ratings system may be judged. The data show that the typical gamer is 30 years of age, often a parent and actively engaged in content selection and exposure. By presenting these data in the context of the unique regulatory regime in Australia, this report seeks to demonstrate that consumer power exceeds the control of the state and such control may function to enhance rather than stifle the health of the computer games industry.

Key words: Computer Games, Ratings, Audience, Australia.

The retail sales of computer and video game hardware and software in Australia for CY2008 reached AU\$1.96 billion (€1 billion), an increase of 47% over CY2007 (IEAA, 2009). Globally, the industry has grown by double-digit rates over the past decade and will continue its growth into the near term (CRANDALL & SIDAK, 2006). Australia is unique among developed states, however, in the way it regulates computer game content. Games published in Australia may not legally exceed a classification (rating) designating the work suitable for those over the age of 15 years. In short, Australia has no R18+ or equivalent rating for computer games. However, games given an "adult" rating in other jurisdictions usually remain available for purchase in Australian stores carrying a lower classification.

In many respects, Australia is a nation that combines elements of Europe, the Americas and Asia. Australia is a multicultural society with a cross-section of linguistic, ethnic and religious origins (ANG, BRAND, NOBLE & STERNBERG, 2006; ANG, BRAND, NOBLE & WILDING, 2002). As a diverse population and developed economy, Australia presents a useful

examination of a condition in which the regulatory environment appears to conflict with consumer sentiment.

This case study reviews recent national audience research in Australia and applies this research to questions about player interests, state interests and commercial interests in a broad context. The national research reported here contains findings that are consistent with those reported in other regions (cf. Nielsen Games, 2008 and ESA, 2008). However, unlike other jurisdictions, Australia is the only developed nation without an R18+ (or adult-audience) classification for games; France, Germany, Sweden, the UK, Singapore, Japan, Canada, the United States and New Zealand among other nations allow for adult games. Consequently, there exists incongruence between consumer activity on one hand and regulatory constraint on the other. Meanwhile, the apparently robust transnational games development and publishing business continues to meet audience demand.

■ Background

The computer games classification system in Australia is government-regulated. Similar schemes operate around the world: For example, the Media Development Authority (MDA) in Singapore, and the British Board of Film Classification (BBFC) in the United Kingdom. By comparison, the Pan-European Game Information (PEGI) scheme across 29 countries in Europe and the Entertainment Software Ratings Board (ESRB) in the United States represent self-regulatory approaches.

The scheme in Australia was introduced with the passing of the Classification (Publications, Films and Computer Games) Act 1995 (the Act). Within the Act, the Classification Guidelines set out decision-making rules applied by the Classification Board and the Classification Code establishes global principles underpinning the Act. Content rated by the Classification Board may be given one of the following classifications: G, PG, M, MA15+, R18+ and X18+. However, the Act provides for different treatment of games: R18+ and X18+ are unavailable. The highest rating that may be applied to games is MA15+ which means a buyer must be at least 15 years of age and must have a state identification for proof of age; games in this category are legally restricted, enforced by state or territory police. Interactivity is cited in the Classification Guidelines as a fundamental characteristic that

differentiates the potential impact of games from the impact of other media on audiences.

When decisions are made, the Board must ensure that four principles established by the Classification Code are met: "(a) adults should be able to read, hear and see what they want; (b) minors should be protected from material likely to harm or disturb them; (c) everyone should be protected from exposure to unsolicited material that they find offensive; (d) the need to take account of community concerns about: (i) depictions that condone or incite violence, particularly sexual violence; and (ii) the portrayal of persons in a demeaning manner."

When a film or game cannot be classified within the limits of the Guidelines and Code, it is "Refused Classification" (RC) and cannot be imported, sold or exhibited legally in Australia. Importantly, the law is indifferent to possession by an individual, should the work be acquired by over the internet or shipped from another country and missed by customs. Sale or exhibition outside the privacy of the home, however, might attract the interest of the Attorney General's department and state or territory police. As games have become more sophisticated and have catered to larger and more diverse consumers, "Refused Classification" decisions have attracted news media attention and blogs indicating that New Zealand, China, The United Kingdom and The United States online retailers are sought to supply those games not available in Australia (RAMADGE, 2008; CRAGO, 2008).

Differences between government regulation and industry self-regulation are small in practice. Both use age-based categories. Both rate or classify content into those categories. Both give consumer advice on content (such as whether sex, violence, coarse language or drugs are present in the content). Both are pre-emptive, a priori systems with content not available on the market until it is evaluated, classified and labelled with the rating and relevant consumer advice. Both have legitimacy in terms of community support where parents and others seek the advice of a panel of judges. However, both are the object of debate sparked by detractors who either feel the schemes are too permissive or too restrictive.

The most notable difference between government and industry approaches to media content regulation is censorship. As a rule, industry self-regulation does not prohibit the distribution of content, although this may occur through the retail channel. However, government regulation may as Table 1 illustrates for those "Refused Classification" decisions in Australia over the past five years.

In practice, the impact of a government classification system is negligible. Of more than 3,500 titles classified in Australia between 2004 and 2008 by the Board, only 19 titles were restricted. This is a very small proportion (half of one percent) of the total product pool available on the market. Nevertheless, transnational publishers of these works saw fit to revise their titles in nearly half of the cases to bring those products to the relatively small Australian market.

Table 1 - Titles refused classification 2004 -2008

<i>Title</i>	<i>Publisher</i>	<i>Date Refused</i>	<i>Date Revised</i>
<i>F.E.A.R. 2: Project Origin</i>	Warner Bros Interactive	26/11/2008	17/12/2008
<i>Silent Hill: Homecoming</i>	Konami	19/09/2008	5/01/2009
<i>Fallout 3</i>	Zenimax Europe Ltd	4/07/2008	7/08/2008
<i>Shellshock 2: Blood Trails</i>	Eidos Interactive	20/06/2008	Not Revised
<i>Dark Sector</i>	D3Publisher	13/02/2008	4/07/2008
<i>Soldier of Fortune: Payback</i>	Activision	16/10/2007	21/11/2007
<i>Blitz the League</i>	Midway	17/01/2007	Not Revised
<i>Spin the Bottle - Adults Only Interactive DVD Game</i>	Imagination	12/10/2006	Not Revised
<i>Reservoir Dogs</i>	Eidos	23/06/2006	Not Revised
<i>50 Cent Bulletproof</i>	Sierra	24/11/2005	30/01/2006
<i>Mark Ecko's Getting Up: Contents Under Pressure</i>	Atari	18/11/2005	Not Revised
<i>50 Cent Bulletproof</i>	Sierra	24/10/2005	30/01/2006
<i>Postal 2 Share the Pain</i>	Hell Tech, Zoo Digital Publishing	10/10/2005	Not Revised
<i>Narc</i>	Midway	8/04/2005	Not Revised
<i>The Punisher</i>	THQ Asia Pacific	23/11/2004	16/12/2004
<i>Singles Flirt Up Your Life</i>	Eidos	21/10/2004	Not Revised
<i>Manhunt</i>	Rockstar Games	29/09/2004	Revised to Refused Classification after MA15+ 20/10/03
<i>Leisure Suit Larry: Magna Cum Laude</i>	Sierra	9/09/2004	Not Revised
<i>Shellshock Nam67</i>	Eidos	22/06/2004	13/08/2004

Debate about games ratings has mounted in Australia on grounds that adult players for games seek content that appeals to their interests (HOGAN, 2005; BRAND, BORCHARD & HOLMES, 2008). In March 2008 the Standing Committee of Attorneys General (SCAG), known as Classification Ministers, agreed to prepare a discussion paper and seek community input on the introduction of an R18+ for games. Under the Act, changes require unanimous approval by all Ministers in all states, territories and the Commonwealth. One Minister has stalled the process (South Australian Attorney, 2008; HILL, 2008).

In the absence of government data on game audience demographics and attitudes, this applied, descriptive research presents evidence that more Australian computer game players are adults and most Australians, regardless of whether they play computer games, favour a consistent national approach to media content regulation. Research questions were:

- What is the penetration of game devices in Australian households?
- What proportion of the population plays computer games?
 - What are the key demographics of gamers?
 - What are the play behaviours of gamers?
- What attitudes exist toward classification of games?
 - What attitudes do gamers and non-gamers have toward the interactive nature of games?

■ Methods

This study was undertaken with the Interactive Entertainment Association of Australia (IEAA). The research provides data on people who play computer games, what their attitudes are toward classification standards and games, the nature of the games market, the importance of games in the family experience and the role of online access in game purchasing and play. This case study reports only part of the larger project.

The study was based on a national random sample of 1614 Australian adults who responded to more than 75 questions designed by the authors. The questions covered more than 300 data points in a 20-minute online survey run by ACNielsen Surveys Australia in July 2008. Multiple units of analysis are explored in the study: the household (n=1614), and all individuals within game households (n=4671) plus the participant adult from

households without a game device (n=181). The response rate was 88%, demonstrating effective sampling by AC Nielsen. The margin of error is $\pm 2.4\%$ for the national sample comparing all households and $\pm 1.8\%$ for all gamers. Given the simplicity of the data presented here, individual confidence intervals will not be reported in these results, however all dichotomous findings were significant, $p \leq .05$.

■ Results

Of the 4852 individuals studied, 3162 (68%) were identified as gamers. A game household was one which had in it any device for playing a computer or video game, excluding mobile phones, smart phones and PDAs. A gamer was a person who indicated he or she plays computer or video games, simply "yes" or "no." Findings from the study are summarised in Table 2.

Eighty-eight percent of Australian households have a device for playing computer games and with 61% having two or more devices. The majority of installed game devices are consoles (43%), followed by PCs (39%) and handhelds (18%). Most game households (60%) are home to two or more gamers.

The Internet is the preferred medium with computer games ranked 5th among a list of 11 by gamers.

The average age of gamers in Australia is 30 years; the average age of non-gamers is 40 years. According to the Australian Bureau of Statistics (2008), the average age of Australians is 36 years. Females make up 46% of the player population.

Half of all gamers play either daily or every other day. Another 25% play at least once a week; 63% play for up to an hour at one time; 5% play for four or more hours in one sitting. Only 3% of all gamers NEVER play with others (either in the same room or on the Internet).

Gamers of different ages play different types games and use different game devices and. For example, younger gamers and young adults make up the bulk of handheld and console game device users and prefer Action (*No More Heroes*), Racing (*Need For Speed: Undercover*), and Adventure (*Fahrenheit*) games. These gamers play most frequently and for the longest durations. Family games (*Animal Crossing*) are popular among players

between ages 26 and 50 and among women. By comparison, older players mainly use PCs and play Board/Card (*Solitaire*), Puzzle (*Royal Sudoku*) and Strategy (*Civilization*) games and older players who use consoles tend toward Family (*Wii Sports*) games.

Games played and frequency and duration of play differs by gender with males playing more frequently and for longer durations than females. Female gamers across different ages nominate Puzzle (*Puzzle Quest*), Family (*de Blob*), Board/Card (*Hold 'em Poker*) games among their favourite genres. Male gamers of different ages nominate First-Person Shooters (*Halo 3*), Sports (*FIFA 09*), Role-Playing (*World of Warcraft*) and Fighting (*Soul Calibur 4*) Games among the genres they prefer to play.

Gamers are more likely to be enrolled in full-time university study and non-gamers are more likely to be senior citizens no longer in the work force. Otherwise, education and employment levels trend similarly across gamers and non-gamers with 5 in 10 being in full-time work and 2 in 10 being in part-time work. Gamers live in households with modestly higher incomes than non-gamers.

Evidence of generational shift was observed in the proportion of parents in game households who themselves play computer games (70%). Of these, 80% play computer games with their children. Parents state a number of motivations for doing so: two-thirds play games as a way to spend time with their children, a third play games with their children as a way to monitor what their children play. These findings suggest that many parents play computer games as a tool for parenting. Indeed, only 25% of gamer parents and as many as 45% of non-gamer parents say they rarely or never use computer games for educational opportunities with their children.

Parents report being active "sentinels" of the games entering their homes with 78% saying an adult is present when games are purchased for their children and 92% saying they are aware of the games that are played in their homes. Gamer adults use their knowledge of games to make informed decisions about purchasing games for younger players, indicating that they rely less on classification (such as PG or M) than those parents who do not play games. Indeed, non-gamer adults rely more on the classification shown on game packaging. Classification is mainly used by adults choosing games for children (80% of the time) and less often for adults buying games for themselves or other adults (50% of the time).

Table 2 - Summary of key findings

	Result
Households with a device for gaming	88%
Console gaming device penetration (in game households as % of total)	43%
PC gaming device penetration (in game households as % of total)	39%
Handheld gaming device penetration (in game households as % of total)	18%
Households with 2 or more gamers (in game households)	60%
Preferred entertainment medium by rank: Games	5th
Players	
Average age of a gamer	30 yrs
Australians who play games	68%
Female gamers	46%
Play Behaviour	
Frequency of gaming: Gamers who play either daily or every other day	50%
Frequency of gaming: Gamers who play at least once a week	25%
Duration of gaming: Gamers who play up to an hour at a time per session	63%
Duration of gaming: Gamers who play four or more hours per session	5%
Gamers who "never" play games with others	3%
Family	
Parents in game households who are gamers	70%
Gamer parents who play games with their children	80%
Classification	
Games classified as G or PG in Australia in 2006-2007	75%
Games refused classification or withdrawn	1%
Australian adults who think Australia should have an R18+ classification	91%
Effect of interactivity: Educational, Gamers	75%
Effect of interactivity: Educational, Non-gamers	24%
Effect of interactivity: Violent, Gamers	75%
Effect of interactivity: Educational, Non-gamers	89%
Parents who say they are aware of the games played in their homes	92%
Parents who ensure an adult is present when games are purchased for children	78%
Piracy	
Average number of pirated games in a household library	2 of 26
Households with pirated games	17%
Percent of pirated games coming from family or friends	51%
Industry	
Percentage of games purchased new from retailer	70%
Percentage of games downloaded from online vendors	19%
Percentage of games added to library after completion (kept, not sold)	72%
Console game sales as a percentage of total games sales for 2007-2008	82%
Leading console genre: Family / Party games	22%

In response to the question, "In general, do you think computer and video games should have an R18+ classification like other media?", 91% of Australian adults (including gamers and non-gamers) responded, "Yes." The main reason that participants give is that an adult rating would make it easier for them to decide on the suitability of a game for purchase for a family member. Another reason given is consistency of ratings across media would make them easier to understand.

Three-fourths of gamers say interactivity in games makes them more educational than other media. However, non-gamers are less optimistic saying interactivity enhances violence.

Sales of computer games are made primarily through traditional stores with 70% of Australians purchasing games new from a local retailer. Online purchasing accounts for 19% of game sales with the rest being second-hand or imported titles. Gamers indicate their games retain value for them. When they complete a game, 72% add the game to their libraries. The average household has a library of 26 games. Of these, two (9%) are pirated. However, only 17% of participants in game households report that they have pirated games in their homes. For those who report pirated game possession, the majority (51%) of pirated games in Australia come from copies made by family or friends.

■ Discussion

The findings presented here demonstrate that the computer games market is robust with the vast majority of Australian homes having devices on which computer games are played and in which sizeable libraries of games are held and played. Play behaviour is routine and measured with daily and weekly game play that takes place over a relatively short period for each play episode. Australians have generally positive attitudes toward games and evince this in the way they use them in their homes, particularly in parenting roles. They believe that an adult classification for games should exist because it would assist with decision-making and higher levels of understanding about the content available in the market.

Given that a fraction of all games submitted for classification in Australia are refused, one can be forgiven for dismissing concerns about the impact of the classification regime on the market. As WILLIAMS (2002) found, the industry is moderately concentrated and enjoys sufficient market power to

respond to a range of market pressures. The Australian classification system is a small matter for the industry to consider and address.

The more vexing question undergirding this case study is what effect the Australian classification experience might have on other jurisdictions. If other countries adopted Australia's approach to content regulation, it is more likely that the transnational games industry would be adversely affected. Three scenarios of more wide-spread restrictions on games include: (1) content moving from retail to direct online channels, particularly those operating in underground markets, (2) online channels moving "off shore" in countries with restrictive ratings, and (3) a chilling effect develops by which computer game publishers restrict the content they produce to that which is mainstream. Each of these scenarios may be unlikely to eventuate however, because the absence of uniform ratings standards across jurisdictions is unlikely. Arguably, as long as regulatory diversity exists across markets, content diversity will exist between markets.

The Australian classification system suggests that varying degrees of content regulation may be good for the industry in sales and reputation. Sell-through of highly produced titles such as any one of the much maligned *Grand Theft Auto* series would always be high in the adult gamer market. Nevertheless, many popular titles that appeal to adult gamers, such as those in the *GTA* series have been restricted routinely by the Australian ratings system. *GTAIII* was refused classification in 2001 and the MA15+ given to *GTA: San Andreas* was revoked and the game was refused classification when news spread that a portion of locked content containing opaque sexual behaviour could be unlocked after downloading a simple file. That title was later re-submitted for classification once the sexual content embedded within the game had been removed by Rockstar North studio.

Apart from the oxygen of publicity that such debate offers a media product and brand, proactive content modification may serve wider public relations and political purposes. In North America, where legal challenges have faced publishers of popular violent games, gamepolitics.org has been established as a lobby representing game producers, publishers and consumers. Recall that the U.S ratings system is industry self-regulated. By comparison, costly legal challenges have been averted in Australia, perhaps, because the classification regime creates the impression of responsibility and credibility (albeit imposed) that the industry seeks to establish with the 32% of Australians (including many politicians) who do not play games and who have little first-hand knowledge about the wider industry and its products.

In summary, the data presented in this case study demonstrate negligible effects of the restrictive Australian computer games classification system on the ability of consumers to obtain a wide array of products. Moreover, compared with markets in which ratings are more permissive or in which ratings decisions are made by industry self-regulatory bodies, the industry enjoys a reasonable reputation and the courts are not engaged with legal challenges to stop undesirable content or to test the culpability of violent games in criminal behaviours of people who play them.

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