

LEGISLATURE: Bicameral

- Upper house: non elected
- Lower house: elected using Proportional Representation

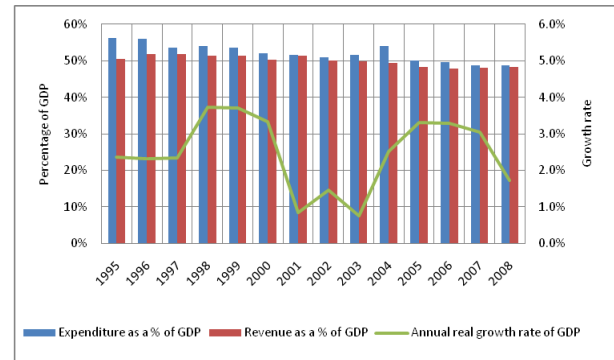
SYSTEM OF GOVERNMENT: Parliamentary

- No. of ministries: 14 (2008)
- No. of ministers: 13 (2008)

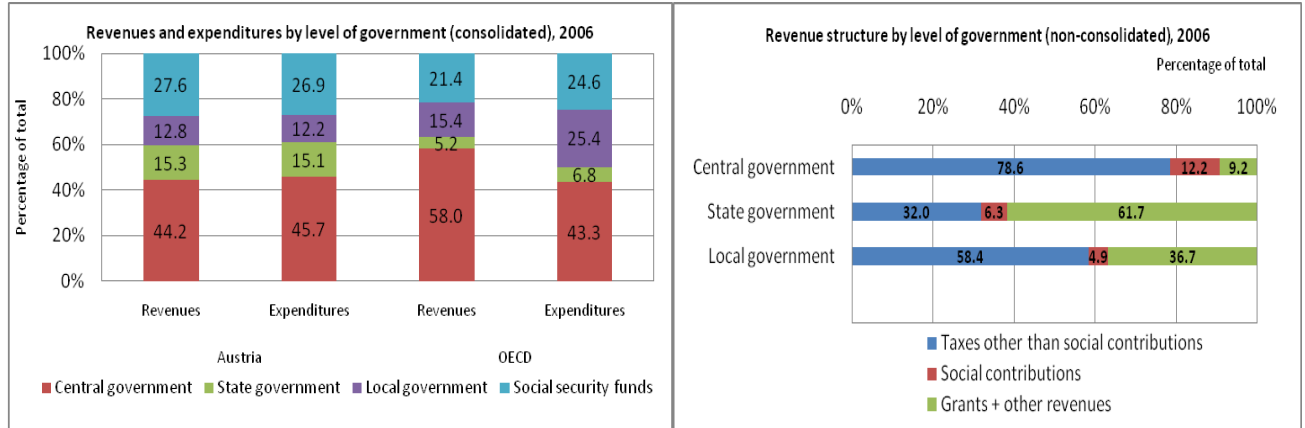
STATE STRUCTURE: Federal (9 Länder)

Total government expenditures have exceeded revenues in Austria in every year since 1995, although deficits in recent years have been much smaller. Total revenues and expenditures as a share of GDP have generally been declining at a slow and steady pace. In 1999, federal, state and local governments took steps to co-ordinate their budgets through the introduction of the "Austria Stability Pact". From 2001 onwards, this stability pact has set deficit and surplus targets for all three levels of government for a period of four years.

Source: OECD National Accounts and Economic Outlook
[\[Revenues\]](#) [\[Expenditures\]](#)



Compared to the average situation in OECD countries where the federal (central) government tends to collect a larger share of revenues than its share of expenditures, the structure of revenues and expenditures across levels of government are approximately the same in Austria. The federal government and social security funds collect the majority of revenues and account for the majority of expenditures. There are still grants between government levels. The federal government is responsible for legislation regarding the tax and grant financing of state and local governments, and it holds regular negotiations with lower levels of government on fiscal transfer arrangements. In 2006, state governments were mostly dependent on grant-based revenues while local governments raised over half of their revenues from their own sources.

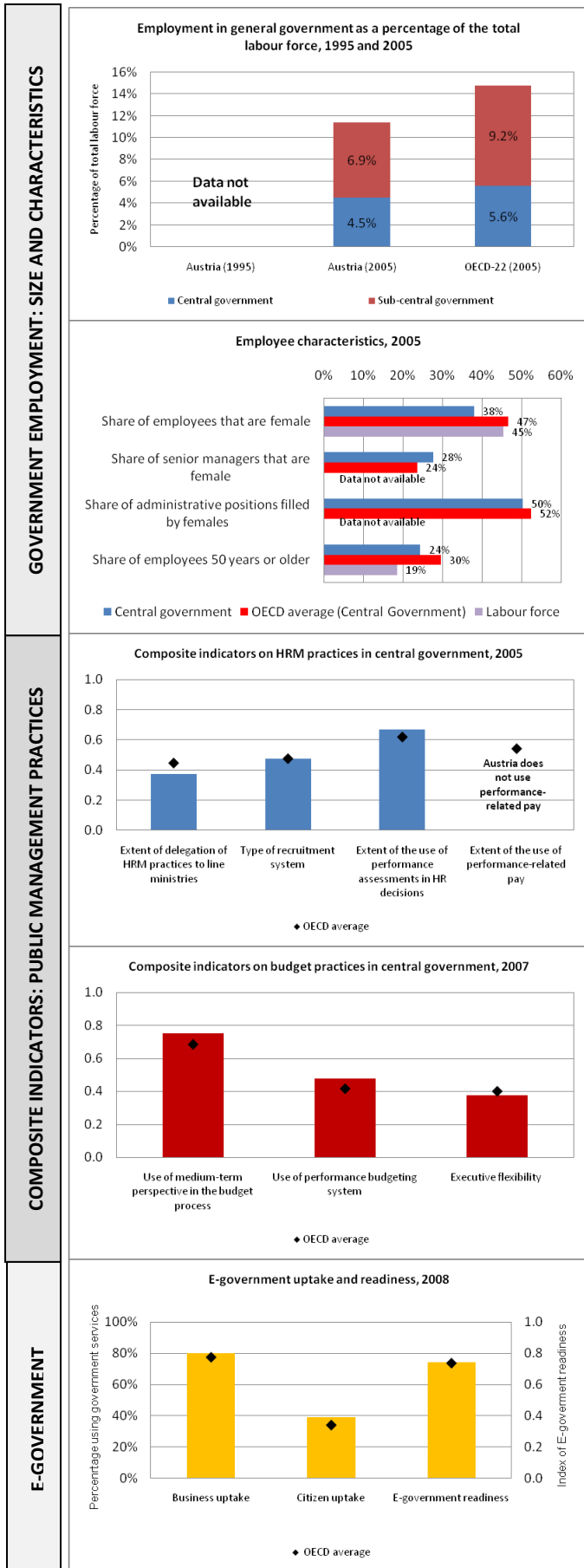


Source: OECD National Accounts [\[Revenues\]](#) [\[Expenditures\]](#)

Austria runs a comprehensive social transfers programme, as seen in the higher than average proportion of expenditures devoted to social protection at the general government level. A large proportion of expenditures by state governments go to funding health programmes, and this consumes a sizeable portion of local government expenditures as well, particularly in comparison to the federal government. Defence and public order and safety are the responsibility of the federal government whereas recreation, culture and religion programmes are the responsibility of local governments.

Expenditure structure by function of government (non-consolidated), 2006	Austria			OECD-26	EU-19
	Federal government	State government	Local government	General government	General government
General public services	18.6%	12.4%	16.7%	13.7%	13.9%
Defence	3.1%	0.0%	0.0%	1.8%	3%
Public order and safety	4.6%	0.7%	2.1%	3.0%	3.7%
Economic affairs	10.1%	18.0%	14.3%	9.4%	10.1%
Environment protection	0.6%	1.0%	2.6%	0.7%	1.5%
Housing and community amenities	2.5%	3.1%	2.8%	1.2%	1.9%
Health	5.5%	25.0%	17.4%	14.6%	14.1%
Recreation, culture and religion	1.3%	2.2%	7.1%	2.0%	2.5%
Education	17.3%	18.7%	16.6%	11.9%	11.6%
Social protection	36.4%	18.9%	20.2%	41.7%	37.7%

Source: OECD National Accounts [\[General government\]](#) [\[Central, state and local\]](#)



By 2005, government employment represented 10% of the total labour force in Austria, 4 percentage points below the OECD average. There has been a reduction in government employment in Austria both in absolute terms and as a percentage of the total labour force from 1995 to 2005. This has been achieved both by general staff reductions as well as through reorganisation, such as the removal of hospitals from general government. As a result of these changes, employment became slightly more decentralised over the decade covered by the data.

Note: Data for 2005 include non-profit institutions (NPIs) and are different than those published in Government at a Glance 2009.

Source: OECD Comparison of Employment in the Public Domain Survey and Labour Force Survey

[\[General government employment\]](#) [\[Distribution by level\]](#)

Females represent a smaller proportion of the federal (central) government workforce than the general labour force in Austria, somewhat bucking the general trend among OECD countries. Within the federal government, females constitute half of the employees in administrative positions while they fill less than one-third of senior managerial posts. Like many OECD countries, the Austrian federal government has an older workforce than the total Austrian labour force. While this remains a challenge in terms of the government's ability to maintain capacity and continuity, it also creates an opportunity, as retirements allow government to recruit staff with different skill sets.

Source: OECD Strategic HRM Survey and Labour Force Survey

[\[Female participation\]](#) [\[Ageing\]](#)

In general, the HRM system used by the Austrian federal (central) government is moving from a more centralised, career-based model to a more open model. In 2005, there was still a relatively low level of delegation of authority in HRM decisions to line ministries. While Austria uses performance assessment in HRM decisions to some extent, performance assessment is not linked to pay decisions. Austria did not have a separately defined senior civil service in 2005.

Source: OECD Strategic HRM Survey

[\[Delegation\]](#) [\[Recruitment\]](#) [\[Performance management\]](#)

The Austrian federal (central) government has recently implemented reforms to modernise its budget formulation process. For example, it now uses a rolling, medium-term expenditure framework (budget + 3 years). It recently introduced rolling four-year spending ceilings which allow for cyclical spending on unemployment insurance and social protection. The Austrian government is taking steps to increase the use of performance information in the budget process. Strategic public expenditure planning and output-based budgeting which involve explicit performance targets for all key public services are to be enforced from 2013. In addition, the government is taking steps to make "each minister his/her own finance minister" by consolidating appropriation items within a minister's responsibility and giving great(er) flexibility in managing the appropriations under his/her purview.

Source: OECD International Budget Practices and Procedures Database

[\[Medium-term\]](#) [\[Performance budgeting\]](#) [\[Executive flexibility\]](#)

OECD Journal on Budgeting: www.oecd.org/gov/budget/journal

Overall, the Austrian government has invested heavily in e-government. The Austrian government operates *help.gv.at*, a national portal that complements the sites of federal, state and local authorities by providing one-stop-shop access to information and transactions services for citizens and business. All core services (such as tax filing, procurement, permits and social security benefits) are available on line and Austria is a leader among OECD European countries in terms of the sophistication of the services offered. The rates of usage by citizens and businesses of e-government services are slightly above the OECD average.

Source: United Nations E-Government Readiness Knowledge Base, Eurostat.

[\[Readiness\]](#) [\[Uptake\]](#)

[\[OECD E-Government Publications\]](#)

INTEGRITY

Types of information central government decision makers are required to disclose and level of transparency, 2009

Requirements for disclosure	President	Prime Minister	Minister	Lower House Legislators	Upper House Legislators
Assets and liabilities	ND	D	D	ND	ND
Loans	ND	D	D	ND	ND
Sources and level of income	DP	DP	DP	DP	DP
Outside positions	NA	NA	NA	DP	DP
Gifts	NA	NA	NA	ND	ND
Previous employment	ND	ND	ND	ND	ND

D= Disclosed; DP= Disclosed and publicly available; ND= Not disclosed; NA= Not applicable.

Compared to other OECD countries, federal (central) government decision makers are required to disclose relatively less private interests. Austria requires key decision makers from both the executive and legislative branches in the federal government to disclose and make publicly available the source and level of their income. Legislators must also publicly disclose any outside positions that they may hold. Members of the executive are generally prohibited from holding outside positions and from accepting gifts.

Source: OECD Survey on Integrity
[\[Disclosures\]](#)

REGULATORY MANAGEMENT

Requirements for Regulatory Impact Analysis (RIA) processes used by central governments

	2005	2008
Quality reviewed by body external to Ministry preparing rules	No	No
Required for draft primary laws	Always	Always
Required for draft subordinate regulations	Only for major regulation	Only for major regulation
Required to quantify costs	Always	Always
Required to quantify benefits	In selected cases	In selected cases
Required to publicly release results	Only for major regulation	Only for major regulation

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations, and; the design of programs to reduce the costs of administrative activities on business and citizens.

The national legislature is required to take the essential impacts (economic, environmental and social) into account when issuing a regulatory proposal. In November 2007, the Austrian government set administrative burden reduction targets of 25% for each government ministry to contribute to an overall reduction of more than 1 billion EUR for Austrian businesses. Reductions in nationally induced burdens are to be achieved by 2010 and reductions of EU induced burdens by 2012.

Source: OECD Survey on Regulatory Management.
[\[RIA\]](#) [\[Administrative simplification\]](#)

Regulatory Management Indicators: www.oecd.org/regreform/indicators
EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15
Background reports on Regulatory Reform: www.oecd.org/regreform/backgroundreports

Extent of programs for reducing administrative burdens at the central level of government

	1998	2005	2008
Explicit programme exists	Yes	Yes	Yes
Includes quantitative targets	No	No	Yes

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2009*.

Employment characteristics: The OECD averages refer to the following number of countries:

- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- **Type of recruitment system index** includes policies for becoming a civil servant in general (*e.g.* competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- The **performance assessment index** indicates the extent to which it is used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.

Budget Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- The **medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- The **performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- The **executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies' ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive's ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

E-Government:

- The **UN e-government readiness index** ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-thirds weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat's annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat's annual Model Survey on ICT Usage and E-commerce in Businesses.