

To Whom It May Concern

I wish to make the following submission regarding the IGA 2016 Amendment.

Australia as a society has long condoned responsible gaming. The question before the house is not whether gaming itself is desirable, but whether online gaming and online poker in particular represent such a cost to the community as to necessitate taking steps to outlaw it.

I'd like to make a few points in relation to poker generally and in support of online poker specifically.

#### 1. My background

I have a Bachelor Degree of Commerce from the University of Melbourne and held contracted positions in accounting and business management prior to starting my own successful and ongoing small business in 2004.

In my spare time I enjoy playing poker at Crown and other casinos in cash games and in particular tournaments. I consider myself a recreational player that derives significant enjoyment from the game itself, the skills I've acquired, the application of those skills to other pursuits, the people I've met and the many friendships I've developed over thousands of hours of play since 2004.

#### 2. Friendships

Some of the closest friendships I have are with other recreational live poker players. We're architects, accountants, business owners, software developers, systems engineers, doctors and anesthetists united by a very enjoyable common interest and bringing a diverse range of perspectives and conversation to our eclectic group.

The same connections exist in online poker communities also. Online players who may be isolated through remote location, disability or circumstance interact with new players and existing contacts through in game chat, Skype groups, think tanks, forums and coaching arrangements. Such connections can be and frequently are long term and extend beyond poker. Regular players meet online and then eventually in person at live major tournaments both in Australia and all around the world.

There's a thriving social poker community that is immensely enjoyable to those who seek to participate and online poker is an important part.

#### 3. Value

I know of no other pastime that provides such exceptional entertainment value as an online poker tournament. For as little as \$2 outlay I have seen participants enjoy a single huge field game that has lasted for two days.

What other chargeable pastime comes even close to this? A movie costs \$20, a sporting event costs \$30, a meal with friends costs \$100 and so on.

For those of us who enjoy the game, online poker tournaments are astonishingly good value.

#### 4. Skill & Training

Why do players enjoy poker?

The enjoyment is derived in part from the game but also from the gradual accumulation of skills and knowledge over time that lead to a long term and sustainable improvement in results. There is a strong body of legitimate mathematical analysis and learning, including probability, combinatorics and game theory. We start by learning the basics of hand range selection in different positions and the purpose of various betting actions and then develop and fine tune optimal mathematical and psychological strategy.

Poker is a game of skill in which short term luck is also an element. It is not a game of chance alone. It is a game where long term arbitrage profits and success are possible for highly skilful players even within a slightly negative sum game.

At a personal level I've certainly got better at the game over the years and can see it over a statistically significant sample of results. After starting like everyone else with only the most rudimentary knowledge of the rules and strategy, I've developed a skillset to the point where I've won and run deep in state and national level events, played in many national main events and met and competed with the best players in the game such as Phil Ivey, Patrick Antonius, Joe Hachem and so many others. It's quite an extraordinary and unique pastime this game of poker. I doubt I could have started playing tennis at 30 and then competed successfully at Rod Laver Arena against Roger Federer in my 40s.

Online poker provides players with an opportunity accelerate their experience and learning by playing a vastly greater number of hands and tournaments than would be possible if the player played the same amount of time in live tournaments alone. Online play proceeds at many times the pace of live tournament play. Online players also have the option to multi-table, playing many tournaments simultaneously. This accelerated form of play results in a much faster learning curve and skill development. Indeed it would put many new and potentially successful live Australian tournament players at a disadvantage if this opportunity for accelerated learning was removed. Online hand histories also provide a unique and essential mechanism for skilled coaches to analyse the games of newer players and provide specific advice tailored to improve their skills and results. In short, online poker is close to an essential tool for player development.

#### 5. Safety of funds and responsible gaming

Poker played for matchsticks is not poker, as anyone who has played for matchsticks can attest. Poker is a game that must be played for money. As such, there are risks involved.

All major sites have robust self exclusion programs available that may be accessed instantly by the participant through the application. These tools well exceed the standard of self exclusion programs available in any other form of gaming eg slot machine self exclusion. There are risks of problem gambling in any form of gaming but in online poker these risks are far lower than other less regulated games.

There is certainly an elephant in the room that should be discussed in relation to the security and safety of player funds. Many years ago the Full Tilt poker site encountered major issues resulting in losses to players and suspension of player funds. The online poker industry as a whole came into serious question and it was doubtful for a time whether it would survive. US players were forbidden from accessing the sites as a result and this remains the case today.

However Australia is (thankfully) not the USA and our values and beliefs in regard to gaming and many other things are different. We see and protect a significant entertainment value in responsible gaming and believe that adults should have the right to apply our own funds to play a game of chance or skill and chance if we wish.

Online poker is not the only industry to have encountered major corporate governance failures. Examples exist in the building sector (asbestos), nuclear power (Chernobyl), pharmaceuticals and many other industries. Those that learn the required lessons can and do emerge as a safer and more responsible sectors, self regulating to ensure that protections and regulations are introduced and a valuable going concern survives.

Today I am of the firm belief that player funds are safe, withdrawals are simple, identification is robust and that the industry is actually safer for players now than it has ever been in the past. I've not heard of any further issues with the major regulated online poker sites, nor do I expect there to be any. There is simply too much at stake for very profitable enterprises like Poker Stars. They have learnt the required lessons from the corporate governance failures many years ago at Full Tilt and how to govern and protect their business and patrons moving forward. There has never been a better or safer time to participate in online poker.

## 6. Online casinos

A strong distinction can and should be made between online poker (where arbitrage profits are possible for skilful players and great entertainment is available for a very low price) and other forms of online casino games. It is not possible under any circumstances to create arbitrage profits in a negative sum game like online blackjack, roulette, slot machines or other casino game where no skill is involved. While there may be some entertainment value, the risks and costs of long term play, incentives and psychological trickery that players face make online casinos dangerous and undesirable. Not only should they be banned, but any links from online poker applications to affiliate online casinos should be blocked for Australian poker players.

## 7. Alternatives

There are no reasonable Australian owned poker site alternatives to the major overseas poker sites and indeed for online tournament players it is unlikely that any significant new alternatives to the majors will be created in future. The major sites are now too far ahead of the competition and the costs of entry and acquisition of market share are too high. If Australian players are to play, the only logical choice is to play on Poker Stars and the few other well run major international sites.

In summary, I ask that the house take into consideration the significant differences between online poker and other forms of chance based online gaming, the social side to poker both live and online, the strong industry self regulation, the accelerated skills development that online poker offers to live tournament players - and more than anything else, the extraordinary value of being able to spend as little as a couple of dollars in return for hours of enjoyment. That's something worth preserving.

Sincerely,