

Work programme of the Austrian Federal Government

2013–2018

Austria.
A story of success.

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Imprint

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Preamble

The Social Democratic Party of Austria and the Austrian People's Party are united in believing in Austria and in the strength of its people. They have every confidence that the Austrian people will have the will to meet the challenges of the future together. The recent years of crisis have clearly shown that the constructive cooperation of two different political forces has brought Austria well through difficult times. Today, in Europe, our country, its employees and its businesses are held up as an example in many respects, from employment and the capacity to innovate, through the training of apprentices and skilled workers, to the ability of the two sides of industry to take on challenges in a spirit of partnership.

In the coming five years we will again work in the knowledge that the coalition partners are two different parties with differing views on social, economic and political issues. But precisely these differences can lead to powerful joint results because Austria and its people, the problems of the present and the challenges of the future, will always be at the heart of our work. And we are both convinced that Austria can only realize its full potential within a strong Europe.

We consider it our duty to do the work of government and to make the necessary changes in such a way that they will be acceptable to broad swathes of the population. We will actively do our best to gain understanding for our decisions, consent for changes, and acceptance of reforms. As we do so, we shall particularly keep in mind the balance between different groups – between town and country, between old and young, and between rich and poor.

We know that it is good for our society and country to create space for initiative and entrepreneurship. We know equally that social balance is crucial for prosperity and peaceful coexistence in our country. Every person has the right to live their life, seek success, and plan for their future as they see it. We want to enable everyone to realize their ideas and aspirations but at the same time to provide security and equality of opportunity. People rightly expect of politics and the state reliability, stability, social justice and solidarity.

We will do our utmost to ensure that Austria comes out of the present crisis – which is still far from over – stronger and with a dependable politics that can make the necessary reforms while at the same time preserving the tried and tested.

In order to do this, we need:

- a creative growth pact to generate and safeguard jobs as well as to promote innovation and sustainable development;
- answers in the area of education that always keep in mind the maxim: provide our children with the best education possible;
- measures to protect our successful welfare state that never lose sight of generation equality;
- sound public finances with a balanced budget, a structural zero-deficit from 2016 onwards, and a reduction of our national debt;
- a thrifty administration that offers citizens the best services and constantly looks for ways of making improvements;
- an economy and a creative entrepreneurship that help ensure the prosperity of our country.

We will address the challenges confronting Europe and Austria, in the knowledge of both governing parties that our task and duty is to achieve the best for Austria and its people.

Cooperation of the two governing parties

The Social Democratic Party of Austria (SPÖ) and the Austrian People's Party (ÖVP) shall form a joint Federal Government with the intention of working together during the 25th legislative period in a constructive, efficient and goal-directed manner on the basis of this Government Programme in the Federal Government, in Parliament, and in the institutions of the European Union, and shall implement this programme.

Decisions taken in the Federal Government and in Parliament will be collectively represented in public.

The parliamentary groups of the coalition parties and their leaders shall vote on parliamentary motions on time in the interests of a businesslike cooperation and shall ensure that the coalition parties proceed in a concerted manner in all parliamentary matters, including votes on motions.

The members of the Federal Government shall declare themselves willing to give members of the other coalition partner at regular intervals an opportunity to discuss current issues relating to their joint government work. The two governing parties shall, on the basis of the Government Programme and by mutual agreement, seek dialogue with the parties represented in Parliament, with management and the unions, and with the wider public.

The cooperation between the Social Democratic Party of Austria (SPÖ) and the Austrian People's Party (ÖVP) as set out in this Agreement shall be deemed to have come to an end if a resolution is passed in plenary or in the committees of the National Council against the will of one coalition party with votes by MPs of the other coalition party. The same shall apply if a referendum has to be held which has been supported by MPs of one coalition party against the will of the other coalition party.

In this case and in the event that one party votes down the bills, resolutions on referendums, or other parliamentary resolutions of the other party, the two coalition partners shall jointly pass a resolution to hold new elections.

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Growth and employment for Austria

01 Growth and employment for Austria

Growth

Objective: A massive increase in employment with the goal of full employment through above-average economic growth compared with the euro zone.

Challenges: Stronger economic growth is the decisive factor in safeguarding and increasing employment and prosperity in Austria for the long term. In the last few years, European economic policy has been geared towards rapid consolidation, among other things. Given the continuing difficult international environment, it is also necessary to create room for growth and employment. This requires measures on both the supply and demand side that need implementing not just nationally but also – due to considerable international interconnection – at the European level. Austria must ensure that it remains one of the world’s leading locations for the industrial and service sectors by investing in the future.

Make greater use of international opportunities.

- Attract new headquarters to Austria through the new headquarters relocation campaign promoted by the Austrian Business Agency (ABA);
- Formulate and implement a comprehensive “location strategy for leading (international) businesses in Austria”, drawing on national and international expertise;
- Continue the internationalization campaign – with the aim of increasing the number of exporters from 45,000 to 55,000 by 2018;
- Tourism: increase the number of overnight stays in the sector from 131 million to 140 million by 2018 through adequate funding by Austrian Tourism Promotion (ÖW), redesignate 50 % of the scope of liability of the Austrian Hotel and Tourism Bank (ÖHT) for refinancing loans from the European Investment Bank (EIB), and aim for speedier, more efficient visa processing for “tourist regulars”;
- Set up a nation brand agency in the Ministry of Economic Affairs for creating a “brand Austria”.

Develop the economy with innovations.

- Mobilize foundation assets for research, technology and innovation;
- Move up into the leading group of the most innovative research countries in Europe by taking a cue from FTI strategy;
- Strengthen the creative economy by, e.g., legally incorporating the Film Location Austria (FISA) funding model;
- Launch a new innovation and investment campaign for more regional jobs to best utilize the resources of the European Fund for Regional Development (EU-EFRE);
- EU funding: optimize national processing in all phases, from submitting an application to accounting validation.

Strengthen industrial location, facilitate funding.

- Utilize the enormous growth potential of the digital sector by developing the key points for a leading-edge ICT strategy worked out by the Competence Centre for the Internet Society (KIG) together with the Internet Campaign Austria (IOÖ), and implement the measures and projects contained in that strategy.

Trigger a new wave of start-ups.

- More risk/venture capital: expand the measures of the Austria Wirtschaftsservice (AWS, also known as the Business Start-Up Service), taking market requirements into account, and allocate sufficient resources to the venture-capital start-up fund;
- More favourable funding conditions in the Austrian Act on the Promotion of Business Start-Ups (NeuFöG): quicker access after 5 instead of 15 years since the last entrepreneurial activity;
- Entrepreneurs need a second chance: failed entrepreneurial activity should not be a criterion formally excluding them from receiving funding.
- Bring business regulations into line with altered social parameters;
- Develop online business registration and the “one-stop shop” in the 90 start-up service points of the Austrian Federal Economic Chamber (WKÖ) in order to speed up the registration of new businesses in the Commercial Register (citizen’s card signature instead of certification; onward authorization of the electronically transmitted registration with the Commercial Register Court);
- Enable interdisciplinary companies between business people and the self-employed or freelancers.

Create a level playing field.

- Fair competition through modern structures in the Austrian Federal Competition Authority (BWB);
- More transparency in antitrust proceedings (e.g. naming names after proceedings have ended);
- Work out clear and transparent procedural law during settlement, taking into account procedures in the EU as well as the principles of the disclosure of judgements, and ensure programmes in which Queen’s evidence can successfully be turned;
- Amend the statute of limitations: offences should not become time-barred while investigations are still being carried out;
- Ensure fines earmarked for consumer protection go to the Consumers’ Association of Austria (VKI) (capped, dependent on the amount of revenue, and taking into account the services hitherto financed from revenues); the Association should follow the guideline “advise rather than take legal action”;
- Reverse the burden of proof in the case of unfair pricing by dominant or monopolistic companies in the electricity and gas industries.

Strengthen public demand.

- Implement the package of measures for growth and employment already decided (e.g. 14,000 additional homes with the € 276 million house-building package);
- Public procurement law: exhaust all the possibilities under EU legislation;
- Ensure cost-efficient financing of real economic investments and innovations through European funding instruments (e.g. EIB).

Turn the black economy white.

- Revitalization bonus arising from possibility of deducting worker costs (for labour costs, max. € 6,000) following an examination of the budgetary impact and options.

Reduce ancillary (non-wage) labour costs: work is heavily burdened in Austria, and the burden of ancillary labour costs faced by the country's employers is one of the highest in the world. Reducing this would boost growth and promote employment.

- Examine and sound out the potential for lowering ancillary labour costs in terms of efficiency and cost transparency (reduction before expansion of benefits);
- Austrian Insolvency Remuneration Fund (IEF): lower the Fund's contribution by 0.1 % as per 1.1.2015, while at the same time incorporating into permanent law payment to the IEF under Section 14 of the Austrian Labour Market Policy Financing Act (AMPFG);
- Accident insurance: decrease the contribution by 0.1 % as per 1.1.2014.

Employment

Objective: Education up to 18. All under-18-year-olds should as far as possible complete some form of education or training that goes beyond the compulsory school-leaving qualification.

Challenges: Each year about 10,000 young people do not participate in any further education or training. The early school-leaver rate lies at 7.6 %, while the proportion of people aged between 15 and 24 who are "not in education, employment or training" (NEETs) is 6.5 %.

- Further restrict juvenile menial or unskilled work, come up with incentives for young people to participate in educational and training measures, and introduce with effect from school year 2016/17 an administrative penalty like that for failing to comply with compulsory school education;
- Provide mandatory vocational and educational guidance especially in the context of school education, and evaluate as well as develop youth coaching;
- Provide sufficient low-threshold training opportunities not least in connection with dual vocational training.

Objective: Upgrade apprenticeships. Good skilled workers are the backbone of the Austrian economy. Although internationally recognized, our apprentice training has image problems. Further steps need to be taken if this training is to remain attractive and successful in the next few decades. The two sides of industry have already submitted a comprehensive package of measures with their paper "Educational Foundations – Goals and Measures for Forward-Looking Educational Reform".

- Implement systematic quality management in companies that take on trainees and in extra-company vocational training;
- Continue support for the change from extra-company training to in-company apprenticeships;
- Introduce measures to raise the success rate for the apprenticeship final examination, e.g. apprentice coaching, supporting exam preparation;

- Amend vocational training law to bring it into line with new challenges (e.g. recent review of the suitability of companies that take on trainees 10 years after they last accepted an apprentice);
- Evaluate effectiveness of supporting in-company apprenticeship places;
- Improve the situation for young people with a migrant background embarking on a vocation;
- Introduce measures to support girls who want to take up jobs requiring male-dominated apprenticeships;
- Evaluate the crediting of content acquired at school to apprenticeships and vice versa;
- Improve apprenticeship with school-leaving certificate (“Matura”); releases from apprenticeship training lead to aliquot (pro-rata monthly) lengthening of the apprenticeship; ensure free access;
- Make the option of school-leaving certificate (“Matura”) with apprenticeship more attractive.

Objective: Further educate or train all age groups. Increase the participation of all age groups in further education and training, and improve their basic competence and skills in professional life through further training, especially with those who have few skills and older employees.

Challenges: Almost one million adults are said to have serious problems with texts of all kinds, of whom 62 % are in employment. The employment rate is dependent on formal education. 46 % of unemployed people have at most a compulsory school-leaving certificate. This situation should be addressed primarily in the educational system. Beyond that, more support should be given to further and continuing adult education both in-company and extra-plant.

- Continue and expand the skilled worker campaign;
- Motivate companies to provide further education and training in-plant especially for relatively unskilled employees;
- Motivate people to train and further train (especially educationally disadvantaged people);
- Extend and develop the support of training for employees;
- Develop training near the workplace.

Objective: Advance women’s employment. Increase the employment of women and improve their income opportunities, thus also improving their ability to secure their livelihood.

Challenges: The rate of employment for women is lower than that for men, and the gender pay gap continues to exist, meaning that it is also more difficult for women to secure their livelihood when they are old or in times of unemployment.

- Develop childcare with federal funds over the next 4 years;
- Develop social services (e.g. in the area of care);
- 50 % of Public Employment Service (AMS) funding for women (e.g. develop career counselling and options that lead to the completion of vocational training, and strengthen training in non-traditional vocations and in “the vocations of the future”);
- Improve support for people returning to work already during their time-off from work/parental leave.

Objective: Increase employment of older people. The unemployment rate for the over-50s is above average. Older people who lose their job find it hard to get back into the labour market. Pension reforms require increased cooperation among the relevant institutions.

- Increase support for integrating older people (50+ and already out of work for 6 months) into the labour market through activating passive Public Employment Service (AMS)

support benefits (e.g. the integration allowance, continuation of the “Reife Leistung” (~“Seasoned Achievement” / “Job Well Done”, etc.) campaign, and development of the Second Labour Market for older jobseekers, etc.) by means of appropriate non-time-limited amendment of the Austrian Labour Market Policy Financing Act (AMPFG);

- Increase information and public relations work to make people aware of and promote the employment of older workers;
- Evaluate and develop as required the range of Public Employment Service (AMS) support tools relating to the New Disability Pension and also “fit2work”.

Objective: Immigration of qualified and skilled workers, and a culture of making migrants feel welcome. Skilled immigration strengthens Austria as a business and employment location and encourages the long-term integration of people with a migration background by enabling them to have a stake in social life.

Challenges: Skilled immigration creates jobs and growth. Migrants are needed as skilled workers, yet there are deficits in the culture of making them feel welcome, in integrating them, and in the residency authorities implementing the RWR (red-white-red) card. Migrants are often employed at a level below that appropriate to their skills, expertise and qualifications, while recognition of education or training that they have completed is not always easy even after many years.

- Create an overall strategy with clear responsibility for skilled immigration, providing in particular for monitoring of the labour market, monitoring of the migrants’ country of origin, evaluating and developing the RWR card, public image, a climate in which migrants feel welcome, EU mobility, integration into the labour market, migration management;
- Recognize vocational training completed abroad;
- Welcoming climate for migrants: nationwide programme for integrating new immigrants (model: the “Getting a Head Start in Vienna” coaching project);
- Asylum-seekers: improve transitions between basic welfare and legal (seasonal) employment.

Labour law

Objective: Key factors in achieving the goal of a fair, modern and equitable work environment are new approaches and instruments in labour law, measures for making working life simpler and easier, and measures for making work and family life more compatible.

Challenges: Employers and employees both want secure and flexible parameters in which they can organize their work environment in accordance with their respective requirements.

Measures for improving the organization of free time and working hours in the interests of both employers and employees:

- A balanced package relating to holiday law, particularly regarding:
 - Counting prior working periods towards increased holiday entitlement (Section 2 Para.1 of the Austrian Holiday Act [UrlG]);
 - Making use of holiday in the period of notice;

- Aliquot holiday entitlement when changing from holiday year to calendar year.
- Raising limits on maximum working hours: working hours with a proportion of active trip time up to 12 hours, taking into account the regulations applying to drivers; with flexitime up to 12 hours (flex or overtime hours), while complying with the weekly maximum working time of 50 hours, with a view to achieving bigger blocks of free time;
- Enable 10 hours' work through passive travel times in the Austrian Children and Youth Employment Act (KJBG) from 16 years of age upwards;
- Evaluate existing models and examine the introduction of voluntary (life-long) working-time credit accounts from 2014 onwards;
- Right of information for part-time employees when a position is advertised with a higher number of working hours;
- When off work due to illness, neither consumption of nor acquisition of a right to compensatory time.

Measures for making working life simpler and easier in the interests of employers and employees:

- Simplify the recording of working hours: extend the need not to record breaks, extend the possibility of recording balances; further simplification with, e.g., fixed division of working hours;
- Migrate extended short-time work into permanent law (funding passive resources);
- Adjust continued remuneration of workers and salaried employees with no effect on revenue: when they have a work accident or fall sick again, use the transparent and simpler worker model, with holidays being counted towards their claim for continued remuneration; “transitional provisions” analogous to Section 20 Para. 7 of the Austrian Continued Payment of Wages and Salaries Act (EFZG);
- Promote the employment of older workers through discontinuing the time limit in Section 105 Para. 3b last sentence of the Austrian Labour Constitution Act (ArbVG);
- Tax-favourable employee profit-sharing (or possibly favourable bonus for employers who can show no profit): max. 10 % of net earnings for the year, max. € 1,000 per employee per year, taxed flat-rate at 25 %, limited to 3 years.

Measures for new rules and instruments that ensure more mutual fairness in the employer-employee relationship:

- Transparency with all-in contracts: basic wage shown in figures, otherwise the current basic wage shall apply appropriate to a worker's personal level of activity (i.e. including any standard additional collective agreement payments specific to the industry or locality);
- Enable works agreements to stipulate working hours and to standardize remuneration directly connected with these hours (non-enforceable works agreements);
- The statutory additional payment for excess hours should be reduced only through – once they have been introduced – provisions drawn up by collective agreement;
- Make legal provision for activity-related doctor's certificates (“sick notes”);
- Standardized legal right of employers to immediate medical check-ups through their provincial statutory health insurance scheme with the employers sharing in the cost, and standardized check-up practice of the health insurance scheme;
- Uniform placement procedure throughout Austria for stays at health resorts;
- Limit non-competition clauses: should only apply to employees earning each month more than twenty times the maximum daily contribution basis. Default penalty relating to non-competition clauses: to be limited to 6 net monthly remunerations.
 - Reimburse training costs;
 - Shorten the reclamation period to 4 years;
 - Mandatory aliquoting (monthly factoring).

- Continued remuneration in case of sickness beyond the end of employment in the event of termination by mutual consent (analogous to employer dismissal);
- Civil law right to pay slip as per the Austrian Income Tax Act (EStG) as well as to the issuance of social insurance registration and – upon request – of working hours records;
- Possibility of extending the probation period from one to three months in the case of employment not subject to any time limit.

Measures for increasing the compatibility of work and family life and for accommodating the needs of company practice.

- Examine the curtailment of the right to partial parental leave from the 7th to the 5th year (or up to compulsory admission to nursery school) or the further lowering of the limit to the 4th year parallel to extending childcare up to 2017, and examine the introduction of the “daddy month” within the period of protection after birth (entitlement to leave with early payment of childcare money) and corresponding periods of prior notice;
- Gradually increase the number of childcare places in accordance with the requirements of the Cabinet resolution of 18.6.2013;
- Bandwidth for shortening and changing working hours: minimum working time 12 hours per week and a reduction/shifting of 20 % of the weekly working time; remove obstacles to voluntary agreements on partial parental leave (e.g. revise the protection against unlawful dismissal for trivial changes);
- Protection against unlawful dismissal in the case of miscarriages (4 weeks);
- Include foster parents in maternity law/paternal leave law in the case of unpaid care where there is also no intention to adopt;
- Prohibit employment as per the Austrian Maternity Protection Act (MSchG) for the independent contractor and for people attending extra-company training centres.

Measures for businesses operating in Austria against circumventing prices and working conditions through “wage and social dumping”:

- Evaluate and then revise the Austrian Anti-Wage and Social Dumping Act (LSDB-G), in particular tightening up the law regarding the keeping of wage documents and the need to include all wage components, while relaxing the law with regard to the statute of limitations;
- Optimize customer liability when incorporating the implementation directive of the Posting of Workers Directive;
- Measures against bogus registrations;
- Public procurement law: principle of best supplier before cheapest.

Corporate financing

Objective: Ensure financing for businesses consistent with their needs, and strengthen the Austrian financial and capital market.

Challenges: The availability of efficient financing possibilities for companies is a decisive criterion in making a country an attractive business location. Particularly in view of the effects

of the international financial crisis and of the introduction across Europe of stability requirements for banks, it is all the more important to ensure funding for our country's businesses in line with their needs. Despite a certain improvement in our equity capital ratios, Austria still has some catching up to do in this respect compared with the rest of Europe. Accordingly, additional instruments must be made quickly available for the traditional outside financing of enterprises. In the same way, the Austrian capital market has an important role to play in corporate financing, helping to provide firms with greater investment flexibility. More attention should be paid again to the financial centre as a location factor, which requires an aggressive capital market policy. It should be made easier as a matter of urgency to raise equity capital, while smaller enterprises should also be enabled to access the capital market.

Better utilize domestic growth capital: implement the necessary legal prerequisites and clarify the details by mid-2014.

- Make equity financing easier by abolishing corporation tax from 2016 onwards, and compensate for this by abolishing the deductibility of interest expenditure for finance companies in low-tax countries and tax havens;
- Create a platform for small and medium-sized enterprises (SMEs) to strengthen their equity capital;
- Raise finance and participations via finance companies to strengthen equity capital and/or for SME growth projects;
- Create the conditions in the Austrian Alternative Investment Fund Managers Act (AIFMG) under which private investors can sell shares to finance companies;
- Enable risk to be partially assumed through appropriate guarantees from the Austria Wirtschaftsservice GmbH (AWS);
- SME funding should be supported through suitable parameters for employee participation: AWS capital guarantee, doubling of the tax-free allowance, bundled participation models for strategically important companies (see also the sections "Labour Law" and "Finances").

Expand and consolidate government guarantees for companies:

- Make more use of EU financial instruments;
- Enable SMEs and industry to more simply and affordably access liability of the Austria Wirtschaftsservice (AWS): with the new EU support period starting in 2014, guarantee and processing charges will be halved in accordance with certain aid provisions, the restriction on access to world markets will be abolished, the upper limit for individual guarantees will be raised, guarantees will be offered for SME bonds, there will be a greater preparedness to take risks (effectively achieve the risk policy agreed annually), and more moderate use of personal collateral. The measures will be supported with budgetary cover;
- With the new EU support period, simplify support through uniform conditions in the allocation of federal guarantees for companies: suggestions from the working group in the Austrian Federal Ministry of Finance with the involvement of the ministries affected.

Strengthen the capital market by pursuing an active policy:

- Encourage access to the capital market via the stock exchange especially for SMEs (promote SME bonds, and encourage the eligibility of SME finance companies to trade on the stock exchange);
- Improve knowledge and understanding of the capital market (boost financial literacy).

Develop alternative funding:

- Work out an attractive legal framework for improving crowdfunding and citizens' participation models by 31.3.2014 (consistent with the National Council's motion passed unanimously on 5.7.2013).

Deregulation and easing the burden

Objective: Massively reduce the costs and expenditure of time caused by bureaucracy.

Challenges: Red tape involves especially businesses in an enormous amount of administration, which needs reducing. Slow processes and overlapping competences make it hard for companies to work efficiently and hence successfully. Changing the way public administration acts should bring marked improvements at all levels and reduce the number of bureaucratic requirements and impositions.

Comprehensive deregulation:

- Set up a commission to oversee deregulation and reform competences;
- Launch a process for curtailing and simplifying regulation;
- Draw up an annual Austrian Federal Government report on the implementation of measures to deregulate and cut red tape with a view, among other things, to lightening the administrative burden for businesses;
- Utilize an up-to-date medium (database of court rulings on insolvency and similar matters ("Ediktsdatei")), and delete the obligation to publish in a "widely read daily newspaper in each federal state" as stipulated in Section 356a of the Austrian Industrial Code (GewO);
- Simplify formal obligations in company law: make more use of electronic signatures (e.g. replace notarial attestation of signature with electronic signature), develop e-justice in the Single European Market, promote electronic registers;
- Make widespread use of administrative data for statistical purposes (e.g. transport statistics data from the Austrian Motorway and Expressway Financing Company PLC, working hours data from the Central Association of Social Insurance Providers);
- Measures to simplify tax law – some can be implemented immediately: raise the value limits for the duty to disclose as required by Section 109a of the Austrian Income Tax Act (EstG), delete the need for a purchase journal, greatly simplify the tax return in connection with a simplification of tax law, raise the value limit for invoices for small amounts to at least € 400;
- Authorized representatives in companies: the list of authorized representatives will be revised in 2014 with the aim of cutting three positions;
- Abolish confirmations of work and remuneration burdening businesses by introducing an automated exchange of basic monthly contributions;
- Lower default interest in social insurance;
- Legal certainty for self-employed people: where there is disagreement among social insurance providers, a board of arbitration set up in their Central Association shall decide;

- One-in one-out principle: the aim is that for each new law or each new ordinance an existing law or ordinance of comparable scope should be deleted. The result of such an audit should be presented in the introductory pages;
- Duties to publish: all the obligations on companies to publish – notably in the Official Gazette of the “Wiener Zeitung” newspaper – shall be thinned out.

Modernize administration:

- Mandatory examination when new ordinances are promulgated as to whether it makes sense to set a time limit;
- Develop e-government – especially incorporating further applications of as many regional and local authorities as possible into the company service portal;
- Speed up administrative procedures (e.g. further concentrate workflows and processes in the one-stop shop for company plants, reduce the number of documents to be submitted, enshrine in law nationwide monitoring of procedures based on uniform criteria, release more harmless small plants from the obligation to obtain a licence), taking a cue from best-practice examples in Austria.

Processing of funding:

- Transparency and legal certainty, simplification of the application system and of application processing: no post-hoc requirements to be specified, and recognize company-internal invoices (e.g. print-out from common payroll accounting systems as proof of individual transfer) as well as electronic invoices in accordance with EU law;
- EU funding: optimize all phases of national processing, from submitting applications to accounting validation.

Simplify payroll accounting: wages accounting has become so complicated that the amount of effort required to administer it can no longer be justified by either companies or the authorities. Often employees have no way of checking their pay slips. Accordingly, payroll accounting needs simplifying with the following key elements:

- Extensively harmonize the assessment bases in the Austrian General Social Security Act (ASVG) and in the Austrian Income Tax Act (EstG). First step: set up a group of experts immediately;
- Consolidate the contribution groups. First step: set up a group of experts immediately. Priority measures: consolidate the groups with only slightly differing contribution rates and apprentices’ contribution groups;
- Introduce a nationwide system of electronic confirmation of the number of employees away sick;
- Abolish the daily minimum earnings limit;
- Harmonize procedural law in the Austrian General Social Security Act (ASVG) and in the Austrian Federal Fiscal Code (BAO) with regard, e.g., to time limits;
- Remedy the unbureaucratic solution to the problem of pocket money in training and vocational guidance.

The **objective** of simplifying administration is to ease the burden on employers and employees. As a result, it will only be possible to implement some of the simplification measures within the framework of tax reform and of lowering ancillary labour costs.

Simplifying unemployment insurance law. Unemployment insurance law is confusing and basically dates back to the post-War period. The world of work has become more dynamic and requires the Austrian Public Employment Service (AMS) as a service organization. In the interests of its customers, those who administer its services, and the labour market budget, its resources should be increased. The aim should be to provide advice and information as quickly as possible and also to prevent obstacles to employment.

- Simplify and modernize unemployment insurance law;
- Review the social system with regard to obstacles to employment and cases of poverty.

Advise rather than punish:

- Principle: in administrative activity, only punish as a last resort; tolerance thresholds are planned, and checking should be carried out in an appropriate form.

Standardization:

- Create an Austrian standards strategy (by the Austrian Federal Ministry of Economy, Family and Youth/BMWFJ);
- Amend standardization law, focusing on the following: control the Institute of Standardization with specific right of supervision in the Ministry of Economic Affairs, in future only standardize upon request, afford a right of appeal against applications for standardization and create a board of arbitration, reorganize the financial structure of standardization while at the same time making life easier for users;
- Enable SMEs more easily to access standards and to cooperate in the standardization process; in the medium term, the goal should be free access to binding standards.

Agriculture and forestry: growth and employment in the countryside

Objectives:

- Bring about a nationwide eco-social agriculture and forestry sector that produces in a sustainable way and improves opportunities in rural areas for all people but especially for women and young people;
- Boost economic performance and employment in rural areas;
- Support rural family farming businesses in their production of a high-quality food supply;
- Promote responsibility for the population's habitat and for safeguarding natural resources; strengthen organic farming; encourage animal welfare and the non-use in farming of genetically modified organisms (GMO);
- Increase the competitiveness of the agricultural, forestry and food sector; provide special support for agricultural businesses in hardship categories 3 and 4;
- Ensure performance-related distribution of EU agricultural payments.

Challenges:

- The central task is safeguarding a sustainable, nationally productive agriculture and forestry sector as an integral part of regional business cycles in rural areas;
- A sustainable, innovative, productive agriculture and forestry sector stimulates growth and employment in dynamic rural areas, supplies the population with high-quality food, renewable raw materials and renewable energy, manages and shapes our living spaces, and, mindful of climate change, treats natural resources with care.

Measures and projects:

- Implement the Common Agricultural Policy (CAP) reform: more growth and employment.
 - Implement a uniform regional model across Austria with no production-related tie-ins for arable, permanently cultivated, or grassland areas (including meadow land mown once a year). A differentiated area payment and an animal-related payment for driving cattle up into alpine pastures is planned for common pastures;
 - Interim arrangement: ensure the competitiveness of agricultural businesses through gradually phasing in the regional model by 2019 (5 x 20 % steps from 2015 onwards);
 - Attractive arrangement for small farmers and support for young farmers;
 - Financing in accordance with the new rural development programmes for 2014 through to 2020 with 50 % national co-funding in line with the political agreement of February 2013;
 - Investment programme: increase investment support (5 % bonus for young farmers as well as organic farmers, and 10 % bonus for mountain farmers in categories 3 & 4 of the Austrian mountain farm cadastre or land register (BHK) for construction measures);
 - Agricultural-environmental programme: in view of climate change, develop this programme with the goal of creating a productive nationwide agricultural sector, bearing in mind efficiency, sustainable protection of resources, biodiversity, the protection of nature and animals, soil as the basis of production, and the strengthening of organic farming;
 - Mountain farmer programme: increase the additional compensation allowance in categories 3 & 4 of the mountain farm cadastre (BHK); safeguard the defined regional-development category of mountainous and disadvantaged areas;
 - The European Social Fund (ESF), the European Fund for Regional Development (EFRE), and the European Agricultural Fund for Rural Development (EAFRD) all contribute to the development of rural areas. The national partnership agreement stipulates that altogether 20 % of EAFRD funds should be used for pursuing the objectives of strengthening research, technological development and innovation (Goal 1), boosting the competitiveness of SMEs (Goal 3), and promoting social integration as well as combating poverty (Goal 9), whereby Goal 9 is to be funded by EAFRD with up to 7 % (of which up to 7 % for social services).
- Improve and strengthen the competitiveness of agriculture and forestry:
 - To represent the interests of agriculture and forestry at federal level, a Federal Chamber of Agriculture and Forestry shall be set up by virtue of a federal law;
 - Ensure the services of the Chambers of Agriculture and Forestry (consultancy and processing of funding) for the duration of the CAP by means of a consultancy and INVEKOS agreement (INVEKOS = Integrated Administration and Control System);
 - Ensure the financing of agricultural and forestry associations, marketing and consultancy organizations; strengthen quality production (e.g. beef, milk);
 - Pilot project for publicly subsidized loss-of-profit/revenue insurance;

- Develop existing insurance systems into a comprehensive crop insurance, taking into account any necessary adjustment of disaster fund grants;
- Introduce a tax-privileged measure for offsetting risk;
- Raise the bookkeeping threshold from € 400,000 to € 550,000 turnover;
- Review the penal provisions in the Animal Epidemics Act with regard to unauthorized entry to agricultural facilities;
- Veterinary Health Service – Bees: an effective and efficient bee conservation programme should be developed;
- Implement an Austrian protein strategy;
- Drive forwards a sustainable use of wood in the country's forests;
- More practical requirements and inspections; come up with a solution to the alpine pasture problem; to safeguard our alpine farmers, land assessment related to actual practice should be implemented;
- Increase the efficiency and effectiveness of the official inspection of foodstuffs, agricultural buildings and plant; transfer to certified institutes, and transparency regarding the inspection results;
- Maintain Austrian diversity in the area of seeds.
- Education and research campaign in agriculture and forestry:
 - Safeguard the higher agricultural school system, and ensure the independence of agricultural consultancy and education institutions;
 - Develop courses in agriculture and forestry at the country's institutes of applied science, and develop academic training in viticulture in Austria that is oriented to practice;
 - Professionalize and improve entrepreneurial competence as the general thrust of content in the educational and consultancy area;
 - Launch a research and innovation campaign for the agriculture, forestry and food-production sector regarding climate change, promote the sustainable use of resources, and support the bioeconomy research initiative.

The future of the rural areas

The living and economic locations in rural regions should be safeguarded and developed.

Objectives:

- Boost spending power;
- Create jobs, bring work to people, equip people with skills;
- Ensure accessibility;
- Research and innovation campaign for rural areas;
- Ensure rural areas enjoy the same public services as everywhere else.

Challenges: The Austrian Federal Government shall set as one of its priorities the strengthening of the rural areas, in which 66 % of the population live. It aims in its future developments to pay special attention to rural areas, to bring work to the people there, and to ensure that they enjoy public services and utilities comparable to those in the rest of the country. The Federal Government shall commission the drafting of a Rural Areas Masterplan.

To this end, the general long-term set-up should be provided to preserve the rural areas and make them more attractive to small and medium-sized enterprises (SMEs), especially in the fields of trade, tourism as well as agriculture and forestry. Sustainable enterprise structures anchored in the region should contribute together with public authorities to real value-added and provide skilled jobs with adequate income in the rural areas.

To make comprehensive use of European and national funding possibilities, interdepartmental measures should be even better coordinated. A basic prerequisite for this is an overview and evaluation of the entire funding landscape for the rural areas. Fields of strength in the rural areas should also be developed through making them key focuses in research and innovation policy.

Implementation measures:

- Draw up a masterplan for the rural areas;
- Boost spending power:
 - Increase the income especially of women through regional skilled worker training programmes in the rural regions;
 - Permanently anchor higher threshold values in the regional placing of orders;
 - Systematically promote the use of local products and services in the provision of amenities, particularly in the food and gastronomy sector;
 - Champion the use of regional renewable energy in the energy supply.
- Create jobs, bring work to people, equip people with skills:
 - Effective incentives for enterprises to settle and develop in rural areas (support for young entrepreneurs, alternative forms of funding for SMEs, tourism);
 - Create intercommunal enterprise zones, and support them with a nationwide IWB (investment in growth and employment) programme;
 - Make things easier when businesses are handed over or pass to successors, cut red tape in the areas of plant law, make organizational simplifications in trade regulation law, in food law, in tax law and in the employment of family members as casual or temporary workers (must be pensioners or full-time employees);
 - Pilot projects for relocating government departments and administrative affairs to underdeveloped regions;
 - Increase support for in-company training and training workshops, and provide incentives for training and further training through education measures;
 - Focus research and innovation policy on the fields of strength of the rural areas, such as agriculture and forestry, food production, the wine industry, energy production, tourism, and new services (mobile services).
- Ensure accessibility:
 - Advance the provision of broadband with the requisite data rates;
 - Ensure needs-related transport development, simplify procedures;
 - Develop local and regional public transport;
 - Safeguard and upgrade as necessary power supply networks to ensure business development.
- Provision of public services and utilities:
 - Develop concepts of mobile childcare;
 - Particularly take account not just of the mobility requirements of employed people but also of the mobility needs of women;
 - Develop village regeneration and social services;
 - Ensure adequate financial resources for the domestic water supply;
 - Implement a package of measures to ensure health care that is responsive to the needs of local people (country doctors and family chemists);

- Safeguard the universal postal service particularly in peripheral regions (amend the Postal Market Act);
- Strengthen local authorities as the democratically legitimized providers of the core structures and economic development in rural areas, which promote intercommunal cooperation.

02

**Making
Austria fit for
the future**

02 Making Austria fit for the future

Family policy

Austria is a particularly family- and child-friendly country. All children should be able to grow up in Austria carefree and have the best prospects for the future. With this in mind, we want to support parents with a range of educational and care opportunities as well as through benefits and tax relief. The range of elementary educational and care opportunities shall be developed both quantitatively and qualitatively to provide each child seeking a care place with a suitable place. In this way, children will be optimally prepared for their further educational career. Family and work shall be made more compatible.

Objective: Develop and strengthen the country's elementary educational facilities as educational centres.

Challenge: Develop elementary educational facilities both quantitatively and qualitatively in close consultation with the Government, the Länder (Austria's federal states) and the local authorities with a view to creating the best overall framework for supporting families.

Measures: Our elementary educational facilities shall be developed quantitatively and qualitatively. The Government shall make € 350 million available for this in the next four years.

The focus will be on four key issues: developing the care of children under the age of three, creating a nationwide quality framework for elementary educational centres by 2016, and developing as well as upgrading both childminder care and language support.

- Children under the age of three will be cared for either in institutional facilities or by childminders or in in-company childcare facilities or within the framework of cross-local-authority solutions, although in future all forms of care will be logged in day-care centre statistics;
- A task-related financial adjustment should be examined for the running costs of the local authorities;
- A second free nursery school year should be introduced for 4 to 5-year-olds;
- Elementary education in the last two nursery school years for 4 to 6-year-olds ensures that children's overall stage of development – in particular regarding language acquisition – is assessed early so that targeted early support can be given to children if they need it. This anchors the right to education in elementary education. If it is found that the nursery school option including support measures is not taken up by children with language and development deficits, a binding second nursery school year will be specified for these children.

Objective: Financial support for families and children.

Challenge: More transparency and simplification regarding family benefits.

Measures:

- The flat-rate childcare allowance shall be developed into a childcare benefit account, which can be used in a variety of ways. For parents this means a simplification, more transparency and flexibility. Administration is also simplified. The total length of parental leave remains untouched. A group of experts including employers' and employees' representatives shall be tasked with advising on discontinuing the limit on additional earnings and on introducing a cap on working hours;
- Reform and develop family benefits, in particular the family allowance (in accordance with the Cabinet requirement of 18.06.2013), subject to budgetary possibilities from 01.07.2014, and also the treatment of children from a tax perspective, with the goal of bundling family support, making it more transparent, and making it widely available to families. In the medium term, family benefits should be increased;
- In cooperation with all the departments involved as well as employers' and employees' representatives, the bookkeeping of the Families Compensation Fund (FLAF) shall be audited on the income and expenditure side to see whether the Fund's objectives have been met and to reveal and perhaps implement possible reform options for the funding of family-policy benefits;
- Another priority in the support of families is preventing poverty in families with a large number of children and in single-parent families.

Objective: Develop the protection and health of children and young people.

Challenge: Make a long-term contribution to the biopsychosocial health of children and young people.

Measures:

- Cooperation shall be developed between day care at school and youth work outside school;
- Child and youth welfare shall be evaluated and developed if necessary;
- The mother-child pass shall be evaluated, improved in quality, and increasingly used as an instrument in the early support of children;
- Early intervention and support, parental training, and family counselling should be strengthened.

Objective: Family-friendly society and economy.

Challenge: Increase compatibility of family and work while at the same time ensuring that work involved in looking after the family is held in high regard, that there is a real choice between work and family, and that the employment of women is supported.

Measures:

- Effective PR measures shall be taken to promote child- and family-friendliness (strengthen the family and cause it to be valued, prohibit all violence against children, increase counselling measures to prevent teenage and unwanted pregnancies, involve fathers in child rearing);
- Initiatives shall be taken to raise people's awareness of the special requirements of children with impairments and of the need to include them socially. Precisely in the case of disability, families and their children need as much help and support as they can get;

- The compatibility of work and family shall be supported through parental leave management initiatives and the promotion of in-company childcare. (Parental leave management means establishing time-out management in businesses as well as discussions with employees about their career prospects and further training options before, during and after parental leave.)

Youth

Objective: Youth policy is a cross-sectional topic. The skills and needs of young people should be recognized and respected. Here individual support and equal opportunities are central. Also important is that the different realities of life of young people and young adults are taken seriously. In particular, young people or young adults should be supported and advanced in finding an education and professional career individually suited to them regardless of whether they decide on an apprenticeship, school education, or course of study at a college or university. Opportunities for young people to have a say politics and society as well as to participate in decision-making processes shall be extended, and their concerns must be more strongly reflected in political decision-making.

Challenges:

- Establish a youth-friendly climate in politics, society and the economy, and emphasize the cross-sectional topic of youth policy in all departments;
- Improve equality of opportunity and equality of treatment of the generations;
- Enable the best possible participation of young people and young adults against a background of greater transparency and comprehensibility of decisions and decision-making processes.

Measures:

Increase the involvement of children and young people in social/public/political decision-making processes.

- Implement the youth strategy and the points contained in it, and, linked with this, increase participation by implementing the “Structured Dialogue” developed at EU level;
- Extend the opportunities for young people to participate at local authority, Land (provincial), and national level: the following specific measures are planned:
 - Generally establish or introduce interschool pupils’ councils (“Schülerparlamente”) at Land and national level;
 - Support the introduction of local or municipal youth councils;
 - Develop and strengthen e-participation;
- Develop or implement uniform provisions across Austria for the protection of children and young people;
- Ensure, evaluate and – if necessary – develop children’s rights monitoring and the existing instruments;
- Strengthen children’s and young people’s ombuds, including at federal level;

- Continue, safeguard and – if necessary – develop media formats, such as the “Advice Hotline” (“Rat auf Draht”), to counsel and assist children and young people so that they can meet special contingencies in life.

Improve support for young people in finding the right education and professional career – preparation for their further educational and professional career.

- Establish Political Education as a compulsory module from the 6th school grade as part of the subject History and Social Studies/Political Education. Schools shall also be free to teach a subject of their own autonomous choosing;
- Set up a chair of political education;
- Promote responsible media competence by continuing existing projects and arrangements;
- Expand and optimize careers and educational guidance. Continue and expand the generally accepted options for acquiring skills from informal learning experiences, ensuring that this is taken into account within the context of national training and qualifications;
- Continue and sustain the funding of the education and training guarantee;
- Launch a quality campaign in the area of compulsory internships in cooperation with schools;

Increase support for young people or young adults in their transition to independence.

- Create cost transparency in the area of driver’s licence training;
- Ensure the mobility of all young people and young adults in school and school-type education by extending the existing top youth tickets to groups previously not covered. The range of tariffs for students using public transport (student tickets) should be extended;
- Prioritize the provision of affordable housing with more favourable access conditions for young people, young adults, and young families;
- Promote the construction and modernization of student halls of residence;
- “The internship/work-experience generation”: To enable all young people to start out on their working lives in a fair and conducive way, there shall be a comprehensive evaluation of the status quo. Embarking on a career with unpaid work should not be the norm. Building on this, further measures should be worked out, in consultation with both sides of industry, with a view to generally improving the situation in this respect.

Integration

Integration is one of the biggest challenges facing Austria if it is to preserve social peace and economic success. Social diversity should be seen and taken as an opportunity for the country.

Deficits in our living together should be systematically avoided or removed so that the potential of people with a migration background can be even better utilized in the interests of all concerned.

Social integration: values and commitment for Austria.

- Establish Political Education as a compulsory module from the 6th school grade as part of the subject History and Social Studies/Political Education. Schools shall also be free to teach a subject of their own autonomous choosing;
- Diversity in public administration shall be increased. Both sides of industry shall support efforts to increase diversity at corporate level;
- The Islam Act of 1912 shall be updated and amended. This should be done in accordance with the principles of parity, state neutrality, self-government and self-financing. In order to better embed imams and Islamic theologians in the country's linguistic and social context, they should be educated long term in Austria. Accordingly, the Islamic-theological bachelor's degree course currently being set up must be further supported;
- Interreligious dialogue with the legally recognized churches and confessions shall be continued and institutionalized;
- To further eliminate obstacles to integration, such as the unequal treatment of men and women, priority shall be given to supporting women with a migration background;
- The voluntary social commitment of migrants and activity carried out by them in an honorary capacity shall be valued and promoted. Likewise associations and clubs should be actively opened up to migrants.

Linguistic integration: German as the foundation.

- The range of provisions for early language support shall be further developed;
- A second free nursery school year for 4 to 5-year-olds should be introduced;
- Elementary education in the last two nursery school years for 4 to 6-year-olds ensures that children's overall stage of development – in particular regarding language acquisition – is assessed early so that targeted early support can be given to children if they need it. This already anchors the right to education in elementary education. If it is found that the nursery school option including support measures is not taken up by children with language and development deficits, a binding second nursery school year will be specified for these children;
- German before school entry: education ensures opportunities in professional and working life and enables people to enjoy a proper stake in our society. Accordingly, children and young people shall be systematically supported in German, the language of instruction in Austria. Pupils with language deficits, especially those in conurbations, should be "made fit" in preparatory classes in German so that they can start in the regular school system as soon as possible. Here consideration shall be given separately for each school to the environment (proportion of pupils with a migration background, networks of several schools in conurbations, etc.);
- The range of language support provisions for adults shall be restructured and expanded (to include low-threshold courses, online German courses);
- Companies offering German courses shall be supported.

Vocational integration: success through both support and requirements.

- A priority of labour market policy shall be to raise the employment ratio of young men and women with a migration background;
- Qualifications, skills and expertise acquired abroad shall be properly recognized by Austria, and to this end a special recognition law shall be enacted;
- A comprehensive system for managing migration and integration shall be developed with a view to attracting skilled or highly qualified migrants to meet the requirements of the

Austrian labour market and of Austria as an economic location. The RWR (red-white-red) card should also be further modernized and freed from red tape;

- The possibility of making tuition fees tax-deductible after graduation shall be examined to encourage more highly qualified foreign graduates to stay in Austria.

Create integration structures: Austria is in a competition to attract the best workers.

- The integration agreement shall be developed into a specially coordinated integration plan to ensure optimal linguistic, social (values of “how to get along with one another”), and vocational integration;
- Courses on offer shall be opened up to EU citizens;
- The Integration Fund’s welcome desks shall be developed nationwide as a port of first call for migrants so that a more welcoming climate is created for them;
- Integration officers shall be established in Austrian missions in priority countries;
- The law relating to aliens shall be made more service-oriented, the possibility of e-Government shall be developed, and bureaucratic obstacles to integration shall be dismantled.

Research and innovation

Objectives:

- Austria should aim to become one of Europe’s leading and most innovative research countries by following the RTI (Research, Technology, Innovation) strategy;
- Bring about increased private research investment through targeted measures with a strong leveraging effect;
- By supporting basic research, application-oriented research and technological development, our society as a knowledge society should be strengthened, high-quality jobs should be created, and the quality of life of the Austrian people, economic and employment growth, and altogether the country’s prosperity should be increased.

Challenges: Ensure adequate public research funding for excellent basic research, applied research and technological development, safeguard knowledge transfer, and increase the proportion of private and international investment; create and improve career prospects for young people, boost efficiency in research structures, and cut red tape.

Measures:

- Promote excellence and talent: foster outstanding young researchers as well as individual talents and career paths through an additional 2,500 doctoral and post-doctoral positions (Austrian Science Fund/FWF, Austrian Academy of Sciences/ÖAW, Institute of Science and Technology Austria/ISTA) and develop the funding of both young researchers and young technicians in the business-related area (Austrian Research Promotion Agency/FFG). Implement an interdepartmental package of measures that already starts at kindergarten and school age to awaken young people’s pleasure in innovating and to increase their interest in Mathematics, Informatics, the Natural Sciences and Technol-

ogy (MINT) (e.g. each year 2,000 Children's University research placements, "Jugend Innovativ" or "Young People Innovate" campaign). Step up measures to stem the "brain drain" and to encourage the migration to Austria of highly qualified researchers; training and further training initiatives for R&D staff. Promote the dialogue between science and society. Raise the proportion of women in research;

- Innovative entrepreneurship: increase the number of enterprises actively involved in innovation through measures aimed at start-up companies; champion start-ups through appropriate support, funding and consultancy, etc. (e.g. venture capital); promote the relocation to Austria of R&D-intensive companies and the R&D HQs of international corporations; increase support for production and key technologies; increase the networking of universities and institutes of applied science with a view to attracting research enterprises to relocate to them;
- Research for meeting social challenges: gear research to topics such as quality of life, energy, mobility, health, demographic change, to integrative, innovative and reflecting societies, and to service-provision as well as social innovations. Leverage the potentials of The Arts, Social Sciences and Cultural History. Establish "living labs" in conjunction with the latter disciplines as well as with institutions, companies, and consumers;
- Research infrastructure: renew and develop research infrastructure in a coordinated and needs-driven way for joint use by science and the economy as well as by international research bodies such as the European Strategy Forum on Research Infrastructures (ESFRI); utilize EU funds for co-financing;
- Boost top-flight research in the basic and applied field, and comprehensively support the innovation chain: comprehensively support the innovation chain from excellence-oriented basic research (raise its profile in the Austrian Academy of Sciences and universities) via applied RTI through to translation into marketable products and services. Increase cooperation between science and business (e.g. Comet, Bridge, Proof of Concept programme, Christian Doppler Research Association, Ludwig Boltzmann Society, knowledge-transfer centres, Austrian Cooperative Research; set up ten endowed professorships in important technology areas (Austrian Research Promotion Agency/FFG), and help SMEs and start-up companies develop new markets;
- Overall strategy for intellectual property: exploit the full potential of intellectual property by developing and implementing a national strategy for intellectual property involving all stakeholders and taking into account the entire bandwidth of intellectual property;
- Better establish Austria internationally as a science, research and innovation location: increase the flow of international and EU funds to Austria by improving the range of consultancy services; sustain the country's branding internationally as a science and innovation location; increase researcher mobility and establish a lasting network of researchers who have a connection to Austria; market leading-edge Austrian technologies globally, and improve international scientific networking by signing science and technology agreements with strategically relevant target countries; plant offices of science and technology Austria (OSTA) and RTI attachés in priority countries.

Strengthen Austria as a research location and cut red tape:

- In the next five years, federal funding should be made available – subject to budgetary possibilities – to raise the research ratio;
- Enact a research funding law to increase long-term planning certainty for research institutions and companies;
- Strengthen the extra-budgetary basis for R&D through, e.g., setting up an irrevocable "Non-Profit-Making Foundation New" for the purposes of research, innovation and technology funded by the National Foundation for Research, Technology and Develop-

ment, through the integrated planning and utilization of European funds (e.g. European Fund for Regional Development/EFRE, European Investment Bank/EIB), and through providing incentives for private R&D investment;

- Greatly simplify access to research funding – especially for SMEs; modernize research funding law (in particular the Austrian Research Organization Act/FOG, the Research and Technology Funding Act/FTFG, General Framework Directives/ARR); cut red tape regarding the processing of funding; establish a generally applicable regulation for funding overheads; make it easier to utilize the resources of the European Fund for Regional Development (EFRE) while ensuring legal certainty; avoid multiple audits; implement measures to optimize coordination between the EU, the Government, and the Länder regarding research funding and research institutes in Austria as a research base.

Secure energy supply for Austria

Objectives: An efficient, affordable and socially acceptable energy system guarantees security of supply, prosperity, competitiveness and an environment worth living in; strengthen Austria's trailblazing role by rigorously continuing the country's anti-nuclear power station policy!

Challenges: General European conditions, the Energy Transition ("Energiewende"), development of network infrastructure, competition, length of procedure in the energy infrastructure area, funding system, security of supply, affordable energy.

Measures:

Energy policy framework:

- Draw up an energy strategy 2030 in consultation with all the relevant stakeholders.
 - Prepare Austria for the energy-policy challenges ahead, taking into account the economic and socio-political impact. Proactively take advantage of opportunities for Austrian households and businesses.
 - Constantly evaluate and monitor Austrian energy policy.
- Take part in drawing up European objectives and targets, determine national goals in line with EU intentions, bear in mind interactions regarding climate objectives, etc.
- Focus e-control more strongly on regulatory activity.

Energy efficiency:

- Implement the EU Energy Efficiency Directive;
- Stabilize end-energy consumption at 1,100 petajoules per year by 2020;
- Meet the 1.5 % energy efficiency target through uniform nationwide legal provisions, motivate and incentivize, continue and improve existing programmes, put binding sectoral obligations on a legal footing for all energy suppliers – with the goal of making 40 % of these measures effective for households (with continual monitoring);
- No disproportionate additional administrative load on businesses; strengthen energy counselling;

- The public authorities should set a good example (3 % building refurbishment, procurement, research) in line with their various competences.

Security of supply/infrastructure:

- Implement the EU infrastructure ordinance for important European projects of common interest (PCI) through coordination at federal level;
- Clarify public interest in projects set out in the network development plan;
- Speed up approval procedures for energy infrastructure projects;
- Implement efficient, tighter, environmental impact assessment (EIA) procedures, particularly by staffing the authorities with experts; comply with the legal lengths of procedure;
- Make approval easier for upgrading existing power lines;
- Make a commitment to constructing additional hydro-electric and pumped-storage hydro-power plants, to improving network and transport infrastructure, and to using natural gas as a bridging technology;
- Develop district heating and cooling pipeline networks, adapt the instruments, eliminate the funding backlog;
- Draw up a package of measures relating to the climate-friendly provision of heat and electricity;
- Safeguard existing highly efficient, second-generation, heat-led biogas plants (main emphasis recycling of waste material) by means of subsequent tariffs;
- For all other biogas plants, a stranded cost solution should be sought;
- Promote new combined heat and power (CHP) plants and support existing highly efficient CHP plants in such a way that subsidy law is not affected, in line with EU law, preferably in the form of a “CHP points law”.

Renewable energies/eco-friendly power/funding:

- Continue the successful development of renewable energies;
- Evaluate eco-power funding regimes and develop them in line with EU guidelines;
- Strive for an environmentally, economically, and socially acceptable eco-power system – with the aim of integrating the market; focus more on the country consuming its own power; make eco-power technologies market-ready as quickly as possible; make selective improvements to the funding system;
- Play a part in shaping increased harmonization of the funding regime at EU level;
- Evaluate the energy funding policy of all local authorities;
- Increase the efficiency, transparency and effectiveness of funding, avoid duplications, and introduce funding pyramids.

European energy policy/competition:

- Increase competition, especially by:
 - Realizing the EU single energy market;
 - Diversifying energy suppliers, energy sources, and energy routes;
 - Developing Austria’s function as an energy hub through international cooperations, improvements to infrastructure, gas and pumped hydro-storage facilities, trading centres.
- Focus all efforts within Austria on implementing common energy-policy positions at EU level;
- Create specific conditions at European level for energy-market-related bourses that guarantee transparent and appropriate pricing and put purely speculative transactions last.

Strengthen Austria as an economic and employment location:

- Implement protective measures for businesses that are at a competitive disadvantage due to their exposed position and additional energy or certificate costs – on the basis of strict criteria;
- Increase the use of European funding possibilities.

Catalyze the energy system through innovation:

- New materials and technologies lead to more energy-efficient products and processes;
- Integrate renewable energy sources, providers and services into the overall system (smart grids, storage technologies);
- Seek new solutions for intelligent and sustainable building rehabilitation;
- Push ahead with the development of low-carbon technologies in energy-intensive industries;
- Mobilize companies' energy research activities;
- Strengthen energy research within the framework of the Federal Government's RTI strategy.

Protecting the environment and promoting sustainable growth

Objectives: The Austrian Federal Government is committed to a long-term environmental policy. Acting in an ecosocial manner enables economic sustainability, improves quality of life, reduces pollution through harmful substances and noise, preserves biological diversity, develops renewable energy, and increases energy as well as resource efficiency. The Government takes its global responsibility seriously by pursuing an ambitious climate and anti-nuclear power station policy, while the policy itself strengthens Austria as a business and employment location.

Measures:

Global responsibility: climate change, anti-nuclear power station policy “Out of the oil and petroleum trap!”:

- Austria backs an ambitious Global Climate Treaty (“< 2°C target”) and is in favour of taking climate protection into account in international trade agreements;
- “EU 2020 targets”: implement Austrian self-commitment (renewable energy 34 %; greenhouse gas emissions -16 %, energy efficiency +20 %);
- EU emissions trading must create clear incentives for reducing emissions and for long-term planning certainty for investors;
- Reduce dependency on fossil energy sources in everyday life by lowering CO₂ in transport (e.g. e-mobility, developing public transport, and innovative mobility concepts), thermal rehabilitation of buildings (3 % target), and connecting up to district heating networks;
- Climate pact for implementing the Federal Climate Protection Act and catalogue of climate measures, define further measures by 2018, including binding sanctions mechanism; evaluate and implement the national strategy for adapting to climate change; information campaign;

- Actively support the “EU Climate Strategy 2030” with ambitious greenhouse gas, energy efficiency, and renewable targets without nuclear power stations;
- Work against direct and indirect funding of nuclear power stations; rigorously continue stress tests; introduce operator liability;
- To safeguard Austrian safety and security interests, all legal and political options shall be exploited against nuclear power stations and storage facilities sited close to our borders;
- Implement mandatory electricity labelling in Austria by 2015.

Protection of the habitat and sustainable use of resources:

- Sustainable water management:
 - Highest quality drinking water supply and waste water disposal as a duty of the provision of public utilities and services;
 - Forward-looking planning of water supply and efficient water management for safeguarding water provision, for sustainable food production, and for the ecologically and socially acceptable generation and storage of electricity;
 - To achieve the objectives of the EU Water Framework Directive (2nd Rehabilitation Programme 2016 to 2021), adequate resources shall be made available pursuant to the Austrian Environment Support Act (UFG);
 - Precautionary ecological flood protection (in accordance with the Cabinet requirements of summer 2013) from 2014 onwards, and careful maintenance of the same, including sustainable and efficient mountain torrent and avalanche barriers.
- Air pollution control:
 - Regionally operative, priority programme oriented to polluter-pays principle;
 - Package of measures to shift goods transport from road to rail, and innovative mobility services especially in rural areas;
 - Retrofitting of HGVs and off-road vehicles with particulate filters;
 - Change to sustainable and low-particulate heating systems (extend local and district heating, replace out-of-date boiler systems, encourage renewable systems);
 - Reduce particulates, including in rural areas.
- Biodiversity:
 - Draw up a new Austrian biodiversity strategy; comply with and develop international agreements in landscape and nature conservation;
 - Strengthen sustainability in land management;
 - Strengthen multifunctional programmes relating to habitat and species conservation (e.g. in the Agricultural Environment Programme); strengthen national parks and conservation areas;
 - Use biogenic resources and support the Bioeconomy Research Initiative.

High quality of life and opportunities through a sustainable economy:

- Budgeting of funding systems (e.g. Austrian Environmental Support Act/UFG, Climate and Energy Fund, lakes and rivers ecology) enables long-term perspectives for businesses, local authorities and private individuals, and mobilizes investment for a sustainable economy at home; continue processing via Kommunalkredit Public Consulting GmbH (KPC) under Federal responsibility;
- Financing of domestic water supplies in line with budgetary possibilities after the investment costs have been assessed;
- Provide and use renewable sources of energy to reduce reliance on fossil fuels;

- Eco-innovation through providing information, through R&D, the application and export of leading-edge environmental technologies, environmental and engineering services to create jobs and value-added;
- Strengthen R&D for habitat-related climate change questions, also for safeguarding the food supply and in the context of areas relating to energy systems;
- Reduce the amount of food thrown away by at least 20 %, lower environmental pollution by decreasing emission pollutants, close material cycles, boost recycling, high-quality recycling (End of Waste Ordinance – Soil, Recycling Building Material Ordinance) and the recovery of critical raw materials;
- “ALSAG New” (Austrian Contaminated Sites Remediation Act/ALSAG) based on location- and usage-related clean-up targets and assured funding in line with the polluter-pays principle;
- Initiative in the area of strategic regional planning across Austria in consultation with the Länder, for example to prevent progressive soil sealing, urban sprawl, etc.;
- Efficient waste heat recovery in industry and commerce;
- Efficient and shorter EIA procedures, safeguard citizens’ rights, and provide adequate human resources for this;
- Evaluate plant approvals by means of monitoring Government procedures.

Transport and infrastructure

Objective: Strengthen the country’s overall transport plan and develop a strategy across all means of transport: The Austrian Federal Government’s aim is to secure for the future the mobility requirements of the country’s citizens and its economy through an efficient, sustainable and intermodal organization of the transport system with free choice for the people of their means of transport.

Challenge: Taking the overall transport plan for Austria as a working basis and building on it, a joint Federal Government strategy across all modes of transport shall be formulated – consulting widely with stakeholders and experts – covering the key challenges of transport policy in specific project fields (modern infrastructure, basic provision of public transport nationwide, freight transport and logistics, regional development and transport, and raising people’s eco-awareness).

Measures: Develop and renew our transport infrastructure in a targeted way and in line with transport requirements: An efficient economy such as Austria’s requires functioning, needs-driven, public infrastructures. Here developing our infrastructure means, generally speaking, improving the interfaces between the different means of transport, in particular upgrading goods terminals, railway stations, and park-and-ride facilities.

- High-grade road network: The medium-term investment programme of Austrian Motorway and Expressway Financing Company plc (ASFINAG) for a high-grade road network was defined in Evaluation 2010 and is being implemented and continued with corresponding 6-year outline plans. Regardless of this, the investment programme shall be re-evaluated;

- Rail infrastructure campaign: Continuation of the rail infrastructure campaign is based on the target network. The outline plan of Austrian Federal Railways (ÖBB) shall be developed in terms of the mobility requirements of both the economy and the population (regular timetable, safety, barrier-free access e.g. for wheelchair users, presentation of the economic effects). Regardless of this, the investment programme shall be re-evaluated;
- Concerning investment by ASFINAG and the Federal Railways, efficiency shall be further increased and costs further cut in particular by reviewing standards and regulations;
- TEN funding: Participation in trans-European network (TEN) funding should be further optimized in concert with Austria's neighbouring countries;
- Austrian Federal Railways (ÖBB): To improve competitiveness, there shall be a review both of measures to strengthen equity capital and of strategic partnerships with Rail Cargo Austria or with specific business fields, etc.;
- Association of German Transport Companies (VDV) orders: The use of competitive procedures shall be further pursued. This shall be done under fair and transparent competition conditions as well as in terms of the criteria of customer benefit and the extent to which the overall economy benefits. The use of direct allocation shall remain a priority;
- Private railways: To ensure the requisite modernization, safety, and customer benefit of the private railways, here too the necessary investment shall be supported in consultation with the Länder;
- Connecting railways: To enable as much freight as possible to be transported by rail, as well as to meet regional economic policy objectives, the funding programme for the connecting railways shall be continued, although its future orientation shall be re-evaluated;
- Infrastructure funding: In the case of the funding of infrastructure projects, notably the broad-gauge project, a review shall be carried out to see to what extent alternative and innovative forms of financing such as public-private partnership (PPP) might be used with the aim of expanding the funding options. The Austrian Federal Government is committed to retaining the tried-and-tested system of the car sticker ("Vignette") and HGV toll for the high-grade road network. Beyond that, alternative categories of sticker shall be examined without regard to the effect on revenue. The HGV toll system should be organized in an economically acceptable way, taking into account European development.

Save administrative costs:

- Regional planning: Effective regional planning between the Federal Government and Länder shall be coordinated with binding force and strengthened. The present cooperation between them should be promoted. In order to take into account public interest in high-ranking infrastructure and to speed up planning and approval processes, negotiations are needed with the Länder about reforming regional planning with the goal of framework Government competence (corridor planning);
- Procedures: To promote Austria as an economic and employment base, the Federal Government advocates the lean shaping and application of Austrian environmental impact assessment (EIA) law, safeguarding participation rights. European legal parameters in infrastructure development are the basis for improving procedures.

Make public transport more attractive: The aim is to provide nationwide a range of public transport services that are accessible to and affordable by all and which will meet the needs of work and leisure transport as well as improve accessibility.

- Synchronized timetable: To make public transport more attractive, the Swiss-style system of a synchronized integrated timetable (with trains etc. leaving at regular intervals and

meeting at nodal points at the same time) shall be phased in step by step and the range of services in local and long-distance transport expanded in line with the budgetary possibilities of existing systems;

- Coordination of local transport: With the mandatory organizational cooperation of key players, the tariff system should be simplified and standardized, while uniform ticketing (such as e-ticket) procedures and information systems should be introduced across Austria;
- Postbus: In the bus sector, a more competitive situation shall come about through transport services being put out to tender. Regardless of the fact that the Postbus company must reduce its production costs, parameters shall be created regarding increased personnel costs that will enable the company to take part in this competition under conditions that are fair for all participants.

Innovative mobility:

- Transport Information Service Austria: A transport information service covering all means of transport and based on real-time data should be implemented for the whole of Austria;
- Implement the measures planned for electromobility to and from Austria;
- Implement and develop the Intelligent Transport Systems Campaign Plan.

Improve road safety: Since the 1970s, it has been possible to reduce the number of road deaths in the country each year by over 80 %. But Austria's roads must become even safer. Here top priority should be given to further improving the safety of especially more vulnerable road users, such as children. Environmentally friendly bicycle transport should also be made safer.

- Increase the use of alcohol interlocks;
- Examine the prerequisites for introducing e-call;
- Prevent the Europe-wide introduction of gigaliners;
- Reorganize matters concerning the road safety authorities (rail, air, water) in an economical and efficient way, bundling resources.

Modernize traffic law: Traffic law (in particular the Austrian Road Traffic Act/StVO) should be updated and adapted to the various different mobility requirements.

Complete the Transport Statistics Act:

- Better enforce passengers' rights: organize arbitration for passengers' rights across all modes of transport in a cost-efficient and business-compatible way, making use of existing structures;
- Develop Austria as an air transport base for the long term: the Austrian Federal Government is committed to Austria as an air transport location; strengthening and developing it as such for the long term will ensure economic growth and safeguard jobs. The function of Vienna's Schwechat Airport as a hub should be maintained and consolidated (if necessary, by supporting the construction of a third runway);
 - Vigorously continue the "Aviation 2020" roadmap;
 - Bring about efficient air traffic control at the best cost, in consultation with other European countries;
 - Develop Austro Control: the aim is to separate the tasks and responsibilities of the aviation agency from those of air traffic control;
 - Integrate air transport infrastructure into intermodal transport concepts: review the air travel levy in unison with our most important neighbours and trading partners. Liberalize air transport agreements, subject to fair and transparent competition conditions.

Strengthen waterways and canals, develop flood protection:

- Waterways and canals: To further strengthen the position of this transport mode, the Federal Government shall both press forward with implementing by 2015 the measures included in the National Action Plan for Shipping on the Danube, in particular goods transport and specialist inland waterway training, complying with all international standards, and also draw up a new NAP for the years 2016 to 2022, consistent with the EU programme for “NAIADES” inland waterway transport and with the Danube Region Strategy. The region’s ports should be made more attractive as trimodal transshipment hubs;
- Flood protection: The Federal Government is committed to bringing forward the projects planned as part of the “Second Article 15a Agreement for Flood Protection Along the Danube” by four years and thus to completing these projects by 2019. The Federal Government is also committed to speedily implementing the resettlement and construction measures of the flood protection contractually agreed for the Eferding Basin as well as to rehabilitating the flood protection facilities (e.g. Marchfeld protective flood-control dam) of the Danube Flood Protection Agency (DHK) by 2019.

Actively shape the digital future: The Federal Government supports a “digital campaign”, in particular for the availability across the country of high-speed broadband infrastructure (fixed network and/or mobile communications technology). Besides developing technology-neutral broadband infrastructure through the use of competition, it shall take steps to close the “digital divide” (town/country and old/young).

Examine the possibility of a common regulator for energy, rail, and road – the Austrian Regulatory Authority for Broadcasting and Telecommunications (RTR).

Post: review continuation of the universal service.

03

**Education,
science, art
and culture,
women**

03 Education, science, art and culture, women

Education

Objective: High-quality childcare and elementary education.

Challenge: Reach the Barcelona target (33 % care ratio) in all federal provinces (Länder).

Measure: The Federal Government shall provide start-up funding totalling € 350 million in the years up to 2017. In doing so, it will give priority to four areas: expanding care for under-3-year-olds; creating a nationwide quality framework by 2016; expanding and upgrading the quality of childminder care and language support; and promoting institutional facilities, childminders, operational solutions, and projects cutting across local authorities.

Objective: Strengthen elementary education.

Challenge: Further improve quality.

Measure: In the teacher training colleges, the range of further and continuing education options shall be developed in the area of elementary education and will feed into educational provision; research in the colleges will focus particularly on elementary education.

Objective: Strengthen the nursery school as an educational facility.

Challenge: Support all children from the earliest possible age.

Measure: In a cooperation of the Federal Government, the Länder and the local authorities, the stage of development of children who have reached the age of four years shall be comprehensively assessed, particularly with regard to their language skills. Appropriate support measures, especially early language support up to the school-entry phase, but also the fostering of talents, shall be strengthened.

Objective: Manage the transition from nursery school to primary school.

Challenge: Enable better transitions.

Measure: Create the prerequisites for passing on the necessary educational information from the nursery school to the primary school after pupils enrol for the latter; further develop the cooperation of nursery school and primary school teachers.

Objective: School entry phase, and strengthen primary schools.

Challenge: Organize transitions well, and strengthen basic competences.

Measure: The last (compulsory) nursery school year and the first two primary school years

shall be understood as a joint school-entry phase. In the area of the school-entry phase as well as in the whole elementary stage I and II, teaching across age groups with flexible internal differentiation shall be possible in every school. For children needing language support, compulsory intensive language courses shall be set up so that the children can successfully complete the school-entry phase. Alternative specifications of services can be defined autonomously for each school up to and including the 3rd school grade. Syllabuses shall be further developed so that they are more oriented to competence, with a clear focus on greater teaching of basic competences (cognitive, affective, psychomotor) and especially on the cultural skills of reading, writing and arithmetics. Additional quotas of hours shall be made available to primary schools autonomously for each school – on the basis of a transparent controlling system uniform throughout Austria and appropriate quality-assurance measures – in order to take action in all areas regarding support, advancement, talent and gifted pupils, but particularly in the area of language development. A framework model shall be worked out for this which will take into account regional differences, the size of locations, and specific socio-economic parameters of the schools.

Objective: Educational and professional career guidance with analysis of personal strengths.

Challenge: The best possible support for and advancement of pupils in their choice of education or training and profession or vocation relative to their individual interests and talents.

Measure: Professional career and education guidance as a compulsory exercise throughout secondary school level I (“Sekundarstufe I”, corresponds to British lower and middle school) with flexible forms of implementation in teaching and involving external experts.

Objective: “Polytechnic School PLUS” – create additional educational and training paths.

Challenge: Individual preparation for further education and training or for embarking on a vocation.

Measure: Polytechnic school (akin to the American vocational highschool) as a guidance and transitional school with optional and compulsory modules for catching up on entitlements; individual support and personality development through modular tuition.

Objective: Develop all-day types of school both qualitatively and quantitatively from the 1st to the 9th school grade.

Challenge: Subject to appropriate quality criteria, ensure the provision of all-day types of school (in alternating/non-alternating form) at a reasonable distance from one another.

Measure: To improve freedom of choice, and in consultation with the school providers (class by class), at least one class for each school grade shall be held all day in alternating form – alongside a class with non-alternating form – at each school location with more than one age-group class or at a reasonable distance from the next location if there is a need as stipulated by the current legal position (12 or 15 pupils). Areas of jurisdiction shall be established (agreement should be reached between the school providers about the allocation of costs; in the case of smaller schools attention should be paid to the maintenance of the school locations). Cooperations with non-school institutions shall be promoted; the requirements of the current agreement pursuant to Article 15a of the Federal Constitution of the Republic of Austria (B-VG) shall remain unaffected by this.

Objective: Strengthen school autonomy.

Challenge: More organizational flexibility in all schools.

Measures: Increase differentiation in schools e.g. by making the time structure at schools more flexible; improve the ability of head teachers to help in selecting new teachers; duty of head teachers to cooperate and provide assistance regarding the further and continuing education of teachers with a view to quality assurance and promoting a sense of responsibility for results; more flexible ways of utilizing resources allocated to schools as well as additional quotas of hours and cross-location pools of hours to meet support needs in the form of “project pots” (subject to budgetary possibilities) especially in the primary school area. Comprehensive streamlining of school laws in the interests of enabling schools to better organize themselves autonomously; in the New Middle School (NMS, for 9 to 14-year-olds), it should also be possible to double-staff a third of posts for subjects other than German, English and mathematics, with the overall number of hours remaining the same.

Objective: Political Education for all pupils at secondary school level I (~ lower and middle school).

Challenge: Prepare young people for social and political life.

Measure: Establish Political Education as a compulsory module from the 6th school grade upwards as part of the subject History and Social Studies/Political Education. Schools shall also be free to teach a subject of their own autonomous choosing.

Objective: Improve access to electronic media for schools and pupils.

Challenge: Embed modern technologies in the Austrian school system.

Measure: Gradually replace traditional teaching aids (e.g. textbooks) with digital media (e.g. tablet PCs, e-books, “educational apps”) within the framework of the schoolbook campaign and in consultation with the school providers.

Objective: Strengthen school partnership.

Challenge: Involve the parents, pupils and teachers of all types of school.

Measure: In the Austrian Federal Ministry of Education, Arts and Culture (BMUKK), a legally established Federal Government/school partner advisory board shall be set up, comprising in any case representatives of parents, pupils and teachers of all types of school. This possibility could also be opened up at the regional level of the Länder.

Objective: Develop integration classes and further improve inclusive education.

Challenge: Common educational opportunities for all pupils.

Measure: Further develop school educational experiments at secondary level II (Sekundarstufe II; ~ UK sixth form level); evaluate and try out integrative vocational training models in federal secondary schools; formulate a regional model for optimally assisting all the pupils of this region with scientific support in line with their needs; further develop the Special Educational Centres; revise the criteria for special educational needs across the entire educational band-

width. The extent of special educational needs provision should reflect the actual requirement. Anchor inclusive education in education, further education and continuing education, particularly within the context of integrative vocational training.

Objective: Improve permeability between school and apprenticeship.

Challenge: Count school attendances towards apprenticeship training and vice versa.

Measure: Counting qualifications already acquired towards some new education and training should enable pupils of Austrian general educational, grammar-type, secondary schools (AHS) and pupils of intermediate and higher-level vocational schools (BMHS) as well as apprentices to enjoy greater permeability between educational and training paths.

Objective: Same number of hours of training for all apprentices.

Challenge: Different number of hours of training.

Measure: With the agreement of employers' and employees' representatives, there should be at least 1,260 hours of training in vocational training schools for all jobs requiring an apprenticeship. The exact allocation of hours depends on the career profile.

Objective: Further develop Austrian adult education.

Challenge: Make it easier for adults to access education.

Measure: Extend the current agreement pursuant to Article 15a of the Austrian Federal Constitution (B-VG) relating to catching up on educational qualifications (basic education and compulsory school-leaving qualification); improve the provision of information and advice about education in the area of adult education.

Objective: Step-by-step plan for a daily unit of exercise.

Challenge: Upvalue exercise and sport.

Measure: Within the framework of school autonomy and in all-day types of school, introduce up to five "exercise and sport" units a week (lessons, break, key or special subjects, free time); focus especially on primary school; cooperation with sports associations.

Objective: Non-denominational schools.

Challenge: Maintain the existing provision of alternative education that focuses on children's and is inspired by the educational theory that promotes such creativity.

Measure: Promote cooperations with non-denominational schools; maintain and improve support structures.

Objective: Establish the new teacher training regime, utilizing regional synergies.

Challenge: Establish the new teacher training regime with its different providers, and strengthen further as well as continuing education.

Measures: Embed the new teacher training regime in an Austria-wide development plan with the aid of the Quality Assurance Board; develop part-time or “sandwich” courses for people changing to a career different from that for which their educational background and qualification suits them; encourage cooperations between universities and teacher training colleges.

Objective: Internationalize the Austrian educational system.

Challenge: Strengthen both teachers’ competence in dealing with diversity and pupils’ own intercultural skills.

Measure: International cooperation and exchange projects as an important way of developing pupils’ and teachers’ competence; mobility and cross-border cooperations; participate in European and international educational programmes; schools’ international exchange and partnership projects; Austrian schools abroad.

Objective: Foster talent and gifted pupils – discover and support all gifted pupils and talents.

Challenge: Develop the fostering of talent and gifted pupils in schools.

Measures: Develop the recognition and fostering of talent and gifted pupils; strengthen applied research in this area, and sustain existing networks and cooperations; further develop education, further education, and continuing education.

Objective: School Management New.

Measure: Free teachers from the burden of administrative work so that they can concentrate on teaching and education by simplifying and streamlining administrative processes in schools.

Science

Objective: Science and research shall be sustained long-term as primary pillars of Austria’s overall development and potential.

Challenge: Parameters and structural prerequisites must be arranged optimally, competitively and in a forward-looking way.

To achieve these goals, three projects have been developed for Austria. An overall strategy for universities and research in the country: bring about a climate of innovation, and enable Austria to be a world leader through the best teaching and studying conditions.

- Our positioning in international comparisons shall be raised through strengthening the tertiary sector and research, which means improving their budgetary parameters. Specific budgetary measures shall be taken to reach the goal of 2 % of GDP for tertiary educational institutions by 2020 (career measures, Medical Faculty Linz; incentives shall be created for more private investment);

- Further legal steps shall be implemented as planned for financing university places; an Austria-wide university development plan shall be drawn up; and the overall number of students admitted to university should not be lowered. Here, in the context of expanding the present capacity arrangement (currently five fields), additional posts for professors shall be created (up to 200 positions in terms of the present procedure) and their support conditions shall be improved;
- Overall university development is of great importance for Austria. Fundamental cornerstones of this development are quality, performance, upgrading the profile of universities, effective deployment of resources, the necessary infrastructure measures (land use plan, infrastructure for major research), optimal permeability to, in and between tertiary educational institutions, quality-oriented governance (e.g. lean and efficient reporting, cost and performance accounting, qualitative impact), the quality of teaching and course guidance, and improving the latter. Development of the Austrian university plan and Higher Education Conference shall be continued, as also Teacher Training New;
- Excellence shall be fostered in Austria in the arts, social sciences, cultural history, and in the field of science and ethics;
- The Austrian Universities Act (UG): This shall be further developed with regard to planning certainty, current time limits and legislative simplifications, and taking into account certain evaluations (e.g. Section 124, Section 64 Para. 4, Section 66, etc.). Study law shall be amended (permeability, further education, study and examination area, more binding force in admission procedures);
- Concepts shall be drawn up in connection with problems of asymmetrical student mobility. The quota system or some suitable follow-up arrangement should be put on a permanent footing. A root-and-branch review is needed of the development and expansion of university places in medicine in Austria (also regarding post-doctoral training and the pursuit of a medical career);
- The extra time and cost of clinical training shall be re-regulated by the beginning of 2015, following the criteria of simplicity, uniformity and transparency. Here, key parameters should be a clear flat-rate calculation system, performance-related and responsible cooperation, exact cost and performance control (paying attention to reciprocal responsibility, staff development and infrastructure questions), the separate tasks of science and medical care, and possible cooperations between hospital operators and private medical universities.

Our target: 50,000 places in institutes of applied science by 2018.

- As part of a future plan for developing and funding Austria's institutes of applied science, the number of places at these institutes shall be increased to 50,000, while their funding rates shall also be increased;
- The range of opportunities and courses for young people graduating from the dual system and from the vocational school system shall be further developed, with the aim – among other things – of counting subject-related skills and qualifications more towards these courses.

Package of opportunities, measures and services for students and young researchers in Austria.

- The number of careers offices shall be increased and new career programmes shall be offered. The number of research centres for PhD and postdoctoral students as well as in doctoral colleges shall be increased; knowledge transfer centres shall be set up. New career options or career models shall be worked out, and measures shall be taken regarding the advancement of women, gender-related issues, the compatibility of family and work, greater compatibility of work and study, and greater non-traditional access to study in

the whole higher educational sector. Performance, responsibility and increased opportunities for highly qualified scientific staff to participate must be important parameters in the successful development of the tertiary sector;

- To strengthen the idea of Europe, the involvement of Austrian students and teachers in European mobility programmes (e.g. Erasmus) should be further stepped up;
- The Austrian National Union of Students Act (HSG) shall be evaluated or amended in consultation with stakeholders with regard to possible points of reform (questions of electoral law, management, and liability, etc.).

Women

Objective: Drive forwards the development of gender budgeting and the provision of counselling and support services for women.

Challenge: Cater for the growing demand for counselling and support.

Measures:

- Safeguard and develop the necessary institutions (e.g. centres for protection against violence, emergency accommodation, and women's and girls' counselling centres);
- Gender budgeting: review its effectiveness, and vigorously drive forward implementation of gender budgeting together with the Austrian Federal Ministry of Finance (BMF).

Objective: Same pay for the same work – equal treatment of women in the labour market.

Challenge: Reduce differences in income, advance women in the labour market so that they can do work appropriate to their qualifications, and eliminate discrimination.

Measures:

- Together with employers' and employees' representatives, examine and eliminate hidden discrimination in all collective agreements (remove stereotypes and revalue fields of work with the aim of bringing about income sufficient to secure employees' livelihoods; count parental leave as working hours in collective agreements);
- Continue the "Equal Treatment National Action Plan" (NAP): together with the Austrian Public Employment Service (AMS), the Central Association of Social Insurance Providers, and employers' and employees' representatives, focus on raising awareness about the advantages and disadvantages of full-time and part-time employment. Right to be informed about full-time vacancies as well as further education and training opportunities within companies. Bundle of measures for qualified part-time work. Women's advancement in the company (mentoring, women's advancement plans);
- Income transparency: evaluate income reports and salary details in job advertisements, and if appropriate develop them in consultation with employers' and employees' representatives (e.g. measures planned, right to apply);
- Promote measures to increase the proportion of women in top positions in politics, science,

research, business, administration, and self-administering bodies. A model for this should be the regulation of March 2011 relating to the self-commitment of state-related companies;

- More women in atypical professions: create an information platform “Women/Girls into Engineering and Technology”, continue targeted projects for atypical professions, and evaluate the effectiveness of promoting apprenticeship places for training girls in atypical professions;
- Leave management: expand and develop Public Employment Service (AMS) counselling for people returning to work. Promote discussions with employees before and after time-off about career prospects as well as about further training opportunities within the framework of structured leave management in the company.

Objective: Increase the security and safety of women.

Challenge: Enable women to enjoy a self-determined, financially independent, and violence-free life.

Measures: Social security and protection against violence.

- Information campaign on the topic of women and pensions (pension splitting, part-time, parental leave, etc.) through – among other things – handing out precise information when the childcare allowance is being applied for;
- Further develop the Austrian Advance Payment of Maintenance Act (UVG), make an up-to-date “analysis of child costs”, and, building on this, evaluate the maximum maintenance limits;
- Continue the interministerial work group dealing with the national action plan “Against Violence to Women”;
- Evaluate and, if necessary, amend the protection against violence laws, in particular the provisions concerned with the gathering and preservation of forensic evidence.

Objective: Women’s health action plan.

Challenge: Improve the quality of medical provision for women from the point of view of the biopsychosocial model.

Measures:

- Better integrate gender medicine into medical care, research and rehabilitation;
- Increase the number of “First Love Ambulanz” drop-in advice centres for teenagers and of women’s health centres in all the federal provinces (Länder);
- Preventative programmes for specific women’s health issues (e.g. osteoporosis, breast screening).

Objective: Further develop equal treatment law and equal treatment instruments.

Challenge: Identify and combat sexualized depictions in advertising and the media; equal treatment law should have both a specific and general preventive effect.

Measures:

- Combat sexism in advertising and the media;
- Evaluate the tools for implementing equal treatment.

Art and culture

Objective: Secure art and culture in Austria long term.

Challenge: Political commitment to the public funding of art and culture, to artistic freedom, to cultural diversity, and to gender equality in these areas.

Measures:

- Make basic needs-related payments to Federal museums, the Austrian National Library and “Bundestheater” or Federal Theatre (with overall politico-cultural objectives, and optimization of governance with associated monitoring); initiate an investment programme for Federal theatres and a “cultural investment account” for investing in publicly funded art and culture institutions (beyond Federal institutions) for the purposes of stimulating the economy; and examine the possibilities of extending Federal liability for permanent loans to Federal museums and of increasing the amount of liability;
- Make financial aid (donations, sponsoring) tax-deductible which is earmarked for preserving listed publicly accessible buildings, for publicly funded art and culture institutions, and for acquiring the artworks of living or contemporary artists (with a cap on the amount);
- Modernize the protection of historic buildings and monuments (amend the Austrian Federal Act on the Conservation of Monuments/DMSG), and construct an underground storage facility for the Austrian National Library.

Objective: Priority contemporary art.

Challenge: Create long-term financial parameters for artists, festivals and cultural institutions. Develop contemporary artistic creation, the art of today.

Measures:

- Fund contemporary art in a targeted way within the scope of public expenditure on art and culture;
- Prioritize regional cultural initiatives, literature, music, the visual and performing arts, film, architecture, young art, and the advancement of women in these areas;
- Develop Austria as a film and music location: legally protect the Film-Television Agreement with at least the same amount of funding as at present; legally establish Film Location Austria (FISA); increase the proportion of Austrian film and TV productions relative to the overall production of the Austrian Broadcasting Corporation (ORF); increase the resources of the Television Fund; implement the ORF’s self-commitment to supporting Austrian music; strengthen music production, music marketing, and music sales.

Objective: Develop cultural education.

Challenge: Enable all people to access art and culture regardless of their social circumstances or position in society, and promote cultural participation as well as the opening-up of society.

Measures:

- Continue the policy of “Free Admission up to 19” to Federal museums and the Austrian National Library with educational initiatives for children and young people; formulate initiatives for increased cooperation between cultural and educational institutions;
- Work out an “Austrian library plan” for developing a modern nationwide library network, taking into account e-media, and push ahead with digitalization activities;
- Promote educational activities on the occasion of the year of remembrance 2018 – “House of History Austria” project, and commit to restitution as well as an active culture of remembrance.

Objective: Fair pay for creative work.

Challenge: Formulate an overall strategy regarding intellectual property, and improve the income situation of artists.

Measures:

- Exploit the full potential of intellectual property by developing and implementing a national strategy for intellectual property, consulting with all stakeholders and taking into account the entire range of intellectual property. Heighten the general public’s awareness of copyright protection and the function of copyright. Reform copyright law and other legally relevant provisions, taking particular account of data protection as well as the interests of consumers of art and artistically creative companies operating in Austria. Bring film copyright law into line with European judicature; analyze the need for provisions relating to copyright contract law; review special provisions for digital publications of collection holdings;
- Beef up scholarships and prizes, and make improvements in artists’ social insurance.

Objective: Raise Austria’s visibility internationally as a country of art and culture.

Challenge: Strengthen and further develop Austria’s reputation and international positioning as a country of art and culture.

Measures:

- Increase the mobility of artists and bolster cultural exchange at a European and global level; commit to better embedding art and culture in EU processes and EU programmes;
- Formulate an “Austria Country of Culture Strategy” within the framework of a broad stakeholder process and as part of the implementation of the project “Nation Brand Austria – Competitive Identity”;
- Exploit synergies and increase efficiency with existing resources for presenting Austria abroad as a country of art and culture;
- In 2015, on the occasion of the anniversary “200 Years Vienna Congress”, the Federal Government shall organize discussion events, involving particularly young people, on the future of the European continent.

Access to knowledge and information through an innovative media policy

Objective: Access to knowledge and information through an innovative media policy in the print, TV and online area as well as the independence and diversity of the Austrian media are a key part of our democratic culture. These values need safeguarding not least in the light of the fundamental transformation taking place in the media world, brought about by digitalization and economic change.

Measures:

- Support for the media should be oriented to diversity and quality criteria. In this context, support for journalism is of particular importance. Support for journalism should focus among other things on the quality of journalistic working conditions and on the training and further training of journalistic staff. For the media consumer, such support should ensure regional diversity as well as diversity of content, which will both satisfy the need for objective information and also form the basis of democratic participation;
- The Federal Government is committed to ensuring competition in a dual broadcasting system and to developing both the content as well as technical side of dual broadcasting in Austria. Measures should be taken to counteract the economic changes in the media sector caused by the digital substitution as well as by the financial and economic crisis together with the significant drop in advertising revenue associated with the latter. Accordingly, support for private commercial and non-commercial broadcasting companies should be continued;
- Public-service broadcasting plays a central democratic and socio-political role. The Austrian Broadcasting Corporation (ORF) should focus on public-service programme content so that in this way it can fulfil its public service mandate. Against this background, the ORF should in particular play an important role in producing and broadcasting high-quality Austrian programme content. To enable it to do so, it is necessary to bring its public service mandate into line with European guidelines, to enshrine new public-service content in law, and to evaluate online restrictions. ORF employees should also in future find working conditions which guarantee that the Corporation can carry out its journalistic activity to a high standard.

04

**Living and
working
longer in
good health**

04 Living and working longer in good health

Nursing and care

The Federal Government is committed to ensuring that all those affected are offered good nursing and care for their individual care needs regardless of their social situation. Freedom of choice about the care setting – from care at home by family members and professional services, via different forms of sheltered accommodation, through to nursing homes – must include a graduated provision of nursing and care in line with people’s requirements. Staying in familiar surroundings should be promoted as far as possible so as to continue to keep the proportion of those in receipt of attendance allowance who are being cared for as outpatients at over 80 %.

Objective: Enable people to be cared for independently at home.

To preserve the independence of older people in their familiar home surroundings as well as to support care-giving family members, particularly children, the following **measures** should be taken:

- Prioritize mobile over inpatient or hospital care: the Long-Term Care Fund will prioritize the expansion nationwide of mobile services and day care as well as measures to advise and ease the burden on care-giving relatives;
- Increase home visits to people receiving attendance allowance in order to give advice to family members providing care;
- New priority: starting in 2014, promote the barrier-free (wheelchair-friendly) rehabilitation of buildings regardless of their age;
- Increase application-oriented ambient assisted-living programmes (technologies, products and services), focusing on their long-term implementation;
- Extend and further develop 24-hour care based on experience hitherto regarding sustainability, administrative economy, and quality assurance;
 - From 2015 onwards, separate carers and care agencies from the point of view of trade and industry law;
 - Implement it in the Long-Term Care Fund (including transfer of funds).

Objective: Prevent the need for care.

Measures:

- By the end of 2014, clear recommendations should be drawn up in a “dementia strategy” for raising public awareness of dementia, for providing the necessary care structures, for the prevention and early diagnosis of the condition, as well as for the training and support of care-giving family members affected;
- Develop a catalogue of activities that enables prevention to be carried out in everyday life;
- To prevent the need for care, an overall rehabilitation strategy must ensure among other things that from 2015 onwards rehabilitation is offered for all senior citizens by pension insurance.

Objective: Provide needs-driven training and better care.

Measures: By the end of 2015, training for the nursing and care professions should be improved to cover the growing need for staff:

- Harmonize the health and social services professions by creating a Federal competence for coordinating them overall with the nursing and care professions;
- Provide modular standardized Austria-wide training across all health and social services professions with horizontal and vertical permeability, also in respect of career planning;
- Link this with the regular educational system;
- Improve the recognition of qualifications and simplify the procedures for recognizing foreign examinations and qualifications;
- Better align competences and training with the requirements of the long-term care area;
- To achieve the objective of the assured availability of mobile and in-patient hospice care, including for children, joint funding by the Federal Government, Länder and social insurance providers should be developed commensurate with the assessment of demand made by the Austrian Federal Institute for Health Care (ÖBIG);
- Develop a modern interactive information portal about the provision of care services for informing those in need of care and their family members about care provision, services, quality, and cost.

Objective: Increase efficiency and cut red tape.

Measures:

- Improve the availability and accessibility of care, nursing, therapeutic, medical, and family doctor services in the entire care area to prevent unnecessary stays in hospital. (Expand the rights of nursing homes to make up prescriptions);
- Starting mid-2014, enable medicines to be procured from wholesalers and to be stocked and individually sorted and “blister packed” for patients by nursing and old people’s homes, taking into account drug safety, and paying regard to the competence of the players in the medicine value-added chain;
- Carry out a critical review of existing quality and structural guidelines, documentation and accounting regulations, weighing up the interests of cost and of care quality (e.g. regarding improvements in drug management). This should be supported with the instrument of the Long-Term Care Fund.

Objective: Safeguard current funding.

Measures:

- The attendance allowance and the Long-Term Care Fund shall be retained and further developed as central pillars of care funding by the Federal Government;
- In the case of the attendance allowance, the focus shall be on cases of greater care need and on ensuring that the allowance is tailored to meet needs.

Currently, if income (pension) and the attendance allowance are not enough to cover care costs, recourse is made to the assets of those concerned. As soon as a replacement solution can be found regarding the anticipated shortfall in revenue and possible resulting costs (greater use of nursing homes), this system (logic of state welfare assistance) should be changed.

People with disabilities

The objective of disability policy is to include people with disabilities in all walks of life.

To this end, a Disability National Action Plan (NAP) has been drawn up to form the basis of all measures.

- Roll out the Disability NAP;
- Institute a support group, also involving those affected;
- Act on the UN Convention on the Rights of Persons with Disabilities (CRPD).

To enable disabled people to lead an independent self-determined life within the spirit of the UN Convention, large institutions should be phased out and alternative support services developed. Personal assistance in the workplace has been extended in a standardized form across the country. In the other areas of life, there should now likewise be a standardized nationwide harmonization of the services of the Länder.

Almost 20,000 people with disabilities are active in Austria in sheltered workshops for the disabled. A new model should be developed for them regarding

- Independent protection with activities in workshops;
- Greater permeability between the First and Third Labour Markets; promote and increase the hiring out temporarily of workshop employees to the First Labour Market.

People with learning difficulties should have a seat and a vote on the Federal Disability Advisory Board.

People with disabilities remain at a disadvantage when it comes to participating in the labour market. Accordingly, there should be an intensification of labour market-related support measures, which should be implemented on the basis of the employment-policy programme for disabled people, taking special account of women and migrants.

- Advance employment conditions in the First Labour Market (including employment);
- The volume of revenues from compensatory taxes should be invested in integrating people with disabilities into the labour market;
- Evaluate the amendment to the Austrian Disabled Persons Employment Act (BEinstG), paying particular attention to the possibility of fulfilling the obligation to recruit;
- Develop and ensure the quality of support structures;
- “AusbildungsFit” (“Fit for Training”) programme for young people;
- Mount an information campaign;
- Ensure transparency regarding the income and expenditure of the compensatory tax fund.

For hundreds of thousands of people with a variety of disabilities, assistance is especially important to enable them to participate in social life. Given that assistance is currently financed by four different agencies (the Länder, social insurance providers – health insurance and pension insurance –, and the Federal Social Welfare Office/BSB), the competences and procedures should be made more transparent for those concerned. This should be achieved from 2016 onwards through bundling resources with a central point of contact for assistance.

Freedom from barriers is an essential prerequisite for equal treatment of people with disabilities and for their participation in society. It is multi-faceted and extremely complex.

- Coordinate, advise, support, and create awareness regarding the importance of freedom from barriers as a human right via the Federal Social Welfare Office (BSB);
- Beef up public relations work and put across examples of good practice;
- Improve the support of guide dogs for the blind.

Social affairs

The provision of minimum protection should become an even better “springboard” into the labour market. Differences in the implementation of this regarding the basic idea that minimum protection should be a system harmonized across Austria must be eliminated. To this end, the following measures – based both on evaluations and studies of implementation experience hitherto and on the findings of the Audit Office – should be taken:

- Develop model projects in consultation with the Austrian Public Employment Service (AMS) and the social welfare offices for supporting basic benefit provision claimants who are fit to work;
- Better train young people and better integrate them into society and the labour market;
- Better formulate incentives to work, e.g. by reforming the tax-free allowance for those returning to work;
- Jointly formulate agreed objectives for labour market integration.

In the course of the negotiations about continuing the “15a Agreement” due to expire at the end of 2014, standards should be further unified with the Länder, in particular regarding:

- Assumption of retentions in medical assistance;
- Maintenance;
- Non-clawback of family and housing allowances;
- Special requirements with legal claim;
- Stronger incentives to work;
- Controls and sanctions.

Combating poverty, especially child poverty, through increasing non-cash benefits should lead to greater effectiveness. Individual best-practice approaches in the areas of learning assistance, early intervention and support, and debtor counselling should be strengthened nationwide.

Social compensation:

- Social compensation law with its plethora of individual laws should be modernized and further developed especially regarding victims of crime;
- The procedures and benefits processes in the War Victims’ Assistance Act (KOVG) should be subjected to a critical review, and, if necessary, appropriate legislative measures should be taken with a view to streamlining administration;

- To simplify administration, the resources of the War Victims and Persons with Disabilities Fund (KOBf), which is due to be wound up, should be transferred to the support fund for people with disabilities and used within the spirit of the “Disability National Action Plan”;
- Continue to support Jewish claims;
- Forensic 24-hour drop-in centres shall be set up permanently in Austria to ensure speedy preservation of evidence;
- The damage to the health of thalidomide victims means that now, as they get old, they require special support. Accordingly, a pension provision should be developed – supplementing German pension arrangements – from 2015 onwards also for Austrians (for those victims not supported by Germany), which is based on current Austrian social compensation law.

The quality of life of older people (in the areas of education, housing, and consumer protection) should be enhanced, taking account of the “Federal Plan for Senior Citizens”.

To better prevent all forms of violence, particularly against women, children and older people, the Federal Government shall push ahead with the sustained development of anti-violence programmes, paying regard to uniform standards throughout Austria of victim-oriented work with offenders.

Voluntary involvement of citizens should become more attractive, and to this end the parameters and legal provisions must be improved, taking into account current financial provision:

- Further develop the “Year of Voluntary Community Service” and the “Year of Voluntary Environmental Service”;
- All voluntary service overseas shall be financially supported and legally enshrined in the Federal Act Promoting Volunteer Work (FreiwG), paying regard to equal access for women and men;
- Examine the possibility of extending free vaccinations against hepatitis A and B to members of the volunteer fire services;
- Develop step by step Austria-wide personal liability insurance for volunteers that is standardized as far as possible.

To try out innovative approaches in social policy, new sources of funding for NGO projects relating to special problem fields should be developed through cooperations with the public sector and charitable foundations. Charitable foundations should fund projects by means of social impact bonds. If a saving is made for the public sector through the (demonstrably measurable) impact of the bonds, the public sector will refund the investment to the charitable foundation and continue the project.

Ease the burden on companies that cannot employ pregnant workers because the workers are unfit for work or because the companies are prohibited from employing them.

Study possible ways of increasing the efficiency of the social insurance providers: The tasks of social insurance are fulfilled by 22 social insurance providers. Possible costs could be curbed and savings made particularly in the areas of procurement and administration.

Health

Objective: Patient-focused care. Ensure the best possible nationwide provision of health services close to people's homes, regardless of age, income, gender, origin, or state of health, and continue the reform of the health care system beyond 2016.

The Austrian Federal Government is committed to Health Care System Reform 2013 (pursuant to the agreements and objective management agreements under Article 15a of the Federal Constitution of the Republic of Austria (B-VG) as the principal reforms proposed for the Austrian health care system. The key when accessing medical services is a nationwide system of public health services close to people's homes, which guarantee high-quality round-the-clock care of the population. To ensure this, the following priority **measures** should be implemented:

- All the necessary changes to the legal parameters shall be made by the end of 2014, notably in general contract law, in hospital law, and in the occupational laws;
- Establish quality-assured primary care close to people's homes, at the same time strengthening general medical care (family doctor). Ensure the same contacts for patients throughout so as to coordinate the promotion of health, diagnosis and therapy;
- Establish forms of care in the outpatient area that are organized multiprofessionally or on an interdisciplinary basis;
- Avoid unnecessary hospitalizations through better patient-orientation in the hospital structure by means of more outpatients' departments, first aid in hospitals, and developing outpatient structures (in line with the objective-management agreements);
- Ensure patients' access to state-of-the-art medicine by safeguarding the future funding of university clinics and centres of excellence (clinic construction investment programmes, additional cost of clinics), and improve such access by means of cross-regional planning of service provision for highly specialized medicine;
- Create a system for recording waiting times, and formulate guide values for selected routine or planned cases;
- Develop integrated care programmes for the most common chronic conditions, e.g. chronic obstructive pulmonary disease (COPD), dementia, strokes, and obesity;
- Develop and strengthen a transparent quality competition as an instrument for controlling health care planning (outcome measurement) as well as for boosting innovation in the health care system. Generate illness-related outcome quality indicators from routine data, and present outcome quality indicators for each care region and care level;
- Develop a package of measures for a modern, patient-oriented and quality-assured provision of medicines, especially in rural areas;
- Safeguard sustained and solidarity-based funding of low-threshold and highly qualified health care provision, ensure an effective and efficient use of resources in the whole health care system, make sure in the process that all the health insurance providers have balanced books and can show positive net assets in the next few years, and continue to finance the health care scheme structural fund beyond 2015, checking to see if its control function is working.

Objective: The health care system as an economic factor and employer: gear the health professions to care, and make them more attractive.

The **challenges** for the work environment in the health care system are diverse, and as a result training and job profiles should be adapted to future tasks and roles. The health care sector should be strengthened, and the members of the health professions should be supported in their responsible activities.

- Improve vertical and horizontal permeability as well as the possibility of cooperation between the health professions and other professions;
- Modernize training in the nursing and care professions, and mutually coordinate, consolidate, and expand their competences;
- The “Doctor Training New” scheme should be implemented in line with the concept of the Training Commission, including training practice;
- Measures should be taken to increase the compatibility of work and family in the health professions;
- Psychotherapy training should be reorganized;
- The parameters for Austria as an economic location in the health care sector and in health tourism should be improved;
- Procedures in the area of interstate settling of accounts (foreign guest patients) should be speeded up.

Objective: Implement framework health care objectives and “health in all policies”, and establish health promotion as well as profession-related and target group-specific prevention as a core theme.

The Federal Government is committed to strengthening health promotion and prevention with the aim of significantly increasing the years of life people spend in good health. The health competence of the population should be increased so as to raise self-determination and improve citizens’ own health.

- Drive forwards and offer nationwide in-company health promotion as a quality-assured, holistic model in health insurance;
- Tax incentives should be created for quality-assured in-company health promotion measures;
- Senior citizens’ health should be prioritized, especially in dentistry;
- Formulate a national addiction prevention strategy and addiction strategy (taking into account alcoholism and substance-related addictions);
- Take measures to ensure mental health, focusing on early diagnosis;
- Further develop and implement a health promotion strategy coordinated Austria-wide and oriented to the framework health care objectives for the purposes of preventing the risk factors for cancer, cardiovascular diseases, strokes, dementia, diabetes, chronic obesity, eating disorders, and suicide;
- Create, evaluate and further develop incentives that encourage the increased use of prevention and health promotion;
- Food safety: the Federal Government is committed to safe and clearly labelled food as well as to an efficient and reliable control network “from the stable or field to the plate”. The proposals of the report on “Resolution 189/E of the 24th Legislative Period of the National Council of 8 July 2011 relating to reform and restructuring of the whole food chain” shall be implemented, and a nationwide control unit shall be established to supplement indirect federal administration. Easy-to-understand labelling of nutritional value should make it easier to have a healthy diet. Implementation at EU level of a clear mark of origin for products and raw materials should provide consumers with reliable and assured information as well as protection from deception.

Objective: Growing up healthy – children’s and young people’s health.

The Federal Government is committed to “equal health opportunities” for children and young people. Accordingly, access to health care services should be made easier, and health promotion and prevention should be prioritized.

- Reform and modernize the school health service with the aim of strengthening prevention and health care: bundle competences, reorganize mass screenings, further develop school psychology;
- Provide healthy food in every school;
- Implement orthodontic treatment, properly fitting dentures, and oral hygiene for children and young people as a service provided by the health insurance schemes;
- Children’s rehabilitation: develop services in line with needs with the involvement of the Federal Government, the Länder, and the social insurance providers;
- Abolish the hospital cost contribution for children and young people (Section 27a of the Austrian Federal Hospitals Act/KAKuG, Sections 148ff in conjunction with 447f Para. 7 of the Austrian General Social Insurance Act/ASVG or analogous provisions), with no effect on cost for the Länder or social insurance providers;
- Further develop the mother-child pass, making it more attractive;
- Introduce a children’s and young people’s health pass for 7 to 18-year-olds;
- Formulate a “children’s and young people’s psychiatry” concept by 2015 (development and training in line with needs).

Affordable housing

Since 2005, the price or cost of living space has risen disproportionately. Accordingly, targeted measures shall be taken to ensure that the need for living space is adequately met. A mixture of measures is required for this to provide citizens with support, regardless of whether they are looking to rent an apartment or own their own property. Each year 48,000 new living units should be created, and affordable access to living space in both existing and new buildings should be ensured.

Objective: Reform housing law – fair, comprehensible, transparent and affordable.

Measures:

- Reform tenancy law in the area of housing with the aim of simplifying the law as far as possible, making it more comprehensible for those who administrate or practise it, formulating it in a legally transparent way, and making rents affordable. These objectives should be achieved in particular through the following measures, for which the work group set up in the Austrian Federal Ministry of Justice (BMJ) is working out proposals:
 - Create tenancy law that is as unified as possible by doing away with a large number of the multi-layered areas of application;
 - Waive the tenancy agreement fee at least for under-35-year-olds when they sign their first tenancy agreement for the purpose of setting up their main place of residence;

- Create a clear legal regulation governing the obligation to upkeep and maintain;
- Introduce simple and transparent composition of rents;
- Time limits: scrutinize the legal possibility of an obligation on the landlord to give warning before a tenancy agreement runs out;
- Reform the list of operating expenses;
- Increase the number of cross-district arbitration bodies in line with needs to make improvements for those subject to norms, and examine ways of improving procedural law.
- Modernize building law within the meaning of the Civil Code of Austria (ABGB), and review the attractiveness of tax law in this respect;
- Reform the Limited-Profit Housing Act (WGG) by improving the legal parameters for non-profit-making housing through legal protection of non-profit-making housing, through increasing the investment power of non-profit-making housing for more new building and rehabilitation, through clarifications to provide more legal certainty, and through making the parameters more flexible and adapting them to current and future challenges with a view to creating affordable living space in a clearly defined legal framework;
- Take into account the need that has emerged sporadically in practice to regulate property ownership law regarding the substantiation of beneficial ownership of a property, and consider also the extent of funding of reserves, the decision-making processes in the residents' meeting, and the legal position of apartment owners vis-à-vis the administrators.

Objective: Create new and affordable living space, and rehabilitate.

Measures:

- Support the creation of affordable living space in particular by:
 - Securing long term the funds for subsidising house construction (Federal Government contribution, flowbacks, and resources from the Länder), and examine their purpose in the context of the financial adjustment between the Government and the Länder.
- Ensure the provision of affordable needs-related housing in particular by:
 - Adapting the legally standardized concession of the rent-purchase option when properties are rented out for the first time or re-rented out;
 - Retaining tax privileges (exemption from capital gains tax) for housing loans;
 - Making provision under federal constitutional law to enable the use of instruments for mobilizing building land (e.g. specific category “subsidised housing”);
 - Using barracks sales for the purpose of creating affordable housing, setting aside a certain part of barracks land for subsidised housing, and granting a right of first refusal for subsidised housing;
 - Establishing generational equalization in non-profit-making housing, and developing as well as supporting projects for intergenerational living together in this housing segment;
 - Enabling additional forms of funding for affordable housing and rehabilitations.
- Create incentives to rehabilitate in particular by:
 - Expanding the rehabilitation cheque through adding the category “senior citizen-friendly/barrier-free housing”; enabling separate funding possibilities for thermal rehabilitation and rehabilitation related to a building's age; focusing in particular on multi-storey housing; devising a practical solution in connection with the unanimity requirement of tenants;
 - Establishing a public-authority tax-incentive model to drive forwards thermal rehabilitation.
- Lower building costs in particular by:

- Making better use of existing land through mandatory scrutinization regarding re-densification or building in-fill;
- Thinning out and simplifying as far as possible (technical and qualitative) building standards, construction norms, guidelines, housing subsidy regulations, and maintenance rules with a view to finding potential for saving costs;
- Implementing in the most cost-effective way the EU Buildings Directive;
- Establishing a cost-effective catalogue standardized nationwide of target criteria for building standards;
- Pragmatically reviewing the requirements (e.g. obligation to provide parking spaces, emergency chimneys) for new buildings and especially for renovations in existing housing stock unless this gives rise to fundamental concerns about safety or social impact;
- Amending standards law and developing a standards strategy; in addition changing the structure and financing of the Austrian Standards Institute (ASI) (see also in this respect the Section “Deregulation and Easing the Burden”).

Affordable living

The cost of living in Austria has risen markedly in the last few years, especially as a result of international events. Solutions are needed to cushion the impact of this development and to make life more affordable again for people. The package of measures below is intended to make everyday life appreciably more affordable for Austrians.

Objective: Prevent and curb debt.

Measures:

- Expand and strengthen consumer education especially in the area of finances in particular for young people;
- Expand debt counselling to make citizens clearly aware through budget advice etc. of the consequences of entering into contractual obligations in critical financial situations and to support them;
- Review regulations relating to limiting the interest spiral;
- Credit scoring should be legally regulated, if possible by amending the Data Protection Law;
- Create legal certainty and transparency regarding collection costs for debtors;
- Action at European level to critically examine bait advertising, loss leaders, bargain offers, etc.;
- Guiding model for legislation in consumer law, especially regarding the implementation of directives: the goal should be simple, coherent and comprehensible regulations that do not end up in overbureaucratization (e.g. moderation regarding the duty to supply information). In the interests of market participants, there should be a sufficient interval before regulations come into effect.

Objective: Affordable energy – conscious, economical and affordable use of energy, and protect households affected by energy poverty from being disconnected.

Measures:

- Work out a masterplan for combating “energy poverty”;
- The regulatory body should work out a proposal for a hardship fund for payment defaults in winter. If consumers are threatened with disconnection, they should be given targeted financial support, which is tied to mandatory energy counselling;
- Increase competition for the benefit of consumers, and encourage them to switch supplier through more aggressive publicity;
- Create incentives for the energy supply companies to provide energy counselling for households affected by energy poverty in consultation with the companies’ ombudsman’s offices and the regulatory body;
- Examine ways of improving consumers’ rights in the area of local and district heating analogous to electricity and gas;
- Transparency in the fuel market should be further increased by extending the “Spritpreisrechner” (“petrol price calculator” – an app that tells motorists which fuel stations are selling the cheapest petrol and diesel) and by comparing the domestic petrol price level with that in Europe.

Objective: Put a brake on rising charges by increasing the transparency of charges.

Challenge: Many families in Austria feel that their monthly fixed costs are continually rising while what is left of their household income is falling.

Measures:

- Cost truthfulness presupposes cost transparency. Accordingly, the real cost of local authority services should in future be presented transparently and in a way that everyone can understand.

Pensions

The basis and starting position of the Federal Government’s pension proposals and measures are the underlying forecasts made by the Government.

The Government’s aim is that federal funding of the public pension systems should take a stable course tenable in terms of the economic context.

Its priority is to raise the effective age at which people reach retirement. If there is any significant divergence from the defined differentiated target values, agreement shall be reached to take measures to get back on track.

Objective: All measures should lead to the long-term protection of the statutory contribution-based pension system, to long-term security, and to safeguarding the value of pensions for those entitled to claim them.

Measures:

- Reorganize the Pension Commission: the Pension Commission shall in future deal with an overall view of retirement provision, reporting separately on the development of statutory pension insurance, state pensions, company or occupational pensions, and personal pension plans (PPP);
- The Pension Commission shall in future be composed of the experts necessary for the above-mentioned objective;
- Subgroups can be set up in the Commission for specific topics;
- The recommendations deriving from the Commission's expert reports shall be drawn up by a group consisting of interested parties sent to and represented in the Commission, and these recommendations shall then be passed on to the Federal Government. This group shall consist of employers' and employees' representatives as well as representatives of the Austrian Senior Citizens' Council and of the Federal Agency for Young People ("Generationen-Sozialpartner");
- Starting in 2015, adjustment for inflation shall be linked to the consumer price index, as set out in the legal provisions of Section 108 of the Austrian General Social Insurance Act (ASVG).

Objective: Raise the effective retirement age and the employment ratio of older people on the basis of a jointly defined path and timetable:

- Effective pension age from 58.4 (2012) to 60.1 (2018);
- Employment ratio men aged 55-59 from 68.1 % (2012) to 74.6 % (2018);
- Employment ratio men aged 60-64 from 21.6 % (2012) to 35.3 % (2018);
- Employment ratio women aged 55-59 from 47.9 % (2012) to 62.9 % (2018).

The rise in the employment ratios results from measures (affecting these age groups) already agreed and here additionally agreed.

Measures:

- Rigorously realize the principle of prevention, rehabilitation and integration into employment before pension:
 - Where courses of illness are suspected, the principle of rehabilitation before pension should be activated as early as possible;
 - Improve the coordination of findings from courses of illness with the pension insurance providers, and clearly regulate the exchange of data between the health insurance and pension insurance providers;
 - Activate measures to reintegrate people in good time;
 - Implement the measures of employers' and employees' representatives regarding the notification system, and clarify where diagnoses are unclear.
- Beef up incentives for people to continue working beyond the earliest possible pension age and to defer drawing a pension:
 - Introduce a partial pension: After people have reached retirement age for the corridor pension (or long-term insured pension or early retirement pension in the case of long terms of insurance), they should be able to draw a partial pension if their working hours or income are reduced by at least 30 %. The model shall be designed in an actuarially neutral way and aims at a longer period in employment;
 - Deferment bonus: Where no claim is made to a (regular) retirement pension, the current bonus shall be increased from 4.2 % to 5.1 %, and no further pension insurance

contribution shall be collected from employment income. The overall effect of this will thus be that the bonus increases to approximately 10 % for each year of deferment.

- Increase efforts to reintegrate older jobless people into the employment process for as long as possible:
 - Employment bonus: employers shall receive a bonus payment if they take on jobless people who have completed their 50th year. The employment bonus shall be given after a minimum period of employment;
 - Target for the Austrian Public Employment Service (AMS): services for companies should be geared towards increasing the employment of workers > 55 years old.
- Expand and stabilize the employment of older people:
 - An employment ratio for older workers shall be specified for companies with 25 or more members of staff;
 - The employment ratio required for the age groups 55-59 and 60+ shall be calculated separately for each gender in terms of the sector average;
 - The currently applicable dissolution levy (“Auflösungsabgabe”) shall be allocated up to 2016 for all companies irrespective of their size as a bonus for funding the existing employment of people aged 55+;
 - From 2017 onwards, instead of the dissolution levy, a new levy for age-related jobs shall enter into force for all companies that employ over 25 workers but which do not employ enough workers over 55. Compared with the dissolution levy, this new levy will have no effect on revenue;
 - The dissolution levy shall lapse for all companies irrespective of their size as soon as this new measure comes into force;
 - 50 % of the new age-related jobs levy shall be used as a bonus for employing older workers, while the remaining 50 % is earmarked for in-company health-promotion measures;
 - The number of apprentices in the companies concerned shall be counted in a corresponding ratio;
 - Employers’ and employees’ representatives shall be requested immediately to start talks on the details of the regulations and to implement them with binding effect. The supervisory board of the Public Employment Service (AMS) will oversee implementation;
 - In 2014 all companies shall be informed about their current proportion of older employees and about the target value to be achieved by 2016.
- Reintegrate people when they have been off work for a long time due to illness;
- Ensure that account advices are laid out in a uniform and informative way (first account credit entry) and in particular that notification of pension entitlement already acquired and of the anticipated amount of pension can be easily understood (when people claim their retirement pension at the earliest possible time or when they only claim their retirement pension at the normal retirement age).

Objective: Half-yearly monitoring from July 2014 onwards (key date 30.6.2014) of the measures of recent years especially with regard to their contribution to raising the effective retirement age and employment ratio of older people. If the goal of raising the effective retirement age and employment ratio has not been significantly achieved by the end of 2015, further – binding – measures should be taken without delay.

Measures:

- Monitoring comprises not just early retirement and labour market monitoring (age group 55 upwards) but also assessing the extent to which targets are currently being met (effec-

tive pension age, employment ratio) as well as monitoring measures to determine what contribution the measures taken have made to meeting the targets;

- To ensure that early retirement is being monitored in a genuinely transparent way, it should among other things be viewed separately in terms of gender, age group (up to 50, 50-54, 55-59, 60-64) and type of pension. Those receiving rehab benefits should also be considered separately;
- If half-yearly monitoring of the individual measures of the last few years (invalidity pension reform, raising the age limits for occupational protection, etc.) shows that the anticipated effects have not been achieved, the relevant bodies shall intervene in a way commensurate with the causes of this;
- In connection with the changes to the invalidity pension arrangements, monitoring should furthermore determine to what extent differences, illness-related causes (diagnosis-related monitoring of sickness figures), and sector-specific as well as company-size-related factors are preventing the targets from being reached;
- The new monitoring should be enshrined in law and carried out by the Central Association of Social Insurance Providers.

Take binding measures with the goal of increasing trust in the pension system long term:

- If the agreed monitoring reveals that the targets for the effective retirement age or employment ratio are not being met, the causes of this should be analyzed. Building on this, binding measures specific to the causes should be taken by mutual consent to get things back on track. Possible measures going beyond the current legal position (five sustainability factors: contribution rate, account percentage rate, pension entitlement age, pension adjustment, Government contribution) are, e.g. a solidarity contribution to upvalue the pension account, a readjustment of the new incentive systems for more employment, or a review of the effectiveness of the existing supplements and deductions;
- If the Federal Government does not achieve any consensus about the measures, arbitration proceedings between the coalition partners limited to three months shall commence. The Federal Government shall provide one representative from the Ministry of Social Security and one from the Finance Ministry (~ Treasury) for this. The chairman of the Pension Commission together with the chairman of the Fiscal Advisory Council shall chair the arbitration meetings. The proposals of this arbitration commission shall be binding for the coalition partners.

Objective: Make company and personal pensions more attractive – more transparency and simpler regulations.

Measures:

- Reform or harmonize the support instruments (bonuses, tax-deductible contributions) for companies' and people's own contributions to occupational and personal pensions;
- Deductibility or worthiness of support presupposes that certain quality criteria (security and transparency) are met;
- Improve transparency:
 - Show interest payments on the basis of all inpayments, including all costs;
 - A product must be transparent before the status of worthy of support can be attached to it.
- Comprehensively evaluate (as of 31.12.2015) the effect of the 2012 reform of pension funds/company collective insurance as well as the 2013 reform of bonus-supported pension provision;

- When they retire, pensioners with no pension fund provision/company collective insurance should be able to change individually from a provision fund to a pension fund/company collective insurance scheme.

Objective: Develop the independent retirement provision of women.

Measures:

- Counting child-rearing times towards a pension: When the four years of child-rearing time are being counted towards a pension, it should be possible upon request – and for the purposes of closing an insurance loophole – to shift this time for all women born after 1955 until the child has completed its 7th year (overlapping child-rearing times of the first four years can be shifted to non-overlapping phases from the 5th to the 7th year = waiting time effect). (The cost of this should be checked!);
- Targeted information campaigns should be mounted on the following topics: the possibility of voluntary pension splitting for four years of child-rearing time; the pension-reducing effect of part-time phases and of European Court of Justice (ECJ) judicature, whereby dismissing women when they reach normal retirement age constitutes gender discrimination under equal treatment law;
- Models of automatic splitting for four years of child-rearing time should be examined;
- Revise and reorganize without affecting cost the provision for surviving dependants, and eliminate anything that is unfair, fortuitous or random in its calculation.

Sport

More exercise for our children through a “Daily PE Lesson”: Combating lack of exercise in children is one of the major **challenges** facing society. Exercise and sport should be upvalued.

Objective: Introduce a “Daily Exercise Unit” in the form of up to five “Exercise and Sport” units per week for all pupils, regardless of the type or form of organization of the school, and drawing on the services of organized sport.

Measures:

- Increase the minimum number of hours per week set aside for sports and exercise from nursery school up to the end of compulsory school age – with measurement of success;
- Create a new vocational and career profile “sports & leisure activities teacher/exercise coach” for deploying sports experts in an accompanying, supportive, and teaching capacity;
- Formulate a rule model for involving sports associations and sports organisations as well as their properly qualified coaches into school sports support;
- Secure additional sports areas (e.g. the sports complexes of clubs and associations), and work out creative exercise models.

“Strategy 2018” for competitive and top-level sport: Different administrative and regional authorities in the development and support of top-flight sports services currently lead to duplications, inefficiency and a lack of coordination between the Federal Government, the Länder, and organized sport.

Objective: Measures relating to top-level sport should be jointly planned and implemented by the Federal Government, the Länder, organized sport, and scientific institutions.

Measures:

- “Strategy Sport 2018”: Create a joint strategy, coordination, and planning level of the Federal Government, the Länder, and the Federal Sports Organisation or the regional sports organisations for sports centres, promotional programmes, and for institutions relating to top-flight sports;
- Develop an Austria-wide “Sporting Venues Masterplan”;
- Coordinate the use of resources when major sporting events are advertised and held;
- Develop talent-finding programmes together with educational and training institutions.

Make sport and exercise a partner of the health care system: the health-promoting effect of sport and exercise is not sufficiently utilized by the health care system in prevention, rehabilitation, and as a therapeutic instrument.

Objective: In the next few years, the social insurance system should pay more attention to the (quality-assured) opportunities provided by organized sport.

Measures:

- Implement the “Exercise” national action plan (NAP) through joint structures of the relevant institutions at the ministry responsible for sport;
- Draw up coordinated plans for preventive exercise measures, with the involvement and financing of the social insurance providers;
- Promote exercise in the workplace;
- Find ways of making public spaces exercise-friendly.

Improve structures, competences, and parameters: the country’s sports structures have plenty of potential for synergies. Social developments should be better taken into account.

Objective: Improve the structures of sport, and better embed them in society.

Measures:

- Promote synergy projects, e.g. through a new “House of Austrian Sport” for the Austrian Olympic Committee, the Federal Sports Organization, and associations;
- Formulate prevention models, and draw up suitable legal parameters regarding vocational and career models in sport;
- Make donations and membership subscriptions for childcare at charitable sports associations and clubs tax-deductible, and beef up the incentives of the Austrian Federal Act Promoting Volunteer Work (FreiwG);
- Integrate people with a migration background, strengthen girls’ and women’s sport with the aid of support measures from the responsible ministries, and include people with special needs.

Fair play in sport: The integrity of sport is threatened by doping, betting fraud, and violence.

Objective: Further develop institutions and legal parameters.

Measures:

- Amend the Austrian Federal Anti-Doping Act (ADBG);
- Combat betting fraud: accede to the Council of Europe Convention;
- Finance the Austrian Sports Venues Masterplan by means of levies on the online gambling and online sports betting of international suppliers;
- Develop initiatives against “fan violence”.

05

Austria in Europe and the world

05 Austria in Europe and the world

Commitment to Europe

Objective: Strengthening trust in the European Union.

Challenge: The crisis in Europe and the associated reforms have led to uncertainty among many citizens with regard to the “added value” of the EU. Hence, we believe it will be necessary to further develop the EU’s legal capacity and political focus in an active and coordinated manner, in the light of new challenges, notably within the Economic and Monetary Union (EMU).

Measures:

Strengthening the governance and democratic legitimacy of the EU:

- Austria declares itself in favour of a European Convention within the context of the debate on the future of the EU;
- Developing the Austrian position in this respect in a transparent and broad-based process of discussion;
- Focusing on strengthening democratic legitimacy and accountability, as well as safeguarding Austrian budgetary sovereignty;
- Further developing the Economic and Monetary Union (EMU) with the aim of ensuring sustained growth and employment, as well as stability of the euro;
- Strengthening the EU’s legal capacity, whereby the principle of unanimity is to remain applicable in sensitive areas;
- Improving governance of the euro zone to strengthen coherence in the preparation of Council decisions.

Bringing Europe closer to its citizens:

- Working out an Austrian plan of action to improve the application of the principles of subsidiarity and proportionality at EU level for working more intensely towards the EU only adopting rules in those areas, which can be regulated at EU level. Protection of citizens and the environment, as well as corporate competitive ability, notably in terms of SMEs (KMUs), should be paramount here;
- The Austrian Federal Government advocates transparency in European legislation and supports broad application of the European Transparency Register and compliance with the code of conduct for lobbyists and European decision-making bodies. Furthermore, possible conflicts of interest should be thwarted with effective rules;
- Supporting endeavours to bring the protection of fundamental rights to the highest possible level, notably by rapid EU accession to the European Convention on Human Rights (EMRK);
- Supporting efforts for the implementation of equality of status in terms of the social fundamental rights enshrined in the EU Charter of Fundamental Rights vis-à-vis the market freedoms of the internal market;
- Calling for a comprehensive impact assessment in the run-up to EU legislation.

Debating Europe:

- Extension and promotion of EU communication initiatives with the aim of fostering an objectively differentiated culture of debate open to criticism on the wide range of topics on European integration. Special target groups are schools, companies, municipalities and border regions;
- In addition, the setting up inter alia of a Europe Fund (Europafonds) to support citizen projects in Europe is also to be examined;
- Furthermore, we shall endeavour to extend the “Council of European Municipalities and Regions (CEMR)” initiative with the aim of establishing one of these in each community. The commitment and cross-border activities of EU works councils are also to be supported;
- Awarding of an annual “European State Prize for Europe-dedicated citizens” by the Austrian Federal Government on Europe Day;
- Debate on European political issues is to be reinforced in all school types, European projects at schools, e.g. “Europe at your school”, are to be promoted and in-service teacher training is to be extended.

Expansion policy with clear criteria:

- The Federal Government supports the aim of EU expansion to include other neighbours in the Balkans, who all have a clear prospect of accession. EU accession for these states will only be possible if they fulfil all the predefined criteria, whereby each state will also be assessed according to its individual progress, and eligibility for accession to the EU is given;
- Continuation of welfarism for the individual Western Balkan states: aid for programmes, which allow them to fulfil the accession criteria and strengthen regional cohesion, including the elimination of disparities in wealth;
- As in the past, the Federal Government will advocate special provisions in Austria’s interests (such as, for example, transitional arrangements for access to the labour market);
- The Federal Government will do its utmost to aid Austrian companies in realising their opportunities in these markets;
- Austria advocates a tailored partnership between the EU and Turkey. Any result of negotiations in excess of this can only be approved with the involvement of the Austrian population, i.e. Austrian citizens have the final say in a referendum.

Promote greater cohesion in strengthened regions:

- Expansion of the EU Danube area strategy and advocating the creation of a macro regional EU strategy for the Alpine region;
- The Committee of the Regions also has a particular role as a hub for countries, cities and municipalities.
- The “Eastern Partnership” and Black Sea region are an important foreign policy dimension for Austria. Bilaterally and with the aid of the European Neighbourhood Policy, the Federal Government will continue to advocate progress being made in EU’s eastern neighbour states, such as Ukraine, Moldova, Belarus and Southern Caucasus, notably in the areas of democratisation, rule of law and human rights. Further steps can only be taken if the will to reform is sufficiently recognisable, whereby a clear distinction must be made between neighbourhood policy and EU expansion.

Growth and employment in Europe

Objective: Strengthen growth, employment, competitive ability and social cohesion in Europe.

Challenge: The euro zone and stability of the euro are of crucial importance for Austria. Sweeping reforms are being implemented in some member states, which demand great sacrifices from people. Apart from concentrating on crisis management, we need the setting of growth-friendly fiscal policy measures for intelligent, sustained and inclusive growth and the creation of sustainable jobs in order to safeguard the European way of life and economic and social cohesion. In this respect, the fight against unemployment has to be a priority, since there have never been so many people unemployed in the EU as there are now. Since Austria is a country with one of the lowest unemployment rates, it can take on a leading role in this area throughout Europe. Overall, economic and social dimensions must be equally weighted in EU policy.

Measures:

Creating sustained growth and more employment:

- Commitment to the attainment of the “Europa2020 targets”;
- Continue pioneering role in the European initiative for more and better jobs;
- Give top priority to the implementation of the EU “Youth Guarantee” and promotion of high-quality vocational training systems to combat unacceptably high youth unemployment in many countries;
- Spreading the successful Austrian dual vocational training system as a prime example with the involvement of social partners;
- Easing of access to EU funding, in particular for SME (KMU);
- Easing of access to financial resources for the real economy, notably KMU, in the EU in order to achieve recovery of “normal” granting of loans;
- Support of proposals at EU level for the enabling of investment in future areas, such as, for example, transport and energy infrastructure, research and innovation, vocational training and social services;
- Support for the Austrian participants of twinning and other EU funded projects;
- Austria supports the progressive establishment of a banking union to prevent within its framework any threat to the prosperity of states and companies by regulating banks and financial markets;
- Commitment to the rapid introduction of a tax on financial transactions;
- Support of the EU action plan on combating tax fraud and tax evasion.

Strengthening the economy – safeguarding wage and social standards:

- Promote growth and employment-friendly consolidation as well as sustained reforms for the strengthening of competitive ability and domestic demand;
- Further development of the internal market as a cornerstone for European integration, with the aim of reinforcing the rights of employees and consumers, and similarly, corporate competitive ability, and avoiding unfair tax competition;
- Safeguarding of the participation rights of employees in the on-going integration of the internal market, notably with the establishment of new European legal forms of business enterprise;
- Advocating protection of livelihoods and guaranteeing of non-discriminatory, widespread and affordable access to public services;

- Support of European endeavours for a 20 % industrialisation target by 2020;
- Improvement in the framework conditions for business start-ups in the EU with the aim of hosting leading companies and headquarters in Austria, and promoting business potential in the population;
- Realignment and strengthening of the dispute resolution mechanism SOLVIT to ensure rapid, unbureaucratic and effective remedying of non-compliance with internal market laws for businesses and citizens;
- Advocating a European-wide administrative enforcement agreement for effective cross-border law enforcement in the internal market, notably in the sector of service provision;
- Promotion of a European-wide social minimum standard with no lowering of the national level;
- Demanding effective European measures against wage and social dumping, with no worsening of Austrian control standards;
- Committing to a multifunctional agricultural sector and strengthening of regions;
- Shaping of ambitious European energy and climate objectives, also taking into account the competitive ability of European businesses in global competition;
- Advocating an active equality policy at European level with regard to economic gender equality and reconciling of work and family life;
- Strengthening of the social dialogue through the involvement of social partners at European and individual state level and the maintaining of autonomy in terms of social partnerships.

Exercising Austria's responsibility in the world

Objective: Further strengthening of foreign and European political profile.

Challenge: Austria actively advocates human rights, peace and social, economic and environmental security and actively participates in the development of an effective multilateral United Nations-centred system for the purpose of establishing a regulated and equitable world order. Participation in peace missions based on constitutionally determined perpetual neutrality is a core element of Austrian foreign and security policy. Austria's position in global, political and economic competition is to be further reinforced and relations with emerging regions intensified.

Measures:

Global shaping – playing the active role of mediator:

- Harnessing the potential of the [geographic] position of Austria as a place for international dialogue and mediation, supported by a proactive policy in terms of hosting [international organisations];
- Using Austrian presidencies at international forums, such as, for example, Council of Europe (Europarat), UN Economic and Social Council (ECOSOC), the Central European Initiative, EU Council Presidency, and international conference initiatives, to strengthen the Austrian profile in matters of future foreign policy, such as security, human rights and energy;

- Active involvement in the stabilisation of the Wider North-African Neighbourhood and Sahel region through the exploitation of bilateral relations and EU instruments to promote an exchange at political, economic and cultural level, whereby democratic development in particular is to be supported;
- Austria will also emphatically advocate a peace settlement in the Middle East. Our aim is a “two-state solution” with a State of Israel within recognised and permanently secure borders, and an independent, democratic and viable Palestinian state;
- Austria advocates the expansion of strategic partnerships in the EU, in particular with emerging states like Brazil, China, India, Russia and South Africa;
- The Federal Government will actively continue to pursue its efforts concerning dialogue between cultures and religions.

Advocating a just and fair world:

- The Federal Government will also continue to advocate adoption of the obligation to maintain high social and ecological minimum standards during consultations on negotiating mandates for EU trade and investment agreements as well as during the negotiations of these themselves. The aim among the free trade partners of the EU is to achieve ratification and implementation of their obligations enshrined in internationally recognised International Labour Organization (ILO) Conventions, and those enshrined in international environmental agreements. Care must also be taken in this respect to ensure efficient monitoring of the obligations and a mechanism for reconciling differences in the event of defective implementation;
- Austria supports measures at a global level, which aim to achieve fairer and more stable financial regulations. They notably include its commitment to combating tax evasion and tax havens worldwide as well as different forms of aggressive tax planning.

Advocating a safe world:

- Setting of further initiatives on disarmament, arms control and non-proliferation. Advocating a nuclear-weapon-free world and banning of nuclear weapons, inter alia within the framework of an international Conference in Vienna in 2014/15;
- Supporting nuclear-weapon-free zones in the Middle East and also in Europe;
- Establishing a programme aimed at providing international support for the destruction of outlawed weapons (anti-personnel landmines, cluster bombs, small arms, light arms and chemical weapons) and rehabilitation of victims;
- Development of a coherent “cyber foreign policy” in the Federal Ministry for European and International Affairs (BMeiA), taking into account the Federal Criminal Police Office (BKA), the Federal Ministry of the Interior (BMI) and the Federal Ministry of Defence and Sport (BMLVS), to cope with the growing significance of “cyber phenomena” in international security and foreign policy, particularly in the areas of protection of freedom and fundamental rights in the internet, aspects under international law and economic issues;
- Austria will continue to advocate greater involvement of women in international peace efforts.

Renewing our commitment to human rights and the rule of law:

- Decision on a National Plan of Action for „Human Rights«, which places the existing sectoral plans of action in the areas of human rights within a common framework and is amended in association with the Ombudsman Board;

- Establishment and endowment of an Austrian Rule of Law Trust Fund by the Austrian Federal Government;
- Support of diplomatic initiatives for global strengthening of the fundamental right to data protection.

Pursuing an active peace policy:

- Safeguarding Austria's participation in UNO and EU peace missions to the extent scheduled in the Austrian Security Strategy being at least 1,100 soldiers on a permanent basis for deployment abroad;
- Establishing and implementing a national Foreign Deployment Concept jointly with the BKA, BMeiA, BMLVS, BMI und the Federal Ministry of Justice (BMJ), within the framework of which civil crisis prevention, conflict solving and peace consolidation will also be taken into account.

Strengthening international solidarity

Objective: Strengthening development cooperation as an overall state responsibility.

Challenge: A central responsibility of Austrian foreign policy lies in its obligation vis-à-vis people in the poorest and most disadvantaged regions and countries of this world. Development policy in this respect constitutes a concerted effort within the international community, in a spirit of solidarity, and is also an instrument for promoting Austria's own interests.

Measures:

Perceive development cooperation (EZA) as a coherent overall responsibility:

- Development and legally binding nature of a phased plan to increase EZA funds until the 0.7% target is reached;
- Drafting of an overall strategy by the Federal Government jointly with parliament, government departments, social partners and non-governmental organisations (NGOs), as well as interested members of the general public, with the aim of strengthening the coherence of Austrian EZA, adapting it for new challenges and promoting political educational work on development cooperation;
- Responsibility for the international financial institutions (IFI) will be exercised jointly by the Federal Ministry of Finance (BMF) and BMeiA. This will ensure that the planning of the budgetary means concurs with the objectives of the overall strategy.

Sufficient funds for humanitarian aid operations:

- The annual budgetary framework for the Foreign Disaster Aid Fund is set at 20 million euro, so as to be able to react to the growing number of humanitarian crises.

06

**Security and
state governed
by the rule
of law**

06 Security and state governed by the rule of law

Security policy

Shaping security in a comprehensive and integrated way: The Austrian security policy based on the new Austrian Security Strategy (ÖSS) and Perpetual Neutrality must be adapted to fit future opportunities and **challenges**. The EU as a comprehensive community of peace, security and solidarity forms the central negotiating framework for this.

Objective: Ensuring a comprehensive, integrated, and active security policy in a spirit of solidarity for shaping a situation beneficial to Austria, its population and the EU, for preventing the occurrence or effective date of threats, and for the protection of the people and the state.

Measures:

- Coordinated implementation of the ÖSS, notably through the continued development of the concept of Comprehensive Security Provisions (USV);
- Continued development and improved use of situation reports in security policy and establishment of a national contact point (Lagezentrum);
- Expansion of security research;
- Strengthening of national coordinating structures and programmes as well as cooperation in security policy with parliament;
- On-going and comprehensive information for the population with regard to security policy concerns.

Protection of critical infrastructure and strengthening of “cyber security”: The protection of critical infrastructure (SKI) and guaranteeing of “cyber security” are of particular significance for the health, security, economic and social well-being of the population, the functioning of state facilities and the utilisation of “cyber space”, which is increasingly turning into a vital area of activity for the state, industry, academia and society.

Objective: The protection of critical infrastructure, the security of “cyber space” and people in “cyber space” will be increased through cooperation between the state, industry, academia and society.

Measures:

- Drafting of a national concept for increasing the resilience of Austria and for the protection of critical infrastructure;
- Coordinated implementation, evaluation and, if necessary, adaptation of the “Austrian Strategy for Cyber Security” (ÖSCS);
- Creation of the necessary structure for coordination at an operational level in the area of “Cyber Security”;
- Exploitation of synergies, for example, for strengthening the cooperation between state, industry, academia and society in the areas of SKI and “cyber security”;

- Creation of the necessary legal basis in the area of SKI and a federal law on “cyber security”;
- Shaping of continued development of the European programme on the protection of critical infrastructure and international activities on “cyber security”.

Strengthening of European and international security: EU integration opens up the opportunity for a self-determined, common, European future. At the same time, the situation with regard to security policy in and around Europe is determined by new **challenges**. These are more complex, more strongly interwoven and less predictable than previously.

Objective: Being able to contribute to strengthening the area of freedom, security and justice, to the external action of the EU, to international crisis and conflict management and to the legal capacity of International Organisations.

Measures:

- Promoting understanding and acceptance of EU fundamental rights;
- Actively contributing to the implementation and further development of EU-policy in the sector of justice and internal affairs;
- Shaping the further development of Common Security and Defence Policy (GSVP) and security policy within the framework of the United Nations (VN), the NATO Partnership, the Organisation for Security and Co-operation in Europe (OSZE) and the Council of Europe (Europarat);
- Increasing the use of the possibilities for cooperation with regard to security policy in the neighbourhood and with strategic partners;
- Expanding participation in civil missions and maintaining participation in military missions at a high level, pursuant to ÖSS guidelines;
- Adapting the Federal Constitutional Act on Cooperation and Solidarity in Deploying Units and Individual Persons Abroad (KSE-BVG) to amended mission profiles in the area of crisis and conflict management;
- Developing and implementing a national deployment abroad concept as well as implementing the guideline “Security and Development”;
- Actively contributing to preventing the proliferation of weapons of mass destruction and to disarmament and arms control.

Data and information security: Cooperation between security agencies and services is necessary in the interest of [safety and] security, such as for the avoidance and fight against extremism and terrorist activities, or for supporting citizens in emergency situations abroad. But there are also adverse activities (e.g. intelligence activities).

Objective: Effective protection of the fundamental and civil rights and liberties of humans and the integrity of sovereign processes, taking into account the democratic rules that form the bedrock of the rule of law.

Measures:

- Strengthening the analytical capabilities and cooperation of the relevant institutions, and creation and/or adaptation of the necessary legal regulations;
- Promoting the development and production of security-relevant core components in Austria and Europe;
- Actively participating in the creation of an EU internal market in the data sector, and promoting high security standards, such as for high-quality “Cloud” services;

- Improved network security through corresponding efforts at national, European and international level;
- Advancing the work on EU Directives on “cyber-security” and data protection, as well as pressing ahead with an agreement between the EU and the USA, taking into account data security;
- Fighting against economic and industrial espionage, also interacting with the economy.

Internal affairs

For a modern police force and security management: social and demographic development, differing pressures in the operation of services and ensuring the greatest possible proximity to citizens are the central **challenges** of a modern police force and security management.

Objective: Ensuring contemporary police work through target-oriented deployment of personnel, embedded in an efficient organisation for the guaranteeing of a high presence in the field service and expansion of citizen services and reduction of administrative costs for citizens and authorities.

Measures:

- Modernisation of equipment and infrastructure;
- Police officers receive the best support through in-service education and training;
- Creation of an efficient organisation;
- Increase in the proportion of women and people with a migrant background;
- Utilise and extend safety research programmes.

“Cyber Initiative” and National Crisis and Disaster Protection Management (SKKM): The state, its citizens and critical infrastructure are threatened by crises and disasters as well as by abusive use of “cyber space” or data.

Objective: Intensifying the fight against cyber-crime, increasing national “cyber security”, protecting critical infrastructure and ensuring data security.

Measures:

- Partnership co-operation between the state, and stakeholders from industry, academia and research;
- Ensuring an up-to-date data security policy and creating framework conditions for safe, cutting-edge, and digital identity management;
- Establishing a “Cyber Security Centre (CSC)” in the BMI;
- Gaining of synergies in terms of personnel, training, “cyber”, missions, development of skills, logistics, infrastructure and research.

Timetable: End of 2015.

Constitutional protective measures and counter-terrorism: The security of the state and its citizens is threatened by extremism, terrorism and espionage.

Objective: Expansion of preventive and repressive mechanisms to enable an effective and efficient defence against espionage and the consequences of extremism and terrorism.

Measures:

- Modernisation of equipment, infrastructure and training;
- Extensive cooperation between state and private security stakeholders;
- Creation of special regulations under federal law for state protection.

Timetable: 2014.

Overall control of migration: Developments in the sector of migration at national, European and international level, and the objectives, requirements and possibilities Austria has within the framework of these developments, are crucial issues concerning the future of Austria.

Objective: Alignment of national technical, infrastructural and legislative measures with European and/or international projects. Development of a national approach for public and private stakeholders.

Measures:

- Further development of the national migration strategy;
- Creation of regional alien police centres of excellence;
- Intensifying co-operation at EU level and with the countries of origin;
- Increased expansion of the instrument of voluntary return;
- Asylum procedures should be followed up rapidly and be of high quality;
- Reinforced fight against illegal migration.

Combating crime and expanding protection from violence: Austria must continue to do everything possible to ensure that the fight against crime is effective and efficient. Violence, particularly against children, women and senior citizens, as an unwanted social reality, is unacceptable.

Objective: Maintaining the high objective and subjective sense of security by strengthening the prevention and information activities and effective and efficient combating of crime.

Measures:

- Legislative and operative operational measures to combat cyber-crime;
- Siphoning off of “criminal assets”, financing of aid for victims;
- Increasing the fight against human trafficking and the transporting of illegal immigrants;
- Legislative and operational measures for protection against property crime;
- Increased co-operation between industry, academia and private security service providers;
- Improvement in the detection of mental and physical violence;
- Evaluation of the existing network of shelter for the victims of violence, and expansion of the same, if needed;
- Quality and training standards for private security service providers;
- Municipal prevention projects for the protection of citizens and their property.

Road safety: Traffic and speed supervision in a national and international context.

Objective: Factors endangering road safety are to be reduced by special traffic surveillance models.

Measures:

- Intensifying expedient co-operation, notably in residential areas typically frequented by many particularly vulnerable road users such as pedestrians, cyclists and children;
- Increasing international, cross-border prosecution of traffic offences in terms of road safety.

National Defence

“An army for the future”: Future **challenges** and new tasks require modern and powerful armed forces as part of an efficient national and European security alliance.

Objective: The Armed Forces must be aligned to future challenges and tasks based on the new Austrian security strategy, the military service report, the militia system and Permanent Neutrality. An improvement in the capabilities for both the military national defence as well as for assistance missions is desirable.

Measures:

- Creating a partial “defence policy” strategy;
- Task-oriented adaptation of the military organisation and creation of a Cyber Defence Centre in the Federal Ministry of Defence and Sport (BMLVS);
- Reform of the armed forces with strengthening of operational management;
- Increase in the proportion of female soldiers;
- Modernisation of the training system.

Military service reform: Military service reform must be completed.

Objective: Serving in the Armed Forces is attractive to draftees and makes the best possible use of the purpose of national defence. In this respect, the Austrian Armed Forces (ÖBH) derive the highest benefit in terms of fulfilment of tasks and personnel development.

Measures:

- Implementation of the report on the reform of the military service;
- Increasing the versatility and training activities of the militia contingent on a clear basic mission.

Timetable: Legislative period; first report on military service reform at the end of 2014.

Improving civilian-military co-operation: New risk profiles like “cyber”, terrorism, threats to the critical infrastructure or the increasing number of disasters require closer co-operation with other government departments and civilian organisations.

Objective: Improving military protection in Austria and consolidating civilian-military co-operation.

Measures:

- Define the necessary skills and deployment strength of the Armed Forces in a national planning process with the authorities requesting assistance;
- Improve co-operation between the Austrian Armed Forces (ÖBH) and the relevant authorities and “blue light” organisations;
- Gain synergies in the sectors of personnel, training, deployment, development of skills, logistics, infrastructure, research and “cyber”.

Timetable: Legislative period; development of a master plan by mid-2014 for the skills and deployment strength of the Armed Forces.

Strengthen commitment to European solidarity and global peace: Austria’s security policy does not begin at the state border. On the contrary, it is extremely closely linked to the security policy of the EU and international developments. Austria is required to commit to European solidarity and global peace contingent on neutrality and in close co-operation with like-minded partners.

Objective: Strengthening the ability to contribute to a military solidarity contribution (Solidarbeitrag) for security policy action by the EU, in particular for the entire range of the Common Security and Defence Policy (GSVP) and for implementation of the EU solidarity clause, taking into account the “Irish clause”. Performing the role of a reliable partner in the spirit of solidarity in high-level international operations.

Measures:

- Creation of a military foreign and co-operation portfolio and its embedding in a comprehensive national foreign deployment concept;
- Participation in cross-border “international humanitarian aid and disaster relief” measures as well as in conflict provision and disarmament;
- Implementation of the necessary adjustments to the law on posted workers (Entsendegesetz).

Military modernisation package: The Armed Forces do not have the future military capability necessary in some areas.

Objective: The Armed Forces are equipped with cutting-edge [technology] for new challenges.

Measures:

- Aligning all procurement projects to new tasks;
- Ensuring the best possible protection for soldiers and investment in particular in the areas of command and reconnaissance skill, active air surveillance and modernisation of helicopters;

- Demand-driven modernisation of the infrastructure of barracks and feeding of proceeds from reuse to the BMLVS.

Defence research and innovation: The specific needs of national defence have so far only been fulfilled in national research programmes.

Objective: To ensure future-oriented and innovative skills, defence research must be intensified.

Measures:

- Creation of a defence research programme in tune with the Austrian Programme for Research Security (KIRAS);
- Positioning of the ÖBH as a business partner for research, innovation and technology development;
- Continuation of the co-operation of the BMLVS with high-level extramural security policy research institutes.

Justice

Improved access to justice: Long proceedings unduly burden the judiciary and those involved and are perceived by the population as a “shortcoming”.

Objective: Improved access to justice and increased legal protection.

Measures:

- Continuation of the reform of the district courts;
- Construction of a new penal institution in the Vienna area with its own new juvenile wing;
- Examination of the inclusion of inmates of penal institutions into statutory health insurance;
- Setting of priorities in the fight against white-collar crime and corruption;
- Further expansion of legal protection for victims and defendants (in particular by extending process support, examining the creation of an independent victim protection advocacy and adequate refunding of defence costs);
- Off-loading pressure on the court system:
 - by increasing out-of-court conflict resolution (such as mediation);
 - by means of class action and class action lawsuits as well as measures of enquiry (observation), similar claims from several interested parties should be able to be judicially enforced more easily and more economically;
 - by examining the introduction of modern logging possibilities (video technology), use of modern technologies for record-keeping;
 - by examining the (re-)introduction of mandate procedure in criminal proceedings.
- Evaluation of court fees with a view to increasing access to justice;
- Further acceleration of preliminary proceedings:
 - Improvement in cooperation between the police and the Public Prosecutor and the involvement of a legal protection commissioner to solve differences of opinion;
 - Adjustment of avenues of investigation in criminal procedural law to further technical development (subject to statutory determination);

- Optimisation of reporting by the public prosecution authorities and decision-making timeframes during preliminary proceedings;
- Improvement in the co-operation between the criminal prosecution authorities and state regulatory authorities (such as the Austrian Financial Market Authority [FMA] and Austrian Federal Competition Authority [BWB] etc.).
- Off-loading pressure on the judiciary by a further expansion of the public-private partnership (PPP) model in the non-sovereign area (Justice Support Agency [JBA]).

Criminal law: After 40 years' validity, amendments are appropriate due to changes in values and technical progress. Based on previous experience with reform of criminal procedure, adjustments are also necessary in the area of criminal court proceedings.

Objective: Amendments to substantive criminal law and adjustments to the Code of Criminal Procedure (StPO).

- Substantive criminal law ("Criminal Code [StGB] 2015")
 - Proportionality of penalties in particular between offences against property and offences against life and limb as well as sexual probity;
 - Differentiation between penalties for burglary, creation of new definitions for war crimes or crimes against humanity and for the protection of critical infrastructure; evaluation of the definitions and sanctions in "cyber crime", against human trafficking and against breach of trust and accounting fraud; introduction of the complicated background of "violence in the family"; verification of the characteristic definition of professionalism;
 - Scrutiny of the revision to custody in detention centres pursuant to § 21 StGB;
 - Increase the effectiveness of the Collective Accountability Act (fine, institutional party rights);
 - Improved logging of the phenomenology of radicalism in law.
- Rules of criminal procedure
 - Implementation of the findings of the subcommittee of the Judiciary Committee for the evaluation of StPO Reform in 2008, in particular, revision of the term "accused" and protection of the rights of the accused in Public Prosecutor preliminary proceedings and optimisation of absorption on the basis of best practice models; revision of expert witness appointment (expansion of co-operation);
 - Reform of jury court proceedings within the meaning of better rule of law traceability.
- Focus on juveniles
 - Examination and implementation of the results of the "Task Force on Juvenile Justice".
- Modernisation of the juvenile justice system and/or adolescent criminal law;
- Expansion and deepening of the existing special responsibilities for juvenile criminal cases and the criminal cases of young adults, also at Public Prosecutor level, and guaranteeing further training measures being focused on this area.

Timetable: Legislative period; Reform StPO 2014; Reform StGB 2015.

Civil law: The challenges can only be taken into account in a limited fashion with the set of rules still partly originating from the 19th century.

Objective: Modern rules for a modern society.

- Revision of tort law subject to maintaining its basic principles;
- Adapting of civil law statute of limitations provisions, notably for victims of abuse and sexual violence;
- Promotion of supported decision-making (supervised account as a first step, appointment of a guardian as ultima ratio);
- Strengthening of consumer rights;
- Modernisation in company law and partnership under civil law (“ABGB 200+”); evaluation of GmbH law; preservation of seat and administration in the case of cross-border transformations;
- Strengthening of transparency, the powers and structures of competition authorities;
- Development of the law of succession (forced heirship, improving the position of [childless] spouses and companions, and business succession);
- With Foundations: achieving transparency through the reporting of economic indicators by the Federal Ministry of Finance (BMF) to Statistics Austria, with group-lead Foundations, the solving of from what point in time in terms of control a supervisory board should be mandatorily set up, creating a legal basis for charitable foundations in selected areas subject to the establishment of a state supervisory structure;
- Reform of copyright and other legally relevant provisions with particular attention to data protection and the interests of those creating art, consumers and companies operating in Austria.

Timetable: Legislative period; Partnership under civil law 2014, Copyright 2014.

07

State reform and democracy

07 State reform and democracy

Reform of federalism

Challenge: The national assignment of authority is out of date in some areas and confusing as a result of extensive fragmentation. At the same time, the involvement of the federal provinces (Länder) in federal legislation through the Federal Council is not effective in its current form.

Measures:

- A clear and modern demarcation of authority should be created between the federal government and the federal provinces with a commitment to modern federalism and taking into account the legal position of the European Union;
- The Federal Government is committed to an effective involvement of the federal provinces in federal legislation. The tasks of the Federal Council are to be increased, and its composition streamlined and made more effective, and more cost-effective.

Implementation: The drafting of the necessary reforms is to take place jointly with the opposition parties. For this purpose, a federalism reform committee will be employed at parliamentary level to develop concrete formulated proposals for amendment of the Federal Constitution Act subject to the involvement of the federal provinces.

Creating modern agreements pursuant to Art. 15a of the Federal Constitutional Act (B-VG).

Objective: Further development and expansion of the Article 15a agreements.

Challenge: Agreements between the Federal Government and federal provinces pursuant to Article 15a B-VG constitute a successful tool, but in part also involve the unnecessary need for implementation. Similar agreements would also be expedient in other areas, but are not included by the legal scope.

Measures:

- Direct applicability with sufficiently substantiated agreements; possibility of “not required” (NR) for the retention of legal implementation (analogous to Article 50 para 2 subpara 4 B-VG);
- Clarification that Article 15a agreements may also contain regulations on the exercising of authority by the federal government and provinces;
- Federal Government, federal provinces, municipalities and association of local authorities can create shared facilities for individual matters through agreements;
- General dissemination of agreements for cities and municipalities, each represented by their representations of interests;
- Explore the possibility for municipalities, association of local authorities and legal entities under public law also to enter into agreements with each other or with the Federal Government or federal provinces concerning the exercising of their powers in fulfilment of the laws.

Reducing the powers of assent between Federal Government and federal provinces.

Objective: Unbundling the Federal Government's and federal provinces' existing powers of assent.

Challenge: The powers of assent provided for in the Federal Constitution between Federal Government and federal provinces are partly out of date and impede rapid and efficient adjustments in the area of administration.

Measures: Waiver of certain powers of assent in organisational matters by the respective regional authorities. Approval by the federal government is dropped for:

- Enactment and amendment by the business division of the Office of the Provincial Government;
- Appointment of the Regional Authority Director and his deputy;
- Changes to the boundaries of the communities are affected by the boundaries of the district court parish;
- Change to the district [court] parish.

Approval of the Provincial Government is omitted in the event of a change in the district court parish. Furthermore, the provision is dropped whereby the boundaries of political districts and urban communities and judicial districts may not overlap.

Improving coordination in the event of disasters.

Objective: Clear responsibilities in the area of state crisis and disaster management.

Challenge: Natural disasters require a swift and coordinated approach by all action forces and assistants.

Measures:

- Assignment of authority for higher-level transnational crisis and disaster management to the Federal Government;
- Extensive concentration of responsibilities for [provincial] governors in terms of crisis and disaster coordination strategies within the meaning of general responsibility for issuing the necessary measures, insofar as this is necessary to avert manifest and irreparable damage to the community or to provide assistance during or after an extraordinary event, but omitting the currently envisaged restriction to matters of direct federal administration;
- It is no longer geared to whether the measures are necessary at a time when the supreme bodies of the administration of the Federal Government are not in a position to do this due to force majeure; on the contrary, [provincial] governors are obliged to immediately establish the arrangement with the competent supreme bodies of the administration.

Political participation and fundamental rights

Strengthening direct democracy.

Objective: Political decision-making processes should be brought closer to the voters and made more transparent. In addition, the existing instruments of parliamentary control and co-determination must be expanded by the inclusion of citizens and hence strengthen parliamentarism.

Measures: The Coalition is committed to meaningful completion of representative democracy by directly democratic institutions within the meaning of Application 2177 / A (in bill draft form). Particular emphasis should be placed on the one hand on updating the existing directly democratic institutions (introduction of a central electoral register, harnessing internet-based services for involving citizens in democratic policy-forming processes) and on the other hand, stressing the importance of parliamentary consultation. It is therefore proposed to appoint a Fact-Finding Committee in the National Council immediately after the government has been formed to revise the said bill draft and incorporating the comments received.

Implementation: Establishment of the Fact-Finding Committee in early 2014.

Personalise suffrage.

Challenge: The system previously provided for the allocation of preferential votes in provisional and federal electoral districts, i.e. entering the name or list number of candidate has proved to be too complicated and impractical both in terms of voters and electoral commissions.

Measures:

- With this in mind, the preferential votes necessary for prioritising are to be significantly reduced at all three levels; regional electoral district: 9 %, provincial electoral district: 5 %; the federal electoral district: 5 %; for EU elections 5 %
- The simple possibility for the allocation of preferential votes, i.e. marking with a cross where applicable, should also be made possible for the provisional and the federal electoral districts. For this purpose, the number of candidates on the lists of these electoral districts must be restricted.

Implementation: start of work in 2014.

Tighten rules for loss of mandate and office.

Objective: Federal and provisional politicians should develop their role model effect in society.

Measures:

- For members of the Federal Government and State Secretaries, members of the provincial governments, the National Council, the Federal Council and the provincial assemblies, members of the European Parliament, the Auditor General and members of the Ombudsman a common standard will be introduced with regard to “qualification” for taking up and exercising a mandate or office concerning judicial criminal convictions (loss of eligibility);

- The provisions should be reinforced, whereby those on loss of office in terms of public servants should serve as a role model;
- The Constitutional Court adjudicates the removal from office or withdrawal of the mandate upon application;
- Loopholes regarding the legal responsibility of the High Councils of State vis-à-vis the representative bodies appointed for their control are to be closed.

Implementation: Submission of a bill draft in the 1st half of 2014.

Freedom of information instead of official secrecy.

Objective: Government action should be more transparent and open.

Challenge: Official secrecy in its current form is outdated.

Measures: Taking into account the fundamental right to data protection, official secrecy will be replaced by

- a constitutionally decreed obligation by all the Councils of State to provide information of general interest to the public (open government) and
- a fundamental right to access information subject to material provision of legality.

All legislative and administrative bodies and companies subject to the control of the Auditor General's offices are liable to the fundamental right of access to information.

In order to comply with necessary protective interests in certain areas, explanatory regulations must be adopted by a simple majority. At the same time, those whose personal rights are affected should be protected from criminal proceedings.

Implementation: Submission of a bill draft to the B-VG amendment in the 1st half 2014.

Modernise data protection.

Challenge: Data protection plays an important socio-political role, but prevailing data protection legislation no longer corresponds to the current requirements.

Measures: The resources of data protection authorities should be able to be optimally employed to fulfil the core tasks. Hence costly bureaucratic registration procedures, as currently provided, should be reduced to a minimum.

Implementation: Submission of a bill draft in the 1st half of 2014.

Strengthen civil society organisations.

Objective: Better integration of civil society organisations in political decision-making processes.

Challenge: The commitment of charitable organisations, citizen initiatives and other civil society organisations should be strengthened, as these are part of the vibrant democracy in Austria.

Measures:

- More transparent and more open arrangement of the legislative process;
- Creation of a clear legal framework for charitable organisations;
- Expansion of human rights education, also in schools, to promote an understanding of human rights, democracy and moral courage.

Fundamental right to die with dignity.

Objective: Caring for the dying, hospice and palliative care can enable a high-level quality of life to the end. The legal framework must also allow dignified death in the future. At the same time, a sustained commitment to the ban on euthanasia is to be delivered.

Measures: Referral to a parliamentary Fact-Finding Committee and Bioethics Committee with the possibility of constitutional anchoring of the ban on euthanasia and the right to die with dignity. The shaping of this law, adopted by a simple majority, should in particular further ensure that the same access is guaranteed to palliative care as to the prevailing possibilities for care for the dying.

Implementation: Submission of a bill draft in 2014.

Modern State

Modernising employment law.

Objective: Modern, independent and uniform employment law at federal level with occupation-specific characteristics should be prepared. It should take into account the requirements of focusing on the common good within the meaning of ideal service provision for citizens and for companies with a basic public-law objective. The new employment law must be suitable for ensuring the rule of law in a broad sense. Modern salary developments are intended to protect the competitiveness of the employer federation in the labour market in the future.

Measures:

- An equal employment law basis with a uniform, level salary structure should be prepared for future contract staff and civil servants;
- The hierarchical structure of new employment law should be arranged in such a way that occupation-specific peculiarities can be taken into account.

Rethinking government tasks.

Objective: Reform of tasks and deregulation to increase efficiency and easing of the burden in management and reduction of administrative burdens for citizens and entrepreneurs.

Measures:

- Establishment of a “committee for the reforming of tasks and deregulation” for screenings, tests and concrete proposals on the following points:
 - What tasks must be performed by the state?
 - What provisions are redundant and can be eliminated?
 - What existing regulations can be simplified (including the removal of ‘Golden Plating’)?
 - Reduction in administrative loads.
- examination of the body of law, including the already existing preliminary work and recompense from the first concrete proposals for implementation within six months after the constitution of the committee;
- Introduction of a “cutting-red-tape” process for the reduction and simplification of regulations: the committee identifies and examines stressful areas and regulations with the involvement of all those affected, and creates concrete deregulation proposals;
- The Federal Government shall prepare an annual report on the implementation of deregulation and measures for cutting red tape.

Implementation: Implementation of the committee at the start of 2014.

Creating of the Federal Government Office.

Objective: Creation of a Federal Government Office permitting in particular increases in efficiency and effectiveness through the combination and coordination of personnel, IT and support tasks, as well as through the exercising of auditing tasks for outsourced legal entities and other affiliated agencies of the Federal Government.

Measures: The Federal Government subordinate office should have the following skills:

- Bundling appropriate operational tasks in the field of human resources management;
- Coordination for E-Government and IT strategy;
- Uniform Government presence (corporate design and internet presence);
- central controlling resources (financial auditing and personnel controlling) of the outsourced agencies and other affiliates of the Federal Government;
- Optimisation of support services (e.g., fleet and meeting room management);
- Training platform for in-service further training and continuing professional development (qualification measures within the framework of mobility management with the involvement of the projected staff of BMLVS, the postal service, Telekom Austria and Austrian Federal Railways ÖBB in co-operation with the educational institutions of the government departments and the federal provinces
- Federal Academy of Public Administration:
 - Central training establishment for all basic training courses, general administration, including the training institutions for government departments and the maintaining of department-specific training priorities;
 - Overall completion: a university training centre (for Bachelor’s and Master’s studies) in public administration (Federal Government, federal provinces, cities and municipalities) on the basis of educational partnerships with universities.

Implementation: Creation of the legal framework by the end of 2015.

Creation of employment prospects for the projected staff at the Austrian Federal Railways (ÖBB), postal service and Telekom.

Objective: Creation of an incentive and retraining system for operationally non-employable staff at the ÖBB Group, Austrian Post AG and A1 Telekom Austria AG to make these employees fit for work in other departments of the Federal Government (e.g., for working in tax offices to process of property tax returns).

Challenge: Telekom Austria, the postal service and the ÖBB have differing degrees of projected staff. No employment prospects can be opened up to these predominantly definitely stipulated staff in the respective companies due to business reasons. Staff consent is necessary for transfer and hiring out.

Measures:

- Expansion of already existing coaching for all concerned to needs-based, goal-oriented vocational preparation and further training and education;
- Social partners will be instructed to develop further and precise measures in terms of how those affected can be integrated into the work process again.

Implementation: On-going implementation from 2014 onwards.

Pressing ahead with administrative reform through e-government .

Objective: Through the strategic use of information and communication technologies, the administration is to be made more efficient and in touch with the people.

Measures:

- Further modernising of the Austrian administration by adjusting the efforts made so far to rapid technological developments in the IT sector (including joint development of solutions by the Federal Government, federal provinces and municipalities), adopting fresh momentum from the world of new social networks, and accelerating Open Government Data;
- Simplifying and modernising existing concepts and obligatory consistent using of standardized solutions based thereon;
- More efficient, flatter management processes over and beyond agency borders and minimisation of the distance between administration and citizens (e.g. through the provision of support processes for the economy).

Modern public service.

Objective: Modern, transparent personnel policy and management control in the public sector: mobile, well-trained, staff armed for the future as a stabilising factor.

Measures:

- Equality and diversity: development of gender equality policies and instruments;
- Joint development of the entire public service in Austria will be defined in a political pact (pursuant to Art 15a B-VG) by representatives of all local authorities. Diverging remuneration structures in the various public services should notably be limited and at any rate, there should be a uniform procedure for the acquisition of the salary agreements concluded with the public service unions;

- Impact alignment: central coordination of equality in impact alignment (by an impact control centre); uniform quality assurance for the information on the impact alignment in the Strategy Report; grading of the implementation obligation for impact assessments;
- Expansion of overlapping local authority mobility management in the Federal Chancellery (BKA);
- Development of the Federal Budget Law 2013: reinforcing the personal responsibility of government departments in terms of efficient administration; evaluation of the Federal Budget Law (BHG) 2013 by the National Council; increasing the transparency of the budget personnel information (reading rights in HIS and THEMIS for BKA);
- Federal Academy of Public Administration subject to the inclusion of the federal provinces (unless in office).

Implementation: On-going implementation from 2014 (Federal Academy of Public Administration from 2016/17).

08

Finances

08 Finances

Financial caveat

All the measures proposed in the government programme – insofar as they lead to additional expenditure or revenue shortfalls and/or are not covered in the expenditure ceilings of the Federal Government financial framework – are subject to a financial caveat.

This means that a project of this kind can only be implemented if cover is given within the framework of the budget available to the respective government department or by Federal Government Law (BHG)-compliant restructuring.

Financial markets and European financial and economic policy

Objectives:

- Sustained surmounting of the crisis, dependence between banks and public budgets as much as possible to overcome, to introduce a financial transaction tax, financial markets stabilize;
- Strengthening of growth and employment.

Challenges:

- Stability of the euro zone and the euro are of crucial importance for Austria;
- Stability mechanisms at European and international level have made a significant contribution to stabilisation. These mechanisms will also be needed in future to ensure confidence in the stability of Europe;
- The financial and economic crisis has clearly shown that to achieve stabilisation of the overall economy and prevent future crises presupposes the breaking down as far as possible of interdependence between banks and public budgets;
- The stability of financial markets is a basic condition for good economic development; in this respect, regulatory loopholes must as far as possible be avoided and risks at best controlled;
- Public acceptance for European crisis management is critical to permanently guarantee a politically, socially and economically stable Europe;
- For Europe to permanently find a way out of the crisis, it must in future be ensured that imbalances within the EU are minimised; this will in turn ensure that investments can be made to create smart, sustained and inclusive growth as well as sustained employment.

Measures:

- Austria supports the progressive creation of a banking union to prevent a threat to the prosperity of states and society by the regulation of banks and financial markets within its framework;
- In future, the banks themselves are primarily to be liable for their risks and not taxpayers. Also, creditors of banks must participate in the risks, whereby deposits of less than 100,000 EUR remain unaffected. The Financial markets must again as a matter of priority ensure the supply of credit to the real economy;
- Regulation of the “shadow banking sector” is urgently needed to prevent regulatory arbitrage; European and international initiatives will be supported by the Federal Government;
- The Federal Government continues to be committed at European level to effective control of speculative transactions in commodity derivatives;
- The Federal Government is committed to an early conclusion of EU negotiations on the Deposit Guarantee Schemes Directive. The shaping of the Austrian security system will be evaluated afterwards. Funding is to ensue ex ante through the credit institutions;
- Following implementation of the Directive on the restructuring and liquidation of banks, the Bank Intervention and Restructuring Act (BIRG) is being extended by a section on liquidation, and the appointing of Financial Market Authority (FMA) as the Austrian liquidation authority is to be tested;
- Promotion of financial products must be as transparent as possible in order to enable consumers rational autonomous purchasing decisions. For example, mandatory indication of effective interest rates should be examined;
- A legal right to a basic credit-balance bank account will be created, and will be offered by the financial sector against reasonable reimbursement of costs;
- Solvency II Directive (insurance supervision law) was adopted at EU level and must be regulated by national law by 31.3.2015. In the meantime, the guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) are deemed to apply, and prepare for Solvency II. In 2014, the necessary legislative measures for creating a legal basis for coordinated preparation for Solvency II will be set as part of the EIOPA Preparatory Guidelines in Austria;
- Austria recognizes the important role of stability mechanisms at European level (ESM) and the International Monetary Fund and also shows itself solidly united vis-à-vis those Member States, which are temporarily in need of financial support to address the consequences of the economic and financial crisis and are committed to complying with strict conditionality as a result;
- The introduction of a financial transaction tax continues to be promoted. Austria will participate in its introduction within the framework of increased co-operation; in addition, it will continue its efforts as far as possible for worldwide introduction;
- According to the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (“fiscal pact”), it must be incorporated into European Treaties by no later than 2017. This transfer will be preceded in Austria by an in-depth evaluation – also in terms of fiscal strategies – with the involvement of the Austrian Parliament and social partners;
- The Federal Government is committed to being able to rely on future investments within the European budgetary policy to counteract low economic growth and high unemployment.

Expanding transparency and co-operation in international tax matters

Objective: Improving international transparency in tax matters and better international co-operation.

Challenges: International authorities have to co-operate more closely to combat international tax fraud and aggressive international tax avoidance strategies in global competition.

Measures:

- The Federal Government is committed to Austrian banking confidentiality within the meaning of extensive data protection for taxpayers liable without limitation to [income] tax in Austria;
- Of prime importance for combating international fraud are transparency and disclosure of anonymous investment structures. In this connection, identification of beneficial owners of corporate and foundation structures (trusts under UK law, beneficial ownership, etc.) is required by the competent authorities in order to combat non-transparent structures in Europe effectively. Austria's bilateral agreements with Liechtenstein and Switzerland must be maintained in connection with international regulation (EU Savings Directive or the Organisation for Economic Co-operation and Development [OECD]), and efficient taxation at source must not lose its effect;
- The Federal Government is aiming at an early conclusion of a constitutionally compliant FATCA Agreement ("Foreign Account Tax Compliance Act") with the USA;
- The Federal Government is committed at European level to rapid implementation of the Savings Directive and will request that the negotiations with third-world countries concerning effective data exchange be conducted and completed expeditiously to ensure that a level playing field in terms of competition is guaranteed for all financial participants, in particular with EU third-world countries, Switzerland, Liechtenstein, Andorra, Monaco and San Marino. Serious disadvantages for the Austrian economy should be averted thereby.

Status quo Budget 2013 and outlook for 2014 to 2018

Budget 2013: Despite subdued growth, the budget implementation plan for 2013 is on track.

Budget forecast 2014 to 2018: In October 2013, the Federal Ministry of Finance submitted an extensive projection of payments in and payments out concerning the Federal Government financial framework for 2014-2018, which was based on the current budget development, the assumptions made by the BMF, the Austrian Institute of Economic Research (WIFO) medium-term forecast (and the resulting tax revenue forecast by the Ministry of Finance), the opinion of the "Pension Commission" and the bank financing estimate of the National Bank of Austria (OeNB). These figures were debated on the basis of assumptions made by experts from WIFO, IHS, Statistics Austria and the OeNB.

The financial years 2012 and 2013 were marked by extremely low economic dynamism. In 2012, real GDP grew by 0.9 %, but the most recent prognoses for the year 2013 only forecast a growth of around 0.4 %. The economy in 2013 performed significantly weaker than had been expected by economic researchers. In December 2012, WIFO was still forecasting growth of 1 % for 2013. The economy this year will actually grow only half as much as previously expected, accompanied by a rising unemployment rate. Weaker growth leads to higher expenditure and lower revenue in the medium term budget-wise.

Through consistent budgetary discipline and the already successfully adopted consolidation path, it is likely we will succeed this year in falling short of the budget variance analysis (BVA) for 2013. For budget planning until 2018, the Federal Government will continue to pursue the consolidation path, despite more pessimistic forecast data, accompanied by measures to help boost economic growth.

The budget plan to 2018 was prepared on the basis of an early medium-term forecast by WIFO. Key factors for development are lower revenue, the rising cost of pensions and other support strategies in the (partially) nationalised banks, which make additional budgetary discipline necessary. In order to continuously improve weak growth, the following **offensive measures** will be implemented in terms of the previous framework:

- Flood protection strategies: 460 million EUR
- Expansion of school-based day care: 400 million EUR
- Expansion of childcare facilities: 350 million EUR
- Research Funding: 300 million EUR
- Housing: 276 million EUR
- Preparation Parliament renovation: 32 million EUR
- Care allowance and 24-hour care: 310 million EUR
- Care fund extension in 2017 and 2018: 700 million EUR

Offensive measures for growth and employment: In the years 2014 and 2015, a total of 100 million EUR each will be provided for offensive measures to strengthen growth and employment in Austria.

Evaluation of budget law reform

Objective: Evaluation of budget law reform.

Challenges: Austria has developed an exemplary international role model with its new budget law, which was implemented in two stages in 2009 and 2013. With the 2013 budget, the final steps in budget law reform were implemented. Before the statutory external evaluation, experience so far during the practical implementation is to be evaluated.

Measures: Evaluation of the budget law reform is to take place in a two-step process:

- In a first step, the BMF will gather and evaluate the experience so far in the second half of 2014, with the involvement of the impact control centre at the BKA and all federal specialist departments;
- In a second step, the budget law reform is to be evaluated by the Budget Law Advisory Board in Parliament by the end of 2014.

Evaluation of the budget law reform should address in particular the following topics:

- **Bureaucracy and administrative expense:** It is necessary to examine how high the administrative costs of the individual federal departments are for the preparation of various reports. In addition, the possibilities are to be explored for reducing administrative costs;
- **Reporting obligations:** The reports of the federal departments, the BKA (impact control) and the BMF must be evaluated in terms of their clarity and readability;
- **Reserves:** It is necessary to examine how the planned write-back of reserves by the individual federal departments can be made more transparent;
- **Timeline for the budget processes (“European Semester”):** It is necessary to examine whether the timeline for the budget processes can be optimised within a year in view of European guidelines.

Nationwide ban on speculation

Objective: Implementation of a uniform ban on speculation for the entire state sector.

Challenges: Special prudence is advisable when dealing with public funds to strengthen confidence in the financial policy in all local authorities. A risk-averse approach is necessary, both in funding as well as in investing of public funds.

Measures: The aim of the Federal Government is to implement a uniform ban on speculation for all local authorities with constitutional status. The focus is to be on risk-averse financial management at all local authorities. It is to be implemented through anchoring by means of the Federal Constitutional Act (B-VG) as well as by agreement between the local authorities, pursuant to Article 15a B-VG and simple federal law. The details of implementation are to build on the already formulated laws dating from April 2013, and contain the following key points:

- Anchoring in the federal financial constitution should be a priority;
- A ban on speculation based on the draft submitted by the federal provincial financial officers conference is to be implemented;
- The general guidelines of the Austrian Federal Government Financing Agency should be implemented by federal law;
- The speculation ban must be laid down in the BHG 2013; ;
- Analogous application to all public budgets must be ensured;
- The legal anchoring of the uniform ban on speculation should ensue by the end of 2014.

Alignment of accounting rules for all public budgets

Objective: Introduction of aligned accounting rules in all public budgets.

Challenges: Ensuring as far as possible a true, complete and uniform presentation of the financial position (from the point of view of liquidity, resources and assets) of all local authorities.

Measures: Budgetary regulations are developed according to the principles of transparency, efficiency and comparability, whereby these principles must be enshrined and legally binding for all local authorities - unless this has already ensued in Article 51 B-VG.

Pursuant to the authorisation of § 16 para 1 Financial Constitutional Act relating to the shape and structure of the estimates and accounts, the Federal Minister of Finance in agreement with the Auditor General's Office will implement the above principles in a new estimate and accounts Regulation, whereby federal provinces and municipalities will be closely involved in its creation. This Regulation must be enacted by mid-2014. With regard to the necessary preparation time, an adequate transitional period must be scheduled until it comes into force, whereby any implementation under federal provincial law should in any case ensue by the end of 2014 (entry into force no later than the end of 2017 with an impact on the budget for 2018).

Other rules for the estimates and accounts of local authorities nationwide will be uniformly regulated by agreement pursuant to Art. 15a B-VG.

Tax structure reform: tax relief, system simplification as well as simplification of payroll and fees

Objectives: Tax relief and tax simplification, and simplification of payroll, both in terms of tax law as well as social security law in order to create a transparent, traceable, socially sound and less bureaucratic system.

Challenge: The Income Tax Act (EStG) originated in 1988. Over the years, a great variety of provisions and exceptions have made the system confusing and opaque. As a result, and in addition due to different assessment bases with the social security (SV) sector and different audit principles (rights-based or accrual principle), payroll has essentially become more complicated, and means a huge amount of red tape for both companies as well as regulatory authorities.

A transparent tax system is essential so that all taxpayers pay their fair share. A simpler and more transparent set of rules also leads to administrative simplification and enables more effective controls.

The Fees and Duties Act (GebG) and Regulation on Federal Administration Fees (BVwAbgV) are structures that have evolved over time and contain provisions, which are opaque and no longer in keeping with the times, and are connected with high administrative cost.

Measures:

- The Income Tax Act and payroll should be simplified, whereby the Income Tax Act will be recodified, and it will be endeavoured to align the principles of assessment with the social security system;
- Tax legislation is to be made clearer and more comprehensible. Exceptions and preferential treatment are to be examined in terms of economic and/or social impact;
- The entry-level tax rate is to be dropped in the direction of 25 % – with simultaneous flattening of progression, as soon as adequate reciprocal funding or budgetary scope is given;
- Within the framework of this tax reform, families in particular are to be taken into account;
- A working party will be set up at the Federal Ministry of Finance in January 2014, which must submit the path to reform in terms of tax harmonisation and tax simplification by the end of 2014. Under the auspices of the BMF, this working party consists of experts from social partners, autonomous administrative institutions, academia and representatives of the governing parties. Legislative implementation must ensue by the end of 2015;
- In cooperation with the financial adjustment partners and the other federal departments, the BMF will prepare a bill draft for the fee reform by the end of 2015;
- The target is transparent, comprehensible, simple and administration-friendly regulation using e-Government;
- The allowance for Employee Capital Participation is to be raised from 1,460 EUR to 3,000 EUR.

Steering the use of tax and creating more equity and fiscal justice

Objective: Undesirable tax structuring is to be halted, steering effects are to be used, tax loopholes resolutely closed and legal certainty is to be ensured for citizens and the public sector.

Challenge: Structural deficiencies in the existing control system must be eliminated. The employment of older employees should be promoted, distribution of the burden more accurate and more equitable, the capital base should be strengthened and investment in the real economy supported.

Measures:

- Abolition of the preferential tax treatment of “golden handshakes” to keep older employees in employment. These undesirable effects for both employers and workers should be eliminated through non-deductibility and the cessation of privileged tax rates. Exceptions to this are social plans, statutory severance payments and voluntary severance payments in an amount of not more than three months’ salary. If there is no possibility for individual employee groups to obtain statutory or contractual group severance payments, matching of taxation with the other groups should be applied vigilantly;
- The bank levy will be shifted to the assessment basis for balance sheet totals, subject to maintaining the actual revenue, and the rate for the special contribution to the stability levy will simultaneously be increased to 45 % ;

- Benefit in kind with regard to company cars: the maximum ceiling of 600 euros will be raised to 720 EUR, subject to the retaining of an appropriate luxury limit of 40,000 EUR;
- Abolition of capital duty from 01.01.2016;
- Deductibility of annual income levels above 500,000 EUR at company or corporation level should no longer be deductible;
- The solidarity tax will be extended to allow more high-income groups make a fair contribution in the future;
- Group taxation will be spatially restricted to EU / EEA and DBA countries with extensive administrative assistance agreements, goodwill amortization will be abolished for new acquisitions and the deductibility of foreign losses will be limited to 75 % of the Austrian profit. 100 % of Income Tax Act (EStG) losses can be carried forward;
- Capital reduction in limited liability companies should not be encouraged for tax purposes, as a worsening of the capital base was not the aim of “GmbH light” reform. Hence, replenishment obligation for those with capital reduction with future profit, and for all start-ups. “GmbH light” only for start-ups;
- Switch in the calculation for accruals and deferrals to the Business Enterprise Code (UGB) compliant dividend discount model (DDM) with an interest rate of 3.5 %. The profit-increasing dissolution of existing accruals and deferrals will be uniformly distributed over the next three years;
- The investment-related tax-free profit allowance is to be limited to real investment, which encourages growth and promotes employment. For evaluation purposes, the measure will be limited to 2016;
- So non-EU citizens will also be liable in future to capital gains tax, the limited tax liability under the Income Tax Act (EStG) will be accordingly extended and double taxation agreements will be reformed with respect to taxation at source;
- Insurance industry: reduction of single premiums for fifty year olds and over from 15 to 10 years’ minimum term.

Greening and health

Objective: Environmental and public health concerns are to be taken into account much more with the aid of better use of steering opportunities offered by the taxation and levy system.

Challenge: Steering aspects in the taxation and levy system, apart from the fiscal target, must also not be ignored, and are to be specifically targeted in taxation and levy legislation.

Measures:

- Greening of the taxation and levy system:
 - NOVA is to be simplified, and its steering effect will hence be amplified simultaneously;
 - A tier system will be introduced for engine-related insurance tax and vehicle (KFZ) tax, so that a higher premium will also be applicable to vehicles with a bigger engine size.

- Taxation of products harmful to health:
 - Increasing the alcohol tax by 20 %;
 - Under European guidelines, the tax on sparkling wine (including Prosecco) will be increased to 1 EUR per litre;
 - The tobacco tax will be progressively raised in the next four years.

Investment-enhancing strategies

Objective: Growth through investment, create more employment and reduce administrative costs.

Challenge: The current economic situation in Austria continues to be characterised by a weak investment performance and rising unemployment figures. Despite positive signals, investment activity and growth in employment must be supported by specific measures so that the negative development in the labour market slackens.

Measures: In order to reduce the persistent weak investment performance of the economy and hence stimulate growth, the following measures should be implemented as soon as possible, in accordance with the budgetary options:

- Strengthen equity by abolishing capital tax from 1.1.2016;
- Reduce wage overheads by reducing the AUVA contribution and IESG;
- Introduction of companies which provide finance to small and medium-sized enterprises (New).

Combating tax fraud and preventing tax avoidance

Objective: Effective combating of tax fraud; profits should be taxed where they are actually generated by entrepreneurs and their employees. Tax avoidance, in particular by making use of tax havens (offshore structures) should be effectively prevented.

Austria will actively support the international efforts in the fight against tax fraud and tax avoidance. At the same time the Austrian Federal Government will also intensify the crack-down on tax avoidance in Austria and close national loopholes.

Challenges: According to estimates by the European Commission, EU Member States annually lose up to one billion EUR in tax revenue through tax fraud and tax evasion. By international comparison, Austrian tax law is designed to be foolproof, but certain adjustments to developments in the international economy are necessary for Austria. There is currently a tax leeway

in particular in the area of intra-corporate allocation methods for intangible assets (licences, patents) and global internet businesses (digital economy). Limited human resources in operational financial management.

Measures:

- Tax avoidance and profit shifting: creative structures in conjunction with aggressive tax planning through offshore structures (low-tax countries), such as group financing and royalty payments to subsidiaries (mailbox companies) in tax havens are to be restricted and financing interest and/or patent rights and royalties will no longer be tax-deductible in Austria;
- Tax fraud: In order to combat fraud more effectively, the following measures are to be established:
 - Formation of a Fraud Prevention Office in the BMF;
 - With money laundering reports where there is suspected tax evasion, the ban on recovery should no longer be applied;
 - Information on registration with the social security must be sent to financial administration;
 - Gambling offenses must lead to a tax assessment;
 - Sufficient personnel must be available in the operational financial administration area;
 - Joint training for joint examination of all wage-dependent taxes in terms of social security and financial administration will be implemented by 2016;
 - Uniform testing standards will be established for the joint examination of all wage-dependent taxes by 2016.

Federal Government Holdings

Due to international development, a new strategic direction and (linked with this) change in the Austrian Republic's investment and privatisation agency (ÖIAG) Act is necessary. The aim is holistic orientation Federal Government holdings, particularly with regard to the tasks and fulfilment of ownership interests. It is necessary to consider whether and to what extent new investments are incorporated into the new structure. The new ÖIAG remains as a public company. A supervisory board shall be established by 12 shareholder representatives (AN participation according to one-third parity), whereby the members are selected and appointed according to a competency profile defined according to the Austrian Corporate Government Code, as well as according to a "Fit & Proper test"

Objectives:

- Backup and expansion of the site in terms of the competitiveness of Austria (in particular of qualified employment by preservation of the value-added chain, including the headquarters and R & D units);
- Long-term development and increase in value of existing investments;
- Development of existing ÖIAG leading to a participation and location holding;
- Privatizations to relevant investment sizes (blocking minority);
- Use of successful employee participation schemes to secure sites (e.g. employee foundations).

Gambling

Objective: Extend player protection and ensure youth protection in the area of gambling and betting, effective combating of illegal gambling, guarantee legal certainty for legal gambling and develop the legal framework so that attractive, but safe gambling and betting activities are made possible in Austria.

Challenges: On the one hand, standards need to ensure maximum protection of players, simultaneously legal gambling must be made attractive enough to counteract migration to the illegal sector. Uniform standards also in betting activities. In the area of protection of players, a balance needs to be found between control and data protection.

Measures:

- Player protection:
 - To improve the prevention of gambling and betting addiction, an interagency study will be commissioned, which will, on the one hand, investigate the possibilities for better prevention, and on the other hand, the associated drug-related crime;
 - The entire automated gambling will be tethered to the data computing centre of Federal Computer Centre GmbH (BRZ) to extend technical monitoring and ensure effective control in this area;
 - The introduction of an operator-independent player card should be checked.
- Effectively combat illegal gambling:
 - The Federal Government will continue to combat illegal gambling. This includes, on the one hand, the continued activities of the financial police. A clear demarcation between administrative authority prosecution and judicial criminal prosecution jurisdiction, while maintaining an efficient fight against illegal gambling must be brought about through adjustments in the Gambling Act (GSpG) and the Criminal Code (StGB) in order to ensure efficient administrative control, seizure and sanctioning;
 - To make the sanctioning by the authority in dealing with illegal gambling operators more effective, shutdowns by federal agencies for repeated breaches of legal gambling or legal betting provisions are to be facilitated in future;
 - In addition, advertising bans on unlicensed providers, particularly in the online sector, are to be implemented more effectively;
 - In the sector of online gaming, the Federal Government will set a very strict benchmark for player protection standards. Hence, new and also cross-border-operating control and sanction mechanisms are to be introduced in the fight against unlicensed online gambling. In this respect, measures such as internet protocol (IP) and payment blocking must be examined as well as implementation at European level. In order to prevent betting fraud, binding rules at European Level are crucial. “Live betting” should also be banned in its wake. The Federal Government will commit to this and bring this discussion into European committees.
- Clear rules also for poker and betting:
 - Since the Constitutional Court (VfGH), in its judgment, held that the legislator is constitutionally not precluded from subjecting the game of poker in general to the legal regime of the Gambling Act, yet repealed the regulations in the Gambling Act on the licensing of poker saloons, the Federal Government is striving for revision of the regulation for poker. In order to create legal certainty and to halt the adverse consequences associated with gambling, of the game of poker is to be generally subject to the legal regime of the Gambling Act and to a constitutionally compliant licensing system;

- In the sector of betting, betting participants must be better protected against fraud and manipulation. The Federal Government therefore intends to develop uniform standards nationwide and define a uniform nationwide betting term that includes sports betting, but also lifestyle betting. The Federal Government is striving to align the legal bases of sports betting. Nationwide aligned standards are also to contain strict rules on youth and player protection, apart from transparency provisions. In this respect, a clear demarcation between sports betting and gambling is to be ensured in order to prevent the offering of so-called fake sports betting, such as virtual competitions. Betting offices will be connected to the federal computing centre, analogous to machine gambling, to control wagers and payouts.

Use of resources in the sector of management

Objective: Modern, efficient management through the implementing of benchmark systems and other cost containment in personnel and material expenditure.

Challenges: In public service at federal level, staff reduction is being implemented for 2012 to 2014 inclusively (stability package 2012). Lean management is to be further abided by. Despite the decrease in staff levels, the performing of government tasks in territorial and private sector administration is to be safeguarded for the citizens in terms of service-oriented administration.

Measures: Taking into account the specific needs of federal departments, a restrictive savings path will continue to be developed by 2018, in the wake of the resolution of the Federal Budgetary Framework Act.

The federal provinces and municipalities undertake to implement a similar measure within the limits of the stability package a (starting point: the financial statement for 2011; the results must be provided jointly by federal provinces and municipalities).

Concomitantly, an overlapping local authority reform group has to conduct an extensive reform of tasks by the end of 2014, with the aim of identifying those areas of responsibility within and between local authorities that lead to duplication and inefficient absorption of resources with no added value for citizens. The task of the reform group is to highlight the predefined path by means of suitable measures; the results must be evaluated in terms of their impact on an annual basis using the financial statements.

The suitable measures must notably be geared towards comparable benchmarks. The reform group will develop a benchmark system for management wherever comparable characteristics can be supplied by Statistics Austria, (cf. the example of “staff expenditure in 2012 per inhabitant – district commissions (BH) to pro rata population of district commissions (BH),” Source: Statistics Austria; it ensues that Burgenland has the lowest administrative costs in the district commissions).

Cutting red tape in tax law

Objective: Cutting red tape and administrative costs for citizens, businesses and financial administration.

Challenge: Continuous modernization of administration in terms of efficiency, cost containment and service orientation; the projects “reducing administrative costs for citizens” and “reducing administrative costs for businesses” were very successful from 2006 to 2013, yet citizens as well as companies perceive bureaucratic hurdles as irksome.

Measures:

- The projects “reducing administrative costs for citizens” and “reducing administrative costs for businesses” will be continued in order to sustain the measures achieved;
- Increasing small-value invoices from 150 EUR to 400 EUR;
- Offering pre-completion of tax returns at Finanz Online;
- Greatly simplified income tax return for assessment of all types of income;
- In the wake of tax reform – simplified payroll and alignment of the assessment basis;
- Abolition of the goods received register;
- Practicable regulating of household services in private households; evaluation of the service checks.

Funding

Objective: Transparency on the range of funding all local authorities as well as cost containment on the basis of funding reform.

Challenge: The funding system of local authorities is currently poorly coordinated. This leads to duplication and multiplication of effort, which are at odds with an efficient use of monetary funds.

Measures:

- The Federal Government abides by implementation of the transparency database;
- On the basis of the financial statement for 2011, 5 % of discretionary expenses, which are not determined by law, will be axed at all local authorities in the years 2014-2018;
- The BMF must submit a proposal for a structural reform of funding to local authorities by 31.3.2014 (including 15a B-VG Agreement and Regulation of the BMF with regard to minimum standards), with the aim of eliminating duplication and multiplication of effort;
- The aim of the partners involved in the Act on redistribution of income between the Federal State, the federal provinces and the municipalities of Austria (FAG) is to define the measures and the yield. Achievement of the goals must be evaluated annually.

Financial compensation reform

Objective: Development of a new, task-oriented financial compensation law.

Challenges: The currently valid Act on redistribution of income between the Federal State, the federal provinces and the municipalities of Austria (FAG 2008) was extended in 2011 and is hence valid until the end of 2014. A comprehensive reform of financial compensation must ensue. To obtain the necessary time frame for reform, existing financial compensation will be extended until the end of 2016.

Measures: A working party consisting of representatives of the Federal State, the federal provinces, cities and municipalities is to draft a proposal for a new financial compensation law. This process is to take place, subject in particular to taking into account the existing financial implications of 15a B-VG agreements – insofar as they are valid for all federal provinces to the same extent. A proposal for a new financial compensation law must be forwarded to the Federal Government by the working party by the end of 2015.

The following key points must anyway be considered:

- **Stability Pact:** The Austrian Stability Pact of 2012 will be adjusted in line with the consolidation path according to the coalition agreement with effect from 2014;
- **Transparency of financial flows:** unbundling of tasks, mixed financing and transfers;
- **Allocation of funds adequate to the task:** The distribution of financial resources to individual local authorities must take place subject to consideration of the respective fundamental tasks and goal orientation;
- **Duplication:** The distribution of tasks and task fulfilment by local authorities must be examined. Increases in efficiency must be realised by eliminating duplication.

FAG

- **Extension to 2016;**
- **Utilisation of a working party consisting of representatives of the financial compensation partners:** It must produce reform proposals for a new FAG by 31.12.2015.

