

# Australian Digital Assets Survey

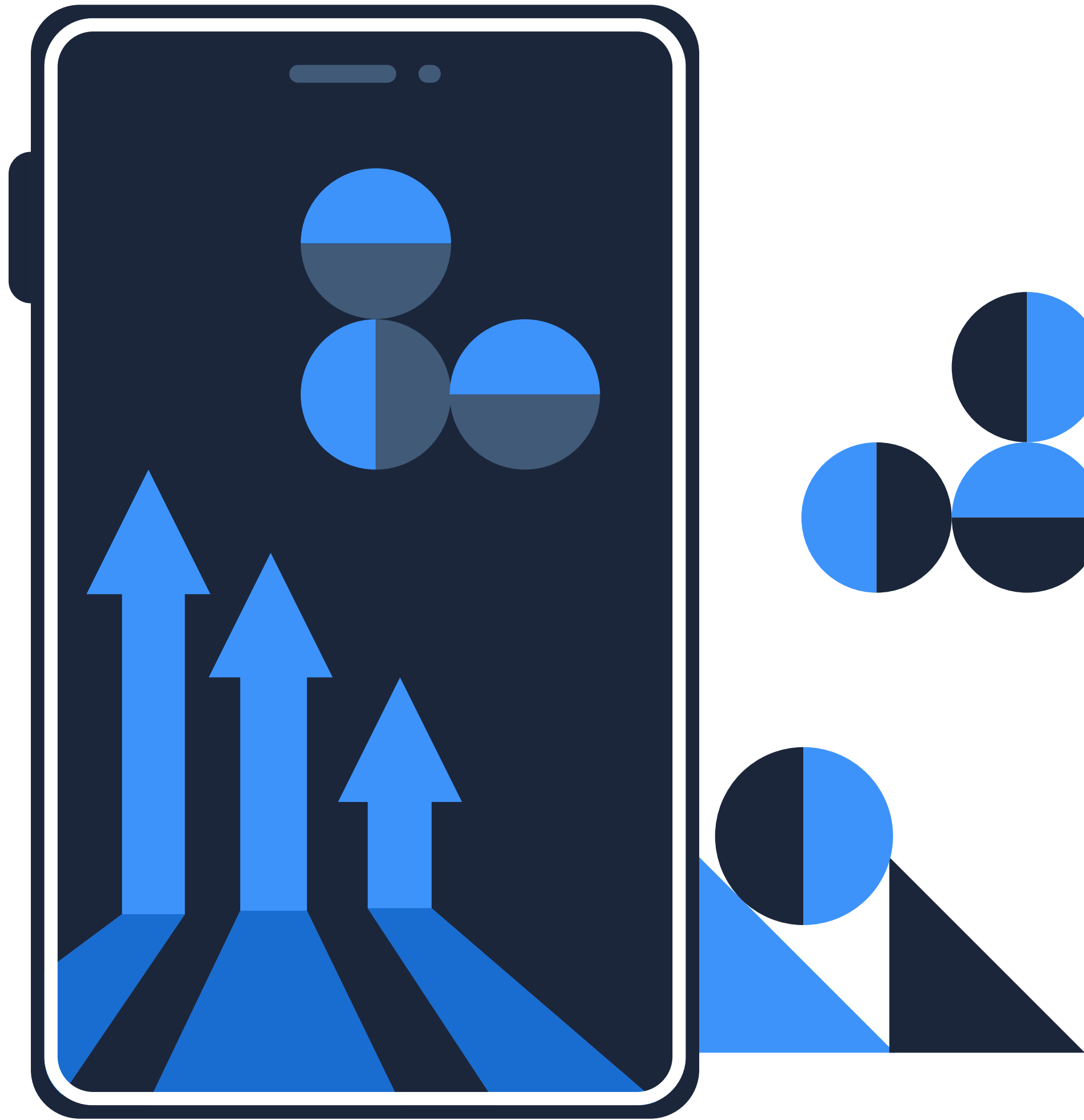


August 2023



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Introduction

# Digital asset adoption increases across Australia despite crypto winter

The third Swyftx Australian digital assets survey finds cryptocurrency adoption is still in growth mode with 23% of adults in the country today owning digital assets. The country has the highest rate of cryptocurrency adoption among developed nations and the 8th highest in the world.

Australians reported a \$2,795 drop in profits on their trading in the aftermath of a tough year that included the collapse of the world's third largest exchange, FTX.

The average profit on digital asset investments was \$8,218, compared to \$11,013 in 2022. Three in ten (29%) of cryptocurrency users in the country reported making no profit (21%) or only losses (8%).

Among Australians who do not own cryptocurrency, the main reason for not investing is due to its lack of regulation. Other reasons include its complexity and its volatility. The most popular reason given for owning cryptocurrency is 'to give it a try or learn more about it', followed by 'looking for a new investment.'

## Introduction

# Quarter of millennials to use their **FY22/23** tax rebate to purchase digital assets



The Swyftx survey points to Australia becoming a two-speed nation of investors, with a pronounced generational split emerging among the under-60s. Gen Z and Gen X are significantly less likely to report an intention to invest in digital assets over the next 12 months (27% and 24% respectively) than Millennials (41%).

The report finds a similar gap among generations when it comes to intention to invest in equities.

On top of this, more than a third of Millennials (37%) say they are very likely to invest their tax rebate for 2022/2023 in cryptocurrency.

Commenting on the report, Swyftx Chief Operating Officer, Jason Titman, said:

“An estimated 350,000 Aussies entered the digital assets market over the last year and national confidence in the future of cryptocurrency has increased.

But the shadow of FTX and cost of living pressures are weighing down on the rate of national adoption, which slowed by 50%. Our forecast is for adoption to flatline over the next 12 months and not hit last year’s highs until we have regulations in place that allow us to take advantage of the technology and manage its risks.

What’s not in doubt is the potential of digital assets and blockchain technology to support improved productivity across areas like dis-intermediation, digital scarcity and the tokenisation of real world assets. The technology will change our lives over the next few years.”

# Key statistics

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**23%**

of Australians currently own cryptocurrency

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**25%**

of Australians intend to purchase digital assets over the next 12 months

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**54%**

of Australian millennials own or have owned crypto in the past

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**\$8,218**

the average reported cryptocurrency profit over the last year

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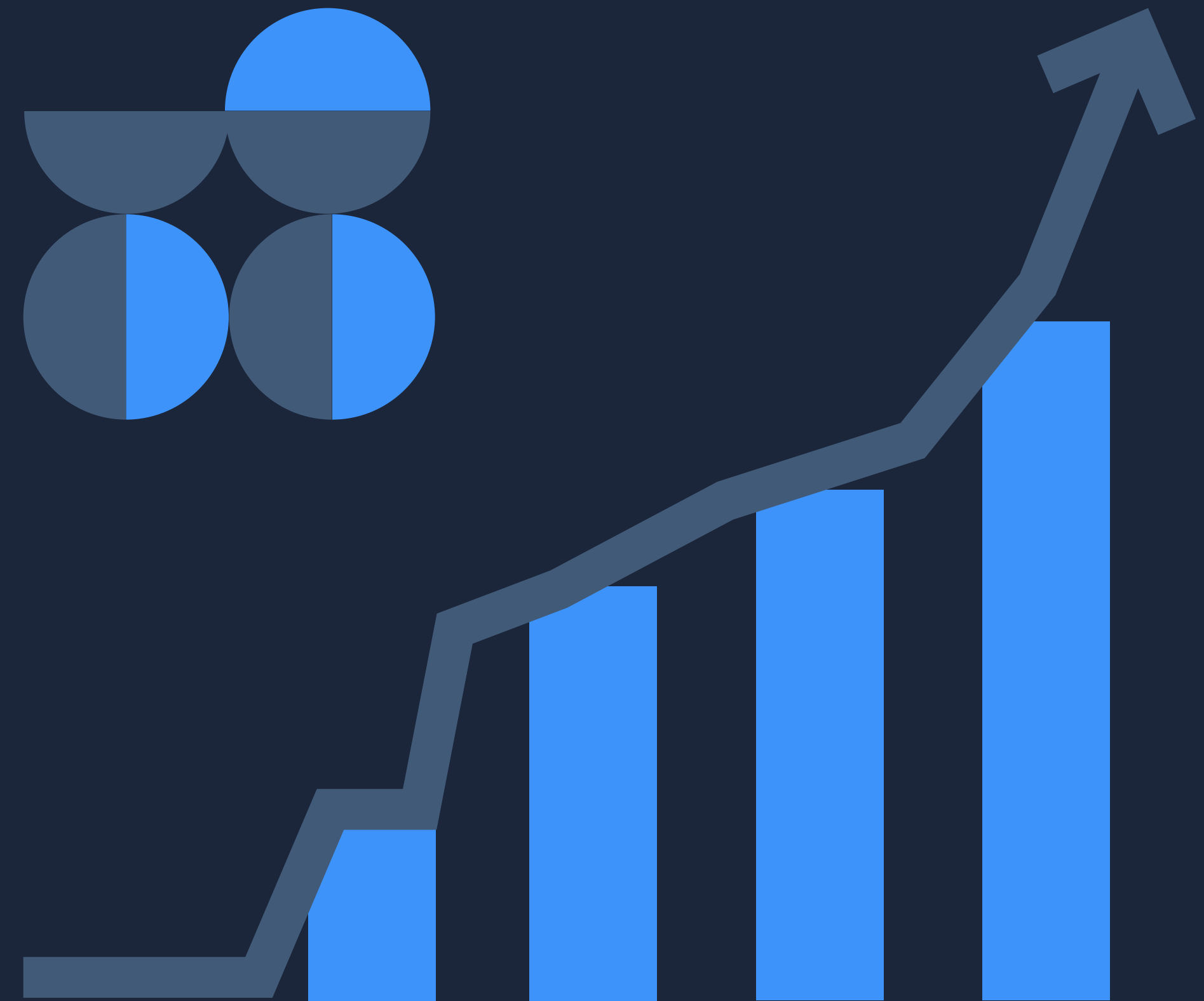
**290,000**

Australians removed digital assets from their super fund

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**906,000**

Aussies say they are likely to enter the cryptocurrency market for the first time in next 12 months



## About

# Swyftx

Australian digital asset exchange Swyftx has around 700,000 customers across Australia and New Zealand and is the country's most trusted exchange (source: Trustpilot). The multi-award winning, AUSTRAC-registered business launched in 2019 and supports both retail and corporate customers.

## This survey

The Swyftx national cryptocurrency survey is the largest annual tracking survey on digital assets in Australia. This year's findings are based on a YouGov survey of 2,199 adults across Australia. The survey was conducted online between 10 and 17 July, 2023. It is weighted using ABS estimates, ensuring it is representative of all Australia adults (18+) nationally.

This survey is fully compliant with the Australian Polling Council Code. A survey methodology statement is available [here](#). The margin of error for the effective sample size of this survey is +/- 2.1



## Who owns digital assets in Australia

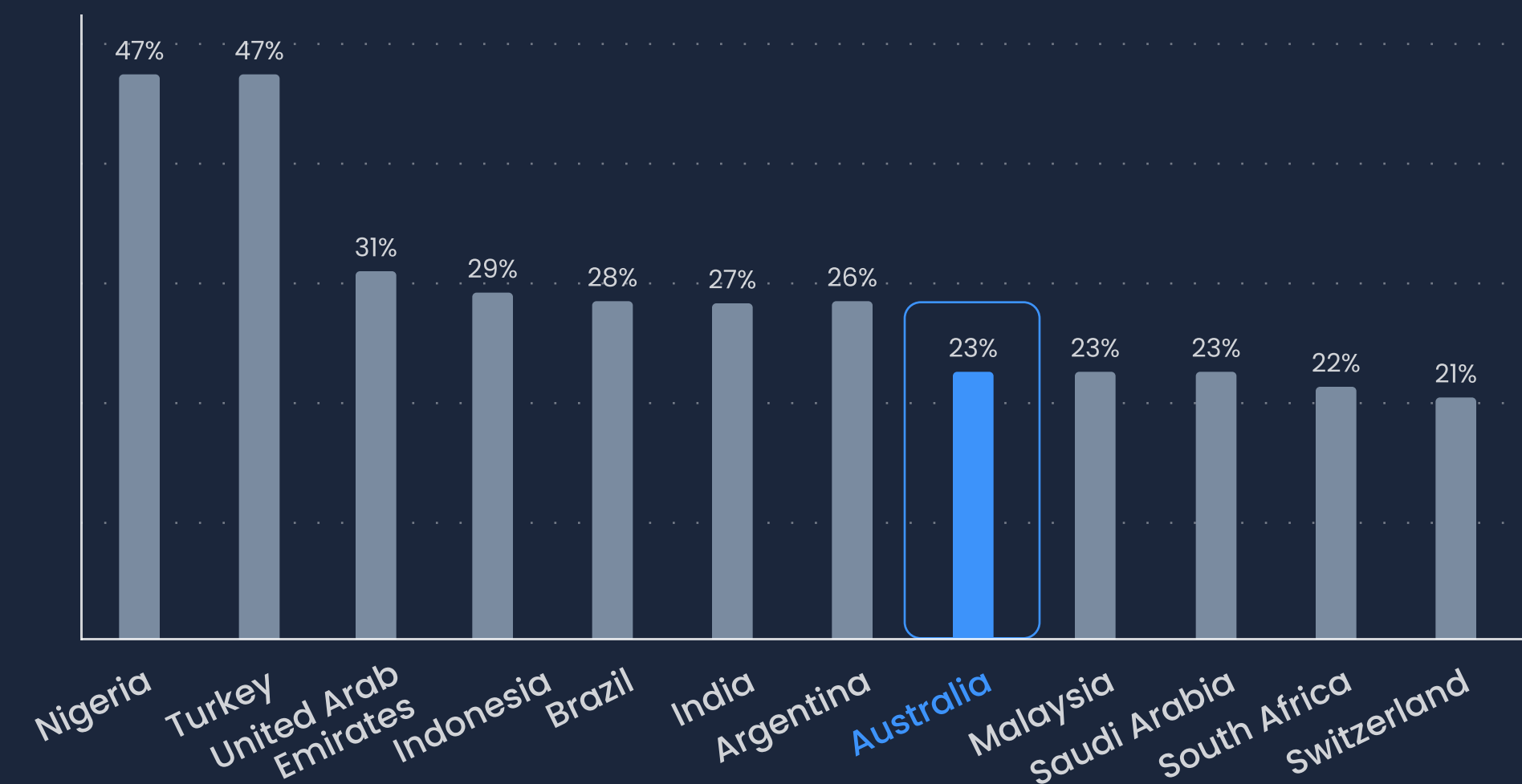
# Aussie millennials and women drive **unexpected increase** in crypto adoption

4.5 million Australians currently own crypto compared to 4.2 million in 2022 and 3.4 million in 2021. The number of females reporting that they own digital assets significantly increased year on year, from 11.9% to 16.1%. Adoption among millennials surged from 35.6% to 40.7%. The total number of Australians who own digital assets, or have owned them in the past, is now 32.4%.

Ownership among Victorians has accelerated the quickest of any state or territory. 21% of Victorians report owning digital assets, up 6pp year on year.

In total, 23% of Australians today own cryptocurrency. A two percentage point year-on-year increase. This compares to an estimated 16% in the United States and 12% in the UK (source: Statista).

### Cryptocurrency ownership by country



Global cryptocurrency ownership by percentage of population.  
Source: Swyftx YouGov survey 2023 and Statista national ownership data.

## Cryptocurrency profits

# Bear market weighs on profits

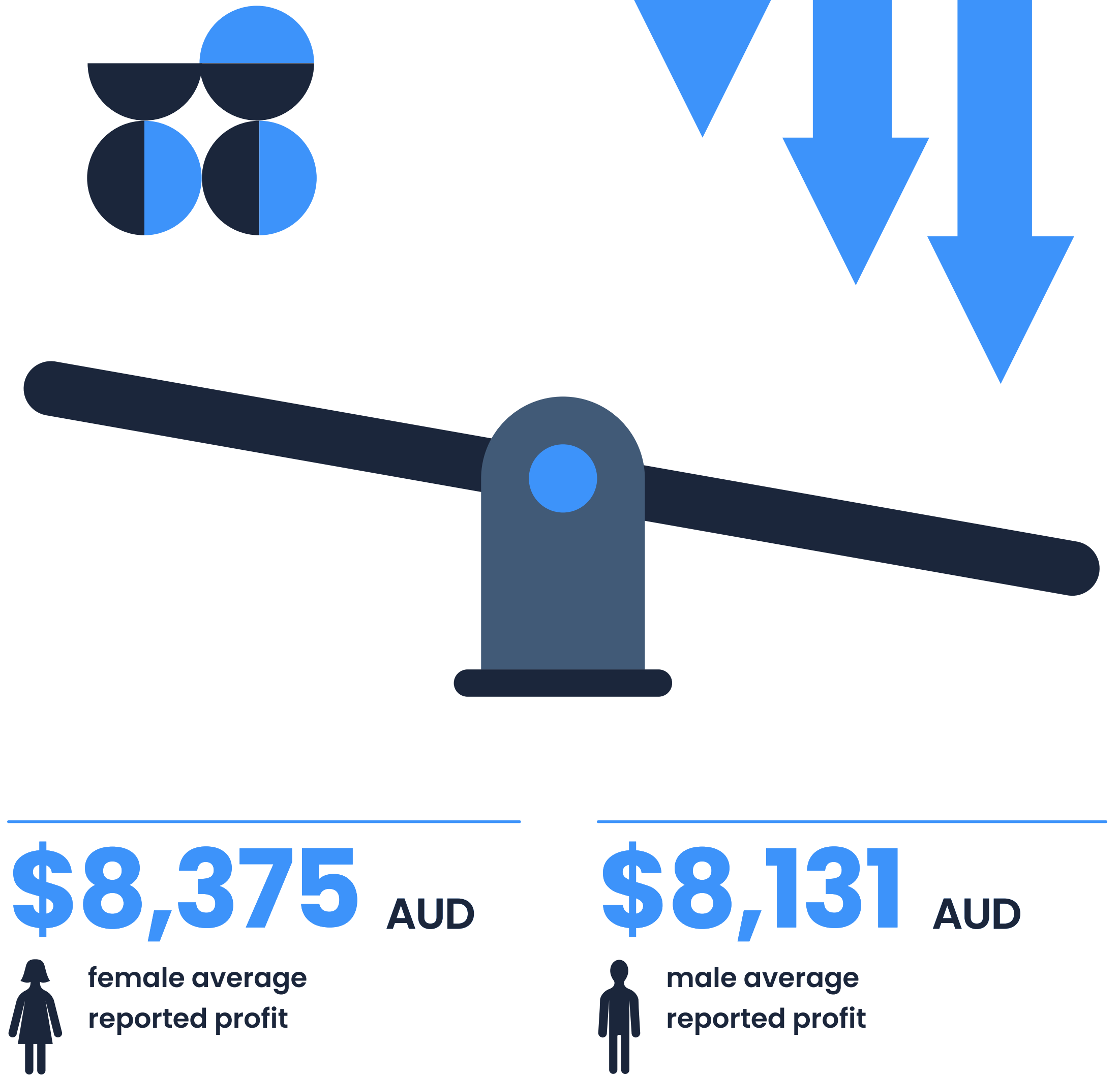
A 90% rally in the price of Bitcoin in the first half of 2023 was not enough to arrest a decline in reported profits by Australian cryptocurrency holders in this year's survey.

In total, 64% of Aussie digital asset owners reported making money on their cryptocurrency in the last 12 months compared to 72% last year.

A large year-on-year increase in the number of Australians reporting only losses was skewed heavily upwards by respondents in Victoria. Victorians were around three times as likely to report

making only losses (17%) as those living in other states. In a reversal of last year's findings, men were more likely to report making a profit (70%) than women (55% - down 13 percentage points). But women reported larger average profits for a second year running.

In line with previous Swyftx surveys, Australians with a strong or some understanding of the digital asset market were significantly more likely (70%) to record a profit than respondents with little or no understanding (41%).





## Intention to invest in digital assets

# Cost of living pressures expected to **slow Gen Z** adoption over the next year

This year's report finds 25% of Australians intend to buy cryptocurrencies over the next 12 months. But a gap is opening up between generations.

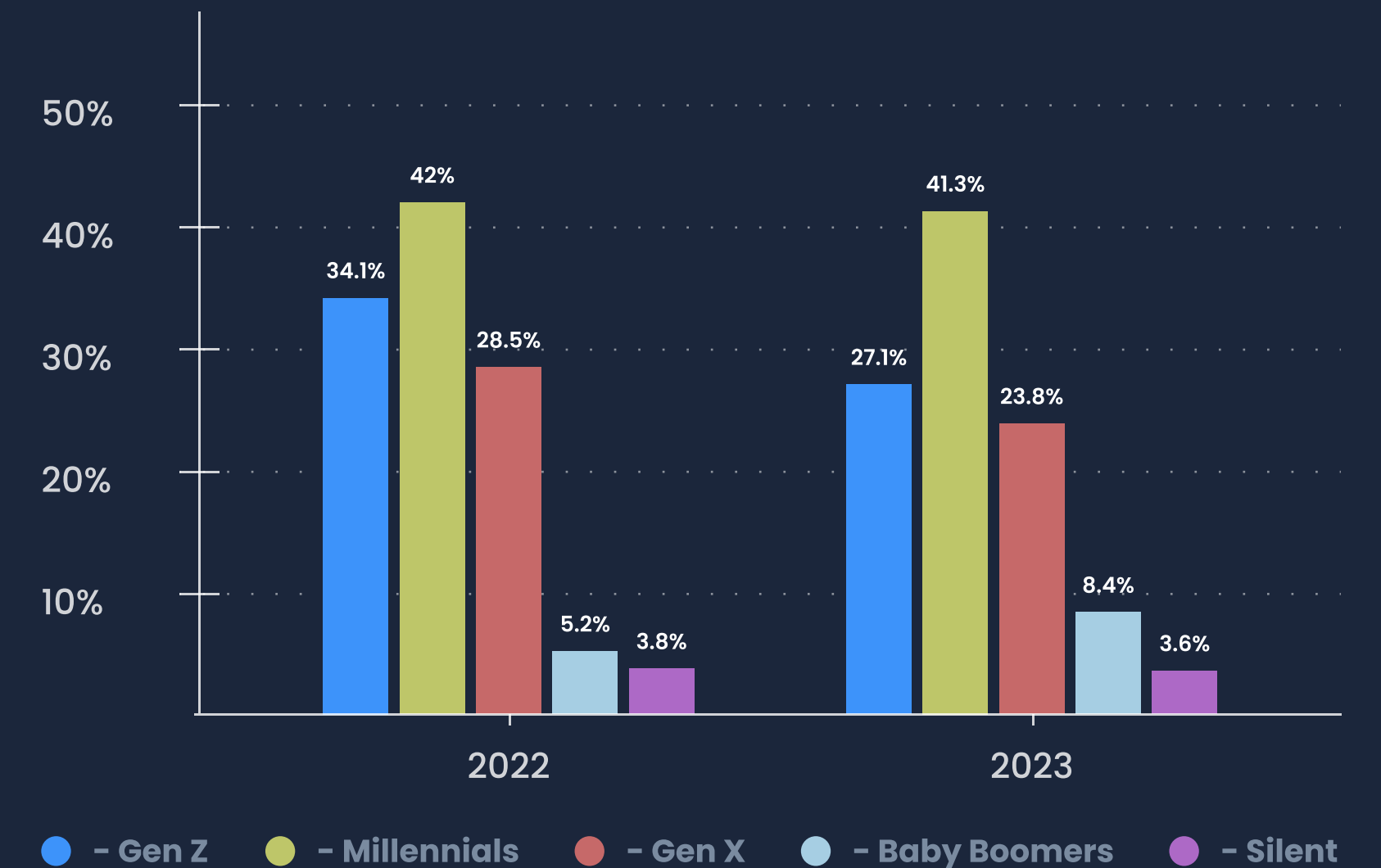
Two fifths (41.3%) of Millennials say they are likely to purchase digital assets and 55.2% to buy equities. In contrast, 27.1% of Gen Zs reported an intention to buy cryptocurrencies and 41.7% to buy equities.

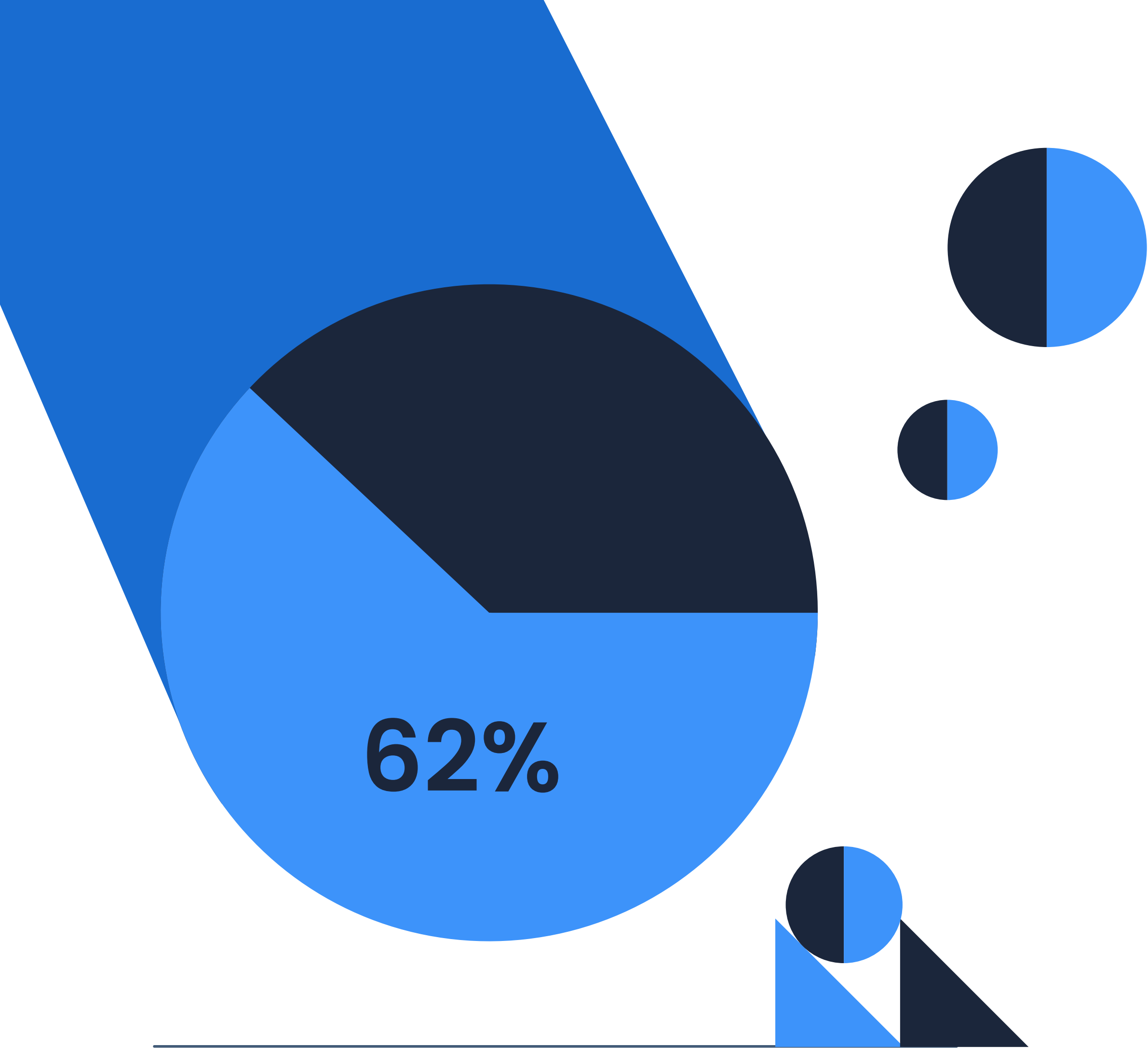
Last year, 34.1% of Gen Zs said they intended to buy crypto and 47.7% to buy equities.

A large majority of those reporting an intention to buy digital assets over the next 12 months are from households with children under 18 at home (40.2%) and an income of \$100K or more (35.4%).

## Generational investment gap widens between millennials and Gens Z and X

How likely, if at all, are you to invest in digital assets within the next 12 months





**62% of Australians who own digital assets say they would like their super fund to include digital tokens.**

### Digital assets in super funds

# Australians pull digital assets from their retirement funds

An estimated 290,000 Australians pulled digital assets from their super funds over the last year. This retreat was led by Gen X. Just 30% reported holding cryptocurrency in their super funds this year against 38% the year before. Among all current cryptocurrency holders, the report found 39% today hold digital assets in their super funds against 47% the year before.

This year's survey finds a steady decline in the number of Australian parents holding cryptocurrency in trust for their children.

Just under a fifth (17%) of parents who own cryptocurrency currently hold digital assets in trust for their kids, compared to 25% last year and 18% in 2021.

Despite this, younger Australians are increasingly pro-choice when it comes to including digital assets in super portfolios. When asked for their level of agreement on the statement: "I would like my superannuation fund to offer cryptocurrency", 40% of millennials agree it should. Up two percentage points on last year.

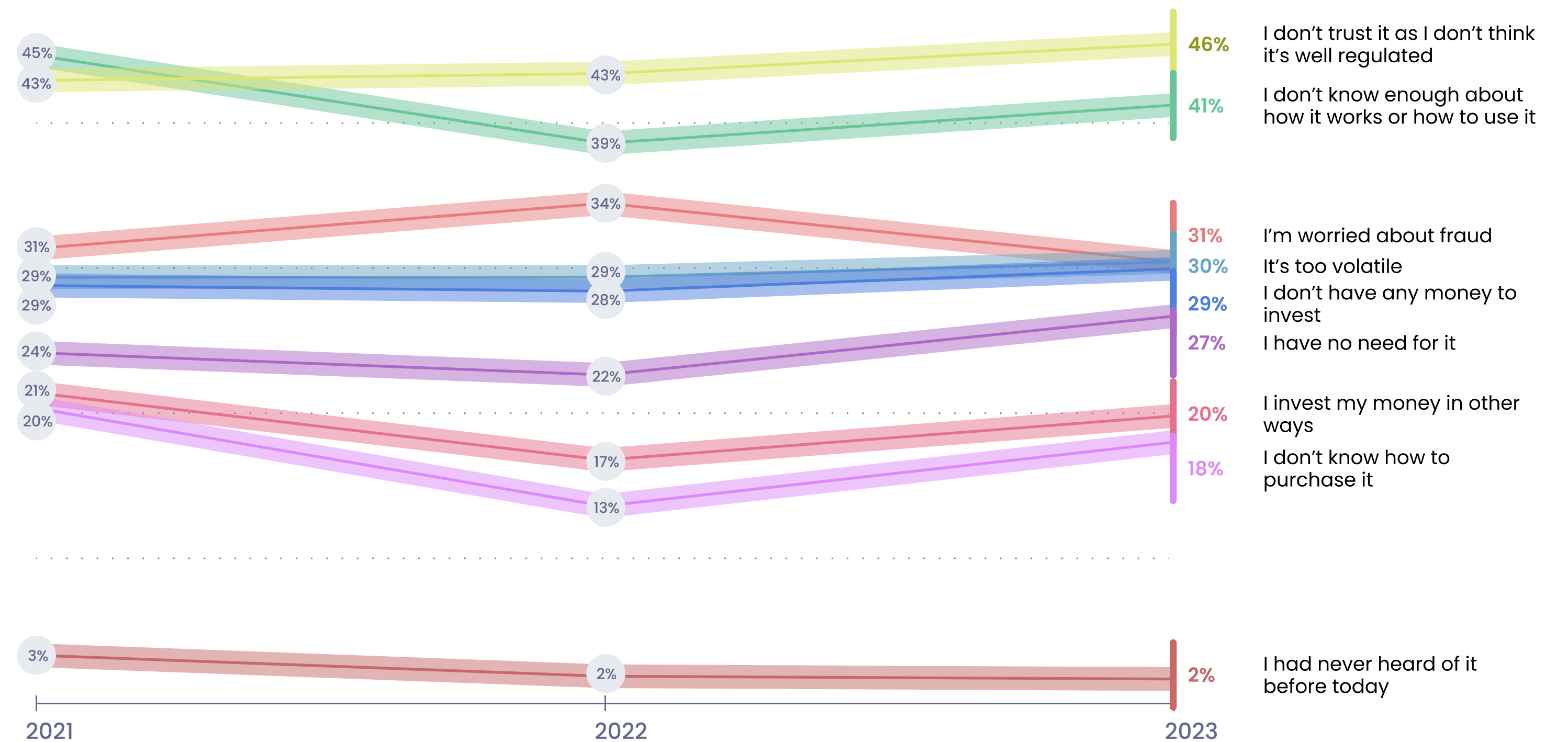
## Barriers to cryptocurrency adoption

# Concerns grow around lack of regulation

The failure of several high-profile international cryptocurrency platforms has increased national concerns around regulation. Last year 43% of Aussies said they didn't trust the market because it was not well regulated. This year the figure is 46%.

When asked how likely they would be to purchase digital assets with increased regulations, just under a third of Aussies (31%) reported they would be more likely to. The report finds Australian Millennials are particularly sensitive to regulations, with 43% saying they would be more likely to buy digital assets in a well-regulated environment. This compares to just 18% of Boomers, 31% of Gen X and 34% of Gen Z.

## Top reasons Australians don't own digital assets





## Cryptocurrency spending

# More than half of digital asset holders in Australia have used cryptocurrency to make purchases

Australians continue to use cryptocurrency as a method of payment for both goods and services. Just over half, or 55% of Australians that own cryptocurrency, have used digital assets to make purchases either at home or overseas. But the total number of people using their digital assets as a means of exchange declined by 9pp over this past 12 months.

The most popular website to purchase goods with crypto is Amazon (via the now shuttered Purse.io) 20%, followed by the Microsoft store (13%) and high street retailers (12%).

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# 55%

**of Australians, have used digital assets to make purchases either at home or overseas**

## Financial confidence

# 81%

**of Australian digital asset owners report a strong/some understanding of cryptocurrency**

A large majority of Australian digital asset users report an understanding of the cryptocurrency market, likely due to the country's high level of early grassroots adoption. Just 1.5% of current digital asset users report no understanding of the market.

Local digital asset holders continue to report much higher levels of financial understanding than the general population. Over half (55%) say they have a high or very high level of financial knowledge compared to 16% of those who have never owned cryptocurrency.

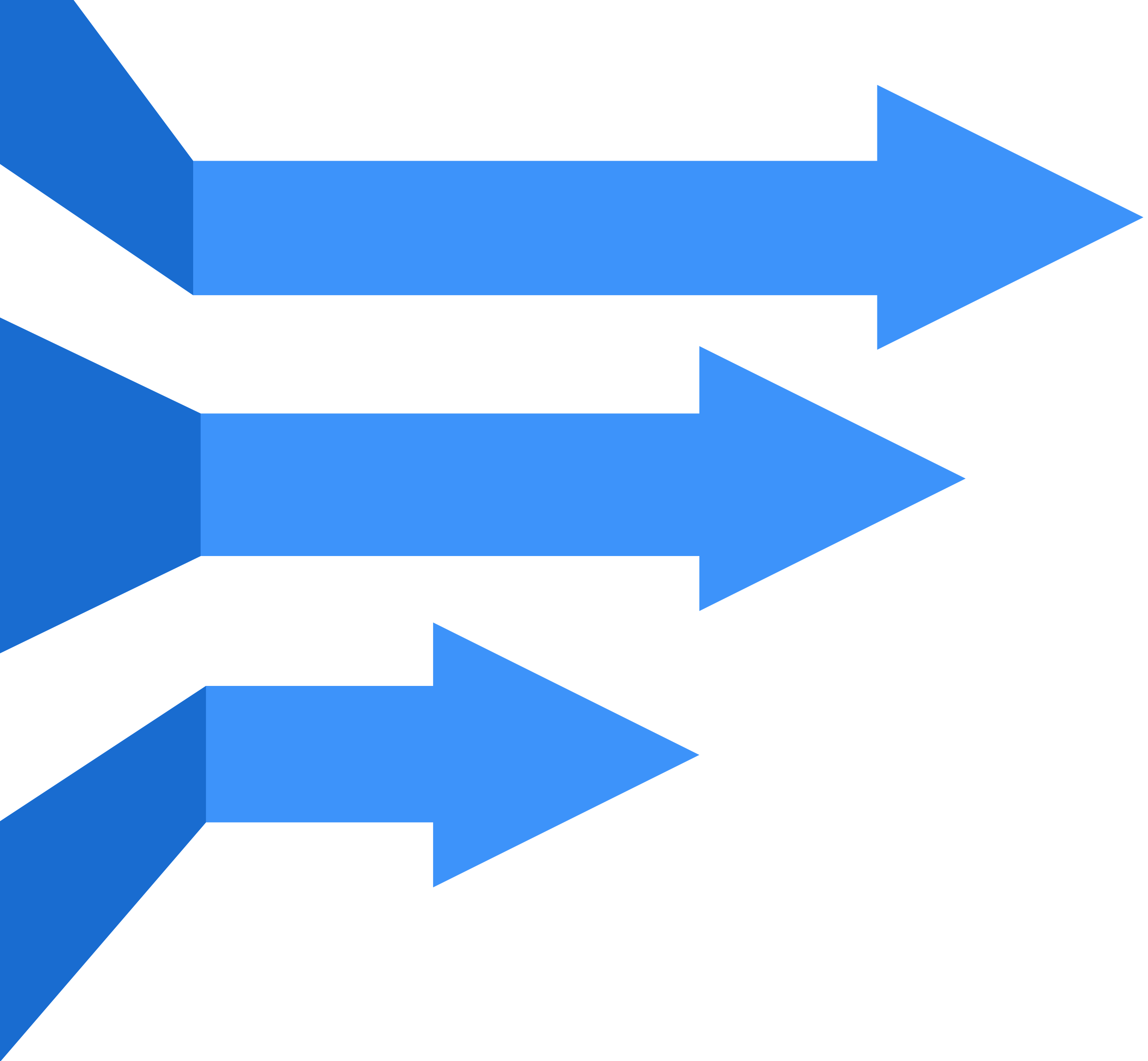
## 23%

of cryptocurrency owners report a high/extremely high investment risk appetite

## 1.5%

of digital assets owners report no understanding at all of the market





The future

# Uncertainty shrouds the future of the Australian digital asset market

This year’s survey unexpectedly finds that long term confidence in blockchain technology has increased. More than a third of all Australian adults (31%) today agree that cryptocurrency is the future of online financial transactions. A three percentage point increase on last year.

However, the local digital assets market is contending with significant uncertainty. For this reason, we think there is a significant margin for error (to the upside and downside) in this year’s survey finding that nearly one million more Australians will enter the digital asset market over the next 12 months.

Adoption rates could slow further or speed up very significantly depending on factors including national cost of living pressures, regulation, market innovations and price cycles.

Blockchain technology creates profound opportunities for Australian society and its economy in areas like productivity and financial freedoms. But it also poses risks. How successfully the country embraces the opportunity and mitigates any risks over the next few years is key.

Contact us

**Contact Tom Matthews or Tommy Honan for a discussion on the results of this survey and trends in the Australian market**



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