



SUPPLEMENTARY REPORT 2007

TO THE

AUSTRIAN REPORT ON

STRATEGIES FOR SOCIAL

PROTECTION AND SOCIAL

INCLUSION (2006-2008)

REPUBLIC OF AUSTRIA

**SUPPLEMENTARY REPORT 2007
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PROTECTION AND SOCIAL INCLUSION (2006-2008)**

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INTRODUCTION

In the autumn of 2006 Austria submitted the first Report on Strategies for Social Protection and Social Inclusion (2006-2008) to the European Commission. The new streamlined framework of the European coordination processes in social matters now envisages a possibility for Member States also to report on new initiatives or progress in implementation in years when no reports are required.

The change of government in Austria and hence the new objectives set forth in the Programme of the Federal Government for the 23rd Legislative Period, which are to bring further improvements for the citizens on the basis of the already achieved progress, are the reasons why this **Supplementary Report 2007 to the Report on Strategies for Social Protection and Social Inclusion (2006-2008)** was drawn up; it aims at informing the European Commission about changes in the area of social protection and social inclusion in Austria.

The present supplementary report follows the structure of the Report on Strategies 2006-2008 and contains the new objectives and strategies defined by the government programme. Special reference to the previous report is made in footnotes entitled "A note to readers". In principle, we have tried to use the same chapter numbering as in the previous report for better comparability. Exceptions are Chapter "2.3 Enhanced Participation of People with Disabilities" and "4.3 Long-Term Care", which have been restructured completely and replace the chapters in the previous report.

The challenges described in **Part 1** of the Report on Strategies 2006-2008, the strategic approach and the central messages have remained unchanged. Therefore, they were not repeated here.

The Supplementary Report describes the new strategies and objectives as set forth in the Programme of the Federal Government for the 23rd Legislative Period; the Annexes on Good Practices in the Report on Strategies remain unchanged, however, a **new Statistical Annex and an Annex on Long-Term Care** have been added.

This Supplementary Report was prepared at the level of the federal ministries, contributions of the Länder (provinces) and comments by national stakeholders were taken into account.

Moreover, please note that due to the government change, the former "Federal Ministry for Social Security, Generations and Consumer Protection" (*Bundesministerium für soziale Sicherheit, Generationen und Konsumentenschutz, BMSG*) was renamed and is now referred to as "Federal Ministry for Social Security and Consumer Protection" (*Bundesministerium für Soziales und Konsumentenschutz, BMSK*) in the Supplementary Report.

PART 2 – SUPPLEMENT TO THE SECTION ON SOCIAL INCLUSION

Need-Oriented Minimum Security Payment¹

In the new legislative period, the Austrian federal government plans to step up the fight against poverty by introducing a **need-oriented minimum security payment** under the pension insurance, social assistance and unemployment insurance schemes. This is to be accompanied by a minimum wage for all workers to be agreed upon by the social partners.

This is to be attained in stages, starting with the increase in the equalisation supplement reference rate under the pension insurance scheme to a gross amount of € 726.- (x 14), which was already carried out for the year 2007.

Subsequently, the social assistance paid by the provinces is to be harmonised and paid at a flat rate under an agreement between the federal government and the provinces; the amount of such a minimum security payment would be oriented towards the equalisation supplement reference rate of € 726.- (x 14, gross amount). The federal government and the provinces are currently negotiating details.

Beneficiaries of social assistance who are able to work are to be supported in their reintegration into the labour market under a one-stop shop regime of the public employment service AMS (help regarding and payment of the need-oriented minimum security).

At the same time, minimum-security elements in unemployment insurance are to be extended, in that the net replacement rate in unemployment assistance is to be raised. Moreover, a life-partner's income will be taken into account in such a way that this does not cause the household income to drop below the level of the family equalisation supplement reference rate plus child-related allowances.

The need-oriented minimum security payment is not an unearned basic income. The granting of minimum security payments is coupled to the willingness to work if the beneficiary is able to work. Long-term unemployed persons are to be engaged in community work projects to a greater extent and obliged to attend continuing education and training courses. After completion of the evaluation by the summer of 2007 a modification of the provisions governing reasonableness are contemplated in respect of efficiency, effectiveness and mobility of jobseekers within Austria whilst considering care responsibilities.

Pursuant to a framework agreement entered into by the social partners, the **minimum wage** of € 1,000.- is to be put into practice in all industry-level collective agreements.

¹ A note to readers: This is a new section preceding the remaining chapters in Part 2 due to its prominent position in the debate on social inclusion. The section was not numbered so as not to change the numbering of the following sections and facilitate comparison with the previous report.

2.1. Fight Poverty and Social Exclusion of Children and Youth²

Early Language Tutorials at Kindergarten and Elementary School

A good command of the language is a precondition for rapid integration, better educational achievement and more labour market opportunities. All children should understand the language of instruction, which is German. The earlier language skills are promoted, the better will be children's chances in future. Two measures have been introduced for children who do not speak German:

Early language tutorials at kindergarten: This initiative is being jointly implemented by federal authorities (i.e. by the ministries responsible for education, interior and social affairs), by the Länder, local authorities and private agencies with due regard to the statutory distribution of responsibilities. School enrolment dates have been advanced to enable head teachers to assess the language skills of children one year prior to school entry. This will ensure appropriate assistance in due time at kindergarten. The federal government supports the competent Länder and local communities with € 80 per child. This is intended to enhance such programmes that are already in place at Länder and community levels and give all children who do not understand German the opportunity of learning the language properly.

2. Special German tutorials: The target group for this are regular and non-regular pupils whose first language is not German (for up to six years of school attendance in Austria), irrespective of their nationality.

a) Compulsory schools for general education – On the curriculum since 1992/93 (in lower secondary schools and prevocational schools amended by the curriculum of 2000)

Primary school: The maximum duration of special tutorials in German for non-regular pupils in compulsory education is up to twelve hours per week, for regular pupils it is up to five hours per week.

Lower secondary school and prevocational school: The maximum duration of special tutorials in German for non-regular pupils in compulsory education is up to twelve hours per week, for regular pupils it is up to six hours per week. In cases of special learning problems, tutorials for non-regular pupils in lower secondary school may be extended to up to 18 hours per week.

b) Lower secondary academic school – On the curriculum (special didactic principles are followed if German is a second language) since 2000/01. The number of hours per week is determined by the schools.

c) Upper secondary academic school – On the curriculum since 2006/07: optional course "German as a second language" (*Deutsch als Zweitsprache, DaZ*). The extent of DaZ

² A note to readers: In the present chapter, subsection 2 in the passage on language tutorials at schools (originally subchapter 2.1.2 Education) was replaced by new text. The introduction of the subchapter and subsection 1 have remained unchanged and are reprinted here for easier reading.

classes is two hours per week unless schools decide otherwise within their remit for independent decision-making.

d) Secondary and intermediate commercial schools and colleges - On the curriculum since 2003/04 (commercial schools) or 2004/05 (commercial colleges): optional course "Supporting German language training" (*Unterstützendes Sprachtraining Deutsch, USD*). The extent of classes per week is determined by the schools.

In addition to the above provisions governing special tutorials in German, there are also "language tutorial courses". They are limited to two school years (2006/07 and 2007/08). They only apply to primary schools (including pre-school) and *only* to non-regular pupils. These courses are for 11 hours per week and limited to one school year per non-regular pupils. Children are taught in groups of eight to twelve. These groups may also bring together children from different grades or different schools. It is guaranteed that pupils move up to the next grade.

2.2. More Labour Market Opportunities³

2.2.3 Women

The economic situation of women and of families with children is closely connected with the extent of mothers' labour market attachment. The poverty risk of households with non-working mothers is three times as high as that of households with working mothers.

The Austrian government's labour market policy is intended to eliminate any gender-specific segregation of the labour market. The public employment service (AMS) is obliged by law to combat gender segregation and the discrimination of women in the labour market. A special programme called "women in crafts and engineering" 2006-2008 has been launched by the AMS, under which girls and women are supported for three years in their attempts to widen the range of job options and embark on "non-traditional" vocational careers. *Due to gender-specific vocational training women often end up in low-wage vocations. To avoid the perpetuation of this situation, the focus in the period 2007-2010 will be on training girls in "atypical" vocations.*

The gender mainstreaming approach is adopted across labour market policies. Target monitoring systems examine all Labour Market Policy (LMP) objectives by gender. Gender-specific objectives have been defined for most of the groups mentioned in 2.1. and 2.2.

Women accounted for 43% of the unemployed, while they accounted for 50% of active labour market policy spending in 2005. This excess proportion in subsidy spending should be maintained in 2006.

³ A note to readers: In the chapter on "More Labour Market Opportunities" additions were made to the original text in the shape of new paragraphs or parts of sentences. All amended subchapters are reprinted and for easier identification new passages have been set *in italics and underscored*. Chapter numbers have remained the same to facilitate comparison with the previous report.

A special focus of active labour market programmes for women is providing support to women with care duties, especially helping women return to the labour market after having taken a “baby break”. Skills training measures are to be offered to 25,000 women returners. In 2006 and 2007, the federal government’s job initiative *Unternehmen Arbeitsplatz* is to spend an additional € 18 million for promoting the employment of women returners. Around € 76 million have been earmarked in the government’s programme for policies targeted on women.

The 8th amendment to the Child-Care Benefit Act (Kinderbetreuungsgeldgesetz, KBGG) makes the benefit more flexible. As from 2008 parents will be able to decide if they want to receive a higher child-care benefit for a shorter period of time, which offers an alternative to the way in which the benefit was handled so far. Moreover, the exemption limit for additional earnings of child-care benefit receivers will be raised as from 2008. The amendment to the law is to facilitate the balance between family and job and to make parents more flexible as they take a “baby break”. It is also designed to be an incentive to fathers to become more active in child care.

An increase in the number of child-care facility places and quality assurance in child care facilities are in the planning stage.

A supplement for longer work will be introduced for part-time workers so as to create a disincentive for employers to split jobs, to make income and working hours for part-time workers (primarily women) more reliable for better planning and to remunerate part-time workers for their high degree of flexibility.

2.2.4. Migrants

To improve labour market prospects of migrants and reduce the gap between the unemployment rate of Austrians and migrants, general LMP measures are to be supplemented by programmes targeted on migrants. Such special programmes would include guidance for individuals whose mother tongue is not German, *basic education*, second chance to complete lower level secondary education, specific training courses to enhance migrants’ access to higher qualification labour market segments, or work and job application assistance programmes.

Support to individuals with migration backgrounds is part of all ESF priorities (see also 2.2.5.). In the new ESF Programme “Objective 2 Austria OP Employment 2007 – 2013”, the approval of which by the European Commission is expected in September or October 2007 targeted training and education measures will be taken under the heading “Lifelong Learning” to remove linguistic, social and other deficits.

The 2005 Aliens Law Codification (*Fremdenrechtspaket*) systematically revised provisions on the entry, residence and permanent immigration of foreign nationals. Labour market access for the groups of people coming under EU directives (i.e. those entitled to stay under long-term residence permits, those having come to Austria under family reunion programmes) has been facilitated and such people’s sustained integration into the labour market has been secured. For this purpose the codification of law for permanent labour market access and that for permanent residence have been aligned to one another as much as possible.

2.2.5. Individuals with Low Skills

In response to substantial structural changes in the labour market and the increasing interdependence of training background and employment opportunities, Austria's public employment service enhances the delivery of skills training programmes. The share of unemployed persons attending such courses should be raised from 28% in 2004 to 36% in 2006, with three quarters of the subsidised individuals participating in skills training. Two thirds of the active labour market policy budget should be spent on training measures.

In 2006 courses should be held for 73,000 low-skill individuals aged 25 to 50, supplemented by courses for 96,000 young people and older workers.

Special attention is paid to the effectiveness and sustainability of such training measures. For this purpose appropriate standards are devised and incorporated into mandatory target attainment plans.

Adult education involves plans to implement projects under the ESF programme, their focus being on basic and second-chance education, plus skills training for migrants. Roughly €40 million (ESF and national appropriations) are earmarked for this purpose for the 2007 to 2013 programming period. *In the area of education, the ESF Programme "Objective 2 Austria OP Employment 2007 – 2013" will include measures to reduce the dropout rate (e.g. by enhancing the andragogic approach in the organisation of tuition in schools for people under employment; distance learning, learning on demand); moreover, initiatives will be taken for second-chance completion of education (e.g. at schools for persons under employment).*

The EQUAL Development Partnership *In.Bewegung (In.Motion)* paves the way for a quality-assured delivery of basic education/literacy programmes. Alongside a wide range of information, counselling and public awareness measures, this partnership should also develop innovative models of education work.

2.3. Enhanced Participation of People with Disabilities⁴

2.3.1. Measures Targeted on Children and Youth

All the Austrian Länder offer early assistance to children with retarded development and disabilities. Such early assistance is mostly provided to families and includes counselling and support, promotion of children's development and cooperation with childcare facilities and schools. Early assistance is supplemented by therapies, such as physiotherapy, ergotherapy and speech therapy. Some Länder have created specific therapy centres for children and young people with disabilities. The services provided by the Länder are complemented by the programme on "Advice and diagnostics for children and youth" offered by the Federal Social Welfare Office/*Bundessozialamt* (sec. 17 of the Act on People with Disabilities/*Bundesbehindertengesetz*).

⁴ A note to readers: The subchapter on "Enhanced Participation for People with Disabilities" was completely restructured and replaces the related chapter in the previous report.

The majority of children with disabilities is increasingly being looked after in integration day care centres. In Vorarlberg this form of integration childcare is now the only one available. Providing care for disabled and non-disabled children together is what parents actually want.

In some Länder there is a need for additional early developmental assistance for disabled children and adolescents, and there are plans to step up service delivery accordingly. For instance, Upper Austria introduces special and mainstream day care for schoolchildren in rural areas and enhances mobile integration counselling and therapy.

In the framework of the EQUAL Development Partnership IBEA “Integrative Vocational Guidance and Integrative Vocational Training” targeted measures are taken to include young people with disabilities in the labour market:

The **IBEA** Development Partnership is broken down into 3 modules:

Module 1: Interface School - Job

This is where a framework for integrative education at vocational schools and the development of adequate teaching aids and learning materials is devised. Moreover, a supraregional competence centre will be created to offer advice and support to all stakeholders (young people, parents, teachers, vocational training assistants etc.).

Module 2: Integrative Vocational Training

Here, measures are taken to ensure the qualification of teachers at vocational schools and trainers. A communication guideline is being developed in cooperation with vocational schools and companies training apprentices.

Module 3: Integrative Vocational Guidance

This is where an integrative model of vocational guidance and preparation for all young people is prepared in 9th grade in a one-year process.

Between 1997/1998 and 2004/2005 the number of special school students dropped from 16,000 to 13,300, whereas the number of students requiring special assistance within integration classes at elementary and lower secondary schools rose from 9,000 to 15,000 between 1997/1998 and 2004/2005. The objective is to offer integration classes up to the 8th grade throughout Austria.

2.3.2. Vocational Support Measures for Disabled Youth: “Clearing”

The Clearing programme aims to assist disabled youth at the interface between school and work. A key success factor of this programme is the active involvement of these young people, their parents and teachers. In line with differing levels of responsibility, Clearing is based on close cooperation between the Federal Social Welfare Office (leading authority), the provincial education boards, the public employment service (AMS), the Länder, form teachers, parents and disability centres. This programme should provide needs-compliant apprenticeship places, employment relationships, AMS measures or continuing education to disabled youth.

Clearing measures have been stepped up since 2003. 3,400 young people successfully completed their Clearing procedures in 2005 (versus 1,700 in 2003 and 2,400 in 2004). In 2006 the number of programme participants was raised to 5,500, the number of completed clearing procedures is expected to reach **4,000**.

2.3.3. Vocational Support Measures for People of Working Age

The activities of the Federal Social Welfare Office and of the public employment service (AMS) focus on the primary labour market and on contributory employment (i.e. fully covered by social insurance scheme).

In 2006 the Federal Social Welfare Office supported measures for **roughly 28,100 individuals**. In percentage terms, the subsidies to individuals rose by 6.6% as compared with 2005. The women's share in all these measures is 40%. In compliance with gender mainstreaming, all measures are checked for their potential of structurally improving the employment prospects of **women with disabilities**. The share of women in all measures run by the Federal Social Welfare Office should be raised from currently 40% to 50% in the medium term.

Vocational integration of young people with disabilities, individual workplace support and integration-type vocational training are other priorities of the employment campaign for people with a disability.“

2.3.4. Integrative Vocational Training

This type of vocational training, introduced with the 2003 Amendment to the Vocational Training Act (*BAG-Novelle 2003*) has provided a fresh impetus to the vocational integration of individuals with social, learning or physical disabilities. Under this **new training programme** it is possible to either extend apprenticeships by up to two years or, if apprenticeships cannot be fully completed, to train selected skills enabling such young people to enter the labour market. Private-sector companies offering integration apprenticeships and training to young people currently receive subsidies from the Federal Social Welfare Office to training support schemes. The number of **subsidised training relationships** is currently **over 2,000**.

2.3.5. Individual Workplace Support

The “individual workplace support” service initiated in 2004 offers severely disabled people (having difficulty accessing and retaining jobs despite appropriate skills) “individualised support” within the workplace. Supported persons will receive the kind of practical assistance needed to do their job or complete training. In **2006 roughly 200 persons** availed themselves of the service.

2.3.6. Participation of People with Disabilities in the Labour Market

The integration of people with disabilities into the labour market continues to be a central objective of the federal government for the next few years as set forth in the government programme. The **employment campaign** for people with disabilities is being continued; for 2007 an amount of **€78 mill.** was allocated to it, the appropriation for 2008 is € 80 mill.

Furthermore, specialised integration services for people with **learning disabilities** and **autistic young people** are being expanded. Under the “**disability flexicurity**”

programme non-profit temporary work agencies are to create equal opportunities and long-term access to contributory employment. Jobs for **older people with disabilities** are ensured by extending existing subsidies and developing new measures. Moreover, the development of enterprise-related services is to contribute to the sensitisation of companies and to encourage them to hire (**Business Service**).

The initiatives foreseen in the programme planning document for the **ESF** programme period 2007 to 2013 (Focus 3a) are in line with the measures under the government programme.

2.3.7. Support Measures for Severely Disabled People

Austria's Länder offer a number of policy measures to enable this group to participate in social life: subsidised employment in the primary and secondary labour markets and in sheltered workshops; occupational therapy sessions; housing with full or partial attendant care; "train independent living" programmes designed to help the severely disabled enter independent living arrangements; mobile services including living-related support, individual support, family relief care schemes and leisure assistance services.

Most Austrian Länder have identified gaps in assistance delivery, and there are plans to extend such delivery. Quality of service delivery, too, is to be changed to enable people with severe mental, psychological or physical disabilities (some with multiple disabilities) to lead a largely independent life.

Although many of them, because of the severity of their disability, cannot realistically expect a job in the primary labour market or independent living arrangements the programmes offered to them are increasingly being geared to empowerment. In this context the individual support tool plays a key role and its use is to be stepped up in most provinces. This will also provide relief to family members. Regarding employment, the Länder intend to supplement existing occupational therapies, day structuring programmes and integration enterprises by supported employment in private-sector enterprises ("supported empowerment").

In terms of housing, some Länder have launched housing campaigns for people with severe disabilities. They focus on small community-integrated forms of living with partial or full attendant care to enable them to stay within their accustomed social environment and foster their independence.

2.3.8. Further Development of Legislation Ensuring Equality of People with Disabilities

Under the motto "**Remove barriers in laws and heads!**" special measures for more specific action under the Disability Equality Act (BGG) are planned in the current legislative period (2007-2010). Amongst other things, the government intends to plan, support and finance nationwide and interministerial action programmes to implement the Disability Equality Act.

In principle there are plans **to evaluate** the effectiveness of legislation to ensure equal opportunities for people with disabilities as implemented (conciliation proceedings, lawsuits, class actions brought by associations, design of milestone plans, avoidance or removal of barriers, public awareness etc.) as from the year **2008**.

In the Federal Disability Equality Act, the federal government undertook to hear the Austrian Working Group for Rehabilitation/*Österreichische Arbeitsgemeinschaft für Rehabilitation (ÖAR)*, the national umbrella organisation of associations for the disabled, and to devise a plan for the removal of structural barriers in buildings used by the state (**Federal Buildings Milestone Plan**, covering about 6,000 properties). The plan is to be adopted by the federal government in 2007. Transport operators were also obliged to hear the ÖAR and prepare a plan for the removal of barriers in their facilities and means of public transport (**Transport Milestone Plan**).

In 2003 – the European Year of People with Disabilities – the Ministry for Social Affairs first published a comprehensive **Report of the Federal Government** on the situation of people with disabilities in Austria which covers all areas of life. The publication of another report is planned for **2008**. According to the government programme, the official Austrian Report on People with Disabilities is to be drawn up every other year and submitted to parliament.

PART 3 – SUPPLEMENT TO THE NATIONAL PENSION STRATEGY⁵

Substantial reforms introduced by Austria in recent years have been decisive steps towards ensuring the financial sustainability of the pension system. Starting out from a pension reform in 2000 and a set of measures submitted by an experts' commission the government launched two other pension reforms in 2003 and 2004 to harmonise the different systems for individual occupational groups (under the statutory pension scheme) and federal civil servants. In response to the need for strengthening intra- and inter-generational solidarity the 2003 pension reform introduced uniform standards for retirement age and pension assessment basis (which defines pension levels) to gradually take effect across a transition period. The 2004 pension reform introduced a personal pension account for all new entrants into the labour market in or after 2005 (as well as for those already employed at this point in time and aged under 50 years) as a last step in pension harmonisation designed to implement, and provide some social cushion to, the objectives defined by the 2003 pension reform. Building on the 3-pillar model and pension reforms in 2003 and 2004, adjustments will take place in the following areas.

3.1. Adequacy of Pensions

Alongside the general objective of ensuring reasonable retirement incomes, Austria has very flexible rules regarding minimum income provision geared to the varying living situations of retirees. Individuals whose pension benefits and any other income are below a defined threshold called “equalisation supplement reference rate” (Ausgleichszulagenrichtsatz = minimum pension) will receive an equalisation supplement to make up for the difference. In 2006 this means-tested minimum pension was € 690.- for singles and € 1,056.- for couples. In the past this rate was often raised more than standard pension benefits to ensure a decent standard of living. Developments in the past 15 years have shown that the minimum pension for singles has risen by 68%, and that for couples has increased by 82%. By comparison the rise in median income was 54%, inflation rose by 35%. An analysis of poverty risks by household category illustrates that the share of retiree households in at-risk households is higher than that of working households but that the distance to the threshold of poverty risk is significantly smaller.

As already announced (cf. Report on the Austrian Pension Strategy 2005, p. 9) bringing the minimum pension for singles up to the threshold of poverty risk is the declared objective of Austria's pension strategy. A rise to € 726 a month for singles and to € 1,091 for couples effective on or after 1 January 2007, with these amounts being means-tested on other benefits granted to minimum pension claimants (cf. Report on the Austrian Pension Strategy 2005, p. 9), is another step in combating poverty. Since pensions are paid 14 times a year in Austria, the monthly minimum pension for singles can thus be considered equivalent to € 848. This amount is oriented towards the at-risk-of-poverty threshold for single-person households and forms the reference rate for the nationwide introduction of a need-oriented minimum security payment currently being discussed.

⁵ A note to readers: Changes have been made to all subsections of Part 3. New passages of text and updated figures are set in italics and underscored for easier reading.

For people with a long insurance record (men with 45 contributory years primarily based on gainful employment, women with 40 contributory years) the option of retiring at the age of 60 (at the age of 55 for women) without any reduction of their pensions was extended until the year 2010.

It is being investigated whether the life expectancy of some heavy labour groups is significantly less than that of other employee groups. In case of proof of a clear difference, heavy labourer pensions will be revised to that effect that a deduction-free entry to retirement is enabled upon inclusion of the life expectancy.

For persons who do not fulfil the criterion “long insurance record” and use the ‘early retirement corridor’ at the age of 62 (retirement between the ages of 62 and 65 without dual deductions) the additional “corridor deduction” could have lead to a cumulated reduction in the retirement pensions of up to 22%. The previous “double deductions” in the case of accepting a corridor pension in the transition period in its current form does not correspond to actuarial principles. It is therefore to be modified (with the result of halving the deduction according to the former law).

Since the monthly contribution base of € 1,350.- for child-care periods was not index-linked, its value within the pension account will decrease over the years. This contribution base is now increased annually along with wage rises.

Regarding measures to promote the second pillar (cf. Report on the Austrian Pension Strategy 2005, p. 11) recent positive developments continued in 2005. The number of people entitled to future and to current pension benefits under company pension funds and the number of contracts and entitlements under employee income provision funds (MVK or “new severance pay scheme”) have risen substantially. Although the new severance pay scheme in existence since 2003 is subject to labour law, employees may choose between receiving all of the saved and pensionable amount in one single payment or leave it in the fund for accruing future pension entitlements.

3.2. Financial Sustainability of Pension Systems

The gradual increase in retirement age begun under the 2000 pension reform - and continued under the 2003 pension reform - has been effective in that the average *de facto* age of retirement increased for both women and men in 2004 and 2005.

The federal government intends to modify the sustainability factor in the direction of an automatic pension coming into effect as of 2010. Changes in life expectancy automatically lead to activating the sustainability factor.

3.3. Modernisation of Pension Systems

Alongside measures designed to improve the situation of women (cf. Report on the Austrian Pension Strategy 2005, pp. 23/24), positive trends can also be identified when comparing the pension levels for newly granted pensions across several years. Whereas between 1998 and 2001 the average first-time pension for men rose more than that for women, there was a reversal of this trend between 2001 and 2004, i.e. the average first-time pension for women rose significantly more than that for men. Recent years also show quite clearly that the number of women having no pension of their own has been declining continuously. Women who contributed to the rebuilding of Austria after World War II and

gave birth to and raised at least one child are now entitled to receiving a one-off payment if they or their husbands claim only minimum pensions or comparable benefits under other statutory provisions.

In line with the policy objective of involving stakeholders in decision making, three retiree representatives serve and vote in the Commission on Long-Term Pension Sustainability (Kommission zur langfristigen Pensionssicherung). The tasks of this commission include making proposals for annual pension adjustments, commissioning expert opinions to monitor the financial development of the pension insurance system, and, if there are any deviations from defined indicators (such as future life expectancy), reporting on such deviations and suggesting solutions.

Due to the complexity of current pension calculations (two different legal regimes for those over 50 years of age in the so-called comparative calculation, three legal regimes for those under 50 in the framework of pension calculations based on parallel calculations) a working group at the BMSK – composed of government representatives, social partners and experts - will evaluate applicable law, aiming at proposals for amendments that lead to more transparency and first and foremost, to a simplification of legislation. This will take place with the requirement that no substantial interference will be made to the existing pension law (in terms of both contributions and withdrawal).

Another working group at the BMSK is to prepare proposals of invalidity legislation by the beginning of 2008. Different groups of vocations are treated differently when it comes to the granting of invalidity pensions. Harmonisation is sought in this context. For older people who are at a disadvantage on the labour market because of their reduced ability to work, but do not yet fulfil the requirements for a disability pension, it shall be investigated whether an improvement can be achieved.

Moreover, the coordination between invalidity pensions and benefits received from the public employment service is to be fine-tuned.

Furthermore, the provinces and municipalities are urged to drive the harmonisation of different pension systems.

PART 4 – SUPPLEMENT TO THE NATIONAL STRATEGIES FOR HEALTHCARE AND LONG-TERM CARE

4.2. Healthcare⁶

4.2.1. Healthcare Reform

In view of financial challenges it is necessary to keep ensuring high-quality, effective, efficient, freely accessible and equitable healthcare in Austria, while also ensuring the financial sustainability of Austria's healthcare system.

Owing to the very complex organisation and finance structures of healthcare against the backdrop of various forms of organisation of social insurance carriers and hospitals, a growing number of structural weaknesses have come to the fore in recent years, such as insufficiently integrated service delivery and a dual funding system (meaning that inpatient and outpatient care are financed separately) without any financial equalisation options. A healthcare reform was adopted in autumn 2004 to address the above structural weaknesses and ensure financial sustainability.

Better integration of healthcare delivery is one of the main objectives of this healthcare reform. Health platforms (*Gesundheitsplattformen*) were established at provincial level to improve healthcare planning and control. To reach common health-policy goals, a coordinated model of control involving the federal state, the provinces and the social health insurance system is sought. The long-term objective is "one-stop financing", i.e. bundling all health-insurance contributions and earmarked taxes nationwide. Bundling these financial resources is to enable joint control, planning and funding of benefits and services at the various levels of healthcare. At the same time, a harmonisation of benefit legislation applying to the regional health insurance funds as a further step towards an integrated delivery of service is envisaged. Enhanced involvement of patient representatives (patient ombudsoffices) help ensure an efficient and effective service delivery. Austria's structural healthcare plan (ÖSG) is the new and binding framework for an integrated planning of the structure of national healthcare delivery. Its integration approach is paving the way for various inter-sectoral shifts in the healthcare system and will thus form the basis for further healthcare reform steps. Other objectives of this reform are to provide nationwide delivery, improve the quality of healthcare and ensure its financial sustainability.

4.2.2. Accessibility

Austria's healthcare system is characterised by low-threshold, basically equitable access to all medical and therapeutic care services for all members of the population and by the guiding principle that care may not be rationed on grounds of age, sex, income, social status, religion, ethnic origin, etc.

⁶ A note to readers: In the chapter on "Healthcare" additions were made to certain subchapters; to the extent that this was required, they were placed in the context of the previous year's report. For easier identification they have been set in italics and underscored. Chapter numbers have remained the same to facilitate comparison.

The gradual implementation of performance quantity standards (at all care levels) included in the above mentioned structural healthcare plan will facilitate a more uniform regional distribution of service delivery, help maintain an equitable access to healthcare and ensure the quality of service. Implementing this plan should contribute to alleviating or eliminating in the long term any existing over- or under-supply and thus any inefficiencies in resource allocation. A concrete step in this direction is the creation of healthcare centres catering to outpatients which are to offer needs-oriented healthcare packages. These measures are to further improve specialised healthcare in rural areas. Moreover, it is intended to maximise equitable access by incentives to participants in family-doctor programmes.

4.2.4. Long-Term Financial Sustainability

Pharmaceuticals

To ensure a sustainable dampening of the dynamic development of the costs of pharmaceuticals, there are ongoing policy level talks and agreements concluded with doctors' and pharmacists' associations and the pharmaceutical companies entitled to distribute such products in Austria. These price dampening measures and a number of structural changes (such as the reimbursement scheme for pharmaceuticals which provides for a transparent market access for therapeutic innovations and generics) reduced the average rates of cost increase from 7% to 9% at the beginning of this millennium to around 3% in 2005. A comprehensive approach to quality-related patient safety includes the nationwide introduction of an e-medication database ("pharmaceutical safety belt") and e-prescriptions.

Financing Health Insurance

A major challenge is the financial situation of social health insurance. Considerations in the current policy debate to achieve a turnaround in social health insurers' finances revolve around revenue increases by general contribution hikes or enhanced patient co-payments on the one hand, and on expense-side measures such as reducing costs by cutting back on the costs of medicinal products on the other.

Contrary to forecasts, the social health insurance's accounts show a profit for 2005 (before changes in reserves). This result is most likely due to the successful implementation of the pharmaceuticals policy package, the better-than-projected development of contribution revenue, the cap on administration costs introduced by the federal government, as well as a financial contribution of €100 million made by the work accident insurance to the social health insurance. The forecasts for the 2006 accounting year point towards another annual loss for the entire body of social health insurers, but with original deficit forecasts having already been revised downward. The financial situation of social health insurers will thus remain tight.

To ease the tight situation and ensure the sustainable and secured liquidity of the regional health insurance funds, the government programme includes a further increase in health insurance contributions by 0.15 percentage points. To keep the financial burden on persons affected by chronic or multiple diseases within limits, a ceiling of 2% of the income of those concerned is to be set for prescription charges as from 2008. Moreover, there are plans to lower prescription charges for generics.

4.3. The Reorganisation of Long-Term Care⁷

4.3.1. Need for Reform

In view of demographic developments in Austria, support and care for older people is becoming ever more important, and so do measures to take **precautions against the risk of a need for care arising**. In this context, it will on the one hand be required to continue developing and adapting existing measures in this field whilst on the other hand, additional steps need to be taken also to ensure the high level of the Austrian system of long-term care in the future.

The **government programme** contains numerous measures to reorganise care with a view to finding optimum solutions for those concerned. These measures have a bearing on all areas of the Austrian long-term care provision system.

In this context, the creation of a **Working Group for the Reorganisation of Care** at the Federal Ministry for Social Affairs and Consumer Protection, composed of representatives of the federal, provincial and municipal levels as well as of the social partners and representations of interest, is one of the most crucial contributions.

The working group is in charge of drawing up a new long-term care model with a special focus on affordable 24-hour care at home in the course of the year 2007.

4.3.2. 24-Hour Care at Home

The Working Group for the Reorganisation of Long-Term Care Provision discussed the framework for providing people in need of care with 24-hour care at home and presented relevant proposals for solutions. The model is geared to fulfilling the central criteria of **affordability, quality assurance and legality**.

In this context, public funding must be made available by the federal government and the provinces, and the use of such funding must in any event be linked with quality assurance measures.

The first step was to create the legislative framework for legal, affordable and quality-assured 24-hour care at home. The Act on Home Care (*Hausbetreuungsgesetz, HBeG*) promulgated in Federal Law Gazette I no. 33/2007 of 29 June 2007 and the amendment to the Industrial Code of 1994, which both entered into effect on 1 July 2007, form the basis for the lawful provision of care in private households for up to 24 hours a day under labour law and the industrial code. Care personnel may work on the basis of an employment contract or be self-employed, working under a contract for works and services.

The amendment to the Federal Long-Term Care Benefits Act (*Bundespflegegeldgesetz*), which introduced a funding model for 24-hour care, was also promulgated in Federal Law Gazette I no. 34/2007 of 29 June 2007 and entered into force on 1 July 2007. It is a further step towards improving the situation of persons in need of care and their caring family members in Austria. The funding model extending the care allowance to recipients

⁷ A note to readers: The subchapter “Reorganisation of Long-Term Care” was restructured in its entirety and thus replaces Chapter 4.3 in the previous year’s report.

of the long-term care allowance categories 3 and 4 who require care around the clock was adopted by the plenary session of the Austrian National Council on 4 July 2007 and became effective retroactively as per 1 July 2007 under Federal Law Gazette I no. 51/2007.

The Federal Ministry for Social Affairs and Consumer Protection issued funding guidelines for this scheme of funding 24-hour care pursuant to sec. 21b of the Federal Long-Term Care Benefits Act (*Bundespflegegeldgesetz, BPGG*). These govern the detailed requirements to be met by beneficiaries of the allowance.

It is intended to evaluate the funding scheme after a period of 1.5 to 2 years. The decision as to whether it is possible to extend it to other care benefit levels, with a special focus on persons in need of care due to dementia, will depend on the outcome of the evaluation.

The new regulations pertaining to 24-hour care have to be seen against the backdrop of the overall reorganisation of the long-term care system. The **expansion of social services** provided by the provinces is thus yet another issue the Working Group deals with. It will primarily be required to offer more halfway care and assisted living so as to offer alternatives to home care and care within the family.

4.3.3. Improving the Classification of Persons in Need of Care with Severe Intellectual Disabilities or Progressive Mental Deterioration

The issue of dementia and **care for persons with dementia** is a major socio-political challenge for the future which not only concerns the long-term care allowance but also other areas of support for this group. A study on the “situation of family members providing care” published by the Austrian Federal Health Institute (ÖBIG) in 2005 stressed the importance of support at various levels to enable persons in need of care to a self-determined and independent life at home for as long as possible. Accordingly, there is a need for low-threshold and fundable assistance services specially geared to care for persons with dementia who are in need of care.

With this in mind, the BMSK already launched various initiatives to improve the situation of people with mental or psychic disabilities, also including persons in need of care with dementia, in the past.

Scientific studies on long-term care provision have on several occasions shown that it is crucial and necessary to create options to ease the burden of family members providing care. In this context, the burden on family members taking care of persons with dementia must be considered especially heavy.

In view of this, a **pilot project to finance substitute care** in place since **1 February 2007** should be seen as a current attempt to improve the situation of family members providing care to persons with dementia. If the family member who is the primary carer for a person with dementia in need of care and has provided such care for at least one year is unavailable for a certain period, financial support for substitute care can be obtained under facilitated conditions from the Support Fund for Persons with Disabilities under sec. 21a BPGG.

In view of the importance of the topics of dementia and care to persons with dementia, the BMSK commissioned *Gesundheit Österreich GmbH/ÖBIG* to carry out the project “Care

Offered to Persons with Dementia” as per 1 November 2006. The core of the project is the compilation of a **Handbook on Dementia** listing and describing services and institutions for persons with dementia in qualitative terms. The first version ready for publication is to be available on 15 December 2007.

In spite of all the measures taken, scientific studies on the issue on hand and the demands raised by the representations of interest of persons with dementia and their relatives continue to show that there is a need for further improvements to the situation of persons with dementia and their relatives.

The present government programme also states “further development of need-relevant care and nursing models in keeping with the needs of the affected persons and family members, such as up to 24-hour care for specific age-related illnesses like dementia or Alzheimer's” as one of its objectives.

Against this backdrop, the BMSK is engaged in discussions with recognised experts on an ongoing basis to develop approaches for the best possible way of helping this group of persons.

4.3.4. Increased Efforts to Consolidate the State of Health and Provide Preventive Measures for Persons in Need of Care to Stabilise and Improve their Situation

Recently, several working groups to further develop and reorganise care in Austria have stressed that prevention should take priority over care. In this context **care prevention** should be taken to mean measures to prevent the need for care from arising or to delay a worsening of the situation, as well as to assist care-giving family members by care-related interventions such as information, counselling, guidance, training or targeted use of aids.

Developments in the number of persons in need of care, the scope of care needs and thus also in care costs greatly depend on how much is invested into preventive measures.

In the context of prevention, the current government programme inter alia states that “the timely recognition of the need for care and taking pre-emptive medical and nursing action [is] a significant factor. Even in the case of an existing need for care, rehabilitation measures and secondary prevention also make sense.”

Prevention is a cross-cutting matter, and measures concerning prevention and the consolidation of health are primarily within the remit of the Federal Ministry for Health, Family and Youth. Nevertheless, the BMSK has already taken related measures wherever it has been possible to tie in with the Health Ministry, e.g.:

Prevention by qualified care counselling

In the framework of the quality assurance drive in home care, graduate nurses and occupational health nurses have been commissioned by the BMSK to visit recipients of the long-term care allowance of categories 1 through 7. The focus of these visits is on information and advice provided to all persons involved in the respective care situation. Quality assurance started as a project and is now being implemented as an ongoing measure due to good results. The Social Security Institution of Farmers even established a special competence centre for this purpose. There are plans to visit the homes of at least 15,000 long-term care allowance beneficiaries under this measure in 2007.

Testing a counselling cheque

Currently, a pilot project entitled “Counselling Cheque – Specialised Initial Counselling to Persons in Need of Care and their Care-Giving Family Members” is being carried out by the Federal Working Group Free Welfare (*Bundesarbeitsgemeinschaft Freie Wohlfahrt*) – an organisation bringing together the largest social-service organisations in Austria - and supported financially by the BMSK. The project aims at testing the acceptance of a counselling cheque by those concerned and whether it is purposeful to use such a cheque. The counselling cheque is meant to enable persons in need of care and their care-giving family members to avail themselves of qualified on-site counselling on a broad range of issues of nursing and care.

Prevention by supporting short-term/substitute care

As per 1 January 2004 § 21a BPGG created the legal basis for benefits to care-giving family members from the Support Fund for Persons with Disabilities. Under this provision, a close relative of a person in need of care entitled to at least category 4 of the long-term care allowance under the Federal Long-Term Care Benefits Act is in principle entitled to a financial grant from the Support Fund if he/she has been the primary carer of the person in need of care for at least one year and is unavailable due to illness, holiday or other important reasons. The grant is to contribute towards the costs of professional or private substitute care arising due to the unavailability of the primary care-giver.

Holidays for Care-Giving Family Members

The *Kriegsopfer- und Behindertenverband* (an association of war victims and persons with disabilities) of Vienna, Lower Austria and Burgenland has offered 14 days of holidays and recreation for care-giving family members under a pilot project since September 2006. The Support Fund for Persons with Disabilities contributes decisively towards the costs of the project. If desired, the primary carer may also spend the holiday with the person requiring care (up to long-term care allowance category 3). In addition to the main purpose of recreation, the holiday stay also includes a social programme (e.g. exchange of experiences under the guidance of a moderator, practical care hints, legal advice). Any care services as may be required during the stay may be rendered by professional providers on site against payment. The costs of the 14-day holiday are € 868.- per person, with the person seeking recreation having to pay a deductible in an amount of 20% of his/her net monthly income. The balance is covered from the funds available from the Support Fund for Persons with Disabilities for care-giving family members.

4.3.5 Extended Social Security Protection for Care-Giving Family Members

According to the results of scientific studies on the Austrian long-term care provision system, care provided by relatives is one of the most important pillars of the system which must in any event be given continued support. The protection of care-giving family members under social security law is a significant aspect here.

The Act to Amend Social Security Legislation (*Sozialrechts-Änderungsgesetz /SRÄG 2007*) promulgated in Federal Law Gazette I no. 31/2007 on 29 June 2007 has improved the situation of care-giving family members in the context of preferential continued insurance or self-insurance in the pension insurance system during periods in which care is provided to a close relative because as from 1 July 2007 the federal state is obliged to

cover most or all of the contributions of care-giving family members with voluntary pension insurance for a limited period of time.

Pursuant to the new section (§) 77 par. 9 of the General Social Security Act (ASVG) and parallel provisions in the other social security acts, the federal state not only pays the employer's contribution to the pension insurance (which was also the case previously) but also covers half of contributions to be paid by the person voluntarily insured (employee's contribution) for a maximum period of 48 calendar months if the close relative to whom care is provided is entitled to long-term care allowance category 4. If the close relative is entitled to long-term care allowance of category 5 and above, the federal government pays the entire pension contributions of the care-giving family member for a maximum period of 48 months.

4.3.6 Agreement on Social Care Professions

The Agreement on the Social Care Professions signed by the federal government and the provinces pursuant to Article 15a of the federal constitution on 6 December 2004 (Federal Law Gazette I no. 55/2005; implementation date 26. July 2007, for Salzburg: 8 July 2008) is a major step ahead towards an upgrading of professions in the area of care for the elderly and the disabled and creating an incentive for regular employment in this field. The agreement provides for a modular system which is to facilitate the **permeability** of boundaries between the individual professions (for more flexibility and mobility in the labour market). In implementing the agreement, the job profile "**home helper**" is to be introduced **nationwide** (so far it has only existed in the provinces of Vienna, Lower Austria, Upper Austria and Styria, which have larger populations). The home helper may become especially important in the context of home care for elderly people and persons in need of care in the future.

4.3.7 Current Measures and Strategies of the Provinces

Apart from appropriate support programmes for care-giving family members and preventive measures (health promotion etc.) most provinces drive the expansion of outpatient and inpatient nursing and care facilities. As a matter of principle, outpatient and halfway care centres are given priority over inpatient institutions. Depending on needs, services available so far and the structure of the nursing and care sector in the individual provinces, changes differ but have similar goals.

New and alternative forms of assistance are being developed in all provinces. In the next few years, intergenerational housing, flat shares and house shares as well as self-administered institutions will be specially promoted. This is in keeping with the trend towards individualisation and leads to the creation of a wide range of services and facilities catering to different needs and life situations.

Improved discharge management and better coordination of social services are to have a preventive effect and help avoid the need for permanent care whilst also improving access to care and assistance facilities. Better coordination also leads to more efficient use of resources. Case management concepts will also be used by intermediaries of ambulatory services for better control. In this context case managers will not only ensure networking and counselling for those concerned and their family members but also help them choose from a range of offers.

The development of modern care and assistance concepts also has to go hand in hand with suitable, well-structured and decentralised institutions for permanent care. In the past few years, all the provinces have run comprehensive programmes to upgrade the quality of services and modernise their nursing and care institutions.

The establishment of new care structures must lead to easing the burden on care-giving family members. In this context, assistance services (such as day care centres, temporary care and holiday care) play a special role. In the past few years numerous options were created for family members providing care: counselling and discussions for care-givers, temporary accommodation in a nursing home if care-givers go on holiday or fall ill, advice on medication and aids, as well as various ombudsperson offices and information platforms.

ANNEX 1:

Statistical Annex

Statistical Annex

The selection of the data is based on the recommendations of the Social Protection Committee of the EU, which provided statistical information for the strategy reports. The data stem from EU-wide harmonized surveys (mainly EU-SILC and Labour Force Survey) and from national data sources authorized by Eurostat.

The statistical annex is followed by the definitions of the terms used in the tables (in German only).

At-risk-of-poverty and Income distribution

At-risk-of-poverty rate
 At-risk-of-poverty threshold (illustrative values), PPP
 At-risk-of-poverty gap
 At-risk-of-poverty rate by most frequent activity status
 At-risk-of-poverty rate by household type
 At-risk-of-poverty rate by work intensity of the household
 At-risk-of-poverty rate by accommodation tenure status
 At-risk-of-poverty rate before social transfers
 Inequality of income distribution: S80/S20 income quintile share ratio
 Inequality of income distribution: Gini coefficient

Employment and Unemployment

Employment rate
 Unemployment rate
 Youth unemployment rate
 Long-term unemployment
 Employment rate of older workers
 Dispersion of regional employment rates
 People living in jobless households by age
 Adults aged 18-59 living in jobless households

Education and Health

Early school-leavers
 Life expectancy

Social Protection

Social protection benefits by group of function (as a percentage of GDP)
 Social protection benefits by group of function (as a percentage of total benefits)
 Projected total public social expenditures

GDP and Government Debt

Growth rate of GDP at constant prices (2000)
 GDP per capita in Purchasing Power Standards (EU-25 = 100)
 General government debt

At-risk-of-poverty and Income Distribution

At-risk-of-poverty rate by age and gender	EU 25		AT			
	2004	2005	2003	2004	2005	
Total population	16 s	16 s	13	13	12	
Children aged 0-15	20 s	19 s	15	15	15	
People aged 16+	Total	16 s	15 s	13	12	12
	Men	14 s	14 s	11	11	10
	Women	17 s	16 s	14	14	13
People aged 16-64	Total	15 s	14 s	12	11	11
	Men	14 s	14 s	11	10	11
	Women	16 s	15 s	12	12	12
People aged 65+	Total	18 s	19 s	16	17	14
	Men	15 s	16 s	13	13	10
	Women	20 s	21 s	19	20	17

s = Eurostat estimate

Source: Eurostat, SILC

At-risk-of-poverty threshold (illustrative values), PPP	EU 25			AT		
	2003	2004	2005	2003	2004	2005
One-person households	7671	7716 s	:	8955	9630	10562
Two adults with two dep. Children	16109	16204 s	:	18806	20223	22181

s = Eurostat estimate

no values 2005 in PPP available for EU 25 - values 2005 in EUR for one-person households: EU 25 8834, AT 10796.

Source: Eurostat, SILC

Relative median at-risk-of-poverty gap by gender and selected age group	EU 25		AT			
	2004	2005	2003	2004	2005	
Total population	23 s	22 s	20	20	15	
Children aged 0-15	24 s	23 s	18	18	14	
People aged 16+	Total	23 s	22 s	20	21	15
	Men	23 s	24 s	21	19	17
	Women	22 s	22 s	19	22	15
People aged 16-64	Total	25 s	25 s	21	20	18
	Men	25 s	26 s	22	18	19
	Women	25 s	24 s	20	23	17
People aged 65+	Total	16 s	18 s	17	21	14
	Men	15 s	18 s	20	26	12
	Women	16 s	18 s	17	20	15

s = Eurostat estimate

Source: Eurostat, SILC

At-risk-of-poverty rate by most frequent activity status		EU 25		AT	
		2004	2005	2004	2005
Total	Total	16 s	15 s	12	12
	Men	14 s	14 s	11	10
	Women	17 s	16 s	14	13
At work	Total	9 s	8 s	7	7
	Men	9 s	9 s	8	7
	Women	8 s	7 s	7	6
Not at work	Total	23 s	22 s	18	18
	Men	23 s	21 s	16	16
	Women	24 s	23 s	19	18
* Unemployed	Total	42 s	40 s	31	47
	Men	46 s	43 s	35	51
	Women	37 s	37 s	26	42
* Retired	Total	16 s	16 s	14	12
	Men	15 s	15 s	11	10
	Women	17 s	17 s	16	14
* Other inactive	Total	26 s	24 s	21	22
	Men	26 s	23 s	21	23
	Women	26 s	25 s	21	21
<i>Distribution of at-risk-of-poverty population</i>					
Total	Total	100 s	100 s	100	100
	Men	:	45 s	42	43
	Women	:	55 s	58	57
At work	Total	27 s	27 s	34	31
	Men	:	16 s	20	19
	Women	:	11 s	14	12
Not at work	Total	73 s	73 s	66	69
	Men	:	29 s	22	24
	Women	:	44 s	44	45
* Unemployed	Total	:	16 s	9	9
	Men	:	8 s	5	5
	Women	:	8 s	4	4
* Retired	Total	:	25 s	28	27
	Men	:	11 s	10	10
	Women	:	14 s	18	16
* Other inactive	Total	:	32 s	30	33
	Men	:	9 s	6	8
	Women	:	23 s	23	24

Population aged 16+, s = Eurostat estimate

Source: Eurostat, SILC

At-risk-of-poverty rate by household type		EU 25		AT	
		2004	2005	2004	2005
Households without dependent children	Total	15 s	15 s	13	12
* One-person households	Total	24 s	24 s	21	19
	Men	22 s	22 s	16	14
	Women	26 s	26 s	25	23
	Aged < 65 yrs	22 s	23 s	20	17
	Aged 65+	26 s	27 s	23	23
* Two-adult households	Both aged < 65 yrs	10 s	10 s	11	9
	At least one aged 65+	15 s	16 s	14	11
* Other households		9 s	9 s	5	6
Households with dependent children	Total	18 s	17 s	13	13
* Single parents	At least 1 dep. child	34 s	32 s	25	28
* Two-adult households	1 dep. child	12 s	12 s	10	10
	2 dep. childs	15 s	14 s	9	12
	3+ dep. childs	27 s	24 s	22	20
* Other households		18 s	16 s	10	10
<i>Distribution of at-risk-of-poverty population</i>					
Total	Total	100 s	100	100	100
Households without dependent children	Total	42 s	44 s	50	48
* One-person households	Total	17 s	18 s	24	23
	Men	7 s	7 s	7	7
	Women	11 s	12 s	17	16
	Aged < 65 yrs	9 s	10 s	14	13
	Aged 65+	8 s	9 s	10	10
* Two-adult households	Both aged < 65 yrs	8 s	10 s	12	10
	At least one aged 65+	10 s	9 s	9	8
* Other households		7 s	7 s	5	7
Households with dependent children	Total	58 s	56 s	50	52
* Single parents	At least 1 dep. child	9 s	11 s	7	8
* Two-adult households	1 dep. child	9 s	9 s	9	8
	2 dep. childs	16 s	15 s	11	14
	3+ dep. childs	12 s	11 s	12	12
* Other households		13 s	10 s	10	10

s = Eurostat estimate

Source: Eurostat, SILC

At-risk-of-poverty rate by work intensity of the household		EU 25		AT	
		2004	2005	2004	2005
Households without dependent children	WI = 0	32 s	28 s	20	21
	0 < WI < 1	12 s	11 s	10	10
	WI = 1	5 s	5 s	6	4
Households with dependent children	WI = 0	68 s	63 s	39	54
	0 < WI < 0.5	44 s	41 s	44	34
	0.5 <= WI < 1	17 s	18 s	13	15
	WI = 1	7 s	8 s	6	6
<i>Distribution of at-risk-of-poverty population</i>					
Total	Total	100 s	100 s	100	100
Households without dependent children	WI = 0	:	16 s	14	15
	0 < WI < 1	:	10 s	16	14
	WI = 1	:	6 s	10	8
Households with dependent children	WI = 0	:	15 s	6	9
	0 < WI < 0.5	:	11 s	14	10
	0.5 <= WI < 1	:	27 s	28	32
	WI = 1	:	16 s	13	12

Source: Eurostat, SILC

At-risk-of-poverty rate by accommodation tenure status		EU 25		AT	
		2004	2005	2004	2005
Owner-occupier or rent-free		13 s	14 s	10	10
Tenant		25 s	23 s	18	17
<i>Distribution of at-risk-of-poverty population</i>					
Total	Total	100 s	100 s	100	100
Owner-occupier or rent-free		63 s	64 s	51	51
Tenant		37 s	36 s	49	49

s = Eurostat estimate

Source: Eurostat, SILC

At-risk-of-poverty rate before social transfers by age and gender		EU 25		AT	
		2004	2005	2004	2005
<i>Before all social transfers including old-age/survivors' pensions</i>					
Total population		42 s	43 s	42	43
Children aged 0-15		35 s	36 s	40	39
People aged 16+	Total	43 s	45 s	42	43
	Men	40 s	42 s	38	40
	Women	46 s	48 s	46	47
People aged 16-64	Total	32 s	33 s	33	33
	Men	30 s	31 s	30	31
	Women	35 s	35 s	36	36
People aged 65+	Total	88 s	90 s	86	87
	Men	88 s	89 s	86	86
	Women	88 s	90 s	86	88
<i>Before all social transfers except old-age/survivors' pensions</i>					
Total population		26 s	26 s	25	24
Children aged 0-15		33 s	34 s	37	37
People aged 16+	Total	24 s	24 s	23	22
	Men	22 s	23 s	21	21
	Women	26 s	26 s	24	23
People aged 16-64	Total	24 s	24 s	23	23
	Men	23 s	23 s	22	22
	Women	25 s	26 s	24	24
People aged 65+	Total	24 s	23 s	19	16
	Men	20 s	20 s	15	11
	Women	26 s	26 s	23	20

s = Eurostat estimate
Source: Eurostat, SILC

Inequality of income distribution: S80/S20 income quintile share ratio	EU 25		AT		
	2004	2005	2003	2004	2005
S80/S20	4,8 s	4,9 s	4,0	3,8	3,8

s = Eurostat estimate
Source: Eurostat, SILC

Inequality of income distribution: Gini coefficient	EU 25		AT	
	2004	2005	2004	2005
	30 s	31 s	26	26

s = Eurostat estimate
Source: Eurostat, SILC

Employment and Unemployment

Employment rate*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	62,4	62,8	62,8	62,9	63,3	63,8	64,7	68,5	68,5	68,7	68,9	67,8b	68,6	70,2
Male	71,2	71,3	71,0	70,8	70,9	71,3	72,0	77,3	76,4	76,4	76,4	74,9b	75,4	76,9
Female	53,6	54,3	54,7	55,0	55,7	56,3	57,4	59,6	60,7	61,3	61,6	60,7b	62,0	63,5

* % of population aged 15-64

b = break in series

Source: Eurostat - Labour Force Survey, annual averages

Unemployment rate*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	8,6	8,4	8,8	9,0	9,0	8,7	7,9	3,6	3,6	4,2	4,3	4,8 b	5,2	4,7
Male	7,4	7,3	7,8	8,1	8,1	7,9	7,1	3,1	3,1	4,0	4,0	4,4 b	4,9	4,3
Female	10,2	9,8	10,0	10,2	10,2	9,8	9,0	4,3	4,2	4,4	4,7	5,3 b	5,5	5,2

* % of labour force aged 15+

b = break in series

Source: Eurostat - Harmonised unemployment series, annual averages

Youth unemployment*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	17,4	17,7	18,2	18,8	18,7	18,5	17,2	5,3	5,8	6,7	8,1	9,5 b	10,3	9,1
Male	16,0	16,5	17,3	18,4	18,2	18,2	16,8	4,7	5,2	6,4	7,3	9,3 b	10,7	8,9
Female	19,0	19,2	19,1	19,2	19,3	18,9	17,7	6,0	6,5	7,1	8,9	9,9 b	9,9	9,3

* % of labour force aged 15-24

b = break in series

Source: Eurostat - Harmonised unemployment series, annual averages

Long-term unemployment*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	3,9	3,8	3,9	4,1	4,1	3,9	3,6	1,0	0,9	1,1	1,1	1,3b	1,3	1,3
Male	3,3	3,2	3,3	3,6	3,6	3,5	3,2	0,9	0,7	1,0	1,1	1,3b	1,3	1,3
Female	4,8	4,6	4,6	4,7	4,7	4,5	4,3	1,2	1,1	1,2	1,1	1,4b	1,4	1,3

* % of labour force aged 15+

b = break in series

Source: Eurostat - Labour Force Survey, annual averages

Employment rate of older workers*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	36,6	37,5	38,7	40,2	41	42,5	43,6	28,8	28,9	29,1	30,3	28,8b	31,8	35,5
Male	46,9	47,7	48,8	50,3	50,7	51,8	52,8	41,2	40,1	39,6	40,4	38,9b	41,3	45,3
Female	26,9	27,8	29,2	30,7	31,7	33,7	34,9	17,2	18,4	19,3	20,8	19,3b	22,9	26,3

* % of population aged 55-64

b = break in series

Source: Eurostat - Labour Force Survey, annual averages

Disperson of regional employment rates*	EU 25						AT						
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005	2006
	13,4	13,5	13,3	12,9	12,2	11,9	2,5	2,6	2,5	2,9	3,5	4,1	3,4

* Coefficient of variation of employment rates across regions at NUTS2 level

Source: Eurostat, Structural indicators database, 30.8.2006

People living in jobless households*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Children (0-17 yrs)	:	9,5e	9,8e	9,8e	9,8e	9,6e	9,6e	4,3	4,1	4,4	4,3	5,6b	6,3	7,2
Adults (18-59 yrs):														
Total	:	10,1e	10,2e	10,2e	10,3e	10,2e	9,9e	8,3	7,9	7,5	7,4	8,8b	8,7	8,8
Male	:	8,8e	8,9e	9,0e	9,3e	9,2e	8,9e	6,5	6,2	6,2	6,1	7,6b	7,7	7,8
Female	:	11,4e	11,4e	11,3e	11,4e	11,2e	10,9e	10	9,6	8,8	8,6	10b	9,6	9,8

* % of population in the relevant age group

e = estimate; b = break in series

Source: Eurostat, Labour Force Survey, spring results (except DK, LU (2003) and FI: annual average)

Adults aged 18-59 living in jobless households by household types	EU 25		AT	
	2003	2004	2003	2004
Alone without children	25,9	n.a	35,5	n.a
Alone with child(ren)	9,7	n.a	5,4	n.a
		n.a		n.a
Couple without children	21,2	n.a	26,8	n.a
Couple with child(ren)	14,6	n.a	13,9	n.a
Other households	28,5	n.a	18,3	n.a
Total number in 1000	24629,2	n.a	395,7	n.a

* in % of total number of adults living in jobless households

Source: Eurostat, Labour Force Survey

Education and Health

Early school-leavers*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
Total	17,7	17,0	16,6	16,2	15,6	15,2	15,1	10,2	10,2	9,5	9,3	8,7 b	9,0	9,8
Female	15,5	14,8	14,4	14,2	13,1	13,1	12,8	10,7	10,7	10,2	9,9	7,9 b	8,5	9,7
Male	19,9	19,2	18,9	18,1	18,0	17,3	17,4	9,6	9,7	8,7	8,6	9,5 b	9,4	10,0

* % of the total population aged 18-24 who have at most lower secondary education and not in further education or training

b = break in series

Source: Eurostat - Labour Force Survey

Life Expectancy	EU 25					AT						
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	2005	2006
Males												
Life expectancy at birth	74,4	74,7	75,0	75,1	75,6	75,1	75,6	75,8	75,9	76,4	76,7	77,1
Life expectancy at 45	31,8	32,1	32,2	32,3	:	32,4	32,8	32,9	33,0	33,4	33,6	33,9
Life expectancy at 65	15,7	15,9	16,0	16,1	:	16,0	16,3	16,3	16,4	16,9	17,0	17,2
Disability-free life expectancy at birth	:	:	:	:	:	64,6	64,2	65,6 e	66,2 e	:	:	:
Females												
Life expectancy at birth	80,8	81,1	81,2	81,2	81,7	81,1	81,6	81,7	81,6	82,1	82,2	82,7
Life expectancy at 45	37,2	37,4	37,5	37,4	:	37,3	37,7	37,8	37,8	38,3	38,4	38,7
Life expectancy at 65	19,4	19,6	19,6	19,6	:	19,4	19,8	19,7	19,8	20,3	20,3	20,6
Disability-free life expectancy at birth	:	:	:	:	:	68,0	68,5	69,0 e	69,6 e	:	:	:

e = estimate

Source: Eurostat

Social Protection

Social protection benefits by group of function*	EU 25		AT		
	2003	2004	2003	2004	2005
Old-age and survivors' pensions	12,1	12,0	13,8	13,6	13,5
Sickness, health care	7,4	7,4	7,1	7,1	7,1
Disability	2,1	2,1	2,4	2,3	2,2
Unemployment	1,7	1,7	1,7	1,7	1,6
Family/children	2,1	2,1	3,1	3,0	3,0
Housing and social exclusion	0,9	0,9	0,4	0,4	0,4

* as a percentage of GDP

Source: Eurostat, ESPROSS

Social protection benefits by group of function*	EU 25		AT		
	2003	2004	2003	2004	2005
Old-age and survivors' pensions	45,8	45,9	48,4	48,3	48,6
Sickness, health care	28,1	28,3	25,1	25,2	25,5
Disability	8,1	8,1	8,4	8,3	8,0
Unemployment	6,6	6,5	5,9	6,0	5,8
Family/children	8,0	7,8	10,9	10,8	10,7
Housing and social exclusion	3,4	3,4	1,3	1,4	1,4

* as a percentage of total benefits

Source: Eurostat, ESPROSS

Projected total public social expenditure*	EU 25					AT				
	2004	Change				2004	Change			
2004-2010		2004-2020	2004-2030	2004-2050	2004-2010		2004-2020	2004-2030	2004-2050	
	23,4	-0,7	-0,2	+1,5	+3,4	25,2	-1	-1	+0,8	+0,1

* total age-related public spending: pensions, health care, long-term care, education and unemployment transfers (% of GDP) – baseline scenario

Note: These figures refer to the baseline projections for social security spending on pensions, education and unemployment transfers. For health care and long-term care, the projections refer to the "AWG reference scenario".

Source: EPC/AWG

GDP and Government Debt

Growth rate of GDP at constant prices (2000)*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
	3,9	2,0	1,2	1,3	2,4	1,8	3,0	3,4	0,8	0,9	1,2	2,3	2,0	3,3

* percentage change over previous year

Source: Eurostat, Structural indicators database, 9.8.2007

GDP per capita in Purchasing Power Standards (PPS)*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
	100	100	100	100	100	100	100	126,0	120,4	120,9	122,1	122,1	122,1	123

* EU-25 = 100

Source: Eurostat, Structural indicators database, 9.8.2007

General government debt*	EU 25							AT						
	2000	2001	2002	2003	2004	2005	2006	2000	2001	2002	2003	2004	2005	2006
	62,9	62,0	60,4	62,1	62,5	63,3	62,2	67,0	67,0	65,8	64,6	63,9	63,5	62,2

* General government consolidated gross debt as a percentage of GDP

Source: Eurostat, Structural indicators database, 9.8.2007

ANNEX 2:

Annex on Long-Term Care

Recipients of Long-Term Care Benefits, 1995 - 2005 (federal and provincial level)

	1995			1999			2000			2005		
	Federal	Länder	total	Federal	Länder	total	Federal	Länder	total	Federal	Länder	total
Category 1	22.151	8.359	30.510	45.571	8.987	54.558	50.379	9.608	59.987	70.437	11.710	82.147
Category 2	148.467	14.017	162.484	112.964	15.272	128.236	110.605	15.602	126.207	112.150	18.124	130.274
Category 3	51.681	10.248	61.929	48.701	10.697	59.398	49.644	10.601	60.245	52.865	11.042	63.907
Category 4	23.544	4.212	27.756	40.581	6.150	46.731	42.156	6.516	48.672	49.215	7.299	56.514
Category 5	19.494	4.526	24.020	21.889	4.641	26.530	22.743	4.579	27.322	25.409	4.619	30.028
Category 6	4.372	2.877	7.249	5.630	2.861	8.491	6.058	2.866	8.924	8.052	3.158	11.210
Category 7	2.633	1.192	3.825	3.551	1.390	4.941	3.915	1.440	5.355	5.160	1.796	6.956
Total	272.342	45.431	317.773	278.887	49.998	328.885	285.500	51.212	336.712	323.288	57.748	381.036

As at: 31 December of the respective year

Source: Report of the Working Group on Long-Term Nursing Provision 1995, 1999, 2000, 2005

Recipients of Long-Term Care Benefits according to gender (federal and provincial level), 2005
(not including victim care and teachers employed by the Länder)

	Women	Men	Care Benefit Amount
Category 1	59.106	22.468	€ 148,30 mtl.
Category 2	86.388	42.975	€ 273,40 mtl.
Category 3	42.076	21.312	€ 421,80 mtl.
Category 4	36.862	19.214	€ 632,70 mtl.
Category 5	20.099	9.579	€ 859,30 mtl.
Category 6	6.720	4.340	€ 1.171,70 mtl.
Category 7	4.529	2.356	€ 1.562,10 mtl.
Total	255.780	122.244	

As at: 31 December 2005

Source: Report of the Working Party on Long-Term Care Provision 2005

Recipients of Long-Term Nursing Allowance according to age (federal and provincial level), 2005
(not including victim care and teachers employed by the Länder)

	0-20 years	21-40 years	41-60 years	61-80 years	over 81 years	total
Category 1	2.155	3.570	9.201	33.849	31.867	80.642
Category 2	3.416	5.380	13.083	46.219	59.801	127.899
Category 3	2.539	3.102	6.120	20.664	30.521	62.946
Category 4	1.448	2.297	4.557	17.037	30.387	55.726
Category 5	868	1.634	2.664	8.364	15.812	29.342
Category 6	870	1.526	1.346	2.691	4.439	10.872
Category 7	670	798	916	1.737	2.668	6.789
Total	11.966	18.307	37.887	130.561	175.495	374.216

As at: 31 December 2005

Source: Report of the Working Party on Long-Term Nursing Provision 2005