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Mr Neville Stevens AO
Department of Communications and the Arts
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consultation@classification.gov.au

Dear Mr Stevens

RE: Review of Australian Classification Regulation

The Responsible Gambling Fund (RGF) plays a key role in advising the NSW Government on the allocation of funds for initiatives and programs that support responsible gambling and help reduce gambling-related harms. The RGF is administered by independent Trustees who also provide advice to the Minister on gambling policy matters where an independent and expert view is necessary. Trustees are supported by the NSW Office of Responsible Gambling.

The RGF Trustees welcome the opportunity to provide feedback on the *Review of the Australian Classification Regulation*. The RGF commends the Commonwealth Government on seeking to develop a classification framework that meets the community's needs and reflects today's digital environment. This submission addresses the RGF Trust's specific concerns for more guidance on the gambling and gambling-like content and mechanisms in the classification guidelines in relation to computer games. Additionally, consumer protections such as appropriate age restrictions and the disclosure of odds associated with loot boxes are recommended.

The Trust will address the first consultation question: 'Are the classification categories for films and computer games still appropriate and useful? If not, how should they change?'

Gaming and gambling harm

There is emerging evidence regarding the harms associated with gambling and gambling-like content and mechanisms within computer games. Children and young people are potentially more vulnerable to gambling-like mechanics and behaviours learned from these mechanisms, given their known poorer impulse control.¹ They are also highly attracted to games and in many cases, these are games for which they are a specific audience.

Two recent studies indicate that the migration from online games with gambling content to other forms of gambling may occur under certain circumstances. For example, a 2018 study of 1,178 school pupils, looking at whether participation in simulated internet gambling directly promotes recruitment to the world of monetary gambling, found that this migration process was fostered by participation from home in simulated gambling on social networks and significant exposure to advertising (relating to both simulated and monetary gambling).² Another 2018 longitudinal study, based on a representative Norwegian sample, found that video gaming problems appear to be a gateway behaviour to problematic gambling behaviour. The results of this large-scale study suggest that people who are vulnerable to problematic gaming behaviours may also be more susceptible to and influenced by the gambling-like features embedded within video games.³

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These studies highlight the need for further research on the possible reciprocal behavioural influences between gambling and computer games. The RGF Trust view this as a priority area and has funded research on the convergence of gambling and gaming, and the normalisation of gambling, exploring issues around youth gambling and the changing landscape of gambling in adolescents.

Technological developments have led to some video/online games resembling, promoting, and/or intersecting with gambling products. The gaming market has changed significantly in the last decade due to expanded online connectivity options and online service elements; social media platform integration; the monetisation of virtual goods and use of player data to drive microtransactions; the introduction of gambling-like elements in game design; hardware portability and greater uptake of smartphones as a gaming platform. A 2018 review of 22 popular video games available in Australia found that five retail games met the conventional criteria for gambling, including the option to cash out winnings.⁴

Gambling should be addressed in the classification guidelines

With the observed change in the gaming market and evidence of harm associated, the RGF Trust calls for more guidance on gambling and gambling-like content and mechanisms in the classification guidelines. Although the depiction of gambling and simulated gambling games is considered a 'theme' in the classification guidelines, there are currently no explicit references to gambling content or mechanisms in the guidelines.

The RGF Trust notes that the research commissioned by the Department of Communications and Arts (DCA) on exploring the community perception surrounding gambling-like mechanisms in video games, identified that games with casino like imagery or possessed some mechanism that may also be found in gambling, but not entirely replicating casino games, were perceived to be less harmful and therefore not in need of restriction.⁵ However, there is a growing body of evidence that early engagement in social casino type games is a popular activity among children and that young adults who participate in these games are also more likely to engage in actual gambling activities and experience gambling-related problems.⁶

Additional protections are needed, including age restrictions

The RGF Trust supports additional protections for consumers where there is gambling or gambling-like content or mechanisms in games. The Trust recommends that an R18+ classification be applied to games which incorporate actual gambling, or gambling-like mechanisms where they are bought with real money (e.g. loot boxes). The Trust also supports the disclosure of odds associated with loot boxes. The DCA study findings support this recommendation as a majority (71%) of the parents participating in the study, who had some familiarity with loots boxes, agreed that game developers should publish the odds of winning loot boxes.

Although outside the remit of this consultation, a point worth noting is that NSW Gambling Help Services funded by the RGF are increasingly receiving requests for assistance with and information about gaming addiction and problems. However, there does not appear to be a clear

Commonwealth or State Government responsibility or a response to this community need at present time.

Conclusion

In conclusion, the RGF Trust calls for more guidance on the gambling and gambling-like content and mechanisms in the classification guidelines. The RGF Trust supports additional consumer protections such as higher age restrictions and the disclosure of odds associated with loot boxes for consumers.

If you would like to discuss this submission further, please contact Natalie Wright, Director Office of Responsible Gambling [REDACTED]

Kind regards,



John Dalzell

Chair, Responsible Gambling Fund

References

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