

COUNTRY REPORT : AUSTRIA 2007/2008

In Austria we have a state monopoly for Casinos and Lotteries. Only two private companies are privileged to hold respective concessions and operate aprx. 1800 machines without limits on stake and wins. § 4 of the Federal Gambling Law allows private operators to operate gambling machines if the maximum stake is € 0.50 and the maximum win does not exceed € 20.- . There are no further requirements or details like game definitions, technical or time limits, etc. However this so called “Kleine Glücksspiel” – like AWP - is only allowed in 4 of the 9 Austrian counties. The county governments can impose further restrictions, like in Carinthia, where such gambling machines must be approved and tested for a minimum payout of 85 % and a game must last 5 seconds.

Following counties allow the operation of Austrian type AWP for players above 18 :

Vienna : a relatively steady number of aprx. 3300 machines and an exceptionally high tax to be paid monthly in advance. Maximum number of machines per site is 2, except in the 2 specially designated areas for gambling arcades, the Prater and the Böhmishe Prater.

Styria : a little more than 3000 machines are operating, while aprx. 4700 licenses were issued. There is a higher number of licenses, because this way you can block the site against any more competition moving in. Moderate tax also to be paid monthly.

Carinthia : Aprx. 670 machines are operated under a quite strict regime and with regular controls. A less moderate tax is paid monthly.

Lower Austria : There are only gambling arcades allowed with a minimum of 15 machines and strict entry controls for identification and counting the number of visits. There are less than 600 machines in operation and less than 10.000 such entry control cards were issued so far. The paid in security deposit per arcade must be € 4.000.000 and the tax per machine raises to a high level after the 2nd year of operation.

There are reports of unspecified numbers of gambling machines operated in all the other counties, but the number of convictions for breach of § 168 of the gambling law was 18 in 2005 and 17 in 2006 for all Austria. Numbers of any administrative actions are not available.

While the private company Casinos Austria operates 12 casinos in the country, there are about 80 to 90 casinos along the Austrian border with parking spaces full of Austrian cars and more casinos are planned. Austrians are already spending 4 times more money per head for gambling on the internet as the Germans for instance. Of course it is prohibited by law to gamble on the internet, but nobody cares. Anonymous payment cards can be bought at any post office, many shops and gasoline stations since nearly ten years.

The official statement of Automatenverband.at in reference to this reality is :

Whoever tells you, that it is possible to successfully prohibit gambling on the internet either does not know what he is talking about or he is lying.

Another problem area is, that we are expecting a new gambling law, which, because of intensive lobbying by various parties involved, could have enormous influence on the future of our business. While there are attempts to prohibit gambling outside of casinos completely, there are also plans to allow gambling in all counties, but to tax it very high. While the first ones are unpaid lobbyists for internet casinos overseas, the other ones have amateurish expectations of the possible taxes they want to raise. A first legislative amendment from November 2007 did not receive the approval of the parliament until now. It raised the fines for gambling on the internet (which cannot be controlled anyway) and imposed entry controls for the arcades of the monopoly concessionaires from 2009.

The next problem area is the therapy business for real and alleged pathological gamblers. We have more psychologists and psychotherapists than gambling machines in Austria. Not to mention the many social workers looking for work. For many years they were not used that their sometimes grotesquely inflated numbers of alleged pathological gamblers and demands for subsidies were questioned and challenged with international recognised hard scientific facts. Subsequently we have constant attacks through certain medias, public discussions to attend, interviews and statements to make. It does not help very much, that the largest TV and radio station holds a 6 % stake in the lotteries and that indirectly some owners of newspapers have interests in the only casino company.

So far the state has clearly failed to regulate the gambling business in Austria successfully against the already worldwide competition. It needs to be seen if the expected new legislation will handle today's needs or if the player's money will end up in the tax free Caribian, where gamblers are tempted to play with certified payouts of 97 and 98 % and the problems remain in Austria.