

Document 13

From: Mark Thornton
To: [Lloyd Bezett](#)
Subject: RE: Loot boxes
Date: Thursday, 23 November 2017 11:50:06 AM
Attachments: [image001.png](#)

The recent petition submitted to the UK government outlines the legal position here, and as much as various media sites have said the answer was vague, it's not:

"Where items obtained in a computer game can be traded or exchanged outside the game platform they acquire a monetary value, and where facilities for gambling with such items are offered to consumers located in Britain a Gambling Commission licence is required. If no licence is held, the Commission uses a wide range of regulatory powers to take action."

If the item in question cannot be traded for cash, regardless of whether you believe it was of high enough value for the cost of the lootbox or not, it is not considered gambling. There's a reason eBay doesn't allow the selling of in-game digital items, or accounts.

The UK Govt. position doesn't really clarify whether loot boxes constitute "facilities for gambling"...

I don't agree with the statement that "if you can't trade it for cash it's not gambling"

Things can be worth something even if they cannot legally be traded – A ticket to a Rugby World Cup final costs a considerable amount of money but cannot be legally sold in New Zealand.

If the item can be *purchased* for money it has money's worth, whether or not you can sell it later is irrelevant...

Maybe!

And so the "reason that eBay doesn't allow the selling of in-game digital items, or accounts" is that then it would then be gambling?

Or is it a breach of copyright which prevents game components being on-sold?

From: Lloyd Bezett
Sent: Thursday, 23 November 2017 11:13 AM
To: Mark Thornton
Subject: RE: Loot boxes

An interesting perspective.

<https://www.greenmangaming.com/blog/alternate-perspective-loot-boxes/>

From: Mark Thornton
Sent: Thursday, 23 November 2017 10:30 AM

To: Lloyd Bezett
Subject: RE: Loot boxes

Agreed, nice illustration of subjective worth.

Presumably if Joe could purchase a Mei skin for less than the cost of 10 loot boxes he would,

Does this mean that a Mei skin has objective value if it is can be marketed?

Is it then “moneys worth”?

From: Lloyd Bezett
Sent: Thursday, 23 November 2017 10:18 AM
To: Mark Thornton
Subject: Loot boxes

Joe buys 10 loot boxes. He is hoping to get a legendary Mei skin and cares not for any other content inside the boxes. If he does get the Mei skin, he will feel his money was well spent. If he doesnt, then he has gambled on getting that specific item and lost.

However, Jane buys 10 loot boxes. She isnt looking for anything in particular. Anything she accumulates is a net win for her. So it does not matter what she gets, she feels the money is well spent.

In both cases, 10 loot boxes were purchased. Nothing about the mechanics of the lootboxes changed. Only the subjective nature of what is considered 'of value' to those participating in it.

Lloyd Bezett | Senior Policy Advisor | Operational Policy | Regulatory Services
The Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: +64 4 495 9367 | Extn: 5367
147 Lambton Quay | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Crest2



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Document 14

From: [Gareth Bostock](#)
To: [Cath Anyan](#); [Lance Daly](#); [Lizanne Geyer](#); [Michelle White](#); [Trish Millward](#)
Subject: FW: Media query: FW: Nine to Noon query
Date: Thursday, 23 November 2017 5:00:57 PM
Attachments: [image002.png](#)
[image003.jpg](#)
[image005.png](#)

FYI

Nga mihi

Gareth

Gareth Bostock | Director
Gambling Compliance Group
Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: +64 4 495 7298 | Mobile: +64 27 441 3601
147 Lambton Quay | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz



From: Maarten Quivooy
Sent: Thursday, 23 November 2017 4:11 PM
To: Trevor Henry
Cc: Gareth Bostock; Emma Blackmore; Heather McShane; Mike Osmond; Craig Neil
Subject: RE: Media query: FW: Nine to Noon query

Hi Trevor,

I've made some adjustments to your comments below.

Cheers

Maarten

From: Trevor Henry
Sent: Thursday, 23 November 2017 4:00 PM
To: Maarten Quivooy
Cc: Gareth Bostock; Emma Blackmore
Subject: Media query: FW: Nine to Noon query

Hi Maarten

We've had a request in from RNZ Nine-to Noon programme to talk to someone from the Department about the "gamblification" of video games, following on from their recent

interviews with PGF and an addiction psychologist. I've discussed this with Gareth and we agree it's not something we can usefully talk about as we don't yet have a position and are awaiting legal advice. If you're agreeable I intend responding to Nine-to-Noon thus:



Section 9(2)(g)(i) of the OIA

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email: trevor.henry@dia.govt.nz
www.dia.govt.nz



I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (emma.blackmore@dia.govt.nz). Otherwise I will deal with it when I'm next in the office.

From: Media Internal Affairs
Sent: Thursday, 23 November 2017 11:39 AM
To: Trevor Henry
Cc: Media Internal Affairs
Subject: FW: Nine to Noon query

From: [REDACTED]
Sent: Thursday, 23 November 2017 11:35 a.m.
To: Media Internal Affairs
Subject: Nine to Noon query

Section 9(2)(a) of the OIA

Hi there,

I'm a producer for RNZ's Nine to Noon programme.

Right now I'm working on a follow-up to a story we did earlier this month about the so-called 'gamblification' of video games in what's known as pay-to-loot systems.

Document 15

From: Trevor Henry
To: [Gareth Bostock](#); [Lloyd Bezett](#)
Cc: [Trish Millward](#); [Media Internal Affairs](#); [Tomas Kriha](#)
Subject: RE: Nine to Noon query
Date: Wednesday, 14 February 2018 12:38:53 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.jpg](#)

Thanks Gareth/Lloyd
Looks good.

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email:trevor.henry@dia.govt.nz
www.dia.govt.nz

Logo-test



I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (emma.blackmore@dia.govt.nz). Otherwise I will deal with it when I'm next in the office.

From: Gareth Bostock
Sent: Wednesday, 14 February 2018 12:33 PM
To: Lloyd Bezett
Cc: [Trish Millward](#); [Media Internal Affairs](#); [Tomas Kriha](#); [Trevor Henry](#)
Subject: RE: Nine to Noon query

Thanks.

Trevor – below approved if works for you.

Nga mihi

Gareth

Gareth Bostock, Director
Gambling Compliance Group
Te Tari Taiwhenua | Department of Internal Affairs
Mobile: +64 27 441 3601
45 Pipitea Street | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Logo-test



From: Lloyd Bezett
Sent: Wednesday, 14 February 2018 12:29 PM
To: Gareth Bostock
Cc: [Trish Millward](#); [Media Internal Affairs](#); [Tomas Kriha](#); [Trevor Henry](#)
Subject: RE: Nine to Noon query

Hi Gareth

I suggest the following.

[Redacted]

Section 9(2)(g)(i) of the OIA

[Redacted]

Section 9(2)(g)(i) of the OIA

[Redacted]

[Redacted]

Section 9(2)(g)(i) of the OIA

[Redacted]

Lloyd Bezett | Senior Policy Advisor | Operational Policy | Regulatory Services
Direct Dial: +64 4 495 9367 | Extn: 5367

From: Gareth Bostock
Sent: Wednesday, 14 February 2018 12:10 PM
To: Lloyd Bezett
Cc: Trish Millward; Media Internal Affairs; Tomas Kriha; Trevor Henry
Subject: RE: Nine to Noon query

Hi Lloyd

Just before I approve this response, Trish rightly pointed out that you were the author. Is there anything else to update on?

Nga mihi

Gareth

Gareth Bostock, Director
Gambling Compliance Group
Te Tari Taiwhenua | Department of Internal Affairs
Mobile: +64 27 441 3601
45 Pipitea Street | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Logo-test

From: Trevor Henry
Sent: Wednesday, 14 February 2018 11:50 AM
To: Gareth Bostock
Cc: Trish Millward; Media Internal Affairs; Tomas Kriha
Subject: RE: Nine to Noon query

Thanks Gareth. Response for your approval. I've tweaked Trish's reply slightly:

Hi [REDACTED], **Section 9(2)(a) of the OIA**

[REDACTED]

Section 9(2)(g)(i) of the OIA

[REDACTED]

[REDACTED]

Section 9(2)(g)(i) of the OIA

[REDACTED]

Section 9(2)(g)(i) of the OIA

[REDACTED]

[REDACTED]

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email:trevor.henry@dia.govt.nz
www.dia.govt.nz

Logo-test

I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (xxxx.xxxxxxxx@xxx.xxxx.xx). Otherwise I will deal with it when I'm next in the office.

From: Gareth Bostock
Sent: Wednesday, 14 February 2018 10:58 AM
To: Trevor Henry
Cc: Trish Millward; Media Internal Affairs; Tomas Kriha
Subject: RE: Nine to Noon query

Hi Trevor

No update from the below.

Nga mihi

Gareth

Gareth Bostock, Director
Gambling Compliance Group
Te Tari Taiwhenua | Department of Internal Affairs
Mobile: +64 27 441 3601
45 Pipitea Street | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Logo-test



From: Trevor Henry
Sent: Wednesday, 14 February 2018 10:41 AM
To: Gareth Bostock
Cc: Trish Millward; Media Internal Affairs; Tomas Kriha
Subject: FW: Nine to Noon query

Morning Gareth,

We have had this follow-up query about Loot Boxes. Is there any update on the response sent by Trish in December or is this the current situation?

https://dia.cohesion.net.nz/Sites/COM/MED/MediaEnquiries/Loot%20boxes%20and%20gambling%20_1r8sqe32.msg

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email: xxxxxx.xxxxx@xxx.xxxx.xx
www.dia.govt.nz

Logo-test

I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (emma.blackmore@dia.govt.nz). Otherwise I will deal with it when I'm next in the office.

From: [REDACTED]
Sent: Wednesday, 14 February 2018 10:18 AM
To: Trevor Henry
Cc: Media Internal Affairs; Tomas Kriha
Subject: RE: Nine to Noon query

Section 9(2)(a) of the OIA

Hi Trevor,

Just wanted to touch base again on this story to see if there is any update from DIA regarding its stance on the so-called gamblification of video games.

We did a [follow-up story](#) on December 5th based on our [original story](#), where we spoke with a gamer who had racked up \$20,000 on in-game purchases through loot boxes. At the time, we received a significant amount of feedback from our listeners who had faced the same problem. We also spoke with a representative of the gaming community in NZ about how prevalent they are in games.

I understand you have been assessing whether video games would meet the definition of gambling – wondering what you've been able to find out.

Kind regards,

[REDACTED] Section 9(2)(a) of the OIA

From: Trevor Henry [<mailto:Trevor.Henry@dia.govt.nz>]
Sent: Thursday, 23 November 2017 4:31 p.m.
To: [REDACTED]
Cc: Media Internal Affairs; Tomas Kriha
Subject: RE: Nine to Noon query

Section 9(2)(a) of the OIA

H [REDACTED] Section 9(2)(a) of the OIA

Thanks for your invitation but we are not in a position to comment on the link between video games and gambling at this point. We are assessing whether video games would meet the definition of gambling – although we currently think it is unlikely that they would. Despite this some video games may still be considered harmful if they promote or lead to real-time gambling. An additional problem is that many of the platforms on which both gambling and video games are offered are based overseas and currently fall outside of NZ gambling regulation.

Sorry I can't help further.

Kind regards

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email:trevor.henry@dia.govt.nz
www.dia.govt.nz

Logo-test



I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (emma.blackmore@dia.govt.nz). Otherwise I will deal with it when I'm next in the office.

From: Media Internal Affairs
Sent: Thursday, 23 November 2017 11:39 AM
To: Trevor Henry
Cc: Media Internal Affairs
Subject: FW: Nine to Noon query

From: [REDACTED]
Sent: Thursday, 23 November 2017 11:35 a.m.
To: Media Internal Affairs
Subject: Nine to Noon query

Section 9(2)(a) of the OIA

Hi there,

I'm a producer for RNZ's Nine to Noon programme.

Right now I'm working on a follow-up to a story we did earlier this month about the so-called 'gamblification' of video games in what's known as pay-to-loot systems.

We interviewed the Problem Gambling Foundation and a psychologist who specialises in video game addiction – here's a write-up of the story from The Wireless:

<http://thewireless.co.nz/articles/are-video-games-turning-young-people-into-gamblers>

The reason I'm following up is because the state of Victoria has joined the throng of governments (Belgium and Hawaii) that are voicing concern about the practice because it's encouraging children to gamble.

I'm wondering if the department here is looking into this, and if a spokesperson would be available for an interview on our show next Wednesday to talk about New Zealand's stance on this matter?

Kind regards,

[REDACTED]

[REDACTED]
RNZ | [REDACTED] | 155 The Terrace
PO Box 123 | Wellington | New Zealand 6140

Web: www.radfonz.co.nz/ninetoon

Section 9(2)(a) of the OIA



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www.rnz.co.nz

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Document 16

From: Mark Thornton
To: [Lloyd Bezett](#)
Subject: Gambling commssion quote
Date: Wednesday, 29 November 2017 10:22:04 AM
Attachments: [image003.jpg](#)

In our view, the ability to convert in-game items into cash, or to trade them (for other items of value), means they attain a real world value and become articles of money or money's worth.

Dr Mark Thornton | Senior Advisor Operational Policy
The Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: +64 4 495 6086 | Extn: 5186 | Mobile: +64 21 0690 443
147 Lambton Quay | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Update your email signature to the Coat of Arms



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Document 17

From: [Lloyd Bezett](#)
To: [Mark Thornton](#)
Subject: Document3
Date: Wednesday, 29 November 2017 12:21:48 PM
Attachments: [Document3.docx](#)

First words for a ministerial.

Thoughts?

Lloyd

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Document 19

From: [Lloyd Bezett](#)
To: [Mark Thornton](#)
Subject: Document3
Date: Wednesday, 29 November 2017 2:25:48 PM
Attachments: [Document3.docx](#)

Time to play with our words again.

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From: [Trish Millward](#)
To: [Lloyd Bezett](#)
Subject: RE: Press Inquiry About Videogame Gambling
Date: Wednesday, 13 December 2017 9:07:33 AM

Thanks, glad it has been covered.

Trish

From: Lloyd Bezett
Sent: Wednesday, 13 December 2017 8:53 AM
To: Trish Millward; Poni Lealofi
Cc: Mark Thornton; Heather McShane
Subject: RE: Press Inquiry About Videogame Gambling

Hi Trish

[REDACTED]

Section 9(2)(h) of the OIA

Afterall, it can be argued that everything is money's worth if you can find one person who is willing to buy it. The recent case of someone selling a collection of cigarette butts is a good example. If cigarette butts were offered as a prize, I don't think we would consider the "money's worth".

In a UK enforcement case, the operators of a secondary market were successfully prosecuted – not the makers of the game involved.

Regards

Lloyd Bezett | Senior Policy Advisor | Operational Policy | Regulatory Services
Direct Dial: +64 4 495 9367 | Extn: 5367

From: Trish Millward
Sent: Tuesday, 12 December 2017 8:58 PM
To: Lloyd Bezett; Poni Lealofi
Subject: Fwd: Press Inquiry About Videogame Gambling

Hi Lloyd/Poni

Did you both know that you can sell what you win in a loot box on steam community market? How does that sit with the argument that they don't buy loot boxes seeking to win money or something that can be converted to moneys?

Thanks Trish

Sent from my iPhone

Begin forwarded message:

From: Gambling Compliance <Gambling.Compliance@dia.govt.nz>
Date: 12 December 2017 at 2:35:08 PM NZDT
To: Trish Millward <Patricia.Millward@dia.govt.nz>
Subject: FW: Press Inquiry About Videogame Gambling

FYI

From: [REDACTED]
Sent: Tuesday, 12 December 2017 2:31 PM
To: Gambling Compliance
Subject: Re: Press Inquiry About Videogame Gambling

Section 9(2)(a) of the OIA

Dear Ms. Millward,

Thank you very kindly for your response. I want you to know that it was important to seek out the views of the government of New Zealand for my report, and I thank you for coming forward and essaying an opinion in this debate.

My article will go live soon. Thank you kindly.

[REDACTED] Section 9(2)(a) of the OIA

On 11 December 2017 at 20:14, Gambling Compliance <Gambling.Compliance@dia.govt.nz> wrote:

Hi [REDACTED]. Section 9(2)(a) of the OIA

Thank you for your email below regarding the inclusion of "loot boxes" within computer games and the potential harm they may cause to the vulnerable in society, particularly children.

The issue of loot boxes within computer games has been the source of much debate internationally and different jurisdictions have tried to determine if loot boxes qualify as gambling under their respective legislation.

There are many games which enable the user to purchase additional items to enhance the gaming experience. Loot boxes are a variation on this theme. Gamers do not purchase loot boxes seeking to win money or something that can be converted into money. They buy loot boxes so that they can use their contents within the game and thereby have a better gaming experience.

While the payment of money for a loot box with the contents of which are determined by chance may appear to be gambling, the Department is of the view that loot boxes do not meet the legal definition of gambling. The Department therefore has no ability to regulate this activity under the Gambling Act 2003.

The Department will continue to follow the international discussion about loot boxes. However, it should be noted that it is not illegal for New Zealanders to gamble online with overseas gambling providers.

Kind regards.

Trish Millward | Manager Licensing Compliance | Regulatory Services
The Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: [+64 4 494 0551](tel:+6444940551) | Mobile: [+64 27 538 9946](tel:+64275389946)

Our Vision Ta Matou Matakite

We regulate for a **safe, transparent and trusted** gambling sector that benefits **communities**
E whakarite ture ana matau mo tetahi rangai petipeti **haumarū, marama, tika** hoki e whai hua
ana **nga hapori**.



From: [REDACTED] Section 9(2)(a) of the OIA
Sent: Wednesday, 29 November 2017 9:57 AM
To: Gambling Compliance
Subject: Press Inquiry About Videogame Gambling

To Whom it May Concern,

Section 9(2)(a) of the OIA

I'm [REDACTED] I was directed to this department by the Gambling Commission. I'm writing an article about the growing interest of gambling regulators around the world in whether "lootboxes" in contemporary videogames constitute gambling.

This BBC report summarises the relevant issues: <http://www.bbc.com/news/technology-42110066>

I was wondering if the DIA was also looking into this matter, or if they had a statement about their current position on whether videogame lootboxes are a form of gambling that could be subject to regulation under NZ law? Ideally, I would like to quote your response in the article I'm working on (it might appear in either The Verge, or Gamasutra).

Thank you very much for your attention.

Sincerely,

[REDACTED]

Section 9(2)(a) of the OIA

[REDACTED]

Section 9(2)(a) of the OIA

[REDACTED]

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Document 22

From: Trevor Henry
To: [Gareth Bostock](#)
Cc: [Trish Millward](#)
Subject: RE: Press Inquiry About Videogame Gambling
Date: Thursday, 14 December 2017 5:16:38 PM
Attachments: [image001.png](#)
Importance: High

In response to query from RNZ:

Quick question: can you please flick me through DIA's official stance on where video game loot boxes fall with regard to gambling, and why?

Deadline on this 8pm tonight please at the latest.

Give me a call if you've any questions or concerns.

Thanks,

Section 9(2)(a) of the OIA

155 The Terrace | Wellington 6140

Hi Section 9(2)(a) of the OIA

While the payment of money for a loot box with the contents of which are determined by chance may appear to be gambling, the Department considers that loot boxes do not meet the legal definition of gambling and has no ability to regulate this activity under the Gambling Act 2003. The issue of loot boxes within computer games has been the source of much debate internationally and different jurisdictions have tried to determine if loot boxes qualify as gambling under their respective legislation. The Department will continue to follow the international discussion about loot boxes. However, it should be noted that it is not illegal for New Zealanders to gamble online with overseas gambling providers.

Trevor Henry
Senior Communications Adviser
The Department of Internal Affairs
Direct Dial: +64 4 495 7211 (extn 5211)
Mobile: +64 21 245 8642
email: trevor.henry@dia.govt.nz
www.dia.govt.nz

Logo-test



I work Tuesday, Wednesday and Thursday. If your inquiry is urgent please contact Emma Blackmore (emma.blackmore@dia.govt.nz). Otherwise I will deal with it when I'm next in the office.

From: Trish Millward
Sent: Thursday, 14 December 2017 5:02 PM

To: Trevor Henry
Cc: Gareth Bostock
Subject: FW: Press Inquiry About Videogame Gambling

Hi Trevor

Section 9(2)(a) of the OIA

See email chain below. Initial email from [REDACTED] on the 29th and my response 12 December then subsequent emails –these further emails have not been responded to yet and are sitting with Lloyd in operational policy to formulate a response.

Thanks
Trish

From: Poni Lealofi
Sent: Thursday, 14 December 2017 12:12 PM
To: Lloyd Bezett; Trish Millward
Cc: Mark Thornton; Heather McShane
Subject: RE: Press Inquiry About Videogame Gambling

Hi Lloyd.

Attached are the responses so far from the emails that were sent out and mentioning that secondary market.

Kind regards.

Poni Lealofi | Senior Gambling Inspector | Licensing Unit
The Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: +64 4 495 9380 | Extn: 5380 | Fax: +64 4 494 0656
147 Lambton Quay | PO Box 805, Wellington 6140, New Zealand | www.dia.govt.nz

Our Vision Ta Matou Matakite

*We regulate for a **safe, transparent and trusted** gambling sector that benefits **communities***

*E whakarite ture ana matau mo tetahi rangai petipeti **haumarū, marama, tika** hoki e whai hua ana **nga hapori**.*

Logo-test



From: Lloyd Bezett
Sent: Wednesday, 13 December 2017 8:53 AM
To: Trish Millward; Poni Lealofi
Cc: Mark Thornton; Heather McShane
Subject: RE: Press Inquiry About Videogame Gambling

Hi Trish



Section 9(2)(h) of the OIA

Afterall, it can be argued that everything is money's worth if you can find one person who is willing to buy it. The recent case of someone selling a collection of cigarette butts is a good example. If cigarette butts were offered as a prize, I don't think we would consider the "money's

worth”.

In a UK enforcement case, the operators of a secondary market were successfully prosecuted – not the makers of the game involved.

Regards

Lloyd Bezett | Senior Policy Advisor | Operational Policy | Regulatory Services
Direct Dial: +64 4 495 9367 | Extn: 5367

From: Trish Millward
Sent: Tuesday, 12 December 2017 8:58 PM
To: Lloyd Bezett; Poni Lealofi
Subject: Fwd: Press Inquiry About Videogame Gambling

Hi Lloyd/Poni

Did you both know that you can sell what you win in a loot box on steam community market? How does that sit with the argument that they don't buy loot boxes seeking to win money or something that can be converted to moneys?

Thanks Trish

Sent from my iPhone

Begin forwarded message:

From: Gambling Compliance <Gambling.Compliance@dia.govt.nz>
Date: 12 December 2017 at 2:35:08 PM NZDT
To: Trish Millward <Patricia.Millward@dia.govt.nz>
Subject: FW: Press Inquiry About Videogame Gambling

FYI

From: [REDACTED]
Sent: Tuesday, 12 December 2017 2:31 PM
To: Gambling Compliance
Subject: Re: Press Inquiry About Videogame Gambling

Section 9(2)(a) of the OIA

Dear Ms. Millward,

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My article will go live soon. Thank you kindly.

[REDACTED] Section 9(2)(a) of the OIA

On 11 December 2017 at 20:14, Gambling Compliance

<Gambling.Compliance@dia.govt.nz> wrote:

Hi [REDACTED].

Section 9(2)(a) of the OIA

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There are many games which enable the user to purchase additional items to enhance the gaming experience. Loot boxes are a variation on this theme. Gamers do not purchase loot boxes seeking to win money or something that can be converted into money. They buy loot boxes so that they can use their contents within the game and thereby have a better gaming experience.

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The Department will continue to follow the international discussion about loot boxes. However, it should be noted that it is not illegal for New Zealanders to gamble online with overseas gambling providers.

Kind regards.

Trish Millward | Manager Licensing Compliance | Regulatory Services

The Department of Internal Affairs Te Tari Taiwhenua

Direct Dial: [+64 4 494 0551](tel:+6444940551) | Mobile: [+64 27 538 9946](tel:+64275389946)

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*We regulate for a **safe, transparent and trusted** gambling sector that benefits **communities***

*E whakarite ture ana matau mo tetahi rangai petipeti **haumarū, marama, tika** hoki e whai hua ana **nga hapori**.*

From: [REDACTED]

Section 9(2)(a) of the OIA

Sent: Wednesday, 29 November 2017 9:57 AM

To: Gambling Compliance

Subject: Press Inquiry About Videogame Gambling

To Whom it May Concern,

Section 9(2)(a) of the OIA

I'm [REDACTED]. I

was directed to this department by the Gambling Commission. I'm writing an article about the growing interest of gambling regulators around the world in whether "lootboxes" in contemporary videogames constitute gambling.

This BBC report summarises the relevant issues: <http://www.bbc.com/news/technology-42110066>

I was wondering if the DIA was also looking into this matter, or if they had a statement about their current position on whether videogame lootboxes are a form of gambling that could be subject to regulation under NZ law? Ideally, I would like to quote your response in the article I'm working on (it might appear in either The Verge, or Gamasutra).

Thank you very much for your attention.

Sincerely,

[Redacted]

Section 9(2)(a) of the OIA

[Redacted]

Section 9(2)(a) of the OIA

[Redacted]

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Document 23

From: [REDACTED]
To: [Gambling Compliance](#)
Subject: Re: Battlefront 2 - Potential Gambling None Compliance
Date: Tuesday, 12 December 2017 4:32:39 PM
Attachments: [image002.jpg](#)
[image004.jpg](#)
[image001.png](#)
[image003.jpg](#)

Hi Trish, Section 9(2)(a) of the OIA

Thanks for the reply.

It's good to see that you are across the issue already.

I have to say that I disagree with the idea that "loot boxes" are not gambling.

I guess that is a moot point because the real issue, as you have said, is the fact that these "loot boxes" are targeted at children using the same psychological tricks of slot machines to elicit more money from the user.

Are we really going to wait and see what everyone else does? It seems a bit reactive to me.

I can understand that it may not be the legal definition of gambling but are we really willing to expose our youth to games of chance when we are trying so hard as a country to counter problem gambling. It seems counter productive to me.

Surely more discussion is needed on the matter.

Regards,

[REDACTED]

Section 9(2)(a) of the OIA

On Tue, Dec 12, 2017 at 2:06 PM, Gambling Compliance
<Gambling.Compliance@dia.govt.nz> wrote:

Hi [REDACTED] Section 9(2)(a) of the OIA

Thank you for your email below regarding the inclusion of "loot boxes" within computer games and the potential harm they may cause to the vulnerable in society, particularly children.

The issue of loot boxes within computer games has been the source of much debate internationally and different jurisdictions have tried to determine if loot boxes qualify as gambling under their respective legislation.

There are many games which enable the user to purchase additional items to enhance the gaming experience. Loot boxes are a variation on this theme. Gamers do not purchase loot boxes seeking to win money or something that can be converted into money. They buy loot boxes so that they can use their contents within the game and thereby have a better gaming experience.

While the payment of money for a loot box with the contents of which are determined by chance

may appear to be gambling, the Department is of the view that loot boxes do not meet the legal definition of gambling. The Department therefore has no ability to regulate this activity under the Gambling Act 2003.

The Department will continue to follow the international discussion about loot boxes. However, it should be noted that it is not illegal for New Zealanders to gamble online with overseas gambling providers.

Kind regards.

Trish Millward | Manager Licensing Compliance | Regulatory Services
The Department of Internal Affairs Te Tari Taiwhenua
Direct Dial: [+64 4 494 0551](tel:+6444940551) | Mobile: [+64 27 538 9946](tel:+64275389946)

Our Vision Ta Matou Matakite

*We regulate for a **safe, transparent and trusted** gambling sector that benefits **communities***

*E whakarite ture ana matau mo tetahi rangai petipeti **haumarū, marama, tika** hoki e whai hua ana **nga hapori**.*



From: [REDACTED]
Sent: Thursday, 16 November 2017 4:29 PM
To: Gambling Compliance
Subject: Battlefront 2 - Potential Gambling None Compliance

Section 9(2)(a) of the OIA

To whom it may concern,

I believe the Battlefront 2 breaches NZ gambling laws.

The game works by encouraging its users to spend real money to buy loot crates which randomly drop prizes to be used in game.

Currently, the Belgium Gambling regulators are investigating the game:

<https://www.pcgamesn.com/star-wars-battlefront-2/battlefront-2-loot-box-gambling-belgium-gaming-commission>

I believe the Game breaks the following NZ Gambling law:

Remote Interactive Gambling Prohibited

[Section 9\(2\)\(b\)](#) of the Gambling Act 2003 prohibits remote interactive gambling. The definition of [remote interactive gambling](#) includes "gambling by a person at a distance by interaction through a communication device."

[Communication devices](#) include such things as computers, telephones, radios and similar devices. To fall into the definition of [gambling](#) the participant must pay something to participate (directly or indirectly) and there must be an element of chance in order to win money or a prize. The prohibition would include selling lottery tickets on the Internet and would also include a New Zealand casino website.

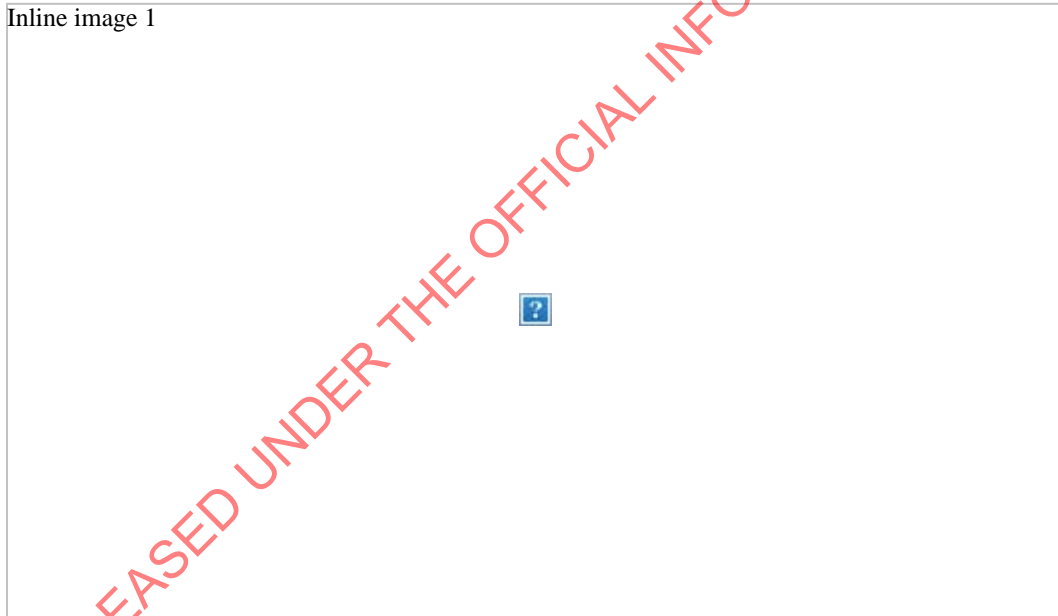
There are several exemptions to this general rule:

- Sales promotions in the form of a lottery and conducted in New Zealand are excluded from the ban on remote interactive gambling. However, sales promotions that are not lotteries may fall under the definition of remote interactive gambling.
- The Lotteries Commission and the Racing Board can conduct approved forms of remote interactive gambling.

The Game runs on a gambling system randomizing prizes that are purchased with real money, this is done at a distance.

Here is a break down of how it works:

Inline image 1



Inline image 2



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Inline image 3

Kind Regards,



Section 9(2)(a) of the OIA

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Document 24

From: [REDACTED] Section 9(2)(a) of the OIA
To: [Gambling Compliance](#)
Subject: Re: Press Inquiry About Videogame Gambling
Date: Tuesday, 12 December 2017 2:57:03 PM

Dear Ms. Millward,

I'm going forward with a straight news piece for Gamasutra (a trade publication for videogame developers) reporting on the contents of your email. But if I may prevail on you (or one of your colleagues) with a follow-up question?

In the world of videogaming there's a well-known phenomenon of gamers selling the contents of lootboxes for real currency on managed exchange sites. These sites are not endorsed by the gaming studios, but are nevertheless widespread and profitable for their owners and constitute an underground economy of sorts. Knowing this, does that in any way alter the Department of Interior Affairs' position on the matter?

Thank you kindly for any attention you may give to this!

Sincerely,

[REDACTED] Section 9(2)(a) of the OIA

On 11 December 2017 at 20:31, Gambling Compliance
<Gambling.Compliance@dia.govt.nz> wrote:

Thank you for your enquiry. This email is a formal acknowledgement that we have received your enquiry.

Please allow 10 working days for us to respond. We may take slightly longer to respond depending on the nature of the information you require.

You can also contact the Gambling Compliance Team on 0800 25 78 87 if you wish to discuss your request.

Regards

Gambling Compliance

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[REDACTED] Section 9(2)(a) of the OIA