

Summary: Intervention & Options

Department /Agency: Department for Culture, Media and Sport	Title: Impact Assessment of re-classification of Video Games	
Stage: Consultation	Version: 1	Date: August 2008
Related Publications: 'Safer Children in a Digital World': Review by Dr. Tanya Byron, published 27 th March 2008		

Available to view or download at:

<http://www.dcsf.gov.uk/byronreview/>

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What is the problem under consideration? Why is government intervention necessary?

In September 2007 the Prime Minister asked Dr Tanya Byron to carry out a review of the risks to children of the internet and video games. Dr Byron concluded that the classification system currently applied to video games is confusing. She recommended that a consultation be carried out into a reform of the classification system so that parents and children could be clearer about the content of individual games and the existing statutory scheme be extended so that all games rated 12+ must be properly age classified and sold/supplied according to this classification.

What are the policy objectives and the intended effects?

To put in place a classification system that is more meaningful and effective, and that consequently affords better protection to children and young adults. This would mean an extension of the existing statutory scheme to all games rated 12+. Currently only video games containing gross violence, sexual activity, certain criminal activity and games with film content that is not integral to the game are caught under the statutory scheme.

What policy options have been considered? Please justify any preferred option.

* a hybrid classification system; *an enhanced BBFC option which would see BBFC as the statutory classifications body for all video games while retaining its right to refuse certification; *an enhanced PEGI option giving a UK body designated statutory authority to run PEGI in the UK and the power to refuse to certify a game and; * a voluntary Code of Practice for industry and suppliers (with no changes to the existing statutory scheme).

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Following the consultation in early 2009.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: 22 August 2008



Summary: Analysis & Evidence

Policy Option: 3

Description: Enhanced PEGI Option

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Main affected groups include: games publishers, retailers, parents and children. Government welcomes views on other parties on whom change might impact. For example, costs will be incurred by games publishers in arranging for their games to be classified. See table 7 (evidence base) for a breakdown of costs.
	One-off (Transition)	Yrs	
	£ 0		
	Average Annual Cost (excluding one-off)		
	£ 2.40 m - £4.34 m	10	Total Cost (PV) £ 19.93 m - £36.10 m
<p>Other key non-monetised costs by 'main affected groups' In addition to the fees charged for classification there will be additional administrative costs such as the cost of the printing labels. We would welcome evidence on the likely level of those and any other costs that would arise under this proposed option.</p>			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
	One-off	Yrs	
	£ 0		
	Average Annual Benefit (excluding one-off)		
	£		Total Benefit (PV) £
<p>Other key non-monetised benefits by 'main affected groups' Any new classification system must enable children/parents to make informed decisions about the games they buy/play. Evidence as to the extent to which the existing system and the various options achieve this is welcomed. (e.g. will children/parents know what they are buying and retailers know what they are selling?)</p>			

Key Assumptions/Sensitivities/Risks (i)publishers using PEGI will publish on more than one platform (table 7 shows 2 and 5 platforms) (ii)PEGI users will choose standard track 50% of the time and fast track for the remainder(iii)new system will apply indefinitely: costs are based on a 10 year horizon (iv) exchange rates are sensitive and vulnerable to change.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK		
On what date will the policy be implemented?	October 2010		
Which organisation(s) will enforce the policy?	Trading Standards		
What is the total annual cost of enforcement for these organisations?	£		
Does enforcement comply with Hampton principles?	Yes		
Will implementation go beyond minimum EU requirements?	Yes		
What is the value of the proposed offsetting measure per year?	£ Nil		
What is the value of changes in greenhouse gas emissions?	£ Nil		
Will the proposal have a significant impact on competition?	No		
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium Large
Are any of these organisations exempt?	No	No	N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	Net Impact £

Key: Annual costs and benefits: Constant Prices (Net) Present Value