

30 June 2018

My submission re:

Gaming micro-transactions for chance-based items

On 28 June 2018, the Senate referred the following matter to the Environment and Communications References Committee for inquiry and report by 17 September 2018.

The closing date for submissions is 27 July 2018.

Terms of Reference

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.

Start Submission:

As an IT professional, ex school teacher, and a person who has been playing computer games for over 30 years, I have seen and played all kinds of computer games. They all had one thing in common they were games, you paid money and you got a game, where you suffered no financial harm apart from losing maybe \$100 for the latest best game that had just come out, or waited 6 months and got it for half price.

They were never intended to use psychology to extract money from people in an addictive fashion that leads to harm, for example spending more money than you otherwise would, ie you would never pay more than \$200 for a computer game, but with loot boxes you may pay much more, in the same way people make irrational choices when gambling, they make them with loot boxes, (in many cases, just like gambling, some people can spend \$5.00 on the pokies and stop, we are not referring to those people).

I think Loot Boxes are at is a kind of gambling.

Games, for example first person games, are immersive, as you are in a world just like the real one, you can walk around and interact with things just like the real world. You are set challenges, as well as exploring this new world, its exiting! The challenges make the games exiting, as well are making you work hard to achieve the goals, such as how can I break into the castle? Maybe if I had a big gun, like a rocket launcher? I can spend many hours say 20hrs, adventuring, working hard to get a big gun or spend \$10 per try to open a loot box, look inside, hoping the randomly chosen weapon inside is the gun I want, if not pay \$10 real money, close the lid of the box, re open it, (for another \$10.00), and look again, maybe this time the randomly selected weapon is the gun I need? Repeat this 20 times and its cost you \$200.00. And on and on. If a gun has a super rare has a 0.01% chance of occurring then you would need to try \$1000 times to get the gun costing you $\$10.00 \times 1000 = \$10\,000$, or if it cost \$1.00 a try \$1 000 dollars.

The game designers chose the probability of any particular gun being in the box when you open it and look inside, some weapons are better than others. As the weapons usefulness increases inversely the chance of it being in the box decreases, so you need to try many more times for the best gun, the more times you have to try and the more money you pay.

FYI A loot box in the game looks like a physical box and you go up to it and press the use key on your keyboard, (any key that is assigned to that job, it could be the letter e on the keyboard), this causes the software to display an image of the box opening, you then move forward and look inside, just like in the real world, maybe the most powerful gun in the whole game is inside! Can you see how addictive that is, to people invested in the game. Unless you play these kinds of games it may be hard to get in their head. It is just as addictive a poker machines etc... any gambling, as it is gambling in effect.

To sum up my submission:

Re the terms of reference: (listed below)

- (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.

Response:

Re: (a). As detailed above in my argument loot boxes are a form of gambling, (please seek expert opinion on this, as that is best practice. It is not hard for experts to make the same determination I have).

Re: (b). Loot boxes should never be allowed, in any form, even if you disclose the odds, and only allow those over 18yrs etc, as we have seen in real life gambling, such as poker machine gambling, it does not matter if you disclose the odds, addiction still takes hold.

To repeat: it does not matter if you disclose the odds, addiction still takes hold.

This is because addiction is not a rational mental process.

Note: To a lesser extent the same is true of micro transactions in games, they too never be allowed.

End argument: Games should be fun, not harmful, loot boxes make them harmful.

At least with poker machines etc there is never any pretence of them being fun, (not really), it's just gambling plain and simple, and it causes untold misery, in any case, please let's not visit this on the computer gaming industry as well.