**PolEG Country report**

**Austria 18 Nov 2019**

**Janne Nikkinen**

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1. **The market**

Austria has a gambling monopoly based on a concession system, including two companies, Casinos Austria and Österreichische Lotterien. In Casinos Austria the state is not a majority shareholder, but SAZKA Group, which is Czech-based private gambling operator, owning 38 per cent of the company through its holding company Medial (as of February 2019). Austrian government owns one-third of the shares.

On its behalf, Casinos Austria is a major shareholder in Österreichische Lotterien, owning two-thirds of its shares. Rest of the shares (one-third) belong to Lotto-Toto Holding GmbH (Bereiter & Storr, 2018). Casinos Austria is also holder of all shares in Casinos Australia International, which one of the largest actors in the global gambling market. Through its local partners, it operates in 14 countries, including Australia, Belgium, Canada, Czech Republic, Denmark, Egypt, Germany, Hungary, Liechtenstein and Switzerland, in which it has casinos. Furthermore, it operates gambling machines in Macedonia and on-board gambling in American cruise ships.

Certain types of betting and gambling machines that are not under statewide monopoly are been regulated at provincial level. It should be noted that Österreichische Lotterien is not only for lotteries, but offers other games as online gambling, including sport betting and machine gambling through its subsidiaries in provinces in Austria.

In addition to monopoly operators, there are private gambling operators as the Austrian Novomatic Group, which owns more than 2,100 online casinos and betting venues across the world. Along with Casinos Austria, it is one of largest gambling operators globally. In Austria, Novomatic has a subsidiary (Admiral Casinos & Entertainment AG) which owns more than 2,200 gambling machines in various jurisdictions (including Styria, Carinthia, Burgenland, and both Lower and Upper Austria).

Novomatic also has a subsidiary Admiral Sportwetten GmbH that offers sports betting and it has approximately half of the Austrian market.

1. **Regulation**

The Austrian provinces regulate gambling slightly differently. For example, gambling machines (VLTs) are prohibited in Vienna, Salzburg, Tirol and Voralberg. Licensing of gambling operations is in place in Styria, Carinthia, Burgenland, Lower and Upper Austria, in which it is possible to apply for a license to conduct VLT operations.

The federal state in Austria grants licenses to gambling companies (including private ones) based on a concession system, which may include up to 15 licenses for casinos. Currently Casinos Austria holds 12 of them. For lotteries there is only one license (Österreichische Lotterien). Concession system also includes certain duties that are not included in licenses. This includes e.g., maintaining public order when gambling services are offered. Concessions are granted for 15 years, and one has to have a share capital of 109 million euros for a lottery license, and 22 millions for casino concession.

1. **Taxation and other beneficiaries**

In 2017, gambling revenue of Austrian concessionaires was 4.02 billion EUR. Casinos Austria provided 621.84 million EUR in the form of tax revenue in 2017 to Austrian state (Bereiter & Storr, 2018). Casinos Austria is one of the largest taxpayers in Austria.

It is difficult to define the revenue sources of gambling from various game types the Austrian federal and provincial states, since they are collected through different channels and not all the fees applied in a uniform manner. The Federal state obtains tax revenue from the concessionaires, which in casinos pay 30 per cent tax from all GGR. In lotteries, the fee from the concession varies between 18 and 40 per cent depending on game, but there is no fee for gambling machines (VLTs).

If gambling is operated by a private company, the company has to pay a gambling fee. This fee varies between 16 and 40 per cent and is dependent on the game form. For example, a company that offers online gambling but is not a concessionaire, pays tax amounting to 40 per cent of gross revenue. In case there is a company that offers machine gambling both without a concession and provincial license, company has to pay a gambling fee of 30 per cent from gross revenue minus the VAT. All gambling machines that are authorized either by license or concession pay only ten per cent tax rate.

In addition, there are also gambling fees that are applied directly on individual gambling machines, depending on whether the gambling operator in question has a provincial license or not (gambling machines are not allowed in all provinces). The individual provinces cannot tax the holders of concessionaire. Provinces may, however, apply additional levies on gambling machines in case the VLTs are owned by the concessionaires and they are not able to tax them.

The list above is not exhaustive, but it shows the difficulty in assessing all the revenue streams from gambling to Austrian provinces and the Federal government. In 2017, taxes and fees to the Austrian state amounted 0.9 per cent of the total budget. In provincial level, the similar figure is not available.

In addition to taxes and other revenue to states, Casinos Austria and Österreichische Lotterien also fund directly certain “good causes”. There include projects related to e.g., environment, arts, sciences and research. The Federal state funds sports annually with 80 million obtained from the fees collected from the concessionaires. Between 1987 and 2017, Österreichische Lotterien alone has contributed 1.4 billion euros to sports. For the prevention of problem gambling, there is an allocation of one per mil from both the concession fee and the casino tax. This amount is allocated to the Player Protection Agency, which is under the governance of the Finance Ministry.

1. **Income statements: availability of data**

In PolEG we have analysed only Casinos Austria. For other companies, the data is not available.

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| Campany | GTR | Sg / GTR (%) | C / GTR (%) | C / Sg |
| Casinos Austria | 1194 | 48.8 | 45.6 | 0.93 |

1. **Analyses of the companies / sectors that have been included in the excel**

As in other countries, Austrian monopoly operators are important contributors to economic activities, in addition to tax revenue. For example, in 2017 Österreichische Lotterien consumed 80 million EUR on advertising. In sports, the company is most important sponsor (Bereiter & Storr, 2018).