

21 July 2009

Gambling Enquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Mr. Banks

**SUBMISSION TO THE PRODUCTIVITY COMMISSION
GAMBLING INQUIRY – GAMING MACHINES - FURTHER
MATERIALS - IMPACT OF STARVED REEL CHEATING DEVICE
ON INDIGENOUS POPULATIONS - NEW ZEALAND -
IMPLICATIONS OF TRANCE INDUCTION ON MEASURING
DECEPTIVE CONDUCT**

I refer to my supplementary submission dated 25 March 2009.

I regret the lateness of this further submission but there are three additional matters which should be drawn to the attention of the Commission.

Enhanced effect of gaming machine cheating device on indigenous populations

Just to recap from my first submission. The cheating device in the machines makes the machine look as though it will be paying out, say, double the money put in. Players who “accurately” assess the chance of winning on the machines - on the natural assumption the reels are the same - will form the view that they should win.

Counsellors, unaware of the cheating device in the gaming machines, have been wrongly assuming that players who have poor pattern recognition skills are more vulnerable to problem gambling.

In fact, the opposite is the case. The better, the pattern recognition skills, the greater the risk.

This brings us to Aboriginals. One would expect that Aboriginals, who are closer to a hunter/gatherer past, would have above-average spatial skills. There seems to be evidence for this.^{1 2 3}

New Zealand

I have been in correspondence with the Co-Leader of the Maori Party in New Zealand and with the NZ Minister of Internal Affairs regarding the cheating

¹ “The Australian natives possess a mathematical instinct ... that as regards the interpretation of pure space is far superior to that of the Greeks.” - Oswald Spangler – quoted with approval in “Measurement in Tribal Aboriginal Communities” by Pam Harris (1980) Northern Territory Department of Education

² I had one boy of 15 in class...could not add 2+2 or 10+8....sort of sums.....yet put him throwing a dice and he added those dots up so bloody fast...to reach 20-30 type scores in milliseconds!! That is how we played at "counting" etc but they never got our sums...related to winning and "points" appealed to them. [Source: private correspondence with former NT teacher]

³For the 2009 Australian Football League season, there will be 82 Indigenous Australians in the AFL; that's 11.11% of all players. [Source: www.aboriginalfootball.com.au/]
Aboriginals form 0.58% of the Australian population and 0.6% of the Victorian population [Source: Wikipedia]

device on the machines. I enclose copies of the correspondence as detailed below.

I am uncertain as to the weight your Commission, as an Australian government organization, can give to the grave concerns of the Co-leader of the Maori Party. However, the commonality of the gaming machine standards between Australia and New Zealand means your report, insofar as it may comment on the standards, may well affect the New Zealand Government. Also, it seems from the frequent press reports in the New Zealand newspapers that the indigenous people of New Zealand are suffering considerable social harm from the machines in that country. Anecdotal evidence given to me⁴ suggests Aboriginal communities in Australia are also suffering considerable harm but, as far as I have seen from the submissions made to your Commission, little representation has been made to your Commission on behalf of indigenous Australians.

- Letter dated 25 March 2009 from Hon Tariana Turia, Co-leader, Maori Party to me
- Letter dated 1 July 2009 from Hon. Nathan Guy, Minister of Internal Affairs to me
- Letter dated 21 July 2009 from me to Hon Nathan Guy

Implication of Trance Induction on the Measuring of Deceptive Conduct - Reappraisal of Evidence Given to Senate Committee in Answer to Question by Senator Xenophon

I set out the text of an email I forwarded to Senator Xenophon on 1 June 2009. The email is self-explanatory.

“Dear Senator

In the Senate Community Affairs hearing into poker machines you asked me the following question and I gave the following answer.

Senator XENOPHON—I have one more question. I want to understand what you are saying about unbalanced reels and all that sort of thing. On some machines you might bet, say, on 10 lines and win on only one, so there is a net loss—you have lost on the others. Some of the machines flash up ‘Congratulations, you have won’, or ‘You are a winner.’ Can you comment on how that might mislead players?

Mr Falkiner—That is part of the trappings. It is a question of: How far do advertisers go in pushing the margins? It is possible for a person to look and see that he or she has lost. A person might have a bet of, say, \$5, he or she gets back \$4.60, and the machine says, ‘You have won.’ Is that the situation you are describing?

⁴ I am aware of studies in the Alice Springs area especially...not sure of specifics apart from the fact that outlying community members were also affected...not just Alice Springs dwellers themselves. In other words...north / south / east / west of Alice Springs were known to "binge gamble". Our mob was a part of this "binge gambling" as they had relatives in Kintore...nearer communities to Ayers Rock ...and they all went to Alice Springs for weeks on end...supposedly attending family funerals but mostly drinking and gambling. I think that grog and gambling may have been high-lighted as a 'double whammie' for most Aboriginal people. [Source: private correspondence from former NT teacher]

Senator XENOPHON—Yes.

Mr Falkiner—It is not something with which I would feel comfortable, but I do not think that is the reason these machines are being played. It is not a very good answer, but it is one thing that could be taken off.

Since appearing before the committee I have been undertaking a course in Transpersonal Counselling and one of the things we are learning about is trance states. The course is very practical and we have spent some time working with each other one on one - inducing trance states in the other student and practising a type of counselling on them. Thus I have had experience both in observing the effect of trance on others and in observing my own mental processes when in a state of trance.

Essentially, the machines put the player in a trance state and in a trance state a person becomes very suggestible.

Thus, a person in a trance being told, "You have won." will accept that uncritically.

For this reason, if you were to ask me the question now, I would take the issue far more seriously and unhesitatingly answer that the practice is unacceptable. It is not so much a case of it being misleading because that presupposes the player is in an ordinary waking state and is misled though he or she applies critical judgment. It is far more serious than this; the player in a trance state is unable to bring critical judgment to bear and will uncritically accept anything put to him or her."

To re-state the most important point, where the player is in a trance the normal consumer protection tests do not apply. They are predicated upon the consumer being in an ordinary waking state. The person in a trance is very suggestible and application of the normal test is not appropriate.

I now realize that Sue Pinkerton was on to this well before me; I did not at the time understand the implications of trance and she did. It is difficult for any one who has not done trance work to understand. Sue made the point in an email to me dated 19 February 2007 but I failed to appreciate its significance. I quote from the email:

Only by knowing the effect these machines are designed to have on people who use them can we begin to understand the REAL purpose of all those flashing messages that appear on a gambling machine screen after a person has played (e.g., "Well done". "Good choice". "Today is your lucky day". "Out of credit - insert more coins" "Game over - Place another bet" etc). Only by knowing the effect these machines have on people's mental processes and behaviour can we begin to understand why it is that so many people return again and again to the machines despite their best intentions to stay away. Only by knowing and accepting the reality of increased suggestibility that occurs during a hypnotic trance state (and continues for some time after coming out of the trance state) can we begin to understand why they become so depressed. After gambling in a hypnotic state, the subsequent loss of control and overspending is inevitably followed (during the post hypnotic period when suggestibility is still high) by deep regretdeep regret and shame evoke self blame and thoughts of self

harm - a style of thinking about oneself that inevitably enters straight into the unconscious mind.

Once we accept the reality of the hypnotic effect these machines have can we begin to work out ways that will effectively counter pokies addiction AND the harm these machines cause to people's mental processes.

Sue Pinkerton makes the additional point that the trance state takes some time to wear off. I would agree wholeheartedly and add two more points from my own experience. First, if one regularly undergoes trance, the trance state does not fully wear off whilst it is being regularly renewed. Secondly, once one becomes accustomed to going into a trance state, it becomes progressively easier and quicker to reenter the trance state in response to the trance induction procedure.

The trance induction procedure in the case of pokies would appear to be an ergotropic trance induced by auditory, tactile and visual driving. See Wikipedia entry under “trance” for a discussion of trance induction techniques. It is a technique that has been practised for thousands of years.⁵

Kind regards

Tim Falkiner

⁵ The usage of repetitive rhythms to induce trance states is an ancient phenomenon. Throughout the world, shamanistic practitioners have been employing this method for millennia. [Source: Wikipedia entry “trance”]