

6 September 2018

Ms Christine McDonald
Secretary
Environment and Communications References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

By email: ec.sen@aph.gov.au

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Dear Ms McDonald

Inquiry into gaming micro-transactions for chance-based items: additional observation

During the Australian Communications and Media Authority's participation at the 17 August 2018 public hearing into gaming micro-transactions for chance-based items, the Chair raised the following scenario (at page 45 of the proof Hansard of evidence):

It's been submitted that, because players always receive something when they purchase a loot box, there is no loss. They receive something, so it can't constitute gambling. However, it's also been argued that this interpretation may have unintended consequences, with small, meaningless prizes being offered in traditional gambling scenarios to avoid classification as gambling. Do you have any views or response to this?

The ACMA would like to make the following additional observation.

The definition of a 'gambling service' under the *Interactive Gambling Act 2001* (IGA), to the extent it relates to services for the conduct of a game (rather than a betting service, for example), relevantly refers to games that are played 'for money or anything else of value'. Accordingly, in the situation described, the fact that the customer is guaranteed to win something does not determine whether the service is a 'gambling service'. The issue is whether the item that will be won is 'money or anything else of value'. Consequently, offering small prizes in traditional interactive gambling would not necessarily evade the application of the IGA.

Yours sincerely

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