

Austria 2009 – the country report:

In Austria there is a state monopoly for Casinos and Lotteries. Only two private companies are privileged to hold respective monopoly concessions and operate aprx. 1800 machines without limits on stake and wins. An exemption of the Federal Gambling Law Monopoly 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.

The following counties allow the operation of Austrian type AWP for players above the age of 18 :

Vienna : a relatively steady number of aprx. 3400 machines and an exceptionally high tax to be paid monthly in advance. Maximum number of machines per site is 2, except in the two specially designated areas for gambling arcades, the Prater and the Böhmisches 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. A moderate tax has to be paid monthly.

Carinthia : More than 800 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 more than 800 machines in operation and 12.000 such entry control cards were issued so far. The paid in security deposit per arcade must be € 4 million and the tax per machine raises to a higher level in the second year of operation and even higher in the third year.

There are isolated reports of unspecified numbers of illegal gambling machines operated in all the other counties, but the number of convictions for breach of the gambling law was only 18 in 2005 and 17 in 2006 for all Austria. Numbers of any administrative actions on district level are not available. Since 2007/2008 large numbers of so called internet terminals are also operated as gambling machines within the 50 cent/20.-€ exception of the monopoly, mainly, but not only, in the counties with AWP gambling prohibition.

While the private company Casinos Austria AG operates 12 casinos in the country, there are allegedly about 80 to 90 casinos and gambling arcades directly operating successfully since many years along the Austrian border with parking spaces full of Austrian cars and more such casinos are planned.

However it is reported that Austrians nevertheless 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, because it cannot be controlled.

Anonymous payment cards can be bought at any post office, many shops and other locations since nearly ten years. Also debit cards, readily available over the counter of some banks, cannot be controlled properly.

The official statement of the trade body Automatenverband.at in reference to those facts is :

*“Whoever tells you, that is possible to **successfully** prohibit or impede gambling on the internet, either does not know what he is talking about, or he lies.”*

Another problem area is, that the Austrians are expecting a new gambling law, which, because of intensive lobbying by various parties involved, will have enormous influence on the future of the AWP gambling business. While there are attempts to prohibit gambling outside of the private monopoly casinos completely, there are also plans to allow gambling arcades with restrictions in all counties. In November 2008, immediately after the elections and before the new government was in power, an attempt was made to eliminate over 1000 small and medium companies involved in the AWP gambling business in favour of a new gambling regime. It would also have made over 10.000 people unemployed within an interim period of a few years.

Luckily the draft of the new law, which was planned to be in power on 1st of January 2009, had a number of serious juridical and constitutional mistakes in it. It also missed to observe some important aspects of the prevailing European Union laws and the Treaty.

Presently it is still under top secret discussion at the Ministry of Finance, which carefully avoids the public eye.

Of course it is subject of intensive lobbying by the major players and will probably be presented very suddenly to the parliament before the end of this year. This way some politicians could try to avoid any unwanted public discussions about a centrally planned gambling business with strange details, resulting in unfair competition, destruction of healthy companies, unemployment and heavily restricted choices for the local consumers.

While some of those seeking to influence the government are unpaid lobbyists for internet casinos overseas, there are others, even alleged experts, with amateurish expectations of the possible taxes they want to raise.

It must also be remembered, that a first, more harmless, legislative amendment from November 2007, has only received approval later in 2008. It raised the fines for gambling on the internet (which cannot be controlled anyway) and imposed entry controls for the gambling arcades of a monopoly concessionaire from 2009, which, however, are reported to be still not in force everywhere.

The next concern for the industry is that of pathological gamblers.

Responsible gambling in the AWP business has a long tradition in Austria, but pathological gamblers are misused by politicians and some organisations for their political campaigns. Automatenverband.at received data, which shows, that there are probably more psychologists and psychotherapists than gambling machines in Austria! Of course not all of them try to treat the few pathological gamblers. There have been constant attacks against the AWP gambling sector through certain media with inflated numbers and unscientific terms like “people being affected by gambling addiction”, which of course includes not only the few pathological gamblers but also the large number of any relatives, friends or people who may have lent money or were neglected somehow.

It does not help that the largest TV and radio station holds a 6 % stake in the Austrian lotteries and that indirectly some owners of newspapers have interests in the only casino company, Casinos Austria AG, which again is majority owner of Austrian Lotteries.

So far the government, our politicians and public servants, have clearly failed to regulate the gambling business in Austria successfully against worldwide competition and the existing needs of the population. It needs to be seen, if the expected new legislation will be able to regulate an industry and business, which thrives on the latest innovations and the fast implementation of the same or if the player’s money will keep ending up in the tax free Caribbean, where gamblers are tempted to gamble with certified payouts of 97 and 98 % and only any problems will remain in Austria.