

Taxman holds the ace as poker skills are proven

Tom Whipple Science Editor

On the one hand, it validates the career choices of the world's professional poker players. On the other hand, it threatens to make those choices a lot less lucrative.

Economists have shown that poker really is predominantly a game of skill rather than chance — raising the prospect of a tax on winnings.

Researchers from the University of Nottingham have analysed hundreds of millions of poker hands played online, to find the extent to which an individual player's talent is important.

Online poker is worth more than £2 billion a year, but in much of the world winnings are not taxed because it is classed as a game of chance.

However, the fact that some players seem to be consistently successful — notably Victoria Coren Mitchell, who has on several occasions won more

than £100,000 in a single competition — seems to imply there is a strong element of skill.

For the study, published in the online journal Plos One, the economists looked at this phenomenon more systematically, to see whether past performance was an indicator of future success. They found that players who had in the past been in the top 10 per cent of profitability were indeed considerably more likely to remain as top performers. The same was true when looking at the performance of those who did worst.

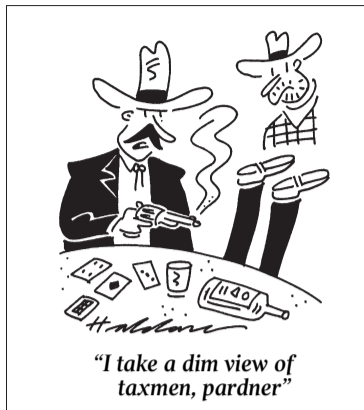
"If performance is predictable, as we found, then it follows that poker involves an element of skill and can't be merely a game of pure chance," Dr Dennie van Dolder said.

"Our findings could have significant legal implications. The key question isn't whether skill is a factor but rather whether it dominates chance. If it does

then poker must be considered a game of skill."

So the researchers looked to see at what point skill predominated. They found that after 1,500 hands had been played fluctuations due to chance had been ironed out, and it was reasonable to call it a game of skill. Although that sounds like a high number, among on-line poker players it actually represents a modest level of commitment. One player they analysed had played three quarters of a million hands. They estimated that 1,500 hands represented about a day's continuous play.

"According to our simulations, skilled players can expect to do better



than relatively unskilled players at least three quarters of the time after 1,471 hands have been played," Dr van Dolder said.

"To put this into perspective, most online players are likely to play 1,500 hands in 19 to 25 hours — and less than that if they play multiple tables simultaneously." This was a mixed blessing.

"The good news is they'll have the satisfaction of knowing the game they love is recognised as requiring real skill. The bad news is that one day they might have to start handing some of their winnings to the taxman if the policymaking community takes notice of findings like ours."

TMS

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Calm down Cumberbatch

Benedict Cumberbatch has been asked to host the Laureus Awards, a sort of Oscars for sportspeople, in Shanghai next month despite making a bit of a mess of it last year. As well as a cripplingly awkward, trying-to-be-cool interview with Tony Hawk, a skateboarder, there was his dirty old man moment with Missy Franklin, the American Olympic swimming champion. Joking that at 18 she was getting old for her sport, Franklin told him she was feeling "a bit stiff", to which Cumberbatch, engaging mouth before brain, replied: "I'm certainly feeling it, especially sitting next to you." He would have got away with it, since there was only one snort (presumably British) from the audience, but he went to apologise to her afterwards. Alas, his smut had passed over her head and he had to explain what he'd said and why it was rude.

Pressed, for the two millionth time, about his leadership ambitions yesterday, Boris Johnson trotted out a favourite line about how the next Tory leader is "as yet unborn". If true, that presents some problems now that David Cameron has said he will be gone by 2020. Could a toddler really lead the party? What about the tantrums, tears and bouts of incontinence? The Cabinet will just have to learn to control themselves.

NICE TRY, SALMOND
Alex Salmond's new book on the 2014 referendum has been derided by Paddy Ashdown as the "longest exercise in



literary masturbation since politics began", but the Scot can still toss off a good line under pressure. Heckled at a book signing on Monday about the Scotland rugby team's feeble showing in the Six Nations, Salmond replied that England (who beat France in the last match but not by enough to take the title) should blame George Osborne: "By giving that £1 million budget grant to the Agincourt fund he angered the French into putting up a fight."

The troubled English National Opera has appointed a new director of communications. A press release was put out about it yesterday, swiftly followed by an email telling journalists that they couldn't communicate with him since the office phones were out of operation.

BIG BROTHER EMAIL

Labour's personalised mailing system is starting to look rather menacing. Party members have received an email from Iain McNicol, the general secretary, with the subject "I don't see your name" followed by the first name of the recipient. The email then announces that it has been noted in the Lubyanka that the recipient has not signed up to volunteer for the party's national campaign day and suggests that they may want to be more comradely. What next? An army of informers and a midnight knock from Ed Balls?

ONE BEER AND HE'S A LOONY

As the zombie government shuffles off to the grave, the prime minister had a present for his Cabinet at their last meeting: a bottle each of "Co-ale-ition" beer, brewed by a firm in his constituency. The label calls it "an experimental beer, with hints of oak and zesty lemon, that exceeded expectations". It turns out, though, that the name "Co-ale-ition" was first given to a beer brewed for the Monster Raving Loonies in 2013, whose leader stood in Witney against Cameron three years earlier. I wonder what other loony ideas the PM plans to adopt.

PATRICK KIDD

HM Government

AT THE END OF MY APPRENTICESHIP I'LL HAVE A DEGREE IN AEROSPACE ENGINEERING (and a very proud mum)

Matt Gardiner, 20

Matt's parents started their careers as apprentices, so when he told them he wanted to do the same they already knew the advantages and opportunities that lay ahead. Now, after two years at Airbus, he's about to take his final exams and get his engineering degree. And his mum is bursting with pride. To find out the truth about being an apprentice today, visit apprenticeships.gov.uk

Apprenticeships
GET IN. GO FAR