

18 November 2022

Committee Secretary  
House of Representatives Standing Committee on Social Policy and Legal Affairs  
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**SUBMISSION TO THE *INQUIRY INTO ONLINE GAMBLING AND ITS IMPACTS ON THOSE EXPERIENCING GAMBLING HARM***

Thank you for the opportunity to provide a submission to the Inquiry as it prepares its report on online gambling and its impacts on problem gamblers.

Children and Media Australia (CMA) urges the Committee to use this opportunity to make robust recommendations based on the principle of 'safety by design' for children and young people.

There are significant harms to children and young people in the present screen environment. This harm is generated by the promotion of gambling behaviour through advertising, and through participation in simulated gambling behaviour in entertainment apps. Safety by design in regulation and in online apps is the only approach that can minimise relevant risks without shifting responsibility on to already overburdened parents and teachers; and only a robust government regulation program can implement it.

CMA is a peak not-for-profit national community organisation whose mission is to support families, industry and decision makers in building and maintaining a media environment that fosters the health, safety and wellbeing of Australian children.

**CMA membership** includes ECA (Early Childhood Australia), ACSSO (Australian Council of State Schools Organisations), APPA (Australian Primary School Principals Association), AHISA (Association of Heads of Independent Schools Australia), AEU (Australian Education Union), Parenting Research Centre, Council of Mothers' Union in Australia, SAPPA (South Australian Primary Principals Association), and other state-based organisations and individuals.

**CMA's core activities** include the collection and review of research and information about the impact of media use on children's development; and advocacy for the needs and interests of children in relation to media use.

This submission has been compiled by our President, Professor Elizabeth Handsley, in consultation with our Hon CEO, Barbara Biggins OAM, and Reviews Coordinator, Dr Debra Dickinson.

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## CMA's Responses to the Inquiry's Term of Reference

- *the effectiveness of existing consumer protections aimed at reducing online gambling harm*
  - Any evaluation of effectiveness needs to look specifically at harm to children and young people; and it needs to look at potential future harm eg to those who don't gamble online yet, but are being groomed to do so in future via a process of normalisation and persuasive design.
  - Normalisation of gambling occurs in Australia in two major ways:
    - a) frequent exposure of children and young people to gambling and sports betting ads when using screen media, particularly during content/ programs where the general public would not expect content harmful to children to be found, eg G and PG programs and most sporting events.
    - b) the inclusion of simulated gambling (See Appendix 1) in entertainment apps that are readily available to, and popular with, children and young people.

**Re a)** The present self-regulation of gambling and sports betting ads, via AANA and FreeTV Australia Codes of Practice, is inadequate. These Codes only limit children's exposure to gambling ads in programs and advertising specifically or predominantly directed to children. In line with international practice on protection of children and young people from inappropriate advertising content, CMA supports an approach that limits gambling ad exposure; therefore regulations should apply not according to the target audience but according to the likely actual audience – for example when it is reasonable to expect that significant numbers of young people will be watching.

Such regulation must address both content and frequency which is the main determination of exposure. As Ad Standards acknowledges in Submission 59 to this Inquiry, the AANA Codes do not deal with the issue of *frequency*. CMA observes further, in response to that submission, that the low level of complaints under the Codes is more likely a function of the narrowness of those Codes than of community satisfaction at the amount and content of gambling advertising.

The FreeTV Code of Practice, which allows the broadcast of gambling and sports betting ads in programs seen by significant numbers of children, needs major overhaul in this regard, with greater restrictions. Similarly, Streaming services that carry ads should also be required to adhere to effective Codes related to this use.

**Re b)** Such content is not regulated in Australia. Gambling and gambling-like activities in games should be considered as an element when apps are classified under the National Classification System (NCS), but they are not.<sup>1</sup>

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<sup>1</sup> Since 2017, many apps popular with Australian children, are classified using the International Age Rating Coalition (IARC) which appears to apply an element [“simulated gambling”, where warranted, along with an M classification to apps with such content](#). However, neither the IARC nor the NCS provides the factors that lead to the application of this advice, and whether it adequately deals with the issues raised here. (See Appendix 2.)

Considering the increasing pervasiveness of gambling elements within apps, and the associated harms, this is one of a number of respects in which [the NCS is outdated](#).

Further there is a need for the use of a uniform online-classification tool used for games and apps, and uniformity in its application across all platforms.

CMA urges the Committee to recommend a thorough review of the NCS.

- *how to better target programs to address online gambling harm to reduce the potential exploitation of at-risk people, and protect individuals, families and communities*
  - Children and young people are best protected from gambling promotion by ensuring that they are not exposed to it in all its forms.
  - The main burden of protection should be carried by the gambling and screen industries, and this should be enforced through government regulation.
  - Code review and redevelopment, with application across all screen media, is urgent.
  - The government should also provide parents with support to understand the harms, and tools for protection. Few resources exist which routinely provide Australian parents with relevant information about the simulated gambling behaviour of the app titles their children want to play. One example of such a tool is CMA's [Watch List of app titles](#), formerly funded by the SA state government.

This Watch List is one output from CMA's *Know Before You Load* service, which reviews apps for simulated gambling behaviour and other areas of concern. See Appendix 3 for information about this service.

- *the appropriateness of the definition of 'gambling service' in the Interactive Gambling Act 2001 (Cth), and whether it should be amended to capture additional gambling-like activities such as simulated gambling in video games (e.g. 'loot boxes' and social casino games)*
  - CMA urges the Committee to amend the definition of 'gambling service', to include simulated gambling, and gambling-like behaviour encouraged via in-game devices, such as loot boxes and skins. Such practices are equivalent to traditional gambling even if no money is involved. These aspects offer the chance to advance in the game, in exchange for a valued item, but the success or otherwise of such a transaction is random.

Such inclusion is supported by a wide range of evidence showing that such in-game devices normalise gambling and may be precursors to problem gambling behaviours. (See Appendix 1). In other words use of such devices clearly carries potential for harm to users, which in itself is sufficient justification for government intervention.

- *the effectiveness of current gambling advertising restrictions on limiting children's exposure to gambling products and services (e.g. promotion of betting odds during live sport broadcasts), including consideration of the impact of advertising through social media, sponsorship or branding from online licenced gambling operators*

- Consistent with our earlier comments about exposure versus targeting, CMA is pleased to see the Committee's question referring to the former rather than the latter.
- Two major problems exist with current FreeTV Australia Codes regarding gambling ads:
  - 1) such ads are permitted in most programs seen by children and only limited if they appear in programs specifically directed at children or in narrow time slots.

*6.5.1 A Commercial relating to betting or gambling must not be broadcast:  
a) in any Program classified G or lower between: i. 6.00 am and 8.30 am;  
and ii. 4.00 pm and 7.00 pm; and b) during any Program that is broadcast  
between 5.00 am and 8.30 pm and principally directed to Children.*

*6.5.2 For the avoidance of doubt, the restrictions in clause 6.5.1 do not apply  
during news, Current Affairs or Sports Programs.*

- 2) While such ads are not permitted in live sports broadcasts, this prohibition ceases at 8.30pm, which unrealistically seems to expect children to go to bed in the middle of a sporting event.
- Given the history of inadequate, piecemeal and overly complicated self- and co-regulation in this field and as part of a comprehensive, holistic program that minimises the risk of gaps and loopholes, CMA submits there is a need for direct government regulation, including active monitoring and enforcement, and meaningful sanctions for non-compliance.

- *any other relevant matters*

- Any reforms in this area should be designed consciously to support Australia's compliance with its international obligations under the UN Convention on the Rights of the Child (see Appendix 4).

Among other things, this would require that children's interests be made a primary consideration (article 3); this would contrast with the current situation where those interests appear to be very much secondary to industry profits.

Gambling promotion also has implications for the right to healthy development (article 6) for the reasons mentioned above: the normalisation of gambling makes development of problem gambling behaviours more likely.

- Although the online world did not exist at the time the Convention was written, it is now widely accepted that safe access to online services is a matter of children's rights. As the Committee on the Rights of the Child stated recently:

*States parties should require all businesses that affect children's rights in relation to the digital environment to implement regulatory frameworks, industry codes and terms of services that adhere to the highest standards of ethics, privacy and safety in relation to the design, engineering, development, operation, distribution and marketing of their products and services* ([General Comment 25, para 39](#)).

In the context of gambling promotion, this would indicate a need for government action to require online content platforms to be *safe by design*.

Thank you once again for the opportunity to make this submission. We should be happy to answer any questions on it, at your convenience.

**For further information please contact**

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**Appendices:**

- 1. Simulated gambling in apps: the evidence**
- 2. The IARC system**
- 3. CMA's app review service *Know Before You Load*: reviewing apps for simulated gambling**
- 4. Convention on the Rights of the Child**

## Appendix 1:

### Simulated gambling in apps: the evidence

#### Australian research and reports on gambling-like elements in games 2015-2022

##### *Major reports:*

[Harms associated with loot boxes, simulated gambling and other in-game purchases in video games: a review of the evidence](#)

Australia Gambling Research Centre Australian Institute of Family Studies (Nov 2022)

[NSW youth gambling study 2020](#)

N Hing, A Russell, D King, M Rockloff, M Browne, N Greer, P Newall, ... (2021) Office of Responsible Gambling (NSW)

[Early Gambling Behaviour in Online Games: Parental Perspectives vs. What Children Report](#)

R De Cock, B Zaman, M Van Mechelen, J Huyghe (2018) In: *Digital Parenting: The Challenges for Families in the Digital Age, Yearbook 2018* / [ed] Mascheroni, Giovanna, Cristina Ponte, & Ana Jorge, Gothenburg: Nordicom, University of Gothenburg, 125-133

##### *RECENT Australian research articles 2022-2015*

[Adolescent betting on esports using cash and skins: Links with gaming, monetary gambling, and problematic gambling](#)

N Hing, L Lole, AMT Russell, M Rockloff, DL King, M Browne, P Newall, N Greer (2022) Plos one 17 (5), e0266571

[Adolescents Who Play and Spend Money in Simulated Gambling Games Are at Heightened Risk of Gambling Problems](#)

N Hing, C Dittman, AMT Russell, DL King, M Rockloff, M Browne, P Newall, N Greer (2022) International Journal of Environmental Research and Public Health 19(17), 10652

[An evaluation of gaming-related harms in relation to gaming disorder and loot box involvement](#)

PAK Carey, P Delfabbro, D King (2022) International Journal of Mental Health and Addiction 20 (5), 2906-2921

[Gamblification: risks of digital gambling games to adolescents](#)

N Hing, M Browne, M Rockloff, L Lole, AMT Russell (2022) The Lancet Child & Adolescent Health 6 (6), 357-359

[Loot box purchasing is linked to problem gambling in adolescents when controlling for monetary gambling participation](#)

N Hing, M Rockloff, AMT Russell, M Browne, P Newall, N Greer, DL King, H Thorne (2022) Journal of Behavioral Addictions, 396-405

[Motivations for Esports Betting and Skin Gambling and Their Association with Gambling Frequency, Problems, and Harm](#)

N Greer, N Hing, M Rockloff, M Browne, DL King (2022) Journal of Gambling Studies, 1- 24



[Not all games are created equal: Adolescents who play and spend money on simulated gambling games show greater risk for gaming disorder](#)

N Hing, AMT Russell, DL King, M Rockloff, M Browne, P Newall, N Greer (2022) Addictive Behaviors, 107525

[Skin Gambling Contributes to Gambling Problems and Harm After Controlling for Other Forms of Traditional Gambling](#)

N Greer, M Rockloff, N Hing, M Browne, DL King (2022) Journal of Gambling Studies, 1- 23

[Surprisingly high prevalence rates of severe psychological distress among consumers who purchase loot boxes in video games](#)

A Drummond, LC Hall, JD Sauer (2022) Scientific reports - nature.com

[What Causes Users' Unwillingness to Spend Money for In-App Purchases in Mobile Games?: An Abstract](#)

I Salehudin, F Alpert (2022) Academy of Marketing Science Annual Conference - Springer

[Survey of South Australian adults' \(18+\) attitudes, beliefs and behaviours regarding sports betting 2021](#)

M Browne, GM Bryden, AMT Russell, M Rockloff, N Hing, C Dittman (2021)

[Young people who purchase loot boxes are more likely to have gambling problems: An online survey of adolescents and young adults living in NSW Australia](#)

M Rockloff, AMT Russell, N Greer, L Lole, N Hing, M Browne (2021) Journal of Behavioral Addictions 10 (1), 35-41

[Exploring the changing landscape of gambling in childhood, adolescence and young adulthood](#)

AMT Russell, T Armstrong, M Rockloff, N Greer, N Hing, M Browne (2020) Sydney: NSW Responsible Gambling Fund

[Loot boxes: Are they grooming youth for gambling](#)

M Rockloff, AM Russell, NM Greer, L Lolé, N Hing, M Browne (2020) NSW Responsible Gambling Fund

[The convergence of gambling and monetised gaming activities](#)

DL King, PH Delfabbro (2020) Current Opinion in Behavioral Sciences 31, 32-36

[Esports betting and skin gambling: A brief history](#)

N Greer, M Rockloff, M Browne, N Hing, DL King (2019) Journal of Gambling Issues 43

[Loot box limit-setting is not sufficient on its own to prevent players from overspending: A reply to Drummond, Sauer & Hall.](#)

DL King, PH Delfabbro (2019) Wiley-Blackwell Publishing Ltd.

[Risk factors for gambling problems specifically associated with sports betting](#)

AMT Russell, N Hing, M Browne (2019) Journal of Gambling Studies 35 (4), 1211-1228

[Unfair play? Video games as exploitative monetized services: An examination of game patents from a consumer protection perspective](#)

DL King, PH Delfabbro, SM Gainsbury, M Dreier, N Greer, J Billieux (2019) Computers in Human Behavior 101, 131-143

[Video game monetization \(eg, 'loot boxes'\): A blueprint for practical social responsibility measures](#)

DL King, PH Delfabbro (2019) International Journal of Mental Health and Addiction 17 (1), 166-179

[Predatory monetization schemes in video games \(eg 'loot boxes'\) and internet gaming disorder.](#)

DL King, PH Delfabbro (2018) Wiley-Blackwell Publishing Ltd.

[Online gaming and gambling in children and adolescents–Normalising gambling in cyber places](#)

D King (2018) Victorian Responsible Gambling Foundation

[Demographic, behavioural and normative risk factors for gambling problems amongst sports bettors](#)

N Hing, AMT Russell, P Vitartas, M Lamont (2016) Journal of gambling studies 32 (2), 625-641

[Early exposure to digital simulated gambling: A review and conceptual model](#)

DL King, PH Delfabbro (2016) Computers in Human Behavior 55, 198-206

[The cost of virtual wins: An examination of gambling-related risks in youth who spend money on social casino games](#)

DL King, A Russell, S Gainsbury, PH Delfabbro, N Hing (2016) Journal of Behavioral Addictions 5 (3), 401-409

[How the Internet is changing gambling: Findings from an Australian prevalence survey](#)

SM Gainsbury, A Russell, N Hing, R Wood, D Lubman, A Blaszczynski (2015) Journal of Gambling Studies 31 (1), 1-15

[Adolescent simulated gambling via digital and social media: An emerging problem](#)

DL King, PH Delfabbro, D Kaptsis, T Zwaans (2014) Computers in Human Behavior 31, 305-313

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## Appendix 2:

### How many apps are classified: IARC

*The traditional method [of classification] is not at all practicable for purely digital storefronts that see thousands of new products enter the market (and even more products updated or changed) on a daily basis. A faster, more scalable solution, with the possibility of responding quickly to changes or errors, was developed in IARC:*

#### **Using post-release verification for digital products:**



*Thousands of new games and apps are released every day on digital storefronts for smartphones, tablets, PCs and consoles. [IARC](#), a coalition of rating authorities from Europe, Australia, Brazil, North America, and South Korea, aims to provide a solution for this globalised market of digital games (downloads, apps as well as browser-based games).*

*Instead of having to administer their own rating systems, storefronts and platforms can use the established standards while complying with content classification requirements that are legally mandated in certain countries. Developers are relieved of having to go through multiple processes to obtain ratings for the different territories and storefronts. And consumers are presented with a consistently applied set of familiar and trusted ratings that reflect their local, distinct sensibilities about content and age appropriateness.*

*In terms of methodology, IARC is designed as a more flexible and tailormade procedure that can cope with the large numbers of new apps and app updates:*

- 1. A publisher submits a game or app to a storefront for a digital release. As an integral part of that submission procedure, the publisher has to fill in the IARC questionnaire, which is a single set of questions about a product's content and interactive elements. The questionnaire combines the classification criteria of the participating rating boards.*
- 2. Upon completion of the questionnaire, the publisher immediately receives a license with age ratings of the participating rating boards. The classification process is cost-free. As soon as the game or app is released, the appropriate age rating is displayed in the storefront.*
- 3. Administrators from IARC rating boards work together to check a robust cross-section of all classifications. A variety of tactics, including keyword search, top download checks, publisher and consumer requests, and others, are applied to ensure that age ratings are correctly applied. In case of an error, the incorrect age rating can be changed very quickly.*

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### Appendix 3:

## **CMA's app review service *Know Before You Load*: reviewing apps for simulated gambling**

In recognition of the increasing onslaught of new media platforms and content, and the concomitant challenges for today's parent in navigating this arena, since 2014, CMA has provided the *Know Before You Load (KBYL)* service, to help parents find the best in apps and avoid those that promote gambling. This review service empowers parents with knowledge on which apps are most suitable to children of all ages.

The *KBYL* App Reviews are prepared by child development professionals and provide age suitability and content descriptions for parents and carers. With over 1.5 million apps available through app stores, our reviews focus on game style apps and popular apps that may appeal to young children.

Playing games can be a fun recreational and educational activity. Most games contain some elements of chance, risk and skill, but some games require players to participate in behaviours which may concern some parents.

Although minors cannot legally participate in placing bets and enter casinos, there is concern that early exposure to these gambling activities through the games children play and media they watch could lead to problem gambling, and the availability of simulated gambling games to young people is troubling many. Therefore, our *KBYL* reviews include a section on gambling content and incorporate a Children and Gambling Watch List, as well as highlight Apps containing loot boxes.

In addition to gambling content, each app has been reviewed for the following:

- In app purchasing
- Online profile of person playing the game
- Age recommendations
- game playing behaviour
- advertising and product promotion
- gender stereo types and sexual references.

CMA reviews pick up gambling-like elements that are not identified by current online classification tools currently in use.

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## Appendix 4:

# Convention on the Rights of the Child (CROC) and General Comment 25

## [Convention on the Rights of the Child | OHCHR](#)

### Art 3

*1. In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration.*

*2. States Parties undertake to ensure the child such protection and care as is necessary for his or her well-being, taking into account the rights and duties of his or her parents, legal guardians, or other individuals legally responsible for him or her, and, to this end, shall take all appropriate legislative and administrative measures.*

*3. States Parties shall ensure that the institutions, services and facilities responsible for the care or protection of children shall conform with the standards established by competent authorities, particularly in the areas of safety, health, in the number and suitability of their staff, as well as competent supervision.*

### Art 6

*1. States Parties recognize that every child has the inherent right to life.*

*2. States Parties shall ensure to the maximum extent possible the survival and development of the child.*

### Art13

*1. The child shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of the child's choice.*

*2. The exercise of this right may be subject to certain restrictions, but these shall only be such as are provided by law and are necessary:*

*(a) For respect of the rights or reputations of others; or*

*(b) For the protection of national security or of public order (ordre public), or of public health or morals.*

### Art17

*States Parties recognize the important function performed by the mass media and shall ensure that the child has access to information and material from a diversity of national and international sources, especially those aimed at the promotion of his or her social, spiritual and moral well-being and physical and mental health.*

*To this end, States Parties shall:*

*(a) Encourage the mass media to disseminate information and material of social and cultural benefit to the child and in accordance with the spirit of article 29;*

*(b) Encourage international co-operation in the production, exchange and dissemination of such information and material from a diversity of cultural, national and international sources;*

*(c) Encourage the production and dissemination of children's books;*

*(d) Encourage the mass media to have particular regard to the linguistic needs of the child who belongs to a minority group or who is indigenous;*

*(e) Encourage the development of appropriate guidelines for the protection of the child from information and material injurious to his or her well-being, bearing in mind the provisions of articles 13 and 18.*

## **Art 18**

*1. States Parties shall use their best efforts to ensure recognition of the principle that both parents have common responsibilities for the upbringing and development of the child. Parents or, as the case may be, legal guardians, have the primary responsibility for the upbringing and development of the child. The best interests of the child will be their basic concern.*

*2. For the purpose of guaranteeing and promoting the rights set forth in the present Convention, States Parties shall render appropriate assistance to parents and legal guardians in the performance of their child-rearing responsibilities and shall ensure the development of institutions, facilities and services for the care of children.*

*3. States Parties shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible.*

## **General Comment Nov 2021**

*39. In addition to developing legislation and policies, States parties should require all businesses that affect children's rights in relation to the digital environment to implement regulatory frameworks, industry codes and terms of services that adhere to the highest standards of ethics, privacy and safety in relation to the design, engineering, development, operation, distribution and marketing of their products and services. That includes businesses that target children, have children as end users or otherwise affect children. They should require such businesses to maintain high standards of transparency and accountability and encourage them to take measures to innovate in the best interests of the child. They should also require the provision of age-appropriate explanations to children, or to parents and caregivers for very young children, of their terms of service.*

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