

# Administration in Austria

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# 1 The Organisation of the Austrian Administration

The organisation of the Austrian administration rests on two principles:

- the constitutional basic principle of the federal state
- and the principle of local self-administration of the Austrian municipalities

In compliance with these two principles the administrative structure consists of three levels of subdivisions each with corresponding administrative organisations:

- at central government level, the federal government
- at federal level, the federal provincial administrations of the nine federal provinces of Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg and Vienna
- and at local self-administration level, the municipal administrations of 2,357 Austrian municipalities

All over Austria there is also a network of 99 administrative districts, which are not independent territorial authorities but are organisationally integrated in the federal provincial administrations (as district authorities), or within the greater cities. As such, Austria can be said to have a four-tiered consistent administrative structure: federal government – federal provinces – districts – municipalities.

**Figure 1 Austrian administrative structure**



## 1.1 The federal administration

### The department principle

The federal government is the largest administrative organisation in Austria. It is under the direction of the federal chancellor, the vice-chancellor and the federal ministers, who preside over a particular department as monocrat organs. The number of federal ministers and consequently of the departments is variable. State secretaries are appointed for political support and for representation in parliament or at the European level.

In addition to the federal chancellor, who is also in charge of his/her own department, there are currently thirteen federal ministers in charge of the following ministries (see also table 1): Agriculture, Forestry, Environment and Water Management; Defence and Sports; Economy, Family and Youth; Education, Arts and Culture; European and International Affairs; Finance; Health; Interior; Justice; Labour, Social Affairs and Consumer Protection; Transport, Innovation and Technology; Science and Research and Women and Public Service (which resides in the Federal Chancellery). Currently there are four state secretaries appointed in three ministries.

Together, the federal ministers make up the federal government. The federal chancellor is the chairperson of the federal government. As head of the federal chancellery, his/her rank is formally equal to all other federal ministers. This clearly demonstrates the prevailing distinct “department principle” of the federal administration.

### Federal ministries and subordinate agencies

A federal minister’s department consists of a federal ministry (also called central office), where strategic decisions as well as draft bills are prepared, and the subordinate agencies. The latter is a collective name for all kinds of organisational establishments. In this way, tax offices are subordinate agencies just as police stations or even individual schools are.

The size of individual departments, as a consequence, varies greatly. Traditionally, large departments are the ones in charge of education and security agenda. In particular, the number of staff is as follows:

**Table 1 Staff size of federal departments (2009)**

<b>Department</b>	<b>Staff</b>
Federal Chancellery *	1,014
European and International Affairs	1,290
Labour, Social Affairs and Consumer Protection	1,562
Finance	11,958
Health	372
Interior	31,213
Justice	10,955
Defence and Sports	23,387
Agriculture, Forestry, Environment and Water Management	2,634
Education, Arts and Culture	44,387
Transport, Innovation and Technology	886
Economy, Family and Youth	2,395
Science and Research	771
Others“ **	1,082
<b>Total</b>	<b>132,908</b>

\* The department for Women and Public Service is established in the Federal Chancellery.

\*\* Here the principal institutions as the Federal President's Office, the Parliamentary Administration, the Constitutional Court, the Administrative Court, the Ombudsman Board, and the Court of Audit are included..  
(Number of staff in full-time equivalents)

## The structure of a ministry

The Austrian federal ministries (including the federal chancellery) are subject to standard organisational basic principles. They are divided into divisions, and for the most part have between 50 and 150 employees. The divisions are themselves divided into departments. Depending on the case, several departments can be combined into groups or areas. Subdivision of departments into sections is also possible. Additionally, secretaries general are established in some areas as are personal offices of federal ministers or state secretaries around the political leadership of a ministry. The actual structure of the organisation and distribution of responsibilities (division of tasks) is laid down by each individual federal minister internally. The organisational work in all ministries is implemented through an electronic file system (ELAK), which has largely replaced the “paper file”.

## “Spin-off” from the federal administration

In the last decades, various legally independent agencies were founded outside of the federal administration. This was carried out by instituting so-called “spin-offs”, in which a governmental agency was converted into a legally independent institution or a company under company law

on the basis of a special law. In the course of a spin-off process, the staff – while preserving their rights – are also transferred to the spun-off establishment. Also, certain budgets are shown separately from the government budget. Financing and control relationships with the relevant federal ministry continue to exist, of course. The spin-off process began in 1969 with the outsourcing of the government-owned Postal Savings Bank, and currently there are around 100 companies and institutions following the spin-off of the postal service, museums and theatres, employment offices, banking supervisory authorities, all universities, and many other government establishments.

## 1.2 Federal provinces administration

In contrast to the federal administration, the administrative apparatus of the nine federal provinces are not organised according to the department system. The provincial governments running the administration of the respective provinces basically act committee-style, although many agenda are still delegated to individual members for decision. There are no separate federal ministers with or without portfolios to assist in the administration, but rather a common provincial government office. Internal affairs of that office are dealt with by the governor as chairperson of the provincial government (at political level) and the head of the provincial government office (at administrative level).

Most of the 99 district administrations are also part of the provincial administration. Outside the 15 larger cities, which, at the same time, are administrative districts, there are 84 district authorities, established as administrative districts throughout Austria, playing a leading role especially in the national administration affairs. District authorities are headed by one of the persons nominated as district governor by the provincial government.

Furthermore, the provincial administrations also branch off into subordinate agencies, and numerous agency spin-offs from the provincial administration have taken place. Especially provincial hospitals have been going through a process of legal independence over the last few years.

## 1.3 Municipalities

From the 2,357 municipalities, only 72 towns have more than 10,000 inhabitants, and nearly 80 % of all municipalities have fewer than 3,000 inhabitants. Since the size and capacity of a municipality is not considered in task setting, a distinct structure of cooperation has developed amongst Austria's municipalities. As such, many municipalities associations are founded especially when concerning high investment and employment opportunities, in order to make for more efficient management. 15 of the largest Austrian cities play a very specific role among the municipalities: they are cities with their own statute. This means that on top of their municipal responsibilities, they also hold the function of an administrative district.

The municipal offices are, on the political level, chaired by a mayor, who is elected by the municipal council representative organ or directly by the citizens of the municipality. A senior offi-



cial generally referred to as municipal secretary or city office director takes care of the administrative management (chief magistrate in cities with their own statute). Many municipal responsibilities encompass services of general interest such as the creation of educational, social, environmental and cultural infrastructures.

## 1.4 Public administration tasks

The modern administrative state is long past being a simple sovereign state which administers governmental tasks by issuing absolute instructions and using arbitrary enforcement. The Austrian administration is rather an administration of services in distinct fields of activity such as in the social, health, education and cultural areas; it has, moreover, a supporting function. The classic differentiation between a sovereign administration and non-sovereign administration is, therefore, in the context of a material task analysis, of continually decreasing significance.

### Task distribution

Administration tasks, as are assigned to territorial authorities, make for the style of the state administration to play a determining role. The division of competencies as laid down in the Austrian constitution only applies to the state administration. Agenda dealt with in the legal entities outside the state administration are not subject to this strict assignment regime, which is sometimes referred to as the “private sector administration”, because in this context the state acts like a private company. All non-state administration affairs can therefore come under the jurisdiction of territorial authorities, which in practice could lead to duplication of the work in the administration of services and support. The division of tasks within territorial authorities is effected mainly by the law governing the federal ministries, in some instances arranged for by provincial governments or municipal councils.

### Indirect and direct administration

A special form of fulfilling tasks within the scope of the federal administration is that efficiency is the main principle of indirect administration. This means that federal affairs of the federal administration are basically under the jurisdiction of provincial administration organs – mainly district authorities; the provincial district authorities therefore act for the provinces as well as the central government. Instructions issued by the responsible federal minister of course are also binding for the indirect provincial administration. Exceptions to this principle only exist for certain responsibilities: financial administration affairs, the security police as well as military and foreign affairs are dealt with directly by the (subordinate) federal agency.

## 1.5 Public administration reform

In recent years, the administrative reform has intensified activities. Within the central administration, a strategic approach, which would initially provide for an evaluation of tasks was chosen. To this purpose, a group of experts was commissioned with examining existing administrative tasks and scrutinizing them critically (report by the Task Reform Commission 2001). Consequently, targeted measures to optimise structure and services were proposed, based on the objectives of benefiting from potential staff and budget cuts, but at the same time ensuring the quality and efficiency of administrative services.

A reform focus brings increased use of modern technologies for the benefit of citizens, simultaneously with the objective of cutting costs. A special e-government law created the foundation for widespread e-government services. Both citizen-oriented applications such as “finance online” as a communication level for tax issues and the introduction of the electronic file (ELAK) were prime examples. The website [www.help.gv.at](http://www.help.gv.at) is a comprehensive portal of the public authorities, offering access to a great number of online-operations. With the help of the citizen card, these online-procedures can be effected with a high degree of security.

On January 1<sup>st</sup> 2010, all information concerning businesses was concentrated on a new platform, the “[Unternehmensserviceportal](#)” (business service portal). It also includes FinanzOnline applications with the aim to create a one-stop-shop for businesses to gather information, submit applications, and meet obligations to provide information quickly and efficiently.

In recent years, Austria has been placed first in EU-wide rankings of the quality of the E-government for several times, most recently in 2010.

In order to optimise the administrative organisation, distinct decentralisation measures were taken. So, making the strict regime of budget law more flexible to operate organisational units (through the so-called flexi-clause) will facilitate management. The experience while implementing these measures was used in the Austrian Federal Budget Reform to improve budgetary decision making

Through “spin-offs” from the government administration organisation, legally independent and responsible “companies” are created, whose public services are produced more efficiently.

Starting from 2007 these efforts continued under the key words “efficiency”, “customer focus” and “speed”. The new quality initiative consisted of 40 reform projects, in order to raise the quality of administrative services as well as effect savings. E-government projects, the establishment of one-stop-shops (e.g. when recording births and registering companies) and reorganisations contribute to the goal of the Austrian Public Administration to offer the best possible service to its citizens.

Under the new federal government, in December 2008, the consolidation of public authorities became more important. A working group of high-ranking members analysed the efficiency of the administration and worked out a number of projects (with the focus on one-stop-shop-administration, E-government and re-engineering of support processes). The group dealt and deals with eleven packages: pensions, staff, education, science and research, the efficient han-

ding of subsidies, citizen orientation and deregulation, efficiency of the administration, reform of tasks, budgetary law, health, environment and infrastructure, and public enterprises.

In autumn 2009, a project was started to compile data on the most important administrative processes concerning customer satisfaction, expenditure of time and money and areas of improvement. In a next step, the results were discussed in working groups to improve these processes and reduce the financial and time-consuming burden as much as possible. In August 2010, the Austrian Council of Ministers agreed on 150 measures to reduce administrative obstacles for citizens that will be implemented in the next months and years.

## 2 The Public Service in Austria

The administration staff – the public service – consists of the persons who are employed by an Austrian territorial authority. Fulfilling government tasks naturally has a high social significance. Civil servants have the special requirement to ensure that impartiality, efficiency and abidance to laws, the main characteristics of the public service in Austria, just as the efficiency of the administration, free of corruption, are guaranteed.

### 2.1 Dimensions of the public service

Quantitatively speaking there is – calculated as full-time employees – a total of about 350,000 public servants in Austria. Only 38 % of public servants are employed by the federation (Federal Service). 62 % are provincial and municipal employees (Provincial and Municipal Service).

**Table 2 Public service employees in all territorial authorities**

Territorial authority	Number of employees
Federal level	132,908
Federal province level (incl. Vienna)	141,972
Municipalities	74,325
<b>Total</b>	<b>349,205</b>

(rounded figures, federal level: 31.12.2009, in full-time equivalents; provinces, municipalities: 2008; not including independent agencies and enterprises)

### 2.2 Civil servants and contractual staff

There are two types of public employment: employment under public law as civil servants based on a government act and basically implying a permanent irredeemable position, as well as employment under private law (contractual) as contractual employees, based on a service contract, which is the similar to private sector employment contacts. In many areas, though, there are no great differences between the service law for civil servants and that for contractual employees.

The status of civil servant was historically considered the prototype civil servant. Nowadays, more than half of all government employees are contractual employees.

## 2.3 Structures of the public service

Detailed information on specific work, training, income and gender-specific structures for the public service can not be given to date since a respective standard analysis is still in progress. The data on the Federal Administration provided below give a certain general idea.

**Table 3 The five major occupational groups in the Federal civil service (2009)**

Occupational group	Number of employees
Administration	47,299
Teachers (federal)	38,015
Police	29,689
Military	14,747
Judges and public prosecutors	2,444

**Table 4 Median federal employee gross income per capita according to occupational groups (2009)**

Occupational group	Gross income
Judges and public prosecutors	71,331 €
Teachers (federal)	51,276 €
Police	46,600 €
Military	37,527 €
Administration	31,312 €

(annual salary in Euro, income data as median figures in 2009, gross annual income according to Art. 25 Income Tax Act)

**Table 5 Academic employment (2009)**

Employment sector	Men	Women
Federal administration	39.7 %	61.0 %
Private sector	26.1 %	30.8 %

Training apprentices in the various occupational groups rates very high in the civil service: Between 2004 and October 2009, the number of apprentices rose to more than 3,600.

Privileged employment of disabled persons also has a high priority in the public sector.

## 2.4 The public employer

The public employers in the formal sense are the territorial authorities. The basis of public employment are special service regulation laws for employment both under public law and private law, and govern all relevant terms and conditions in great detail. Both for the federal govern-

ment service and the provincial and municipal services of each federal province, there are specific legal regulations independent of each other's respective federal or provincial legislative body. This leads to numerous service regulatory systems in Austria.

The individual federal ministers are responsible for the personnel in the government. The Federal Chancellery is in charge of the coordination of staff management and the preparation of service regulation laws and other standards.

## 2.5 Personnel management and controlling

Organisation charts laying down position schemes are the instrumental tools for personnel management in the public service. In this set of figures, which is very effective as a formal part of the annual official budget, the highest permissible number of employees and individual institutions are determined. Both new recruitments and re-assignments are only possible provided there is a vacant permanent position. Also, the budget allocated for staff expenses must be complied with.

The task of personnel controlling consists of the close observation of developments as may result in extra costs in the staff sector, in order to gain personnel-relevant knowledge and to be able to take targeted staff-steering measures. Data collected in the course of personnel controlling allow for an orientation at international data and form a good basis for staff demand planning.

## 2.6 Social partnership in the public service

The social partnership, which is a decisive tool throughout all economic and social levels, is endemic in the public service itself, too. It is based on problem-solving on a partnership basis and ranges from annual salary negotiations to the review of diverse relevant standards.

The trade unions of the public service - the Union of Public Services (GÖD) - are part of the Austrian Trade Union Federation (ÖGB). The GÖD has 230,000 members (including the public employees and the retired employees of the federal administration and of the administration of the provinces – not including Vienna), the Union of Municipal Employees has about 150,000 members (including the independent agencies).

In each organisational area of the administration, there is a highly differentiated system of personnel representation concurrent with the "in-service" employee representation system equipped with varied legal rights regarding information and co-determination of personnel representation. The results of personnel representation elections are decisive for the balance of political power within the trade unions of the public service.

## 2.7 Admission into the public service

Staff recruitment in the public service depends on two criteria that must be fulfilled: to guarantee objective staff recruitment and to ensure high quality. New recruits therefore usually have to apply following public tender and take corresponding screening examinations. Only for special requirements, which can only be met by a small number of applicants, does a full recruitment interview suffice. The strict qualification principle traditional in the public service today is – at least for contractual employees – much more flexible.

## 2.8 Careers and functions in the public service

In Austria, long and life-long careers within the public service are still very common – but leaks to private sector employment are becoming more common. For high managerial functions, not only a public tender is published, but a recommendation by an independent assessment commission is also part of the process of recruitment. The tenure of top official positions in the public administration, such as the head of a ministerial division, is limited to a maximum of five years.

In the public service, there is an express imperative to promote the careers of women. Also, international experience is valued for careers in European and international institutions.

## 2.9 Personnel development

The public service has introduced modern personnel development. The most important objectives are:

- Increasing the qualification level of all employees
- Supporting leadership and motivation
- Supporting personality development
- Improving the communicative company culture
- Promotion of health and well-being in the workplace
- Increasing mobility within and outside the public sector

In order to implement these objectives, different measures have been taken. Beside improving and expanding education and further training, new personnel development instruments have been created, such as performance appraisal interviews including the MbO, employee surveys, mentoring, internal “job exchanges”, corporate identity measures up to a modern organisation of the workplace.

In the context of the Workplace Health Promotion project numerous and diversified measures are taken which aim at the preservation of the physical health as well as at the psycho-social aspects of well-being in the workplace.

## 2.10 Salaries

There is a great variety of salary systems for employees of different Austrian territorial authorities. Currently, for most of the government service, there is a system with guaranteed advances combined with job-related bonuses for excellent performance. Further allowances or so-called “extra-pay” must take special service circumstances into consideration. This salary system is based on a widespread scientific analysis of employment in individual positions regarding their valency (job valuation).

## 2.11 Retirement

The pension system for federal officials with a concept different from that of the general system of retirement was standardised in 2005 in the course of the so-called “pension harmonisation”, so that, for the first time, and throughout Austria, the foundation for a standard pension system was created. The convergence of the retirement provisions previously implemented differently vis-à-vis the general regime has so far been carried out only partially for provincial and municipal officials.



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