

# **Inquiry into participation of Australians in online poker**

## **Environment and Communications References Committee**

### **July 2017**

#### **Submission by the Australian Gambling Research Centre, Australian Institute of Family Studies.**

**Dr Andrew Armstrong and Megan Carroll**

This submission provides statistics to inform points one and two of the Terms of Reference:

1. The participation of Australians in online poker;
2. The nature and extent of any personal or social harms and benefits arising from participating in online poker.

The submission contains population-representative descriptive statistics that provide an overview of poker activity in Australia by regular gamblers in 2015. These include national gambling participation rates, participant sociodemographic characteristics, past year expenditure, rates of problem gambling symptoms, financial risk taking and household financial stress.

The submission draws on self-reported survey data collected from the annual Household Income and Labour Dynamics in Australia Survey (HILDA), wave 15.

The statistics refer only to the activity of *regular* gamblers, that is, those who spent money on gambling in a *typical month*. The statistics exclude the participation, expenditure and problems of more occasional gamblers, as well as the money lost by regular gamblers during untypical high spend events.

The statistics include *both online and offline poker player activity* but do not distinguish between them<sup>1</sup>. The national poker participation rate provided here is subsequently higher than the online poker participation rate (which is unknown).

We nevertheless provide these statistics for 2015 in the knowledge that there is very limited recent and publically available data on national poker activity, particularly online activity.

#### **Summary of findings:**

In 2015, poker had the lowest participation rate amongst the ten most common regular gambling activities in Australia. However, the problem gambling rate amongst regular poker players may have been ten times the rate among regular gamblers nationally<sup>2</sup>. In terms of particular harms, poker players had seven times the rate of gambling-related health and financial problems than regular gamblers nationally. Regular poker players appear to be exceptionally vulnerable to problem gambling and associated harms.

---

<sup>1</sup> The HILDA survey does not distinguish between online and offline gambling activity.

<sup>2</sup> The problem gambling rate estimated for regular poker players is unreliable due to the small sample.

## 1 Participation

- 132,000 or 0.8% of Australian adults gambled on poker in a typical month of 2015 (i.e. regularly). This was the lowest regular participation rate amongst the ten most common gambling activities in Australia (see Table 1).
- On average, poker players gambled on two additional activities in a typical month, with only 20% gambling solely on poker. Participation in lotteries (48%), EGMs (36%) and private betting (30%) were the most common additional activities (Table 2).
- Compared to the Australian adult population, a significantly *higher* proportion of poker participants were male (66% vs 49%), were employed full time (65% vs 44%), and drew their main source of income from a wage/salary/business (88 vs 74%). A significantly *lower* proportion had a university degree (14% vs 25%), and were retired (6% vs 20%). They were similar to the Australian adult population in all other respects, including income and the socioeconomic status of the area in which they lived (Table 3).

## 2 Expenditure

- Typical poker expenditure self-reported by regular gamblers amounted to \$228m over 2015. This constituted 2.7% of total typical gambling expenditure self-reported by all regular Australian gamblers aggregated across the ten most common gambling activities (Table 4).
- Typical poker expenditure varied widely across participants. While the mean or average expenditure was \$1,758 per player for 2015, players' self-reported expenditure ranged between \$120 and \$12,000 for the year.
- Poker accounted for an average of 47.9% of each player's total expenditure across all gambling activities. Lotteries (12.3%) and EGMs (10.5%) accounted for the next highest proportions of gambling expenditure, with casino table games, private betting, sports betting and race betting all accounting for between 4 and 8% of poker participants' total gambling expenditure (Figure 1).

## 3 Personal and social harms arising from gambling

- Almost half of all regular poker players (46%; n = 60k) experienced one or more problem gambling symptoms (Table 5). This was close to three times the rate among regular gamblers nationally.
- One-fifth of regular poker players may have been problem gamblers (22%)<sup>3</sup>, the most severe risk category<sup>4</sup>. This was ten times the rate among regular gamblers nationally.
- Poker players were five to ten times more likely than other regular gamblers to report health (26% vs 4%) or financial problems (23% vs 3%) caused by their gambling, to borrow money or sell something to get money to gamble (14% vs 1%), and to feel guilty about their gambling behaviour (40 vs 9%) (Table 6).
- Poker players were more than twice as likely as the typical Australian adult to take above-average or greater financial risks with money saved or invested, in expectation of comparable financial returns (18% vs 7%) (Table 7).

---

<sup>3</sup> The estimate for regular poker players is unreliable due to the small sample.

<sup>4</sup> Players were identified as "at-risk gamblers" if they reported any problem gambling symptoms on the Problem Gambling Severity Index, and were classified as at 'low risk' or 'moderate risk' of gambling problems, or 'problem gamblers' – the most severe category.

- Nearly half (46.7%) of all regular poker players lived in a household where they or someone they lived with reported experiencing a stressful financial event in the past year, compared to less than a third (31%) of all Australian households.
- 38.2% of poker player households reported asking for financial help from family and friends during the year, which was twice the rate of Australian households (19.7%).
- One in five poker player households (21%) reported they could not make a mortgage or rent payment. This was more than twice the national rate (9%).

**Table 1. National gambling participation rates in a typical month of 2015**

Activity	N (Weighted) ('000)	Australian adults (%)	Regular gamblers (%)
Lottery	5,186	29.6	76.2
Instant scratch tickets	1,495	8.5	22.0
Electronic gaming machines	1,418	8.1	20.8
Race betting	975	5.6	14.3
Sports betting	574	3.3	8.4
Keno	549	3.1	8.1
Casino table games	192	1.1	2.8
Bingo	186	1.1	2.7
Private betting	155	0.9	2.3
Poker	132	0.8	1.9
Any gambling	6,809	38.9	100

**Table 2. Poker players' rates of other gambling activity in a typical month of 2015**

Activity	Regular poker players (%)
Lottery	47.6
Instant Scratch tickets	17.4
Electronic Gaming Machines	36.0
Race betting	21.8
Sports betting	21.8
Keno	19.7
Casino table games	23.7
Bingo	4.1
Private betting	30.0
Only Poker	19.9

**Table 3. Sociodemographic characteristics of regular poker participants**

<b>Subpopulation Categories</b>	<b>Australian Adults (%)</b>	<b>Regular gamblers (%)</b>	<b>Regular poker players (%)</b>
<b>Sex</b>			
Male	49.0	54.2↑	65.8↑
Female	51.0	45.8↓	34.2↓
<b>Age group</b>			
18-29	22.5	11.9↓	30.2
30-49	34.9	34.0	41.2
50-64	24.1	30.4↑	18.3
65+	18.6	23.8↑	10.3↓
<b>Indigenous Status</b>			
Non-Indigenous	97.7	97.6	95.5
Indigenous	2.3	2.4	np
<b>First Language spoken</b>			
English	85.6	90.3↑	77.4
Other	14.4	9.7↓	22.6↓
<b>Highest education Level</b>			
Below year 10	11.5	13.5↑	12.5↓
Completed year 10	32.7	40.3↑	39.0
Completed year 12	15.8	13.0↓	13.3↓
Certificate or Diploma	15.5	15.0	21.3↓
Bachelors or higher	24.5	18.2↓	13.9↓
<b>Employment</b>			
Employed full-time	43.6	47.4↑	64.7↑
Employed part-time	20.1	16.3↓	12.6↓
Not employed <sup>a</sup>	16.5	11.4↓	16.4
Retired	19.7	25.0↑	6.4↓
<b>Relationship status</b>			
Married/in a de facto relationship	54.6	59.5↑	44.1
Single	45.4	40.5↓	55.9
<b>Household composition</b>			
Single adult household	12.3	14.1↑	14.5
Dual adult household	31.0	35.5↑	21.9
Household with children	30.3	25.6↓	25.4
Large adult household	26.4	24.7	38.2
<b>Remoteness</b>			
Major city	72.5	69.1↓	79.7
Inner regional	18.2	20.0↑	14.8
Outer regional/remote	9.3	11.0↑	5.5↓
<b>SEIFA quintile <sup>b</sup></b>			
Most disadvantaged	19.6	19.7	14.6
2	18.2	19.6↑	19.9
Middle	19.3	19.8	20.4↓
4	20.6	20.0	22.6
Least disadvantaged	22.4	21.0↓	22.6↓
<b>Equivalised Disposable Household Income <sup>c</sup></b>			
<\$29,500	19.8	19.3	12.8
\$29,500 - \$41,499	20.4	19.4	21.1
\$41,500 - \$53,999	19.4	20.2	24.9
\$54,000 - \$73,499	20.2	20.8	23.5
\$73,500+	20.2	20.3	17.7
<b>Main Source of Household income</b>			
Wages/salary/business	73.5	70.3↓	88.3↑
Government pension, allowance, benefit	18.2	20.7↑	11.7
Superannuation, annuity or investments	8.1	8.7	np

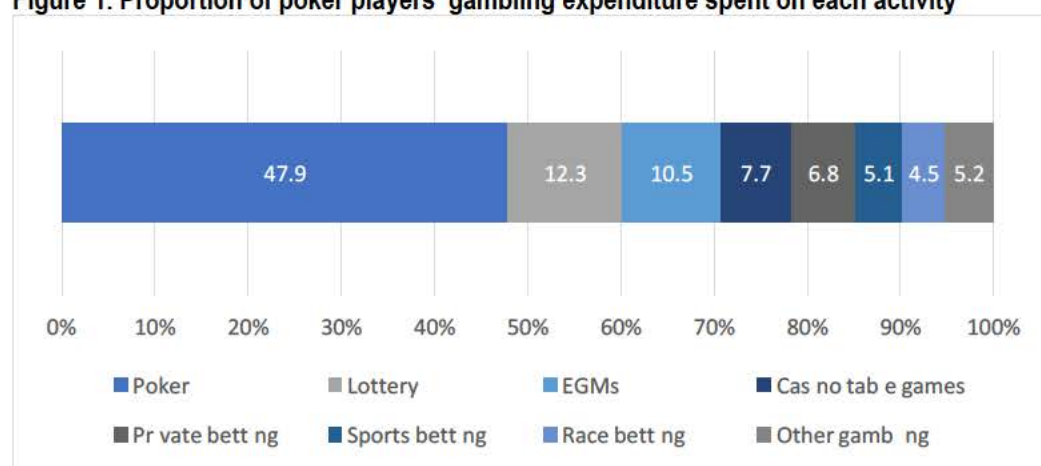
Note: Each subcategory column totals approximately 100%. Percentages may not total 100% due to rounding. a – Includes students, unemployed and looking for work, and unemployed not looking for work. b – Socio-Economic Indexes for Areas 2011 c – Household

income after tax, weighted for size of household. ↑ and ↓ are used to indicate values significantly above or below the general Australian population at p<.05. † Relative Standard Error (RSE) between 30% and 50% -- value is unreliable due to the small sample and should be interpreted with caution. Np – Not presented due to small numbers or unreliable estimates

**Table 4. Annual expenditure on poker by regular poker participants in 2015**

Total annual expenditure on poker	\$228m
Proportion total Australian typical gambling expenditure	2.7%
Mean participant annual expenditure	\$1,758
Mean proportion participants total gambling expenditure spent on poker	47.9%

**Figure 1. Proportion of poker players' gambling expenditure spent on each activity**



**Table 5. At-risk gambling among poker players**

PGSI risk categories	Regular gamblers (%)	Regular poker players (%)
Non-problem gambler	83.3	53.7
Low risk gambler	8.7	6.9†
Moderate risk gambler	5.9	17.7
Problem gambler	2.1	21.7†
PGSI harm questions	Regular gamblers (%)	Regular poker players (%)
Gambling caused you any health problems	3.7	26.0
Gambling caused you any financial problems	2.9	22.6
Felt guilty about gambling	8.5	39.5
Borrowed money or sold something	1.3	14.1†

Note: Each subcategory column totals approximately 100%. Percentages may not total 100% due to rounding. † Relative Standard Error (RSE) between 30% and 50% - value is unreliable due to the small sample and should be interpreted with caution.

**Table 6. Financial risks taken by regular poker players, by risk group**

	Australian Adults (%)	Regular poker players (%)	Non-problem /low risk poker players	Moderate risk/ problem poker players
Takes substantial risks expecting substantial returns	1.8	4.0	0.0	6.9†
Takes above-average risks expecting above-average returns	5.5	14.3	13.5	16.0†
Takes average risks expecting average returns	36.7	52.0	47.6	60.5
Not willing to take financial risks	56.0	29.8	38.9	16.7†
Never has any spare cash*	15.4	16.7	6.1	30.1†

† Relative Standard Error (RSE) between 30% and 50% - value is unreliable due to the small sample and should be interpreted with caution.

**Table 7. Proportion of regular poker players whose households reported stressful financial events**

	Australian Adults (%)	Regular poker players (%)
Could not pay electricity, gas or telephone bills on time	18.5	22.0
Could not pay the mortgage or rent on time	9.4	21.0
Pawned or sold something	8.9	8.8 †
Went without meals	5.5	8.0 †
Unable to heat home	5.1	4.1 †
Asked for financial help from friends or family	19.7	38.2
Asked for help from welfare/ community organisations	6.4	4.4 †
Experienced any stressful event	31.0	46.7
Experienced 2 or more stressful events	18.6	26.7

† Relative Standard Error (RSE) between 30% and 50% - value is unreliable due to the small sample and should be interpreted with caution.

## **Disclaimer**

This report uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in this paper, however, are those of the authors and should not be attributed to either DSS or the Melbourne Institute.