



27 July 2018

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/ Madam,

Thank you for the opportunity to provide some recommendations to inform your decision making in relation to the inquiry into Gaming Micro transactions for chance based items. We welcome this inquiry as it addresses concerns raised by clients of our services.

About us

Connect Health & Community (formerly known as Bentleigh Bayside Community Health).

Connect Health & Community is a not for profit community health organisation that provides a comprehensive range of services. These services include Dental, Physiotherapy, Dietetics, Podiatry, Hydrotherapy, Speech Pathology, Gambler's Help, Community Transport and Activity Programs to name but a few.

Connect Health & Community has a strong tradition of commitment to community participation via volunteering, with an increasing emphasis on consumer representation at all levels across the organisation. It has been in operation for 42 years.

We receive funding from Federal, State and Local Government and work in partnership with other community agencies.

Gambler's Help Southern (GHS) is program of Connect Health & Community and has maintained continuous funding since 1994. GHS is the largest problem gambling service provider in Australia. It encompasses 25% of the Victorian population, operating from 13 geographically, demand led sites across the Southern Metropolitan Region of Melbourne and managed centrally from its corporate office at 2A Gardeners Road, Bentleigh East Vic. 3165.

Gambler's Help Southern provides the following specialist program streams:

- Therapeutic Counselling
- Financial Counselling
- Community Education
- Venue Support
- Specialist Integrated Services Activities

The information provided in this submission speaks to the professional learnings of our staff and their observations from working with a very broad cross section of our community for over 4 decades. .

We invite you to contact Jasminka Kosanovic, Clinical Services Manager to discuss any aspect of this submission and our recommendations.

Jasminka Kosanovic
Clinical Services Manager
Connect Health & Community

Submission

Our youth and family counsellors are seeing younger children impacted by gaming because of the enticing colours; rewards and the opportunities games provide to socialise with friends. The challenge this poses for regulators is limiting harms to young people while enabling adults to make informed decisions. Governments have tackled similar issues in the past in relation to smoking and alcohol consumption using a health literacy model. This could be adopted in this circumstance by requiring disclosures surrounding adult content such as gambling to be presented in plain English or youth and child friendly language.

Below is our feedback on the specific matters raised.

- 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;

We have been increasingly concerned about the monetisation of gaming over a period of time this is of particular concern to parents who are seeing their adult children, predominately young men graduating from gaming to sports betting and other forms of gambling. Recent research showed that 29% of the surveyed young men were placing bets on fantasy sports games weekly.¹

Recommendation

We encourage the increasing regulation of games where gambling is featured including the raising of age limits and the prominent labelling of games. While it is understood that this is often treated as a guide by parents, the change in ratings may encourage games developers to reduce chance based content in their products.

Alternatively, where a game/ app developer wishes to maintain its current rating they could be required to include a parental lock feature in the setting menu. Where this feature is made available it should require the reacceptance of terms following significant upgrades which change gambling features or reduce the likelihood of achieving the desired outcome.

We have seen clients who have purchased in-game currency thinking they can cash in if they win. There is often an increasing likelihood of winning once you have paid for in-game currency this gives the consumer a distorted view of outcomes which is not translated to the real world.

¹ <https://responsiblegambling.vic.gov.au/resources/publications/weighing-up-the-odds-young-men-sports-and-betting-394/>

Recommendation

It is recommended that where there is no opportunity to return winnings, in real currency, a warning is required to alert the consumer prior to purchase. This warning would indicate that the purchase of credits is for entertainment and there is no real world return available. This would be applied to all games offered in the Australian market place including online.

- 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.

While much of this discussion is targeted at young people we have a wide array of clients including those who are older and have lower levels of computer and financial literacy. While these clients are wary of electronic gaming machines in pubs and clubs they are lured into games such as Candy Crush which encourage the buying of in-game items using micro transactions. These include spinning wheels to win tools to complete the game or additional lives. Spending on these games can become a problem for people of all ages.

Recommendation

It is recommended that these transactions contain warnings to alert the consumer prior to purchase that the purchase of credits is for entertainment and there is no real world return available. This would be applied to all games offered in the Australian market place including online.

When requiring disclosures it should be a requirement for the information to be presented in youth and child friendly language, using a health literacy model. This will improve understanding of the risks and enable more informed choices.