



## Senate inquiry asks : Do ‘loot boxes’ = gambling?

The Senate Environment and Communications References Committee has been receiving submissions into:

*The extent to which gaming micro-transactions for chance-based items, sometimes referred to as ‘loot boxes’, may be harmful, with particular reference to:*

- a. whether the purchase of chance-based items, combined with the ability to monetise these items on third-party platforms, constitutes a form of gambling; and
- b. the adequacy of the current consumer protection and regulatory framework for in-game micro transactions for chance-based items, including international comparisons, age requirements and disclosure of odds.

The creators of online games have found it difficult to make sufficient profit from the sale of games, and have been increasingly utilising micro-transactions as a way of maximising revenue. Such transactions take place during games and can take the form of in-app purchases of items of value to the player, most usually to improve his chances of advancing in the game. The distributors of the games online ( Apple, Google ) collect such payments, both for initial and in-game purchases and are a third-party platform on behalf of the creators.

Some of these micro-transactions take the form of “loot boxes” in which a player spends real money to buy a chance that the box might contain something that could improve his chances of winning in the game.

The growth of devices such as loot boxes has raised concerns world-wide as to whether these constitute gambling. Of particular concern is the exposure of children and young people who have high participation rates in online games. Several overseas governments (The Netherlands, Belgium, China) have taken, or are taking, steps to declare loot boxes as gambling and limit their use.

Several Australian states have looked into the matter, but have largely been unable to act because of the official definitions of

gambling in their state’s legislation.

The Australian Government, through this inquiry, has the challenge of re-examining its definitions of gambling and gambling services and what should be done in the light of this growing practice.

## National Classification Scheme may be “modernised”

ACCM has been told by officers of the Department of Communications that

*“The Department is exploring ways to modernise the National Classification Scheme [NCS] in light of technological and industry changes as well as community expectations. This includes examining the National Classification Code and Classification Guidelines to see whether they continue to reflect Australian community standards. Any changes to the Code and Guidelines must be agreed by the Commonwealth and all states and territories.”*

As readers of *small screen* will know, ACCM has been pushing for years for a radical revision of the NCS so that it reflects research on what types of content impact children in which ways and at which stages in their development. And parents have been telling us that the PG and M classifications are not really helpful to them in choosing age-appropriate movies and games.

If you’d like to be informed of any new developments in the Department’s examination of the National Classification Scheme, please let ACCM know at

[info@childrenandmedia.org.au](mailto:info@childrenandmedia.org.au)

More information on ACCM’s position:

- *small screen* 340/41 April/May 2017 (parent survey results)
- *small screen* 352 May 2018
- [childrenandmedia.org.au/taking-action/current-campaigns/classification](http://childrenandmedia.org.au/taking-action/current-campaigns/classification)

## LAST CHANCE TO JOIN IN!



### Strategies for struggles with screens

A conversation with US “mediatrician” Dr Michael Rich & Australian parenting expert Dr Justin Coulson for parents and teachers  
Facilitated by Dr John D’Arcy, a family doctor

7:30pm – 9pm, Thursday 9th August 2018

Presbyterian Ladies’ College, Sydney  
Boundary St Croydon NSW 2132 Australia  
Tickets \$35 Concession \$30

[www.trybooking.com/WUNP](http://www.trybooking.com/WUNP)

or pay cash at the door



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## small screen

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## EDITORIAL

### Do loot boxes equate to gambling?: ACCM's view

In short, Yes.

In its submission to the Senate Environment and Communications Committee lodged this month, ACCM says in summary:

*Loot boxes are indistinguishable from traditional forms of gambling, from a psychological perspective. Both put pressure on participants to spend money for an uncertain reward, and considering the high engagement of children in video games, attention needs to be paid to ensure their protection. It is not to the point that the items to which one has access after purchasing a loot box have no money value (though we note that those items can sometimes be cashed out). The point is that the items are of value to the player – often a high value considering the importance of gaming in the lives of some players.*

*Therefore ACCM submits that, if the current legal definition of gambling does not include loot boxes, it should be amended so that it does, and loot boxes should be included in any gambling regulations. We submit also that gambling should be added as a classifiable element under the National Classification Scheme, and, in principle, games with gambling elements should be classified R18+.*

ACCM reviewed what a number of Australian and overseas researchers with track records of research into gaming and gambling had to say about the psychological processes involved when players were considering buying loot boxes within the flow of the game. They all found that the processes and risks were certainly gambling-like.

Australian researchers King and Delfabbro said:

*Game monetization schemes have become increasingly sophisticated and have been featured*

*more prominently within popular on-line games. In our view, some of these schemes could be considered predatory. Predatory monetization schemes typically involve in-game purchasing systems that disguise or withhold the true long-term cost of the activity until players are already financially and psychologically committed. Such schemes are designed to encourage repeated player spending using tactics or elements that may involve, either singularly or in combination, limited disclosure of the product; intrusive and unavoidable solicitations; and systems that manipulate reward outcomes to reinforce purchasing behaviors over skillful or strategic play. ....*



Barbara Biggins  
OAM  
Hon CEO

ACCM noted the difficulties that a range of governments had in dealing with this issue, when using a definition of gambling such as, "the activity or practice of playing at a game of chance for money or other stakes."

ACCM argues that this definition should be widened to include "the act or practice of risking the loss of something important by taking a chance or acting recklessly".

ACCM has long thought that gambling should be included as a classifiable element in the National Classification Scheme. When it is illegal for minors to gamble, and the community holds strong beliefs that participation in gambling should not be promoted to minors, it seems logical that games in which players will be involved in gambling behaviour should be classified R18?

### New Australian children's series from the creators of *Little Lunch*

A new series from Gristmill, the creators of *Little Lunch*, *The InBESTigators* has just commenced shooting in Melbourne.

The 40 x 15 minute comedy/mystery series is a co-commission between the ABC (Australia) and Netflix, with the series a 'Netflix Original' outside Australia.

The series features a friendly neighbourhood detective agency run by a mismatched group of 11 year-old primary school kids - Ezra, Maudie, Ava and Kyle - from a granny flat in Ezra's backyard.

In every episode, there is a new case to crack, with the story being told by the kids in the same mockumentary style used in *Little Lunch*. While keeping audiences hooked through intrigue, comedy and action, *The InBESTigators* explores themes of honesty, friendship and loyalty.

The series is based on an original idea by Robyn Butler. Robyn and her co-producer, Wayne Hope, established a writer's room, working with a handful of emerging young comedy writers to plot and write 40 episodes over the course of 2017.

Actors for the main four roles have been chosen and the series will involve a large number of children in guest roles across the episodes as well.

*The InBESTigators* will debut on ABC ME in Australia and Netflix in rest of world in 2019. The Australian Children's Television Foundation (ACTF) is distributing the series.

[actf.com.au/news/10531/the-inbestigators-are-on-the-case](http://actf.com.au/news/10531/the-inbestigators-are-on-the-case)

## NEW PUBLICATIONS

## ADVERTISING

Brown, V., et al. 2018.

**The potential cost-effectiveness and equity impacts of restricting television advertising of unhealthy food and beverages to Australian children.**

*Nutrients* 10, 622.

Potvin Kent, M., et al. 2018.

**The effectiveness of the food and beverage industry's self-established uniform nutrition criteria at improving the healthfulness of food advertising viewed by Canadian children on television.**

*International Journal of Behavioral Nutrition and Physical Activity* 15, 57.

Tan, L., et al. 2018.

**What's on YouTube? A case study on food and beverage advertising in videos targeted at children on social media.**

*Childhood Obesity* 14, 280–290.

## CHILD DEVELOPMENT

Jeffery, C.P., 2018.

**Too sexy too soon, or just another moral panic? Sexualization, children, and "technopanic" in the Australian media 2004–2015.**

*Feminist Media Studies* 18, 366–380.

McCarthy, E., Tiu, M., Li, L., 2018.

**Learning math with Curious George and the Odd Squad: Transmedia in the classroom.**

*Tech Know Learn* 23, 223–246.

McDaniel, B.T., Radesky, J.S., 2018.

**Technoference: longitudinal associations between parent technology use, parenting stress, and child behavior problems.**

*Pediatric Research* 1.

Peebles, A; Bonus, J; Mares, M. 2018

**Questions plus answers plus agency: Interactive touchscreens and children's learning from a socio-emotional TV story.**

*Computers in Human Behavior*, V 85, Pp 339-348

Piotrowski, J.T., Meester, L., 2018.

**Can apps support creativity in middle childhood?**

*Computers in Human Behavior* 85, 23–33.

Poulain, T., et al. 2018.

**Reciprocal associations between electronic media use and behavioral difficulties in preschoolers.**

*International Journal of Environmental Research and Public Health* 15, 814.

Ralph, R., 2018.

**Media and technology in preschool classrooms: Manifesting prosocial**

**sharing behaviours when using iPads.**

*Tech Know Learn* 23, 199–221.

Zilka, G.C., Romi, S., 2018.

**Viewing habits and identification with television characters among at-risk and normative children and adolescents.**

*International Journal of Child, Youth and Family Studies* 9, 47–67.

## HEALTH

Braig, S., et al 2018.

**Screen time, physical activity and self-esteem in children: the Ulm Birth Cohort Study.**

*Int J Environ Res Public Health* 15.

Feliciano, E.M.C., et al. 2018.

**Objective sleep characteristics and cardiometabolic health in young adolescents.**

*Pediatrics* e20174085.

Iacobucci, G., 2018.

**Social media should take more responsibility for children's mental health, says NHS boss.**

*BMJ* 361, k2634.

Ngqangashe, Y., t al. 2018.

**An experimental investigation of the effect of TV cooking show consumption on children's food choice behaviour.**

*International Journal of Consumer Studies* 42, 402–408.

Twohig-Bennett, C., Jones, A., 2018.

**The health benefits of the great outdoors: A systematic review and meta-analysis of greenspace exposure and health outcomes.**

*Environmental Research* 166, 628–637.

## MEDIATION

Bozzola, E., et al. 2018.

**Media devices in pre-school children: the recommendations of the Italian pediatric society.**

*Italian Journal of Pediatrics* 44, 69.

Dore, R.A., et al. 2018.

**The parent advantage in fostering children's e-book comprehension.**

*Early Childhood Research Quarterly* 44, 24–33.

Fardouly, J., et al. 2018.

**Parental control of the time preadolescents spend on social media: links with preadolescents' social media appearance comparisons and mental health.**

*J Youth Adolescence* 47, 1456–1468.

Przybylski, A.K., Nash, V., 2018.

**Internet filtering and adolescent exposure to online sexual material.**

*Cyberpsychology, Behavior, and Social Networking* 21, 405–410.

## MOBILE PHONES

Gewirtz-Meydan, A., Mitchell, K.J.,

Rothman, E.F., 2018.

**What do kids think about sexting?**

*Computers in Human Behavior* 86, 256–265.

Ihm, J., 2018.

**Social implications of children's smartphone addiction: The role of support networks and social engagement.**

*Journal of Behavioral Addictions* 7, 473–481.

Perez Escoda, A., 2018.

**Usage of smartphones and social media in primary school students.**

*Prisma Social*, (20), pp.76-91

## VIDEO GAMES

Barreto, D., Vasconcelos, L., Orey, M., 2017.

**Motivation and learning engagement through playing math video games.**

*Malaysian Journal of Learning and Instruction* 14, 1–21.

Reay, E., 2018.

**Appraising the poetic power of children's video games.**

*Intl Research in Children's Literature* 11, 17–32.

## EVENTS

## ACEL Early Childhood Conference

**Encourage teach support: from child to citizen**

9 – 10 August 2018

Hilton, Sydney

acel.org.au

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## ECA National Conference 2018

**Be the difference for children and families**

19–22 September 2018

Sydney ICC

ecaconference.com.au

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## Deakin Food Policy Dialogue:

**Creating healthier food retail environments**

Monday 15 October 2018

Deakin Downtown

Level 12, Tower 2, 727 Collins St  
Docklands, VIC 3008

www.eventbrite.com.au/e/

deakin-food-policy-dialogue-2018-  
tickets-47006844738

