



Australian Government response to the House of Representatives Standing Committee on Social Policy and Legal Affairs report, *Protecting the age of innocence*.

Australia moves towards an endorsement of platform-led content classification, albeit with age stipulations for loot boxes.

Regulator: The Minister of Communications

RISK BAROMETER:



JURISDICTION RELEVANCE:

AUSTRALIA

TIMELINE:

June 1st 2021

WHAT YOU SHOULD KNOW:

- In February 2020, the House of Representatives Standing Committee on Social Policy and Legal Affairs concluded its inquiry into age verification for online wagering and pornography last year, tabling a report– [Protecting the Age of Innocence](#).
- The scope of the inquiry extended to loot boxes, recommending that the new office of the eSafety Commissioner report on restricting access to loot boxes for over 18's only, including via 'mandatory age verification.'
- In its [formal response](#), the government specifically addresses loot boxes, stressing the appropriateness of the existing National Classification Scheme, which endorses IARC, i.e., a self-regulatory platform ratings ecosystem - and pro-active steps taken by developers: randomised in-app purchase labels, drop rate disclosure, the ability to restrict in-app purchases via parental controls and refund optionality.
- Crucially, the government refers to having 'undertaken' a review into Australian classification regulation which encompasses the rating of online games with loot boxes. Marking an apparent end to a prolonged period of bureaucratic inertia, the government commits to working with states and

territories, presumably to implement its findings.

- This classification review was launched in December 2019, to harmonise ['the veritable hodgepodge of arrangements in classification that dates back decades.'](#) Although, a report was completed by Neville Stevens, acting in an independent capacity, several months ago, sign-off has been repeatedly delayed by the Minister of Communications, who has oversight. A controversial film aired on Netflix - [whose 'classification tool' is government endorsed, alongside IARC](#) - is understood to have generated skittishness about making a robust endorsement of industry approaches.

MOST TELLING:

'The classification, and any age restriction, of computer games with loot boxes or simulated gambling has been considered as part of the review of Australian classification regulation.'

DELANY & CO HOT TAKE:

The avoidance of mandated age verification is unquestionably a positive for the mobile games industry. However, whilst landing on the side of self-regulatory approaches, the classification review is likely to prescribe higher ratings for games featuring loot boxes. We await publication.