

A Case For Online Poker In Australia

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My Credentials

My name is Brian Alspach. I have a PhD in mathematics and have retired to Australia with my Australian wife in 2007. With regard to the interaction of mathematics and poker, I have published one hundred forty-two magazine articles, two research papers, given invited talks in Europe, North America, New Zealand and Australia, and have done consulting work for poker rooms and the contingency insurance industry in the USA on that topic.

I have a website (www.math.sfu.ca/~alspach/) with a large collection of information about mathematics and poker. It has been consulted by many people. In addition, I have been playing poker since 1962 in the USA and Canada. I believe I have a solid understanding of the game.

The Game Itself

I believe poker is the most beautiful card game yet invented by humans. I realise many bridge players would disagree with me, but I played competitive bridge when I was a graduate student and I prefer poker because of the psychological aspects of the game. The rules of poker are simple and learning to play is straightforward. In spite of this simplicity, it is an extremely subtle game and allows for continuous improvement via studying the game. No matter how long one has played, new scenarios appear with surprising frequency. Good players learn from this and constantly work at improving their understanding of the game.

What makes poker different from all other casino games, other than blackjack, is the fact a player must use her or his brain while playing. People who play well are constantly watching what is happening in the game even when they have folded their hands.

What Online Poker Offers

I must give my honest opinions and, in my opinion, the state of poker in Australia is abysmal. I say that because of three reasons: accessibility, choice and quality of what is offered. I'll address each point separately.

I became accustomed to being able to visit small cities in many USA states and Canadian provinces and find one or two poker rooms available. It was fun and a way of meeting some local people. In New South Wales, as far as I know, there is one poker room in the entire state, namely, at the Star Casino in Sydney. That's it! This makes it very inconvenient or even impossible for many people to play in a real poker room.

It is true that pub tournaments have sprung up in many localities, but this is tournament poker without professional dealers. Many people do not care much for tournament poker and the local tournaments are useless for them. In addition, some of these local tournaments are not well run.

On the other hand, no matter where one lives, one may go online and find a poker game or a poker tournament at any time of the day. One does not have to travel anywhere, worry about what clothing to put on, or wonder about refreshments and food.

As far as choice is concerned, both the choices of game and of limits is much, much better online. Almost all you will find in the card rooms in Australia is no-limit hold'em. A wider range of games is advertised, but much of the time only no-limit hold'em tables will be in action. The smallest game one can find normally has \$1-\$2 or \$1-\$3 blinds with a minimum buy-in of \$100. Online a player has a choice of Omaha, Omaha high-low, hold'em and 7-card stud with all of them offering limit versions of the game, pot limit versions as well as no-limit versions. Furthermore, most of the games are available.

The range of buy-ins is also much wider online and this is an important feature of online poker when dealing with players' bankrolls and affordability. There are online no-limit hold'em games with blinds of 1-2 cents and a maximum buy-in of \$2. A person can get a lot of play and good mental stimulation for almost nothing. A moment ago I took a random look at an online poker site and found 27 tables of no-limit hold'em with blinds of at most 2-5 cents.

The lack of game quality is the most compelling reason for having access to online poker. First of all, let me discuss the rake. Because poker is the only casino game in which the players are not playing against the house, the

house earns its money by taking what is called the *rake* from each pot. The rake at Star Casino for their smallest hold'em game is 10% of the pot to a maximum of \$10. There also is a \$10/hour seat charge just to sit and play. Given that they probably deal about 40 hands an hour, this means something like \$400-\$500 an hour is disappearing off the table. To me this is legalised theft and I refuse to play under such conditions.

As a contrast, the standard rake in Las Vegas is also 10% but the maximum usually is \$4 and there is no time charge. That is what competition does for one. As far as online poker is concerned, the rake is 5% to a maximum of \$3. In addition, they frequently have promotions by which one gets some percentage of the rake one has paid returned. Thus, it is significantly cheaper to play online.

Poker Addiction

There are a few players who become addicted to poker, but I believe that online poker actually helps reduce addiction. The extremely high rake structure in Australian poker rooms tends to make players take more risks hoping to get lucky and overcome the rake, whereas, the much smaller rake online tends to make people play more conservatively. I also think online poker sessions tend to be shorter because one can join or leave whenever it is convenient. Finally, there simply is the fact that one can play for several hours online with a small investment. There are many tournaments with \$2 and \$5 entry fees and the tournament typically will take 3–5 hours to finish.

I personally do not have much empathy for someone who gets addicted to poker. I think such a person has to learn to deal with it. If I were asked to do something to suggest a mechanism to help someone addicted to poker, I would say that if the person identifies herself/himself to the online site, then the site should enact limiting conditions on the person's playing conditions. They could restrict the games he/she could enter, limit the amount he/she can deposit within some fixed time period, etc.

Conclusion

Most of us simply want to be left alone to live our lives quietly and with as little stress as possible. One of the joys in retiring to Australia for me was the ability to play the beautiful game of poker online. Properly functioning governments think carefully about the implications of proposed legislation.

The frightening implication of not making poker an exception to the proposed legislation Interactive Gambling Amendments Bill 2016 is that it essentially prevents Australians from playing poker.

I sincerely hope that is not the government's intention. I realise that poker players are a minority in Australia, but it is a harmless minority and telling us we cannot play the game we love is an unforgiveable intrusion into our lives.

Another nice feature of online poker is seeing players from so many different countries and having interaction with them. In fact, we visited someone in New Zealand I met via online poker.

Several times in the past I have seen governments behave with what I saw as a depressing lack of courage in a particular context. The general setting was an activity that was enjoyed by a group of people, but a small subgroup existed who engaged in activity that was either illegal or distasteful to the government. Rather than deal with the subgroup, which would have involved cost and personnel, the government banned the activity. So a bad minority ruined the activity for everyone else.

I mention the preceding because I am wondering if the initial decision to not provide a special exclusion for online poker was partially based on a fear of poker addiction. If that is the case, then the small minority of problem players should be dealt with and not have the rest of us suffer a loss of online poker because of a lack of courage of the government to make the proper decision.

Professor Brian Alspach