

Pokies: Knowledge, informed choice and responsibility.

“Problem gamblers tend to have more erroneous beliefs than non-problem gamblers”
(Turner et al., 2002).

Most people do not understand how poker machines work. People do not really understand random chance and therefore hold a variety of naive theories and beliefs about their ability to win. The risk of losing on pokies is not easily understood because of random chance and hidden odds. Players need to be warned about these risk factors.

For the most part, very little accurate information is available from the gambling industry on how Poker Machines work. It is difficult for the consumer to distinguish between accurate and inaccurate information. In the absence of easily accessible and accurate information, people tend to create their own beliefs about how things work. Naivety leads to false ideas that over time become beliefs that have little to do with truth. We humans tend to believe what we want to believe, especially if the belief is more exciting than reality. The way poker machines actually work is quite mundane to the average person but the fantasies we create makes playing them enticing. Many people hold mistaken beliefs about poker machines, these beliefs are shared among other players adding to there mystique.

Myths are created and shared. Beware of myths!

Myths that people believe about poker machines:

- . Poker machines are more likely to pay out after a run of “no pays”.
- Things even up in the long term
“If I keep playing I’ll eventually get my money back”.
- There is skill involved
“I can improve my chances of winning by doing certain things when I’m playing”.
- A near miss or a run of near misses means the machine will pay soon.

These errors in beliefs are based on a fundamental misunderstanding of the independence of random events. Many problem gamblers for example believe that, if a number has not come up recently it is due to come up soon.

This is definitely not the case!

If you continually play poker machines holding these mistaken beliefs you are at high risk of getting into trouble. Before you invest your money (and hopes) you need to know what the odds are against you. Do you really know how a poker machine works?

Poker machines do not work like a deck of playing cards where you can estimate your chances of getting an ace by the number of aces previously dealt out. They work very differently. Poker machines “reshuffle the whole deck” each time you press the button. So each spin is not influenced at all by any previous spins. Every time the button of a poker machine is pressed it will give a completely independent result that has nothing to do with the last spin. It’s a whole new deck!

Poker Machines work in a very complex way

Predicting or influencing an outcome of a spin is impossible. However, predicting the outcome of long term playing is possible, you'll lose - but more on that a little later.

Basically, how today's poker machines work is like this:

A mechanism called a Random Number Generator (RNG) is used to randomly select icons to display on each line of the virtual reels. There are no reels – just video images.

The machines have no memory and have no way of being influenced by previous spins.

The RNG runs all the time, spitting out combinations even when it's not been played; the machine is generating random sequences (around 50 million of them) at an ultra fast speed but most of these sequences are not used.

Only at the very millisecond that the spin button is pressed does the RNG send its information to display the icons. A millisecond later and the outcome of playing the poker machine will be completely different.

The player does not know how many RNG sequences were skipped between one button press and the next. As a result, the outcomes in playing poker machines are random, totally unpredictable and uninfluenced by *how* someone plays or how long they play.

Hidden odds

The number of icons shown on a reel does not necessarily correspond to the chances of winning.

A symbol might occur 3 times on the reel, but only land on the pay-line once every 50 or 100 spins. The RNG can have some symbols linked to a large number of pay-line stops and some linked to very few. Some icons might never stop on a particular spot. So although there may be 6 of one icon on a reel, only 4 of them may be programmed to land on a paying line.

Did you know that your chances of winning the "big one" are 1 in 52,500,000 and that you are 5 times more likely to be struck by lightning?

The gaming machine manufacturers are correct in telling us that the machines are set to return around 87% back to the player. However this information can be easily confused because what it really means is that you are not getting any return at all – you actually lose 13%. For example; say on average you play \$100 then on average you'll get back \$87, which means you're down \$13.

This would all be easy to work out if the gambler walked away after losing their 13% but as most people know the gambler stays to re-invest until the whole amount is gone or until they are lucky enough to walk away with some winnings. These "winnings" are a part of the 87% return to player.

Even with winning, most players are not satisfied with the share of return, so they continue playing in hope to get another win. But because returns are shared randomly, you could end up having to invest \$1000 to get a decent return or, in rare occasions, you may need only one spin.

It is often the players sense of anticipation and their mistaken beliefs about their chances of winning that keeps them playing. However, it is crucial to understand that all machines are programmed to make money and playing them long term means you must come out losing – it is simply the way the machine is set.

It all adds up

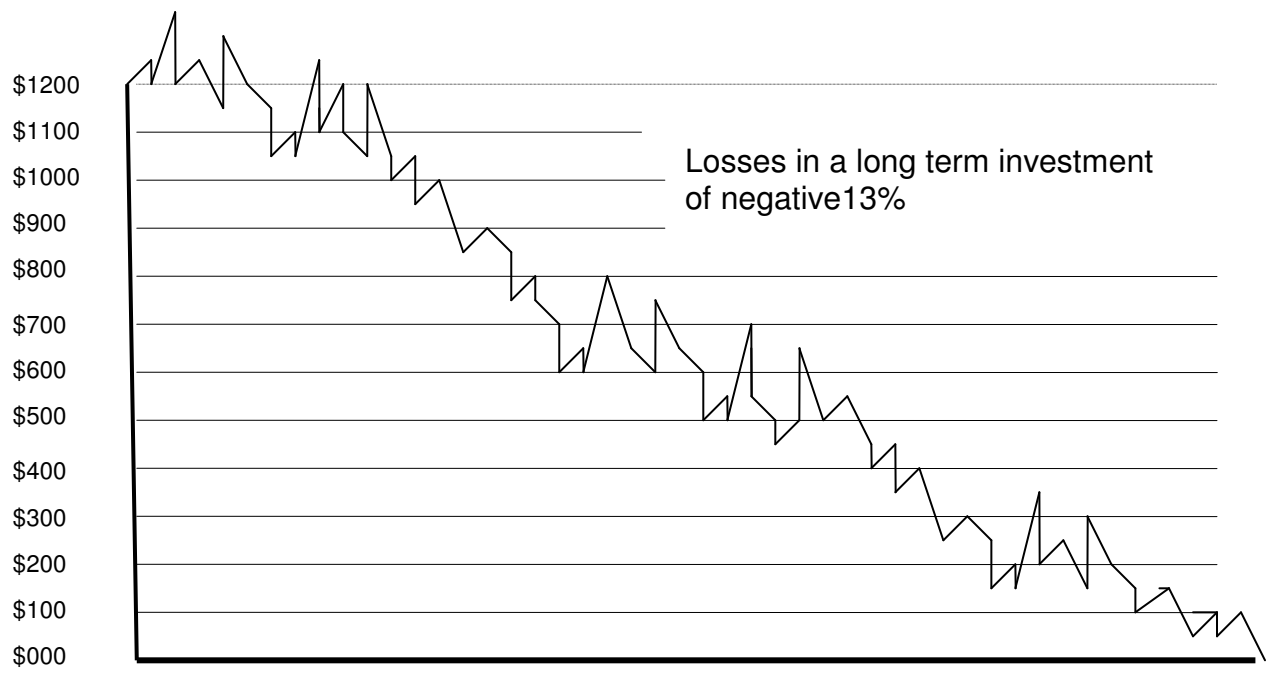
Stop and think about this for a second: In the long run it's impossible for the machine to lose - it has to win! The machine is there for two reasons, to provide you with entertainment and create revenue for the venue. There is no risk involved in this for the venue; the machine is programmed to make money so it does.

Many poker machines in NSW make over \$200,000 a year. There are 26,000 people employed in the gaming industry in this state. All of these people are being paid a wage, so it only fair that the industry makes a profit. About \$5.7 billion is made from gambling in NSW each year - most of it from pokies. So who does the machine depend on to get its profits? You, the player of course!

Investing in a guaranteed loss

Most shrewd investors would jump at the chance of a guaranteed 13% profit rate. They would put up with short term losses for the benefit of overall long term gain. They would reinvest their profit again and again so that it compounded to give them a large return. On the other hand it would seem madness to invest, and reinvest, in something that was intended to randomly take your money at an overall guaranteed rate of 13%. Common sense tells you the longer you invest the greater amount you'll lose.

Long term poker machine playing is the exact opposite of a good investment strategy. It's about celebrating short term gains to suffer the consequences of overall long term losses. The diagram below shows how a player will typically will be in front in any given session with an inevitable overall loss. Here there are twelve \$100 sessions that amount to a \$1200 investment. The example below shows how in the short term you can have some significant wins but because of the overall programming of poker machines the trend is set to unavoidably loss in the long term.



Remember there is nothing you can do to increase your odds so the downward trend is set – the longer you play the more you pay.

Putting thing into perspective

There is nothing wrong with having a flutter to entertain yourself, and there is nothing wrong with making money from providing the community with a form of entertainment. However if you consider playing poker machines to be anything more than entertainment, if you are depending on a poker machine to provide you with something it simply cannot provide, you are either in trouble or heading towards it.

The makers of poker machines themselves warn people of this. In their *“Players Information Booklet”* the Australian Gaming Machine Manufacturers Association say that people who believe they can increase their income from playing poker machines are either *“seriously misinformed or just plain foolish.”*

You can't get blood out of a stone, and trying to make money from poker machines makes as much sense as using the toaster to iron your clothes - it's just not designed to do that.

Pokies are designed to get people to gamble and keep them gambling. Keep the gambler entertained and excited by giving out random payments while in the long term making a handsome profit. It would be irresponsible to suggest that manufacturers design their games to produce problem gamblers; however the bottom line is money, and these machines make a lot of it. Machines are continually monitored for “improvement.” They are tested, modified and retested to ensure that they are attractive to the player, ensuring their popularity (hence profitability). The development of poker machine technology appears to be very successful at providing entertainment, making money, and unfortunately for some, creating problems.

With knowledge comes responsibility

Understanding how pokies work is one thing, what you do with this knowledge is another.

Generally speaking, when people are aware of the things discussed here, yet still continue to gamble in excess, something on an emotional level is happening for them. If what you're doing defies good sense (not to mention dollars) and seems illogical then it could be said you're acting primarily on emotions and ignoring logic. Or to put it another way; your emotions are overriding your logic. If this is so for you, you might ask yourself, “Am I depending on gambling to ease my stress, loneliness, depression or anxiety?” or “What am I unconsciously avoiding or trying to fix by gambling compulsively?”

Regardless of your answer there is help available to anyone who is having difficulty quitting. Asking for help is difficult for some, yet it is often the first step in taking responsibility. Central Coast Problem Gambling Service is available to provide free professional assistance – all you need to do is call 4344 7992. Our staff are qualified professionals specialising in compulsive gambling. We offer assistance that is specifically tailored for your unique situation to help you decide on and realise your own goals.

Whatever action you take (or don't take) is totally your choice.

