

# OECD Review of Policies to Improve the Effectiveness of Resource Use in Schools

## Country Background Report for **Austria**

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The published version of the country background report entails a number of editorial changes. The page numbers given in the reference "Bruneforth et al., forthcoming" in the country review report Nusche, D., T. Radinger, M. R. Busemeyer, H. Theisens (2016), *OECD Reviews of School Resources: Austria 2016*, OECD Reviews of School Resources, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264256729-en>, therefore, do not necessarily match the pages in the published version of the background report.



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## Executive Summary

This Country Background Report has been developed to prepare the OECD ‘Review of Policies to Improve the Effectiveness of Resource Use in Schools’ in Austria. It describes the legislation and governance structures as well as common practice of the administration and utilisation of resources in the school system of Austria at the time of the visit of the OECD review team in June 2015. While generally following the common OECD guidelines when preparing the report, the authors put particular focus on the complex structures and mechanisms of school governance in Austria and notably the differentiation between the school system/types operated at the federal and provincial level, respectively, which is important in particular for primary and lower secondary education. Therefore the report puts special emphasis on these levels of the school system.

Three main challenges for Austrian schools are seen as requiring a response at all levels of the system: i) a discrepancy between achievement levels and high expenditure for the system, ii) inequity in outcomes with a high rate of social reproduction, and iii) the demographic development with respect to a total decrease in the number of children and a relative increase in the number of students with a migration background.

The Country Background Report is structured into six chapters.

**Chapter 1 – National Context** describes the main economic, social, demographic and political developments that shape education policy and governance in Austria. Even though Austria is characterised by a high degree of material wellbeing, a high quality of life and, in an international comparison, relatively high employment rates and low youth unemployment, it faces growing unemployment and decreasing growth rates, ranking near the bottom of the EU countries. Resource planning for Austrian education should take due account of several main factors, amongst them:

(1) Substantial demographic shifts with respect to the school-age population, which is stagnating after a period of substantial shrinkage and shows regionally very uneven trends today: Substantial growth is expected for Vienna while in many provinces (*Laender*) the numbers of pupils will stagnate or even decline.

(2) A high number of students with a migration background speak a language other than German at home. In urban areas their share can exceed 50%.

(3) The specific shape of federalism in Austria which might be called ‘distributional federalism’ as it implies a fundamental split between the financing bodies and the spending bodies: About 90% of taxes and levies are collected by the federal level and then substantial shares are redistributed to the provincial level (*Laender*) and the municipalities. Negotiations about resource distribution between the federal and the provincial level are performed as a separate political activity outside of education policy and cover all the different policy fields jointly. Parameters for the funding of compulsory education are part of these negotiations, thus opening a field for political negotiations about schools outside of education policy.

**Chapter 2 – School System** describes the main features of the school system in terms of organisation, governance and performance. It aims to help readers understand the decision-making process, as well as the allocation and use of resources in the Austrian school system.

An important aspect of the education system is the strong diversification and selectivity of programmes at all levels. Students are subject to several selective transitions: a) the transition at age 10 from primary to lower secondary education with two different school types – AHS and NMS; b) different forms of ability tracking within school types; and c) the transition into a highly diversified system of upper secondary education. However, this cannot be generalised or simplified to a dichotomous choice between general or vocational education, since it includes the widely popular options for higher vocational education with their high social status and direct access to university education.

This chapter also highlights that, even though the public has the impression that reforms in the education system are often blocked, numerous projects of reform and redesign of the organisation and management of school have been initiated in the last decade and further reforms are envisaged. Major projects are the reform of lower secondary education (NMS), the reform of the teacher service codes and of teacher training, the introduction of educational standards and testing, the expansion of compulsory education by one year of free-of-charge pre-primary education, and the implementation of centralised final examinations providing access to universities. Further reforms are currently being discussed, such as a reform of school

administration with greater autonomy for individual schools.

The governance of school education in Austria is characterised by a complex division of responsibilities between federal and provincial authorities. In a nutshell, the federal level is responsible for (framework) legislation, supervision of all schools and for the management and infrastructure of the so-called federal schools at secondary level (AHS, BHS), while the 9 provinces are responsible for the network of provincial schools (general compulsory schools, APS) at primary (VS) and lower secondary level (NMS) as well as special needs schools and schools in dual VET (*Berufsschulen*). This also includes the management of teaching resources (funded by the Federal Government), whereas infrastructure for provincial schools is generally provided by the municipalities. Two main institutional bodies share responsibilities in the implementation and management of school policy in each province: the provincial school boards, decentralised agencies of the Federal Government, which are responsible for school inspection and administration of federal schools, and the school departments of the provincial governments which are responsible for provincial schools. To secure regional influence on school administration, the provincial school boards – in principle federal authorities – include elements of provincial representation, which is mainly expressed by the fact that the school boards are chaired by the provincial governors and embrace consultative bodies which are composed of representatives from the respective province.

**Chapter 3 – Governance of resource use in schools** provides an overview on the level of resources and how they are governed within the school system. Expenditure per student in Austria is amongst the highest in the OECD. Total expenditure, in real terms, has risen by about one third since 1995 and 96% of the expenditure for primary or secondary institutions comes from public sources.

However, detailed reporting of unit costs by province and different classifications of school type is not standard in Austria due to the division of responsibilities between federal and provincial levels. Against this background, monitoring of resource use is challenging and the available information does not really allow for identifying how the discrepancy between relatively high expenditure and rather low achievement is related to the resource use at school level.

This chapter also discusses some policy issues which are related to the overall funding of school education and are subject to ongoing reform: Currently more than 77% of expenditure for schools in Austria is spent on personnel, mainly teachers. The salaries (service codes) for all teachers, no matter if they are employed by the federal or the provincial governments, are set by federal legislation. Any change in the salary scheme thus poses challenges or opportunities for the financing of education. In 2013 Austria adopted a major reform of the teacher service codes and of the remuneration of future teachers. It aims to reduce salary differences between teachers of different school types; salaries will generally start at a higher level, making the profession more attractive for new teachers, while flattening the slope of salary increases that come with years of service (rather than experience).

At the same time a new teacher training system is being implemented, aiming to develop a better trained future teaching force with master's degrees as a general condition for permanent employment.

**Chapter 4 – Resource distribution** is concerned with how educational resources are distributed within the school system. In Austria a huge share of the educational budget is decentralised and managed at different levels of the education administration. The general principles for the transfer of funds from the federal to the provincial level for teaching resources for provincial schools (*Landesschulen*, APS) are set out in the Fiscal Adjustment Act (*Finanzausgleichsgesetz*). The Federal Government fully compensates the provinces for their expenditures on pedagogical staff based on a funding formula for staff plans. Parameters include enrolment – assuming certain pupil/teacher ratios for different types of school –, resources for a 3.2 pupil/teacher ratio for special needs education – assuming a fixed number of 2.7% enrolment in special needs education –, and additional funds are earmarked for policy priorities.

Resource distribution is distributed in a fragmented way between administrative political levels, with the distinction between provincial and federal schools, employing different categories of teachers partly for the same groups of students, and a distinct system of allocating the current expenditure and infrastructure. There are no nationwide regulations for the distribution of these resources to schools by provincial governments. Criteria for the school network at provincial level are defined by implementing legislation of the *Laender*. Provincial schools (VS, NMS, ASO) are established and maintained by the municipalities – often supported by funds from the provincial government. Catchment areas aim to facilitate allocation of (teaching) resources to individual schools in line with enrolment numbers. Notably at primary level, Austria has a high number of small and very small schools, including due to the country's topographical

features. Due to this division of competences, the Federal Ministry has no influence on the provincial school networks and the amount of resources that are deployed to an individual provincial school.

The resource allocation for federal schools is planned and implemented by the Federal Ministry and the provincial school boards: Teaching resources are allocated based on a funding formula including the number of pupils and class size and also earmarked value units for all-day schooling, pupils with special needs, etc. Only a very limited share of teaching resources is earmarked for specified schools. The redistribution to individual schools takes into account specificities of schools whereby differing procedures and criteria are applied by each of the nine provincial school boards.

Teachers and school leaders for provinces as well as for federal schools are recruited and assigned to specific schools by the responsible administrative body – school department of the provincial government or provincial school board. Depending on the type of school, teachers are either trained at university colleges of teacher education or at universities.

**Chapter 5 – Resource utilisation** is concerned with how resources are utilised, through specific policies and practices, for different priorities and programmes once they have reached the different levels of the school system. A key mechanism to match resources to individual students in Austria is selection and tracking of students in different school forms. Tracking within lower secondary schools is about to be abolished with the implementation of the new secondary school, which applies more individualised forms of learning and team teaching. An important means to channel resources to students is remedial teaching and additional instruction for students having a first language other than German.

This chapter also provides new data comparing student-teacher ratios and class sizes, providing insights into the variation of resource distribution between and within provinces and regions. Austria is known for having one of the most favourable student-teacher ratios in primary and lower secondary education amongst OECD countries, partially a consequence of a 2007 federal regulation which aimed to decrease the recommended number of pupils per class to 25 for pedagogical reasons. Classes in urban areas are typically much bigger than in rural areas and Laender with many rural schools tend to have more schools with small classes. Yet, when considering student-teacher ratios, the differences between urban and rural schools are much more moderate, suggesting that schools with bigger classes do not necessarily have considerably less ‘human resources’, but use them in a different way.

Another ongoing debate is about the provision of support staff for schools and the potential cost savings if administrative tasks are generally carried out by non-teaching staff. There are also calls for more school psychologists and social workers. A general difficulty in this context is the fact that non-teaching staff for provincial schools (administrative assistants, janitors, etc.) has to be provided and remunerated by the municipalities which run the schools.

**Chapter 6 – Resource management** is concerned with how resources are managed at all levels of the school system. It addresses issues concerning capacity building for resource management, monitoring of resource use, transparency and reporting, provided they have not already been introduced above. It also discusses the main challenge for resource management which is its distributed and fragmented nature based on the structure of the overall governance system that splits the different aspects of resource management into various processes at different levels of the system and takes responsibility for resource management away from schools as the location where the resources are being put into use. Consequently, there is no place where all the information from the different processes is compiled, which produces a lack of transparency about the resources spent in education.



## ABBREVIATIONS

### *Schools and Programmes*

AHS	Allgemein bildende höhere Schule	Academic secondary school
AHS-U	AHS - Unterstufe	AHS - lower level
AHS-O	AHS - Oberstufe	AHS - upper level
APS	Allgemeinbildende Pflichtschulen	General compulsory schools (VS, HS, NMS, ASO, PTS)
ASO	Sonderschule	Special needs school
BHS	Berufsbildende höhere Schule	Colleges for higher vocational education
BIST-Ü M4, M8, E8	Überprüfung der Bildungsstandards in Mathematik 4, Mathematik 8, Englisch 8	Tests of educational standards in mathematics 4, in mathematics 8, English 8
BMS	Berufsbildende mittlere Schule	Secondary technical and vocational school
BMHS	BMS/BHS	BMS/BHS
BS	Berufsschule (Duale Ausbildung)	Part-time vocational school/apprenticeship (the dual system)
ECEC	Frühkindliche Bildung	Early childhood education and care
HS	Hauptschule	General secondary school
NMS	Neue Mittelschule	New secondary school
PTS	Polytechnische Schule	Pre-vocational school
VS	Volksschule	Primary school
VSS	Vorschulstufe	Pre-primary school within VS ('Grade 0')
PH	Pädagogische Hochschulen	University colleges of teacher education

### *Selected federal laws – translation and online sources*

BDG	Beamten-Dienstrechtsgesetz	Civil Service Code	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10008470&amp;FassungVom=2014-01-01">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10008470&amp;FassungVom=2014-01-01</a>
BilDok	Bildungsdokumentationsgesetz		<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=20001727">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=20001727</a>
BFG	Bundesfinanzgesetz	Federal Finance Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=20008870&amp;FassungVom=2015-12-31">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=20008870&amp;FassungVom=2015-12-31</a> 2015: <a href="http://www.parlament.gv.at/PAKT/VHG/XXV/I/I_00051/imfname_348119.pdf">http://www.parlament.gv.at/PAKT/VHG/XXV/I/I_00051/imfname_348119.pdf</a>
BLVG	Bundeslehrer-Lehrverpflichtungsgesetz	Federal Teachers Service Code	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10008205">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10008205</a>
B-SchAufsG	Bundes-Schulaufsichtsgesetz	Federal Law on School Inspection	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009264">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009264</a>
B-VG	Bundesverfassungsgesetz	Federal Constitutional Law	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10000138">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10000138</a>
LDG	Landeslehrer-Dienstrechtsgesetz	Federal Service Code for	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10000138">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10000138</a>

		Provincial Teachers	0008549
LBVo	Leistungsbeurteilungs- verordnung		<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009375">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009375</a>
FAG	Finanzausgleichsgesetz	Fiscal Adjustment Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=20005610">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=2 0005610</a>
GehG	Gehaltsgesetz	Federal Remuneration Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10008163">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0008163</a>
	Pflichtschulerhaltungs- Grundsatzgesetz	Federal Act on the Maintenance of Compulsory Schools	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009231True">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009231True</a>
PrivSchg	Privatschulgesetz	Private Schools Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009266">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009266</a>
SchOG	Schulorganisationsgesetz	Federal School Organisation Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009265">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009265</a>
SchPflG	Schulpflichtgesetz	Federal Compulsory School Law	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009576">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009576</a>
SchUG	Schulunterrichtsgesetz	Federal School Education Act	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009600">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009600</a>
SchZG	Schulzeitgesetz	Federal Law on Schooling Time	<a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&amp;Gesetzesnummer=10009575">https://www.ris.bka.gv.at/GeltendeFassung.wxe? Abfrage=Bundesnormen&amp;Gesetzesnummer=1 0009575</a>

### *Other abbreviations*

AK	Arbeiterkammer Österreich	Austrian Chamber of Labour
ao	Außerordentliche Schüler	Non-regular students due to difficulties with the language of instruction
BBG	Bundesbeschaffung GmbH	Federal Procurement Agency
BIFIE	Bundesinstitut für Bildungsforschung, Innovation & Entwicklung des österreichischen Schulwesens	Federal Institute for Educational Research, Innovation & Development of the Austrian School System
BMBF	Bundesministerium für Bildung und Frauen	Federal Ministry of Education and Women's Affairs
BMWWF	Bundesministerium für Wissenschaft, Forschung und Wirtschaft	Federal Ministry for Science, Research and Economy (previously BMWF)
CPD		Continuing Professional Development
CQAF		Common Quality Assurance Framework
EAG		Education at a Glance
ECTS	European Credit Transfer System	
ESL	Early school leavers	
FTE	Full-time equivalent	
GDP	Gross domestic product	
ILO	International Labour Organization	
ISCED	International Standard Classification of Education	

IV	Industriellenvereinigung	Federation of Austrian Industries
LSR	Landesschulrat ('Stadtschulrat' für Wien)	Provincial school board ('Stadtschulrat' for Vienna)
LK	Landwirtschaftskammer	Chamber of Agriculture
NBB	Nationaler Bildungsbericht	National Education Report Austria
OECD	Organisation für wirtschaftliche Zusammenarbeit und Entwicklung	Organisation for Economic Co-operation and Development
PIRLS	IEA: Progress in International Reading Literacy Study	
PISA	OECD: Programme for International Student Assessment	
PPP		Purchasing power parity
QIBB	QualitätsInitiative BerufsBildung	VET Quality Initiative
SEN		Special education needs
SPF	sonderpädagogischer Förderbedarf	Attested SEN
SQA	Schulqualität Allgemeinbildung	'School Quality in General Education' Initiative
TALIS	OECD: Teaching and Learning International Study	
TIMSS	IEA: Trends in International Mathematics and Science Study	
UOE	UNESCO/OECD/EUROSTAT Data Collection	
VET	Vocational education and training	
WHO	World Health Organization	
WIST	Wirkungsorientierte Steuerung	Performance Budgeting
WKÖ	Wirtschaftskammer Österreich	Austrian Economic Chamber

### ***Naming of governmental levels***

The translation of Austrian terminology for public authorities, administrative bodies, etc. and institutions of the school system generally follows the glossary of Eurydice and the chart of the school system by BMBF (see Figure 4).

The Government and all its entities at the central level are generally either called 'federal' or use the German term '*Bundes-*'.

The Government and all its entities at the level of the nine *Laender* (provinces) are generally either named 'provincial' or use the German term '*Laender-*'. One notable exception is the translation 'provincial school board' for '*Landesschulrat*'. On other occasions, the term 'regional' stands for sub-national units but is not tied to provinces.

The administrative level between provinces and municipalities is called 'district' or in German '*Bezirk*'.

The term 'municipality' is used for the local/communal administrations and governments (*Gemeinden*). It is used for rural municipalities as well as towns and cities. In the case of Vienna, which is one of the nine federal provinces of Austria, the 'technical' levels of the province (*Land*) and 'municipality' are not distinguished for the purposes of this report.

The term *Landesschulen* (provincial schools) in this report refers to the school types VS, HS, NMS, ASO, PTS and is not a legal term, but is often used for reasons of simplification when demonstrating the dichotomy of schools run by the federal administration (*Bundesschulen*) and those operated by the *Laender*.

## ***Purpose and scope of this report***

1. This report was prepared as an input to the OECD ‘Review of Policies to Improve the Effectiveness of Resource Use in Schools’. It is primarily of a descriptive nature and takes developments in school policy and reforms until June 2015 into account.
2. In this context the report has served two main purposes: Firstly, it aimed to help the preparation of the country review team, which was composed of OECD analysts and independent academic experts who visited Austria in June 2015, to enter into in-depth discussions and fact-finding with stakeholders of the Austrian education system, including visits to a limited number of Austrian schools in Vienna, Burgenland and Salzburg. The contextual information provided by this report, together with the information gathered by the review team during its country visit, served as the basis for the preparation of an OECD country review report on Austria, which will include also recommendations on how to improve the effectiveness of resource use in the Austrian school system.
3. Secondly, this Country Background Report provides a national input to the international debates, comparative analyses and synthesis reports, which are being developed under the broader framework of the OECD school resources project and are expected for publication as of 2016.

### *Scope of this report*

4. This Country Background Report gives an overview on the distribution, utilisation and management of school resources in Austria. It has been elaborated on the basis of detailed guidelines provided by OECD, which aim to ensure a minimum level of comparability between different countries and their school systems.
5. While generally following these international guidelines in the preparation of the report, the authors have put an important focus on the structures and mechanisms of school governance in Austria and notably the differentiation between the school system/types operated by the federal level (*Bundesschulen*) and the system/school types administered by the nine provinces (*Landesschulen*). It has to be noted that this differentiation is primarily a feature of compulsory education (grades 1-9, i.e. primary and lower secondary education) in Austria.
6. To help the readers understand the administrative logic of the Austrian compulsory school system – which is mainly funded by the federal level, but dominated by largely separate mechanisms of resource distribution, diverging teacher employment conditions, distinct teacher training systems, an implicit hierarchy of schools, etc. – this report aims to give some insight into the complex, historically grown distribution of competences and responsibilities between the federation and its provinces. There is broad consensus among school experts, politicians and stakeholders that the pronounced fragmentation of competences is one major obstacle to more effective school resource use and resource monitoring in Austria.
7. Also, the formal and informal elements of checks and balances, which have developed over the years between the different layers of government (federal level, provinces, municipalities) and the stakeholders in the school system (teacher unions, political parties, parents’ associations, etc.), will be included in this report as they have enormous implications for the prevalent funding logic.
8. To give more room for the description and analysis of these challenging features of the Austrian school system, it has been decided to focus on the area of compulsory schooling in the report and also the country review.
9. This seems justified from the point of view that – with the exception of dual VET schools – the upper secondary school system is mainly funded and administered by only one jurisdiction, i.e. the federal level, and is thus much less fragmented. Furthermore, upper secondary education and notably vocational education and training in Austria were extensively reviewed in the OECD ‘Learning for Jobs’ project in 2010 (OECD, 2010).

### *Main sources of information*

10. This report builds on publicly accessible information, research reports and published data from the Eurostat UOE collection/OECD’s Education at a Glance, Statistics Austria and BIFIE. Only for

some detailed aspects of resource allocation, new indicators have been developed for the purpose of this report on the basis of data provided by BMBF.

11. In some merely descriptive sections of this report, information provided by the Eurydice ‘Description of national education systems’ was used or referred to.
12. For the ‘Main Challenges’ sections, each of which concludes the analyses provided in chapters 2-6, an ‘external’ academic assessment was provided by IHS, building upon extensive previous work of Lassnigg et al. on the structures and efficiency of the Austrian education system and its administration. (Lassnigg & Vogtenhuber, 2015; Lassnigg, Felderer, Paterson, Kuschej & Graf, 2007; for an extensive overview of the provincial structures in education see also Lassnigg, 2010).
13. This OECD review comes at a timely moment. Not only is the Austrian school system progressing in the implementation or completing a number of reform steps in school education, including the introduction of a new secondary school, the common expectation is also that more structural reforms should be envisaged. High-level expert groups have been working on recommendations for such a reform since 2014 and the outcomes of the OECD review are expected to support this work.

# Chapter 1: The national context

## 1.1 *The economic and social context*

14. Austria is characterised by a high degree of material wellbeing and a high quality of life. Steady growth in GDP per capita has been accompanied by low income inequality, high environmental standards and rising life expectancy (OECD, 2013b, p. 10). With 44,141 PPP\$ in 2012, Austria has the sixth highest GDP per capita in the OECD group, well above the OECD average of 37,010 PPP\$ and just behind Australia, United States, Switzerland, Norway and Luxembourg. High export and import rates show that Austria has a very open economy. In 2012, exports of goods and services represented 57.2% of GDP and imports 54.0% of GDP<sup>1</sup> compared to an average (exports/imports) of 29.8%/29.8% in the OECD and about 45.8%/43.2% in the euro zone (OECD, 2014b). Small and medium-sized enterprises (less than 250 employees) play an important role in the Austrian economy. In 2010, 30.0% of employees worked in medium-sized and 11.9% in small enterprises, compared to 18.6% and 7.0% in the EU-27 group (Eurostat, 2013). Austria has a relatively strong agricultural and construction sector with 12.1% of employees compared to 9.0% in the eurozone, while employment in services (59.6%) is slightly below the average of the eurozone (62.2%).
15. Austria's employment rate is 72.3% (OECD, 2014b), well above the OECD average of 65.3% and an increase of 5% since 2000. The employment rate is especially high for 15- to 24-year-olds and above average for 25- to 55-year-olds, but below the OECD standards for the older cohorts. However, for the cohorts aged 55 and above in particular, employment rates have risen since 2000, up from 28.3% to 44.9%.
16. Even though Austria's unemployment rate, 4.9% in December 2014 (OECD, ILO definitions), is below those in most OECD member states and just half the EU-28 average, it is currently rising and above the rate before and during the crisis. From a national perspective, unemployment has reached the highest value since 2005 and has been on the rise since then. The unemployment rate according to the national definition reached 10.5% in January 2015, about one percentage point higher than in early 2014. One driver behind the growth in unemployment rates in 2014 is the growth in the workforce. In 2014 the number of unemployed grew by 36,000 while the number of employed grew as well, by 22,000. Overall, according to OECD, economic growth is still weak, largely because of low domestic demand; in more recent years, the favourable economic position of Austria has been slightly deteriorating, with growth ranking near the bottom of the EU, and also exports showing weaker performance than before. A turnaround in unemployment rates is not expected before late 2015 or 2016.

## 1.2 *Demographic developments*

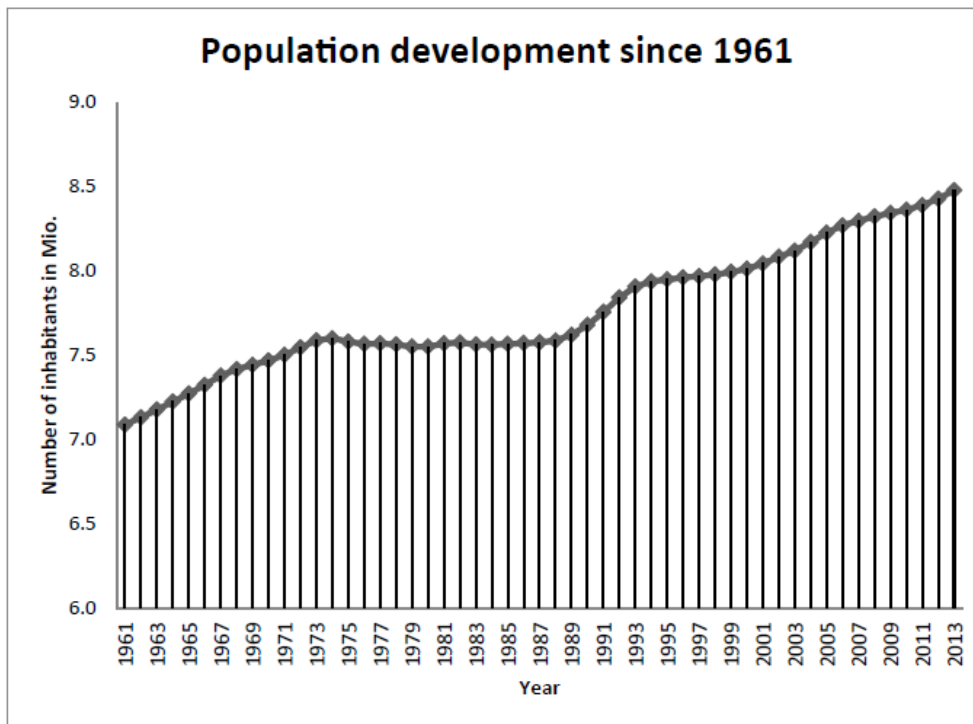
17. From 1961 to 2013, the population size in Austria increased by almost 1.4 million (+19.6%) from 7.09 to 8.48 million inhabitants. However, the increase was not steady; phases of strong growth alternated with periods of stagnation or slight decline. While in the 1960s, the population grew due to birth rate increases, the phase after the baby boom and negative migration balances caused a demographic decline in the late 1970s and early 1980s. Population growth since 1980 has mainly been driven by immigration and, less so, by rising life expectancy, which has increased by 11 years for men and 10 years for women since 1970.
18. Between 1988 and 1994, the high level of immigration as a result of the opening of Eastern Europe and slight birth increases led to strong growth rates, which were stopped in the mid-1990s due to more restrictive immigration policies. Since 2000, strongly increased immigration has

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<sup>1</sup> Exports and imports of goods and services consist of sales of goods and services (included/excluded in the production boundary of GDP) from residents to non-residents. Exports and/or imports and their sum can exceed the total GDP.

again led to rapid population growth (Statistics Austria, 2014a) (Figure 1).

**Figure 1: Population development since 1961**



Source: Statistics Austria, 2014b.

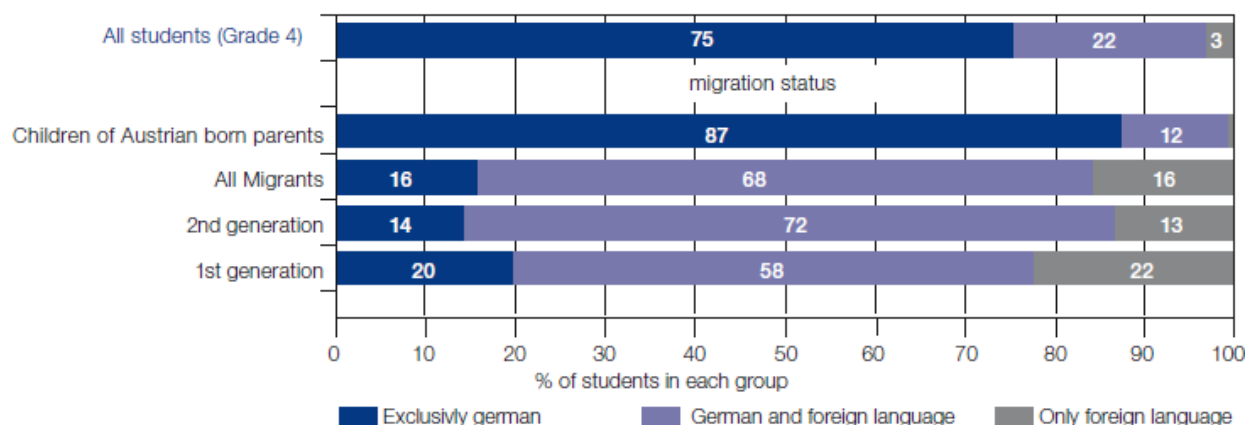
19. The size of the employable population in Austria will remain rather stable in the next years. Today 61.8% of inhabitants are between 20 and 64 years old (5.24 million). By 2020, the size of the population in employment age will slightly increase to 5.41 million (+3%). Thereafter, the number of people reaching retirement age will be greater than the number of young people entering the labour market. By 2030, the size of the potential labour force will decrease to the current level (5.25 million) and the percentage of 20- to 64-year-olds will decrease from 61.8% (2013) to 57.1% (Statistics Austria, 2014b).
20. Austria's population is projected to increase to more than 9 million inhabitants by 2025 as a result of immigration, an increase of 6.5% compared to 2013. By 2040, the population is expected to increase to 9,410,000 (+11.0% compared to 2013) (Statistics Austria, 2014b). Without immigration, the population would initially stagnate and then decrease to 8.12 million by 2040 (-4%).

### *Migration*

21. The proportion of foreign citizens in 2013 was 12.2% (1.03 million) (Statistics Austria, 2014a), of which 158,000 were German, 114,000 Turkish and 200,000 foreign citizens from Serbia and Bosnia and Herzegovina (Statistics Austria, 2013, p. 20). Today, for education policy, citizenship is no longer a central perspective and the migration background of families has become the focus of attention. With respect to the school age cohorts, the distribution of children from migrant parents by origin is different from that of the total population because the migration pattern for younger cohorts of migrants is different from the earlier pattern. Nearly one in five grade 8 students in 2012 had a migration background (18.3%, including Germany), with more than two thirds of them born in Austria (2<sup>nd</sup> generation). The biggest group of migrants comes from the Western Balkans, i.e. former Yugoslavia (42%), Turkey (23%) and countries of the EU (16%, of which just 2.7% from Germany) (calculations based on BIST-Ü, M8, 2012).
22. Language is perceived as the most important aspect related to migration and education. Figure 2

shows the distribution of primary grade 4 students by language spoken at home (based on information provided by them). About one quarter of primary school students speak languages other than German at home, yet only 3% of the total indicate they do not speak German at all at home, 22% live in multilingual families. 84% of students with a migration background<sup>2</sup> speak German, in a majority of cases in addition to another language (68%). One in six children of migrant families in Austria do not speak German. According to official school statistics, 53% of primary school children in Vienna speak another language (typically besides German) than German in everyday life, in major cities outside Vienna the rate is also high, between 35% and 47% (Bruneforth & Lassnigg, 2012, p. 37).

**Figure 2: 4th grade students by language spoken at home**



Source: Bruneforth & Lassnigg, 2012, p. 25.

23. There are also legally recognised minorities living in Austria who were granted special rights in the Austrian Independence Treaty of 1955. Austrian citizens belonging to the Slovene and Croat minorities have the right to establish organisations in their language which includes the right to instruction in primary education in the minority language and the entitlement to the provision of a proportionate number of secondary schools.

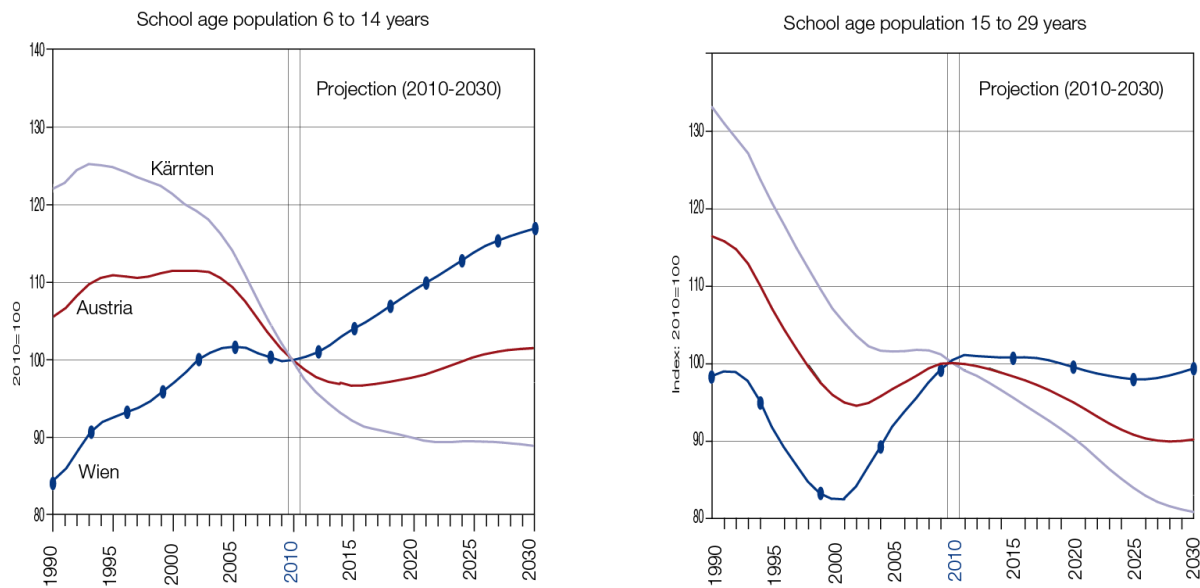
#### *Demography and education*

24. There are substantial demographic shifts with respect to the school age population. Today, 20% of the Austrian population are children aged below 20 years (1.69 million). Figure 3 shows the change in school age population between 1990 and 2030. For the age group of basic education (6 to 14), the population declined by about 10% in the last decade, but a change in the trend is projected for 2016 when the number of pupils of primary school age is expected to increase again for the following ten years. But this trend is regionally very uneven: Substantial growth is expected for Vienna while in many provinces the number of pupils will stagnate. The trends for upper secondary and tertiary student populations follow the trend of basic education with a shift of about 10 to 15 years.

<sup>2</sup> In data from national assessments, migration is defined based on OECD definitions, but children from parents born in Germany are considered as non-migrants.



**Figure 3: Change in school age population 1990-2030**



Note: Only the *Laender* with the two most extreme trends are shown (*Kärnten* = Carinthia; *Wien* = Vienna).  
Source: Bruneforth & Lassnigg, 2012, p. 19.

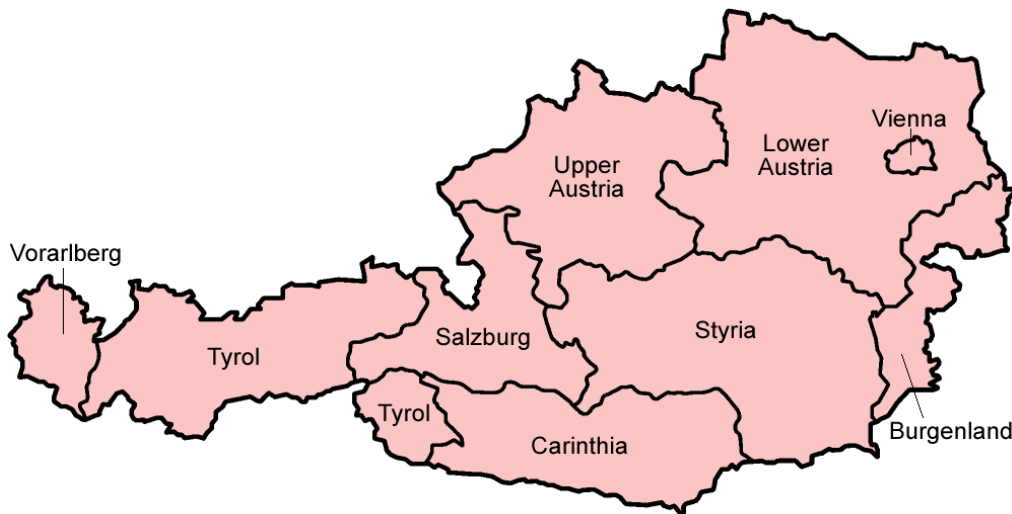
25. The development of educational levels from 1971 to 2012 shows a general increase in educational levels of the Austrian population. In 1971, the proportion of the population aged between 25 and 64 with compulsory education as their highest level of education was 57.8%, whereas in 2012 the proportion was 19.1%. Significant growth has been achieved in all higher secondary education programmes. The proportion of people whose highest qualification is from secondary technical and vocational school (BMS) (1971: 7.5%; 2012: 15.4%) or who have acquired a general qualification for university entrance (matriculation examination) (1971: 6%; 2012: 14.7%) more than doubled between 1971 and 2012. The increase is particularly evident in higher education: while in 1971 only 2.8% of the Austrian population aged 25 to 64 years had a university degree, in 2012 the proportion was 12.5% (Statistics Austria, 2014c), which is still low by international comparison.
26. In recent decades, women in particular have caught up in terms of their level of education. In 1971, 70.4% of women and 43.4% of men between 25 and 64 years achieved only basic education, whereas in 2012, the proportions were 23.2% for women and 14.9% for men (Statistics Austria, 2014c). For the younger cohorts, women significantly outnumbered men with respect to completion of academic upper secondary education and tertiary education: 45% of women aged 25 to 29 completed ISCED 3A compared to just 40% of men; 17% of women completed ISCED 5A/6 compared to just 14% of men.

### 1.3 Political context

27. Austria is a federal state with a total area of 83,872 square kilometres (about 32,710 square miles), consisting of nine provinces or states (*Laender*). Austria is a parliamentary republic with a Federal Constitution established in 1920/1929 based on democratic, federal and legal principles, as well as on the principle of the separation of powers. The Federal President is the supreme representative of the state, elected directly by the people for a six-year term. The National Council and the Federal Council (*Nationalrat* and *Bundesrat*) are the legislative bodies of the Republic, with the latter being composed of representatives of the *Laender*, which guarantees their participation in federal legislation. The members of the National Council are elected every five years, the members of the Federal Council are appointed by the parliaments of the nine *Laender*. The Federal Government consists of the Federal Chancellor, the Vice-Chancellor and Federal Ministers.

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## Map: The federal states of Austria



Source: [http://upload.wikimedia.org/wikipedia/commons/f/f9/Austria\\_states\\_english.png](http://upload.wikimedia.org/wikipedia/commons/f/f9/Austria_states_english.png) (states = 'Laender')

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The provincial parliaments (*Landtage*) are the legislative bodies of the *Laender* which are re-elected every five years, with the exception of Upper Austria with a six-year period. The provincial administration is headed by the provincial government (*Landesregierung*). In an international comparison, the number of *Laender* is quite high and untypical of such a small country. The size of *Laender* ranges from 287,000 inhabitants in Burgenland to 1.7 million in Vienna. Five of the *Laender* have less than one million inhabitants.

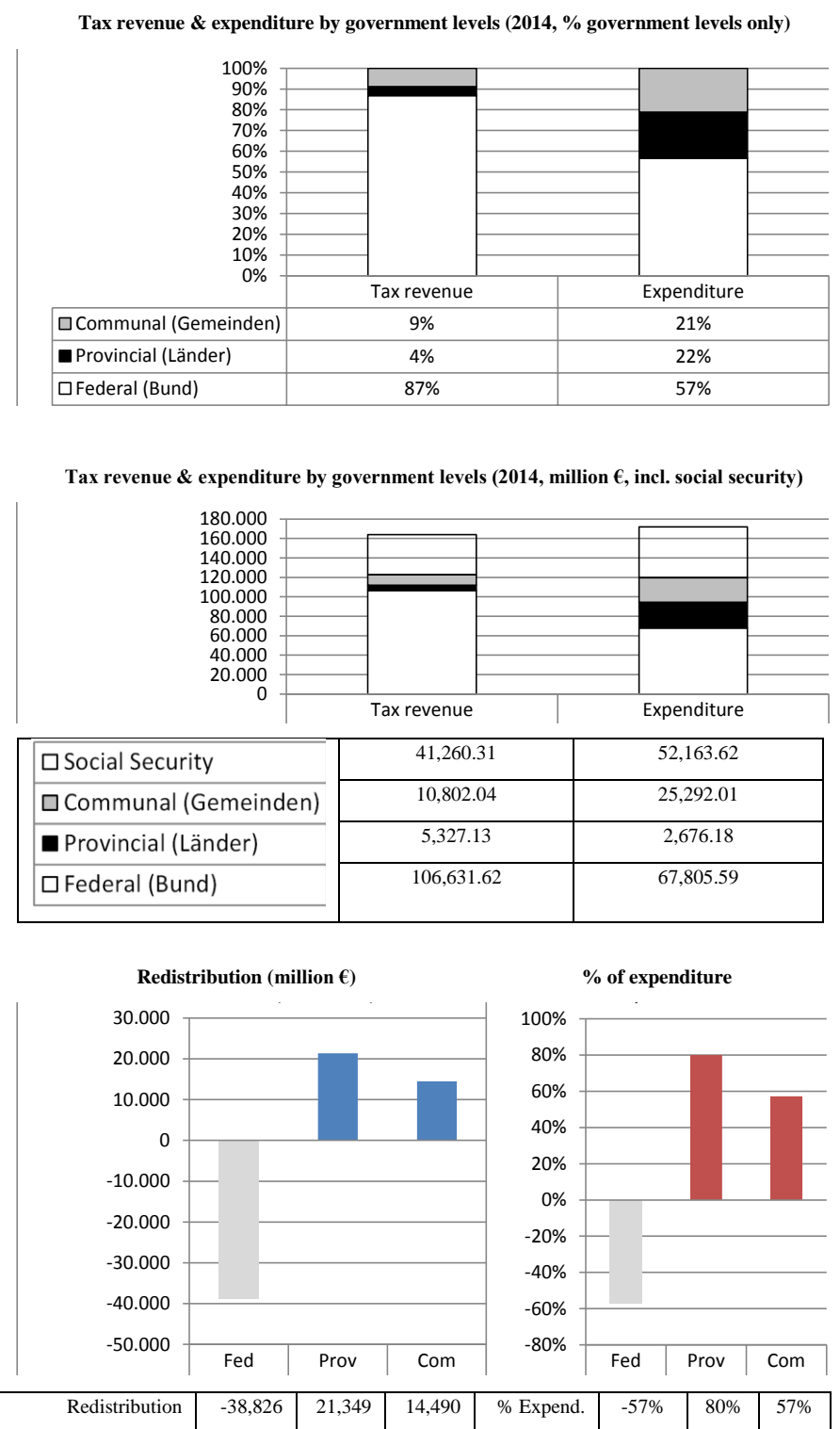
28. The municipalities enjoy a constitutionally guaranteed right to self-administration, being subject only to the legal supervision by the respective *Land*. They have an elected municipal council (*Gemeinderat*) headed by a mayor, who is elected either by the municipal council or, depending on the legislative provisions of the respective *Land*, by popular vote.
29. Austrian federalism has a specific shape which might be called 'distributional federalism', as most of the taxes (about 90%) are collected at the federal level and then redistributed to the *Laender* and the municipalities. Redistribution occurs partly according to specified responsibilities, or through the Fiscal Adjustment Act (*Finanzausgleichsgesetz*). The latter is negotiated every 4 years between the Federal Government, represented by the Ministry of Finance, the *Laender* represented by their governors (*Landeshauptleute*), and municipalities represented by the association of towns (*Städtebund*) and the association of municipalities (*Gemeindebund*). The result of these negotiations is adopted by the federal parliament. The Fiscal Adjustment Act currently concerns a sum of about € 80 bn. The agreements according to this redistribution constitute a kind of 'automatic' entitlement of the *Laender* and municipalities to receive a certain amount of the federal taxes, currently 21% for the *Laender* and 12% for municipalities.<sup>3</sup> Because of the complex allocation of responsibilities among the different levels of education, these structures of Austrian federalism are a very important element of educational financing. Currently, attempts are being made to change the basic mechanisms of redistribution and, in addition, the

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<sup>3</sup> The Austrian federalism must not be confused with the Swiss one, as the Swiss cantons collect most of the taxes for their expenditure; and Austrian federalism is also not comparable with the German one in its organisational consequences because many German *Laender* are nearly as big as or bigger than Austria, which means that the federal responsibilities in Germany would be the equivalent to central federal responsibilities in Austria (in terms of distance to the schools or the local entities). These differences are often confused in the Austrian debate. If the distribution of responsibilities for schools is compared between governmental levels, the share of responsibilities of the provincial level is similar only to much bigger countries such as Germany, Spain, Italy (see Lassnigg, forthcoming 2015).

regulations about the financial governance of the *Laender* and municipalities are changing from a cameralistic accounting system to the standards of double accounting. According to these current structures it is difficult in several respects to get an accurate overview of the use of resources, which are federal by origin. As will be shown, this structure implies a fundamental split between the financing bodies and the spending bodies, in particular with the teachers in provincial schools. An important point of current discussions is to shift a more substantial part of the collection of taxes from the federal level to the *Laender* level, which would bring more congruence between financing and spending responsibilities; however, there are also proposals to make this split even deeper by shifting more of the spending responsibilities to the *Laender* within the current federal taxing regime.

**Figure 4: Amount of intergovernmental redistribution 2014**



Source: Statistics Austria, Stat-CUBE, own calculations.

Figure 4 illustrates the orders of magnitude of fiscal redistribution. The federal level raises 87 percent of taxes, and after redistribution, the proportion of the *Laender* and municipalities rises from 13% of overall state tax revenues to 43% of state expenditure. The *Laender* are the biggest ‘winners’ of this redistribution, as the share of federal money among their expenditure is about 80%.

#### *Key features of the political system in Austria*

30. For a long period, Austrian politics was dominated by the two major parties, the Austrian People's Party (ÖVP) and the Social Democratic Party of Austria (SPÖ). Most Federal Governments in Austria, including the current one, have been formed as a ‘grand coalition’ of the two popular parties. Since 1945 there have been two other coalitions only between 1966 and 1987 and from 2000 to 2007. The system of proportional power-sharing (*Proporz*) is a long-standing principle within the politics of the Austrian Republic. It was enshrined in provincial constitutions and within municipalities for a long time, guaranteeing parties a seat in government if they hold a defined minimum number of seats in provincial parliament. It is reflected also in the area of education since the collegiate boards of the provincial school boards in the nine *Laender* are composed according to proportionate representation in the provincial parliaments (see chapter 2.4). Currently this still applies to four *Laender* parliaments, but two of them will abolish the system in 2015.
31. Austria has a system of extensive cooperation between the major economic interest groups and between them and the Government (corporatism, or *Sozialpartnerschaft* / social partnership). Such social partner cooperation is often perceived as a basis for economic growth and social stability and, more specifically linked to education, successful (dual) vocational training systems. The system is built on mandatory membership (including fees) in special chambers of workers and employees on the one hand and of industry and commerce as well as agriculture on the other hand (‘Arbeiterkammer Österreich’, AK; ‘Wirtschaftskammer Österreich’, WKÖ; ‘Landwirtschaftskammer Österreich’, LK). The existence of the chambers has recently been guaranteed in the Austrian Constitution. The respective legal acts on the establishment and functions of the chambers include provisions that entitle them to be consulted on all government bills before their submission to the respective legislator (federal parliament or provincial parliaments).
32. The chambers for workers and employees must be distinguished from the trade unions, which are based on free membership. The Austrian Trade Union Federation (‘Österreichischer Gewerkschaftsbund’, ÖGB) is the umbrella organisation of all trade unions, embracing also the civil servants’ union ‘Gewerkschaft Öffentlicher Dienst’ (GÖD). Though not formally part of the social partnership, the Federation of Austrian Industries (IV) is another influential stakeholder in public political debate, including education policy.
33. The Austrian social partnership stretches over practically all areas of economic and social policy, beyond collective agreements, including education and especially vocational education and training. The chambers evaluate draft legislation from the point of view of their clientele, make proposals for amendments and are subsequently involved in the implementation of these laws. The chambers aim to give impetus for legislative initiatives, and their ‘think tank’ functions and research initiatives continually underline the need for legislative action. This is especially the case in the field of education.<sup>4</sup> Notable here is the level of consensus between the chambers with respect to school reform and the proposal to introduce one comprehensive school form for 6- to 14-year-olds.
34. In Austria there is an organisational and institutional separation of church and state. Religion is taught at schools, with a dispensation from instruction being possible. The numerically

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<sup>4</sup> See for example: <http://www.arbeiterkammer.at/interessenvertretung/bildung/index.html> or <http://www.iv-net.at/blm118>

predominant religion is Roman Catholicism.

35. The official language in Austria is German, with the legal system guaranteeing the rights of local ethnic groups (Slovenians, Croats, Hungarians, Czechs, Slovaks, Roma and Sinti). This guarantee also applies to the field of education.

#### **1.4 Public sector management**

36. The Austrian public administration is organised according to the basic constitutional principle of the ‘federal state’ and the principle of local self-administration of the Austrian municipalities. Based on these principles, the administrative structure consists of three levels, each with corresponding administrative organisations:
- at central government level, the Federal Government,
  - at federal level, the federal provincial administrations of the nine *Laender* of Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg and Vienna,
  - and at local self-administration level, the municipal administrations of 2,102 Austrian municipalities (*Gemeinden*).
37. A total of 95 administrative districts (*Bezirke*) are organisationally integrated into the federal provincial administrations (as district authorities), or within the greater cities. As such, Austria can be said to have a four-tier administrative structure: Federal Government – *Laender* – *Bezirke* – municipalities.
38. The Federal Government is under the leadership of federal ministers, whose departments consist of a Federal Ministry (also called central offices), where strategic decisions such as draft bills are prepared, and the subordinate agencies, i.e. organisational establishments such as police inspectorates and individual schools.
39. In contrast to the federal administration, there are no separate provincial ministers, 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). The provincial governor (*Landeshauptmann/Landeshauptfrau*) is also president of the provincial school board.
40. Of the 2,102 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. The number of municipalities is high in comparative terms, leading to many very small units which are quite weak in terms of resources and competences; e.g. there are exemptions negotiated from the new rules of double accounting for small communities, and they are also exempted from the controlling procedures by the Austrian Federal Court of Audit.
41. The municipal offices are, on the political level, chaired by a mayor, who is elected by the municipal council or directly by the citizens of the municipality. A senior official generally referred to as municipal secretary or city office director takes care of the administrative management (chief magistrate in cities with an own statute). Many municipal responsibilities encompass services of general interest such as the creation of educational, social, environmental and cultural infrastructures. Municipalities act within their scope of self-administration or execute tasks devolved to them by the federal or *Laender* level (Federal Chancellery, 2011).

#### *Principles of public service and personnel management*

42. Civil servants have the special requirement to ensure that impartiality, efficiency and abidance to laws are guaranteed. A disciplinary code is in place to penalise misconduct and failure to comply with service duties. On the other hand, some groups of civil servants, including older teachers, are still enjoying generous old-age pensions and regulations of employment security, including protection against mobility (posts that are permanently linked to one specific school, *schulfeste Stellen*). In the last decades, the share of teachers employed on the basis of a contract agent scheme (*Vertragsbedienstete*) has been substantially increased and permanent posts linked to specific schools are not granted any more (see also chapter 4.6)

43. Personnel management in the public service is based on organisation charts laying down position schemes. In this set of figures, which is a formal part of the annual 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, it is necessary to comply with the budget allocated for staff expenses.
44. ‘Social partnership’, which has a key role throughout all economic and social levels in Austria, is endemic in the public service itself, too, thus extending a system governing essentially the private market-based industrial relations to the public service, which is however based on other basic principles; the differentiated structure of Austrian education and federalism leads also to a very differentiated structure of the teachers’ trade union as their representative, with the result that the politically accountable public employer (i.e. the minister) sits opposite a quite high number of specialist employees’ representatives in all negotiations. The unions’ key activities range from annual salary negotiations to the review of diverse relevant standards.
45. Furthermore, in each organisational area of public administration, including the public school system, there is a fully differentiated system of personnel representation which has varied legal information and codetermination rights. The results of personnel representation elections are decisive for the political power relations within the trade unions of the public service.
46. As a consequence, a key element of the financing of education in Austria is the system of industrial relations, including the structures and practices of collective agreements in this field. Over decades a very complex and differentiated ‘quasi-Taylorist’ system of collective agreements has evolved which has been based on several elements constituting the salary of teaching personnel. Basically every major change in working conditions virtually increased the allowances paid. This basic logic constitutes a linkage between education practices and salaries that transforms every major reform into an issue of material interest-based negotiations, which has already hampered attempts of curriculum reform or reforms of the governance structures. Recently the Service Law for Teachers (*Dienstrecht*) has been reformed and simplified by the Government (after 35 negotiation meetings with teacher unions without achieving a compromise); however, this basic logic has not been changed.

*Recent reforms to improve efficiency of federal budgeting*

47. A comprehensive budget reform at federal level was introduced in Austria starting in 2009. The 2<sup>nd</sup> stage of its implementation included performance budgeting (WIST, *Wirkungsorientierte Steuerung*) which entered into force in 2013 and transformed the traditional budget principles of being economical, thrifty and useful into the four principles of i) outcome orientation; ii) efficiency; iii) transparency; and iv) a true and fair view. The Federal Finance Act (*Bundesfinanzgesetz*) now systematically presents cash, use of resources and the outcome to be achieved. At the same time, the presentation and readability of budgets has been improved.
48. For each budget year the federal budget bill sets out global and detailed performance targets and describes the concrete measures envisaged to achieve these targets as well as criteria to measure success. These are mainly quantitative indicators but also qualitative criteria such as successful (administrative or legal) implementation of certain measures. The indicators point to longer term issues which seem difficult to achieve in the political logic of incrementalism without the actors devising strategies at the practice level to reach the priorities.
49. This new mechanism aims to increase transparency and efficiency of federal budgeting. While there is no explicit definition of ‘efficiency’ in the Federal Budget Law, a definition is provided by the Federal Ministry of Finance (Janik, & Schatz, 2008): The basic principle of efficiency refers to different levels of administration – at the level of measures it can refer to the principles of minimum and of maximum. The principle of minimum means that a certain output is achieved by a minimum level of input whereas the principle of maximum means to achieve a maximum output with a certain input. Also a definition of effectiveness is provided in this working paper which describes it as the relationship between an achievement and the (previously) defined target. Effectiveness is set out as the question whether a predefined target is being achieved or not.
50. With the reform, the budget developed from traditional cash accounting and input orientation towards outcome orientation based on a comprehensive steering document of resources *and*

performance. At the level of budget chapters, a brief mission statement and a maximum of five outcome objectives have to be defined and are part of the budget decision in Parliament. In the budget, each outcome has to be justified and explained very briefly, answering three questions: Why has this outcome been chosen? How will it be achieved? What is the benchmark for its success? (G. Steger, 2010, p. 11ff).

51. In the 2015 budget bill there are three performance goals introduced for the BMBF, two of which concern education. Each target is linked to three indicators:
  - Target 1: Raise the level of education of students
    - Indicator: Graduation rate upper secondary
    - Share of young population in school after end of compulsory education
    - Promotion rate for grades 5 to 12
  - Target 2: Improve equity and gender equity in education
    - Share of new entrants to tertiary education with ‘Berufsreifeprüfung’ (ISCED 3A degree from the dual system)
    - Number of persons receiving a lower secondary degree after dropping out
    - Share of students in gender-untypical education programmes in grade 10
52. These overarching targets are broken down into detailed budgets and targets. For example there is a detailed budget for ‘*Compulsory schooling – primary and lower secondary level*’, which is linked to the target: ‘*Further development of learning and teaching towards individualisation and competence orientation (strategic framework target under SQA)*’. Concrete measures focus on the implementation of the strategic framework target in the schools’ development plans and on the development of pedagogical transition management from early childhood education and care to school (see also chapter 5.5 on SQA). For the detailed budgets in the education and training budget, the achievement indicators/milestones are usually of qualitative nature (successful administrative implementation of certain elements of the planned measures). (BFG 2015)
53. Performance budgeting has not become obligatory for the provincial governments, however the *Land* of Upper Austria has put in place similar tools and other *Laender* (e.g. *Land* of Salzburg) are currently developing performance oriented instruments for effective public administration.

#### *Initiatives to increase public administration efficiency*

54. In response to the fiscal crisis, Austria was one of 27 OECD countries that reported in 2012 an anticipated decrease in public employment levels as a result of planned reforms. Measures included a 50% replacement rate for retiring staff in central government and a hiring freeze for the years 2012-14 (teachers were exempted from the freeze). Additionally, reduction of recruitment and moderate wage increases were part of the Government’s consolidation plan. General government sector employment (excluding public corporations) as a percentage of GDP, 10.9% in 2010, is reasonably low compared to the OECD average of 15.1%. In addition, compensation of government employees as a percentage of GDP, 9.7% in 2010, is slightly lower than the OECD average of 11.3% (OECD 2012b).
55. In May 2014 the Government established a high-level commission to elaborate proposals for the improvement of public administration efficiency in Austria, which presented four comprehensive reports by March 2015 ([www.aufgabenreform.at](http://www.aufgabenreform.at)). The reports include a wide variety of specific improvements from various sources, among them only few are related to education. They address the following topics, most of which are also recurring frequently in public debates: coordination of support of migrant students; reducing administrative tasks of teaching personnel and substituting by administrative personnel; improvement of management and monitoring educational goals at school level; cooperation between different school sectors. Some proposals concern fundamental aspects of planning and steering: to develop adequate information for steering in compulsory schools; evaluation of the shape of catchment areas (*Schulsprengel*); evaluation of the controlling of the financing of teachers of *Laender* by the federal level; abolishing political influence with selection of leaders at the *Laender* level.
56. A specific commission on education reform, composed of high-level representatives from the federal and *Laender* levels, was established in 2015 to negotiate measures for the improvement of efficiency in the school administration by summer 2015 (see chapter 2.4).



57. Another priority to improve efficiency of public administration in Austria is the continuous implementation of e-government applications, based on the e-government law of 2004. For example the organisational work in all ministries is carried out using an electronic file system (ELAK), which has completely replaced the 'paper file'. E-government tools are also widely applied in the school administration system, including for staff management and controlling.

## Chapter 2: The school system

### 2.1 Organisation of the school system

#### *Levels of education and school tracks*

58. An important aspect of the Austrian education system is the strong diversification of programmes at all levels of education and its selectivity. Austrian students have to go through three major types of transitions where a selection is made: 1) the transition from primary to lower secondary school associated with the choice of school, i.e. HS/NMS and lower academic secondary schools (AHS-U), 2) the selection in HS/NMS into ability groups or grading schemes and 3) the transition to upper secondary education level, which for students enrolling in PTS takes place in two phases. In addition, another element of selection comes with the option of attending the one-year pre-primary school group (VSS). Finally, the existence of general special needs schools (*Allgemeine Sonderschulen*, ASO) can be considered as a further element of selection.
59. Overview of levels of education and programmes (Figure 5):
- Kindergarten* provides pre-primary education for children aged 3 to 5. It is not perceived as part of the school system. For all children who have reached the age of 5 years it is compulsory to attend kindergarten (ISCED 0), which is then free of charge.
  - At the age of 6 years, compulsory education starts in primary school (VS, ISCED 1). A pre-primary school stage (VSS) may be organised for children who have reached compulsory school age but are not yet ready for schooling; this preschool stage can be organised together with years 1 and 2, or separately. Pupils with special needs are either enrolled in mainstream schooling (integrated/inclusive education) or attend special needs schools.
  - At the transition from primary school to secondary education (ISCED 2) a first differentiation into two types of 4-year-schools occurs: HS/NMS or AHS-U. AHS target students with an appropriate level of achievement in German, reading and mathematics, and admission is subject to specific grades. Like at primary level, integrated education and special needs schools (ASO) exist in parallel.
  - Compulsory education ends at the age of 15, typically the end of the ninth school year. Therefore, as the transition from lower to upper secondary education does not coincide with the end of compulsory education<sup>5</sup>, most students are obliged to continue education for at least one year into upper secondary. Most students in the AHS-U continue to its second cycle of 4 years (AHS-O), which they can do regardless of their grades. Students from the HS/NMS must decide which school to take but their options can be limited, depending on the final marks in lower secondary school. The one-year pre-vocational school (PTS, ISCED 3C) is designed as a kind of bridge between lower secondary level and the entry into vocational education, especially part-time vocational school (BS) in the dual VET system, which can only be started after 9 years of education. Yet, other forms of vocational education can be chosen directly after grade 8: a secondary technical and vocational school (BMS) or a college for higher vocational education (BHS). The latter lasts 4 to 5 years and provides vocational training and access to university education (matriculation examination). Access is limited to students with sufficiently good grades at the end of lower secondary.
  - In addition to successful completion of the general qualification for university entrance (matriculation examination, *Matura*), the general higher education entrance examination for leavers of part-time vocational school (*Berufsaufreifeprüfung*) or the limited higher

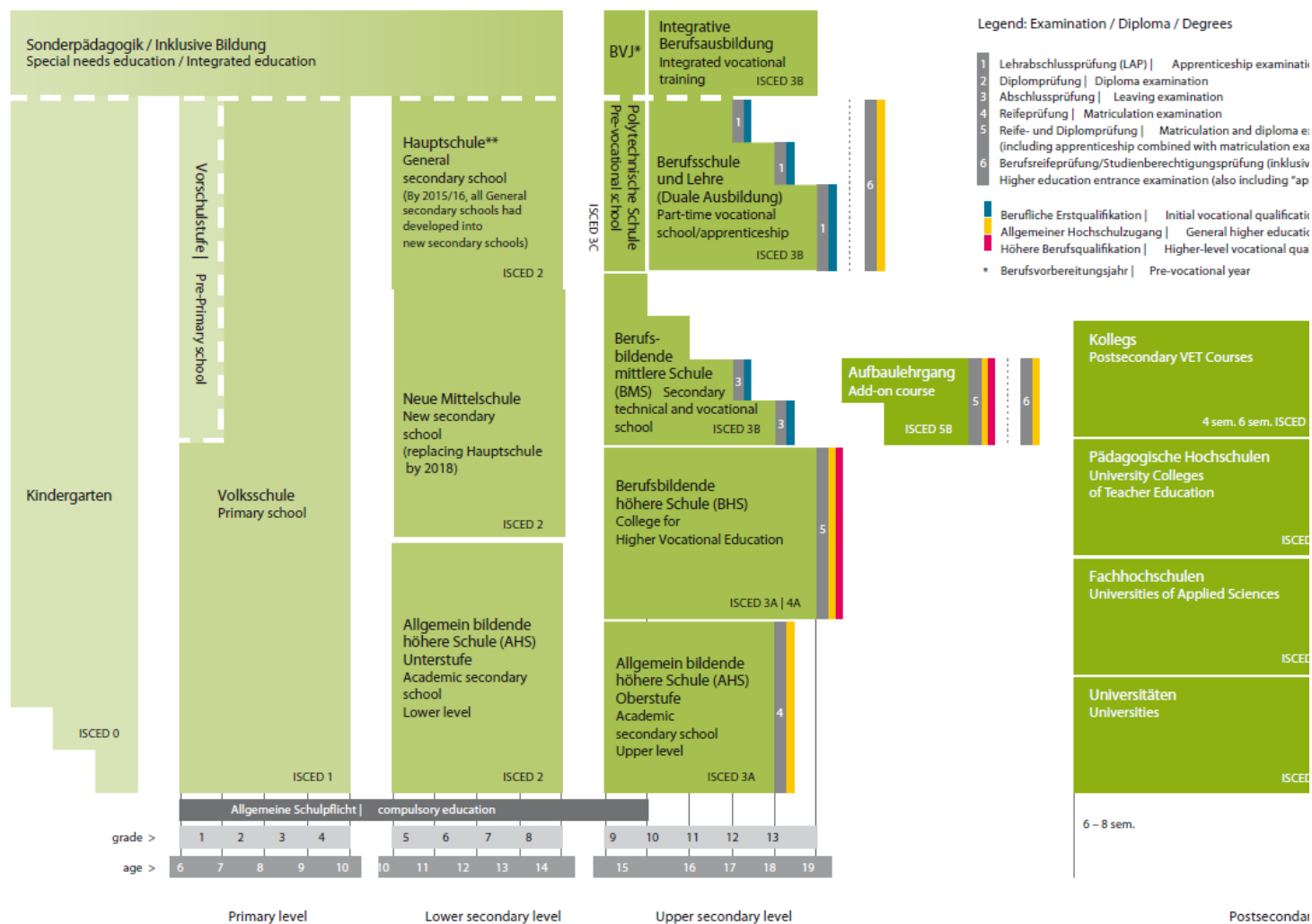
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<sup>5</sup> With the exception of students who have repeated a grade or were enrolled in the one-year pre-school stage.

education entrance examination (*Studienberechtigungsprüfung*) (ISCED 4) for university or college study programmes are possible options (ISCED 5). Bachelor programmes with a duration of 6-8 semesters and the subsequent 2-4 semester master's degree programmes replace the traditional diploma programmes. The highest level of education which can be achieved is the doctorate/PhD (ISCED 6).

60. A specific feature of the Austrian school system is the strong vocational strand which can be considered atypical in an international comparison, including due to its diverse pathways and requirement for students to make choices.
61. The school choice at the beginning of upper secondary education in Austria cannot be simplified as a dichotomous choice between general or vocational education, since Austria has strong diversification in vocational education, including options for higher vocational education with a high social status and direct access to university education (BHS). More than half of the students graduating from programmes providing access to university (ISCED 3A) complete vocational education. This special situation is also reflected in the international comparison of school systems. Among OECD countries, Austria has one of the highest proportions of upper secondary students in vocational education and training (OECD, 2010, p. 10). The main choice between general and vocational tracks is made after grades 8 and 9.
62. The strong system of vocational education and training itself may support reproduction of the tracked structure, as it comprises the different levels of medium and upper schools, and apprenticeship which has been historically treated as the lowest level. At the same time, vocational education and training at the upper secondary level is also compensating for the inequities in lower secondary education by providing comparatively wide access to qualifications, and also real opportunities of progression into higher education through the upper level vocational colleges which are widely accessed from the lower secondary general schools. So vocational education and training clearly cannot be seen as depriving people of opportunities in Austria but rather has a mixed standing concerning equity, as it provides opportunities for progression, however, in a very selective way compared to AHS, and it provides a wide range of achievement levels in vocational education and training.
63. Students with attested special educational needs (SEN) (*sonderpädagogischer Förderbedarf*, SPF) can attend either special needs schools or receive integrated/inclusive education in kindergarten (ISCED 0), primary school (ISCED 1), HS/NMS, AHS-U, PTS and the one-year home economics school (ISCED 2). Special needs schools (ASO) encompass nine school years, the final year is the pre-vocational year (PTS: ISCED 3B). With special permission from the school authorities and the school operator, pupils can attend special needs school for a maximum of 12 years. In the 2013/14 school year roughly half of the students attended 307 special needs schools.
64. Another type of specialised school is public schools for recognised minorities which exist in the *Laender* of Burgenland (Croatian and Hungarian minorities) and Carinthia (Slovenian minority). At these schools instruction is, as a general rule, offered in two languages – the minority language and German. In Carinthia, children are taught on the basis of the registration principle, i.e. parents have the possibility of registering their children for bilingual instruction. Children whose mother tongue is not German receive remedial instruction (mainly in the German language), either separately or as part of classroom instruction. (UNESCO-IBE)

**Figure 5: The Austrian Education System**



Source: [www.bmbf.gv.at/schulen/bw/ueberblick/bildungswege\\_2014\\_grafik.pdf](http://www.bmbf.gv.at/schulen/bw/ueberblick/bildungswege_2014_grafik.pdf)

## Numbers of kindergartens, schools and students

65. Early childhood education and care (ECEC) is offered in more than 8,000 public and private institutions. About 330,000 children attended ECEC institutions in 2013/14, of which 211,141 attended kindergarten. The number of institutions and children enrolled has grown by 40% since 2000, with an average of 200 new institutions per year between 2000 and 2010 and 130 annually since then. Table 1 shows the number of schools and students at the pre-primary level.

**Table 1: Number of institutions and children in the ECEC system (2013/14)**

	Institutions	Groups	Children	Staff
Childcare institutions (total)	8,445	17,801	333,326	53,520
Childcare for very young (creches)	1,450	2,132	27,835	7,221
Kindergarten	4,692	11,165	211,141	33,496
After school childcare	1,167	2,675	55,552	7,065
Mixed age groups	1,136	1,829	38,798	5,738

Source: Statistics Austria, 2014c.

66. Table 2 provides an overview of the number of schools and students by type of school and *Laender*. In the school year 2013/14, 1.2 million pre-tertiary students were enrolled in 6,000 public and private institutions. In 2013/14, 6,015 schools were reported, 5,326 public and 689 private schools.

**Table 2: Number of schools and students in the school system (2013/14)**

### Number of Institutions

School type	Total	Burgenland	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna	Public	Private
<b>Total</b>	<b>6015</b>	<b>289</b>	<b>407</b>	<b>1269</b>	<b>1074</b>	<b>399</b>	<b>904</b>	<b>684</b>	<b>293</b>	<b>696</b>	<b>5326</b>	<b>689</b>
Compulsory schools	4576	234	318	999	828	292	691	540	241	433	4389	187
Primary schools	3066	178	236	627	560	183	476	378	164	264	2957	109
General/ New Secondary Schools	1750	54	86	401	366	102	294	171	57	219	1649	101
Special schools	307	2	23	106	36	23	24	31	16	36	294	13
Pre-Vocational Schools	247	12	7	60	52	19	41	32	11	13	242	5
Academic Secondary Schools	346	11	23	58	48	26	48	25	14	93	268	78
of which with lower secondary	278	8	18	46	39	19	36	18	10	84	218	60
Other general schools with special status	134	6	3	30	16	6	26	14	2	31	14	120
Part-time vocational schools (dual system)	157	4	11	25	28	13	20	23	8	25	151	6
Vocational schools (BMS, BHS)	530	24	41	105	101	43	86	48	20	62	331	199
Teacher training schools (ISCED 3 & 4)	42	1	1	8	7	2	8	5	1	9	21	21
Schools for healthcare professions	248	9	10	46	48	17	39	29	7	43	169	79

### Number of students (thousands)

School type	Total	Burgenland	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna
<b>Total</b>	<b>1 135</b>	<b>35</b>	<b>74</b>	<b>206</b>	<b>203</b>	<b>79</b>	<b>153</b>	<b>101</b>	<b>56</b>	<b>227</b>
Compulsory schools	568	18	35	111	106	39	76	52	31	100
Primary schools	328	10	21	63	59	21	43	28	17	66
General/ New Secondary Schools	210	7	13	41	42	15	29	21	2	29
Special schools	14		1	4	1	2	1	2	1	3
Pre-Vocational Schools	16		1	3	3	1	2	2	1	3
Academic Secondary Schools	200	6	13	35	28	14	27	14	8	57
of which with lower secondary	108	3	7	21	15	7	13	7	4	31
Other general schools with special status	9			1	1	1	1			5
Part-time vocational schools (dual system)	128	2	9	19	28	10	19	13	7	21
Vocational schools (BMS, BHS)	190	8	15	35	34	15	24	16	9	34
Teacher training schools (ISCED 3 & 4)	16		1	2	3	1	2	2		5
Schools for healthcare professions	21		1	3	4	1	3	3	1	4

Note: Schools having two types of school in one location are counted twice in subtotals, but netted out in totals.

Source: Statistics Austria, 2015b, p. 69 & p. 99.

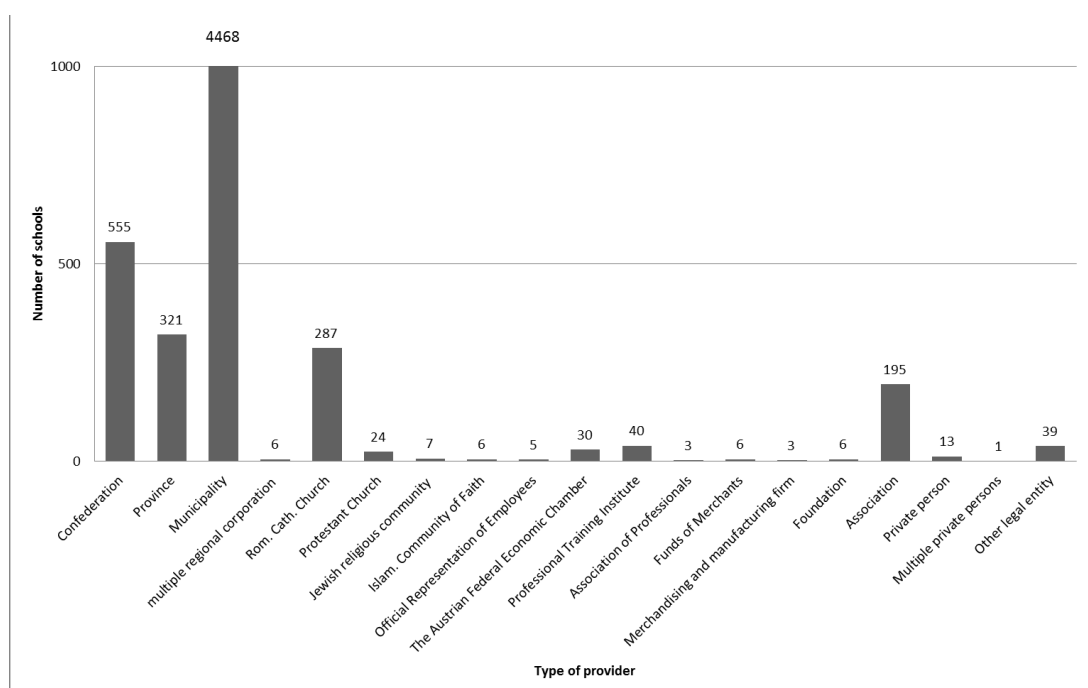
67. In 2012/13, 15,435 individuals attended certificate university programmes for further education

(*Universitätslehrgänge*) (Statistics Austria, 2014a, p. 32). In 2013/14, 29,037 students attended study programmes at university colleges of teacher education (PH), 45,541 students attended study programmes at universities of applied sciences, and 298,527 students attended study programmes at universities (Statistics Austria, 2014b).

### Public, private and religious schools

68. Public school providers are the *Laender* or municipalities for compulsory schools (including part-time vocational schools in the dual system, BS), and the Federal Government for AHS and BMHS. The creation of private schools is regulated by the Private Schools Act (*Privatschulgesetz*). A private school can be created, according to the law, by a) any Austrian citizen<sup>6</sup>, b) any regional authority (*Gebietskörperschaft*), church or recognised religious community, corporation under public law, and c) Austrian legal entities. Even foreign entities are, under specific conditions, allowed to create schools.
69. Figure 6 shows the distribution of schools by provider. The Federal Government is the provider of 555 schools (9.2% of the total number of schools), the *Laender* run 321 schools (5.3%) while the municipalities are the most important providers, maintaining three quarters of the schools (4,468 schools, 74.2%). The most important provider of private schools is the Catholic Church (287 schools, 4.8%). Non-religious associations are providers of 195 schools (3.2%). Most of the 195 schools run by associations are (statutory) schools of general education (102; 52.3%), while 11.3% (22) of the associations act as school providers of vocational (statutory) schools and colleges. Statutory schools include vocational schools and colleges, progressive education schools like Waldorf, Montessori and Pestalozzi schools and Education Workshops ('Bildungswerkstätten nach Wild'), but also schools with special curriculum priorities (music, sport) and schools with a foreign curriculum.

**Figure 6: Distribution of school providers**



Source: Statistics Austria, 2015b, p. 70.

<sup>6</sup> Except if there are known issues, e.g. the person is morally not reliable.

70. In Austria, general legislation on school organisation and implementation of school education is provided by federal laws, namely
- a. the Federal Constitutional Law (*Bundesverfassungsgesetz*, Art. 14 and 14a), regulating legislative and administrative responsibilities and competences between the federal level and the provinces,
  - b. the Federal School Organisation Act (*Schulorganisationsgesetz*, *SchOG*), (a) regulating broad distinctions of school types and structures, free accessibility of public schools, general frameworks for curricula, possibilities for school pilot projects (*Schulversuche*), and (b) providing general regulations for distinct school types concerning (compulsory) subjects, admission requirements, provision of teaching staff, numbers of pupils per class (*Klassenschülerzahlen*), etc.,
  - c. the Federal School Education Act (*Schulunterrichtsgesetz*, *SchUG*), regulating admission and entry to schools, qualifying examinations, the internal organisation of learning (classes, groups), day-care in (full-time) schools, educational responsibilities and tuition principles, instruction language, assessment of performance and grading, conditions of school success, advancement through educational levels, optional subjects, school events, etc.,
  - d. the Federal School Supervision Law (*Bundes-Schulaufsichtsgesetz*, *B-SchAufsG*) regulating the supervision of schools and the responsibilities and status of provincial/municipal school boards (*Landesschulräte/Stadtschulrat*),
  - e. the service codes for teachers employed by the *Laender* (*Landeslehrer-Dienstrechtsgesetz*, *LDG*) and for teachers at federal schools who are employed according to the general regulations for federal civil servants (*Beamtendienstrechts-Gesetz*, *Vertragsbedienstetengesetz*), both in combination with the Federal Act on the Remuneration of Public Servants (*Gehaltsgesetz*), and
  - f. the Federal Compulsory School Law (*Schulpflichtgesetz*, *SchPflG*), providing for compulsory schooling of nine years for all minors with permanent residence in Austria.<sup>7</sup>
71. For online access to the mentioned laws see above in the abbreviation section in ‘Selected federal laws – Translation and Online Sources’.
72. Federal framework laws are complemented by provincial implementing laws detailing the implementation within the *Laender*. For example, for the *Land* of Salzburg, the following provincial laws exist: *Schulaufsichts-Ausführungsgesetz*, *Schulorganisations-Ausführungsgesetz*, *Salzburger Berufsschulorganisations-Ausführungsgesetz*, *Salzburger Schulzeit-Ausführungsgesetz* and *Landeslehrer-Diensthoheitsgesetz*. The provincial laws introduce a diversification of the implementation of federal regulations between the *Laender*.
73. General legislation has the nature of a more general framework which has to be filled in by implementing laws. Accordingly, general federal school legislation shows relatively high stability over time. This corresponds with a rather high number of school pilot projects, and is an issue of regular political debate and criticism. About half of Austria’s schools implement such a pilot project on the basis of an exemption from general school legislation.

## **2.1A Recent and ongoing reforms to the organisation of schools**

74. Even though the public has the impression that reforms in the education system are often blocked, numerous projects to reform and redesign the organisation and management of schools were initiated in the last decade, and further reforms are envisaged. Major projects are the reform of lower secondary education, the reform of the teacher service codes and teacher training, the

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<sup>7</sup> Under certain conditions, home-schooling is possible.

introduction of educational standards, the expansion of compulsory education to one year of free-of-charge pre-primary education, and the implementation of centralised final examinations at AHS and BHS. Further reforms are under debate, such as a reform of school administration with greater autonomy for individual schools, and the extension of compulsory education or training until the age of 18.

75. Minor reforms seem to have been implemented in even greater numbers, including a reform of upper secondary instruction, language testing and support in pre-primary education, a new structure for school inspection and improved quality management systems (*SQA* and *QIBB*), and a programme combining *Matura* (ISCED 3A) with apprenticeship schemes (*Lehre mit Reifeprüfung*).
76. More immediate policy priorities and education targets for the current 5-year government period can be identified from the coalition contract of the Federal Government 2013-2018 (Bundeskanzleramt, 2013). For education, the governmental work programme emphasises in particular:

Strengthening of elementary education and the transition to primary school; improvement of the transition from lower to secondary education with better career choice and creation of additional career choices in relation to pre-vocational school (PTS); ensuring a better transition between school and apprenticeship programmes; expansion of full-day school; widening of school autonomy and cooperation between schools and parents / students; further development of inclusive education (special educational needs groups); implementation of a new teacher education system; improvements in school management.

#### *Reform of lower secondary education*

77. Backed by international evidence that associates early tracking with a higher dispersion of educational performance in lower secondary school and stronger effects of family background on individual student performance, the negative effects of this feature of the Austrian school system have been highlighted repeatedly by the OECD and the EU. Austria is one of the OECD countries with the highest disparities in socio-economic background between students' educational performance and opportunities (OECD, 2014a).
78. With the intention of diminishing effects of socio-economic background on students' performance, the new secondary school (*Neue Mittelschule*, NMS) was introduced in the 2008/09 school year as a pilot project. NMS was originally designed as a comprehensive school for all 10- to 14-year-olds (comprising grades 5 to 8) with the overall objective of abolishing early tracking in the long run. Due to a political compromise within the government coalition (Social Democrats in favour of comprehensive schooling; Christian Democrats defending early tracking), all lower secondary stages of AHS continued to exist as a parallel track and AHS are only invited to join on a project basis.<sup>8</sup> The NMS basically applies the curricula of AHS and aims to open up better opportunities to its students to continue their education at a school providing the secondary school leaving certificate (matriculation examination). Better results in NMS should be achieved by applying new pedagogical approaches, in particular more individualised and project-based learning and competence orientation. To achieve these objectives, additional teaching resources (in particular for team teaching in core subjects) are appropriated to NMS. However, conceptual details of the new school type had not been clearly defined and were subject to changes over time, as discussed by Eder, Altrichter, Hofmann, & Weber (2015). The implementation thus followed rough cornerstones only and schools differ substantially in the extent to which intended features of the reform were taken on board. Eder et al. classified more than 20% of schools as not changing to a new teaching style.
79. In 2012 the Austrian Parliament adopted the legal regulations for a system-wide roll-out of the pilot trial, thus already integrating the NMS into the regular school system before the end of the initially agreed testing phase and well before the impact evaluation of the pilot trial had become

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<sup>8</sup> In the school year 2013/14, eleven out of 268 AHS with lower secondary grades participated in the trial to operate as NMS: three in Carinthia, seven in Vienna and one in Styria.



available (February 2015). The introduction of the NMS was subjected to an audit. The Federal Court of Audit (2013b) specifically criticised the premature roll-out decision and the substantially higher costs for teaching staff in NMS (€ 7,200 per student compared to € 6,600 in the previous HS) while there was no evidence of its effectiveness at that time.

80. The summative evaluation of the impact of NMS on pupils' achievements was published in February 2015 (Eder et al., 2015). Though it was limited to a small proportion of all NMS, i.e. schools that had been part of the pilot phase (the first two waves of schools that made the transition), the evaluation revealed deficits in the implementation of the reform and its pedagogical approach in the majority of the evaluated schools, resulting in average student achievements which, for the most part, had not improved compared to the previous HS with the exception of slight improvements in the quality of learning culture (Eder et al. 2015).
81. For the time being, no further structural reforms regarding compulsory schooling are planned at federal level, however at *Laender* level new pilot projects or pilot regions on comprehensive schooling are currently being planned and implemented (Tyrol, Vorarlberg). Generally, the issue of comprehensive schooling until the age of 14 (or at least the age of 12 as a compromise) versus maintaining early student tracking remains a controversial topic in the public and political debate.

#### *Other reform priorities*

82. Another reform with implications for the structure of the school system is the implementation of the 'UN Convention on the Rights of Persons with Disabilities' in the area of education (Art. 24) as part of a cross-sector National Action Plan 2020 of the Federal Government. While integrative education was already introduced to the Austrian mainstream schooling system in 1993, today still about half of the pupils with special needs are enrolled in special needs schools - with significant differences in rates across the *Laender* (see chapter 2.7). 'Inclusive regions' are currently being piloted across Austria with the aim of enhancing inclusion in mainstream schooling by giving regional special needs schools a stronger coordinative role with regard to pedagogy and resource distribution. Based on these pilot projects, a detailed development concept is to be agreed between *Bund*, *Laender* and municipalities with the aim of rolling out inclusive regions across Austria by 2020. Accompanying measures mainly address the continuing training and initial training of teachers: Inclusive pedagogy will be part of the training for all teachers under the new teacher training scheme (being implemented from autumn 2015). Another key measure of the National Action Plan is to widen barrier-free education offers and support, in particular in relation to learning materials and buildings (barrier-free access to federal schools).
83. In 2010, a free compulsory year of pre-primary education was introduced. Currently an additional year of free-of-charge compulsory pre-primary education is under discussion.
84. In 2012, educational standards for mathematics, German and English in grades 4 and 8 were defined, to be periodically assessed in nationwide tests. The standards define the skills and competences that students should typically have acquired by the end of primary and lower secondary education and therefore set achievement targets that schools can be held accountable for. The aim is to ensure that all pupils achieve sufficient levels of basic competences in these subjects and to give feedback to all primary and lower secondary schools to develop teaching quality. Schools are expected to use their results to elaborate a development plan followed by annual meetings between school leaders and inspectors in the framework of *SQA* (see also chapter 5.5). The first cycle of testing of the standards started in 2012. The national testing of educational standards complements Austria's participation in international large-scale assessments and aims to enable an evidence-based school development process.
85. A priority of the current governmental work programme is the expansion of all-day schooling. Austrian primary and secondary schools were traditionally part-time schools, operating in the morning. With an increasing number of children whose parents are both working full-time as well as single parent families, the demand for day care is on the rise. Also the target of increasing equity in education is leading to initiatives to provide more all-day schooling in Austria. Since the school year 2006/2007, schools have been obliged to offer all-day programmes if at least 15 parents request it. Currently there are two forms of all-day schooling that can be introduced, fully integrated all-day programmes and optional afternoon school. Even though there is widespread consensus amongst researchers and practitioners that only the fully integrated form can achieve the educational goals linked to all-day programmes, optional afternoon schooling is far more

widespread. To allow for the introduction of a fully integrated all-day programme, two thirds of parents and of teachers have to vote in favour of implementation. As a consequence, demand for all-day schooling is rising, while most of it is being implemented as optional afternoon school without an integrated curriculum, thus focusing rather on day care. Rising demand is shown by the estimated deficit in the number of available day care places, with 103,500 places available and 125,500 places demanded (see Hörl, Dämon, Popp, Bacher, & Lachmayr, 2012). Funding for additional full-day schools is shared between the federal and Laender level. The planned funds for the expansion of all-day schooling in general compulsory schools in the budget 2015 totalled € 109 mio. However, until 2015 provinces had not requested all the earmarked funds, thus moving more slowly towards all-day schooling than the Federal Ministry hoped.

86. Substantial reforms of teacher training (*PädagogInnenbildung NEU*) are underway, diminishing the structural differences in the teaching force between teachers at federal and provincial schools. This reform requires closer cooperation between universities and university colleges of teacher education (PH).
87. Compulsory education in Austria ends at the age of 15 (9<sup>th</sup> grade), which is rather early compared to other European countries (Eurydice, no year). The Government plans to address this situation by reforming education and training regulations. It is planned to replace the currently existing training guarantee with an obligation for all youths to participate in education or training until they have reached their 18<sup>th</sup> year of age. Implemented and financed in cooperation between the Ministry responsible for social affairs and labour and BMBF, the intention is not just to extend compulsory education, but to allow for forms of education, especially targeted at pupils at risk of dropping out and at NEETs.
88. The substantial reform of the federal and provincial teacher service codes is on its way and is discussed in chapter 4.6. A recent school administration reform, which includes the abolishment of district level inspectors, is discussed below in point 124. A further reform of school administration is envisaged, as discussed in chapter 1.4.

## 2.2 Education environment

### *Importance of education in society*

89. The education of their children is of utmost importance to parents in Austria. This general statement may be validated by three facts:
  - a. In representative samples, Schlögl & Lachmayr (2004) as well as Dornmayr, Lachmayr & Rothmüller (2009) found that parents give thoroughly thought out decisions on the school career. Due to the rather early segregation between HS/NMS and AHS-U at the age of 10 (cf. section 2.1), concerns about school accessibility and school choice emerge early in primary school.
  - b. There is an ongoing trend towards higher levels of education in all regions of Austria: Between 1990 and 2010, the overall ratio of pupils in AHS to pupils in HS/NMS (5<sup>th</sup> to 8<sup>th</sup> year of schooling) increased from about 1:3 to 1:2 (Bruneforth & Lassnigg, 2012, p. 34). Even though there are notable regional differences accountable to reachability of AHS (Statistics Austria 2014c), the trend is general and exists for regions with a low density of AHS as well. In such regions this often indicates long travel distances to schools that parents accept in return for the fulfilment of educational aspirations for their children (cf. Schlögl, 2011, p. 108, cf. Schlögl & Lachmayr, 2004, p. 68 ff, cf. Schmidinger & Siwek, 2010, p. 239).
  - c. Parents invest considerably in private lessons and tutoring. Data from context questionnaires on the periodic tests of educational standards in Austria (calculations based on BIST-Ü, B4, 2010) reveals that in the fourth grade about 7% of parents pay for weekly private lessons for the subject German and about 5% for the subject mathematics. Combining the subjects and including parents that pay for private lessons at least sometimes (infrequently), about 16% of parents of children in fourth grade invest in private lessons outside of schools. For the eighth grade it is known that 17% of pupils frequently learn mathematics in private lessons, 27% at least sometimes (calculations based on BIST-Ü, M8, 2012). The prevalence of private lessons is slightly higher in AHS

than in HS/NMS. Based on a representative questionnaire in 2,901 households, IFES (2013, p. 8) calculated that Austrian parents spend over € 100,000,000 a year on private lessons. That is close to € 100 per pupil.

90. While children from parents of lower socioeconomic status participate more often in after-school lessons ( $r=.14$ ), their educational aspirations – indicated by the desire for the children to achieve the general qualification for university entrance (matriculation examination) – are generally lower than those of children from families with higher socioeconomic status ( $r=-.25$ ). (Calculations based on BIST-Ü, B4, 2010).

#### *Key traditions, cultures and values*

91. Key traditions, cultures and values in Austrian education may be identified by the following aspects:
  - first, the tradition of apprenticeship in vocational education, related to the sector of small enterprises and their strong interest representation through the chambers and reflected in the Trade Regulation (*Gewerbeordnung*), has been successfully carried on through the various ages and regimes and is still lively today;
  - secondly, the perception and treatment of education as a strongly politicised and conflictive issue has prevailed in particular since the interwar period (there is often referred to a dictum by the Baroque empress Maria Theresia ‘School is a politicum.’), and mainly reflected in a conflict between elite reproduction and democratisation that leads to a trapped dilemma between keeping to the traditional AHS and the attempts to alleviate the problems of very early tracking at age 10;
  - thirdly, the tradition of public servants as a significant social category related to the tradition of the corporatist welfare state mainly established in the difficult period immediately after the First World War and the dissolution of the Habsburg Empire;
92. These old traditions lead to quite severe and seemingly unresolvable specific issues today:
  - a. The old trade-off between achievement and equality/equity is still guiding the political developments and discourses, in particular concerning the early tracking at the lower secondary level; the disputes related to this topic are reaching deep into the everyday practices, and are taking up a lot of energy which could otherwise be used for improvement; to some extent, the strong cultural traditions also preclude the use of research and evidence for improvement, as ideological beliefs remain stronger than their questioning by evidence.
  - b. The public servant tradition seems to guide much of the basic logic of the discourses around financing education. The virtual combination of this tradition with corporatism and the close embeddedness of the interest representation in the governance of the public sector constitute, to some extent, taboos concerning the professionalisation of the teachers. The strong logic of trade unionism and negotiations about every small point of interest representation prevails over professional organisation and issues of professional development.
  - c. The strong emphasis on vocational education keeps this sector also somehow separate from the mainstream political conflicts and protected by social partnership.

#### *The role of media*

93. Education and school policy are given significant room in the media, notably supra-regional newspapers report on schooling issues on an almost daily basis. International comparisons, notably the PISA study (Martens & Niemann 2010), but also national testing of educational standards, are subject to intense media reporting around the days of publishing and draw a lot of public attention to the topic of school quality. Lately, the implementation of the standardised final exam at upper secondary level has been receiving a lot of media interest and various guest authored comments in newspapers demonstrate that this reform is still seen as rather controversial among some stakeholders, including teacher unions.
94. There is a general tendency in Austria to fight political conflict over school policy issues via the media which, over time, may have contributed to lowering the image of school quality, the teaching profession and their union representatives as well as damaging the public perception of school policy makers. Against this background, a more recent phenomenon is that newspaper

columnists, stakeholders and political actors increasingly disparage education experts in a systematic way as ‘the *so-called* education experts”.

95. Moreover, while this cannot be backed up by evidence, it appears that media reporting on schooling has at least to some extent contributed to a growing societal desire for ‘major education reform’ although there appears to be neither common understanding about the subjects nor a clear societal agreement on the objectives of such a reform. Because of the politicised notion of education in Austria, there is also a strong tendency with the reporting of the media, however, to blow air into each small oven of conflict, thus creating a field of discontent, strengthening the conflictive climate, and increasing unrealistic expectations, instead of backing the discourses by increasing information and knowledge.

## **2.3 Objectives of the education system and student learning objectives**

### *Objectives of the education system*

96. The Austrian national Constitution describes the key goals of the education system (Art. 14 B-VG). Three goals can be emphasised: (i) equity outcomes of education are to be independent of origin, social situation and financial background, (ii) a maximum level of educational achievement and attainment and (iii) the goal to ensure that all youths become capable of participating in cultural and economic life and participating in society.
97. Student learning objectives can be distinguished into subject matter objectives (*fachliche Kompetenzen*) and cross-curricular competences, those goals beyond the core competences taught in individual subjects and which are of particular importance in Austrian schools. Legally, the educational mandate of Austrian schools is regulated in the School Organisation Act (SchOG §2) and is based on universal goals and cross-curricular competences. In addition, the curricula (with their ‘principles of didactics’) regulate the content for different subjects. In 2008, education standards (*Bildungsstandards*) were introduced. They describe learning outcomes by defining the skills that pupils should have acquired. They are defined for the subjects German, reading, writing and mathematics in primary school; and German, mathematics and English in lower secondary school. Standards are derived from the curriculum, but can be monitored. (BGBl. II no. 1/2009 and BGBl. II no. 282/2011).
98. The School Organisation Act also emphasises the importance of preparation for working life and lifelong learning. The diversification of the system of secondary education is enshrined in the Constitution, which also states that education goals are specific for different school forms. The School Organisation Act therefore states the mandate of school types separately. It is notable that with the introduction of the NMS, the emphasis in the mandate for compulsory schools for grades 5 to 8 shifted from preparation for working life to preparation for upper secondary education. One difference between the school types NMS and AHS is that the latter already emphasises in lower secondary deeper general knowledge (*Allgemeinbildung*) and preparation for university education while the focus of NMS is on basic general knowledge and preparation for working life. Yet, with the implementation of centralised competency oriented exams as part of the school leaving examinations (matriculation examination), it is sometimes criticised in public debate that general knowledge is not given enough emphasis anymore.
99. Curricula are complemented by a list of 12 cross-curricular ‘instructional principles’ (*Unterrichtsprinzipien*) and ‘educational concerns’ formulated by the Ministry. The ‘instructional principles’ mainly regulate cross-curricular competences, such as media education, civic education, education for gender equality, environmental education, health and sex education. Educational policy has thus far endeavoured to meet specific challenges produced by technological or societal developments by constantly introducing new ‘principles’ and ‘concerns’. Even though legally binding, cross-curricular goals are currently seen as having less impact on school than curricular goals (cf. Eder, & Hofmann, 2012).

## **2.4 Distribution of responsibilities within the school system**

### *Levels of education administration and interaction*

100. In Austria, responsibilities for legislation and implementation in school education are split between the federal and provincial governments, as laid down in Art. 14 of the Federal

Constitution (cf. BMUKK, BMWF 2008, pp.11-15, also for the following paragraphs). As regards legislative and administrative competences, the following basic logic applies (see also chapter 2.2):

101. The federal level is responsible for all (framework) legislation, including the service code for teachers, and for quality assurance and curricula.
102. The *Laender* are responsible for legislation concerning the management of teaching resources for *Landesschulen* (*Landeslehrerdienssthoheit*) and for implementing legislation that further details all federal framework legislation relevant for provincial schools. In addition, the *Laender* are responsible for legislation and implementation in the field of pre-primary education, i.e. kindergarten, except for the training of kindergarten pedagogues which is a federal competence. A national framework curriculum for ECEC was jointly developed in 2009 by the 9 *Laender* and the BMBF, which is responsible for the training of ECEC pedagogues<sup>9</sup>.
103. As regards school administration, the distinction between federal schools (*Bundesschulen*) and provincial schools (*Landesschulen*, general compulsory schools) can help to understand the complex distribution of responsibilities:
  - a. Federal schools are mainly academic secondary schools (AHS), full-time vocational secondary schools (BMS, BHS) and some schools related to teacher training institutions and schools for teachers at kindergarten.
  - b. Provincial schools are general compulsory primary and lower secondary schools (VS, HS/NMS, ASO) and the pre-vocational PTS and part-time vocational schools (BS) at the upper secondary level. However, a number of exceptions to the general rules exist, e.g. some VS are federal schools as they function as training schools for PH.
104. This distinction is also important to understand the differing employment conditions of teachers who are either federal teachers (*Bundeslehrer*) or provincial teachers (*Landeslehrer*) – a distinction which will gradually be removed by the new service code for teachers entering into the school system.
105. There are three main institutional bodies involved in implementation and management of school education. The authority at the central level is the Federal Minister of Education and the Federal Ministry, currently named Federal Ministry of Education and Women's Affairs ('Bundesministerium für Bildung und Frauen', abbr. BMBF).<sup>10</sup> At the provincial level there is a provincial school board in each Land, a decentralised federal agency that is mainly responsible for the administration of federal schools. The school departments at the Offices of the Provincial Government (*Amt der Landesregierung*) are responsible for provincial schools.
106. In addition to the federal and provincial authorities, municipalities are the school providers for most provincial schools (provision of school buildings, infrastructure and non-teaching staff such as janitors). District level authorities have not had a role in the school system since the 2013 administration reform.

#### *Historical roots of the governance system*

107. The system introduced above is marked by a fragmentation of administrative and legislative competences, which is the result of a historical disagreement between centralists and federalists over Austria's governance at the time of the elaboration of its constitution in 1920. Competences for the governance of the school system were introduced in the Constitution only in 1962 by amendment, which included also the entrenchment of political boards (provincial school boards) in the execution of administrative competences. The basic thrust of the regulation was to create self-binding mechanisms against changes to structures in the system, with a constitutional quorum and interlinked responsibilities between the federal and the *Laender* level.

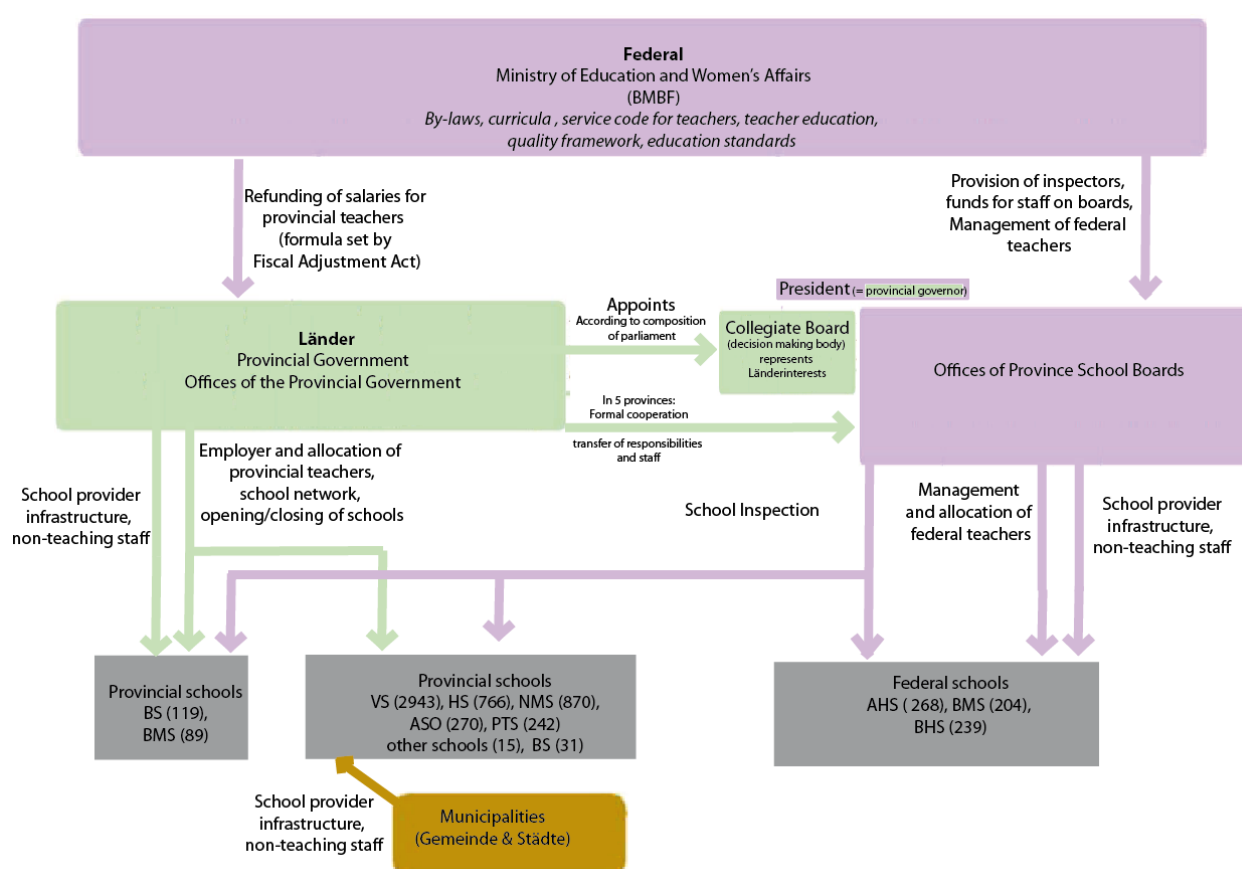
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<sup>9</sup> Ämter der Landesregierungen der österreichischen Bundesländer, Magistrat der Stadt Wien, Bundesministerium für Unterricht, Kunst und Kultur, 2009. [https://www.bmbf.gv.at/ministerium/vp/2009/bildungsrahmenplan\\_18698.pdf?4dtiae](https://www.bmbf.gv.at/ministerium/vp/2009/bildungsrahmenplan_18698.pdf?4dtiae)

<sup>10</sup> Some vocational schools, namely for health and agriculture education, fall under the authority of other ministries.

108. The 1962 reform was negotiated by the two big coalition parties at the time (Social Democrats and People's Party/Christian Democrats). In order to 'freeze' the big conflicts from the past about school structures, they agreed to transform these issues into constitutional law requiring a two-thirds quorum to change it, in order to ensure that one side of the conflict cannot change the structure unilaterally. This solution, however, has not solved the issues but has trapped the actors in an unending conflict without the prospect of a solution.
109. In addition to the quorum, the interlinking of the political and administrative levels has been fixed, with the background that the *Laender* and the municipalities have also been embedded into the party political conflict. Historically there is the conflict between Vienna with its Social Democratic government and the conservative rural provinces, which is still echoed by quite fundamentally different structures between the two. Ever since, the complex distribution of competences has been subject to political conflict between the federal and the *Laender* level and has resulted in a permanent conflict of interest, excessive detail of regulation, lack of control and transparency and diverging implementing legislation by the *Laender*.

**Figure 7: The Governance of Austrian Schools**



Note: Schools (with their numbers) are shown for a given provider when the number of schools provided represents more than 10% of schools of a given type.

### *Composition and role of provincial school boards*

110. Provincial school boards (*Landesschulr te* and in Vienna *Stadtschulrat*) consist of their president, the collegiate board and the office led by an administrative director. In all provinces the presidents' functions are delegated to executive presidents (*'Amtsf hrende/r Pr sident/in'*, to be distinguished from the administrative directors).
111. Provincial school boards can be considered as 'hybrids' between federal and *Laender* authorities: established by Constitution under the authority of the Federal Minister (Art. 81a

BVG) and subject to his/her directives, they comprise strong federal elements expressed by the following: The governors of the *Laender* and thus the highest political representatives within each *Land* who are elected by the *Laender* parliaments are the presidents of the collegiate boards (*Kollegium*) of the provincial school boards, and in this role are under the directives of the Federal Minister. The voting members of the collegiate boards of provincial school boards are nominated by the political parties relative to their number of seats in the *Laender* parliaments. Amongst the voting members of the collegiate boards there have to be teachers as well as representatives of students and parents. The members without voting rights should include representatives of religious groups, employees and business. Due to the double reporting structure of provincial school boards (to the provincial parliament and the BMBF), the hierarchy of responsibilities at the provincial level is distributed in a fragmented way between the BMBF and provincial representation.

*The composition of a collegiate board of a provincial school board*

The size and composition of education boards differs from state to state. In Salzburg, for example, there are, next to the president, 14 voting members representing teachers or schools and 17 further members from the public, of which at least 14 have to be parents of students in the province. In addition there are members without voting rights: two from the Catholic and two from the Protestant Church, one from each other religious group with more than 2000 citizens in the state, one representative from the chamber of commerce and one from the chamber of workers, the executive director of the school board, state school inspectors and a representative of the school medical service, one student representative and one representative from the staff representation of teachers (*Lehrer-Personalvertretung*) (Provincial Law Gazette No. 67/1995, 2015).

112. Provincial school boards with their collegiate boards take the following responsibilities for federal and provincial schools: They are responsible for general directives and regulations on the basis of existing laws and ordinances (e.g. curricula), the submission of expert opinions on draft laws and regulations, school supervision and administration of Federal Government funds. The provincial school boards further comprise the school inspections with specialised inspectors per type of school, i.e. provincial school inspectors, general compulsory school inspectors and inspectors for vocational schools. Inspectors are responsible for quality management and play a central role in the compulsory quality management programmes *SQA* and *QIBB*. They are also charged with balancing interests between pupils, parents and teachers. As such, they are a contact point for complaints.
113. Provincial school boards have, in addition, the responsibilities for the administration of federal schools and federal teachers, the implementation of the teacher service code for federal teachers and for their staff representation. The collegiate board makes proposals for teachers for federal schools to be appointed by the Federal Minister. The provincial governments or municipalities have no responsibilities for federal schools.
114. The responsibilities of the provincial government in implementation and management concerning *Landesschulen* and kindergartens are carried out by the Office of the Provincial Government (*Amt der Landesregierung*), specifically by its respective school departments (*Schulabteilungen*). They serve as employers of provincial teachers, implement the teacher service code and ensure staff representation for provincial teachers. The office is responsible for the recruitment, appointment and appraisal of teachers and head teachers, for cooperation with the municipalities on the establishment and maintenance of these schools, and provincial government support for school infrastructure. However, provincial school boards often have the right to participate in decisions on such matters (for example appointment of school leaders. The provincial government and its office are responsible for the external organisation of schools: organisational forms, establishment, maintenance and closure of schools; school catchment areas; setting of the number of pupils per class, regulation of teaching time, school time and calendar.
115. In five of the nine provinces, teaching resource management for *Landesschulen*, a key task of the 'school department' of the provincial government, has technically been integrated in the provincial school board for reasons of efficiency. In these cases, the provincial government also transfers staff to the provincial school board or compensates the federal level for administrative

staff costs. The final responsibility for issues related to *Landeslehrer* remains with the provincial governor, however.

**Table 3: Overview of responsibilities for different school types**

	<b>Provincial schools</b>		<b>Federal schools</b>
	<b>General compulsory schools (VS, HS/NMS, ASO, PTS)</b>	<b>Part-time vocational schools (BS)</b>	<b>(AHS, BHS, BMS)</b>
<b>Legislative competence</b>	Framework legislation: Federal government Implementing legislation: <i>Land</i>	Framework legislation: Federal government Implementing legislation: <i>Land</i>	Federal government
<b>School infrastructure provider ('gesetzlicher Schulerhalter')</b>	Municipality; or clusters of municipalities; or Land	<i>Land</i>	Federal government
<b>School maintenance</b>	School provider	<i>Land</i>	Federal government
<b>Establishment of schools</b>	School provider + consultation of provincial school board + permit from government of the Land	<i>Land</i> + consultation of provincial school board + consultation of WKÖ & AK	Federal government
<b>School closure</b>	a) on application from municipality / <i>Land</i> + consultation of provincial school board + permit from government of <i>Land</i> b) on initiative of <i>Land</i> + consultation of provincial school board	Government of <i>Land</i> + consultation of provincial school board	Federal government
<b>School catchment areas</b>	Government of Land (ex officio) or application from municipality + in both cases consultation of regional education board and concerned municipalities	Government of <i>Land</i> + regional education board + consultation of WKÖ & AK	Does not exist
<b>Financing of school maintenance</b>	School operator (possibly including transfer payments of other municipalities)	<i>Land</i>	Federal government
<b>Teaching resources</b>	Employer: <i>Land</i> Salaries refunded by federal government (100%)	Employer: <i>Land</i> (50% of costs) Salaries refunded by federal government (50%)	Employer: Federal government Salaries: Federal government
<b>Non-teaching staff</b>	School operator	<i>Land</i>	Fed. government
<b>Appointment of school leaders</b>	Laender governments, on proposal from provincial school board	<i>Laender</i> governments, on proposal from provincial school board	Federal government on proposal from provincial school board
<b>Quality assurance</b>	School leaders	School leaders	School leaders
<b>Quality control</b>	Compulsory school inspector (federal official, adjunct to provincial school board)	Compulsory school inspector (federal official, adjunct to provincial school board)	Provincial school inspector (federal official, adjunct to provincial school board)

116. Municipalities and individual schools play only a minor role in school-related decision-making when compared to other countries (OECD 2012a, chap. D6); especially when it comes to human resources, resource management and structural planning (cf. *ibid.*). In general, municipalities are the (public) employers of kindergarten teachers, but have no management or supervising role in compulsory schools. Municipalities are only responsible for non-teaching staff



and the infrastructure of general compulsory schools (APS). (Steiner & Härtel, 2011, p. 7). District level competences for schooling were entirely abolished only recently (see below).

117. As a consequence of the hierarchical organisation of the system, which follows the logic of public administration, most schools are organised as dependent administrative units (*nachgeordnete Dienststellen*) of the Federal Ministry or *Laender* school authorities. The extent to which schools can make autonomous decisions regarding institutional issues (notably the recruitment of teachers, resource management) is therefore relatively small. Compared to the OECD average (41%), only 31% of the decisions in public lower secondary education are taken at school level. Particularly low is the share of schools in decision-making for personnel management at 4%, compared with 31% for the OECD average) and resource management (21% compared with 32% for the OECD average). In contrast, the autonomy of schools in organisation of learning is relatively high (89% compared with 75% for the OECD average) (OECD 2012a, tables D6.1, D6.2a, D6.2b.).
118. Despite the limited school autonomy, the topic has been a political issue in Austria since the early 1990s. The debate got more or less stuck in structural issues, and a kind of duality has emerged between school development at the micro level, to some extent promoted by quality models and initiatives, on the one hand, and the political debates about ‘providing more autonomy’ to schools on the other hand. This – to some extent heated – debate has resulted in only minor amendments, which could not change the basic structures (Lassnigg, Schappelwein & Pitlik, 2009; Schratz & Hartmann, 2009). An attempt to change the practices at the school level by introducing a new curriculum which should relate the teachers’ decisions about content to strategies of school development (*Lehrplan 2000*) did not succeed at the practice level because of the resistance of the trade unions. In the 2000s, school autonomy was also strongly related to the political turbulences around right wing populism and was discredited as a strategy to ‘outsource’ austerity measures from the political level to the school level.

#### *Parent and student representation*

119. Since the attempts to increase democratisation and co-determination in the school system in the 1970s, a comprehensive system of school partnership has been established that includes parents’ and students’ representatives. For VS, HS, NMS and ASO the school forum (*Schulforum*), with parents’ and teachers’ representatives, represents the school community. For higher schools (AHS, BHS, BMS, PTS and BS) the school community committee (*Schulgemeinschaftsausschuss*), including pupils’ representatives, fulfils this role. Similar representation exists within school at class level.
120. The school forum or community committee decides on matters pertaining to school or school-related events, career counselling at school, as well as health care and hygiene, which go beyond the level of the individual class. It also provides advice on important issues in education and teaching (e.g. implementation of all-day schooling models, school pilot projects, etc.) and it is heard in the process of appointing school leaders.
121. Permanent establishments for consultation with the school partners are the Parents’ Advisory Council at the Federal Ministry of Education and Women’s Affairs and the Federal Students’ Union (*Bundesschülervertretung*), the existence of which is guaranteed by law (*Schülervertretungsgesetz*). Parents’ and pupils’ representation (*Landesschülervertretung*) is also established at the level of the *Laender*.

#### *Other agencies*

122. The Federal Institute of Education Research, Innovation and Development of the Austrian School System (BIFIE) is an independent legal entity funded by the BMBF. It is in charge of the implementation of educational standards, national and international assessments, evaluation and the implementation of the standardised, competence-oriented school leaving examination (ISCED 3A).
123. In total, 9 public university colleges of teacher education (PH) are responsible for pre- and in-service teacher training. They are institutions of the BMBF located in almost every *Land*. Another 5 private university colleges of teacher education are run by the church. The PHs play a substantial role in implementation of reforms, especially through developing teaching and instruction in Austria.

124. A recent school administration reform (*Schulbehörden-Verwaltungsreformgesetz 2013*<sup>11</sup>) abolished district education boards, enables multiple school locations to be placed under a single school management and assigns greater responsibility to school leaders, continues the further development of controlling mechanisms in the deployment of teachers, and also brings about increases in efficiency and de-bureaucratisation in school administration.
125. In this reform, all district education boards (*Bezirksschulräte*) were abolished as of 1 August 2014. The responsibilities of district education boards have been passed on to provincial school boards. The previous district school inspectors were associated with the provincial school board as ‘inspectors for compulsory schooling’, while at the same time their number will be reduced by 20% by 2018 (mainly through retirements). The physical presence of district school authorities has been replaced by sub-provincial level branch offices of the provincial school boards which should now cover larger areas (*Bildungsregionen*) than the administrative districts<sup>12</sup>, even though in many cases *Bildungsregionen* have remained identical to district borders (e.g. in Upper Austria). The idea is that these sub-provincial branch offices can ensure the management of schools in line with local needs (Eurydice, 2014).
126. Cost savings are expected to be achieved through the reduction of school inspection staff (about €2.8 million p.a. as from 2018) (BMUKK, 2013) as well as through the abolishment of district education boards (mainly in the form of allowances for their sessions) and synergies in administrative procedures.
127. Further efficiencies are expected to be achieved in the compulsory schooling area, where it is now possible for several schools and even different school types to be managed by the same school leader.
128. Other measures of this school administration reform package concerned the simplification of administration of provincial teachers. *Laender* can now officially devolve the tasks related to teaching staff management of provincial teachers to the provincial school boards, which is today the case in 5 of the 9 *Laender*. It also aimed to improve transparency in the appointment procedures of school leaders for *Bundesschulen* and for school inspectors. As regards school autonomy, the *Laender* can now give a greater role to the school leaders of *Landesschulen* regarding the recruitment of teachers at their school (different mechanisms of participation in the appointment procedure, including job interviews, are being established).
129. The clear focus of further structural consolidation measures is on improving the efficiency of school administration: A joint technical expert group composed of Federal Government and *Laender* representatives was established in 2015 to elaborate proposals for administrative reforms which will then be negotiated by a high-level political group (*Bund-Laender Kommission*). The aim of the expert group’s work was to propose solutions for the following issues: simplification of administration; recruitment of teaching staff and school leaders, including the reduction of political influence in relation to the latter; administration and distribution of teaching staff with a focus on the parallel systems for teachers hired by the federal level and those hired by the *Laender*; simplification of responsibilities for school infrastructure, notably the establishment of new schools; autonomy at school level. A recent government paper (BMBF, 2015a) based on the proposals submitted by the technical expert group identifies major areas for administration reform in the education sector and sets a deadline (November 2015) for the finalisation of governmental negotiations.

## **2.5 Market mechanisms in the school system**

### *The catchment area principle*

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<sup>11</sup> BGBl. I No. 164/2013

<sup>12</sup> For example, in the Land of Styria the 13 administrative districts (year 2015) are grouped into 7 ‘Bildungsregionen’, each being managed by compulsory school inspectors at a local branch office of the provincial school board, see <http://www.lsr-stmk.gv.at/cms/beitrag/10099268/2125622/>

130. Generally, in Austria there is no freedom of school choice. For reasons of administrative planning, children should be enrolled in the school catchment area (*Schulsprengel*) their families live in. Every public general compulsory school (APS) is assigned to a certain school catchment area, which is defined by the provincial authorities (see chapter 2.4). If a catchment area comprises several schools, provincial law regulates how to assign children to those schools. For example, in Vienna the municipality, in consultation with the school board, assigns children to schools considering the distance from their home to school and already enrolled siblings.
131. Yet, there is a tendency to be flexible with the system of school catchment areas. In Vienna, catchment areas are not only quite large (municipality district the school is located in and the neighbouring districts) and can have several hundred thousand inhabitants, they also overlap. In Linz, the capital of Upper Austria, the catchment area principle has been entirely abolished. Families can freely enrol their children at schools, and only if there are too many applicants for a specific school will the distance from home and existence of siblings already in the school of choice be considered as factors for enrolment. The flexibility of the catchment area regime is a response to demand from families and, as such, a response to market mechanisms rather than their pro-active introduction. This development can be seen as a consequence of greater school autonomy in relation to the development of specific thematic priorities and profiles (see below).
132. Also enrolment in a school in a different catchment area/municipality is generally possible, but requires permission from the concerned authorities, since in this case municipalities have to transfer compensation payments for ‘their’ children to the municipality hosting the school. Schools with specialised curricula, such as music or sports, are exempted from the catchment area principle.
133. For enrolment in AHS, families can freely decide which school they want their child to enrol in (within the *Land*). If too many students apply for a school, students can be assigned to other AHS based on distance to school, siblings already enrolled and aptitude. Depending on *Laender* regulations, parents can give a list of schools of their choice as an alternative wish.

#### *Competition between schools*

134. Currently there is no promotion of competition between schools in the narrow sense. The introduction of school autonomy in the 1990s, which included partial autonomy for curriculum implementation, has encouraged schools to develop pedagogical priorities and specific subject-related profiles and become more attractive for (high-achieving) pupils and their parents. As a consequence, growing competition between schools can be observed which leads to certain selection effects (see Schratz & Hartmann, 2009).
135. The results of national assessments of education standards, conducted at all schools, are not published in order to avoid school rankings and potential segregation effects. Data are only provided to the teachers concerned, the school leaders concerned and the responsible school inspector, in order to stimulate the schools’ and teachers’ quality development based on ‘their’ assessment results. Via their representation in the school forum or community committee, the parents also receive some information about the achievements of their children’s school.
136. Accountability in the logic of low-stakes intervention has therefore become a more important topic in the school system, including through the compulsory introduction of the quality management systems *SQA* and *QIBB*. The quality management systems also benefit directly from the implementation of national educational standards for grades 4 and 8. The implementation of a centralised examination for AHS and BHS is also linked to the target of greater accountability.

## **2.6 Performance of the school system**

### *Access and participation*

137. Participation in pre-primary education and childcare institutions for children aged 5 was above 95% in 2013, not surprisingly given it is compulsory. But the participation ratio already exceeds 94% for 4-year-olds and 80% for 3-year-olds. For the age group of zero to 2-year-olds, one in four children is in an early childhood education and care (ECEC) institution (Statistics Austria, 2014c). Yet, in Vienna the participation ratio for 4 and 5-year-olds is well below the national level with 88% for 4-year-olds and 90% for 5-year-olds, despite compulsory participation and absence being penalised.

138. Primary and lower secondary education (grades 1 to 9) is compulsory and participation is virtually universal. School absenteeism is perceived as problematic and as an early indication of early school leaving. Recently new regulations were introduced to tackle absenteeism, including penalties for families.
139. Participation rates drop after the end of compulsory education at age 15 - with a successful system of vocational education and training, participation rates in upper secondary education remain high.

#### *Student flows and completion*

140. Grade repetition exists at all levels of the school system. It is more common in some school types than in others. In the year 2012/13, repeaters accounted for 1.0% of enrolment in regular primary schools, 1.3% in compulsory lower secondary schools and 2.0% in AHS.
141. A different perspective on year repetition is the cohort, meaning to look at the percentage of students who repeat at least once during the course of a programme. Table 4 contains percentages of pupils that started fifth grade in the school year 2008/09 and had to repeat at least once in the following four years. For the school year 2012/13, the percentage of students in the starting cohort who repeated has been calculated separately for boys and pupils without German mother tongue as well. At ISCED 2 repetition rates vary between HS/NMS and AHS, with the latter having substantially higher rates.

**Table 4: Incidence of year repetition during lower secondary education (cohort entering grade 5 in 2008/09)**

		HS/NMS	AHS-U
2008/09 (entering grade 5)	N	57552	29132
2012/13: total	% <sub>rep</sub>	3.2%	8.1%
2012/13: boys	% <sub>rep</sub>	3.8%	9.4%
2012/13: w/o German mother tongue	% <sub>rep</sub>	5.7%	15.0%

Note: Repetition rates are calculated from the number of pupils that are still accounted for in the data of the given school year. Students leaving the system (e.g. moving abroad) are excluded

Source: BIFIE calculation based on Statistics Austria (Bildungsdokumentation).

142. At upper secondary level, grade repetition rates increase substantially and reach about 9%. Table 5 shows the rates by type of programme. Rates are highest in secondary technical and vocational school (BMS). Female students repeat substantially less than male students in the same programme.

**Table 5: Percentage of repeaters in upper secondary education**

Type of programme	Austria	Burgenland	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna
<b>Total</b>										
AHS-U	8.3	7.5	8.2	7.7	7.5	7.0	8.6	6.4	9.9	9.6
BMS	10.7	10.8	8.4	10.6	10.6	8.4	6.6	9.0	9.2	18.3
BHS	9.1	8.3	8.1	8.6	9.4	8.7	7.5	7.9	7.9	12.7
<b>of which female</b>										
AHS-U	6.9	4.8	7.0	6.0	6.3	5.5	6.6	5.8	9.1	8.4
BMS	8.7	8.2	7.5	8.1	9.7	8.3	5.4	6.9	6.6	14.7
BHS	6.7	6.3	6.1	5.8	7.5	7.5	4.9	5.6	5.9	9.7

Source: Statistics Austria, 2014c.

143. The number of early school leavers<sup>13</sup> (ESL) can be considered low in Austria when compared to other EU countries (Bruneorth & Lassnigg, 2012, p. 118). Since 1995, the rate has almost continuously declined and reached 7.3% in 2013 (Statistics Austria, 2014c). Yet, new national statistics based on population register data indicate that the number of early school leavers is underestimated by international labour force surveys (Steiner, 2014). It is noteworthy that due to the early end of compulsory education, a substantial number of students leave school after completing the age of 15. In 2010, 6.8% of 15-year-olds discontinued their education after reaching the ending age of compulsory education, leaving more than 5,000 with just a lower secondary degree and 1,300 even without. Amongst students with non-German mother tongue the rate is 12.8%. (Statistics Austria, 2014c)

#### Student achievement

144. Austria showed mixed results in the past PISA surveys. The weak results in reading in PISA 2003 came as a shock to the wider public because the quality of the Austrian education system was regarded as very high. Figure 8 summarises the results from PISA 2012. Austria's 15-year-olds achieved scores in mathematics that are above average when compared to the participating OECD countries but are not in the top group of countries and are behind neighbouring Germany and Switzerland. In science, Austria's results are not significantly different from the OECD average. Most attention in the past years was paid to the results in reading, the domain where Austria is significantly below the OECD average and nearly 20 points behind neighbouring Germany and Switzerland. It is especially notable that Austria is showing no progress in the different domains as compared to PISA assessments in 2003 and 2006.

**Figure 8: PISA 2012 - Snapshot of performance in mathematics, reading and science**

Countries/economies with a mean performance/share of top-performers <b>above</b> the OECD average Countries/economies with a share of low-achievers <b>below</b> the OECD average								
Countries/economies with a mean performance/share of low-achievers/share of top-performers not statistically significantly different from the OECD average								
Countries/economies with a mean performance/share of top-performers <b>below</b> the OECD average Countries/economies with a share of low-achievers <b>above</b> the OECD average								
	Mathematics				Reading		Science	
	Mean score in PISA 2012	Share of low-achievers (Below Level 2)	Share of top-performers in mathematics (Level 5 or 6)	Annualised change	Mean score in PISA 2012	Annualised change	Mean score in PISA 2012	Annualised change
OECD average	494	23.1	12.6	-0.3	496	0.3	501	0.5
Switzerland	531	12.4	21.4	0.6	509	1.0	515	0.6
Germany	514	17.7	17.5	1.4	508	1.8	524	1.4
Austria	506	18.7	14.3	0.0	490	-0.2	506	-0.8
Slovenia	501	20.1	13.7	-0.6	481	-2.2	514	-0.8
Czech Republic	499	21.0	12.9	-2.5	493	-0.5	508	-1.0
Italy	485	24.7	9.9	2.7	490	0.5	494	3.0

Source: OECD, 2014c (<http://dx.doi.org/10.1787/888932937035>).

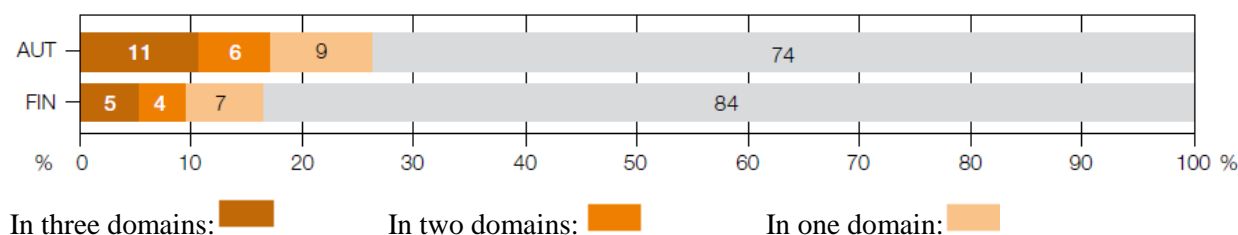
145. Specific attention was paid to the high number of poorly performing students in reading (and less so in mathematics), i.e. those considered to be at risk. In reading, 18% of students tested in PISA<sup>14</sup> belonged to the group of students at risk with a reading competence below level 2. Looking at the three PISA domains together, one in four students is at risk in one or more domains: 9% of students are at risk in one, 6% in two domains at the same time and 11% are at

<sup>13</sup> Defined as the number of persons in the age cohort of 18- to 24-year-olds who have not graduated at or above ISCED 3A/B and are not currently engaged in study at such schools.

<sup>14</sup> This is not considering the approximately 5% of 15-year-olds who discontinued school.

risk in reading, mathematics and science at the same time. For comparison, in Finland 16% are at risk in at least one domain, and just 5% in all three domains. The high percentage of students at risk in PISA sparked a discussion in Austria, moving attention of education policy more towards low-achieving students.

**Figure 9: Students at risk in PISA domains**

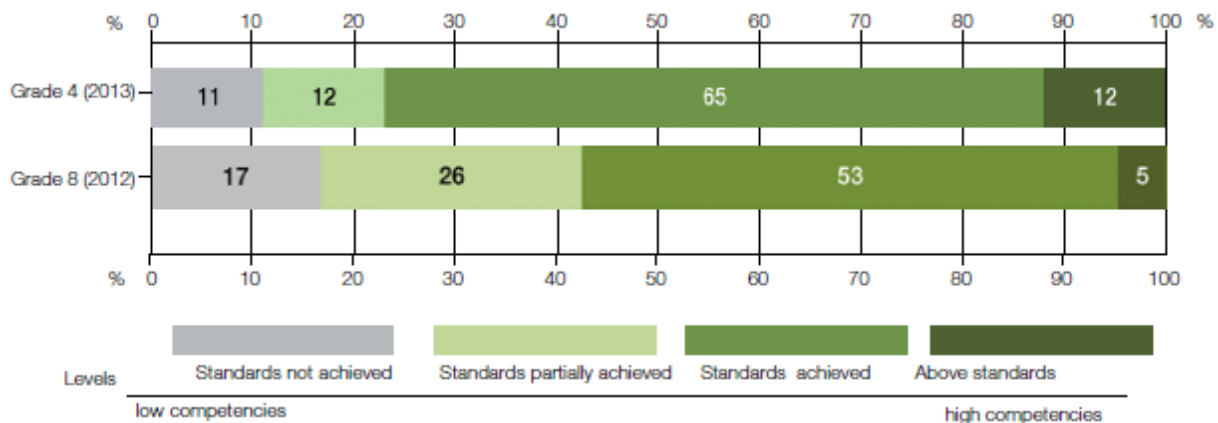


Source: Schwantner, Toferer & Schreiner, 2013, p. 50.

146. Results from international assessments in reading and mathematics at grade 4 (Suchań, Wallner-Paschon, Bergmüller, & Schreiner, 2012) also show unsatisfactory results for a wealthy country like Austria. For the national reporting, the BIFIE identified 14 countries that can serve as a comparison group<sup>15</sup>. Austria fell behind the average for this group in reading and mathematics. A decline in reading literacy since 2006 and mathematics since 1995 is alarming.
147. In 2008, national educational standards became mandatory in Austria. Achievement targets were defined to enable the observation of whether and to what extent schools impart these core competences by the end of primary and lower secondary education. In 2009 and 2010, a baseline test was conducted to allow for comparison of subsequent assessment results with the situation at the beginning of implementation.
148. Tests which are standardised nationwide were conducted for the first time in mathematics in 2012 at grade 8 and 2013 at grade 4, i.e. the end of primary education. Austria reports results on the education standards using four competency levels: '*below 1*' means that standards have not been reached and students are lacking basic competence in the domain (similar to the concept of 'at risk'), '*level 1*' means that standards have been reached partially, pupils can manage repetitive and reproducible tasks in the domain, but not novel tasks, '*level 2*' and '*level 3*' mean that the defined standard has been reached or exceeded. Since standards describe learning outcomes, they can be interpreted as a formulation of the target of the school system. Students who have not achieved the standards can be seen as at risk in further education or the transition to working life (in case of grade 8).
149. The results in mathematics, grade 8, confirm findings from PISA. For more than 40% of students at the end of lower secondary education, the education system did not succeed in meeting its own standards. One in six students do not even partially reach the competences described as an expected outcome of education. As can be expected from international studies at grade 4, the share of students below national standards at the end of primary education is substantially lower. Three quarters of the students demonstrated the competences described by the standards. Yet, at the transition to a different school and school type, one in ten students did not master the basics of primary level mathematics. Despite the shown deficits, it must be noted that, compared to the baseline tests in 2008/9 and 2009/10, mathematics achievements improved since the introduction of the standards by about a third of a standard deviation.

<sup>15</sup> Unlike PISA, many developing countries participate in PIRLS and TIMSS and make the international average difficult to interpret. Therefore this alternative way to compare the country with peers was introduced.

**Figure 10: Distribution of grade 4 and 8 students, mathematics, by competency levels of national education standards (2012, 2013)**



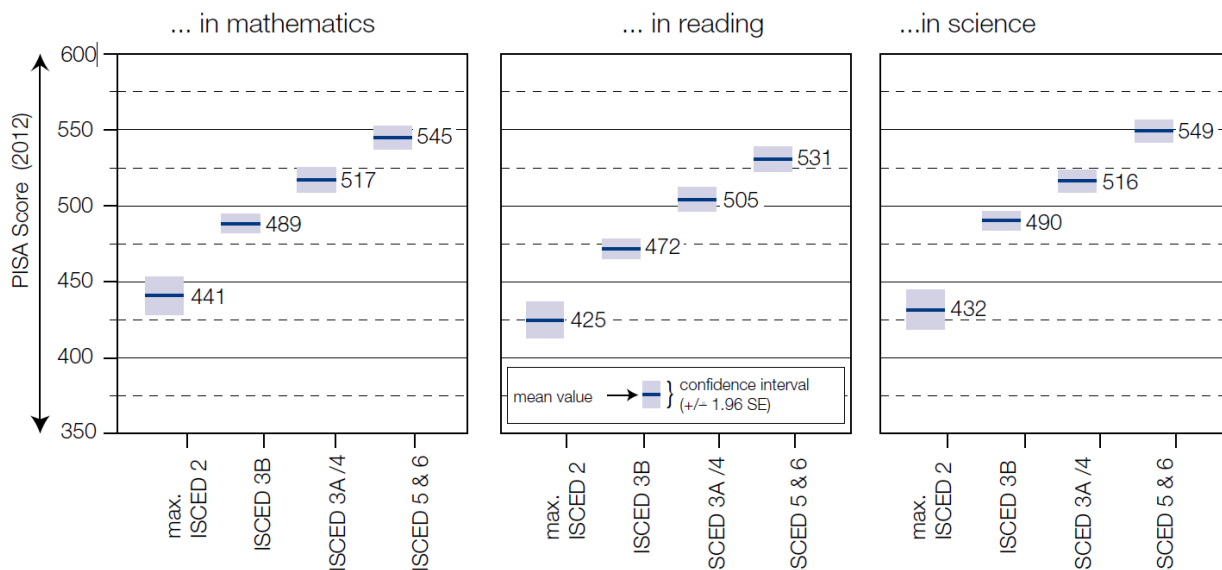
Source: Schreiner & Breit, 2012, 2014.

150. Education policy has to take into account the evidence of unsatisfactory performance of the system. This becomes clear not only when comparing with other countries in PISA, PIRLS and TIMSS, but also relative to self-defined standards. Also, there is improvement over time, as indicated by PISA. However, some puzzles in the available results also need to be taken into account – firstly, differences between assessments (e.g. PISA and PIAAC) and domains; secondly, shifts between points in time.

#### *Student achievement and equity*

151. From PISA 2012 it is known that in Austria there are rather severe differences between boys and girls in the reading performance of 15-year-olds, with girls performing significantly better (Schwantner et al., 2013, p. 34).
152. There is also an undesirable influence of the socio-economic background of pupils on their achieved test scores. This effect is considered strong in Austria when compared to other OECD countries (Schwantner et al., 2013, p. 46). Figure 11 illustrates this by comparing the PISA scores of students coming from families with different levels of parental education. A comparably strong impact can be observed from the socio-economic status indicated by the parents' employment status. It must be noted that disparities do not only occur between the group of families with low education and the majority of society, but between all social groups.
153. Concerning pupils with a migration background, Austria is among the countries with the largest differences between native Austrians and immigrants when controlling for socio-economic status (Schwantner et al., 2013, p. 48). This result is confirmed by TIMSS/PIRLS 2011 for pupils who do not have German as their mother tongue when controlling for cultural capital (Bergmüller & Herzog-Punzenberger 2012, p. 50).

**Figure 11: PISA achievement scores by level of parental education (2012)**



Note: ISCED 3B includes some ISCED 5B degrees (Meister).  
Source: Schwanter, Toferer & Schreiner, 2013.

154. The testing of educational standards for mathematics in the fourth grade confirms the finding of strong inequity from international studies. Among first- or second-generation migrants (not counting pupils from neighbouring Germany and Switzerland), the percentage of students below level 1 is more than twice that of native Austrians (24% compared to 11%) and the educational background of the students' parents has a substantial influence on scores (Schreiner & Breit, 2014, p. 29, p. 35).
155. The data also show huge disparities between compulsory schools (APS: HS and NMS) and AHS: Whereas in AHS only 1% missed the standards and 12% reached level 1, in HS and NMS 24% of the students failed to reach the standards and another 33% did not perform above level 1 (Schreiner & Breit, 2014, p. 21). Besides the common equity issues related to groups from different social backgrounds, the test also reveals substantial differences between schools having a very similar social composition of students. Schools having the same outcome predicted, given their context, differ by up to one standard deviation in the average achievement of their students.
156. Interestingly, more recent PIAAC analyses indicate that the Austrian 'high achievers' (upper 95% percentile) show a relatively low achievement compared to the average, whereas the 'low achievers' (lower 5th percentile) show a comparatively high achievement (Lassnigg & Vogtenhuber, 2014). According to these results, the inequitable structure of the Austrian system also seems to provide quite substantial compensatory mechanisms.

## 2.7 Policy approaches to equity in education

157. More recently, the issues of equity have been substantially discussed in a chapter of the Austrian Education Report 2012. However, to date these more elaborate proposals have not influenced the wider political disputes to a great extent. Equity goals in education are two-fold and go hand in hand. On the one hand any systematic differences in education between specific groups should be reduced or diminished, on the other hand the prevalence of 'educational poverty' (*Bildungsarmut*, students at risk and early school leavers) should be reduced. Bruneforth, Weber & Bacher (2012) argue that, due to the high level of 'competence poverty', the focus should – at least in the short term – be on fighting it. Since socially disadvantaged groups are highly overrepresented in the group of 'educationally poor', any success in the fight against 'educational poverty' would advance equity and reach members of specific groups without stigmatising them. Therefore measures targeting individual students, as described in 5.1, are at the same time also measures to advance equity.

### Special needs education



158. While the above-described reform of the NMS is a kind of systemic approach to improve equity, relevant policies targeting specific student groups also exist for students with special education needs (SEN), students with difficulties in the German language, mainly migrants, and in particular also for disadvantaged young people with problems of transition into the labour market or to post-compulsory education, in particular apprenticeship training; the latter policies have been mostly developed as curative measures in labour market policy, and have more recently also been linked to more preventive strategies in the education system. Concerning SEN, quite progressive steps towards integrative policies were taken some decades ago; however, the separate systems of special schools have also been retained and development towards more inclusive approaches has gained new momentum only recently with the UN Convention on the Rights of Persons with Disabilities. Concerning children of migrants, it took a long time until the need for them to have adequate education and support was recognised as an urgent policy issue.
159. The Austrian system targets SEN students mainly as ‘students with SPF’ (*sonderpädagogischer Förderbedarf*). SPF students are students that are diagnosed by experts as not being able to follow instruction without special support due to physical and/or mental handicaps (§ 8 *SchPflG*). Even though regulations clearly indicate that SPF must not be indicated as a status simply on account of unsatisfactory performance without a link to any handicap, there seems to be a tendency to state SPF in case of general learning problems, especially in combination with a migration background (see Bruneforth & Lassnigg, 2012, p. 90). Students with SPF are either enrolled in special schools, special classes in regular schools or integrated in regular classes (‘integrative/inclusive education’). The latter is coordinated by SEN Centres which are special needs schools (ASO) with the specific task of providing pedagogical expertise and logistical support for ‘integrative education’ in their region. In 2013, 30,000 students were identified as SPF students, of which 47% were enrolled in special schools. Even though regulations concerning SPF are established at the central level (see BMUKK, 2010), there are substantial differences in implementation between the *Laender*, which can easily be illustrated by the different rates of enrolment in special needs schools (ASO), which range from 24% of SPF students in Carinthia to 75% in Salzburg.

*Support for children with a migration background*

160. According to Herzog-Punzenberger & Unterwurzacher (2009), policies in Austria do not target students with a migration background but strategies focus mainly on children speaking a different language than the language of instruction. Support for these children starts before grade 1. Children having difficulties acquiring the German language are supported in their language development in childcare institutions by targeted, individual support. The implementation of these measures is regulated by the different *Laender*, based on an agreement between central and provincial governments. The central element of the support system is standardised compulsory diagnostic tools to determine requirements for additional support, which are to be applied at the latest 15 months before children start school. The results serve as a basis for developing individually-tailored, child-oriented support measures. The agreement between central and provincial governments also regulates that the final year of kindergarten has become compulsory for all children, with a focus on support of language learning. The current government programme 2013–2018 envisages the introduction of a second compulsory and free-of-charge year of kindergarten with a strong focus on children with language deficits.
161. Support for students not mastering the language of instruction is also implemented at the school level. Students entering school who are having substantial difficulties following instruction due to severe deficits in the language of instruction can be classified for up to 2 years as non-regular students (*außerordentliche Schüler*, ‘ao’). As a consequence they are entitled to special support while they fall under special exemptions concerning grading (§4 *Schulunterrichtsgesetz*). This regulation also applies to students who migrate to Austria at higher ages and enter the Austrian school system at higher grades. School leaders are responsible for the ‘classification’, the procedure to assess language competence is not standardised, however. Schools with extra-matricular students can offer language support courses, for which additional teaching resources are provided by the federal level as part of the general staff plans (11 lessons per week for 8 or more ao students enrolled at a school). Schools can decide to offer the course in parallel to regular instruction or in the form of integrated instruction. *Laender* authorities have to submit language learning concepts to the BMBF to get access to the earmarked resources. In 2012/13, 15,544 non-regular students were enrolled, 10,229 of them in primary education (3.2% of total primary

enrolment).

162. Since students can be classified as ‘non-regular’ only at the time when they enter into the Austrian school system, there appears to be a structural incentive to label students ‘pre-emptively’ in order to receive additional resources for language support, which would not be possible anymore once the student has entered as a ‘regular student’.
163. Schools can also offer additional language courses for students having German as a second language (*Deutsch als Zweitsprache, DaZ*) who are not enrolled as non-regular students. To cover the human resources needed, the Federal Government provides funding for specialised staff within the general staffing policy (see chapter 4.4). Whether the provided posts are indeed used for language instruction is up to the *Laender* to decide and is not evaluated by the federal level.

#### *Other measures targeting specific groups*

164. The Ministry responsible for labour and social affairs (BMASK), as the main actor and provider of funds, runs a system of career assistance (*Netzwerk Berufliche Assistenz*). Under this umbrella, the nationwide ‘Youth Coaching’ initiative has been offering youth coaches in cooperation with the BMBF since autumn 2013. They advise and accompany young people aged 15 - 19 who are at risk of dropping out from school or being marginalised. For the prevention of early school leaving, a nationwide strategy was adopted in 2012 in line with the respective EU recommendations (BMUKK, 2012a).
165. Gender inequalities in education and schooling are a topic of high importance in Austria, as is indicated by the inclusion of a related performance target and indicator in the system of performance budgeting. Gender differences in PISA 2012 skills are high, and while these are still around the OECD average in reading and only slightly higher than the OECD average in natural sciences, achievement gaps between boys and girls in mathematics are higher and have even significantly grown since PISA 2003. A general, cross-curricular principle of ‘education for equality between women and men’ has been introduced in all curricula as from 1994, supported by CPD offers and materials for teachers. As a key measure to improve gender sensitive education, the new teacher training scheme and its newly developed curricula will focus on this issue in particular.
166. Similarly, a general, cross-curricular principle of ‘intercultural learning’ was introduced to mainstream schooling in 1992 and is also part of initial and continuing teacher training.

## **2.8 Main challenges<sup>16</sup>**

### *Main challenges for Austrian schools*

167. Three main challenges for Austrian schools can be identified which call for a response at all levels of the system: i) a discrepancy between achievement levels and high expenditure for the system, ii) strong inequity in outcomes with a high rate of social reproduction, and iii) the demographic development with respect to decreasing numbers of children and increasing numbers of students with a migration background.
168. Since the participation in international large-scale assessments in the late 1990s and early 2000s (first TIMSS, then PISA), there has been wide consensus that the discrepancy between the relatively high expenditure for education on the one hand, and the only average achievement and high number of students at risk on the other, poses a main overarching challenge for the Austrian school system. Measures taken to try to solve this discrepancy have so far not brought any improvement as measured by PISA (see 2.6).
169. A second challenge is the high rate of social reproduction and inequity in school achievement, in particular related to the parents’ educational status.
170. The third main challenge, based on demographic development, is clearly to find adequate

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<sup>16</sup> This chapter is an *external* assessment of the main challenges, provided by the Institute for Advanced Studies (IHS)

educational strategies for the needs of migrant children, especially in densely populated regions and schools in certain areas where migrants are concentrated.

171. Conventionally the first challenge can be treated either by improving achievement or by reducing expenditure, with evidence pointing rather to the second way as being more successful than the first. The continued growth in resources in Austria suggests that a third way was taken. The NMS reform can be seen as an example. There were, and still are, disputes among the main stakeholders about the facts related to the first challenge as well as about the factors constituting them:

- One side of the challenge, the weak performance, has been taken up by the stakeholders outside school, by policy makers and the social partners, but not by many actors inside school. In particular the teacher unions, supported by some groups in the academic community, express doubts of several kinds about the accuracy and feasibility of PISA, trying to isolate the proponents of ‘evidence-based’ improvement attempts.<sup>17</sup>
- On the other side of the challenge, the high expenditure is also put under scrutiny, with several arguments claiming the need for more resources, due to the several changes in society and families, including migration, which would make teaching more difficult. In the early 2000s in particular the Social Democrats took education, and in particular the reduction of the class size (see 5.3), as one of the main points of their election campaign.

172. As a result, both sides of the challenge, weak achievement and high expenditure, were under ideological disputes, which hampered a shared definition of the situation (facts), and consequently also a serious search for the reasons for the disputed facts. So until now neither the reasons for the weak achievement, nor the factors contributing to the high expenditure are sufficiently clear. The challenge for the current report is to bring together the available knowledge and to add to this as far as possible, based on available information. This includes providing a clear account of the available resources, their distribution, and the mechanisms that might hamper effectiveness and efficiency. On the side of achievement, the performance just close to the international average and a weak improvement over time can be taken as evidence.

173. The NMS reform was a main vehicle to address the first and also third challenge with an increase in spending. A main element of the reform is to increase the teaching intensity/personnel for students in this new track. This reform was devised and implemented in a more or less voluntary way, taking quick political decisions, and giving only rough cornerstones for change. However, it was accepted at the political level and with substantial additional resources coming from the federal government, it was also welcomed by the *Laender* - more or less independently from their political/ideological positions to ‘comprehensive schooling’.

174. The second challenge, social reproduction, seems to some extent ‘inversely’ related to resources, as the public resources do not go disproportionally to academic secondary school (AHS), rather the opposite. This is discussed in Chapter 5 and the challenges, also in relation to equity, are thus described in more detail there.

175. The third challenge, opportunities for migrants, is clear from the quantitative scale, as immigration will be a main factor reducing demographic decline of young people in the future (see 1.2), and must be urgently seen as a resource and not as a ‘problem’. To some extent this challenge is related to resource allocation; however, according to recent research the main aspect of this challenge is related to the development of adequate pedagogy (Herzog-Punzenberger & Schnell, 2012). The political expectations are also strongly related to resources, and the development of strategies is hampered by disputes over separation of migrant children into specially treated groups versus consistent integrative strategies. Issues of resources are: free of charge compulsory elementary education, resources for the required additional support to students, and resources needed for school development and teacher education to improve

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<sup>17</sup> One of the early publications expressing hostility against PISA was edited by Austrian academics, and a quite influential philosopher is – embedded in a wider German network – campaigning against the overall strategy of measuring competences and related policy strategies for improvement.

pedagogy, including in particular continuing education. There is a risk that challenges in overall performance, affecting all students, are moved out of the focus because school performance issues are increasingly discussed in relation to command of the language of instruction, neglecting overall issues of school quality and equity issues related to social class.

#### *Relations of challenges for governance and financing*

176. An increase or reduction of the expenditure and an increase or reduction of class size have been and still are perceived as the main benchmarks for the quality of education policy in the public, with an increase/reduction being valued positively and a reduction/increase being valued negatively. Consequently these aspects are carefully considered by policy makers. They have two important implications: firstly they are closely related to each other, as the reduction of the class size is known as being the most significant driver of costs, and secondly, as 80-90% of expenditure is for personnel, the two benchmarks are closely related to the employment of teachers, who have strong interest organisations, and are also a quite remarkable number of relatively articulate voters, and can also to some extent play a role as opinion leaders or multipliers. From this observation an upward trend of expenditure can be expected, which can be empirically verified. Chapter 5 will provide detailed and new data on class size and teacher student ratios and consequently challenges will be discussed there.
177. Yet, the dynamic upward trend of expenditure is also related to the distribution of responsibilities within the school system, as presented in 2.4. A main question arises, of how the political logic of resource expansion might be related to the structures of provision in the educational system, and in particular to the governance of the system. A previous study (Lassnigg, Unger, Vogtenhuber & Erkingen, 2007; see also Lassnigg et al. 2009) has given a comprehensive literature- and data-based analysis of the Austrian system and pointed to several contradictions, incoherencies and unresolved problems in basic structures of provision and governance.
  - It identified as a key problem that the disproportionate distribution of resources in the tracked system, which is caused by the composition of the (tracked) student bodies, was neglected in policy and governance. A subsequent study has tried to identify the proportion of differences between the school types in different tracks that can be traced to the social origin of the students. Attempts to identify how the governance at the school level deals with this factor showed signs of compensatory rather than aggravating strategies (therefore the actors basically seemed to work not in line with the selective structure but against it). Considering two contrasting approaches for coping with equity and justice in education, one that tries to alleviate the differences in background resources within education versus one that runs differentiating and elitist strategies in education and compensates for inequalities afterwards by redistribution, the Austrian system comprises a contradictory mixture, as there seem to prevail compensating practices within the elitist structure and institutions. The redistributive mechanisms were seen as rather weak according to the available information at the time, whereas more current information shows a favourable position in comparative terms.
  - The main focus of the study was on the governance and administrative structures, and posed as the core argument for understanding the structure that the basically existing overall classical bureaucratic structure is fundamentally broken at the *Laender* level by politicised federalism, with the result that the potential strength of the rationality of a bureaucracy is broken, and only its weaknesses of overregulation and reducing the freedom of decision and responsibility at the bottom level come into play, whereas the intervening factor of federalism brings an opportunistic politicisation into the system, which also discourages professional practices at the bottom level. As a result the actors at the bottom level, the schools, principals and teachers are doubly discouraged by existing governance regimes, which at the same time give very little room for institutional autonomy of schools and make teachers focus their work rather on lessons where they have full pedagogical freedom. The schools as actors and cooperation among teachers are systematically precluded and discouraged by this structure. The combination of state official tradition and social partnership fits into the overall structure by establishing an institutional complementarity of the trade unions' strategy towards regulation on the one hand (bureaucracy) and political influence on the other (federalism). The shape of industrial relations based on the service code and collective agreements is the main mechanism of how the teachers' unions have succeeded in gaining a main veto point in any major education reform, as very detailed systems of regulations governing the employment conditions and payment of salaries have been developed incrementally. Based on this

system, each new major responsibility of teachers is defined as an additional task to an already full use of capacity, and therefore should be additionally remunerated. Political activities of teachers are guided into these structures – as a consequence the trade unions are also the only actor that represents professional interests, which conflict with the classical goals of material interest representation of employees; it must also be said that professional organisations are very rudimentary in this context, and the development of kinds of more research-based activities tends to be devalued.

As a result, the conditions for an effective governance system in education proposed by economic institutionalism are structurally and politically precluded. If the model of Bishop & Woessmann (2002) is taken as reference, then out of eleven criteria three are fully present in Austria (attention of teachers to assessment of students; influence of teachers on pedagogy; and no influence of schools on their overall budget), and two are implemented under heavy counter-fire (partly central final exams in upper level academic and vocational schools; definition and central testing of educational standards), whereas three very important criteria are definitely missed (autonomy of schools in process and personnel issues; influence of teachers on the amount of their work; and not too much influence of trade unions), and the remaining three are not so clear to assess (parents' influence on schools; proportion of private schools for competition; medium-level administration).

178. Basically all stakeholders support – at least rhetorically – more autonomy at school level; however, this is to varying degrees. In particular the labour side of the social partners is much more reserved than the employers' side, and a recent political draft proposal by representatives of the *Laender*, the Ministry and the social partners does give the schools rhetorical autonomy rather than one mandated by regulatory changes; an NGO-like movement, based on a referendum some years ago (*Bildungsvolksbegehren*), gives more wide-ranging responsibilities to the school level. The main issues of debate are the responsibilities for personnel management, and how the planning and financing responsibilities should be allocated among the authorities; however, a more fully fledged comprehensive proposal is still missing.

179. The study about the governance structures has finally proposed four key issues which should be addressed in developing a new more effective and efficient governance system (Lassnigg et al. 2007, p.188). They are discussed in detail below. The four issues are:

- *Congruent distribution of responsibilities.* Resolving the problems of intersecting responsibilities among the authority levels, in particular in the direction that a definitive congruence between the tasks/duties of governing actors and the responsibilities for financing and spending is reached (the current incongruence that the federal level is responsible for financing, whereas the *Laender* level is responsible for spending in the main sector of teachers in compulsory schools (APS), and the duties are mixed, is seen as a major problem reducing efficiency).
- *School autonomy.* Designing, regulating and implementing sufficient conditions for pedagogic work at the school level based on concepts of school autonomy, by providing room for discretion and abandoning the bureaucratic and organisational obstacles for work at school (paralleled by the establishment of sufficient monitoring achievement)
- *Reform of the system of industrial relations.* Development of effective structures of industrial relations and working conditions in education, in particular reform or abandonment of service codes (*Dienstrecht*) and shaping of attractive and flexible working conditions by changing the inflexible and Tayloristic regulations and structures of payment of the salaries (devising teachers' work on the basis of professional principles instead of as a collection of Tayloristic points of effort constituting the salary)
- *Comprehensive funding structures according to efficiency and equity.* New comprehensive steering structures. Allocation of funding through simplified structures of responsibilities according to specified criteria of efficiency and equity, and considering the main challenges for education; a comprehensive system must include the fiscal adjustment procedure between the federal level and the province governments (*Finanzausgleich*).

#### *Congruent distribution of responsibilities among levels*

180. As discussed above, there is a historically grown strong fragmentation of administrative and legislative competences in the school system. The Federal Court of Audit (2011, p. 168) has criticised significant inefficiencies and conflicts of interests and objectives in the Austrian school

administration which, in its opinion, are rooted particularly in the following features:

- The complex distribution of competences between federal and *Laender* authorities which is laid down in the Federal Constitution
  - Overlaps in administration, notably as regards teachers employed by the *Laender*
  - Differences in service codes, salaries and initial training between teachers employed by the *Laender* and those employed by the federal level
  - Lack of responsibility for governance and controlling
  - Fragmented competences for school inspection
- Diverging interests with a view to the maintenance of schools (caused by fragmented competences)

#### *School autonomy*

181. As discussed above, school autonomy in Austria is, compared to other school systems, rather limited despite having been a political issue for decades. School autonomy, meaning not only more room for discretion but a change in the distribution of responsibilities and in the basic working practices, has become stuck in the complex, fragmented and conflict-loaded structures, so a viable and comprehensive strategy has never been seriously proposed or discussed up to now. The following dimensions can be summarised as the main hindrances for the development of school autonomy in Austria:

- The complex distribution of responsibilities with the focus on the distribution between the federal and the *Laender* level
- The political and administrative structure with quite large and powerful regions (*Laender*) and the predominantly small and weak municipalities, without a structure in-between (the weak institutions at district level have been abolished and transferred upwards to the *Laender*)
- The bureaucratic structure that makes teachers focus on their classroom and pedagogy, and which does not provide space and incentives for cooperative and collective strategies at school level
- The half-day provision linked to the wide room of discretion by teachers about their non-teaching working time which supports an individualised shift of supplementary work outside schools
- The lack of professionalism with the strong link of interest organisations to the material interests and to the preservation of the existing power structures which would be substantially changed by a shift of responsibilities to the school level
- The wide room for discretion for teachers in the classroom shifts attention to that level, and might support a notion that organisational issues are perceived as a disturbance rather than a potential resource; the high share of small schools might shift much of the *de facto* responsibility to the school level, - possibly also related to a lack of resources, which would be needed for making those decisions at higher levels otherwise.

In a nutshell, the development of a structure that gives schools as organisations the right degree of discretion over their work and performance would need a proper design of the overall structure including many problematic and contested issues. The overall acceptance of such a shift among the various actors seems quite weak, and a major question is to what degree the new attempts of quality initiatives at the school level will be effective and survive in the existing wider structure. Here, we have to take into account that there has already been an initiative towards a micro-level school reform in the 1980s, out of which the debate about autonomy originated. It should also be taken into account that despite many attempts an improvement of achievements could not be achieved so far.

182. The limited institutional autonomy of schools and the tight regulatory framework can, to some extent, be interpreted as one cause of the high number of school pilot trials in Austria. Such pilot trials are not only established by the Federal Ministry to test new methods or structures of schooling but in many cases also on the initiative of individual schools to get permission for the implementation of thematic priorities in curricula or innovative teaching and learning approaches that deviate from the standard school regulations. In addition, school pilot trials are rarely

(scientifically) evaluated, and in a number of cases the tested methods of programmes have been rolled out to mainstream schooling without prior evaluation. Due to the fragmentation of competences there is no full overview of all pilot trials and their impact at federal level (Federal Court of Audit, 2015).

#### *Industrial relations*

183. The bureaucratic logic of the school system is also given strong expression by the fact that teachers were traditionally employed as civil servants (with life tenure and often permanent posts, i.e. the right to stay in a specific school). Only in recent years has this been replaced by a contract agent scheme for new teachers entering the system. Teachers are given full autonomy with regard to the choice of pedagogical methods they deem appropriate to achieve educational targets in curricula, and they also have a very high degree of discretion about one third to half of their working time (mostly performed in an individualised way outside of the school).
184. A large share of the teachers are organised in trade unions that are powerful stakeholders and grouped in political fractions that broadly mirror the political parties in Austria. Traditionally, the Austrian teacher unions are led by conservative representatives (Christian Democrats), with differences in the political preferences between the 'academic' teachers in AHS and BMHS and the teachers in compulsory schools (therefore the 'politicisation' also extends to the teachers' organisations).

#### *Negotiations about fiscal adjustment between the federal level and the Laender: education policy outside of education policy*

185. As the municipalities are responsible for the infrastructure including non-teaching personnel, the available resources and the competences of the municipalities are an important element of the provision of education in Austria. The fragmentation of responsibilities also leads to important interfaces between sectors of education which are situated differently (the academic and general schools at lower secondary level: if participation in the academic track is increased, resources are shifted away from the communal level, but also power over schooling is redistributed to some extent; the relation between pre-primary and compulsory schools is also affected). The availability of resources at the communal level is a very important issue for education which is governed through the negotiations about the redistribution of the federal taxes to the *Laender* and municipalities.
186. These negotiations are performed as a separate political activity spanning all the different policy fields, setting parameters also for compulsory education as a part of these negotiations. As a consequence of this split, the different sectors of education in a certain geographical area are kept separate, and the planning of infrastructure is not comprehensively monitored. While the federal level makes its own planning<sup>18</sup>, the municipalities and the *Laender* make their planning for the fragmented localities. A significant deficiency is that the schools at lower secondary level are so completely separate that not even simple monitoring figures can be found that would give a comprehensive picture of resources at this level (in the academic secondary school (AHS) the students can be assessed separately for the lower and the upper cycle, however the teachers and other resources cannot be documented by given statistics, and are consequently not reported). This aspect is important for planning, as the ongoing shift in participation from the new secondary school to the academic secondary school means that, at the same time, resources are shifted from the *Laender* and communal level to the federal level.
187. As a result of these governance structures, we cannot find a systematic logic in the structure and development of the school facilities. This is reflected in various aspects of the school structure (e.g. the distribution of school sizes seems erratic and does not reflect any reasonable structure). The system seems also unable to cope with differences in demographic development,

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<sup>18</sup> The planning for the infrastructure of federal schools ('Schulentwicklungsplan') is, however, done in close cooperation between the Federal Ministry and *Laender* authorities, see chapter 4.5 on school infrastructure. In stark contrast to that, the *Laender* do generally not involve the federal government in their planning regarding 'Landesschulen'.

as can be demonstrated by the comparison of the population and the resources in primary schools. In the *Laender* except Vienna, the 6- to 9-year-old population declined by 15-30 percent between 2000-12, whereas the deflated real resources per population for primary schools increased by 20-40 percent in the same period, while in Vienna, where the population increased slightly, the resources remained stable. The comparison of the development of these figures gives an erratic picture which points to the above-mentioned basic expansionary logic, being unable to plan and to redistribute between *Laender*, so the development seems to be a combination of (expansionary) incrementalism and the inclination to get as much as possible out of the common pool.

188. Recent proposals concerning the *Finanzausgleich*, which must be renegotiated in 2016, include a closer look at the sector-specific demands; however, it does not seem easy to imagine how this linkage can be provided given the divergent interests and the basic structures of the negotiations.

### *Contested evidence*

189. Since the Austrian participation in international large-scale assessments since the late 1990s, an increasing emphasis on 'evidence-based policy' has been promoted at the federal level. The first participation in TIMSS has led to a substantial project for professional development (IMST) which is still in place, whereas in particular with the PISA assessments, the topic became increasingly politicised and contested. The teacher unions have basically been critical of this movement, and the increasing attempts towards evidence are quite separate from the practice level.
190. The situation regarding *evaluation and assessment* is subject to ongoing fundamental changes. Being dominated by an input-oriented logic so far, output-/outcome-oriented or evidence-based concepts are now gaining importance.
191. An important trigger for this change of paradigm was undoubtedly Austria's decision to participate in international student achievement surveys (TIMSS, PIRLS and notably PISA) which – against long-standing beliefs and convictions – revealed only average results in international comparison, while at the same time the resource input to the school system (measured as expenditure per student) was found rather at the top end of all OECD and EU countries.
192. With some delay, and supported by similar developments in other policy areas, important reforms towards more outcome orientation in the education system were put on track.
193. Important milestones include: the establishment of a Federal Institute for Education Research, Innovation and Development of the Austrian School System (BIFIE) in 2008; a new 'National Education Report' published first in 2009 and to be followed by new issues every three years; the introduction of educational standards testing (German and Mathematics at grade 4 and German, English and Mathematics at grade 8), and the implementation of a *centralised, standardised final exam at the end of upper secondary education (Standardisierte Reife- und Diplomprüfung)* in general education by the school year 2014/15 with VET schools to follow in 2015/16. For more detailed information see Specht & Sobanski (2012).
194. Key tools for the practical improvement of quality in schools - based on evidence and evaluation - are the programmes for school quality in general education (SQA) and the quality initiative for vocational education and training (QIBB) (see chapter 5.5)

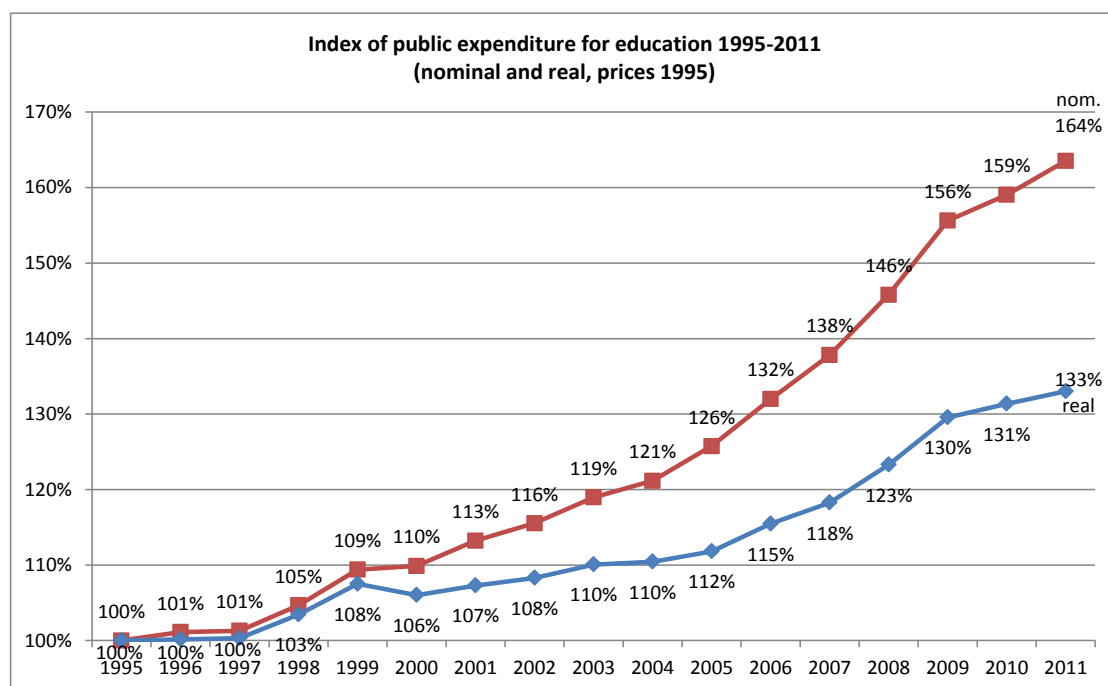


## Chapter 3: Governance of resource use in schools

### 3.1 *Level of resources and policy concerns*

195. Austria spent 5.7% of its GDP on education in 2011, slightly less than the OECD average and matching the average of the EU-21. Compared to the years 2000 and 2005, spending relative to GDP increased slightly, but compared to 2010 there is a slight reduction. Expenditure on schooling (ISCED 1 to 4) accounts for 3.5% of GDP and expenditure on pre-primary education for another 0.6%. Tertiary education accounts for 1.5%.
196. Compared to the year 2000, the distribution of expenditure by level developed differently. While the share of pre-primary education grew from 7.6% of public education spending to 10.2% of all expenditure and that of tertiary education from 22.9% to 26.9%, the relative share of schooling decreased from 68.3% to 62.9%. As a consequence, expenditure for schooling expressed as a % of GDP decreased from 3.9% in 2000 to 3.6% in 2011 (OECD, 2014a, p. 231).
197. In terms of education expenditure relative to the size of public budgets, Austrian governments spent slightly above the OECD average. According to OECD figures, public expenditure on education accounts for 14.4% of the total public budget, a share well above the OECD average of 12.9%. Between 2008 and 2010 public spending in Austria increased slightly (4%) while the increase in education budgets was stronger (7%). The share of public spending dedicated to education in 2011 is close to the level of 2000, yet considering the years 2008 to 2010, there was a substantial increase in the share (13.5% to 15.2%) with a reduction in 2011 (OECD, 2014a, chap. B4).
198. Most public education funds are spent on public institutions, with the exception of ECEC. At the pre-tertiary level most private educational institutions are government-subsidised. Private day-care institutions and kindergartens receive 58% and 28%, respectively, of total public education expenditure for institutions at the given level. For primary, lower and upper secondary education the share for private institutions is 4%, 6% and 10%, respectively, of public expenditure on institutions. This is almost exclusively representing expenditure for teaching staff (UOE data submission).
199. The following figures show the evolution of public spending since 1995 in absolute terms, inflation adjusted.

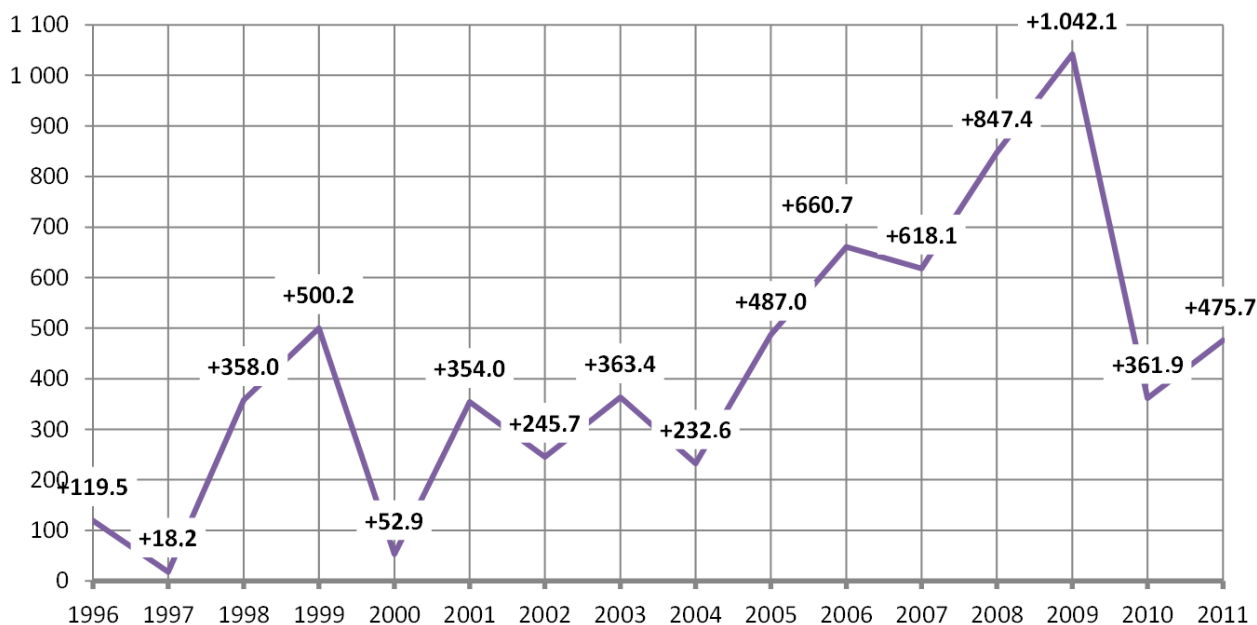
**Figure 12: Index of public expenditure on education 1995-2011 (nominal and real, prices 2000)**



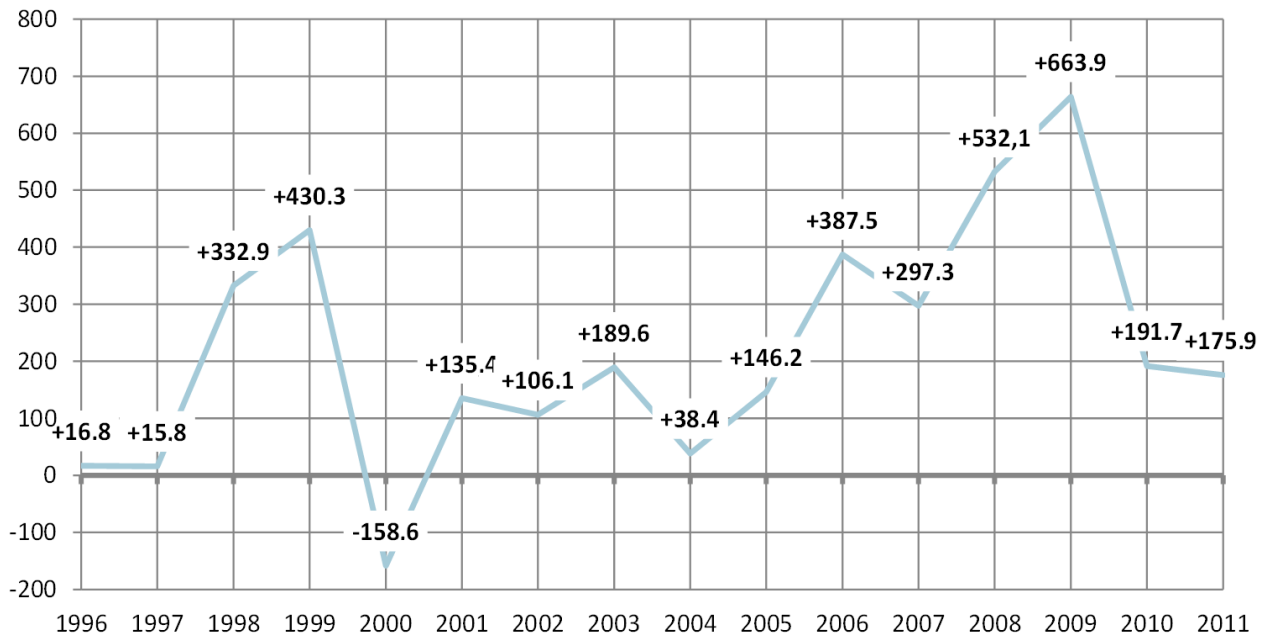
Source: IHS calculation.

**Figure 13: Increase of public expenditure for education per year 1995-2011 (million €, nominal and real prices 1995)**

(a) Million €, nominal



**(b) Million €, real prices 1995**

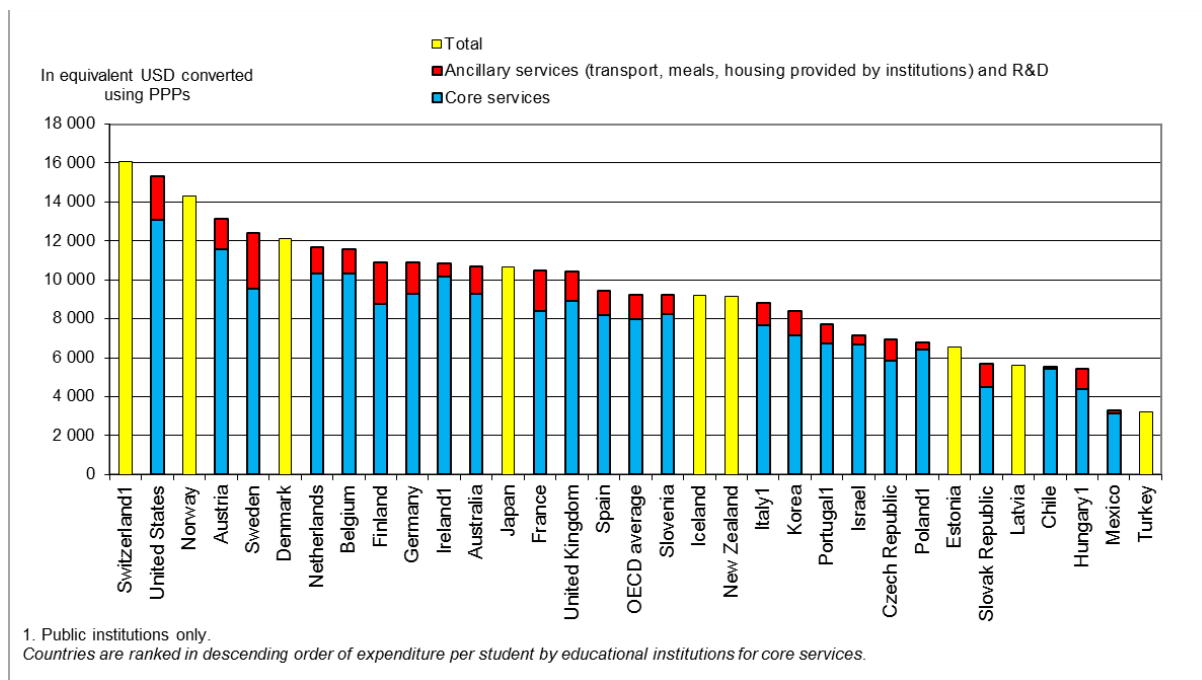


Source: IHS calculations.

*Expenditure per student*

200. Expenditure per student in Austria (PPP\$) is among the highest in the OECD area, which can mainly be explained by low student-teacher ratios (OECD, 2014a). This finding holds true for all levels of education combined (see Figure 14), but is driven by expenditure at the primary and secondary level of education. For tertiary education, expenditure per student is just slightly above the OECD average. For the period 2005 to 2011, OECD reports for Austria a slight, below OECD average increase in expenditure per student for primary and secondary education and a decrease for tertiary education (OECD, 2014a).

**Figure 14: Annual expenditure per student by educational institutions, by type of service, OECD definitions (2011)**



Source: OECD, 2014a, Table B1.2.

201. Table 6 shows expenditure per student by *Laender* and type of institution for general education and pre-vocational schools (PTS). At the primary level of education, substantial differences between *Laender* can be observed. While expenditure per student in Vienna (€ 5,851) is about 8% below the national average, spending per student is 10% or more above the national average in the *Laender* Burgenland and Styria.
202. Expenditures per student increase at the lower secondary level of education. In the national average, spending per person ranges from 8,128€ in AHS to 10,448€ in NMS. Also at the secondary level substantial differences in spending can be observed between the *Laender*. Yet, when comparing the *Laender*, it must be considered that the *Laender* differ substantially in the share of students that enrol in different programmes for lower secondary. AHS group students in larger classrooms and have fewer teachers per student and therefore offer instruction at a lower cost. In Vienna more than half of the students are enrolled in AHS, in Vorarlberg this is less than a quarter. Therefore different options are offered to compare costs across programmes and *Laender*. Considering lower secondary education (excluding ASO), it shows that Vienna has the least expenditure per lower secondary student, followed by Salzburg and Tyrol, all below € 9,000, while costs exceed € 10,000 in Burgenland and Styria.

**Table 6: Annual expenditure per student by educational institutions, national classification and definitions, by *Land* (2012, thousand €)**

	VS	HS	NMS	PTS	Compulsory schools
Burgenland	7,345	9,397	11,465	13,300	<b>9,293</b>
Carinthia	6,958	10,609	10,604	11,023	<b>8,938</b>
Lower Austria	6,319	10,350	11,095	11,553	<b>8,563</b>
Upper Austria	6,153	9,387	10,044	9,038	<b>7,898</b>
Salzburg	6,094	9,046	10,113	14,693	<b>8,214</b>
Styria	7,006	11,037	10,881	10,745	<b>8,951</b>
Tyrol	6,151	8,689	9,672	10,303	<b>7,895</b>
Vorarlberg	6,547	8,433	9,877	8,707	<b>8,432</b>
Vienna	5,851	8,760	10,152	7,634	<b>8,310</b>
<b>Austria</b>	<b>6,346</b>	<b>9,679</b>	<b>10,448</b>	<b>10,195</b>	<b>8,402</b>

	Academic (AHS)	secondary	school	Lower secondary combined	
	AHS lower secondary	AHS upper secondary	AHS	HS + NMS	AHS-U, NMS, HS
Burgenland	7,983	9,337	8,592	10,975	10,106
Carinthia	8,355	9,037	8,650	10,606	9,825
Lower Austria	7,935	9,165	8,440	10,620	9,739
Upper Austria	7,872	8,890	8,328	9,590	9,139
Salzburg	8,088	9,245	8,656	9,286	8,913
Styria	8,177	8,874	8,519	10,978	10,113
Tyrol	7,850	9,035	8,456	9,085	8,778
Vorarlberg	7,759	9,430	8,585	9,775	9,289
Vienna	8,415	8,810	8,586	9,123	8,734
<b>Austria</b>	<b>8,128</b>	<b>8,989</b>	<b>8,516</b>	<b>9,984</b>	<b>9,347</b>

Note: For this purpose, expenditure for the different programmes is aggregated using a weighted average with the number of students in the programmes as weight.

Amended unit-cost calculations can be found in the forthcoming National Education Report Austria (Indicator B3 in Volume 1), where expenditures refer to the academic year 2012/13 (instead of the calendar year 2012) and expenditures of central and regional administration have been included and assigned to the respective educational institutions.

Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and *Lehrercontrolling*.

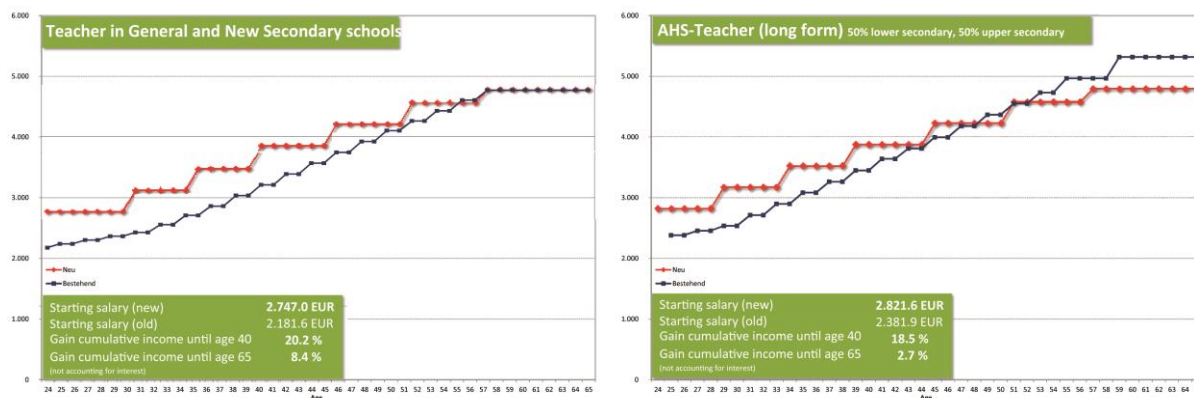
### *Teachers' salaries and reform of payment schemes*

203. More than 77% of all current expenditure for primary and secondary schools is on personnel, mainly teachers. Therefore any change in the salary scheme for teachers poses challenges or opportunities for the financing of education. In 2013 the Austrian Parliament adopted a major reform of the teacher service codes and thus of the remuneration of future teachers. Due to its potential impact on spending, the reform is discussed here.
204. OECD comparisons of teacher salaries indicate relatively low teacher salaries in Austria when comparing them with earnings for full-time, full-year tertiary-educated workers. Austrian teachers' statutory salaries are just 55% to 60% of salaries of workers with tertiary education. Yet, in this comparison it must be considered that most Austrian teachers in general compulsory education only hold a degree from a 3-year tertiary programme. This teacher training programme was upgraded to a bachelor's degree only in the recent past, and master's degrees are not yet the

norm for provincial teachers (but will become so with the teacher training reform in a few years). Only teachers at AHS already hold mostly qualifications obtained from university studies at master's level ('Magister') today.

205. The salaries for both *Landeslehrer* and *Bundeslehrer* are regulated by federal laws (see chapter 2.1). The system of teacher salaries includes bi-annual salary step increments for all teachers. An ageing teaching workforce therefore increases costs more rapidly over time. Adjustment of salaries to price inflation was temporarily suspended in 2013 for all civil servants including teachers for reasons of fiscal consolidation. As in most countries, based on the existing Austrian Service Codes, teachers' salaries increase also with the level of education taught.
206. The new service code for teachers adopted in 2013 will change the salary pattern substantially: Firstly, it aims to reduce salary differences between teachers at APS (VS, HS, NMS, ASO, PTS) and teachers at AHS. Secondly, statutory salaries will be adjusted to start at a higher level, making the profession more attractive for new teachers, while flattening the slope of salary increases that come with age (rather than experience). While AHS teachers' salaries at the end of the career will be lower than today, statutory salaries for other teachers will be generally higher or at least equal to the current scheme.
207. The new regulation will only take effect for new teachers. Since teacher unions doubt that for new AHS teachers the calculated income over the life span would match the old system, they have successfully negotiated that new teachers entering the service can choose between the old and the new pay scheme until 2019.
208. As a consequence of the reform there are significant financial risks. The majority of all teachers (64,250) are provincial teachers and the scheme for their future replacement will offer them higher salaries for most of their career. In a long transition phase, the costs for new teachers are expected to increase while no substantial savings can be achieved, since the old system is continued in parallel. In total it will take roughly another 40 years as from today until all the teachers who are still remunerated under the old schemes will have retired.
209. The new salary scale comes at the same time as the implementation of the new teacher training system (*PädagogInnenbildung NEU*). The new training system aims to develop a better trained teaching force with more teachers holding master's degrees.

**Figure 15: Comparison of selected teacher salaries between new and old pay scale**



Source: BMBF, 2015c.

#### *Other challenges or opportunities for the financing of education*

210. Other current education reforms mentioned above also pose challenges for the financing of education, even though not only for the budget of the BMBF.
211. In recent years there has been a substantial expansion of pre-primary education and ECEC programmes. Also participation is becoming close to universal for ages 4 and 5, it can be expected that the demand for early childhood care will continue to grow. Also, the demand for all-day early childcare is growing against the background that kindergartens are still primarily half-day

institutions, to accommodate the needs of working parents.

212. With the target of expanding all-day schooling in Austria there is an immediate demand for infrastructure investment and an increase in current expenditure in the long term. Funding for additional full-day schools is shared between the federal and *Laender* level.

#### *The impact of the recent financial crisis on education expenditure*

213. The recent crisis has also had some impact on the education and training system: To meet the targets of the EU stability and growth pact, the federal budget law for the period 2014-2015 lays down fiscal consolidation targets for all policy sectors, including the area of education and training.
214. In the area of education the 2014 budget plan envisaged a reduction of a total of € 98.4m, and another € 89.9m of budget savings are planned for 2015. Consequently, some education programmes have come under greater pressure for consolidation in the public and political debate, notably those that require significant investments (expansion of all-day schooling, class size reduction, team teaching in NMS).
215. However, efforts have been made by the Federal Government to avoid drastic cuts in funding of programmes related to the improvement of pedagogies and teaching. For example, a budget reduction for the expansion of all-day schooling implemented in 2014 will not decrease the planned total budget funds for this programme throughout its running time until 2018/19: While this initiative is jointly funded by the Federal Government and the *Laender*, earmarked federal start-up funding from the first programme phase 2011-2014 was not fully consumed by the *Laender*. To contribute to federal austerity targets for 2014, around € 50m of the means earmarked for all-day schooling are being transferred to the end of the current federal finance framework period (*Bundesfinanzrahmen*), i.e. to the budget year 2018. Also, funds that have originally been reserved for the recruitment of additional staff can now, where necessary, be deployed for infrastructure.
216. Further budget reductions in 2014 concerned investments and operating expenses at the central office/Ministry and the provincial school boards (-2.5m), public relations activities and accompanying measures for the implementation of pedagogical measures (-9m), transfers to BIFIE (-3m), grants (-0.8m), savings in relation to staff (-6.1m), infrastructure investments due to changed timelines for completion (-7m) (Republik Österreich, Parlament, 2014a).
217. The challenging budgetary situation and the need to comply with federal consolidation targets also required a partial deferment of 2014 rent payments to the Federal Real Estate Company, which owns and maintains a large share of the buildings of *Bundesschulen*, to the budget year 2016 (€ 90 million of around € 300 million in 2014; see also chapter 3.3).
218. The clear focus of structural consolidation measures is on improving the efficiency of school administration. Results from the work of the high-level political group (*Bund-Laender Kommission*) are expected to be presented by the Government in November 2015 (see 2.4).

### **3.2 Sources of revenue**

219. Educational institutions at the primary and secondary level of education are almost exclusively government-financed. According to the UOE 2012 data, 96% of expenditure on institutions is from public sources. International sources are negligible<sup>19</sup>. Between 3% (primary, lower secondary) and 5.5% (general upper secondary) of expenditure comes from private sources, four fifths from households. Most private educational institutions (religious and non-religious) are government-dependent (see also 3.1). They can collect fees, but pedagogical staff is publicly funded. Private costs can also occur for special expenses, such as catering or care, which are not included here.
220. A larger share of funds for ECEC, nearly a third, comes from private sources. Also nearly

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<sup>19</sup> Statistics Austria identified expenditure by foreign sources as 'Not applicable', minor funds may exist for foreign schools.

a sixth of funds for pre-primary institutions are private. The highest share of private funds is provided for vocational post-secondary non-tertiary education (32% from private entities and 9% from households). In contrast, tertiary education is mainly government funded, less than 5% of expenditure on institutions originates from private sources (UOE 2012).

221. Table 7 shows, based on national data for 2012, the distribution of government funds by level of government before and after transfer between government levels and private entities.

**Table 7: Sources of funds and final expenditure before and after transfer (million €, 2012)**

Transfers	Total	Schooling w/o MoE	Kindergarten	General compulsory schools (APS)	AHS	Part-time vocational schools (BS)	BMS, BHS	University colleges of teacher education (PH)	Universities of applied sciences (FH)	Universities	Administration
<b>Federal government including Universities (Bund)</b>											
A=E+F+B-C Initial funds	16,997	7,471	15	3,577	1,770	189	1,934	202	478	6,617	2,214
B Transfers to other gov. level	3,724	3,709	15	3,510	0	158	41	0	0	0	0
to regional	3,724	3,709	15	3,510	0	158	41	0	0	0	0
to local	0	0	0	0	0	0	0	0	0	0	0
C Transfer received from other level	18	8	0	8	0	0	0	0	0	0	10
D Transfer at same level (not accounted)	0	14	1	2	3	4	5	6	7	8	9
E: Table 4.3 Final expenditures	9,443	3,761	0	68	1,770	30	1,893	202	239	3,780	1,460
F Transfer to non government	3,849	9	0	7	0	1	1	0	239	2,837	764
G=E+F Final funds	13,291	3,769	0	75	1,770	31	1,893	202	478	6,617	2,224
<b>Provincial level (Bundesländer INCLUDING municipality of Vienna)</b>											
A=(E+F)+B-C Initial funds	2,944	908	175	310	3	352	243	1	160	50	111
B Transfers to other gov. level	489	101	372	97	0	4	0	0	0	0	16
to central	18	0	0	8	0	0	0	0	0	0	10
to local	472	0	372	90	0	4	0	0	0	0	6
C Transfer received from other level	3,762	3,740	21	3,518	0	180	41	0	0	0	1
D Transfer at same level (not accounted)	3	3	0	0	0	3	0	0	0	0	0
E: Table 4.3 Final expenditures	5,544	4,459	928	3,680	2	505	272	0	81	18	57
F Transfer to non government	672	87	436	51	2	23	12	0	79	31	39
G=E+F Final funds	6,216	4,546	1,364	3,731	3	528	284	1	160	50	96
<b>Municipalities ('Gemeinden und Schulgemeindeverbände' excluding Vienna)</b>											
A=E+F+B-C Initial funds	2,009	1,269	678	1,153	17	90	9	0	0	0	63
B Transfers to other gov. level	38	31	6	9	0	22	0	0	0	0	1
to central	0	0	0	0	0	0	0	0	0	0	0
to regional	38	0	6	9	0	22	0	0	0	0	1
C Transfer received from other level	472	94	372	90	0	4	0	0	0	0	6
D Transfer at same level (not accounted)	12	107	3	106	0	0	0	0	0	0	2
E: Table 4.3 Final expenditures	2,195	1,188	953	1,108	15	57	8	0	0	0	53
F Transfer to non government	249	143	91	126	2	14	1	0	0	0	15
G=E+F Final funds	2,443	1,331	1,044	1,234	17	71	9	0	0	0	68
<b>All levels of government</b>											
Initial funds	21,950	9,647	2,408	5,040	1,791	630	2,186	203	638	6,667	2,388
Final expenditures	17,181	9,408	1,881	4,856	1,787	592	2,173	203	321	3,799	1,570
Transfer to non government	4,770	239	526	184	4	38	13	0	318	2,869	818

222. Figure 16 summarises based on Table 7 the distribution of public expenditure by level of government before and after intergovernmental transfers. Kindergarten is exclusively funded by regional or local funds, with 71% of funds originating at the regional level and substantial transfers (14% of the total) to municipalities. The free-of-charge compulsory year of kindergarten in the last year before primary school is funded by the federal level based on an Art. 15a B-VG agreement with the *Laender* (€ 70m a year).

223. For primary and secondary schools, 77% of all funds originate at the central level, nearly half of these funds are transferred to the provincial government, which is the most important spender (47%). Municipalities contribute 13% of initial and 14% of final funds for schooling. Provincial governments and local governments finance primary and compulsory secondary schools (HS/NMS/PS). The provincial level is responsible for expenditure on teaching staff, specific pedagogical resources (such as language instruction, SPF), for which most expenses are covered by transfers received from the central level. Municipalities cover costs for operating and maintenance costs of schools. School construction and major repairs are usually co-financed by municipalities and the regional level. Municipalities receive very few transfers to cover their costs. The provincial governments are the main funders for part-time vocational school/apprenticeship (BS). The central government's final funds are spent on AHS and BMHS.



224. For federal schools at lower secondary level (AHS teachers and school maintenance) the 2015 budget provides a total budget of € 552m, and for teachers at general compulsory schools (primary and lower secondary level) a total of € 3,425m. Together with planned funds for the expansion of all-day schooling in general compulsory schools (€ 109m) a total amount of € 3,534 bn is being transferred, i.e. decentralised, which is 86.5% of the federal budget for compulsory education.

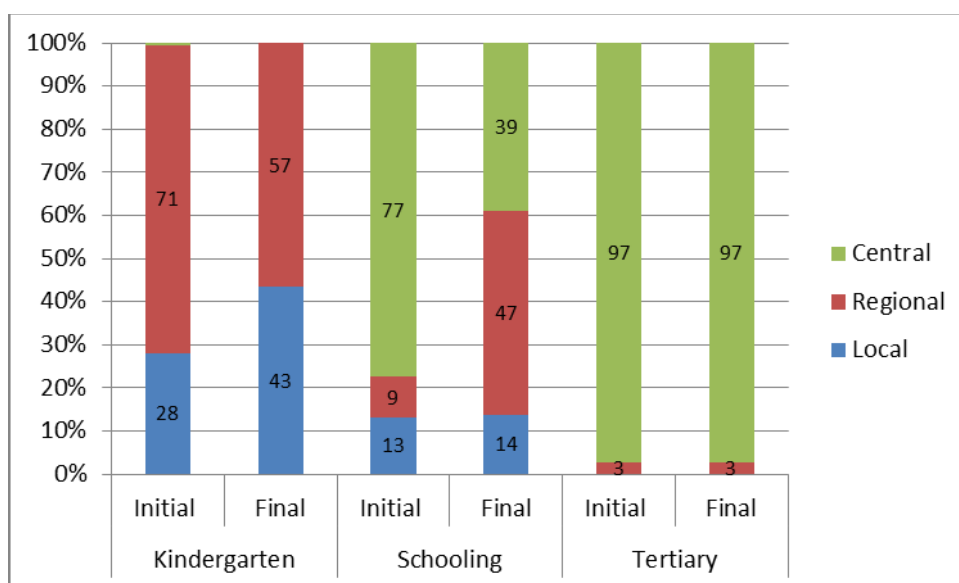
**Table 8: Budget 2015**

Level	Subject	Million EUR	Σ	%
Federal	Federal teachers & provision of federal schools	552.737	552.737	13.5%
Provincial	Provincial teachers	3,425.210	3,534.578	86.5%
	Art. 15a B-VG: Expansion of all-day schooling	109.368		
<b>Total</b>		<b>4,087.315</b>		

Source: Budget 2015.

225. Tertiary education (including teacher training institutions) is financed by the central level. The Federal Ministry for Science, Research and Economy (BMWF) is responsible for universities and universities of applied sciences, the Ministry of Education (BMBF) covers the costs for university colleges of teacher education (PH).

**Figure 16: Public education funds by initial and final sources (2012)**



Source: Based on Table 7.

226. Public schooling in Austria is free of charge (§5 *Schulorganisationsgesetz*). Nevertheless some costs for special school activities, day-care or catering or for learning materials can incur for households. For example, according to a survey carried out by a parents' association in 2015, parents of upper secondary pupils in Vienna have to bear an annual cost of € 319 on average for

additional textbooks, laptops, etc.<sup>20</sup>

227. All-day schooling and afternoon care are usually not free of charge: In a 2012 survey the monthly median costs per student in all-day schooling (including meals) in grade 8 were 100€, with a range from less than 26€ for the students in the lowest priced quartile to more than 170€ in the top quartile.
228. For afternoon care, schools reported in the survey monthly median costs for students (including meals) of 120€. The range is from less than 84€ for the students in the lowest priced quartile to more than 168€ in the top quartile (calculations based on BIST-Ü, M8, 2012).
229. Private schools may charge fees at the primary or secondary level. Of the students in private schools in grade 8, 49.9% are in schools charging 100 to 200€ per month (on average per student), 37.0% in schools charging less than 100€ and 10.4% more than 200€. Just 2.8% are in private schools that are tuition free (calculations based on BIST-Ü, M8, 2012).
230. The contribution by other private entities to the expenditure of the government-independent institutions at the primary and secondary level of education is relatively small, ranging from 4.9% of expenditure in lower secondary education to 10.2% in vocational upper secondary education. Relative to the total budget for educational institutions (public and private), contributions are nearly negligible with private entities' contributions being 0.5% for primary and lower secondary and 1.2% for upper secondary (calculations based on Austrian UOE data, 2012).

### 3.3 *Planning of resource use*

231. The following section discusses how responsibilities for resource use are shared with respect to the following tasks: channelling resources to policy priorities; distributing resources across the different levels of education administration; monitoring resource use across the system; managing the teaching workforce; maintaining the school system infrastructure; communicating with the relevant stakeholders about resource use; setting up budgeting and accounting systems; and setting up relationships with contractors and vendors.

#### *Channelling resources to policy priorities*

232. The Federal Government, i.e. the Ministry of Education (BMBF) after negotiations with the Ministry of Finance (BMF), is responsible for providing the means needed to allow for implementation of school policy priorities. Since the late 2000s an overarching priority has been the – knowingly expensive – reduction of class sizes and sizes of instructional groups which is widely consensual among all groups of actors (except most researchers) and is in line with the also consensual basic priority of the expansion of educational resources as a political value. According to this consensus, substantial additional means have been provided for these purposes in the federal budget throughout the last decade, in particular for the NMS reform with its element of team teaching. However, the tight European rules towards the reduction of public deficits have currently reversed the trend, and the financial path towards 2018 demands substantial cuts in educational finance. This means that the priorities set some years ago cannot be carried through, and that austerity politics will create heavy conflicts regarding resources among the various actors.
233. Policy priorities related to pedagogies, learning objectives (curricula) and structures of the Austrian schooling system are formulated and legally adopted at federal level, after intense consultation with the *Laender* school authorities and other stakeholders (notably social partners, teacher unions, parents' associations, pupils' representatives, etc.). Accordingly, the necessary budgetary means for their implementation are negotiated by the Ministry of Education with the Ministry of Finance. Also the *Laender* can develop regional policy priorities or plans within the scope of the legal framework set at federal level and may provide these with budgetary means. This process is however beyond the direct influence of the federal level. An example of such provincial measures would be the annual testing of reading in Vienna and the provision of free

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<sup>20</sup> Source: Verband der Elternvereine an mittleren und höheren Schulen, 2015.

extra tuition (programme 'Gratis Nachhilfe').

234. Another instrument for a more targeted and transparent channelling of resources to policy priorities is the above discussed performance budgeting (*Wirkungsorientierte Steuerung*).
235. Based on the Fiscal Adjustment Act (*Finanzausgleichsgesetz*), a small proportion of the total funding for provincial teachers is earmarked for education policy priorities and objectives. This amounted to around 10% of the transfers for provincial teachers in the school year 2009/2010 (Court of Audit 2012/14). For example, additional funds have been made available for additional teachers at general compulsory schools to enable the application of individualised instruction (particularly in NMS), for remedial language teaching, or for day-care in schools. Furthermore, together the *Laender* receive a yearly lump sum of EUR 25 million for investments needed to adjust to decreasing numbers of pupils, and for SEN measures in addition to the basic funds made available for SEN teachers.

#### *Distributing resources across the different levels of education administration*

236. The key instrument for the distribution of resources across different levels of administration (federal level – *Laender* level - municipalities) for *Landesschulen* is the Fiscal Adjustment Act (see Chapter 1.3). It was already pointed out that this instrument works primarily outside the overall realm of education politics, and mainly includes actors which have substantial influence but are not, however, directly involved in education.
237. All monetary transfers for teaching resources from federal to *Laender* level are earmarked, i.e. have to be used by the *Laender* for teaching purposes only (within staff plans agreed between federal and *Laender* level). As mentioned above, a small proportion of the transfer is earmarked for policy priorities. For details on the funding formula for the calculation of teaching resources see Chapter 4.4. The distribution of resources to federal schools is the sole responsibility of the Federal Ministry and is largely administered by the provincial school boards.
238. Short-term planning for federal schools is a yearly procedure that stretches over several months (from April to October every year) and involves the Federal Ministry, the provincial school boards and the schools (see also Federal Court of Audit, 2013a, p. 50). Schools are equipped with (electronic) planning tools to assess, based on the numbers of enrolled pupils for the next school year, their staff needs in relation to the organisation of classes/groups and distribution of subjects and to make this information accessible for the responsible authorities.
239. Evidence for the long-term planning of resource use (projections of numbers of pupils, required teaching staff, etc.) is mainly generated via the school statistics system (*Bildungsdokumentation*) and Statistics Austria. The key variable for resource planning is the number of (enrolled) pupils. To forecast the need for teachers employed in federal schools, the Federal Ministry applies a staff prognosis model (*Personalprognosemodell*) for medium- and long-term needs which takes into account a number of variables, including demographic prognosis, retirement of teachers, changing staff needs due to policy reforms, etc.
240. In areas where the division of competences between levels of administration would prevent the implementation of federal policy priorities at *Laender* level, specific agreements (based on Art. 15a of the Federal Constitution) have to be negotiated with the *Laender*. For example, such an agreement exists for the expansion of all-day schooling which receives substantial start-up funding from the federal level but is being implemented at *Laender* and municipality level.

#### *Monitoring of resource use across the system*

241. All levels of administration, the federal (Ministry of Education, Ministry of Finance), the regional (provincial governments), and the local (municipalities) are involved in the monitoring of resource use.
242. The Federal Ministry monitors expenditures for infrastructure and teaching staff for federal schools based on information provided by the provincial school boards and by the schools themselves.
243. As regards the monitoring of teaching resources in the *Laender*, a monitoring system was put in place some years ago which provides the Federal Ministry of Education and Women's

Affairs (BMBF) with timely information necessary for resource planning (based on the *Landeslehrer-Controllingverordnung*, which is analysed for this report). The monitoring of other resources invested by the *Laender* and the municipalities (non-teaching staff, establishment and maintenance of infrastructure, staff for school administration) is beyond the competences of the BMBF (see the references in Federal Court of Audit, 2013c). Monitoring systems do also exist at the level of *Laender* but differ considerably (Federal Court of Audit, 2012a).

244. The statistical information for the monitoring of resource use reflects the fragmented administrative and political structures and therefore still includes substantial gaps, in particular concerning firstly the relationship between the financial information and the material information, and secondly the relationship between financial and substantial information about teachers and students. A basic issue is how to include the high proportion of transfers between the levels in a consistent monitoring system. Consequently the lower secondary level with the two categories of *Landesschulen* and *Bundesschulen* cannot be monitored as a comprehensive entity, and also the categories of *Landeslehrer* and *Bundeslehrer* cannot be compared easily. Until recent changes, it was not possible for the federal level to get information about the parameters of the employment of the *Landeslehrer* despite the responsibility to refund the total expenses (Lassnigg & Nemeth, 1999). The presentation of unit costs for lower secondary education combining federal and provincial schools is not yet part of routine reporting and was calculated especially for this report.
245. There are no uniform principles for controlling and budgeting in place across the *Laender* and municipalities. A 2010 initiative by the Minister of Finance to implement the federal performance budgeting rules as uniform budget law also at regional and municipal level was strongly rejected by the *Laender* governments. Currently, a new initiative is taken by the Minister of Finance to increase budget transparency at *Laender* and municipality level. Full information about the resources for infrastructure provided by the municipalities is still not completely available, leading to the demand for better information for the steering of resources in the compulsory school sector in the current proposals for the *Aufgabenreform* of the state administration.
246. The setting up of budgeting and accounting systems for teaching resources involves the federal level and the *Laender*. According to the Fiscal Adjustment Act, the *Laender* have to comply with agreed staff plans (*Stellenpläne*) and to provide the federal level every month with the information necessary for the controlling of staff costs (*Landeslehrer-Controllingverordnung*). The detailed procedure for the allocation and controlling of resources is laid down in orders by the Federal Ministry in agreement with the Minister of Finance and after consultation with the *Laender*.

#### *Managing the teaching workforce:*

247. The teaching workforce for provincial schools (*Landesschulen*), i.e. general compulsory schools, is employed and managed by the *Laender*, which have administrative as well as legislative competences in this context (*Landeslehrer-Diensthoheitsgesetze*, i.e. regulations on the management of the teaching resources). The legislation for the employment conditions of *Landeslehrer* (federal service code for provincial teachers, i.e. regulations on teaching hours, obligations, etc.) is the full responsibility of the federal level (cf. chapter 2.1, and 3.1 on teachers' salaries). As regards federal teachers, the employer and responsible authority is the Federal Ministry of Education; however, administrative tasks (teacher recruitment, deployment of teaching resources to schools, payroll accounting, etc.) are generally managed by the provincial school boards. The NMS differs to some degree: As one element of its pedagogical approach, some AHS teachers are assigned to teach at provincial NMS which is funded according to the general principles for AHS teachers. But this accounts only for a small fraction of the total teaching load at NMS.
248. Five of the nine *Laender* have devolved administration of teachers for general compulsory schools (*Landeslehrer*) from the provincial government to the provincial school board, which – while in principle remaining a federal authority – works for this specific task under the supervision of the provincial government (*Landesregierung*).
249. While school inspection is a federal competence with no explicit resource management function, however, in practice many school inspectors play a (limited) role in resource management for federal schools, and similarly compulsory school inspectors for provincial

schools, as they can to some extent initiate that additional teaching resources are assigned to schools if there is an urgent need (e.g. for children with deficits in the language of instruction). Since the 2013 school administration reform, all school inspectors are now recruited and employed by federal authorities, i.e. the provincial school boards. The previous level of district school inspection has been abolished and transferred up to the provincial school board.

250. Non-teaching workforce (janitors, cleaning and maintenance staff, secretaries, etc.) for provincial schools is hired and paid by the school provider, mostly the municipalities. For federal schools this is paid for by the federal level/by its provincial school boards in their role as contracting authorities.

#### *Maintaining the school system infrastructure*

251. As a general rule, the federal level (BMBF) is responsible for providing and maintaining the infrastructure for *Bundesschulen* (about 550 schools, mainly AHS-U at lower secondary, AHS-O and BHS/BMS at upper secondary level), whereas municipalities are mostly responsible for provincial schools (about 4,500, mainly primary schools, HS/NMS, ASO and PTS and some BS). There are also schools owned and maintained by the *Laender* (about 300, mainly BS and BMS at upper secondary level).
252. Roughly 5% of the schools are owned and maintained by the Roman Catholic and the Protestant Church, and the Jewish Community (in 2013/14 a total of 318).
253. The establishment and closure of schools requires the consultation and involvement of all levels of the administration and can thus be a lengthy and complex administrative procedure (see chapter 4.5).
254. The maintenance of infrastructure for most provincial schools, namely general compulsory schools (APS) lies in the responsibility of the municipalities. This includes heating, water and electricity supply, equipment and teaching materials, etc. For federal schools it involves the Federal Ministry, the provincial school boards and the schools in planning and implementation. The budgetary means are provided by the Ministry (see chapter 3.2).
255. The school inspection (federal competence) is responsible for the monitoring of the pedagogical quality of schooling which implicitly includes infrastructure issues, even though not stated by law (*B-SchAufsG*). In the case of infrastructure of *Landesschulen*, the inspectorate cannot directly address a problem in cooperation with the school but has to involve the respective municipality and if necessary the provincial government as the supervisory authority.
256. A large share of the school infrastructure (buildings) for *Bundesschulen* (around 320 school locations) has been outsourced and is administered and maintained by the Federal Real Estate Company (*Bundesimmobiliengesellschaft*), which is owned by the Federal Republic of Austria. Buildings are rented by the BMBF (see also chapter 3.1). Some school buildings of federal schools are owned by other proprietors, mainly municipalities (BMUKK, 2012b). The costs of textbooks, which are free of charge for pupils and of school transport, which is also free of charge except for a small parental contribution (€ 19.60 per school year), are borne by a fund administered by the Ministry for Family and Youth (*Familienlastenausgleichsfonds*).

#### *Setting up relationships with contractors and vendors*

Federal schools can set up – as part of their autonomy – relationships with contractors and vendors to purchase goods and services necessary for the fulfilment of their tasks ('budget autonomy'). For a broad spectrum of products and services, the Federal Procurement Agency (Bundesbeschaffung GmbH) negotiates framework contracts with contractors and vendors. The logic behind this is to achieve cost savings by purchasing larger quantities. In general, federal schools have to order services and goods (learning materials, classroom equipment, etc.) via the framework contracts of the Federal Procurement Agency.

257. Within a limited scope, federal schools can also enter into contracts with sponsors or rent out rooms and buildings to be used, for example, by a primary school, sports associations or for purposes of adult education (§ 128 a-b *SchOG*). Staff (teaching and non-teaching) cannot be contractually employed directly by a federal school, employment contracts are exclusively concluded by the responsible authority (provincial school board).

258. As regards general compulsory schools (*Landesschulen*), municipalities are responsible for the contracting of non-teaching staff (janitors etc.) and purchasing of services and goods necessary for their maintenance and teaching purposes. Some of the large municipal authorities have developed approaches similar to procurement by BBG at federal level. For example the schools department of the City of Vienna makes use of the city's central procurement department and its 'virtual market' for municipal organisations to order products and services in large quantities. Schools can electronically order teaching and learning materials from a pre-defined 'product basket' (*Warenkorb*).
259. Procurement of textbooks and learning materials, which are provided free of charge for all pupils in Austria (*Schulbuchaktion*) (see above), is logistically organised by the Ministry responsible for family affairs (in the current Government the Federal Ministry for Family and Youth) in cooperation with the Ministry responsible for education, being responsible for pedagogical quality assurance. Schools can order from a central list of recommended textbooks and learning materials, whereby all payments to publishers are executed centrally (e-government), i.e. the schools do not make any financial transfers.

#### *Methods and instruments designed to assess the effectiveness and efficiency of resource use*

260. One important instrument for a more targeted and transparent channelling of resources to policy priorities is the above described performance budgeting (*Wirkungsorientierte Steuerung, WIST*), which was introduced at federal level in 2013 (see also chapter 1.4).
261. At the level of schools there are no specific instruments in place for efficiency assessment because general compulsory schools generally have no (*Landesschulen*) or rather little responsibility (*Bundesschulen*) for budget and teaching resources. How specific teaching resources are used, e.g. for mother tongue instruction, support for at-risk students or resources for team teaching, is difficult to monitor.
262. Econometric cost benefit or cost effectiveness analyses to measure the efficiency of school policies are not carried out or commissioned on a regular basis by the Ministry of Education. An attempt was made some time ago by Lassnigg & Steiner (2001), showing the lack of information at the time, and the difficulties in assessing the costs considering apprenticeship.

### **3.4 Implementation of policies to improve the effectiveness of resource use**

263. Policy making in Austria is very dialogue-oriented due to the strong interwovenness of political actors and organised stakeholders, notably the social partners and trade unions. The almost permanent existence of a grand coalition government over the past 70 years has led to political blockage or lowest-common-denominator compromises in many areas related to school policy. For more details on the typically involved actors see chapters 1.3 and 2.8.
264. All governmental bills in relation to school policy are made accessible to key stakeholders for consultation (*Begutachtungsverfahren*) before they are formally submitted to the legislator. Depending on the topic there can be opinions given by other ministries, provincial governments, stakeholder associations such as trade unions, the Austrian associations of towns and municipalities, social partner organisations, etc. (Republik Österreich, Parlament, 2014b).
265. School pilot projects and policy experimentation have had some tradition in Austria since the 1970s, when a kind of experimental design was set up for the development of comprehensive reform. However, these approaches have always been flawed because academic secondary school (AHS) could not be included in the trials. Moreover, the envisaged reform has been implemented only in the sector of general lower secondary school, mainly introducing ability grouping in the main subjects. Since this time, a practice of trials (*Schulversuche*) has been established that is used rather for the purpose of reform and is not systematically monitored or evaluated. Since the 1980s an approach of school development based on concepts of action research has flourished (Altrichter, & Posch, 2007), leading to some duality between this kind of qualitative micro-level school development (represented in an exemplary sense by the IMST project (see IMST 2015), and more formal quantitative approaches which somehow transferred into large-scale assessments, and then the creation of BIFIE. Because of the mechanisms of reform blockage at macro-level, a culture of trials has flourished before the legal rollout and implementation of school policy; however, mostly these trials lack systematic control. Moreover, pilot projects often do not

overcome the legislative hurdle and in many cases they have achieved quasi-permanent status (see chapter 2.8)

### 3.5 Main challenges<sup>21</sup>

266. In addition to the three challenges discussed in 2.8, a fourth challenge has come up recently with the imperative of reducing the deficit of the public budgets agreed at the EU level, which includes an increased emphasis on an assessment of total public financing and the full inclusion of federal, *Laender*, and municipality budgets as well as stronger restrictions on ‘outsourcing’ public financing to separate bodies. This challenge is deepened by serious budgetary problems due to the bankruptcy of a regional bank and the liabilities taken by the respective provincial government which reach the level of billions of euros.
267. Against this background, a path for the fiscal consolidation of the overall budget has been defined, and is being updated on an annual basis by the Ministry of Finance and approved by the Government, which sets targets for the individual ministries. In education, the expenditure path has flattened considerably compared to previous periods, when every year substantial additional funds were negotiated and provided. This implies quite substantial budget cuts in the short run. As most of the money goes into personnel costs, there is very little room left for manoeuvre to reduce expenditure. Proposals to increase the in-class workload of teachers are debated on a regular basis but have so far found no consensus in the Government.
268. In addition to the above discussion of the main challenges of governance in education policy and politics, here we can summarise more concretely the challenges for the use of resources at the school level. From institutional economics two aspects are important to consider: Firstly the combinations of public-private and centralised-decentralised funding structures which have complex influences on equity (D. Checchi), secondly the recommendation that the amount of resources should be determined at a certain distance from the school level. However, the use of this (given) amount should be determined as much as possible at the school level (Bishop & Woessmann, 2002). In Austria most funding is provided publicly, in the discussed split of federal and *Laender* responsibilities. The main channel of funding is the allocation of teacher resources to schools, which is determined by the federal and *Laender* levels. Even the selection of teachers is not under the responsibility of the school. The smaller proportion of resource allocation to infrastructure is determined by the municipalities and the federal level, for the municipalities much influenced by the negotiations about the general fiscal adjustment (*Finanzausgleich*) and outside of the realm of education politics.
269. A main challenge is that, in this split structure, an overview of the use of resources is difficult to obtain because of significant data gaps. Firstly, whereas the information about financing has been improved substantially, it is still not transparent enough to allow for interpretation of the categories in a comprehensive way, and the financial information is not clearly linked to categories of provision. Secondly, the information about teachers cannot be related to the information about students and infrastructure on a more disaggregate level, therefore the resource use at school level cannot be identified accurately. Thirdly, the resources used for administration and management cannot be clearly identified because they are to some extent included in the work of teachers, and also the responsibilities of school leaders include inter-linked responsibilities of administration, pedagogy and teaching; in fact it is not known what proportion of allocated teacher resources is really used for the leader tasks of teaching and learning.
270. The reporting of unit costs by province and school type – with data being estimated separately for lower and upper secondary education as done in this analysis – is not standard in Austria and is done for the first time in the context of this country background report. Reporting of costs by level rather than school type is still a domain of international reports. Even though resource issues are frequently under debate, available evidence remains unused or underused.

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<sup>21</sup> This chapter is an *external* assessment of the main challenges, provided by the Institute for Advanced Studies (IHS)

271. Against this background, the available information does not really allow for identifying how the discrepancy between the relatively high expenditure and the rather mediocre test results is related to the resource use at school level. Therefore this discrepancy will remain a source of discontent and conflict which hampers school improvement. The basic assumption in Austrian education politics that every problem is due to a lack of resources is systematically flawed because the level of resources is clearly quite high and in addition has also been substantially increased in recent times. It must also be considered that most additional resources have been used to increase teaching force, so the argument that teachers are key for success has been implicitly taken into account in Austrian politics. Yet, due to a lack and underutilisation of data on education finance, the public debate is frequently using class size figures as proxy for resources, partially masking the true resources available at schools, as shown in Chapter 5.
272. In sum, a first main challenge concerning the use of resources at school level would be to have better information on how resources are used, and on the reasons for the discrepancy between high expenditure and mediocre results. Until this question can be answered more clearly, an increase of resources should not be envisaged in any area.
273. Given the overall constellation, a second challenge would be a substantial shift of responsibilities to the school level combined with a respective increase in responsibility for the decisions taken and a clear profile of quality aspects. This would need a very careful design given the many hindrances inherent to the current structure. Proposals in this direction are available; however, they remain on a much too general level in order to be effective. In formulating such a solution, Austria can build on the experience of other countries, which already took measures a long time ago (e.g. the material from the OECD GCES project can be used for this purpose). A main question is whether a satisfactory solution would need a shift in regime and cannot be achieved by incremental changes only. The current approaches of improving the professional practice, such as SQA, QIBB, and IMST, are starting points from which the structural needs and hindrances could be analysed, with solutions being developed from the practice level rather than from the political level. The use of evidence could be infused more directly into practice at this level.
274. A basic question concerning this challenge is again related to the distribution of responsibilities between the federal and the *Laender* level. Various proposals to disentangle the rather complex structure of shared responsibilities and financing are being discussed.<sup>22</sup> The Federal Government has recently appointed a commission for educational reform (*Bildungsreformkommission*) to discuss these proposals among other topics related to education politics and to give a recommendation for a new governance structure by autumn 2015.
275. A third challenge is that a reform of the Austrian governance system must be based on a clear account of how the existing system works, and what its pitfalls are and how the practice can be improved, instead of looking at the complex and complicated distribution of responsibilities on paper, and to try to solve these problems on paper rather than at the level of practical governance. As proposed in the previous section, the four interrelated dimensions (distribution of responsibilities; school autonomy; industrial relations; *Finanzausgleich*) should be taken into account and brought into a reasonable comprehensive structure.
276. The existing governance system includes fundamental hindrances for political planning according to priorities. The fragmented and interlocking responsibilities among the state and non-state actors (trade unions) as well as the basic regulatory structure make the effective formulation

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<sup>22</sup> One recurring proposal in political debates concerns a further shift of responsibilities for provision to the *Laender* level, and reducing the responsibilities of the federal level to strategic functions. Such a move could, on paper, reduce the overlaps of responsibilities; however, it could aggravate the division between financing (still by the federal level) and provision (shifted to the *Laender* level). As a consequence of the above-mentioned expansionary logic, this proposal could give leeway to the political concept of increased resources as a solution for problems. A shift of these responsibilities to the *Laender* level can only be successful in terms of higher resource effectiveness if the *responsibility* for generating the necessary resources is also shifted to the *Laender* level by giving them the right to collect the respective taxes. The increased responsibility for implementation at the *Laender* level would also shift the issue of school autonomy to this level and therefore very likely prevent a common approach to this main challenge.



of political priorities difficult, and diffuse in particular the relationship between priorities and the use of resources. As has been argued already, a major resulting dynamic in this system is the basic trend towards an ever expanding education budget which severely counteracts considerations of effectiveness and efficiency. The breaking of bureaucracy by federalism and the lack of autonomy and concentration of resources at the school level also weaken the relationship of resource allocation to practice.

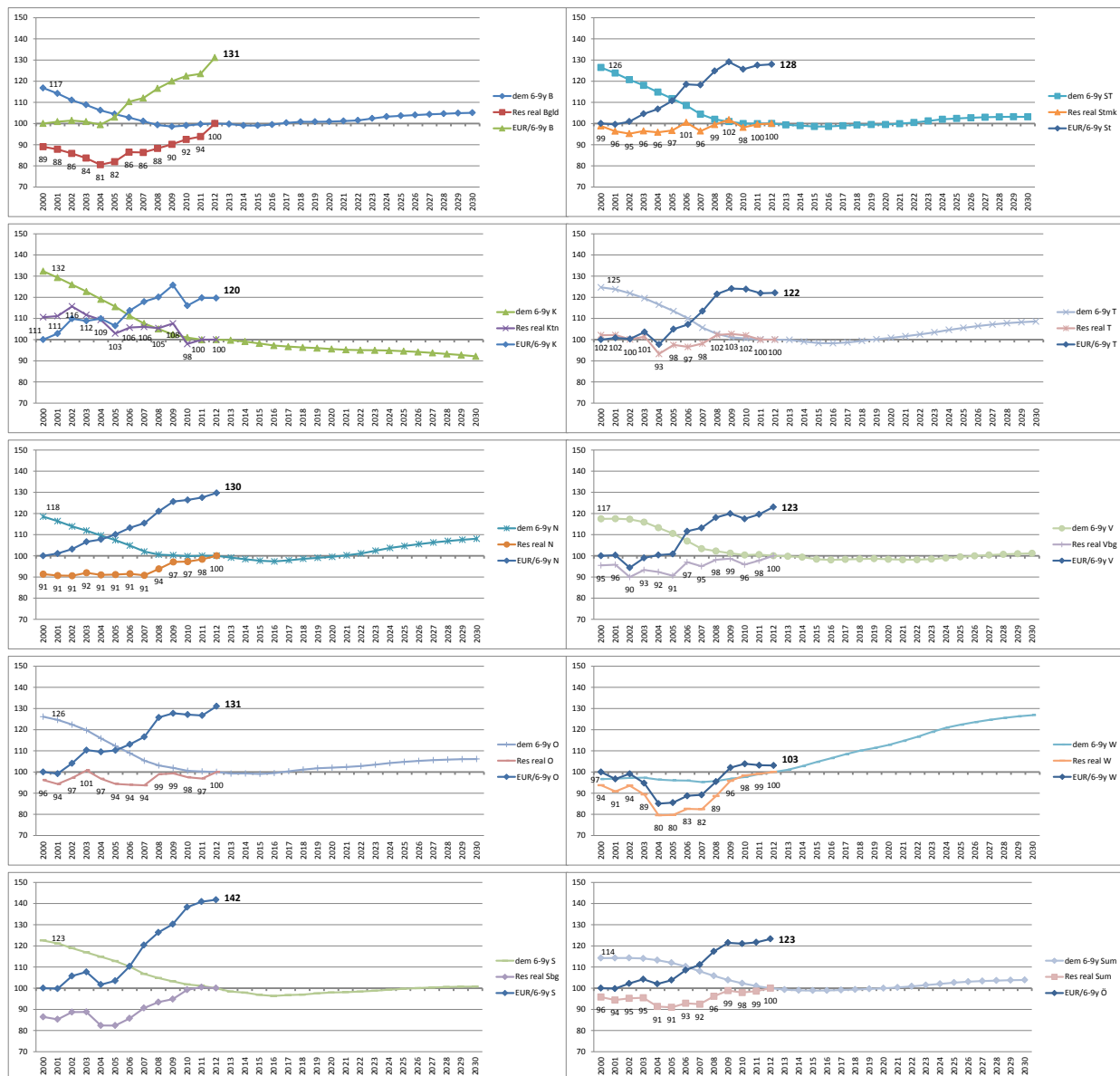
277. The analysis of regional differences in the development of the various parameters does not provide meaningful systematic patterns but rather gives an erratic picture. This is plausible because mechanisms that would clearly channel resource use towards defined priorities do not exist. A basic mechanism that guides the allocation of resources is incrementalism, meaning the yearly updating of what has already been there before (substantial redistribution does not seem possible, even if the parameters would point to such needs, as indicated by the different demographic developments between Vienna and the other *Laender*).

## Chapter 4: Resource distribution

### 4.1 *Distribution of resources between levels of the education administration*

278. Almost the entire educational budget is decentralised and managed at different levels of the education administration. For federal schools, the management of resources is in the hands of the Federal Ministry and the decentralised provincial school boards, which are formally federal authorities in the *Laender*. For provincial schools, funds are transferred to the provincial authorities and managed by the offices of the provincial governments.
279. Transfers are based on the Fiscal Adjustment Act (*Finanzausgleichsgesetz*), see Chapter 1.3. Details on the transfers of funds between levels of government are discussed in Chapter 3.3.
280. Based on the division of competences for schooling, funding is more decentralised for general compulsory schools (APS), i.e. while the funding for teaching resources for general compulsory education is transferred from the federal level to the *Laender* authorities, funding for non-teaching staff and establishment and maintenance of infrastructure has to be provided by the municipalities, often with support from the provincial governments (see chapter 4.5).
281. There are also transfers between municipalities for students attending schools outside their municipality. Municipalities have to pay compensation/a contribution for each of their children to the municipality that maintains the attended school. This is especially relevant for municipalities without schools.
282. An analysis of the relationship between demographic development and the allocation of resources in the sector of primary schools has shown that the schools in *Laender* with a demographic decline have earned a substantial 'demographic dividend' by increasing their resources per pupil in an amount similar to the decline, whereas Vienna had to suffer a 'demographic penalty' as the favourable demographic development was not related to an increase in resources (despite a high part of population growth was caused by immigration).

**Figure 17: Comparison of demographics and resources in primary schools by Land (6- to 9-year-olds and resources for primary school index 2012 = 100, relation resources/age group index 2000=100)**



## 4.2 Distribution of financial resources across resource types

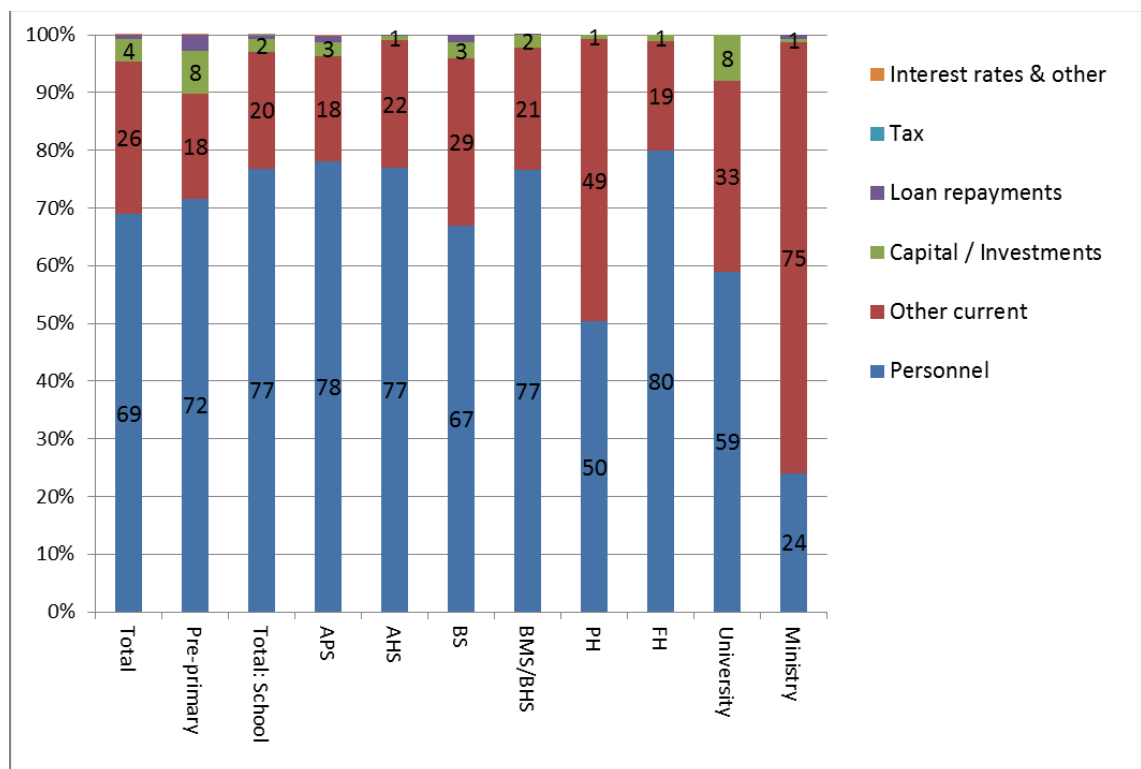
### Capital and current spending

283. Most of public expenditure on educational institutions in 2012 was 'current expenditure'. According to international comparisons, only 1.9% of Austria's total expenditure for primary, secondary and post-secondary non-tertiary educational institutions was 'capital expenditure'. This is substantially lower than capital expenditure in the average of OECD countries (7.4%) and EU21 countries (6.6%). At the tertiary level capital expenditure was higher, but at 7.4% also about 3 points below the averages of the EU and OECD. Not reported in the international comparison is the pre-primary level, but according to national statistics the share of capital expenditure is higher

for pre-primary education, at 8% (see Figure 18).

284. National statistics allow a separate look at mainly federal-financed schools (AHS, BMHS) and *Laender*- and municipality-financed APS (see Figure 18). Yet, no substantial differences exist between types of schools. In total, 4% of public expenditure on institutions is capital expenditure, driven by the pre-primary and tertiary institutions.

**Figure 18: Education expenditure by resource category and type of institution (national classification)**



Source: Statistics Austria, 2014c.

#### *Other current spending on institutions*

285. For primary, secondary and post-secondary non-tertiary educational institutions in 2012, three quarters of current expenditure on schools was on personnel, 73% at the primary level, 77% at the secondary level (OECD, 2014a). This is a share slightly above the OECD average, yet the distribution of personnel costs differs from the average OECD pattern in the respect that in Austria the cost for teachers is higher while the share of expenditure on other staff is substantially below the OECD average, especially at the secondary level: 12.6% in primary schools compared to an OECD average of 15.5% and 8.6% for secondary schools compared to the average of 15.0%.
286. There are just minor differences between types of schools according to the national classification. Part-time vocational schools (BS, i.e. the school-based part of the dual VET system) have a higher share of other current expenditure than other schools (29%). Vocational and academic general schools (AHS/BMHS) show no difference. Publicly funded APS have a smaller share of expenditure on other current expenditure (18%) than AHS, yet this shows differences in the absolute size of funds for non-staff expenditure, since considering that APS in secondary education are more expensive per student, the smaller share represents a similar absolute amount of non-staff expenditure.

### 4.3 Distribution of resources between levels and sectors of the school system

287. Expenditure on primary education and lower secondary education accounted for 39% of public education expenditure in Austria in 2011. This share decreased slowly after 2000, when it was 45%, indicating that expenditure for those levels grew more slowly than for other levels, but not indicating a decrease in spending. The share of expenditure for upper secondary education remained relatively stable between 22% and 24%. A substantial increase can be seen for pre-primary education and for tertiary education.

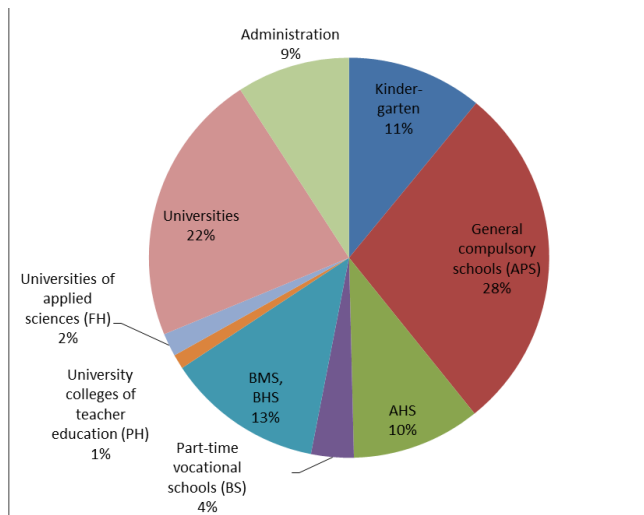
**Figure 19: Trend in the distribution of expenditure by level of education (international classification, 2011)**



Source: Statistics Austria, 2014c.

288. Figure 20 shows the distribution of public expenditure by national type of institution. The biggest share is for APS. This chart also allows for estimating the share of expenditure for general education and vocational schools at the upper secondary education level and post-secondary non-tertiary levels of education.
289. Vocational and pre-vocational education programmes in Austria exist at the upper secondary education and post-secondary non-tertiary education levels. For the latter, all programmes are vocational. Vocational education is the most important sector in upper secondary and post-secondary non-tertiary education, together 75% of students are at these combined levels (2011/12, UOE).
290. Public expenditure on vocational education institutions at the upper secondary and post-secondary non-tertiary education level accounts for 77% of total expenditure at that level. A share that is only slightly different from the share of enrolment. This indicates that costs for vocational education per capita are not substantially higher than for general education, yet here it must be considered that part of that part of students, but not a majority, are enrolled in part-time vocational schools, and the current net expenditure for the enterprise-based part of apprenticeship is not known. The costs and benefits of apprenticeship have only been analysed once, indicating on average a small amount of net costs for enterprises (much smaller than in Germany; however, no net gains as in Switzerland (Lassnigg & Steiner, 1996, 1997)).
291. About 7% of public spending on upper secondary and post-secondary non-tertiary education is for transfers and loans to the private sector. Here 95% of the amount is spent for vocational education.

**Figure 20: Distribution of expenditure by national type of institution (2012)**



Source: Statistics Austria, 2014c.

#### **4.4. Distribution of resources across individual schools**

##### *Landesschulen (general compulsory schools, APS)*

292. The general principles for the transfer of funds from the federal to the *Laender* level for teaching resources for general compulsory schools (*Landesschulen*, APS) are set out in the *Finanzausgleichsgesetz* (Fiscal Adjustment Act). For grades 1-8, the Federal Government fully compensates the *Laender* for their expenditures on pedagogical staff within the limits of staff plans approved by the Minister of Education and the Minister of Finance. The applied funding formula for the establishment of staff plans includes the following parameters:

- a. Basic contingent of teachers, based on numbers of students and adjusted for type of school, i.e. primary schools: 14.5 pupils/teacher, general secondary schools 10 pupils/teacher, special needs schools: 3.2 pupils/teacher<sup>23</sup>.
- b. To cover the higher resource needs for special needs education, the 3.2 pupils/teacher formula is flat-rated to 2.7% of all pupils, who are deduced from the basic contingent
- c. Additional means are earmarked for policy priorities such as language support classes, day care, class-size reduction to a maximum of 25, etc. (e.g. in 2010/11 there were 10 different priorities for which additional teaching posts had been earmarked).

293. In 2009/2010 the basic contingent of teachers accounted for 91.2% of the planned for teaching posts, and 9.8% was for the other earmarked resources including those for special needs education. This share has increased substantially since 2006/7 when it was 3.1% (*Rechnungshofbericht* 2012/4, pp. 45).

294. There are no general (= nationwide) regulations for the distribution of these resources to general compulsory schools (APS) by provincial governments as these establish their own procedures/principles for the development and implementation of staff plans. The Federal Ministry has no influence on the amount of resources deployed to an individual *Landesschule*. Funds provided on the basis of the assumed number of pupils with special needs or language support classes are not fixed earmarked and therefore not subject to controlling by the Federal Government.

<sup>23</sup> 'Paktum zum Finanzausgleich 2001' BGBl. I Nr. 3/2001 and BGBl. I Nr. 4/2001.

295. During the school year the Federal Ministry of Education also covers the excess sums of salaries if the *Laender* exceed the pre-set staff plans. This happens regularly and to a rapidly increasing extent (between the school year 2005/06 and 2009/10, the number of teachers employed in excess of agreed staff plans increased from 740 to 2,000). Whereas the *Laender* have to retransfer funds to the Federal Ministry at the end of a school year to compensate for excess payments, the amount of the compensation is calculated on the basis of the salary level of a novice teacher (see *Landeslehrer-Controllingverordnung*). Since the *Laender* also hire many experienced teachers at higher levels of the salary scale, the compensation usually falls short of the real cost advanced by the Federal Ministry. This results in an average (negative) balance for the latter of around € 30m a year.
296. The Federal Court of Audit (2012a) noted that in the area of dual VET schools (BS), which are run by the *Laender* with an only 50% staff refund from the federal level, expenditures for teachers had not exceeded but rather fallen short of agreed staff plans in the school years 2006/07–2009/10.

#### *The role of catchment areas in resource distribution*

297. The legal instrument at the provincial level for the distribution of resources (staff and infrastructure) to general compulsory schools (APS) is the establishment of *school catchment areas*. For each APS, the *Laender* governments define a catchment area, which assigns the pupils of a geographical region to this specific school. The aim is to distribute pupils evenly across the school network and increase planning certainty (notably for long-term investments in infrastructure). Within their respective area, parents have full autonomy for choosing a school. Upon the application of the parents, the school authorities can grant exemption from the catchment principle to enrol at a school in another catchment area (e.g. in the *Land* of Styria this applies to 6% of all pupils in general compulsory schools). This usually requires a heavy administrative procedure that involves the concerned municipalities as well as the schools and the *Laender* authorities. One way that is chosen by some *Laender* to reduce the administration for school choice is to group together a number of catchment areas into larger areas (*Berechtigungssprengel*) within which pupils are entitled to enrol at the school of their choice.
298. Municipalities which do not provide their own schools have to pay compensation/a contribution to other municipalities.
299. The Federal Court of Audit (2012b) criticised that the devolution of the right to define catchment areas to the level of provincial administration appears to put limits on the potential synergies from cross-region catchment areas. In another report, the Federal Court of Audit (2014b) found that at least some *Laender* had established cross-province catchment areas. The Austrian Association of Municipalities strongly opposed a 2008 proposal by the Federal Ministry of Education to abolish all catchment areas (Kosak, 2008).
300. Resources for different school types, serving students at the same level of education in the same region, especially at the secondary education level, are allocated by distinct mechanisms, and different but interrelated sectors and regions follow different rules. Therefore the school types are discussed separately.

#### *Resource allocation for Bundesschulen*

The resource allocation for *Bundesschulen* is planned and implemented by the Federal Ministry and the provincial school boards, schools have to deliver data on the numbers of pupils that have enrolled.

Teaching resources (measured as ‘value units’) are allocated by the Ministry to the provincial school boards, which redistribute these to individual schools. Criteria of the funding formula include the number of pupils and class size and there are also earmarked value units for all-day schooling, pupils with SPF, etc. Only a very limited share of teaching resources is earmarked for specified schools. The redistribution to individual schools takes into account specificities of schools such as the number of pupils with a migration background, language deficits, etc. where differing procedures and criteria are applied by each of the 9 provincial school boards.

301. The allocation of resources for capital goods (*Investitionsgüter*) is based on federal planning (Ministry) and distinguishes between current investments (new acquisitions or replacement acquisitions to maintain the operability of the school) and extraordinary investments (equipment for newly constructed buildings). As part of their autonomy, federal schools are

responsible for all investments and have to comply with public procurement rules. For extraordinary investments they have to cooperate with the provincial school board and seek agreement from the Federal Ministry.

302. At school level, a budget plan for current investments has to be elaborated for each school year and requires consultation of the staff members concerned. Controlling for all expenditures (current and extraordinary investments) rests within the sphere of the provincial school boards. Budgetary planning for extraordinary investments is based on a rolling plan/programme covering 3 years and is done by the Ministry in accordance with the provincial school boards.
303. Financial means for schools are transferred from the Ministry to the provincial school boards, which allocate budgets to individual schools.
304. To estimate the medium-term budgetary needs for replacement investments, the *Laender* school authorities have to regularly provide the Ministry with data from the schools. As regards investments in new infrastructure or modernisation of infrastructure, the planning tool for federal schools is the school development plan, see paragraph 315.

#### *Private schools*

305. Private schools can also be granted public subsidies in the form of teaching staff including the school leaders ('living subventions'), if they meet the following criteria:
- a. They are recognised by the school authorities as private schools that meet the teaching and learning standards of public schools and thus are entitled to organise public exams (*Privatschulen mit Öffentlichkeitsrecht*),
  - b. There is a public need for this school,
  - c. The school is non-profit oriented,
  - d. The criteria for school enrolment/entrance correspond to those in public schools.
306. A specific rule applies to confessional private schools which are maintained by legally acknowledged churches or religious communities, as well as to private schools that are run by foundations or associations, if they are acknowledged as 'confessional' private schools by the responsible confessional authority. Based on a contract between the Republic of Austria and the Holy See (1993 Concordat), these schools are *legally entitled* to receive public subsidies in the form of pedagogical staff (see *PrivSchg*).

#### *Regions or localities with specific or greater needs*

307. There are no general mechanisms for redistributing additional funding to regions or localities with specific or greater needs. To some extent the additional teaching resources for the main subjects in NMS could be considered as a mechanism for targeting additional resources to schools whose students come, on average, from a less advantaged socio-economic background compared to the lower secondary level of AHS. This mechanism does not however account for the differences in the socio-economic composition of individual NMS within the group of this school type, which primarily depends on whether a specific NMS is located in a rural or urban area.
308. To some extent the school authorities responsible for federal schools (provincial school boards), *de facto* often the school inspectors, have discretion to allocate additional teaching resources to school locations depending on geographical features or the composition of the pupils, e.g. migration background, deficits in language of instruction (see sub-chapter on school inspection in 5.7).
309. Recently a formula funding model based on an index of the social composition of schools has received increasing attention and support from civil society organisations, e.g. 'Armutskonferenz', 'Bildung Grenzenlos', the Austrian Chamber of Labour and Austrian Economic Chamber. This model was developed by researchers (Bacher, see Bruneforth et al., 2012, p. 198) and uses indicators of the social composition of schools. A political debate has been initiated by the Minister of Education to trial, within a limited area, such a new funding formula for schools that takes into account the socio-economic background of pupils. A working group is currently further developing proposals for such funding mechanisms based on a socio-economic index, but a decision on the implementation of such a pilot trial has not yet been made.



## 4.5 Distribution of school facilities and materials

### *The network of general compulsory schools (Landesschulen)*

310. According to the Federal Act on the Maintenance of Compulsory Schools (*Pflichtschulerhaltungs-Gesetz*), the *Laender* are responsible for the implementing legislation regarding the organisation of the school network for pre-primary schools, primary schools, HS/NMS, pre-vocational schools, BS, special needs schools and specific institutions such as boarding houses.
311. The federal law establishes only broad framework criteria for the establishment, maintenance and closure of schools as well as the school infrastructure and the payment of costs (see also Table 3). All detailed provisions including the criteria for minimum sizes of schools and their geographical distribution, i.e. distance between the area of residence and the nearest school, are laid down in provincial implementing legislation and differ considerably from *Land to Land*.
312. The above described instrument of *school catchment areas* also has important consequences for the decisions on the school network.

#### ***Examples of criteria for the existence/establishment of schools in Laender legislation***

The Vienna School Act ('Wiener Schulgesetz') lays down the following regulation for the establishment/existence of a primary school (§32 Wiener Schulgesetz): On average (over 3 years) at least 30 children in each of the grades 1 to 4 shall have their permanent residence in a specific area with a positive projection that the demographic development will be stable over the next 3 years. In addition, the next available primary school should not be closer than within a maximum walking distance of 2 km or 45 minutes by public transport.

A different approach can be found in the Compulsory School Act of Lower Austria (§ 17 *Pflichtschulgesetz Niederösterreich*), according to which a primary school has to exist where, over a 3-year average, 30 children live in an area with a 'reasonable distance' to this school and where no other school can be reached by public transport within a reasonable time. If these criteria are not met, a 'temporary primary school' or 'branch' classes from another school can be established and maintained in this area. In the *Land Vorarlberg* the distance criterion refers to a maximum of one hour walking distance (§5 'Schulerhaltungsgesetz Vorarlberg').

The Federal Court of Audit (2014b) has criticised that in some *Laender* the definition of what appears to be a 'reasonable' distance to school is not specified in the regulatory framework.

313. There are no legislative acts that provide for the coordination and use of synergies regarding the infrastructure of *Landesschulen* and *Bundesschulen* at the same location. Coordination and cooperation exists (often for instance regarding sport facilities) but is not compulsory for the authorities, and the extent to which it occurs has not been evaluated systematically (Rechnungshof 2014/12).

### *The network of Bundesschulen*

314. The schools organised by the federal level (AHS, BMHS, etc.) are not subject to these criteria because enrolment is, in principle, regulated by access criteria (based on achievement, entrance exams, etc.) but not by catchment areas. Also the number of locations is much lower and therefore they cover larger geographical areas.

The establishment of a new federal school is planned and adopted by the Federal Ministry in close cooperation with the provincial school boards, which assess the need and priorities for infrastructure investments in their regions (see also para 315 regarding the *Schulentwicklungsplan*).

### *Investment in school facilities and materials*

315. The Federal Government has adopted a long-term school development programme for federal schools (*Schulentwicklungsplan*) for the decade 2008-2018. The focus is on the modernisation of existing infrastructure and school architecture to provide students and teachers with adequate classrooms and workplaces. In addition, significant investments are being made in infrastructure to enable the implementation of the educational concepts needed to expand provision of all-day schools and school-based day care (Eurydice, 2014).

316. Funding measures: Of the total of € 1.662 bn made available by the school development programme, € 577.3m has already been spent on construction projects that have been completed, while projects with an investment volume of € 379.85m (2013) are currently under construction. Between 2008 and 2018, some 270 construction projects at federal schools will be implemented with a total value of € 1.662 bn. Thus by 2018, one in three federal school sites will have been extended, completely refurnished or newly built. Investments will be transferred to the owners of the school buildings, i.e. the Federal Real Estate Company and others, mainly municipalities, via (increased) rental payments.
317. Another major investment programme aims at the expansion of all-day schooling. An Art. 15a B-VG agreement with the *Laender* governments was renewed in 2014 to make start-up funding also available for the years 2015 to 2018 in the amount of € 375m for infrastructure such as construction and adaptation of group rooms, refectories, kitchens, playgrounds, etc.
318. The *Laender* governments have in place regional programmes to support municipalities in the construction and renovation of schools (e.g. ‘Oberösterreichischer Schulbaufonds’, ‘Niederösterreichischer Schul- und Kindergartenfonds’, ‘Wiener Schulsanierungspaket 2008-17’ (Wien - Magistratsabteilung 56, 2015)). The adequacy of school infrastructure in relation to type of school is subject to regional legislation (e.g. *Pflichtschulgesetz* of Lower Austria) and can be further broken down into detailed guidelines for school construction and room equipment (see, for example, *Amt der niederösterreichischen Landesregierung - Abteilung Schulen*, 2013). Expert commissions are established to assess the suitability of planned infrastructure.
319. The quality and state of construction of individual general compulsory schools is monitored by the *Laender* authorities (infrastructure databases for all buildings owned by the municipalities, including schools, exist for example in Upper Austria and Styria, see *Rechnungshof 2014/12*, p. 82).
320. With a view to the continuous improvement of infrastructure and architecture of schools, Austria is also participating in the OECD Center for Effective Learning Environments (CELE/LEEP programme).

#### *ICT use and learning materials*

321. Equipping schools with ICT infrastructure for both administrative and pedagogical purposes is the task of the responsible school operator (*Bund, Land, municipalities*). The Federal Ministry is responsible for around 530 schools which are all ‘large’ schools. For a number of years the Federal Ministry has aimed to reduce the burden of schools with a view to supporting administrative services by providing ‘shared services’ (e.g. centrally maintained and hosted learning platforms) and standardised applications (e.g. harmonisation of administration programmes of schools by providing a new, centrally maintained system). Framework agreements (e.g. for general licences for standard software products) are concluded to achieve cost savings – an approach which is also pursued by some of the *Laender*. The Federal Ministry aims to further broaden such offers to reduce the administrative burden of federal schools and increase resource efficiency.
322. Knowledge transfer between schools (primary and lower secondary level) on an innovative and sustainable use of ICT in teaching and learning is taking place within thematic e-learning school networks. Some peer learning models have been developed within which innovative and already advanced schools support and advise schools that have not yet had e-learning experiences. The Federal Ministry supports the exchange between schools and teachers in the framework of specialised networks such as the teachers’ network for primary schools (IT@VS), the networking platform for e-learning coordinators at NMS, and the community forum for IT administrators. Furthermore, the new approach to IT system maintenance at federal schools (one administrator is responsible for several schools in a region) supports knowledge and information transfer.
323. The use of ICT tools in the education system is based on the strategy ‘efit21-digital education’, which is the umbrella for all ICT initiatives and embraces all aspects, from pedagogy to infrastructure and administration. Performance targets (see chapter 1.4 on performance-based budgeting) are to enhance the quality of education, the achievement of digital competences by pupils and teachers, and to enhance the efficiency of administration. ICT is part of key education policy measures such as e.g. competence-oriented learning and teaching by making use of ICT, or a focus on e-learning in NMS. Key areas are competence achievement, framework conditions for

modern contents, teacher education, centralised ICT offers for schools and standardisation and consolidation of IT-applications in administration.

324. Evidence on the impact of the strategy and its initiatives is provided by international studies such as, for example, the Survey of Schools: ICT in Education (European Commission, European Schoolnet, & Université de Liège, 2013). The Federal Ministry collects information on the equipment and use of ICT in schools at regular intervals, which builds the basis for the further development of efit21.

325. Textbooks are free of charge for all school pupils in Austria (including those in publicly acknowledged private schools, see chapter 3.3). The Austrian textbook programme (*Schulbuchaktion*) is covered by the national fund for the support of families (*Familienlastenausgleichsfond*<sup>24</sup>) and jointly implemented by the ministries responsible for family affairs (logistics, funding) and for education (pedagogical and didactical aspects). Schools can order textbooks from approved lists (around 8,000 different titles) within a predefined limit per pupil, grade and type of school, and the textbooks are the property of the pupils. Up to 15% of the limit can be spent on other learning materials such as learning games etc. The whole procedure is IT-based, including payments to publishing companies (*Schulbuchaktion-online*). For about 1.2m pupils every year around 8.2m textbooks are provided free of charge for a total of about € 100m (BMUKK, 2012c; www.schulbuchaktion.at).

#### School size

326. The average school size in Austria varies across the *Laender*, which is also a consequence of the structural differences between *Laender*, i.e. the different weight of densely or thinly populated areas. On average, primary schools (VS) have 107 students per school, with the average school size ranging from 57 in Burgenland to 248 in Vienna. Lower secondary general schools are on average bigger in size. AHS and upper secondary schools in general are substantially bigger, peaking at a small number of colleges for higher vocational education (BHS) with more than 2,000 pupils enrolled. Table 9 shows the average school size by *Laender* and school type. Since the data are categorised by level of education, it must be considered that AHS and upper secondary vocational schools typically have more students than indicated in the table, since one location covers different levels or types. For example, most AHS provide lower and upper secondary education in one physical location.

**Table 9: Average school size by Land and school type (2013/14)**

State	Total	Primary school (VS)	HS	NMS	SEN-School (SS)	PTS	AHS-Lower secondary	AHS-Upper secondary	Other general schools	Part-time vocational (BS)	Middle vocational (BMS)	Other vocational	Higher vocational (BHS)	Non-university teacher education (BAKIP /BASOP, ...)	Health schools
<b>Austrian average</b>	<b>189</b>	<b>107</b>	<b>116</b>	<b>124</b>	<b>46</b>	<b>66</b>	<b>403</b>	<b>265</b>	<b>68</b>	<b>815</b>	<b>114</b>	<b>112</b>	<b>439</b>	<b>310</b>	<b>85</b>
Burgenland	120	57	78	148	30	32	393	226	26	561	70	188	412	428	48
Carinthia	183	88	115	183	22	103	466	240	88	795	107	292	453	524	115
Lower Austria	163	100	98	105	38	50	447	247	36	775	123	61	388	283	65
Upper Austria	189	105	116	115	39	67	392	256	38	998	107	127	452	310	80
Salzburg	199	115	162	123	69	62	359	257	101	761	106	85	387	309	87
Styria	169	91	100	100	30	54	384	278	49	937	84	117	400	255	89
Tyrol	148	75	109	131	48	55	386	288	34	568	118	165	369	262	98
Vorarlberg	191	102	209	218	66	99	388	278	23	885	163	70	466	328	108
Vienna	326	248	149	116	85	197	398	280	149	834	174	103	628	368	93

Source: Statistics Austria, 2014c.

327. Even though the decrease in size of the school age population in primary education is expected to come to a halt and turn into a slight increase again, the trends differ from *Land* to *Land* and even more between rural and urban areas. It can be assumed that the trend towards ever smaller schools outside urban areas, as observed in the past years, will continue.

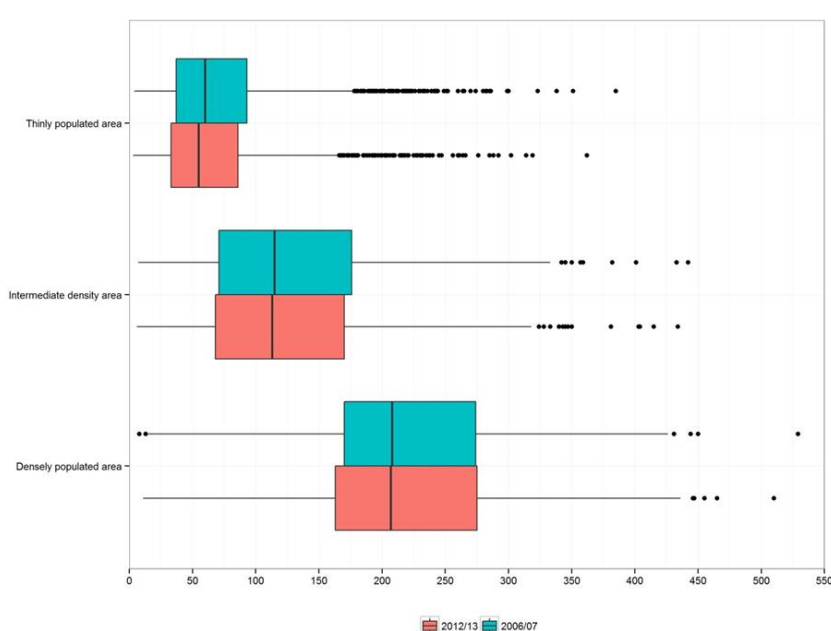
328. Between the school years 2006/07 and 2012/13 there was a 5.5% decline in absolute

<sup>24</sup> [https://www.bmf.gv.at/services/publikationen/BMF-WP\\_5\\_2010-Der\\_Familienlastenausgleichsfond\\_FLAF.pdf?5b2dqa](https://www.bmf.gv.at/services/publikationen/BMF-WP_5_2010-Der_Familienlastenausgleichsfond_FLAF.pdf?5b2dqa)

numbers of pupils in primary schools as well as a 4.5% decline in registered primary schools. This decline in pupils and school numbers is reflected in an average decrease of school sizes by 3.6 pupils (roughly 3.3% of average school sizes) in the same period. The decrease in pupils and average school sizes is not a general trend for the whole of Austria. While the steepest decrease can be found in Salzburg (-10.3 per school on average, - 9.7% in total), in Vienna the number of pupils in primary schools has even increased (+8.4 per school on average, +1.0% in total).

329. When analysing the schools' individual growth curves over the period 2006/07 to 2012/13, it becomes obvious that urbanisation has an effect on whether the size of a school increases or shrinks over time (cf. Figure 21). While, in general, schools in thinly populated areas show a distinct decrease, schools in densely populated areas are declining less on average and larger schools even show increasing sizes. There are further differences in this effect between Austria's regions: In Salzburg and Carinthia the effect is substantial, in Upper Austria, Tyrol and Vorarlberg, on the other hand, urbanisation does not affect the trend in school sizes that much.

**Figure 21: Primary school sizes in 2006/07 and 2012/13 by urbanisation (Austria overall, Boxplot)**



Source: BIFIE calculation based on Statistics Austria (Bildungsdokumentation).

### The issue of small schools

330. Small community schools are a pressing but sensitive issue in national and regional politics. Small-sized schools (*Kleinschulen*) are usually referred to as those schools with at most one class per grade and are a widespread phenomenon in rural regions. For example, in the *Land Burgenland* the average number of classes at primary level is less than 4 per school, meaning that statistically the entire primary sector falls in the category of small-sized schools.
331. In the school year 2012/13 a total of about 270 primary schools (9% of all Austrian primary schools) consisted of only one class (for all four grades) and 16% consisted of only 2 classes. The highest share of one-class primary schools was found in the *Land Burgenland* (25%), followed by Tyrol and Vorarlberg (see table). Only few one-class primary schools are found in Carinthia and Upper Austria and none in the city/*Land Vienna* (0%). The number of very small schools does not necessarily correlate with the population density if, for example, the *Laender* Carinthia (226 inhabitants/sq.km of permanent settlement area) and Tyrol (456 inhabitants/sq.km of permanent settlement area) are compared. On average in Austria, primary schools have 5.8 classes per school, meaning that typical schools have only one class per grade.
332. At the lower secondary level, schools have, on average, 10.9 lower secondary classes per

school, indicating that, on average, schools have two to three classes per grade. Here federal-run AHS are much bigger with, on average, 16 lower secondary classes per school<sup>25</sup> and APS have 9.7 classes per school.

**Table 10: Average number of classes per school, primary and lower secondary education (2012/13)**

<i>Land</i>	Average number of classes per primary school (VS)	Average number of classes of lower secondary school (AHS/NMS/HS)	Number of public primary schools with only 1 class per school as a % of all public primary schools	Number of public primary schools with only 2 classes per school as a % of all public primary schools	Lower secondary schools with only 1 class per grade as a % of all public lower secondary schools*	Residents per sq.km of permanent settlement area*
Burgenland	3.4	10.1	25.1	24.0	10.0	115
Carinthia	5.2	12.1	4.2	15.4	10.2	226
Lower Austria	5.5	9.9	6.8	16.5	16.0	139
Upper Austria	5.9	10.5	3.5	15.3	6.6	207
Salzburg	6.5	11.1	6.5	15.8	1.1	355
Styria	5.1	10.1	8.1	17.4	7.7	231
Tyrol	4.3	11.3	22.1	21.4	8.5	456
Vorarlberg	5.7	12.0	13.4	25.0	4.5	658
Vienna	11.3	12.8	0.0	0.8	7.3	5236
Austrian average	5.8	10.9	8.9	16.5	8.9	

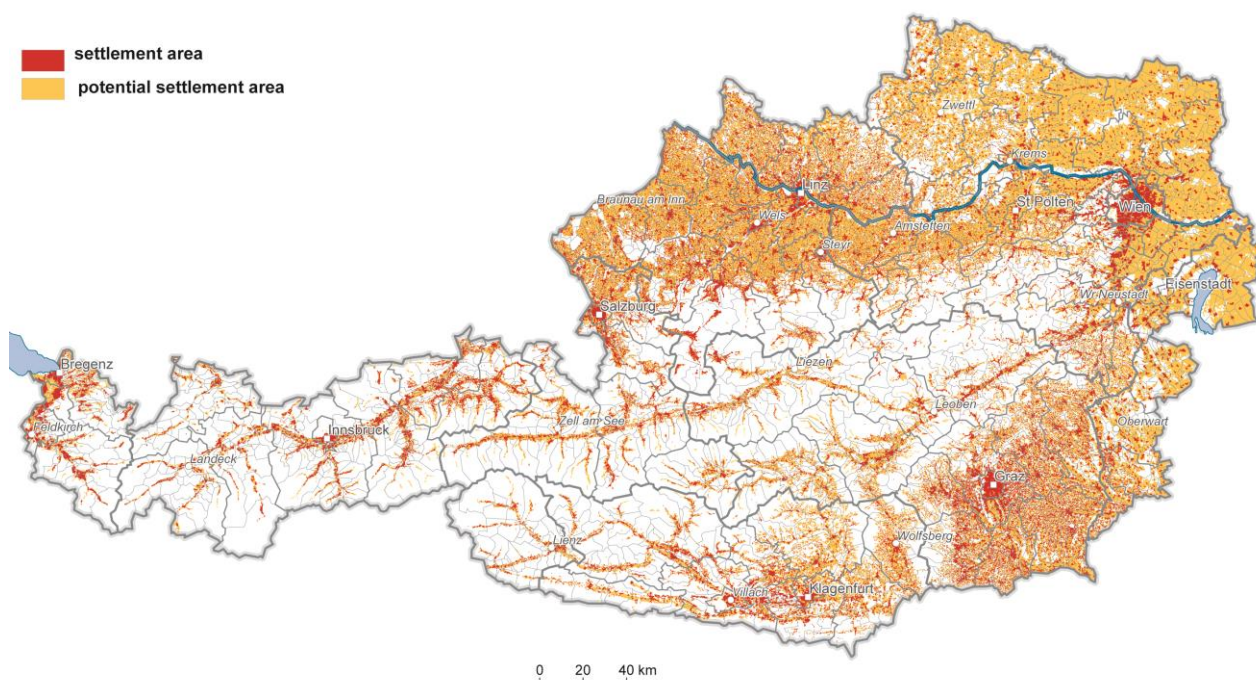
Note: \* Schools are considered as having one class per grade if they have at least 3 grades with just one class or if they do not even have all 4 grades and no grade with 2 classes. Only schools with some students in HS, NMS, VS or AHS are considered. Schools with students only in ASO or *Statutsschulen* are excluded.

Source: BIFIE calculation based on Statistics Austria, 2014c; Statistics Austria (*Bildungsdokumentation*).

333. Topographical features in connection with regional development objectives appear to have an influence on the variation in numbers of very small schools between the *Laender*. Large mountainous areas notably in the central and Western parts of Austria complicate the streamlining of the school network as it may require young pupils to commute to school over longer distances, which is not well accepted among parents, and may over time lead to depopulation effects. Also, it is often argued by local politicians that municipal schools are seen as the linchpin of community life.

<sup>25</sup> AHS mostly span lower and upper secondary education, meaning there are more classes in one school than indicated by the number for lower secondary education.

**Figure 22: Settlement area and potential settlement area (= permanent settlement area) (2011)**



Source: Statistics Austria, 2015c.

334. To meet the challenge of declining populations and small schools in rural areas and to redeploy resources from densely populated areas to regions with growing populations, the *Laender* are developing concepts and criteria for the streamlining of their school networks (e.g. *Regionaler Bildungsplan Steiermark*, <http://www.regionalerbildungsplan.at>).
335. In recent reports, the Federal Court of Audit has audited the administration of small schools in a number of *Laender* and concluded that, whereas legal criteria for the closure of schools were often lacking sufficient clarity, any measure in this respect also requires a heavy administrative procedure, involving a number of authorities and stakeholders from different levels (see below).
336. The Federal Court of Audit stated that the clustering of school resources by several communities to establish shared schools (communal school clusters, *Schulgemeindeverbände*) can be a meaningful approach to give decision-making competences also to those municipalities that do not host a school. It criticised, however, that some of these *Schulgemeindeverbände* are organised as private associations and therefore excluded from the communal budget and public auditing (Federal Court of Audit, 2012b).
337. Various other approaches exist to deal with small schools and school network consolidation needs, including for example the merger of several schools under one school leader, or physical mergers of separate schools and school types into single school ‘centres’.

#### ***Dealing with small schools: Bildungszentrum Lesachtal***

The municipality Lesachtal, situated in a mountainous area in the *Land* Carinthia, decided in 2012 to merge its 4 primary schools, one lower secondary school (NMS), a music school, a kindergarten and day-care facilities into one joint ‘centre of education’. Previously, the 4 primary schools had each been attended by no more than a handful of pupils due to demographic decline. The consolidation of the school network and merger into one centre of education required careful preparation and intense discussions with stakeholders over several years as well as investment in infrastructure of about € 2 million. On the other hand, costs for yearly maintenance could be reduced to almost half of the expenditure needed for the separate school locations. (ORF, 2012).

### *School closures and administrative consequences*

338. The closure of small community schools is a highly sensitive issue and can be in conflict with regional development objectives and local community interests. The number of primary schools has been steadily decreasing since the 1920s and between 2000/01 and 2010/11 189 primary schools were closed in Austria and in the two following years another 105. (Statistics Austria, 2014c)
339. In all *Laender* there are minimum student numbers set as a legal requirement for maintaining a school location; however, many schools continue to be operated by the municipalities despite their student numbers already going below the defined threshold. The Federal Court of Audit (2014b, p. 34) noted the difficulty balancing the challenge of very small schools with the interest of offering schooling within a reasonable distance.
340. Shutting a small community school requires a complicated administrative process that involves the municipality, the provincial government and the federal level represented by the provincial school board – all with potentially diverging interests. This requires intense political dialogue with concerned stakeholders, and responsible authorities sometimes even offer (financial) incentives to municipalities to get their consent for closure.<sup>26</sup> In some cases where no consensus had been reached, the shut-down process stretched over several years due to administrative court proceedings initiated by the concerned municipality (see Federal Court of Audit, 2014b, p. 34).
341. A closure of a school in one municipality can also require new infrastructure investments in the neighbouring municipality to adapt its school location to a now larger number of pupils. School transport is generally provided free of charge to pupils (apart from a small contribution) by the Ministry responsible for family affairs (*Familienlastenausgleichsfonds*) and there are no figures available on the cost of school bussing which may accrue for the municipality in the context of school closures.
342. The municipality in which the school has been closed down usually has to transfer a per-student compensation to the absorbing municipality to proportionally cover infrastructure and non-teaching staff expenditures for its ‘own’ pupils. Despite the compensation transfer, the ‘sending’ municipality has no say in decisions regarding the school in the ‘receiving’ municipality.
343. Another challenge for small communities is that there is often no clear concept for the afteruse of redundant school facilities while the cost for basic maintenance to avoid decay of buildings may continue to burden the municipality’s budget. For example, the Government of Upper Austria has discussed potential afteruse with municipalities concerned, and solutions included infrastructure utilisation by other schools, childcare facilities, associations or churches, while in other cases the school buildings had to be sold or demolished (Rechnungshof 2014/12). Private initiatives are also addressing this challenge and developing innovative concepts for the afteruse of closed-down school buildings (e.g. [www.leerstandskonferenz.at](http://www.leerstandskonferenz.at)).

## **4.6 Distribution of teacher resources**

### *Description of the teaching body*

344. In 2013/14, Austria had 117,000 active teachers in primary to post-secondary non-tertiary education and 7,300 non-active teachers, e.g. those on maternity leave. This teaching force amounts to 105,000 full-time equivalents. Since teachers at AHS teach in lower and upper secondary education, teacher numbers cannot be separated between the two levels. Figure 23 shows the breakdown by national type of institution. More than half of the teachers in FTEs

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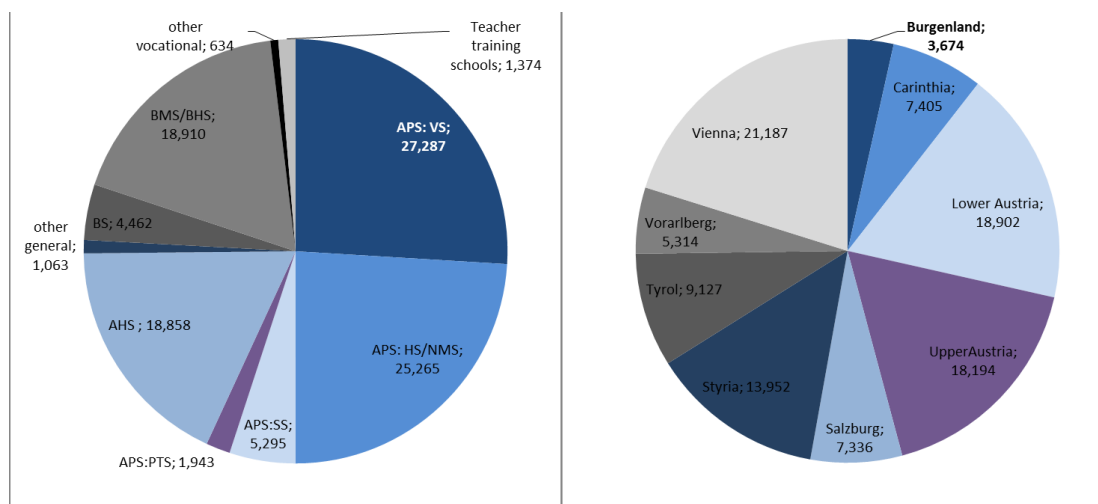
<sup>26</sup> See <http://derstandard.at/1291454832777/Kleinschulen-Pannonische-Schul-Schluss-Praemie>



(64,250) are provincial teachers, 39,100 teachers are federal teachers and about 1,700 teachers work in other statutory schools. Teachers in primary education and teachers in lower secondary APS account for one quarter of the teaching force each. More than half of all teachers are employed in Vienna (one fifth) and in Lower and Upper Austria.

345. The total number of teachers grew continuously from the 1920s, but has remained almost constant at 125,000 (headcount, incl. non-active) since 2000. Today, the relative weight of the institutions is changing, teacher numbers in HS decreased by 15% while those at the AHS and BMHS increased by 12-13% and those at the BS by 8%.

**Figure 23: Distribution of teachers (FTEs) by type of institution and *Land* (national classification, 2013/14)**

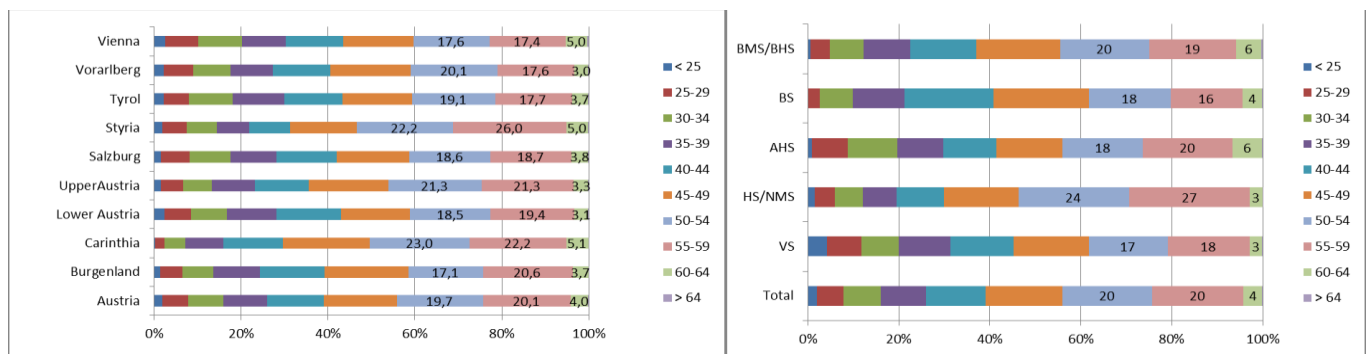


Source: Statistics Austria, 2015b, p. 298.

346. Nearly three quarters of all teachers (72%) are female, with the percentage ranging from 92% and 87%, respectively, in VS and ASO to 52% in BMHS and 36% in BS. Female teachers in APS at lower secondary level represent 72% of the total, while the share in AHS is slightly lower (64%). Considering the number of graduates from university colleges of teacher education (PH), the share of female teachers can be expected to be constant. In 2011/12, female graduates accounted for 80% of the total teaching force, for 94% of future VS teachers, 71% of HS teachers, 37% of BS teachers, and 54% of BMHS teachers (Statistics Austria, 2015b). The distribution of male and female teachers differs very markedly between occupational sectors in vocational education, reflecting and reproducing the segregation in the occupational areas (Bruneforth & Lassnigg, 2012, chap. B4).
347. Figure 24 shows the distribution of teachers by age. Austria is facing a large number of teachers retiring. In total nearly 44% of teachers are aged 50 or over, for HS/NMS this share is 54%. Austria is in the middle of a wave of retirement. In 2010 it was expected that in the following decade from 2010 to 2020 more than 36,000 teachers would retire, for HS/NMS estimated numbers of retiring teachers represented nearly half of the teaching force active in 2010 (46%).



**Figure 24: Distribution of teachers (headcount, active) by age and *Land*/type of institution (2012/12)**



Source: Statistics Austria, 2014b, p. 295.

### Teacher education and recruitment

348. Teacher training in Austria is provided by a total of 14 university colleges of teacher education (PH) and 14 universities, which involves two different ministries, responsible for (school) education and for higher education/science. Teacher training at PH differs from teacher training offered by universities in terms of duration, aptitude/access tests and focus of curricula. While Austrian universities are autonomous institutions, PH are by law dependent administrative units of the BMBF (*nachgeordnete Dienststellen*) and only partly autonomous.
349. There are, by institutions, two main pathways through which people can become teachers for compulsory education:
- A total of 9 public and 5 private PH offer study programmes for teachers for primary schools, for general secondary schools (HS/NMS), special needs schools (ASO) and pre-vocational schools (PTS). The curricula of all study programmes are split into modules, with some of these covering several specialist study areas. Study programmes have a duration of 6 semesters (180 ECTS credits) and students graduate with a Bachelor of Education.
  - People who wish to become a teacher at AHS have to attend teacher training programmes at universities. It is compulsory to combine training for at least two subjects and, in most cases, programmes last for nine or ten semesters. In the training programme, educational subjects and practical training must be combined with subject-related education and subject-specific didactics training in two subjects. Students graduate with a master's degree (*Magister/Magistra*). To complete their professional training and be employed as teachers in school service, however, the graduates need to successfully complete a one-year period of teaching practice and take part in specific courses.
350. Today, all teacher training candidates have to take an aptitude test in Austria. Such tests have already been in place at PH for more than ten years and also became obligatory in 2014 for teacher training programmes at universities. Teacher training institutions were given far-reaching autonomy to develop their own aptitude and admission procedures, based only on broad legal framework conditions. Since this resulted in highly diverging procedures, a number of universities and PH sought closer cooperation on this issue and have, for example, jointly developed an online platform for entrance tests and common procedures, which are mutually recognised. In this case a 3-step procedure consists of an online self-assessment, a computer-based aptitude test (cognitive and emotional skills) and face-to-face assessment (see <http://www.zulassunglehramt.at/>).

### Implementation of a new teacher training scheme

351. To increase academic competences of teachers, overcome differences between school types and gain flexibility when assigning teachers to different types of school, a new teacher training scheme (*PädagogInnenbildung NEU*) was adopted in 2013. It will start in 2015/16 for new primary teachers and in 2016/17 for secondary teachers. Training will be geared towards the pupils' age brackets (primary level, secondary level) instead of different types of schools. The

Bologna structure is implemented – bachelor’s degree programmes have a duration of 8 semesters (240 ECTS points) and master’s degree programmes of 2-3 semesters (60 to 90 ECTS points). The master’s degree will be necessary for permanent employment and can be acquired in part-time programmes, it will be offered from 2019/20 at the latest.

352. All future teachers will enter service via a one-year professional entry phase (induction), supported by experienced pedagogues as mentors. During the induction phase, students can complete the master’s degree programmes. As of 2029 all teachers will need a master’s degree as a pre-condition for entry to the teaching profession. Supplementary study programmes are meant to attract lateral entrants, with credits awarded for subject-related and pedagogical competences.
353. In the new training scheme the institutional division into training programmes offered by PH and by universities is maintained but cooperation is strongly encouraged and also necessary for PH if they wish to offer master’s programmes.

#### *Conditions of teacher employment*

354. As regards employment conditions, in principle teachers and school leaders can obtain both a contractual and a tenured employment relationship which in the past often included a permanent post linked to a specific school (*schulfeste Stelle*). Tenured employment relationships as well as permanent posts have *de facto* not been applied anymore for a number of years at both federal and *Laender* level, as it strongly limits possibilities to reassign teachers from one school to another. With the implementation of the 2013 New Service Code (see below), tenured employment will also be legally abolished for all future teachers.
355. The employer of teachers at general compulsory schools (APS) is the respective *Land*. In the beginning, teachers are employed on a contractual basis and obtain a contract of limited or unlimited duration. In the past, after some years in service they could apply for a tenured employment relationship, but this rule is currently suspended in all *Laender*.
356. Teachers at federal schools (AHS-U in the context of this report) are employed by the federal level according to the general regulations of federal civil servants (*Beamten-Dienstrechtsgesetz, Gehaltsgesetz*), with their teaching load being regulated by a specific law (*Bundeslehrer-Lehrverpflichtungsgesetz*). To date, in the current training and employment system, only AHS teachers have to complete a one-year, post-graduate, part-time professional entry phase (teaching practice) after having completed a university-based teacher training programme (an induction phase will become obligatory for all teachers with the new training scheme, see above). Tutors introduce trainee teachers to the teaching work and suggest to the head of the school how they should be assessed at the end of the school year.

#### *Recruitment and assignment of teachers to schools*

357. Human resource allocation decisions are mainly based on input-related criteria (number of pupils and required teachers). The rationale behind this type of funding is to guarantee general accessibility of publicly maintained schools without discrimination on social, ethnic or religious grounds, and to impart the knowledge and skills needed in private and work life. The key criterion in public general compulsory schools (APS) is derived from the number of pupils per class and complemented by other factors such as the number of pupils with special educational needs (see chapter 4.4). The allocation of teaching resources to individual general public schools is the responsibility of the *Laender*, and the federal level has no influence on the criteria and funding formulae applied.
358. Applications for teacher posts have to be directed to the responsible authority (office of the provincial government for general compulsory schools, provincial school board for federal schools), usually some months before the beginning of the next school year. For teachers who do not immediately get a post or at least not in their preferred region/school, *Laender* school authorities have established waiting list systems which rank candidates according to criteria such as additional qualifications, final marks achieved, waiting time, social status, etc.
359. A similar system exists for teaching posts in federal schools, though compulsory waiting lists were abolished in 2011 and replaced by a stronger focus on the qualifications of applicants. Teachers are recruited by the provincial school boards, and public calls for application are required unless a post can be filled with an applicant who is already employed as a federal teacher. Applicants are ranked according to the degree to which they fulfil the selection criteria,

and the school leader has only the right to give an expert opinion in this respect. In some *Laender* (e.g. Upper Austria, Vienna, see Rechnungshof 2013/5, p. 51), new teachers are regularly recruited and assigned to federal schools in agreement with the respective school leaders.

360. The Federal Court of Audit (2013a) criticised the decentralised recruiting system for federal schools and considered the absence of a cross-*Land* management of applications as inefficient.
361. The pilot project ‘Get your teacher’ is currently being trialled within the scope of *Bundesschulen* administered by the Provincial school board of the *Land* Styria. A web-based application gives school leaders access to a register of teachers who are applying for a teaching position. School leaders can invite teachers with the required qualifications and competences to a job interview and submit a request to the school board to recruit a selected teacher. However, the final decision on recruitment rests with the provincial school board. The programme is planned to be rolled out across all *Laender* in late 2015 as part of the Government’s initiative to widen school autonomy.
362. Teachers are assigned by the responsible authority to do their service based on their established posts in a specific school (if appropriate also in several schools). The teachers who are employed by the *Laender* can also be assigned to the ‘standby staff pool’ for up to 2 years to stand in temporarily for absent teachers. In addition, teachers may be temporarily assigned to another place of employment for service reasons.
363. A permanent transfer without the teacher’s consent, i.e. the assignment to another place of employment to provide the service on a permanent basis, is only possible if there are important reasons. The teacher can submit objections against the intended measure and appeal against the transfer decision and/or take legal steps. These provisions limit the scope of action for the responsible authorities to reassign teachers to other schools in case of problems at the current place of employment.
364. Formally, school leaders are given only a limited role in the selection and assignment of teachers to their school (see chapter 5.4 below). However, in the TALIS 2008 study, 53% of school leaders of AHS stated that they have an active role in the recruitment of teachers. In the area of general secondary schools (HS), only 19% of the school leaders reported an active role in teacher recruitment; this is remarkable, as the regional authorities always claim to be ‘much closer to the schools’ than the federal ones.
365. The teacher service codes do not provide for incentives to attract qualified teachers to disadvantaged or remote schools. Occasionally, municipalities which are in urgent need of teachers offer service accommodation or low-rent housing to attract teachers.<sup>27</sup>

#### **4.7 Distribution of school leadership resources**

##### *Recruitment of school leaders*

366. School leadership is organised according to the same principles that regulate the recruitment and remuneration of teachers (see chapter 4.7 on the different services codes currently in force). The core tasks of school leaders are laid down in the federal act on school education (§ 56/2 *SchUG*) which are: leading and managing the school, quality management, school and teaching development, staff management and development, external relations and opening up the school to the community.
367. As regards school leaders of general compulsory schools, the basic framework for the recruitment of school leaders is set by the federal legislator. The *Laender* are responsible for implementing legislation and have adopted detailed procedures for the appointment of school leaders (see e.g. Land Steiermark - Amt der Steiermärkischen Landesregierung, 2014). As regards school leaders at federal schools, the appointing authority is the Federal Ministry of Education.

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<sup>27</sup> See e.g. <http://diepresse.com/home/panorama/oesterreich/420427/Wien-holt-Lehrer-aus-den-Laendern>

368. A vacant school leader position is filled after a public call for applications. The candidates submit their applications to the responsible administration (*Dienstbehörde*).
369. For federal schools (*Bundesschulen*), the collegiate boards of the provincial school boards select a three-candidate, ranked shortlist from the applications received which is binding for the minister. The school community committee or the school forum (*Schulforum*) as well as the teaching staff representative body have the right to submit a commented statement on the applications received. While not binding for the board, these comments still form an important basis for decision-making. The Education Minister selects one candidate from the three-candidate shortlist received and proposes that candidate to the Federal President for appointment.
370. For provincial schools, the provincial government is responsible for selection and appointment, which usually involves the provincial school board. For example, according to the provincial law regulating the management of the teaching workforce of the *Land Vienna* (LGBl. no. 34/2014), the respective competences of the provincial government are transferred to the provincial school board (= Municipal Education Board for Vienna), which is by legal definition a federal authority. The collegiate board of the provincial school board has the right to submit three-candidate shortlists to the provincial government for selection and appointment. The school forum/school community committee has a right to provide its opinion on the suitability of the candidates within three weeks, which is not binding but needs to be considered by the school board.
371. Due to the political composition of the collegiate boards of the provincial school boards (all political parties of the provincial parliament are represented relative to their number of seats), the selection of school leaders is often considered by the public / stakeholders as being driven by political networks rather than by an objective assessment of the qualifications of candidates<sup>28</sup>.
372. Female teachers are underrepresented in the position of school leader. Despite female teachers in 2011/12 accounting for 70% of the total teaching force, just 56% of school leaders are female. Just 4% of all female teachers are leaders, compared to 9% of male teachers. The difference is biggest in VS, where one in four male teachers but only one in 14 female teachers serve as leaders. Two thirds of all leaders are 50 to 59 years old.
373. There are no policies or incentive schemes to attract qualified school leaders to disadvantaged schools, not least because the government does not publish data on school achievement and socio-economic composition (to avoid school rankings), which would however be necessary for an objectivised incentive scheme. Occasionally, (remote) municipalities offer extra benefits such as service accommodation to attract school leaders to their school (see also chapter 4.6 above on teachers).
374. In general, the attractiveness of school leader posts has decreased over time. The allowance for school leaders on top of the normal salary may no longer be considered attractive enough to compensate for the now decreased social prestige that is linked to a school leader position and more challenging tasks linked to generally more heterogeneous student populations. Notably rural schools struggle to find candidates and in many cases there are fewer than 3 applicants for a post, including in the case of federal schools.
375. The new service code for teachers' conditions of service (Service Code – Pedagogical Service, adopted in December 2013) aims at strengthening the quality and position of school leaders and making the job more attractive (see chapter 5.4).

#### *Prerequisites for school leader positions*

376. A key prerequisite for being appointed a school leader is at least six years of professional experience as a teacher in a relevant school type.
377. There is no multi-stage career structure for school leaders. The appointment of a school leader is initially limited to 4 years during which s/he has to demonstrate her/his leadership

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<sup>28</sup> <http://derstandard.at/2000002095102/Salzburg-reformiert-Direktorenbestellung-in-Pflichtschulen>

capacities and complete the management course for school leaders to turn the appointment into a permanent one (see *Landeslehrer-Dienstrechtsgesetz*).

378. Under the New Teachers' Service Code (adopted in 2013), the initial period will be extended to 5 years. When this period expires, the personnel office of the Federal Government or of the *Land* (depending on whose area of responsibility the school type falls in) can reappoint the school leader for an unlimited period. To be appointed as a school leader, minimum teaching experience of 6 years is required as well as graduation from a programme on school management amounting to 30 ECTS (*Schulmanagement: Professionell führen*, 90 ECTS as of 2030).

#### 4.8 Main challenges<sup>29</sup>

379. The main challenge with resource distribution concerns the conditions of allocating the resources in a more systematic and comprehensible way according to needs and priorities. As far as the empirical distribution across *Laender* is concerned, sufficient information and monitoring is lacking at more disaggregate levels, which is reflected in recommendations by the Federal Court of Audit and the *Aufgabenreformkommission* (2001) regarding the development of an information base for steering.
380. The exemplary analysis of the relationship between the demographic development and the allocation of resources in the sector of primary schools has shown that the schools in *Laender* with a demographic decline have earned a 'demographic dividend' by increasing their resources per pupil, whereas Vienna had to suffer a 'demographic penalty'. The mechanisms of resource allocation in this sector neither reflect needs nor do they support redistribution of resources according to the needs.
381. The resource distribution is organised in a fragmented way between administrative political levels, with the distinction of *Landesschulen* and *Bundesschulen*, employing different categories of teachers partly for the same groups of students, and a distinct system of allocating the current expenditure and infrastructure. This system hampers comprehensive planning and relies on a mixture of incrementalism and political influence, therefore we do not find systematically comprehensible patterns of resource distribution across the *Laender*.<sup>30</sup>
382. Different aspects of resources are allocated by distinct mechanisms, and different but interrelated sectors and regions follow different rules. The information system about resources is also fragmented, and does not allow comprehensive reporting and assessment of resource allocation.
383. The divergence of responsibilities for financing and spending between the *Laender* and the federal level constitutes divergent interests, political logics and competition, which reduces the rationality of resource allocation. In addition, some of the *Laender* span quite big and structurally mixed regions (e.g. between rural and urban regions) that include similar degrees of heterogeneity as can be observed in Austria as a whole, and therefore also include conflicting interests.
384. In particular two issues of resource allocation are problematic and contested: first, how teachers are allocated to schools, and secondly the allocation of resources for infrastructure from outside of education politics.
- The allocation of teachers to schools by superior authorities on the one hand makes schools dependent and reduces their responsibility, and within the structure of politicised federalism also makes teachers and school leaders dependent on political forces. On the other hand, the argument is brought forward that the existing structure would protect teachers from the arbitrariness of local school leaders. Overall, the idea developed by school development researchers that schools are able to manage their own affairs successfully, is weakly developed in the Austrian environment.
  - The separation of the allocation of means for infrastructure (i.e. the responsibility of

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<sup>29</sup> This chapter is an *external* assessment of the main challenges, provided by the Institute for Advanced Studies (IHS).

<sup>30</sup> A clear, detailed analysis of educational structures across the Austrian *Laender* is given by Lassnigg (2010).

municipalities) from education policies impedes planning and oversight, in particular among the large group of the small and weak municipalities, which receive much fewer resources than the *Laender* in the fiscal adjustment mechanism. This highly decentralised field does not provide the necessary data for gaining oversight. The Federal Court of Audit therefore demands the development of a sufficient information base for steering. Moreover, the lack of resources from municipalities hinders the professional development of personnel in pre-primary education, as better educated personnel are considered too expensive by the municipalities.

385. An ongoing challenge is the implementation and coordination of the new teacher training system, including the improvement of cooperation between institutions with divergent interests and the aim of overcoming differences between types of teachers. A specific issue is the timing of the implementation of the reform, which has been amended and is being implemented in a period when the renewal of the teaching workforce will already be to a large extent processed through the system.
386. Proposals of formula funding based on factors of disadvantage have been brought forward more recently to channel the resources more directly to the needs. They could contribute to more transparency of funding and help address the policy issue of equity. Three issues need consideration when developing such a mechanism: first, which resources are distributed and do schools have the capability and sufficient autonomy to absorb resources? Secondly, how are such resources actually distributed? And thirdly, how to ensure that needs-based funding is based on redistribution mechanisms rather than by adding new funds on top of available resources. There is a risk that the aim of more transparency is jeopardised when redistribution is interlinked with disputes between the 9 *Laender* or between densely and sparsely populated regions.
387. Several policies and instruments for quality development have been initiated during recent years (standards, SQA, QIBB, new teacher education). However, these need highly motivated actors and resources to be used for improvement, otherwise there is a danger that these measures (which are not always positively endorsed in the system, and to some extent are obstructed by powerful players) will only be used for increasing control which will probably not lead to improvement. In this sense, the current period of financial austerity comes at a quite difficult point in the development of Austrian education.

## Chapter 5: Resource utilisation

### 5.1 Matching resources to individual student learning needs

388. This section discusses how students are organised into learning groups within schools. According to the *SchOG* (§3), the Austrian school is structured by the criteria of age levels of child development (*Reifestufen*) and different educational targets and diversity of talents. To apply this law, all levels of education provide for differentiation of students in groups within schools and between schools.

#### *Pre-primary and primary education*

389. Already at the beginning of primary education, students can be differentiated in specific learning groups. Children who have reached the age of compulsory schooling but are classified as not ready for school (*‘nicht schulreif’*) attend a 1-year pre-school track (*Vorschulstufe*, VSS) with a specific pre-school curriculum. If there are 10 or more children in a school in the pre-school track, special pre-school classes have to be organised, otherwise pre-school children are instructed in regular grade 1 classes but follow the pre-school curriculum and are re-enrolled in grade 1 the following year. School leaders, teachers or parents can reconsider the decision on the pupils’ readiness for school during the first school year, meaning that children can be re-classified from grade 1 to the pre-school grade as well as from pre-school to grade 1.
390. In 2013/14 the number of children reported as instructed in the pre-school track was 8,100 at the beginning of the school year (total number of grade 1 primary school pupils in 2013/14: 82,000). Of these, 6,180 pre-schoolers (76%) were enrolled in 477 separately organised pre-primary school classes, whereas 1,900 were instructed together with (regular) grade 1 students. In these cases an extra teacher can be assigned to the class (see *‘Lehrplan der Volksschule’* p. 33). Since the decision on school readiness can be reviewed during the school year, a significant number of children (about 4,100 in the school year 2011/12) originally enrolled in grade 1 as regular primary pupils are transferred to pre-school during the school year, which is not explicitly captured in the school statistics and enrolment figures for primary schools. This means about 13% of an age cohort attend pre-primary school: 8.5% of a cohort start school with pre-primary curriculum and another 4.5% are reclassified to pre-primary school after having initially started at primary level. (Statistics Austria, 2014c; authors’ calculations for 2011/12 using *Bildungsdokumentation*).
391. Enrolment in pre-primary school grew strongly (+28%) between the years 2006/7 and 2011/12 (Bruneforth & Lassnigg, 2012, p. 38). This increase is almost exclusively due to the enrolment of children speaking a language other than German at home. This group’s share in pre-primary school enrolment grew significantly from 41% to 53%, which led to a change in the criteria for assessing school readiness that now give greater weight to abilities in the language of instruction.
392. The first two grades of primary education can be organised alternatively in a multi-grade setting combining classes from pre-primary school and grades 1 and 2 (*SchOG* §12 para. 2). This allows for a more flexible transition of students in the early grades according to their individual speed of development and is not limited to small schools where multi-grade teaching might be necessary due to small grade sizes. A reform and facilitation of the transition from early childhood education to primary education is part of the current government programme and aims to integrate the last ECEC year with grades 1 and 2 of primary education into a common ‘school entry phase’.

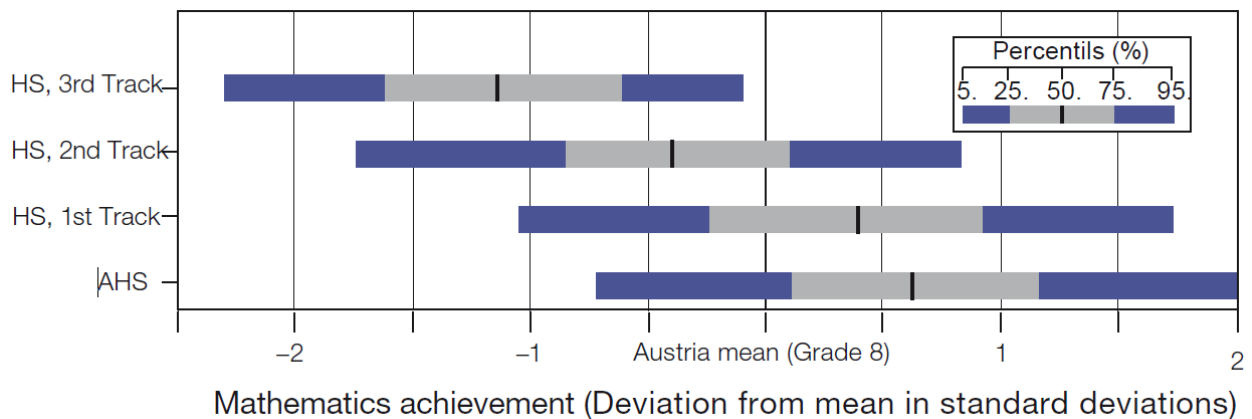
393. The placement of students in classes within schools is an important aspect of organising instruction. However, for 56% of the primary schools in Austria this is not a relevant issue as they are so small that they do not have more than one class per grade (calculated for grade 1 in 2012/13). For the remaining schools, data from the national assessment of mathematics achievements in grade 4 (2013) provides insight into school leaders' decision-making criteria for student placement: The single most important criterion (27% of all leaders) was the place of residence of students. Students from the same urban / municipality area are enrolled in the same class. One key reason for this criterion is related to school transport, i.e. to have students in one class using the same school bus. The second most important criterion mentioned was the integration of special needs students in regular classes, which has impact on class compositions (23%). To enrol children from the same kindergarten in one primary school class was another important criterion (19%), followed by the aim to ensure heterogeneous groups with respect to school readiness (18% of school leaders) (Calculations based on BIST-Ü, M4, 2013).

#### *Secondary education*

394. At the beginning of lower secondary education (grade 5), students are tracked in different school types, AHS and NMS (previously 'HS', to be fully replaced by 2018). Despite the expectation that tracking in different school forms would create more homogenous ability groups in lower secondary education, students' achievements are not the most important factor in school choice. Families of students with equal school achievement at the end of grade 4 make very different decisions concerning enrolment in AHS depending mainly on their family background (between families with differing parental education background, only 29% of the differences in school choice can be explained by differences in student achievement; see Bruneforth et al., 2012, p. 203).
395. Until the introduction of NMS, students were also tracked according to their abilities within classes of general lower secondary school, i.e. HS, while ability tracking has never been applied in AHS. In HS, students of one class are/were assigned to three different instructional ability groups (*Leistungsgruppen*) for the subjects of mathematics, German language and English. The assignment to a specific ability group, based on the teacher's judgement, had significant implications for the students' school career: since the grading scheme was different between the ability groups, upper secondary programmes of higher educational tracks (AHS, BHS) could not be chosen by pupils from the third ability groups. Similarly, transition to BHS or AHS was still unlikely for pupils of the second ability group. Even though students are assigned to ability tracks, in small schools not every track was instructed in a group of its own but rather in combined groups.
396. Since assignment to ability groups was done based on the judgement of teachers, this resulted in great overlaps in achievement between the tracks at the national level (see Figure 25). About one sixth of students in the third group exceeded the national mean achievement of the second group, even though they were formally excluded from access to BHS or AHS. In contrast, 7% of grade 8 students in AHS fell behind the average mathematics score of students in third tracks of HS (Bruneforth & Lassnigg, 2012, p. 79).



**Figure 25: Distribution of grade 8 students in different schools and ability groups, mathematics (2008/09)**



Source: Bruneforth & Lassnigg, 2012, p. 79.

397. With the introduction of NMS, explicit tracking into ability groups will soon be abolished as the focus of NMS is on individualisation and differentiation within classes. The additional resources that were needed for ability grouping in HS, since ability groups were smaller than classes, are used for team teaching in NMS. In addition, the Federal Government provides funding for 6 additional teaching hours per class (in total) for differentiated instruction in mathematics, German and foreign language (mainly delivered through team teaching) (BGBl. II – 185; Eder et al., 2015, p. 30.). Even though there is no explicit ability tracking in NMS, implicit tracking is applied at grades 7 and 8, when students are assigned to different grading schemes depending on their ability and therefore providing different opportunities to continue education at higher levels of education (AHS, BHS).

398. In the HS system, additional resources for smaller groups were targeted to the weakest students, i.e. those in the third ability group (limited to the three core subjects and thus targeted at basic competences). Yet, this came along with problems of stigmatisation and potentially unfair limitations of educational pathways. The NMS approach to target additional resources to the three core subjects mathematics, German and English was continued, but without ability grouping additional resources are now available for all students. This is based on the concept that instruction should be differentiated according to learning needs of individual pupils within groups and therefore also support weaker students effectively. Just recently, in the debate following the publication of the NMS evaluation, the Federal Government decided to lift the limitation of additional teaching resources to core subjects, thus leaving it up to school leaders to decide on their use and focus.

#### *Further measures of targeting resources to individual learning needs*

399. In primary education the curriculum allows for one hour (50 min.) of remedial teaching (*Förderunterricht*) per week. This additional instruction for students who are at risk of falling behind can be delivered as an additional class or be integrated in the regular schedule. For students identified as being in need of remedial teaching, participation is compulsory.

400. For students having difficulties in following the language of instruction, formally classified as extra-matricular students ('ao', *außerordentlich*) and others, special language instruction can be offered for up to 12 hours per week. This can be offered as a special class separated from the normal instruction or integrated, in which case the additional weekly instruction time for a student must not exceed 5 hours.

401. For all students having a first language other than German, additional instruction can be offered in their mother tongue (*Muttersprachlicher Unterricht*). Mother tongue instruction can be offered by grade or spanning different grades, and requires a minimum number of students per language. In Vienna this is a minimum of 5 in total.

**Table 11: Number of teachers, teaching hours and students in mother tongue instruction by Land. All school types (2012/13)**

	Number of Teacher	Hours			Number of students
		As Course	integrated	Total	
Burgenland	5	30	0	30	194
Carinthia	8	98	50	148	662
Lower Austria	21	231	90	321	2 302
Upper Austria	46	615	189	804	4 183
Salzburg	18	255	17	272	1 667
Styria	37	404	100	504	2 440
Tyrol	19	250	23	273	1 567
Vorarlberg	23	239	94	333	2 406
Vienna	238	1 799	2 725	4 524	17 336
<b>Austria</b>	<b>415</b>	<b>3 921</b>	<b>3 288</b>	<b>7 209</b>	<b>32 757</b>

Source: Garnitschnig (2013).

402. The following table shows the coverage of mother tongue instruction in Austria. Across all *Laender* and school types, 18% of students having a first language other than German are enrolled in special instruction in their mother tongue. Mother tongue instruction is most common in primary education, in Vienna and Vorarlberg, one third of the target group is reached.

**Table 12: Students in mother tongue instruction as percentage of students having a first language other than German (2012/13)**

	VS	HS/NMS	ASO	PTS	AHS	Total
Burgenland	7.5 %	5.2 %			1.1 %	5.3 %
Carinthia	21.6 %	6.0 %			0.8 %	11.7 %
Lower Austria	16.8 %	8.2 %	3.8 %	0.9 %	1.4 %	11.4 %
Upper Austria	23.3 %	11.6 %	4.4 %	0.5 %	1.3 %	15.9 %
Salzburg	26.2 %	11.1 %	5.8 %			16.2 %
Styria	24.3 %	15.9 %	0.8 %	5.5 %	4.5 %	17.1 %
Tyrol	25.8 %	4.4 %	4.6 %	0.6 %	11.0 %	15.2 %
Vorarlberg	35.7 %	16.5 %	26.4 %		0.5 %	24.6 %
Vienna	34.9 %	16.1 %	28.3 %	8.4 %	6.9 %	22.4 %
<b>Austria</b>	<b>28.1 %</b>	<b>12.7 %</b>	<b>15.5 %</b>	<b>3.9 %</b>	<b>5.2 %</b>	<b>18.4 %</b>

Source: Garnitschnig (2013).

## 5.2 Organisation of student learning time

403. The organisation of the school calendar is regulated in the federal law on schooling time (*Schulzeitgesetz 1985*) and school holidays are scheduled by the federal or the *Laender* authorities according to the type of school (*Bundesschule* or *Landesschule*). Regarding school holidays, there are general rules that apply to the schools organised by the federal level (*Bundesschulen*) which have to be respected by the *Laender* authorities, if there are no significant opposing regional interests.

404. The main (summer) holidays are in July and August (9 weeks), longer school holidays are set also around Christmas and New Year (2 weeks), in February (1 week semester holidays) and around Easter (1 week). By combining public holidays and school autonomy days, some of the *Laender* ‘construct’ a week of autumn holidays although, in general, these do not have tradition in Austria.
405. Depending on the type of school, between 2 and 5 school autonomy days (*Schulautonome Tage*) per school year can be scheduled individually by schools. The decision on the dates has to be made by the school forum (*Schulforum*) or school community committee (*Schulgemeinschaftsausschuss*). School autonomy days were introduced in the 1990s to give schools some autonomy in declaring single days as holidays. They are primarily dedicated to internal professional teacher and quality development; however, schools can still decide to use autonomy days to determine bridge days between public holidays – which turned out to be the main usage by schools. Over time, discontent among parents grew over the fact that children who attend different schools complicated family planning regarding vacations and childcare. A 2009 initiative by the Federal Minister to abolish autonomy days culminated in student protests and a compromise that the *Laender* authorities now set the dates for 2 of the 5 autonomy days to achieve more coherence.

#### *Instruction time*

406. An important feature of the Austrian school system, linked to the country’s culture and societal traditions, is the still clear predominance of half-day schooling in primary education and lower secondary education. As a consequence, the instruction hours per week and cumulative for several years of education are relatively short.
407. The average yearly number of compulsory hours of instruction amounts to 705 in primary education (OECD average: 794 hrs.) and in lower secondary education 900 hrs. (OECD average 905 hrs.), - there are no data available on non-compulsory instruction (see OECD Education at a Glance 2014, table D1.1). In the 8 grades of lower secondary education, students receive a total of 6,420 statutory instruction hours in compulsory education, an average of 802 hours a year. This is below the OECD average of 830 hours, but more than most neighbouring countries that have mainly half-day schooling, too: Hungary, Slovenia, Slovak Republic, Czech Republic, Germany. The calculated average duration of a school day is 3.9 hours in primary education and 5 hours in lower secondary education (OECD, 2014a, chap. D1)).
408. As regards the organisation of the school week, pupils in compulsory education are off on Saturdays and Sundays, independent of the type of school they attend. The school week is organised by the school leader in a way that the number of instruction hours, which is defined by the curriculum, is spread evenly over the school week.
409. In federal schools, school days should not begin before 8 am, and only exceptionally can they begin earlier (7 am at the earliest) if this is in the interest of the pupils and agreed by the school forum/school community committee. The school day has to end by 6 pm at the latest (7 pm in grade 9) and has to end at 12.45 pm on Saturdays (for pupils in general compulsory schools, Saturdays are always off).
410. For pupils at grades 5 – 8 a school day must not exceed 8 hours and for pupils at grade 9 or higher it must not exceed 10 hours. A school day has to be structured into 50 min. classes (in exceptional cases 45 min.) and there must be at least 5 min. breaks between instruction hours. There are similar rules for *Landesschulen*, but laid down in *Laender* legislation with the general provision laid down in the federal law on schooling time (*Schulzeitgesetz*) that school cannot begin before 7 am.
411. By establishing pilot trials, schools can request from the responsible school authority an exception to the general rules for instruction times. A reform of the organisation of time in schools has recently been announced by the Federal Government and aims to abolish the 50-minute lesson scheme, as currently laid down in the federal law on schooling time. The objective is to widen autonomy and flexibility of schools with regard to the organisation of learning times and methods, thus also facilitating the organisation of project-based learning (Republik Österreich, 2014).
412. Table 13 shows the number of instruction hours per year for primary education. Due to school autonomy, the numbers of hours are not fixed and schools have a certain freedom in setting

the timetable themselves.

**Table 13: Weekly teaching hours at primary schools (VS)**

Compulsory subjects	Grade / number of hours				Total
	1st	2nd	3rd	4th	
Religion	2	2	2	2	2
Social studies and science	3	3	3	3	3
German/Reading/Writing	7	7	7	7	7
Mathematics	4	4	4	4	4
Music education	1	1	1	1	1
Arts education	1	1	1	1	1
Technical work \					
Textile work /	1	1	2	2	2
Sports	3	3	2	2	2
<b>Compulsory extra-subjects</b>					
Modern foreign language			1	1	
Road Safety					10
<b>Total hours per week</b>	20-23	20-23	22-25	22-25	90
<b>Remedial Teaching</b>	1	1	1	1	
<b>Extracurricular activities</b>	2-6	2-6	2-6	2-6	

Source: BGBl. no. 134/1963

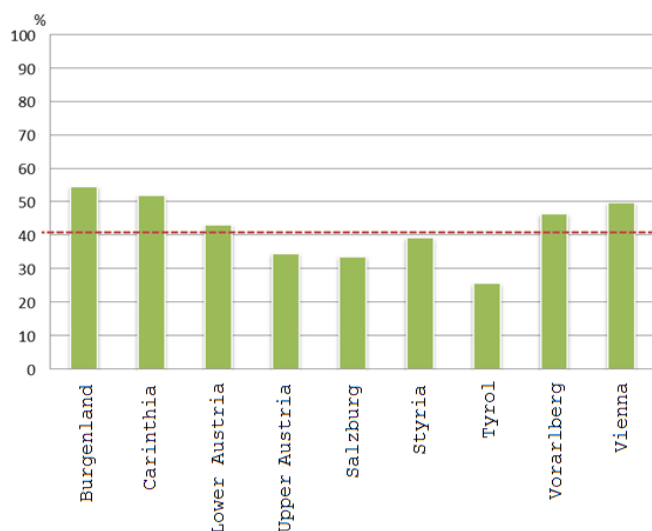
413. For the NMS, the number of statutory weekly teaching hours in compulsory subjects ranges from 26 to 34 hours per week with an average of 30 hours per week in grades 5 to 8. The number of hours per compulsory subject differs in NMS between schools with different curricular specialisation. In addition to the compulsory hours, schools can offer extra-curricular activities.

#### *All-day schooling in Austria*

414. Since the school year 1994/95, schools or classes have been able to deviate from half-day schooling and be organised as all-day forms, and since the school year 2006/2007 schools have been obliged to offer all-day programmes if at least 15 parents request it (see also chapter 2.1A). Two variants are possible: The first and most common one is to organise the school day as two consecutive blocks, an instruction part in the morning and an extra-curricular part consisting mainly of leisure activities and homework classes in the afternoon. Students are provided with lunch after morning classes, and afternoon care usually ends at 4 pm (at the latest: 6 pm). Students' participation in the extra-curricular part is optional and possible also for only single days. According to Hörl et al. (2012a), this model is applied by some 85% of the schools with all-day offers.
415. In schools with fully integrated all-day programmes (i.e. typical 'all-day schools', though much less common with only around 5% of the schools with all-day offers, Hörl et al.), all students must attend until 4 pm for organisational reasons, because classes, private study and leisure sessions alternate several times during a day (§ 8d *SchOG* and § 5 *SchZG*).
416. Freedom from tuition fees does not apply to the extra-curricular part in all-day public sector schools. However, parental contributions for the extra-curricular activities may not exceed the amount that covers the costs, whereby the financial capacity of parents has to be taken into account.
417. Since the year 2007, the offer of all-day schooling has been able to be substantially

widened. While in the school year 2007/08 only 76,979 pupils attended a form of all-day schooling (including lunch-time care at AHS), such offers were already used by 140,102 pupils in the school year 2014/15. About 40% of all school locations offer all-day schooling.

**Figure 26: Percentage of all-day school locations, by land (school year 2014/15)**



Source: Authors' calculations, based on BMBF.

418. In half-day schools there is no general provision of homework classes. Some schools organise support and care in the afternoon which is generally not free of charge for the pupils.

### 5.3 Allocation of teacher resources to students

419. For the next chapter it is important for the reader to keep in mind that the allocation of teacher resources to students is determined by the split-up competences for school types and the two-tracked lower secondary education, for which teachers are trained and remunerated on the basis of different schemes. As a consequence, two different teacher service codes have been in place for decades, i.e. the *Bundeslehrer-Lehrverpflichtungsgesetz* and the *Landeslehrer-Dienstrechtsgesetz 1984*, both of which are federal laws.
420. It was not until 2013 that a new service code was adopted to gradually replace the two existing service codes as from 2015. However, this new service code applies only for new teachers entering civil service, and in the first 5 years since it came into force teachers will be able to choose between the old and the new system. As a consequence it will take roughly another 40 years until the new service code will fully apply to the entire teaching staff in Austria while, until then, 3 different service codes will remain in effect.

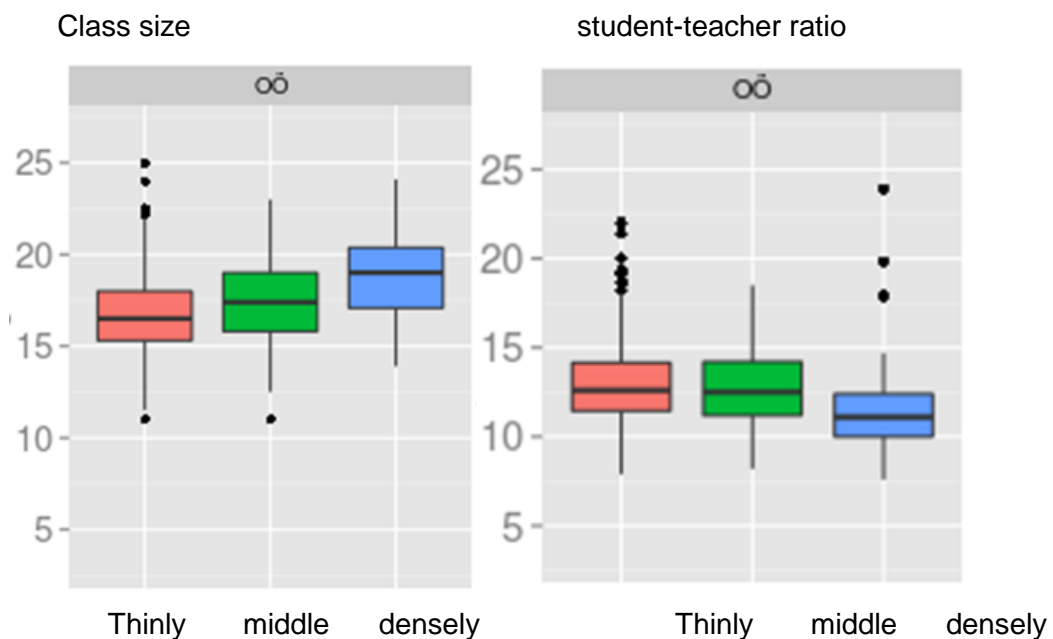
#### *Class size and student-teacher ratios*

421. Austria is known for having one of the most favourable student-teacher ratios amongst OECD countries. In primary education the average pupil-teacher ratio is 12, thus 20% below the OECD average of 15 and 15% below the EU-21 average of 14. Also the average class size of 18 is well below the EU and OECD averages. At the lower secondary education level, the class size of 21 is below the OECD average but meets the EU-21 average. Yet, the student-teacher ratio of 9 is comparatively low (OECD, 2014a).
422. Beginning with first graders in 2007, a federal regulation was introduced aiming at decreasing class sizes for pedagogical reasons to a recommended level of 25 pupils, which was translated into an absolute maximum value by the Länder in their implementing acts. Ever since, average class sizes have decreased. OECD reported a decrease in average class sizes in public primary education from 19.9 in 2007 to 18 in 2012, and from 24 to 21 in public lower secondary

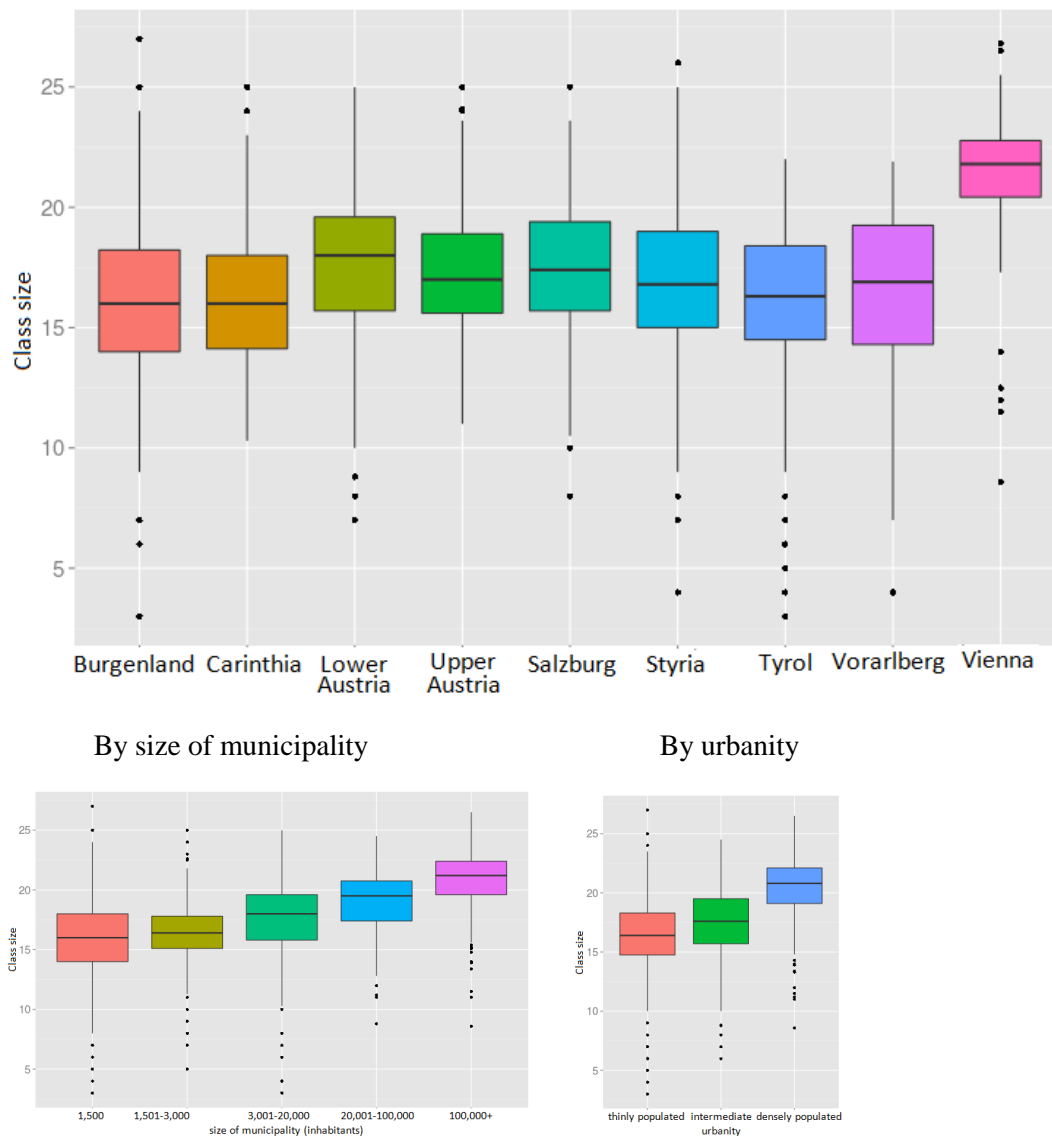
education (OECD, 2014a).

423. The following figures show student-teacher ratios and class sizes by *Laender* and different classifications of municipalities. They show, in the form of a box plot, the variation within provinces or types of municipalities as well as a comparison of the medians. There are substantial differences between *Laender* in class size, which need to be carefully interpreted while taking the different demographic and settlement structures of the *Laender* into account. Class sizes in urban areas are typically much bigger than in rural areas and *Laender* with many rural schools tend to have more schools with small classes. The figures shown are based on teacher and student microdata at school level, allowing for calculation of class sizes and pupil-teacher ratios not just as an average for an entire jurisdiction but also at school level, showing the variation in resource availability across schools.
424. An important finding is that, when considering student-teacher ratios, the differences between urban and rural schools are still observable, but are much more moderate, suggesting that schools with bigger classes do not necessarily have much fewer ‘human resources’, but use them in a different way. This phenomenon is more pronounced for primary education than lower secondary education. Figure 27 illustrates this for primary education for the province of Upper Austria, which is also the province with the most pronounced pattern in this respect. First, one can see that class sizes (17.6) are quite different from student-teacher ratios (12.0 FTEs). Only the latter show the true resource use. On average 1.5 teachers (FTEs) are in service for each class. As expected, classes are much smaller in size in thinly populated areas. However, contrary to widespread beliefs, this does not automatically mean that more human resources per student are available to schools in thinly populated areas than in urban centres. In Upper Austria the opposite is the case. Far more teaching resources per student are invested in urban areas than in thinly populated areas, an indication of a well-targeted assignment of teachers to schools which is not just following a simple logic of numbers of groups. The patterns of class size and student-teacher ratios are not similar between provinces and suggest the existence of diverging mechanisms of resource allocation. In general, human resource availability per student appears to vary less across different types of municipalities (small/large, urban/rural) than differences in class sizes would suggest. A discussion whether or not resource distribution is adequate and just would be misleading if merely based on class size data. The data on student-teacher ratios by province or type of municipality presented here was made available only recently and is not yet the standard of education monitoring in Austria.

**Figure 27: Comparison between class size and student-teacher ratio in thinly populated, middle-density, and densely populated areas in Upper Austria (primary education, VS)**



**Figure 28: Class size by *Laender*, size of municipality and urbanity (primary education, VS)**

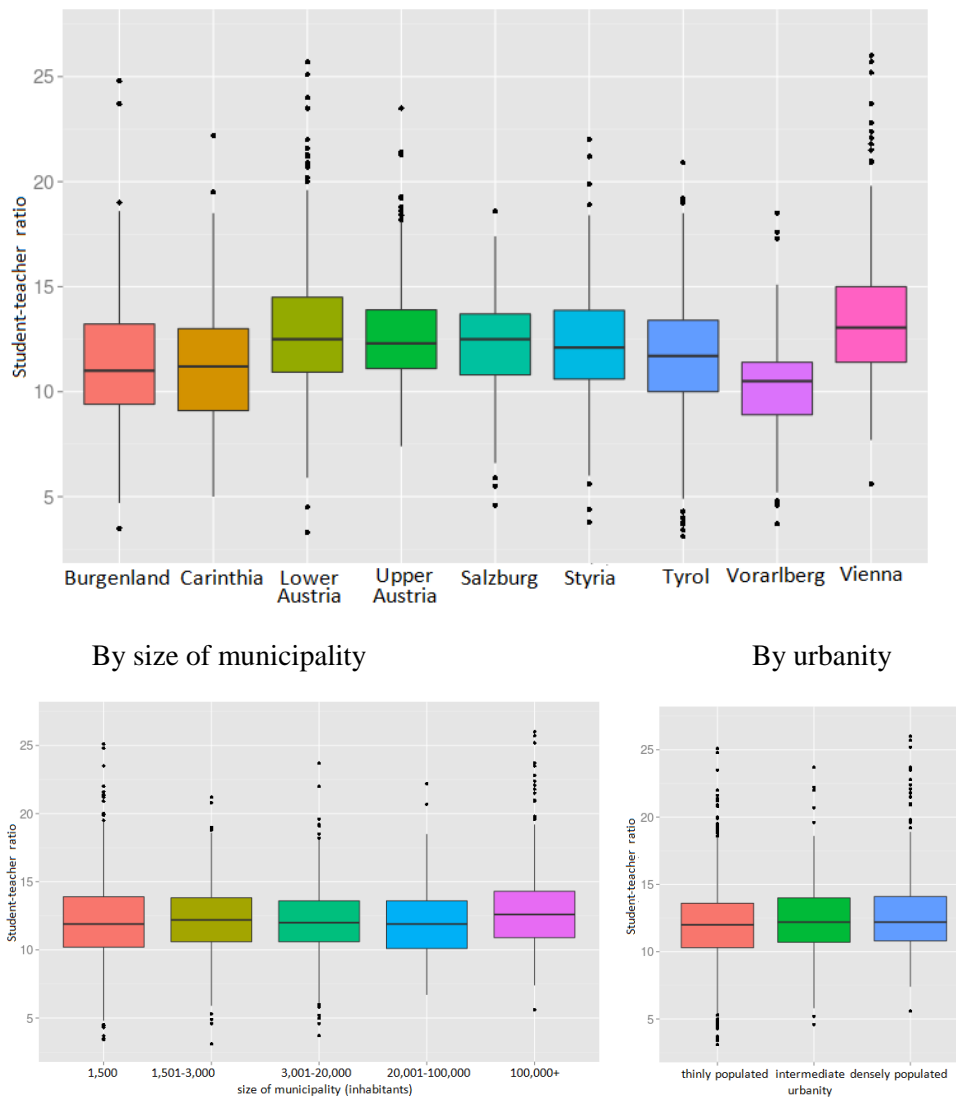


Source: IHS calculation based on Statistics Austria (Bildungsdokumentation) and *Landes- und Bundeslehrercontrolling* (BMBF).

425. As already indicated, just considering class sizes masks the diversity in which teaching resources are allocated to students. There are many mechanisms to support students and teachers in learning. In the old system of general secondary schools (HS), the main subjects were taught in ability groups for mathematics, German and the first foreign language (English). Group sizes for ability groups were smaller than for the main classes, especially for the track with the weakest students. For 8th graders, the national assessment for grade 8 in mathematics (2012) provides data on their assignment to ability groups and classes. On average the class size was 19.7 pupils per class, which is consistent with the administrative data shown above. Yet, the average size of ability groups was 13.3 for the third ability group (low ability), and 16.4 for the second ability group. The size of the first ability group was, at 18.3, almost identical to the class size. These forms of grouping might reduce the overall nominal class size by some 10% compared to the effective group size.



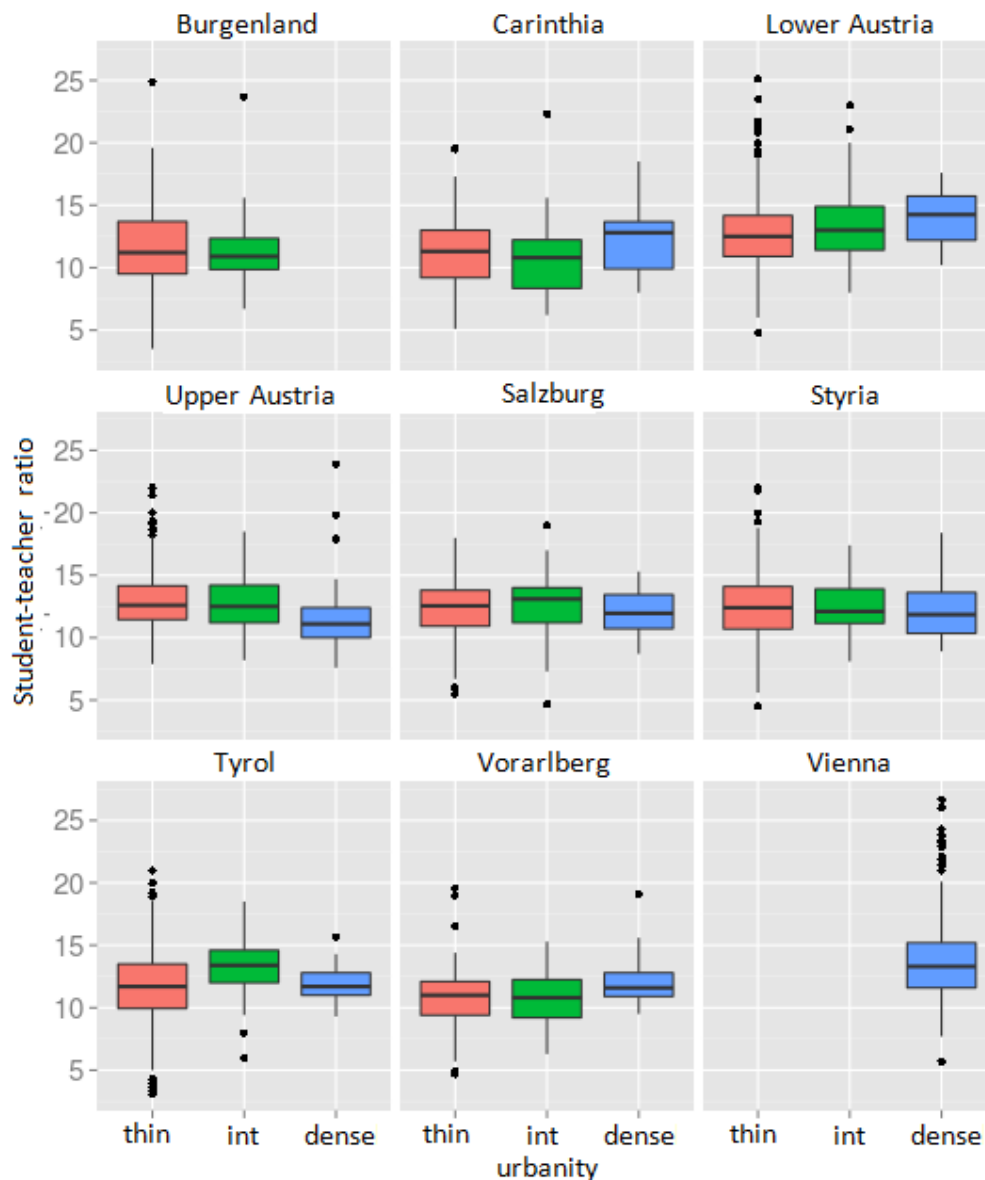
**Figure 29: Student-teacher ratio by *Land*, size of municipality and urbanity (primary education, VS)**



Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and Landes- und Bundeslehrercontrolling (BMBF).

426. Figure 30 gives an impression of differences in teacher allocation within the *Laender*. It also shows that allocation patterns are quite different between them. In Carinthia and Lower Austria, pupil-teacher ratios are, on average, higher in densely populated areas than in more thinly populated ones. This pattern cannot be found in Salzburg, Styria or, as presented above, Upper Austria. The width of the boxes in the plot shows the variation in pupil-teacher ratios between schools within the given groups of schools. In most provinces the variation within these groups is bigger than the variation in pupil-teacher ratios between the groups.

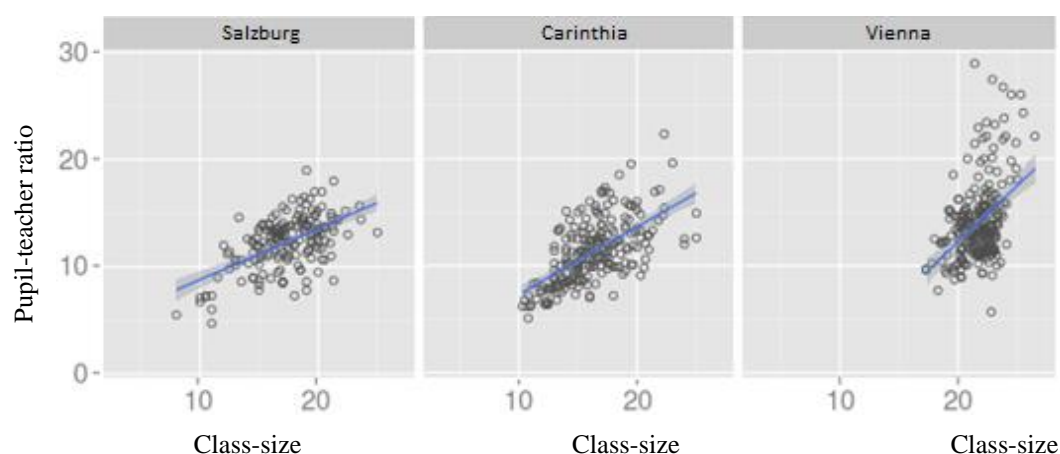
**Figure 30: Student-teacher ratio by size of municipality and urbanity within the *Laender* (primary education, VS)**



Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and Landes- und Bundeslehrercontrolling (BMBF).

427. Figure 30 reveals the differences in pupil-teacher ratios between individual schools, especially between schools with similar class sizes. In all three provinces, selected for illustrative purposes, pupil-teacher ratios for schools of similar average class sizes can vary by a factor of two, e.g. looking at schools with close to 20 students per class, pupil-teacher ratios vary from below 10 students per teacher to about 20. Figure 30 shows a general trend that in schools with smaller classes more human resources are invested, but that this trend is also not very strict (i.e. small  $r^2$  for the trend line). The case of Vienna illustrates also that only public teachers are considered, which may explain why in few schools pupil-teacher ratios exceed class sizes, which is due to not considered privately funded staff.

**Figure 31: Comparison of class size and pupils for primary education, individual primary schools**



Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and *Lands- und Bundeslehrercontrolling* (BMBF).

428. Table 14 shows the pupil-teacher ratio and class sizes for all levels of education. Despite bigger class sizes in lower secondary education, pupil-teacher ratios are smaller at higher levels of education. Vienna shows the least favourable student-teacher ratio for all school forms. In the case of HS/NMS this is remarkable since in Vienna a larger share of students is already enrolled in AHS where student-teacher ratios are even bigger. The figures also reflect the additional teaching resources that are channelled to NMS. To ensure a clear picture, APS in lower secondary education were separated into schools that are already fully transformed into NMS, schools that were HS without NMS classes yet and schools that are in the process of transformation from HS to NMS, having both NMS and HS classes at different grades.

**Table 14: Pupil-teacher ratio and class size by *Laender* (2012/13)**

Land	VS		HS (without classes)		NMS (without classes)		NMS/HS (with HS & NMS classes)		PTS	
	Class size	Pupil- teacher ratio	Class size	Pupil- teacher ratio	Class size	Pupil- teacher ratio	Class size	Pupil- teacher ratio	Class size	Pupil- teacher ratio
Burgenland	16.4	11.0	21.4	8.8	18.8	6.9	20.6	8.1	21.2	6.8
Carinthia	16.6	10.8	18.8	8.2	21.7	7.2	20.1	7.7	21.6	6.9
Lower Austria	18.4	12.5	18.9	8.3	20.0	7.1	19.2	7.8	20.3	7.4
Upper Austria	17.6	12.0	19.1	8.4	21.0	7.9	19.7	7.6	21.4	7.6
Salzburg	18.2	12.4	20.7	8.8	22.0	7.3	20.4	8.0	20.4	7.5
Styria	17.8	11.9	19.2	8.3	20.6	6.5	19.5	8.3	20.4	7.9
Tyrol	17.2	12.1	19.5	8.6	20.8	7.7	19.7	7.9	20.0	7.9
Vorarlberg	18.0	10.7	20.3	8.4	20.0	7.4			20.9	9.4
Vienna	21.8	13.2	21.9	9.3	23.0	8.7	22.0	8.6	22.9	10.1
<b>Austria</b>	<b>18.4</b>	<b>12.2</b>	<b>19.7</b>	<b>8.5</b>	<b>20.5</b>	<b>7.3</b>	<b>20.0</b>	<b>8.0</b>	<b>21.0</b>	<b>8.0</b>

Land	AHS		AHS-U lower secondary education		AHS-O upper secondary education	
	Class size	Pupil-teacher ratio	Class size	Pupil-teacher ratio	Class size	Pupil-teacher ratio
Burgenland	21.9	10.1	23.0	11.0	20.7	9.2
Carinthia	23.3	10.2	24.6	10.5	21.8	9.9
Lower Austria	22.7	10.4	23.1	11.3	22.1	9.4
Upper Austria	22.9	10.4	23.1	11.2	22.5	9.6
Salzburg	23.5	9.8	24.7	10.6	22.5	9.1
Styria	23.3	10.1	24.1	10.5	22.6	9.6
Tyrol	23.2	10.5	24.1	11.5	22.4	9.7
Vorarlberg	23.0	10.1	24.6	11.3	21.5	9.2
Vienna	23.9	9.9	24.7	10.0	22.9	9.8
<b>Austria</b>	23.3	10.2	24.0	10.7	22.4	9.6

Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and *Landes- und Bundeslehrercontrolling* (BMBF).

429. All calculations of student-teacher ratios are based on FTEs with overtime hours by teachers included in the FTE calculation. Therefore some teachers are counted as more than one FTE if the number of paid hours exceeds a full workload.

**Table 15: Overtime hours by *Laender* (2012/13)**

Total hours					
	VS	HS/NMS	PTS	ASO	AHS
Burgenland	280	661	56	27	717
Carinthia	195	101	4	51	1,941
Lower Austria	1,932	4,785	400	1,002	5,931
Upper Austria	1,149	2,828	369	336	3,828
Salzburg	422	1,255	121	216	1,855
Styria	980	2,195	233	112	4,760
Tyrol	668	1,628	243	186	1,560
Vorarlberg	2,731	4,484	363	779	1,546
Vienna	1,610	3,767	692	1,318	8,522
<b>Austria</b>	<b>9,967</b>	<b>21,704</b>	<b>2,481</b>	<b>4,028</b>	<b>30,661</b>

**Hours per teacher and instruction month**

	VS	HS/NMS	PTS	ASO	AHS
Burgenland	1.1	2.8	4.3	1.0	5.3
Carinthia	0.4	0.2	0.1	0.8	7.0
Lower Austria	1.4	3.7	4.7	3.9	7.8
Upper Austria	0.9	2.1	4.3	2.0	6.1
Salzburg	0.9	2.7	3.2	2.1	5.8
Styria	1.0	2.3	4.1	1.4	7.8
Tyrol	1.0	2.5	4.4	1.7	4.8
Vorarlberg	6.4	11.4	13.6	9.4	8.3

Vienna	1.3	5.0	11.9	2.6	5.9
<b>Austria</b>	<b>1.4</b>	<b>3.3</b>	<b>5.6</b>	<b>2.9</b>	<b>6.6</b>

Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and Landes- und Bundeslehrercontrolling (BMBF).

### Federal teachers in NMS

430. In new secondary schools, additional teaching resources are made available for team teaching in the core subjects. These resources amount to six additional teaching units per NMS class to allow for the assignment of a second teacher in the subjects German, mathematics and English. The aim is that federal teachers (AHS) should account for the additional teaching so that each teaching team is made up of one general secondary (HS/NMS) school teacher and one teacher from an academic secondary school (AHS) or from an upper secondary vocational school (BHS). The restriction that these additional teaching resources can be used only for the core subjects German, mathematics and English has recently been lifted.
431. On average, federal teachers accounted for only slightly more than half of the total additional teaching time in NMS in 2012/13. This share varies greatly across the *Laender*, ranging from 7% in Vorarlberg to 95% in Salzburg. Although in Vorarlberg the implementation of the NMS was almost completed while in Salzburg it was rather in its early stages at that time, there is no clear relationship between the share of additional teaching units held by federal teachers and the status of NMS implementation.
432. The teaching load of federal teachers amounts to more than 640 FTEs. Since these teachers are employed and paid directly by the federal school administration, the respective resources are not included in the budget of NMS but rather in the budget of their regular school type, which is AHS in most cases. (The figures in Table 3 report adjusted unit costs per student to account for this).

**Table 16: Additional teaching load and share held by federal teachers in NMS (2012/13)**

	NMS classes	Additional teaching units (classes x 6)	Units held by federal teachers	Share held by federal teachers	FTE federal teachers at NMS (21h)
Burgenland	294	1,764	1,416	80.3%	67.4
Carinthia	373	2,238	2,021	90.3%	96.3
Lower Austria	743	4,458	3,084	69.2%	146.9
Upper Austria	633	3,798	1,678	44.2%	79.9
Salzburg	158	948	903	95.3%	43.0
Styria	526	3,156	2,156	68.3%	102.7
Tyrol	422	2,532	1,612	63.7%	76.8
Vorarlberg	573	3,438	245	7.1%	11.7
Vienna	304	1,824	359	19.7%	17.1
Grand Total	4,026	24,156	13,475	55.8%	641.7

Source: IHS calculation based on Statistics Austria (*Bildungsdokumentation*) and Landes- und Bundeslehrercontrolling (BMBF).

### 5.3a Organisation of the teachers' work

433. The following section discusses how the teachers' work is organised and how it is becoming effective for students' instruction and learning. It discusses the working time of teachers but also their career structure and roles and responsibilities in schools.

#### Teachers' work load

434. Teachers employed by the Federal Government have teaching assignments of 20 teaching hours per week (*Bundes-Lehrverpflichtungsgesetz*). In a complex system the total teaching hours are weighted per subject taught, with a proportionally higher weighting for more challenging subjects (e.g. German language teaching gets a higher weighting than sports education). In addition, specific tasks such as managerial support (*Administrator*) to the school leader or, for

example, the management of the school library – provided that other criteria such as school size are met – can further reduce the basic 20 hours teaching contingent. As a result, teachers have a teaching obligation of 17-21 hours in the most common subjects.

435. Provincial teachers have a teaching assignment of 20 to 21 hours/week. The service code for provincial teachers lays down detailed yearly working norms: 1,736 hours/year for teachers aged 43 or older, and 1,776 hours/year for all younger teachers<sup>31</sup>. Between 720-792 hours have to be dedicated to face-to-face pedagogical work, between 600-660 hours to preparatory and correction work, and the remaining hours to other tasks such as stand-in teaching (*Supplierungen*), class coordination work, administrative tasks, school projects, etc.
436. The task of assessment of students by teachers is highly regulated in Austria, therefore this function can also be expected to consume a substantial amount of teaching time relative to the direct support of learning, and besides – despite the clear regulations – a substantial discrepancy between test results and assessment occurs.
437. The new service code, applicable for all new teachers independent of the type of school<sup>32</sup>, provides for higher initial salaries and an increased teaching assignment of 24 teaching units (50 minutes) per week, whereby 22 hours have to be delivered in the form of teaching and 2 hours in the form of other tasks such as counselling for pupils and their parents, mentoring for novice teachers, etc.

#### *Continuing professional development*

438. All teachers are obliged by the respective service codes to ensure their teaching is state-of-the-art in terms of subject-specific didactics and pedagogy. Since 2001, all teachers who are subject to the legislation governing teachers employed by the *Laender* have been obliged to take part in in-service teacher training for 15 hours per school year. There is no regulation that continuing professional development (CPD) needs to be linked to the specific subjects taught by a teacher. For teachers (civil servants) employed by the *Bund* there are no minimum requirements (e.g. in terms of hours of CDP) other than the general implicit obligation to take CPD (see above). Teachers employed under the contract agent scheme (*Landeslehrer* and *Bundeslehrer*) have to attend up to 15 hours of CPD.
439. CPD can be attended during the time of teaching obligations only if this is in the explicit interest of the school authorities and if a replacement is provided. Otherwise teachers have to attend CPD outside of teaching obligation times (i.e. in the afternoon/evening, weekends or holidays). There is no data available on the proportion of hours of CPD attended during times of teaching obligations. Similarly, there is no data on the amount of CPD courses attended during summer holidays. A yearly monitoring report produced by the BMBF, based on the CPD management tool ‘PH Online’, shows that 5.1% of all CPD courses (i.e. 5% of enrolments) in the school year 2011/12 were offered in the months of July and August (see Federal Court of Audit, 2014a). CPD is provided by the 8 public and 5 private university colleges of teacher education, total costs for CPD amounted to slightly more than € 12 million in 2012/13 (BMBF, 2015b).
440. There are no monetary incentives (such as allowances or progression in the pay scale) for teachers to take part in continuing professional development. CPD is not a necessary condition for promotion to the next step of the payment scale (*Biennalsprünge*). The main motivation for participation is to keep subject-related knowledge up to date or obtain better qualifications for a possible future application (such as school leader).
441. There are few statistics on CPD attendance rates. TALIS 2008 indicated that almost all Austrian teachers participate in CPD (97% in lower secondary education), but the intensity of participation, i.e. the number of days per participant, was comparably low.

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<sup>31</sup> This reflects the general rule that civil servants are entitled to an additional week of holidays (in total 6) once they have reached the age of 43.

<sup>32</sup> For the next five years, new teachers can still choose between the old and new service code, meaning that the increased number of hours will not apply to all of them.

442. The current teacher service codes do not provide for general multiple-stage career schemes and the only major career step possible is taking over a school leader's post. However, teachers can be assigned to various additional positions and responsibilities in addition to their teaching obligation, which reduce the teaching time and, depending on the position, can also be compensated financially in the form of additional allowances, e.g. a school administrator position. Another typical position is 'class coordination' (= head teacher) which includes administrative tasks related to one specific class as well as the pedagogical coordination of the different subject teachers in NMS and AHS. These positions cannot be considered as steps in a career scheme, however.
443. To date, only teachers with a teaching diploma from a university (trained for AHS) are obliged to complete a one-year, post-graduate, part-time professional induction phase (*Unterrichtspraktikum*; teaching practice) as a requirement for employment (see School Traineeship Act, *Unterrichtspraktikumsgesetz*). With the implementation of the new teacher training scheme, all future teaching careers will start with a one-year professional entry phase (induction phase).
444. Salaries for all teachers (federal and provincial schools) are determined by the Federal Remuneration Act (*Gehaltsgesetz*) for civil servants. The basic statutory salary depends on the type of teacher training completed, the type of school where a teacher teaches, and their years of service. Allowances for a huge number of possible positions (school leader, class teacher, subject coordinator, administrator, student counsellor, etc.), specific teaching conditions (e.g. multi-age classrooms) and for overtime can increase the basic salary.
445. Depending on the service code under which teachers are employed, they are promoted to the next step of the pay scheme after a fixed number of years, which is not related to their performance. While promotion usually takes place every 2 years according to the existing service codes, promotion under the new service code (applicable only to teachers freshly entering the system) will happen only every 4 years at the beginning of the career, followed by 5-year steps in later stages of the teaching career. To make teaching careers more attractive, initial salaries will be considerably increased under the new service code while total life-time earnings will remain more or less unchanged. Currently, the average number of years Austrian teachers must serve to obtain the maximum statutory salary is 34 years (Eurydice 2015, p.20).
446. Teachers can receive extra payment for overtime if they exceed their fixed legally defined teaching load, whereby the calculation is based on a fixed percentage of the gross salary. A significant amount of hours of overtime by teachers can be observed, for example the Federal Court of Audit found that the 36,500 federal teachers (lower and upper secondary level) delivered a total of 3.74m hours of overtime in the school year 2010/2011, this amounts to an average of about 2.7 hours a week per teacher.
447. Statutory teacher salaries in Austria for primary and secondary education teachers represent just 55% to 61% of salaries of full-year tertiary-educated workers (25-64 year-olds). These are calculated based on the basic salaries as regulated by the service codes and do not include allowances for overtime and the numerous possible positions that teachers can take on (e.g. class teacher, administrator, etc.). Real average salaries of teachers are expected to be much higher and closer to the average salaries of tertiary graduates; this includes the fact that the average age of the teaching workforce is relatively higher, which has a significant impact on average salaries because of the age-related increases of salary schemes. For the first time, real salaries will be calculated and published in Education at a Glance 2015 (forthcoming, November 2015).
448. It must also be considered that teacher training in Austria for most teachers of primary education and general secondary schools in service took place at teacher training institutions not considered as tertiary, with a relatively short duration. Teacher training for APS was only recently upgraded to the bachelor level ('Bachelor of Education') and in the near future master's degrees will become the standard. Further, it needs to be considered that pupil-teacher ratios are relatively favourable in Austria and teaching hours are below international averages, causing the statutory salary costs per net contact hour to be above the OECD average, ranging from 55PPP\$ in primary education to 81PPP\$ in upper secondary education. (OECD, 2014a).

449. A comprehensive reform of the teachers' career structure and working conditions has been introduced by the 2013 Amendment to the Service Code – Pedagogical Service, entering into force for future teachers of all types of schools as of September 2015. The key objectives of this reform were: 1) unification and simplification of existing service codes; 2) more mobility of teachers between different types of schools, 3) adjustment of the service code and working conditions to the new teacher training scheme, 4) enhancement of the attractiveness of the career option of teaching by increasing initial salaries.
450. In addition, as of 2019 all new teachers will have to acquire a master's degree at the latest 5 years after they have entered into teaching service. The master's degree can be obtained in extra-occupational/CPD programmes. The new service code also provides for specialist careers (*Fachkarrieren*) in addition to careers as school leaders or administrators. Teachers can take on positions such as mentor for novice teachers, learning and career counsellor, learning designer at NMS (*Lerndesigner*), special needs pedagogue<sup>33</sup>, etc. for which they receive an additional allowance. (BMBF, 2015c)

#### *Teacher appraisal*

451. Teacher appraisal does not have a strong tradition in Austria. In the TALIS 2008 study, 43% of the teachers stated they had never been subject to external evaluation (see Rieß et al. (2009)). In principle, however, three different forms of teacher appraisal exist in the Austrian school system:
- a. Evaluation of teachers' performance by the school leader: Assessing the quality of the teachers is one of the core tasks of Austrian school leaders, which is done by sporadic class visits and observation of teaching.
  - b. In case of serious complaints of parents about a teacher, the school inspectorate can carry out a special inspection of a particular teacher: the inspector visits classes, talks to students and school management and verifies the validity of the parents' complaints.
  - c. Finally, teachers are encouraged to carry out self-evaluations of their classes (e.g. student feedback or other methods), but this is not a mandatory task.
452. The mechanisms for teacher appraisal are laid down in §§61-66 of the *Landeslehrer-Dienstrechtsgesetz*. Teacher appraisal is the responsibility of school leaders and includes the pedagogical quality, cooperation with other teachers and parents, and implementation of specific tasks. For critical cases (in particular underperformance), the school inspectorate or the school management can initiate formal evaluations of teachers. Teacher appraisal commissions can be established at *Laender* level (based on regional service codes, *Landeslehrer Diensthoheitsgesetze*) and are usually composed of school inspectors and teaching staff representatives. According to the service code, a teacher can be dismissed after the second formal statement that his/her work performance does not meet expectations.
453. In general, formal evaluations of teachers are rather rare in the Austrian school system and tend to have no consequences. Only severe cases of neglect of duty may lead to a transfer to another school or dismissal from the teaching service. Another option available to school leaders is to oblige teachers to attend continuing professional training, which appears to be also rarely applied (see Rechnungshof 2007/4, p.77).
454. The introduction of education standards testing and standardised feedback for individual teachers on the performance of their class/group adds a more objective dimension to teacher evaluation and feedback and increases its overall importance (see chapter 5.7).

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<sup>33</sup> With the new teacher training scheme, 'special needs pedagogues' will no longer be trained on the basis of specific curricula but rather in the form of a specialisation under the general training scheme.



### 5.3b Support staff in schools

455. There is long-standing political debate about the provision of support staff for schools and potential cost savings that could be incurred if administrative tasks were carried out by non-teaching staff. For example, the Federal Court of Audit (2013a) stated in a recent report that at federal level, out of a total of 36,500 federal teachers (full-time equivalents), around 2,500 full-time equivalents (i.e. about 6.8%) were withdrawn from teaching to carry out tasks of school leadership, administration and IT maintenance in 2011/2012. The court of audit estimated cost savings of € 13m per year if support tasks at federal schools were carried out by administrative staff instead of (more expensive) teaching staff.
456. The assignment of more assistance staff to reduce the teachers' administrative workload has also been a constant demand from teacher unions for many years. In negotiations on the new teacher service code, the Government affirmed that it would provide up to 2,000 additional administrative staff for schools, in particular by encouraging civil servants who have become redundant in other areas (such as the postal and telecom services after privatisation) to take up new posts in the school administration. By 2014 around 150 civil servants had been mobilised.
457. Due to fiscal consolidation measures including the reduction of civil servants at federal level, the provision of additional staff for support tasks in federal schools is currently very limited. Between 2014 and 2016 the Federal Ministry will provide a total of 120 posts for IT system assistants who will not be assigned to a specific school but rather support several schools in a region (Rechnungshof Bund 2014/14, p. 442). At the same time, the tasks of teachers who carry out the role of IT custodian have been refocused on the related pedagogical aspects in a ministerial ordinance.
458. Furthermore, against the background of a perceived increase in disciplinary problems among pupils and also ethically more diverse student populations, for many years teacher representatives have continued to request more school psychologists and social workers to deal with social, intercultural and behavioural problems rather than the teachers themselves who have not been (sufficiently) trained for such challenging tasks.
459. A general difficulty in this context is the fact that non-teaching staff has to be provided and remunerated by the municipalities for the majority of the schools, i.e. the general compulsory schools (Landesschulen) which often lack the necessary financial means. To overcome this administrative barrier, the Federal Ministry has, for example, set up associations at *Laender* level that hire educational psychologists with federal funds to deliver psychological support to general compulsory schools.
460. The following types of support staff exist in the Austrian school system (see Eurydice, Austria):
461. School psychologists: Under the heading *Schulpsychologie-Bildungsberatung* (educational psychology and career guidance), the Federal Ministry of Education and Women's Affairs runs some 77 information centres which offer psychological advice and educational guidance provided by around 150 educational psychologists throughout Austria. All pupils, parents and teachers can make use of this public service free of charge.
462. School social workers: School social workers are employed according to requirement and only in some schools. School social work aims to discover social problems as early as possible and to develop approaches to solving problems with the methods of social work.
463. Youth coaches: The Ministry for Social Affairs (BMASK) together with the BMBF has set up a system of career assistance in schools: 'Youth Coaching' (see also chapter 2.7).
464. Administrative staff: Within the framework of federal school administration, administrative staff is recruited at the federal school authorities in the *Laender* (provincial school boards), for provincial schools it is recruited by the *Laender* authorities or the municipalities.
465. School doctors: At all schools there are school doctors who are responsible for the medical attendance of pupils. The school doctors' work requires specialist medical and psychosocial knowledge which is acquired by means of corresponding medical training and in-service training.
466. Library staff: For prospective school librarians, university colleges of teacher education (PH) have different training courses available depending on the school type. These teach the

necessary qualifications for running and managing a central information and media centre. As well as the administrative contents which are necessary for running a school library, comprehensive knowledge in how to deal with state-of-the-art media is also taught.

467. Social pedagogues work in areas including establishments of school-based day care, youth welfare, school-based and non-school-based youth work and also therapeutic and special pedagogy. There are various qualification pathways which lead to the profession 'social pedagogue': a five-year college (completed with matriculation and diploma examination), two-year post-secondary VET courses, three-year part-time post-secondary VET courses or a two-year training course for educators to become special educators.
468. Career guidance coordinators are teachers who coordinate career guidance classes on behalf of the school management. The career guidance class in year 7 and 8 of the lower secondary level pursues the goal of giving young people orientation aids for choosing their education and career pathways and, in this way, providing them with effective support and accompanying them in their choice of school, education and career. Career guidance coordinators need to complete the course in career guidance coordination at a university college of teacher education (PH) (see Eurydice).

## 5.4 Organisation of school leadership

### *School leadership arrangements*

469. The leadership tasks are generally the responsibility of a single individual school leader. Only at a few large schools is the school leader assisted by a permanent deputy, at all others this is by a teacher of his/her school ('administrator') and not by an officially appointed deputy. There is also a middle management (*Abteilungsvorstellung* / department management, *Fachvorstellung* / subject management, *Leiterstellvertretung* / deputy heads) answerable to the school management at medium-sized and larger schools to relieve the administrative load on teachers and leaders. Teachers who work in one of these positions have to teach 50% to 75% less and receive a bonus of between € 300 and € 850 a month.
470. The school leader is the person to whom teachers and other staff (administrative staff, caretakers, etc.) at a school report directly. According to the School Education Act (*Schulunterrichtsgesetz*), the school leader has to advise teachers in their teaching and educational work and to regularly monitor the instruction given and the performance of the pupils. In addition to quality assurance they are also responsible for the entire management of the school: i.e. the running of the school and the liaison between the school, the pupils and the parents, the implementation of legal regulations as well as instructions issued by the educational authorities, preparation of meetings of the school partners and executing the decisions adopted at these meetings, monitoring of the condition of buildings and infrastructure, allocating the annual budget granted to the (federal) school and preparing the school's annual financial statements.
471. As regards the recruitment and assignment of teachers to their school by the responsible authority (provincial school board or office of the provincial government), school leaders must prepare a plan to project the future demand and development of human resources in their school. Furthermore, they can submit an expert opinion with regard to the suitability of teachers who have applied to be assigned to their school. School leaders have no formal decision-making power with regard to the recruitment of teachers, informal ways of exerting influence also exist to varying extent (see chapter 4.6).
472. In addition to their school leader tasks, leaders also have to teach, whereby the compulsory teaching load depends on the school size. Since September 2014, school leaders at schools with at least ten full-time teachers have been entirely exempt from the obligation to teach. In very small schools there are no permanent school leader positions, instead teachers are entrusted with the school management and, in part, are exempt from the obligation to teach so they are able to carry out this activity.
473. Huber, Wolfgramm & Kilic (2013, page 261) asked school leaders in Germany, Switzerland and Austria which duties are perceived as especially burdensome for school leaders. Austrian school leaders described the following as the top five most burdensome duties: i) to prepare reports for administration, ii) to read and review documents, files and records, iii) to

implement reforms set by the Ministry, iv) to prepare statistics, v) to prepare official appraisals. According to the TALIS study 2008, Austrian school leaders spend more time on school administration than on pedagogical leadership and more time on problem solving than on target setting (Schmich & Breit, 2009).

474. To provide school leaders with support for their leadership and management tasks, the Leadership Academy was founded in 2004 (see <http://www.leadershipacademy.at>). For managers at all levels of the education sector (school leaders, school inspection, school administration, teacher training), this nationwide qualification initiative of the Education Ministry provides presentations, practical projects, coaching and networking activities.

#### *Career structure and compensation*

475. Teachers who are appointed as a school leader receive a service bonus. The amount of the bonus is based on the school category, number of classes, years of service/seniority and is specified in the respective Service Code. Currently (2015) the bonus ranges from € 218 to € 907 per month (FCG, 2014). The allowance increases after several years of service as school leader. As regards the new Teacher Service Code, the school leader allowance depends on school size only and is between € 300 and € 1,650. The abolishment of age-related aspects in the calculation of the allowance also aims at making school leader careers more attractive to younger teachers.
476. School leaders who are responsible for two or several schools receive the bonus for each school they manage. Also, a lump sum bonus can be awarded for outstanding performance or involvement in particularly successful projects. School leaders who fulfil teaching tasks can receive extra payment for overtime if their fixed legally defined teaching load is exceeded.

### **5.5 Teaching and learning environment within school**

#### *Organisation of learning*

477. OECD reports for PISA 2012 that school responsibility for the curriculum and assessment in Austria is not very strong when compared to other OECD countries (OECD, 2014a, p. 424). Yet, it needs to be considered that most PISA students (aged 15) already enrol in upper secondary education and therefore structural facts about PISA schools in Austria are not easily compared with other countries, which typically are exclusively lower secondary schools.
478. Curricula for Austrian schools are developed and published by the Federal Ministry but schools are given partial autonomy in curriculum implementation (*SchOG* §3). Within the pre-set framework conditions, schools can develop their own specific profile and set priorities by modifying the number of instruction hours for subjects, introduce additional compulsory or non-compulsory subjects and offer tutoring (*Förderunterricht*). Depending on the school type, curriculum autonomy amounts to 5-10% of the curriculum, and more than 90% of HS, AHS and vocational schools are making use of curriculum autonomy. Such specific curricula are enacted by the school forum/community committee and are to be reported to the school inspection, which can revoke them, if the rights of students and regulations are violated.
479. Within the framework of school-autonomous curricula, the following focus areas can be set: a.) foreign language, b.) arts and creativity, c.) science and technology, d.) ecology, e.) informatics, f.) social sciences and business/economy, g.) intercultural learning h.) sports and athletics, i.) health and nutrition. Focus areas can be set for the whole school or for single classes only. In 2012, 64% of 1,402 lower secondary schools indicated that they have chosen school focus areas, for AHS this was 67% and for the APS 63%. The most common areas were informatics, language, sports and music (calculations based on BIST-Ü, M8, 2012).
480. In addition, teachers have full autonomy in choosing the methods they deem appropriate for implementing the curricula and achieving set learning objectives.
481. Individual schools do not have a role in defining student assessment criteria, these are set out in all details in federal legislation (*Schulunterrichtsgesetz, SchUG*) and an ordinance by the federal minister (*Leistungsbeurteilungsverordnung, LBVO*). However, alternative forms of grading and reporting are going to be piloted at primary schools and the law sets explicit rules for how such pilot projects are to be designed. The law allows up to 25% of all classes to participate in pilot projects of alternative grading (*SchUG* §78a).

482. For a long time, systematic self-evaluation practices did not exist in Austria (see Specht & Sobanski, 2012, p. 8). In the 1990s, schools were given a growing level of autonomy which was linked to the introduction of (low-stakes) accountability elements. The development and establishment of school self-evaluation practices has been on the political agenda for many years. In 1999, the Quality in Schools Initiative (*Q.I.S. – Qualität in Schulen*) was launched to stimulate schools to develop voluntary school programmes, which should include development targets, measures and evaluation.
483. Launched in 2005/2006, the *QualitätsInitiative BerufsBildung (QIBB)* initiative is a comprehensive quality initiative for VET and incorporates the elements and principles set forth in the CQAF (Common Quality Assurance Framework)/EQARF (European Quality Assurance Reference Framework) and works in a systemic way comprising all levels of the VET system – from the Ministry to the education boards and inspectors to VET schools. Based on voluntary participation by schools, most VET schools have now been included in the initiative. QIBB relies on yearly development plans, self-evaluation of VET schools, and management reviews. External evaluations on the institutional level have so far not been a regular part of QIBB. Peer review as a voluntary and ‘friendly’ evaluation between VET institutions was considered an attractive methodology for carrying out external institutional evaluations in QIBB (peer-review-education.net, 2009).
484. In autumn 2012, the Q.I.S model was replaced by the initiative School Quality in General Education ([www.sqa.at](http://www.sqa.at)) which aims to foster development of learning and teaching towards individualisation and competence orientation. This development has strong links to the introduction and testing of educational standards in Austria. With SQA, school development and self-evaluation have been made compulsory by the 2014 reform of the Federal Law on School Inspection (*Bundeschulaufsichtsgesetz*). Based on law, a nationwide quality framework for schools was developed and is being implemented by SQA. Rather than on rigorous external evaluation of schools, SQA puts a strong focus on a combination of several tools, including self-evaluation, that are a fixed element of development plans and compulsory for the whole sector of general education. A number of tools are provided to support self-evaluation of schools (<http://www.sqa.at/mod/page/view.php?id=306> or [www.tevalo.at](http://www.tevalo.at))
485. SQA requires schools to establish clearly defined development plans which have to cover several years and need to be updated every other year. The school leader is responsible for the development of the plan together with the teachers. This process includes self-evaluation, whereby the results of education standards provide one important input, but schools are also encouraged to seek external advice on their own initiative. For example, external guidance can be requested from specially trained school development advisors (*EBIS – Entwicklungsberatung in Schulen*).
486. In periodic dialogue, the school leader and the responsible school inspector (in principle every year) conclude binding ‘target and performance agreements’ for the school (*Ziel- und Leistungsvereinbarungen*). These must be in line with the setting of regional, provincial and national SQA targets and country-wide budget framework targets (see chapter 1.4 on WIST). The underlying principle is dialogue-based leadership to induce a culture of trust, feedback and consensus. External inspection is still possible but limited to cases where such an intervention appears the necessary tool. Pertinent training programmes are provided for head teachers, school inspectors and managerial staff. Information and comprehensive support for implementation are available online.
487. The compulsory implementation of SQA and the shift in the role of the school inspection from external supervision to regional quality management can be seen as a true change of paradigm in the Austrian system of school quality development. The impact of SQA is currently being evaluated by the Federal Institute for Education Research, Innovation and Development of the Austrian School System (BIFIE). With the assessment of national standards at primary and lower secondary schools in 2012/13, schools were asked to report on the development and implementation of school development plans. According to a preliminary analysis by George and Bröderbauer (2015) on the *Land Salzburg*, more than 80% of APS and 40% of AHS reported having a complete development plan in place, out of which 60% of APS and 40% of AHS reported having it fully implemented and about a quarter of APS and less than 10% of AHS also

having it evaluated.

488. In 2008, national educational standards became mandatory in Austria. Standardised achievement targets were defined to enable the observation of whether and to what extent schools impart those core competences that students normally should have acquired by the end of grade 4 (primary school) and grade 8 (secondary school). The implementation of educational standards was supported by the introduction of a diagnostic tool that teachers can use to evaluate the competences of their students in grades 3, 6 and 7. In the testing window of 2013, 3,000 schools had requested access to the system for about 40,000 students. The system covers the domains of mathematics, German and English as a foreign language, science will be added this year. A similar system for the beginning of upper secondary education is being piloted and is under further development.
489. Some of the *Laender* school authorities also established assessment projects for pupil achievements (e.g. *Wiener Lesetest*, *Salzburger-Lesescreening*). The assessment of reading in Vienna is focused on providing individual feedback to students and identifying students at risk in grade 4 who are entitled to measures to enhance their reading abilities. In addition, the *Laender* occasionally carry out evaluations and studies on education. For example, in addition to the national evaluation of the implementation of NMS, the provincial government of Lower Austria commissioned a separate regional evaluation of NMS (<http://www.noesis-projekt.at/>).

#### *Wellbeing and outreach to the school community*

490. Wellbeing in school has been a political priority for a number of years, in particular after the WHO HBSC (See Currie et al.) study 2005/2006 and PISA 2009 suggested a rather high incidence of school bullying in Austria. A comprehensive national strategy for the prevention of violence in schools has been implemented since 2008 (Spiel & Strohmeier 2007), which also includes anti-bullying and anti-cyberbullying measures. A key role in implementation is given to the school psychology service and the Austrian Centre for the Psychological Prevention of Violence at School (*Österreichisches Zentrum für psychologische Gewaltprävention im Schulbereich – ÖZPGS*).
491. The school climate and wellbeing of pupils in Austria are around or above the OECD average. In the PISA 2012 study, some 80% of students in Austria reported that they feel happy at school – a proportion similar to the OECD average. 82% of students are satisfied with their school (a larger proportion than in most OECD countries) and 77% of students find the conditions in their school ideal, compared to the OECD average of 61% (OECD, 2013c).
492. The PISA 2012 study also asked students to report whether they ‘strongly agree’, ‘agree’, ‘disagree’ or ‘strongly disagree’ that they feel like an outsider or left out of things, that they make friends easily, that they feel like they belong, that they feel awkward and out of place, that other students seem to like them, or that they feel lonely. While in 2003 Austria was already one of the countries where students expressed the strongest sense of belonging at school, the situation improved further until 2012: the proportion of students who reported that they feel lonely at school shrank from an already low level, and the proportion of students who reported that other students seem to like them increased from 78% to 94% (OECD, 2013a).

#### *Teacher collaboration and professional learning*

493. The extent of cooperation activities among Austrian teachers reported in the 2008 TALIS survey is only around the OECD average, whereby cooperation among teachers at HS was higher than among those at AHS. School leaders and their ability to enrich their leadership role with social competences appear to have an important influence on the extent to which teachers cooperate in Austrian schools both on teaching-related activities and on continuing professional development (Schmich & Burchert, 2010, p. 76).
494. Encouraging cooperation among teachers within and between schools is considered an important factor for quality and professional development in Austrian schools. For example, the establishment of school development plans, as required under the SQA initiative in each school, is a process that demands close collaboration and involvement of a school’s teaching force. Teacher collaboration is also a core conceptual feature of NMS. Team teaching in the subjects German, Mathematics and English aims to boost individualisation of teaching and learning and provide targeted support to low-achieving pupils. A Centre for Learning Schools (*Bundeszentrum für*

*Lernende Schulen*) has been established by the Federal Ministry to support implementation of the pedagogical concepts of NMS, including implementation of team teaching, and to promote networking between teachers and school leaders across Austria.

## **5.6 Use of school facilities and materials**

495. School buildings and facilities in Austria are used beyond regular school time including for activities such as remedial courses, tutoring (e.g. the recently launched, large-scale free-of-charge programme in Vienna, ‘tutoring 2.0’), homework classes, evening schools, non-compulsory school-related events (cultural activities, sport events), etc.
496. Schools across Austria are also used for broader educational and non-educational purposes such as adult education, sport activities, cultural activities, youth (care) activities, etc. For *Bundesschulen* the main purposes and conditions (e.g. cost coverage) for renting out school infrastructure and inventory are part of their autonomy and are laid down in the law on the organisation of schools.
497. For *Landesschulen* the purposes and conditions for wider community use of school facilities are laid down in provincial school legislation and/or the guidelines of the responsible communal authority that owns the buildings. According to § 44 of the Vienna School Act, school buildings and property can be temporarily used for purposes such as culture, liberal education/adult education, sport, out-of-school youth care, as long as the use for schooling purposes is not impaired. Detailed regulations for renting tariffs, times, etc. are set out by the responsible municipal department, which also administers the renting of facilities. Tariffs charged to sport associations tend to be below market prices, which is considered as part of the city’s efforts to promote and subsidise sport activities (see Court of Audit of the City of Vienna, 2012).
498. In the context of the debate about small-sized schools, the importance of school facilities for community life is often presented by municipalities as a key argument against school closure (see chapter 4.5).

### *ICT use in schools*

499. The extent to which ICT is used in education depends on the focus of programmes (e.g. ICT professional training etc.) and type of school. ‘Application of the new technologies’ is a compulsory, cross-curricular principle of education, anchored in all curricula of all school types. Implementation takes place in an integrated approach within different subjects or as dedicated subjects in ICT professional training programmes. The acquisition of digital competences is the overarching goal, whereby the focus is on quality and meaningful use of digital media for teaching and learning.
500. The use of e-learning is particularly well developed at the lower secondary level. Within the framework of collaborative and interactive forms of learning, students get an active role in designing knowledge generation and learning processes with the aim of enhancing learning motivation.
501. Digital learning materials and apps are increasingly used to complement traditional textbooks, and the use of new technologies also fosters new forms of teaching and learning (e.g. flipped classroom, teamwork, networking and exchange with others).

## **5.7 Organisation of education governance**

502. This section discusses the units that are part of the education administration at the different levels. It also describes the organisation of school inspection and monitoring by assessment.
503. The distribution of tasks in the organisation of instruction is basically set along the lines of distribution of responsibilities presented in Table 3. The role of individual schools within their autonomy is relatively limited, it is rather focused on pedagogical quality assurance by the school leader with only some elements of curricular, and very limited resource autonomy. For this reason, schools will not be the focus of the following description. Yet, there is ongoing political debate to strengthen the level of school institutions in educational governance by widening autonomy.
504. The Federal Minister for Education is the political head of the Ministry of Education and

Women's Affairs. The Federal Ministry is organised in general directorates (*Sektionen*), which include strategic governance units for general education and VET policy, differentiated by type of school, as well as for teacher training, school quality development, educational research and evaluation, statistics (national/international). These are responsible for the overall administration of federal schools and for the development of curricula, school inspection, quality assurance (standards testing) for all types of schools, and for framework legislation in all areas of schooling.

505. The Ministry is organised as follows<sup>34</sup>:

- Section Information Technology, Education and Training Statistics, Gender;
- Directorate for International Affairs;
- Directorate for Budget and Finance;
- Directorate I: General Education Schools; Quality Development and Assurance; BIFIE (Federal Institute for Research, Innovation and Development); University Colleges of Teacher Education;
- Directorate II: Technical and Vocational Education; Adult Education; School Sports;
- Directorate III: Staff and School Management, Law and Legal Affairs;
- Directorate IV: Women and Gender Equality.

506. Directorates are led by Director Generals who are civil servants, not political appointees. They remain in office when ministers change and are appointed under the provisions of the Service Code for a defined term.

507. Together with Statistics Austria, the Federal Ministry is responsible for national education statistics, whereby school- and pupil-related data are mainly gathered by the schools (see *Bildungsdokumentationsgesetz BilDok*). Anonymised pupil data is processed and analysed by the Ministry and Statistics Austria and used as the basis for resource planning.

508. The Federal Ministry employs in total close to 700 staff at its central office, including for the administration of federal schools. The cost of school administration at federal level is around € 69m (Federal Ministry/Central Office) and it is € 111m for the provincial school boards, which also includes upper secondary school administration.

**Table 17: The cost of federal school administration**

Area	Subject	mn. EUR	total
Federation	Federal Ministry	69.373	181.119
	Regional School Administration (provincial school boards)	111.746	

Source: BMBF 2015.

### *Capacity building in education administration*

509. Capacity building and technical leadership is an important function of education administration, in particular the Federal Ministry in cooperation with provincial school boards and school inspection. This includes provision of additional staff and financial means for coordination of reform implementation at federal, regional, and school level (e.g. in the case of the NMS), organisation of networking meetings and platforms, provision of guidance materials, web spaces and tools for the use of school agents.

510. A key role in providing professional development to education practitioners is given to the university colleges of teacher education (PH) as institutions of BMBF. They offer a broad range of CPD courses, in line with policy priorities set by the Federal Ministry.

511. For federal schools, the provincial school boards have to provide comprehensive

<sup>34</sup> For the organisational chart, see <https://www.bmbf.gv.at/enfr/organization.html>

information and detailed guidelines to ensure effective and competent budget and facility management, which address planning of resource use, use of applications for budgeting and accounting, guidelines for school leaders and education administrators for reporting on resource use, instructions for purchasing education materials and establishing contracts, guidelines for facility and security management, energy efficiency, etc. (see *Rundschreiben Nr 11/2012 'Investitionsplanung im Bereich der Bundesschulen'*; and as examples on the website of the provincial school board of Salzburg '*Handbuch für Budget Management*' and '*Handbuch für Facility Management*'<sup>35</sup>).

#### *Organisation of education governance at Laender level*

512. The *Land* level also plays a role in educational governance but formally this is mainly directed at the organisation and maintenance of APS. Within the scope of administrative responsibility for general compulsory schools, the *Laender* can set, to a limited extent, their own education policy priorities (such as the expansion of all-day schooling, or extra-curricular initiatives such as the newly established free-of-charge tutoring programme in Vienna), but these activities have to be in line with curricula and federal legislation on the organisation and implementation of schooling in Austria.
513. The *Laender* tend to develop province-specific education priorities, provincial school pilot trials, and publish regional school data. Also, under the school quality initiative SQA, development plans have to be developed at *Bezirk/Land* level to achieve coherence in implementation by schools and to allow for the setting of regional priorities within the scope of the (federal) framework objectives.
514. There are no figures available on the total number of staff employed by the *Laender* school authorities and the total cost of provincial school administration in the 9 *Laender*.

#### *Employment pre-requisites for education administration staff*

515. Education administration staff in Austria is either employed as civil servants with tenure or based on a contractual relationship. In education administration there are no general regulations with regard to the specific (study) background of staff. Only in very few cases is a specific background required by law, for example the head of the office of the provincial school board needs to have a law degree.
516. Due to the high relevance of pedagogical knowledge, many administrators have a background in pedagogy and in many cases they started their professional career as teachers. Some posts even require by law a background in pedagogy: For example, school inspectors must hold an appropriate teaching diploma and have at least two years' teaching experience in the type of school concerned. Although it is not a requirement, most school inspectors are former school leaders. Another important group of administrators has a background in legal studies since the school system in Austria is highly regulated, not only in relation to the organisation of schooling but also staff management. Moreover, law has traditionally been and still is one of the main study subjects giving access to employment in Austrian public administration.
517. As a precondition for permanent employment, all administrators must successfully complete the basic training scheme for civil servants (*Grundausbildung*), which aims to equip administrators with comprehensive knowledge on public administration including budget law, budget implementation and public procurement. To develop capacities of administrators, the Federal Government as well as the 9 *Laender* run academies for public administration that offer a broad programme of continuing public management training including on finance management and accounting. On average, employees in Austrian public administration receive 3-5 days of training a year (OECD 2012b).

#### *The organisation and role of school inspection*

518. School inspection is also part of the federal competences, with school inspectors being

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<sup>35</sup> <http://www.lsr-sbg.gv.at/schule-und-verwaltung/budget-und-wirtschaftsangelegenheiten/>



organisationally part of the provincial school boards and located in the 9 Laender. There are a total of 390 inspectors. Within provincial school boards, inspection is organised in divisions responsible for different groups of schools, typically APS, AHS and vocational schools. For AHS and vocational schools, all inspectors are employed as provincial school inspectors (*Landesschulinspektoren*, LSI). LSI for general compulsory schools (VS, NMS, HS, ASO) are supported by additional inspectors for general compulsory schools (*Pflichtschulinspektoren*, PSI), who can be situated in sub-provincial branch offices of the regional school board. Also inspectors responsible for specific subjects such as sports, ICT, languages, religious education, etc. exist (*Fachinspektoren*). Provincial school inspectors (LSI) oversee the work of other inspectors and also the pedagogical departments at the provincial school boards (e.g. department for APS, department for AHS, etc.). *Pflichtschulinspektoren* take responsibility for a group of schools in a region within the province (so-called *Bildungsregionen*). In terms of numbers, most *Fachinspektoren* are active in the area of religious instruction.

519. Provincial school inspectors are responsible for all aspects of pedagogy and implementation of school policies. In many cases this also includes competences of teaching resource redistribution in response to local needs. Notably for federal schools, provincial school inspectors have discretion to 'fine-tune' the teaching resource distribution, which is based on staff plans, and allocate extra resources e.g. to schools with a higher proportion of pupils with a foreign mother tongue. For the implementation of pedagogical priorities, inspectors organise meetings of school leaders and also work directly with divisions of the Ministry of Education. This also requires close cooperation with university colleges of teacher education including for CPD.
520. The school inspection is also the main organisation to provide professional advice on quality development to schools and school leaders. The role of inspection thus shifted after the introduction of the SQA programme from traditional inspection to quality management. Periodically, meetings of all school leaders of a specific school type are called by their provincial school board/school inspector to exchange on management and pedagogical issues.
521. The inspectorate also has a key role in the formal assessment of teachers in critical cases of underperformance (see chapter 5.3a).

#### *Evaluation and assessment procedures*

522. A key role in national testing, evaluation and analysis of developments in the Austrian education system is given to the Austrian Federal Institute for Education Research, Innovation and Development of the Austrian School System (BIFIE), established in 2008, which is funded by but largely autonomous of the Ministry of Education. BIFIE is responsible – under the supervision of an independent academic advisory board – for the implementation of international studies (PISA, PIRLS), national education standards, formative and summative evaluation of standards, central examination for upper secondary education preparing for tertiary education, and the National Education Report (*Nationaler Bildungsbericht*) published every three years (so far in the years 2009 and 2012). BIFIE provides a total number of about 190 academic and administrative staff, about 155 FTEs.
523. The recent introduction of educational standards tests in the subjects mathematics, German and English can be considered a change of paradigm in the area of education system performance evaluation in Austria. Teachers and schools do now get external standardised feedback on their performance in periodic instances. Results from standards testing are published only on an aggregated level (national results) – the results of individual schools are not published to avoid school rankings and the associated potentially negative effects. Teachers receive the results of their class/group, but not of individual pupils. School leaders receive the results of individual classes/groups and of their school as a whole, while the responsible school inspector has access only to the latter. Results from educational standards testing are not used to penalise or reward schools, school leaders and teachers. Rather, evaluation is expected to be a major trigger for

school and quality development, notably in combination with the SQA initiative.

## 5.8 Main challenges<sup>36</sup>

524. The relationships between class sizes and the student-teacher ratio have shown that a very favourable student-teacher ratio translates into a class size looking not so favourable at first glance. Here, the difference between the overall class size and the effective size of instructional groups must be taken into account, since effective class sizes are below the nominal class sizes because of the achievement groupings and several regulations providing for divisions into smaller classes in certain subjects. Because of the complex regulatory system, information about the effective class sizes is not reported regularly and is difficult to obtain. The public links school resources mainly to the issue of class size which masks the real size of resources invested. Differences between Laender, regions and individual schools are potentially overestimated when focusing on class sizes.
525. The second challenge mentioned in 2.8, social reproduction, seems to some extent 'inversely' related to resources, as public resources do not go in disproportionately higher amounts to the AHS, rather the opposite. Here the complex selection mechanisms seem to play the strongest role, as the results of the school types at different levels are influenced by the resources which the students from advanced social backgrounds bring to the schools (Lassnigg & Vogtenhuber, 2009). A comparison of the level and development of resources roughly shows that the lower level of the AHS is driven by 'massification', compared to the NMS/HS, and that the 'compensatory' vocational schools do not receive comparably expansionary resources like the general schools. If the results of Daniele Checchi (2006) about the different governance and structural factors are considered, the dimensions of public/private and centralised/decentralised financing are interacting with the differentiation and decentralisation of school systems. Centralised public funding can to some degree compensate for tracking structures and lack of 'comprehensiveness', as privately funded decentralised comprehensive school structures do not provide better results in terms of equity than centralised public structures with tracking. This argument and modelling might provide a fruitful approach to understanding Austrian disputes about governance and 'school autonomy'.
526. Proposals to shift more teaching resources from administrative tasks to face-to-face teaching would only increase efficiency if the teaching workforce were reduced proportionally, i.e. by the working hours needed to have administrative tasks carried out by less expensive non-teaching staff. However, given the current framework and practice this seems almost unthinkable, so it could be expected that this shift could rather increase expenditure, as the administrative personnel would be cheaper but employed on top of the existing teaching force, thus improving the already favourable student-teacher ratio even further.
527. As outlined above, the key challenges concerning the utilisation of resources are first to explain the gap between the relatively high expenditure and the consistently mediocre and quite stable results measured by international large-scale assessments (PISA etc.). Secondly, factors that inhibit the use of the high amount of resources for teaching and learning must be identified, and thirdly a more effective allocation and use of resources must be developed.
528. As outlined, two strategies can be used for the improvement of efficiency: reduction of expenditure while keeping results, or improvement of results with given expenditure. So far a third way has been chosen in Austria, i.e. to increase expenditure and decrease student-teacher ratios with the hope of bringing about better results. As part of the current and medium-term fiscal consolidation path, the resources for education now seem severely under scrutiny and new strategies must be found. However, the costs of adaptation might be high.
529. Finding a strategy for the improvement of efficiency without destroying the positive motivations and triggering conflict seems to be the biggest challenge at the moment and in the short and medium-term perspective. A serious development of policies for improving efficiency is

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<sup>36</sup> This chapter is an *external* assessment of the main challenges, provided by the Institute for Advanced Studies (IHS)

needed to improve results.

530. As outlined before, the emphasis on the achievement-equity trade-off must be seen as a generic element of education politics and policies in Austria. This is reflected in the early differentiation at lower secondary level between an academic track (AHS) and a general track (HS/NMS). As the differentiation/tracking already takes place at age 10, it has repercussions for primary school, where parents and teachers are already inclined to prepare students for the 'choice situation'. The emphasis on this trade-off is reflected in periodically recurring political conflicts and a basic dilemma: While on the one hand there is wide consensus that the choice is too early, on the other hand the academic track is sacrosanct for broad and influential groups, resulting in blockage and no solution to the early choice issue. A way out has been sought for decades, and efforts are focused increasingly on improving the relative quality of the general upper secondary track (NMS/HS), including the opportunities it provides, which has also been successful to some extent.
531. However, focusing policies on the generally 'less achieving' general track causes questions and resistance among the protagonists of the academic track, who feel treated 'inequitably' in terms of resources from their perspective. This strong focus also bears the risk that the outcome of the academic track is never really questioned, since it seems evident that this is the type of school with good results. Yet, compared to other countries, Austria has too few high-achieving students in mathematics and reading. The absence of a debate on the quality of AHS brings serious risks, not only for students attending this type of school where, over time, achievement may fall behind the expected potential of their cohort, but also for society at large by risking falling behind other countries with respect to the achievements of their top performers.

## Chapter 6: Resource management

532. This chapter is concerned with how resources are managed at all levels of the school system. It addresses issues concerning capacity building for resource management, monitoring of resource use, transparency and reporting as far as they were not already introduced above.

### 6.1 Capacity building for resource management

533. The main processes concerning resource management were discussed in Chapters 5.3, 5.4 and 4.7 including links to the issue of capacity building.
534. Key tools for guiding school leaders in implementing school legislation and for building up a knowledge base to assist school and resource management are ‘decrees’ (*Erlässe/Rundschreiben*) which are issued by the school authorities (*Bund* and *Laender*) and have a binding character for school leaders and teachers. Decrees address all issues that are relevant for schools and school authorities with regard to a lawful and efficient implementation of school administration and school policies, including pedagogy. In addition, a large number of websites, e-platforms, information materials and training offers accompany the implementation of policy initiatives and aim to build up the necessary knowledge base for their effective implementation (e.g. [www.sqa.at](http://www.sqa.at)) and support the development of professional networks across Austria (e.g. [www.edumoodle.at](http://www.edumoodle.at), [www.LMS.at](http://www.LMS.at)) and at the level of the *Laender*.
535. During the last decades, significant efforts have been made to put in place electronic tools for resource management and data collection (e-governance). Electronic systems for the controlling of staff deployment at *Landesschulen* and *Bundesschulen* have been established during the past years: for example, all federal schools have to migrate their data on distribution of teaching subjects, absences, overtime, etc. to a central data system (UPIS, *Unterrichtspersonal-Informationssystem*) which is linked to the federal staff management system (PM SAP). Also accounting by federal schools is carried out via the Federal Government’s accounting system (HV SAP). For facility management in federal schools an electronic controlling and management tool (eFAST) has been put in place. Also all data which are to be provided by schools for the central school statistics (*BilDok*) are collected electronically.
536. Continuing professional development for school leaders, which also includes modules on school management, is offered by university colleges of teacher education (PH).
537. With regard to education materials, textbooks and other materials can be ordered via an online tool if they are included in the official textbook list (*amtliche Schulbuchliste*, see chapter 4.5 on *Schulbuchaktion*). Orders have to follow the key principles of economy, efficiency and expediency that apply to all acts of public administration. An expert commission assesses the pedagogical quality of textbooks and learning material prior to their inclusion in the list.

### 6.2 Monitoring of resource use

538. For federal schools, the monitoring of resource use involves the Federal Ministry, the provincial school boards and the schools. The Federal Ministry also monitors the use of staff resources for general compulsory schools/*Landesschulen* (*Landeslehrer-Controllingverordnung*).
539. The Federal Court of Audit can also carry out audits on all aspects and levels of the school administration including schools administered by the *Laender*, but in general it does not audit individual schools. The Federal Court of Audit publishes a number of reports on audits in the area of school administration every year which cover both the schools administered by federal authorities and those administered by the *Laender*.
540. The monitoring of resource use for infrastructure and other investments for *Landesschulen* is the responsibility of the municipalities and the provincial governments. The regional courts of audit can audit aspects of provincial school administration and also individual schools (e.g. Court of Audit of Lower Austria, 2011).
541. Budget autonomy of federal schools is subject to supervision/audit by the provincial school boards, which check compliance with budget and procurement legislation as well as the general principles of economy, efficiency and expediency of public administration. A particular focus is

on the coherence of investments with curricula and on their pedagogical necessity. Also the Federal Ministry has the right to exercise control over individual schools in this context.

542. A shift to a stronger focus on outcome orientation and – linked to this – programme and policy evaluation has taken place only during recent years, which was triggered to a large extent by Austria's participation in international large-scale assessments such as PISA (see Specht & Sobanski, 2012). Today, school programmes and policies are increasingly assessed through rigorous scientific evaluation. For example, impact evaluation on the introduction of the NMS has been made mandatory in the respective legal act, the respective evaluation report was published in February 2015. Yet, a formal obligation by law to evaluate school pilot projects and to report to parliament, as stated in SchOG §7A (4) in 2011, was removed from the law without replacement in 2012 (BGBl. I no. 36/2012), indicating a slowdown in the momentum of formally established evaluation.
543. All reforms that are submitted to the legislator (Austrian Parliament) have to include an impact assessment and projection of costs.
544. The introduction of educational standards and their (periodic) testing will, in the future, i.e. once data can be compared over time, provide a powerful tool to assess the effectiveness of school policies and programmes. A major role in policy and programme evaluation is therefore given to the Federal Institute for Education Research, Innovation and Development of the Austrian School System (BIFIE), which was established in 2008. Currently, BIFIE is establishing a research database which will give access to data gathered through standards testing for research purposes.

### **6.3 *Transparency and reporting***

545. Individual schools are not required to provide evidence of their impact on student achievements to the public. School results in national standards testing are published only at an aggregated level to avoid school rankings and potentially negative consequences linked to these (e.g. teaching to the test, cream skinning, re-enforcement of social stratification). Yet, schools are obliged to share the school feedback report (but exclusive of a section on information on single classes and teachers) with the school forum or the committee of the school community. Yet, according to anecdotal evidence from experts supporting schools in the use of feedback, members of the school forum or committee showed little or no interest in the reporting. In the second round of feedback to schools in lower secondary education many schools did not invite parents anymore, because no parents had come to the event in the first year. This evidence confirms findings in the first national assessment in 2012 (Zuber & Rieß, 2014).
546. At the highest political level, the federal minister is subject to parliamentary questions and has to provide detailed answers on all matters of public administration, school system management and resource use under his/her responsibility.
547. The introduction of the new budget mechanism (performance-based budgeting) also increases transparency of budgets and links resource input to outcome.
548. A National Education Report, which is published every 3 years under the responsibility of BIFIE, includes a large set of performance and financial indicators.

### **6.4 *Incentives for the effective use of resources***

549. There are no mechanisms in place that stimulate effective resource use by linking past educational achievements to future resources of schools and education authorities, as this would be in conflict with the logic of 'low-stakes' school evaluation in Austria. As detailed in chapter 4, teaching resources are allocated to the different levels of the education systems based primarily on numbers of pupils. Also resources for consumption goods (learning materials, textbooks etc.) for individual schools are allocated on the basis of funding formulae that follow a 'per student' approach.
550. Schools are generally not rewarded for gained efficiencies. Federal authorities can transfer unused resources to the next budget year. This mechanism has been introduced by the Federal Budget Reform to combat the so-called 'December fever', i.e. complete spending of budget funds at the end of a year (see BMF (2010), p 8).

## 6.5 Main challenges<sup>37</sup>

551. The main challenge for resource management is its distributed and fragmented nature based on the structure of the overall governance system that splits the different aspects of resource management up into various processes at different levels of the system (personnel, infrastructure, running costs are split into different processes, where the central, regional, and local levels have different responsibilities), and takes the responsibility for resource management away from the schools as the location where the resources are put into use. Primary processes of resource management are the implementation of the respective regulations by the various authorities, and the related processes for the gathering and transmission of information on how the resources flow. A list of challenges for resource management was given in the 2007 report (Lassnigg et al. 2007, 60-61):

- political expansionary dynamic of education expenditure
- public focus on class size as the most important ‘quality indicator’ which is the most cost intensive policy parameter
- use of nominal overall class size as an indicator that reflected an artificially ‘worsened’ situation since the effective group sizes have been substantially lowered by regulations due to mandatory caps for class divisions (*Teilungsziffern*) in certain subjects, ability groups, etc., but this effective group size is not reported and difficult to obtain because of the complex regulatory system; as a result, policies are mainly guided by a fictional parameter
- year repetition increases duration of students in the system and therefore automatically increases costs for questionable learning results (estimation of additional costs was roughly € 150m)
- institutional incongruence between financing and spending bodies
- lack of coherent monitoring of efficiency (monitoring only of sub-processes, if at all)
- comparatively high difference between personnel expenditure due to wage scheme and actual expenditure (about 12% in 2007)
- complex system of regulations in service codes and collective agreements making personnel policy non-transparent and rendering steering impossible, but increasing the power of the teachers’ interest organisations and supporting claims for increased pay for each reform affecting working conditions<sup>38</sup>
- task profile of teachers involving tasks that could be performed by staff with lower salaries.

552. Because of the distributed and fragmented nature of the governance system, information and monitoring are also fragmented, therefore there is no location where information from the different processes is compiled, which produces a basic and endemic state of non-transparency regarding the resources spent in education. Even if each of the processes were transparent in itself, the systemic structure would produce non-transparency. This challenge is well known, and has been put to scrutiny periodically during the last five decades (Lassnigg et al. 2007, pp. 57-61).<sup>39</sup>

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<sup>37</sup> This chapter is an *external* assessment of the main challenges, provided by the Institute for Advanced Studies (IHS)

<sup>38</sup> See Thonhauser (2000) for the definitive analysis of how these relations worked in the rejection of a major curriculum reform around 2000.

<sup>39</sup> Already in the late 1960s, almost five decades ago, the split between information about finances and material assets was challenged: ‘Es wäre wünschenswert, wenn Finanz- und Schulstatistik einander unmittelbar gegenübergestellt werden könnten. Da sie aber nicht immer aufeinander abgestimmt sind, sind Vergleiche kaum möglich’ (van Dyck 1967, p. 249).

A comprehensive study commissioned by the Ministry of Finance in the late 1970s, almost four decades ago: ‘Im österreichischen Schulwesen sind die Kompetenzen vertikal auf Bund, Länder und Gemeinden verteilt. Eine ex-post Betrachtung zeigt aber ein bemerkenswertes Auseinanderklaffen von Aufgabenzuständigkeit und tatsächlicher Finanzierung. Vielmehr hat sich in der Praxis durch finanzausgleichsrechtliche Regelungen, aber auch auf der Basis von Verwaltungsabsprachen, privatwirtschaftlichen Verträgen zwischen Gebietskörperschaften und Landtags- bzw. Gemeinderatsbeschlüssen ein kompliziertes intragovernmentales Transfersystem entwickelt, das in Zahlungen (Leistungen) besteht, die der Erfüllung der Aufgaben einer anderen

As a consequence, a basic intention in the statistical volume of the National Education Report (NBB) has been, and still is, to provide a common frame of categories that allows for relating the statistical information about the different units and measurements (student stocks and flows, graduation and retention, kinds of resources, teachers, process indicators, etc.) at different levels and in different sectors directly to each other. Until now this endeavour has only been partly successful, because the various information bases include different categorisations that are reflected in the statistical information. So far, the current practices of the different stakeholders in setting their categories persist against the observers' attempts to present the information in a more consistent way. Therefore a review among the primary producers of information and an overarching political consensus would be necessary to provide such a transparent system. Specific main challenges at this level of information production and knowledge management are the different categorisations of information about students and teachers, and the different categorisations of finances from different funding bodies.

553. Capacity building for resource management is bound to the governance system and influenced by the political culture. On the one hand, formal training will only be provided for 'official' tasks, while on the other hand informal learning occurs on how to handle tasks in the given structures according to the given interests.<sup>40</sup> In sum, the challenges of resource management are closely related to the construction of the governance system, and in particular to the issue of increased school autonomy. If a reform in this direction were devised, a new comprehensive system of resource distribution would need to include a feasible linkage between the now distributed functions and sub-processes, including a clear distribution of the responsibilities at the different levels, and as a critical part sufficient capacity building at the level of schools, where the discretion about the use of resources should be linked much more directly to the performance of tasks at this level.
554. A first step for the improvement of resource management should be a definitive analysis of the factors that constitute the gap between high expenditure and weak results. At the moment this gap is not sufficiently understood to provide evidence-based recommendations for solutions. This report contributes to the understanding of main elements of the challenges; however, it should be evaluated systematically how the different aspects interact.

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Gebietskörperschaft dienen. Dieses Netz von Transferbeziehungen, in das Bund, Länder und Gemeinden bei unterschiedlicher Partizipation einbezogen sind, ist sehr komplex und reichlich unüberschaubar' (Clement & Sauerschnig, 1977, p. 54)

<sup>40</sup> The Federal Court of Audit (2007) has made intense evaluations of the practices in personnel policies in the interaction between the Länder and the federal level that have shown continuous struggles between the levels, and reluctance of the Länder authorities to even follow regulations; see the exemplary citations in Lassnigg et al. 2007, pp. 110-13.

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