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- FINAL FINDINGS -

EDP dialogue visit to Austria

03 – 04 February 2022

Executive summary

Eurostat undertook an EDP dialogue visit to Austria on 03-04 February 2022 as part of its regular visits to Member States. The purpose of the EDP dialogue visit was to review the compliance of the Austrian EDP and Government Finance Statistics (“GFS”) data, to verify the application of the accounting rules of the European System of Accounts 2010 (“ESA 2010”) and of the existing guidance set out in the ESA 2010 Manual on Government Deficit and Debt (“MGDD”). Due to the COVID-19 pandemic, Eurostat and the Austrian statistical authorities agreed to hold the meeting by a video conference.

Eurostat and the Austrian statistical authorities reviewed institutional arrangements and procedures in place for the compilation of EDP statistics. In this context, Eurostat took note of ongoing preparation of the fourth extension of the framework cooperation agreement between the OeNB and Statistics Austria and reviewed the cooperation between Statistics Austria and the CoA /RCoA.

Statistics Austria informed Eurostat about the updated information on the Inventory of Methods for National accounts published on Austrian Statistics website since January 2022. In this regard, Eurostat recommended an update of the EDP Inventory, which should include at least the following aspects: the new VRV 2015, the tasks and cooperation between Statistics Austria and the CoA/RCoA, the recording of own holdings (“Eigenquote”) of issued securities, the use of the securities statistics, the data availability regarding financial leases, operating leases and derivatives, the treatment of PPP and EPC contracts and the use of counterpart information for capital injections and transfers. The Austrian statistical authorities will also update the sections on the treatment of the different export guarantee schemes (“Ausfuhrfinanzierungsförderungsgesetz” versus “Ausfuhrförderungsgesetz”) as well as the recording of EU flows.

With regard to recent developments in the field of data sources, the implementation of the new chart of accounts (VRV 2015) was discussed. Based on the VRV 2015, a new data interface for state and local government was developed. From 2020 onwards, the state governments have to use the new data interface for reporting monthly data and the local governments for reporting quarterly data. Eurostat took note that VRV2015 had been an occasion to change the valuation of some equity holding (AF.519) held by state and local governments from “nominal” value to net book value, which Statistics Austria considered an improvement.

Then, the nature of the working balance of the EDP table 2B/2C was discussed in more detail. Eurostat noted that this information, obtained from the “Rechnungsquerschnitt” and included in the EDP working balances of Table 2B/2C, should be appropriately reflected in the EDP Inventory.

Another major item for discussion was the bridging of the three parts of the closed accounts (i.e., the P&L accounts, the cash flow statement and the balance sheet) of the central government core unit, and it was noted that it is demanding for financial transactions, as the chart of accounts used for the P&L accounts and the cash flow statement are different for these transactions. Similarly, a reconciliation between the cash flow statement and the stocks of financial assets and liabilities included in the balance sheet is not an easy task and is therefore only done manually. Regarding the Single tax account, the general functioning of the single tax account and the compilation and use of the “Guthaben” was described.

The discussion continued with the reporting of tax deferrals (mostly related to taxes on income – D.51) granted to alleviate the effects of the COVID-19 pandemic. Eurostat raised questions on the recording of tax deferrals granted in 2021. In this context, the Austrian statistical authorities will analyse the need for a one-off accrual adjustment of taxes for the year 2021.

As regards the delimitation of the general government sector, the application of the market / non-market test was discussed. With respect to the 50% test, Statistics Austria agreed to send to Eurostat a more detailed information about the formula used for the 50% test, with the appropriate chart of accounts/ survey template (and the bridge table used for the transition to ESA transactions).

Regarding the rearrangement of transactions, the business activities of the Austrian Development Bank (OeEB) have been reviewed. It was mentioned that there are no changes in the situation since the last EDP dialogue visit.

With regard to the classification of specific units, the classification of non-profit hospitals currently classified in the NPISH sector was discussed, in particular, whether these hospitals should be considered as controlled by government and thus be classified in the general government sector and not in the NPISH sector. In the case of the public transport companies, Eurostat discussed with the Austrian statistical authorities the treatment of payments (based on train-kilometres ordered) made under the so-called "Verkehrsdienstvertrag" to railway companies, notably whether they should be considered as subsidies on product or subsidies on production. Eurostat noted that the ÖBB-Personenverkehr Aktiengesellschaft, which receives a substantial part of these payments, is already classified in the general government sector. In this context, Eurostat reviewed also the sector classification of the "Österreichische Bundesbahnen-Holding Aktiengesellschaft" (ÖBB holding), which is currently classified in the non-financial corporations" sector in national accounts. Eurostat questioned the current classification in the non-financial corporations sector, as it appears that the most important shareholdings of the ÖBB holding are classified in the general government sector.

As regards the time of recording of taxes, Eurostat took note of the new tax on online advertisement introduced (D214H) in 2020. The tax data and the availability of (detailed) data for tax refunds was discussed.

A detailed discussion took place on public quasi-corporations. The Austrian statistical authorities proposed a change in the level of aggregation used for recording the government revenue or expenditure related to quasi-corporations, i.e., moving from an aggregated level ("Länder" level) to a unit level.

Next, Eurostat reviewed various measures introduced by the Austrian government in the context of the COVID-19 pandemic and their recording in the supplementary table for the recording of measures taken in the context of the COVID-19 pandemic. Likewise, the measures taken under the RRF and their recording in the RRF table were reviewed.

Other issues discussed included the recording of interest and derivatives, the recording of EU flows and EU financial instruments, guarantees, dividends and super-dividends, and expenditures on military equipment.

As regards the recording of Energy Performance Contracts (EPCs), Statistics Austria explained that the recording of the contracts is in line with the Guide to the Statistical Treatment of EPCs.

Eurostat noted that the procedure for analysing whether a PPP project should be recorded on- or off-balance sheet for government was adapted by Statistics Austria to the structure of the Eurostat/ EIB Guide to the Statistical Treatment of PPPs.

Finally, the design of some measures for the support of renewable energy implemented in Austria, in particular the eco tax reform, the existence of tax subsidy scheme, the recording in national accounts and, if applicable, in the government accounts were discussed with Statistics Austria.

Eurostat appreciated the openness, exhaustiveness and transparency demonstrated by the Austrian authorities during the meeting and as well as the quality of the documentation provided before the EDP dialogue visit.

EDP Dialogue Visit to Austria

3-4 February 2022

Final findings

In accordance with Council Regulation (EC) No 479/2009 of 25 May 2009, as amended, on the application of the Protocol on the excessive deficit procedure annexed to the Treaty on the Functioning of the European Union, Eurostat carried out an EDP Dialogue Visit to Austria on 3-4 February 2022. The meeting took place in the form of a video conference.

The delegation of Eurostat was headed by Mr Luca Ascoli, Director of Directorate D Government finance statistics and represented by Ms Rasa Jurkoniene, Mr Philippe de Rougemont, Mr Thomas Forster and Ms Milena Georgieva. Representatives of the Directorate General for Economic and Financial Affairs and the European Central Bank (ECB) also participated in the meeting as observers. The Austrian authorities were represented by Statistics Austria (STAT), the Ministry of Finance (MoF), the Oesterreichische Nationalbank (OeNB) and the Austrian Treasury (OeBFA). A list of the meeting's attendees is annexed to the report (Annex 2).

The previous Eurostat EDP standard dialogue visit to Austria took place on 27-28 January 2020.

The main objectives of the EDP standard dialogue visit were to review the implementation of the ESA 2010 and the provisions of the MGDD 2019 in the Austrian EDP and Government Finance statistics to review changes in institutional arrangements that occurred since the last EDP dialogue visit. Time was devoted also to evaluate the status of the action points agreed in the 2020 EDP dialogue visit, to discuss further the issues raised in the October 2021 EDP notification (e.g. the functioning of the Single Tax Account), and to evaluate the implementation of the new VRV2015 accounting standards. Eurostat and the Austrian statistical authorities also reviewed the recording of government measures undertaken in the context of the COVID-19 pandemic, as well as discussed the recording of expenditure and other costs of government financed by the Recovery and Resilience Facility (RRF). In addition, the recording of PPP and EPC contracts was examined based on the respective accounting guides published by Eurostat in 2016 and 2018. The agenda agreed for the meeting is annexed to the report (Annex 1).

With regard to procedural arrangements, Eurostat indicated that the Main conclusions and action points would be sent to the Austrian statistical authorities for review. Then, the *Provisional findings* would be sent to Austria for review and comments. Afterwards, *Final findings* will be sent to the Austrian statistical authorities and to the Economic and Financial Committee (EFC) and published on the website of Eurostat.

Eurostat appreciated the intensive discussions, the openness and transparency of the Austrian authorities during the meeting as well as the sound preparation of the documentation provided before the virtual dialogue visit.

1. Review of institutional arrangements, EDP data sources and procedures

1.1. Governance and co-operation

Introduction

The cooperation and exchange of relevant data for the compilation of the EDP and GFS data between the national statistical authorities are regulated by specific agreements. The agreements between involved institutions have not been changed since the last EDP dialogue visit. In addition to the Memorandum of Understanding (MoU) between the Austrian Central Bank (OeNB) and Statistics Austria (STAT), there is another MoU between STAT and the Court of Audit (CoA). The framework cooperation agreement stipulates the principles of the working arrangement, fields of responsibility, use of data and quality measures. The responsibilities regarding the data exchange between the OeNB and Statistics Austria are based on the above-mentioned MoU and framework cooperation agreement.

Statistics Austria is an independent institution and fully responsible for compilation of the EDP data and national accounts (non-financial and financial), as well as for the delimitation of the government sector.

The OeNB is responsible for the compilation of the financial accounts for the remaining national accounts sectors and provides specific supplementary information on the government sector for Statistics Austria. The responsibilities and regulations regarding the data flow between the OeNB and Statistics Austria is based on the above-mentioned MoU and framework cooperation agreement.

The Ministry of Finance is responsible for the provision of the planned data.

Austrian Treasury (OeBFA) provides data and metadata to be used for the calculation of the interest accrual adjustment and federal government debt.

All units of general government sector are audited, by either the Court of Audit (CoA), the Regional Courts of Audit (RCoA) or private audit firms.

Discussion and methodological analysis

Eurostat started the discussion by asking whether there were any changes as regards the institutional responsibilities as compared to the 2020 EDP dialogue visit. The Austrian statistical authorities confirmed that the institutional responsibilities have not changed in the context of the EDP reporting. The Austrian statistical authorities informed that the framework cooperation agreement between the Austrian Central Bank (OeNB) and Statistics Austria (STAT) is updated every five years. Since the current version expires on 31.12.2022, the fourth extension of the cooperation agreement was in process at the time of the visit. The Austrian statistical authorities pointed out that the annex on the cooperation in financial accounts between STAT and OeNB was updated in October 2021. The annex defines the work between STAT and the OeNB regarding the financial accounts (STAT compiles the financial accounts for S.13 while OeNB compiles the financial accounts for the other sectors) and, in particular, ESA tables 6, 7 and 27. STAT confirmed that the OeNB compiles ESA tables 6 and 7. The updated annex for financial accounts included a new paragraph on technical issues with respect to the revision policy, but the responsibilities between the two institutions have not changed substantially. Statistics Austria clarified that ESA table 27 is compiled under its own responsibility and that a consistent data set with ESA tables 6 and 7 is ensured. Nevertheless, stocks and transactions in F.8 are still subject to an ongoing research.

With regard to the cooperation with the CoA, STAT explained that the CoA always informed them when the CoA observed EDP related issues (respecting the independence of the CoA). In contrast, the cooperation with the RCoA is of a more indirect nature and usually takes place via the CoA. Statistics Austria is an independent institution and fully responsible for the EDP data. Concerning the cooperation with the Court of Audit (CoA) and the regional CoAs, Eurostat noted that the description in the EDP Inventory is very general and should be therefore updated to give the users of the inventory a better understanding on the exchange of information. Eurostat asked how the cooperation between the CoAs and Statistics Austria is functioning.

Regarding the Memorandum of Understanding (MoU) between Statistics Austria (STAT) and CoA, STAT confirmed that the exchange of information resulting from the debt analysis is agreed on. A Steering Group was also set up to define and regulate the priorities and procedures for the cooperation. At the most recent meeting of the Steering Group, an update to the MoU between the two institutions was proposed in 2022. The Austrian statistical authorities explained that, on an operational basis, a cooperation with the Federal CoA has been established. The CoA reports are analyzed to the extent that a reference to GFS/EDV issues is apparent, but a complete analysis of all reports by STAT is not performed.

Eurostat asked for more information on the functioning of the Maastricht Working Group (MWG) and on which GFS/ EDP issues have been discussed there recently. STAT explained that the group meets twice per year and the last meeting took place in November 2021. STAT recalled that the MWG is a pure advisory group and does not have any decision-making power. The November meeting included discussions on the recording of RRF expenditure, the presentation of measures in the COVID-19 table, guarantees and the treatment of expenditures related to COVID-19 vaccinations. The Austrian statistical authorities agreed to share the minutes (or a detailed summary) of the meetings on the MWG with Eurostat.

Findings and conclusions

Action point 1: The Austrian statistical authorities will provide a note explaining the respective responsibilities and interactions of the federal CoA and the audit offices of the federal states (RCoA). The note will also describe the cooperation of the CoA/RCoA with Statistics Austria. On this basis, Statistics Austria will also include a section describing the cooperation with the CoA/ RCoA in the EDP Inventory.

Deadline: For the note end of August 2022 and for the EDP Inventory end of June 2023¹

Action point 2: The Austrian statistical authorities will provide the minutes (or a detailed summary) of the meetings on the methodological issues discussed in the so-called Maastricht working group (“Arbeitsgruppe Maastricht”) in 2020 and 2021.

Deadline: End of May 2022²

¹ A note was provided on 1 September 2022. The action point is under evaluation.

² A note was provided on 31 May 2022 with the Agenda of the meetings and Eurostat expected to receive the minutes (or a detailed summary). At Eurostat's request, STAT provided additional information on 1st September, based on this the action point is considered completed.

1.2. Quality and risk management of EDP/ GFS processes

This agenda point was not specifically discussed during the EDP dialogue visit. Statistics Austria stated that, overall, there had been no changes in the applied quality management system and informed that there will be a peer review exercise in Austria in April 2022.

1.3. Sources and data compilation methods

1.3.1. Status of the implementation of the VRV 2015 and first experience with new information available, in particular the indication of the counterpart sector, information on leasing operations and capital injections – if any.

Introduction

The new budget regulation for the state and local governments (*„Voranschlags- und Rechnungsabschlussverordnung 2015 – VRV 2015“*) made mandatory for the first time to report the data for the budget year 2020. The VRV 2015 replaced the VRV 1997, which was, in principle, showing the expenditure and revenue (both classified by function and by economic objects) for the execution of the budget and for the planned figures for budget year. For the “Länder” this new data collection process started in February 2020 on a monthly basis, and for the reporting of quarterly municipal data in April 2020. STAT stated that data quality has improved with the implementation of the VRV 2015 (e.g. availability of a coherent information for the recording of reserves or availability of accrual data) and, in addition, the need for manual corrections have decreased compared to the VRV 1997. Moreover, the availability and the level of detail of counterpart information has improved with the implementation of the VRV 2015.

The VRV 2015 is providing the general structure (chart of accounts) and the data interface has a systematic link to the chart of accounts, but it provides advanced information, i.e., it provides disaggregated information whereas the chart of accounts provides aggregated information.

Before the 2022 EDP dialogue visit, Statistics Austria provided an overview of the status of the VRV 2015 implementation.

Discussion and methodological analysis

Statistics Austria confirmed that, from the reporting year 2020 onwards, the VRV 2015 has to be applied by all state and local governments. In this context, a new data interface was designed to enable the state and local governments to report the data according to the new legal standards and to gather additional information to fulfil the EDP/GFS data requirements better than in the past. Statistics Austria further explained that they received data for non-performing loans, which - in the past were not available in a standardised form. STAT noted that, despite the recognised improvements in data quality, some difficulties in providing data still exists (e.g. due to the COVID-19 pandemic or due to the new data interface to which the data provider still needs to get used to). These temporary difficulties will hopefully be resolved soon. State governments used the new data interface for the first time for the transmission of the monthly data for January 2020, in February 2020, and local government for the transmission of quarterly data for the first quarter of 2020, in April 2020. In this context, new information, on the counterparts of transactions (for example capital transfers), is available. However, STAT emphasized that this new information needs to be carefully checked and that they will start with some research at the “Länder” level.

Next, STAT mentioned further areas where improvements have occurred because of the implementation of the VRV 2015. This concerned in particular detailed information for the consolidation of transactions as well as more information on derivatives used by the state and local governments. Improvements have also been made as regards the distinction between public and private companies, the identification of transfers between government entities in payables and receivables, and the identification of EU flows. Previously, the information on derivatives was collected via excel files using different sources. The data was finally manually integrated in the GFS/EDP compilation procedure. With the VRV 2015, the data provision on stocks and flows of derivatives have been clearly structured and standardized, thus automatized.

The present situation shows that some advantages of the new reporting standards (double entry accounting system) are recognisable. For example, coherent information for the recording of reserves or accrued interest, which was not available in the VRV 1997. With the VRV 2015 the improvements are recognizable for both the Länder and the municipalities.

The discussion continued with describing the data situation and data transmission with regard to derivatives and debt securities. Eurostat asked whether STAT could compile debt securities (F.3) for the assets side for all government sectors.

STAT confirmed that information for other accounts payable and receivable (F.8) is available and that this information is presented in EDP questionnaire table 4.

The information on the market value of equity traded on stock market was received by Statistics Austria from the National Bank. Eurostat also enquired about the valuation of transactions and stocks in unlisted shares, and other equity and, whether the implementation of the VRV 2015 had an impact on the availability of data. STAT explained that the information for equity is mainly derived from data interface and that the implementation of the VRV 2015 itself did not have an impact on valuation of equity. In this context, Eurostat asked for more information on the availability and timeliness of data sources (including VRV 2015) used for compilation of transactions and stocks of the equity.

Eurostat enquired about the specific accounting treatment of ex-ante factoring operations in the Austrian public finance statistics related to the type of operations/transactions recorded in the accounting line “*nicht fällige Verwaltungsschulden*” provided in the VRV 1997. STAT confirmed that this accounting line “*nicht fällige Verwaltungsschulden*” no longer exists in VRV 2015.

For the EU flows, an improvement was achieved by requesting a further breakdown of the accounting item “*Transfers von der Europäischen Union*” in the data interface. Reporting units are asked to indicate whether the final beneficiary of the EU flows is a government core unit or whether the funds are transferred to another government or to non-government unit.

Findings and conclusions

By extending the data to be supplied via the data interface, Statistics Austria has created a practicable solution for obtaining the necessary information on, for example, the counterpart sector, consolidation, the final beneficiaries of EU flows or for the distinction between public and private entities. Furthermore, Eurostat noted that information on derivatives and equity (F.5) has been included in the new VRV 2015 (chart of accounts).

Eurostat also understands that the implementation of the new VRV 2015 impacted positively on the quality of the data and its data interface.

Action point 3: Statistics Austria will provide a note on the data sources used to compile the

transactions/ stocks of equity by general government and will address the availability and timeliness of data sources (including VRV 2015) and the valuation of the listed and non-listed shares.

Deadline: End of August 2022³

Action point 4: Eurostat agreed with Statistics Austria to implement the B.9 revisions stemming from the “Forderungseinlösemodell” for the period 2001-2017 in the next benchmark revision, due to the small size of the amounts in question.

Deadline: October 2024 EDP notification

1.4. Revision policy and EDP Inventory

Introduction

Revisions to government data are made biannually and generally cover the two most recent years. A main aim of the revision policy is to ensure full consistency between quarterly and annual GFS data and the sector accounts in April, which would be achieved by simply adding up the four quarters in order to compile the annual EDP/ GFS data. Accordingly, Statistics Austria usually implements revisions resulting from updated source data only in the context of the October EDP notification.

Discussion and methodological analysis

Statistics Austria confirmed that the revision policy has not changed since the previous EDP dialogue visit, i.e., the regular revisions of government sector data are made in April and in October EDP notifications and usually cover two years. Major data revisions are already implemented in April to ensure that Eurostat's data quality requirements (e.g. avoidance of breaks in the time series) for EDP/ GFS data are met. The next benchmark revision will take place in 2024.

The GNI Inventory was published on the website of Statistics Austria in January 2022. The update of the EDP Inventory was discussed. STAT agreed to include in the EDP Inventory changes and new developments since 2017 when the Inventory was revised for the last time. Eurostat took note of the revision policy of Statistics Austria and noted that an update of the EDP Inventory is required. Eurostat emphasized that an update of the EDP Inventory should be available no later than the end of June 2023. Eurostat asked the Austrian statistical authorities to include in the updated EDP Inventory the recent developments in the data area (e.g. due to the implementation of the VRV 2015).

Findings and conclusions

Action point 5: Eurostat indicated that there have been some recent changes/ developments, for example in the data area (implementation of the VRV 2015 for state and local governments) in Austria, which are not yet sufficiently reflected in the EDP Inventory, which was last published in 2017, and that the information there is, hence, partly outdated. The Austrian statistical authorities will therefore update, as soon as possible, the EDP Inventory in order to reflect changes and developments since 2017: e.g. recording of own holdings (*Eigenquote*) of issued securities, use of securities statistics, data availability regarding financial leases, operating leases and derivatives, treatment of PPP and EPC contracts, counterpart information etc. The Austrian statistical authorities will also

² A note was provided on 31 May 2022. The discussion continued with further questions.

update the sections on the treatment of the different export guarantee schemes (“Ausführfinanzierungsförderungsgesetz” versus “Ausfuhrförderungsgesetz”) as well as the recording of EU flows.

Deadline: Publication of an updated EDP Inventory end of June 2023

2. Follow-up of prior EDP visits (2020 EDP dialogue visit)

Introduction

Most action points (APs) from the 2020 EDP dialogue visit have been implemented by Statistics Austria. The follow-up of some APs were further discussed under the relevant items of the agenda.

Discussion and methodological analysis

It was agreed to postpone the analyses and possible reclassification of 39 non-profit hospitals due to the extraordinary COVID-19 situation, to the end of 2022. In addition, the other outstanding action points from the 2020 EDP visit would remain as action points of this visit. This concerned AP. 10, AP. 11 and AP. 20.

Findings and conclusions

Eurostat took note that most of the APs have been implemented. The outstanding action points from the 2020 visit (namely AP.13 regarding the sector classification of the 39 non-profit hospitals) would remain as AP of this visit (AP.22) to be implemented by the end of 2022. For AP. 11 (Eurostat agreed with Statistics Austria to implement the B.9 revisions stemming from the “Forderungseinlösemodell” for the period 2001-2017 in the next benchmark revision, due to the small size of the amounts in question) it was agreed that the implementation should take place in the framework of the next benchmark revision in 2024. AP. 10 was classified as an ongoing task and AP. 20 was considered as pending.

2.1. Reconciliation of cash flow statement, P&L accounts by “Konto”(Budgetclassification) as well as aggregated for each ESA category (see AP.4).

Introduction

This agenda point was discussed in context of the implementation of the new VRV 2015.

Discussion and methodological analysis

The nature of the working balance of the EDP table 2B/2C was discussed. Eurostat took note that the working balance is derived from the so-called “Rechnungsquerschnitt” for both the state and local government sector in the public accounts. Eurostat also understood that the “Rechnungsquerschnitt” is a kind of artificial figure that is essentially based on the principle of accrual accounting but is not comparable with the profit/ loss reported in the P&L accounts. The Austrian statistical authorities confirmed that, indeed, the working balance is a statistical construct built up using information from the profit and loss statement, cash flows statement and the balance sheet, as available in the VRV 2015 (involving dozens of codes). They stressed that the “Rechnungsquerschnitt” is officially

recognised by the units involved and is the subject of discussions on key figures in the public finance statistics. STAT noted that, as a starting point of the working balance for the Länder and municipalities, they used the so-called “Maastricht balance”, which derives from the bookkeeping system and, subsequently, they add some measures. Eurostat questioned whether such a complex structure of a working balance is appropriate for EDP purposes and wondered if alternative balances were available and could not be used instead. In addition, Eurostat noted that the specific composition of the EDP working balances of Tables 2B/2C should be appropriately reflected in the EDP Inventory. The Austrian statistical authorities explained that, in the past, there was a clear willingness to follow the VRV concepts, and that currently some discussions at the national level are ongoing about the use of the “Rechnungsquerschnitt”.

Findings and conclusions

Action point 6: The Austrian statistical authorities will provide the detailed chart of accounts (or templates of the financial statements) and the formula that is used to calculate the working balance of the State and Local governments.

Deadline: End of March 2022⁴

2.2. Discussed with Austrian statistical authorities prior the DV (by email – 6 December 2021)

This agenda point was not specifically discussed during the EDP dialogue visit.

3. Review of the 2021 October EDP reporting and of related data compilation issues

3.1. Follow-up on the issues raised in the EDP notification

3.1.1 Single tax account

Introduction

The issue regarding the Single tax account (STA) was discussed in detail during the 2022 EDP dialogue visit as a continuation of the discussion in the October 2021 EDP notification. Eurostat raised further questions on the functioning of the Single tax account, and the implications it might have on the accrual recording of tax receipts and tax reimbursements (time adjusted cash method, cash method, declared taxes etc.).

In national accounts, taxes are recorded in Austria on a time adjusted cash basis or on a “pure” cash basis, without time adjustments (i.e., in those cases the cash is considered a good proxy for accrual). Social contributions are recorded following the assessments and declarations method.

Discussion and methodological analysis

Eurostat noted that the creation of the so-called single tax accounts is an emerging phenomenon across the EU, therefore it is important to understand how they function and what implications they might

⁴ Austrian statistical authorities provided the information on 31 March 2022. The action point is under evaluation.

have for statistics.

Eurostat recalled that, from the initial discussions in the October 2021 EDP notification, the following aspects seem to be of relevance: what constitutes tax cash flow in statistics, what is considered as tax revenue, the nature of the government liability observed (“*Guthaben*”) and the implications from some administrative delays of tax claims in the context of COVID-19 related measures.

The representatives of the Ministry of Finance explained the operation of the STA and the nature of the so called „*Guthaben*“. The Austrian statistical authorities noted that a STA is applicable to both persons and companies. A STA is not dedicated to any specific tax and includes all taxes cumulatively. Debits to the STA correspond to the taxes due (thus a claim against the taxpayer), while credits to the STA correspond to taxpayers payments as well as totax refunds.

If the amounts paid by the taxpayer to the STA are higher than its tax liability (government receivables), this amount is considered as government liability in the public accounts and is referred to as “*Guthaben*”. There are no separate “*Guthaben*” accounts for individual taxes. The Statistical authorities explained that interest is neither charged nor paid on ”*Guthaben*“.

The MoF further stated that “*Guthaben*” would decrease in case it would be used to offset new tax obligations/ government receivables of the taxpayer and it could be withdrawn by the taxpayer at any time (the latter is rather rarely observed). With respect to the tax revenues recorded in national accounts, it was explained that the “*Guthaben*“ itself is not part of the tax revenues. However, once a tax declaration is filled and a government claim is established, it is settled by reducing the “*Guthaben*” (if a “*Guthaben*” exists). This reduction of the “*Guthaben*” is reflected in the cash figure of the corresponding tax and is, then, also included in the tax revenues recorded in the national accounts (after an accrual adjustment of the cash figure, if necessary). Eurostat noted that such recordings of debit and credit entries in the STA de facto mean that the tax data used for the accrual adjustment in national accounts are data not on a pure cash basis as usually meant (i.e. amount actually paid by the taxpayer) but on a “declared and paid” basis (i.e. amounts both debited in the STA and cleared following a first-in first-out approach). Concerning the first-in first-out approach, the Austrian statistical authorities clarified that the taxpayers’ payments can be either allocated (for a given tax and period, “payments with clearing order”) or unallocated. Eurostat asked the Austrian statistical authorities to add these details to the description of the recording of taxes in the EDP Inventory.

Eurostat enquired whether the “*Guthaben*” liability (EUR 4.4 billion by the end of 2021) had the nature of debt (being withdrawable upon request by taxpayers) or of other payable (like any advance on taxes). The Austrian statistical authorities were of the opinion that the *Guthaben* should be treated as other accounts payable, which would best reflect its true nature, i.e., it usually decreases with the settlement of a tax liability, which means that the existence of a “*Guthaben*” is due to timing differences between the establishment of a tax liability and the corresponding tax payments. In any case, the “*Guthaben*” could not be regarded as a kind of deposit and thus as a part of the Maastricht debt, as it does not meet the ESA definition of deposits.

Eurostat asked whether and how payments of tax refunds are recorded in the STA (i.e., are such payments registered as debits or credits in the STA) and how such payments are reflected in the tax figures used for the GFS/ EDP statistics. The Austrian statistical authorities pointed out that tax refunds can be used to offset new tax liabilities, so they are not necessarily paid in cash. Eurostat asked for more details on how this would be reflected in STA and whether this would be reflected as negative tax revenue at the time of settlement.

Since in Austria, the cash figures used in the GFS/ EDP statistics for taxes represent amounts that are declared and cashed/settled, Eurostat asked if there have been any extensions to the deadlines for

filing tax declarations in 2020. The Austrian statistical authorities noted that, in the first months of 2021 an increase of the “Guthaben” was observed, which could be due to the delays in final tax settlements due in 2020.

The Austrian statistical authorities further explained that, as a general practice, as soon as a taxpayer submits a tax declaration, the tax authority examines it and subsequently a claim is recognised in the tax account, which has to be paid/settled within 1.5 months. There was a tax deferral granted in 2020 in the context the COVID-19 measures (whereby tax authorities postponed entering the required “debits” in the STA from the last months of 2020 to January 2021. Tax refunds, however, were correctly reflected in STA. Eurostat considered that this might result in insufficient revenue being recorded in 2020 due to an administrative delay and more revenue being attributed to 2021 instead. In this context, Eurostat encouraged the Austrian statistical authorities to analyse a one-off accrual adjustment, of up to EUR 1 billion, shifting the amount from 2021 taxes to 2020 (mostly current taxes on income - D.5). Eurostat took note that Statistics Austria will clarify the amount which will be put as accrual adjustments from 2020 to 2021 by type of taxes, before the April 2022 EDP notification.

Eurostat further enquired whether tax deferrals were also granted in 2021 and, if yes, how they have been recorded.

Findings and conclusions

Action point 7: Statistics Austria will enquire in more detail the accounting entries (credits and debits) made in the STA by type of events (discussed in the meeting) and the implication for the national accounts recording and will report to Eurostat.

Deadline: End of March 2022⁵

Action point 8: In relation to the implicit deferral granted via the postponing of debit entries in the STA from 2021 to 2022, the Austrian statistical Authorities will send to Eurostat a table with the monthly debits concerned, broken down by month of the original tax due date and by individual tax. On this basis, Statistics Austria will inform Eurostat on the amount of any required one-off accrual adjustment by individual tax for the years 2020 and 2021 in relation to this.

Deadline: April 2022 EDP notification for implementing necessary accrual adjustments⁶

Action point 9: Statistics Austria will reassess the accounting basis of the tax data used for the accrual adjustment in national accounts (i.e. the STA data) and inform Eurostat of its conclusions and update the relevant metadata information, e.g. in the EDP Inventory and the Eurostat questionnaires, if necessary.

Deadline: End of June 2022⁷

Action point 10: Statistics Austria and Eurostat will examine the appropriate classification of the “Guthaben” liability.

Deadline: September 2022

⁵ Statistics Austria provided the information on 31 March 2022. The action point is under evaluation.

⁶ A note was provided on 16 March 2022. The action point is completed.

⁷ A note was provided on 30 June 2022. The action point is under discussion.

3.1.2. The nature of the item “Build up/ drawdowns of reserves”, reported in EDP table 2D, and the associated adjustments

Introduction

STAT informed Eurostat that the working balance of the social insurance funds are based on their accrued records. Additionally, social insurance funds add some transactions concerning financial instruments (e.g. interest, but also financial transactions like F.32) and at the end, they show their “build up/drawdowns of reserves” to arrive at the balance sheet profit/loss. As the balance sheet profit/loss is published by the social insurance funds as their profit/loss, Statistics Austria take this value as the starting point for Table 2D. Regarding the “balance sheet profit/loss” (“*Bilanzgewinn/Bilanzverlust*”) Statistics Austria mean the profit/loss after “incorporation to reserves”. In general, the records included in the working balance are booked on an accrual basis.

Discussion and methodological analysis

Eurostat enquired more about the composition of the working balance of EDP table 2D and the nature of the item “Build up/ drawdown of reserves” reported in EDP table 2D. The Austrian statistical authorities explained that the starting point of EDP table 2D is the profit/loss account that the social insurance funds themselves publish. The column “Saldo” shown in the “*Statistisches Handbuch der österreichischen Sozialversicherungsträger*” matches the line “*Bilanzgewinn / Bilanzverlust*” (Balance sheet profit / balance sheet loss) in the aggregated representation of the profit/loss account which they received from the social insurance funds. In the profit/loss account it is observed that the lines “*Auflösung von Rücklagen*” and “*Zuweisung an Rücklagen*” (“Release of reserves” and “Allocation to reserves”) are included in the total revenues and total expenditure. These total revenues and total expenditures (including both lines) are then used by the social insurance funds for calculating their profit/loss in their publications. The positions “*Auflösung von Rücklagen*” and “*Zuweisung an Rücklagen*” (“Release of reserves” and “Allocation to reserves”) are used to finance (parts of) the social insurance funds losses out of their reserves or to allocate (parts of) their profits to their reserves. These positions do not represent non-financial transactions and have to be eliminated to arrive at the proper EDP deficit/surplus, starting from the published profit/loss of the social security funds.

Findings and conclusions

Eurostat took note of the explanations provided by Austrian statistical authorities.

3.1.3. Revisions in the line “Equity and investment fund shares/units other than portfolio investments” for 2020.

Introduction

In the note provided before the 2022 EDP dialogue visit, STAT explained that the data revision for the current year was mainly due to the integration of the annual financial statements from extra-budgetary units in the context of the October EDP notification. The April EDP data submission was based on estimates made by STAT, as financial statements are not available at this time.

Discussion and methodological analysis

Eurostat asked why, as explained in STAT note, the data revision was limited to the asset side. STAT

explained that the F.5 transactions on the liability side concerned values already corrected and therefore the revision was only necessary on the asset side. During the discussion, it was noticed that, first, the liability side of some extra-budgetary units was corrected and then, later on, when the annual financial statements were available, the asset side was revised. This led to some corrections of the counterparts, which explains the observed revision in consolidation. Eurostat noted that for the next EDP notification the status of the data should be better communicated, i.e., whether the data were already revised or not.

Findings and conclusions

Eurostat took note that as regards quality improvements, Statistics Austria corrected the counterpart sectors as regards the equity capital positions for some extra-budgetary units. This correction was then also adjusted on the asset side of the corresponding unit, with the outcome of some consolidation effect due to changing counterparts.

3.1.4. Compilation of the net lending/ net borrowing of quasi-corporations and datasources

Introduction

The recording of flows associated to local and state government quasi-corporations was discussed in detail in the October 2021 EDP notification round. Eurostat was questioning the significant increase in quasi-corporations dividends in 2020, as compared to 2019. The Austrian statistical authorities acknowledged that the issue merited further analysis. This could have been caused by changes in data reporting by the municipalities on their quasi-corporations due to the transition to the new accounting rules (VRV 2015). Prior to the EDP DV, the Austrian statistical authorities provided to Eurostat a note on this issue.

Discussion and methodological analysis

Eurostat summarised the note, provided by the Austrian statistical authorities before the meeting. Firstly, it appeared that the 2020 figures reported in October 2021 were impacted by some errors, which will be corrected in the next EDP reporting. Secondly STAT indicated that they may want to change the method currently used to calculate the flows between the owner (the state or local governments) and the quasi-corporations, if the latter has a surplus or deficit, due to the new reality (introduction of the VRV 2015). Finally, the analysis undertaken by the Austrian statistical authorities has shown that a structural change of quasi-corporations compilation might be needed.

Eurostat asked what in concept is being booked as dividends from and capital injections to quasi-corporations, as well as, following the existing method, what changes to S.1313 B.9 impact stemming from municipal quasi-corporations were expected. STAT explained that after correction of an error, the 2020 figures would be comparable with the ones of 2019: in comparison to the October 2021 reporting, dividends would decrease and capital injections would increase slightly. After the revision, the municipal quasi-corporation B.9 will show an improvement of EUR 100 million (as compared to previous year) and would imply a revision of EUR -200 million as compared to the figure reported in October 2021. Eurostat wondered whether the positive B.9 impact was plausible, given that COVID-19 caused a slowdown of economic growth. STAT explained that in 2020 there was an increase in transfers from government (D.92 receivable) that were not yet spent, as quasi-corporation gross fixed capital formation showed a decrease, so the net result of quasi-corporations would show an improvement.

Eurostat asked the Austrian statistical authorities to briefly describe the current method. STAT recalled that the three-steps accounting approach used to calculate municipal quasi-corporations'

flows was discussed numerous times in the past. The approach entails the following steps: 1) rearrangement of the pension payments (the latter is not relevant for local government); 2) balancing of the production and income accounts; 3) balancing of the capital and financial accounts.

Capital and financial accounts as well as production and income accounts can show either deficit or surplus and, depending on this result, four combinations of balances are possible surplus/surplus, deficit/deficit, surplus/deficit and deficit/surplus. After the balancing, the results are allocated to the ESA transactions, and the recording of D.3 (-), D.9 (+/-) or D.42 (+) is implemented in the accounts of core unit (municipalities). The transactions are aggregated for all municipalities in each State.

STAT presented their analysis and illustrated how the transactions stemming from quasi-corporations would move if the level of aggregation would be changed from the State level to individual municipalities. STAT quantified the change for the year 2020, and all in all, D.42 would be revised downwards to EUR 561 million, while D.9 would not show zero and would increase by EUR 110 million. Eurostat thought that the new level of aggregation allows more details and therefore a better representation of the indicators, as the disaggregation avoids that certain flows are netted out. Eurostat agreed to the change of the method.

Eurostat had further questions on the general sectorisation approach applied to quasi-corporations, which are numerous in the Austrian State and local government sectors. Specifically, Eurostat enquired on what is used as a proxy for CFC, when the market/ non-market test (50% criterion) is being performed. Eurostat noted that, with the VRV 2015, when financial statements, including the profit and loss accounts, are available, depreciation from the profit and loss account can be used. However, Eurostat wondered what was used as a proxy for CFC in the past. The Austrian statistical authorities explained that, in the past, some estimates were used based on assumptions (e.g. a typical depreciation rate in the relevant NACE category). Eurostat asked whether the sales to costs ratio for quasi-corporation is calculated regularly. STAT recalled that a typical quasi-corporation in Austria is a utility engaged in waste disposal, water supply and waste-water disposal activities. These entities have a lot of current revenue to cover their costs, and generally, the result of the 50% test are close to 100%. Accordingly, STAT considers that there is no need for a yearly test. It was agreed that more details are needed on the process of identifying and classifying quasi-corporations. Therefore, the Austrian statistical authorities were asked to detail the type of accounts available for the quasi-corporations and to describe the exact procedure followed when deciding on the classification of each entity initially and subsequently.

Findings and conclusions

Eurostat took note that Austrian statistical authorities wanted to change the method of calculation. Eurostat thanked them for the excellent presentation and the exhaustive explanation of the issue.

Action point 11: In the April 2022 EDP notification, the Austrian statistical authorities will implement the change they proposed in the level of aggregation used for recording the government revenue or expenditure related to quasi corporations, moving from the State level to the unit level. This will provide more realistic GFS, with no change in B.9 of S.13. They will also revise the anomalies that occurred for the year 2020, arising from the change to VRV 2015 (which will degrade B.9 by up to 200 million euro).

*Deadline: April 2022 EDP notification*⁸

Action point 12: The Austrian statistical authorities will detail in a note the type of accounts that are available for the quasi-corporations identified in Austria as well as the exact procedure followed when

⁸ A note was provided on 31 March 2022. The action point is under evaluation.

choosing the classification of each entity initially and later on.

Deadline: June 2022⁹

4. Recording of government measures undertaken in the context of COVID-19

4.1 COVID Table

Introduction

Prior to the EDP dialogue visit, the Austrian statistical authorities provided a note in which they reported that no new COVID-19 measures were implemented in 2021, but some of the existing were extended (Short-term work scheme (furlough scheme), *Fixkostenzuschuss* (Fixed cost subsidy), *Ausfallsbonus* (Cancellation bonus), *Verlustersatz* (Compensation for loss)). The estimates of the 2021 associated amounts were provided by STAT before the meeting.

Discussion and methodological analysis

The discussion started with the description of the data sources used for the compilation of the Annex 8. Supplementary table for reporting measures taken in the context of the COVID-19 pandemic (COVID-19 table). STAT explained that they used for the compilation of the COVID-19 table data from the “Bund” and from COFAG (COVID-19 Finanzierungsagentur des Bundes GmbH). For the data included in the COVID-19 table related to Short-term work scheme (furlough scheme) and fixed cost subsidy (which are from COFAG), they applied some accrual adjustments in 2020 because many of these measures were paid out in 2021.

Eurostat took note that there were no new measures introduced in 2021, however, many measures related to the COVID-19 pandemic were extended. Austrian statistical authorities expected revisions of data on 2021 projections in the next notification. They explained that the main reason was a rather late provision of data to STAT (some of the companies send very late their applications).

The discussion continued on the specific examples of the loss carry-back measure and VAT reduction measure, introduced in the context of COVID-19 pandemic. Eurostat asked why these two measures related amounts are not in shown in the Covid table, as negative revenue. STAT clarified that these are projections of claim assessments and the MoF do not have available the exact budget execution for the specific measures. Although, some estimations can be made, it is very difficult to distinguish how much of the VAT reduction is related to COVID-19 measures.

Eurostat noted, that in the list of major government operations foreseen for 2020-2022, some substantial amounts are observed as regards the loss carry back measure (EUR 2 billion in 2021 and 1 billion in 2022). STAT explained that the table refers to budgetary projections, and de facto the loss carry back was a smaller measure than initially projected.

Eurostat emphasized that all temporary measures related to the COVID-19 pandemic to alleviate the economic situation should be reported in the “Supplementary table for reporting measures taken in the context of the COVID-19 pandemic”. A number of measures potentially to be shown as lost revenue were identified for significant amounts. In case there are no precise budget execution figures available, estimates should be made and reported in Annex 8 the Supplementary table for reporting measures taken in the context of the COVID-19 pandemic.

⁹ A note was provided on 30 June 2022. The action point is under discussion.

Findings and conclusions

Action point 13: In this context, the impact of the loss transfer measure (loss carry-back option) leading to lower tax revenue, as well as some other measures like VAT tax reductions, tax exemptions for the hospitality sector, and reductions foreseen for wage tax brackets shown in budgetary plans for 2020 and 2021 should be reported as negative tax revenue in the supplementary table (with a counterpart in indirect debt). The Austrian statistical authorities will try to provide an update of the original estimate of the impact of the loss-carryback option and other measures and adjust the supplementary table accordingly.

*Deadline: April 2022 EDP Notification*¹⁰

4.2. Table for reporting of expenditure and other costs financed by the RRF

Introduction

The Austrian Recovery and resilience plan (RRP) foresaw support and implementation of crucial investment and reform measures in the amount of EUR 4.5 billion by 2026. The plan identified 44 milestones, which included the reform of the tax system (greening the tax system), the support of digitalisation, the protection of the climate through energy-efficient mobility and renovation measures and the improvement of education and training across the country. Prior to the EDP DV, STAT provided to Eurostat a note describing data sources that are used for RRF flows.

Discussion and methodological analysis

Eurostat recalled that as explained in their note, Statistics Austria received the information from the Ministry of Finance for expenses undertaken by the core unit “Bund” as well as by extra-budgetary units. The classification of the transactions is already assigned in the table and the attribution is not directly undertaken by Statistics Austria. Beside this comprehensive table of total annual expenses, it is also planned to develop a feature for the data interface used for the “Bund”, which allows to identify RRF expenses.

The Ministry of Finance have made a presentation regarding the RRF data sources. Preliminary data were collected by MoF and sent to Statistics Austria. The MoF work with other ministries to check RRF data as regards data of the future periods, the crosschecking is also useful for quality assurance. The MoF noted that for the future expense, financed by the RRF, a specific account code would be introduced, so the amounts will be traceable. For the future, it will be also possible to report also quarterly data for the new measures. More difficulties are observed for the actual data, but the MoF will provide STAT with the table with RRF expenditure for each year that has passed. There are some difficulties for collecting of data on the existing measures, when one measure can be accounted in several positions and the data are available mainly on annual basis.

Regarding the inflows from RRF, the Austrian statistical authorities explained that they received EUR 450 million of RRF grant pre-financing in September 2021. During the discussion, it was clarified that Austrian RRP included also reforms and investments, milestones and targets to be financed from the national part. On the recording of the RRF associated flows, Eurostat recalled that only costs included in the plan (validated by the EC and approved by the Council) should be neutralised. In the case of Austria, the sum of costs reimbursable should amount to EUR 3.5 billion, being the expected revenue from the EU according to the last available estimate (to be finally determined by June 2022) and not the EUR 4.5 billion currently included in the RRP (which

¹⁰ A note was provided on 31 March 2022. The action point is under evaluation.

encompass EUR 1.5 billion of expenditure already foreseen prior the COVID-19 and EUR 3 billion of new expenditure), which de facto includes an additional EUR 1 billion to be nationally financed. If the expenditure to be financed by the EU could not be separated from the national part, a coefficient is to be used to compile the revenue to accrue for each element of expenditure, so to avoid frontloading revenue.

The Austrian statistical authorities noted that there might be a need to update the RRP, due to the recalculation of overall RRF amounts foreseen in June 2022. On the infra-annual reporting of the RRF revenue, Eurostat noted that some redistribution between quarters should be made. The Austrian statistical authorities noted that EUR 85 million are to be reported in the third quarter of 2021.

Eurostat noticed that Austria made some progress in reporting of data under RRF. Eurostat emphasized those expenditures that are not associated with the RRF plan shall not be recorded in the RRF table. Eurostat recalled that the revenue corresponding to expenditure made on behalf of RRF in 2020 should be accrued in 2021. Eurostat also reiterated that only the amounts effectively spent should be neutralized and neutralization is to be applied, only to costs included in the plan (validated by the EC and approved by the Council). These principles should be adhered to in the forthcoming EDP notification.

Findings and conclusions

Action point 14: Eurostat asked the Austrian statistical authorities to provide a further split of the amounts recognised as money spent (EUR 520 million in 2021) between money that should be neutralized in the context of the RRF and nationally finance spending, or alternatively use a coefficient to estimate the national part from the amount deemed reimbursable. The Austrian statistical authorities agreed to report the amounts by expenditure category in the note.

Deadline: mid-March 2022¹¹

Action point 15: Regarding the retroactive 2020 expenditure, following the rules, Statistics Austria will record the associated RRF revenue of EUR 85 million in 2021 Q3 (appropriately apportioned).

Deadline: April 2022 EDP notification¹²

5. Methodological issues and recording of specific government transactions

5.1. Sector delimitation

5.1.1. Questionnaire on government controlled entities classified outside the government sector

5.1.1.1. Extract of the Questionnaire on public corporations

Introduction

Prior to the EDP dialogue visit, Statistics Austria provided a list of newly established units in 2021. An updated Questionnaire on government-controlled units classified outside general government was submitted by STAT on 17 December 2021, providing data for 2019. The questionnaire on government controlled entities complements the list of the general government units and allows Eurostat to verify whether the classification of specific entities is correct. The questionnaire also

¹¹ The information was provided on 15 March 2022 by Statistics Austria. This action point is under evaluation.

¹² Statistics Austria recorded the associated RRF revenue of EUR 85 million in 2021Q3. This action point is closed.

allows for cross comparisons with other information provided by the Member States, for example, a comparison with the list of entities that are under liquidation, or it allows analysing in which industries public enterprises are predominantly active in one country or compared to other countries, or if the allocation to a different NACE category seems to be in conflict with ESA provisions (e.g. entities classified to NACE category 'O' are considered to provide only non-market services). In addition, the questionnaire allows the identification of entities which are acting close to the borderline between market production and non-market production (50% ratio) and which may be close to the threshold for a reclassification. Thus, potential impacts on EDP/GFS data can be detected early. Finally, the questionnaire on government controlled market producers provides the debt data for the debt indicator according to the Directive 2011/85 EU. This agenda point was used to analyze the aforementioned aspects together with STAT.

Discussion and methodological analysis

Statistics Austria explained that the main data sources are official register and other sources like balance sheets and data from national accounts.

Regarding the deadline for the provision of data on public corporations (Questionnaire on government controlled units classified outside general government) it was recommended to the Austrian statistical authorities to examine the possibility to improve the timing of this questionnaire and send data with a one year time-lag to Eurostat. Eurostat noted that late availability of data leads to delays in re-classifications, especially for cases that have the results below 50% for two consecutive years. Eurostat proposed to give emphasis to such cases and to consider including the additional column for the year n in the questionnaire. Statistics Austria agreed to provide all 50% tests readily available for year N-1 as well as an estimate for year N for those public corporations that did not pass the 50% test for the two most recent years reported in the questionnaire.

Eurostat enquired on the calculation of the market/ non-market test, and in particular on the formula used for the 50% test, with the appropriate chart of accounts/ survey template. The Austrian statistical authorities were asked to provide this information. Eurostat underlined the importance of this item and of the way in which they must be included in the calculation of the market/ non-market test, which should be transparent.

The discussion continued on the unit “Wiener Stadtwerke GmbH”, for which the 50% test results showed a visible deterioration in the last two years. STAT confirmed that this unit is being closely monitored. This is a rather big unit at the municipal level, having many subsidiaries, one of which (Wiener linen) is classified inside government. Eurostat asked whether the 50% for Wiener Stadtwerke GmbH shows the results of the group including the S.13 entity. STAT agreed to provide further clarifications on this unit, including a note on its activities and to re-calculate the 50% test for the years 2020 and 2021, making sure that the results of the subsidiary, classified inside S.13, are excluded.

Discussions continued on the list of the changes in sector classification (entities reclassified from or to S.13 plus newly established entities) in the period 2019-2021, as provided by STAT before the meeting. Eurostat noted that it would be very helpful if the table had an additional column indicating the reason for the reclassifications (e.g. 50% criterion, captive entity, artificial subsidiary, ancillary unit, or merger, notably for tax optimization purposes). Eurostat proposed to STAT to add a section on the recent reclassifications to the explanatory note, regularly provided in the context of the EDP notifications. The note ideally should quantify the impact of the reclassification of the units on the net lending/ net borrowing (B.9) and on the Maastricht debt of general government and its subsectors, as well as list the B.9 of the most notable units reclassified inside the general government sector or outside the government sector, but not within the government sector. Statistics Austria agreed to

provide additional information regarding sector delimitation and clarifying the NACE category of some entities, as required by Eurostat.

Findings and conclusions

Action point 16: Statistics Austria will provide the details for the calculation of the market/ non-market test, in particular, the formula used for the 50% test, with the appropriate chart of accounts/ survey template (and the bridge table used for the transition to ESA transactions).

Deadline: End of May 2022¹³

Action point 17: Statistics Austria will provide a note on the activities of the "Wiener Stadtwerke" (unit listed in the questionnaire on public corporations) and update the 50% test for this unit for the years 2020 and 2021.

Deadline: End of June 2022¹⁴

Action point 18: The Austrian statistical authorities will examine the possibility to accelerate the provision of data on public corporations (Questionnaire on government controlled units classified outside general government). Eurostat recommended to shorten the delay regarding the data provision to 1 year (which is the current requirement). As a short-term measure, Statistics Austria will provide all 50% tests readily available for the year N-1 as well as an estimate for the year N for those public corporations that did not pass the 50% test for the two most recent years reported in the questionnaire.

Deadline: Progress report – November 2022

Action point 19: The Austrian statistical authorities agreed to provide an explanatory note to Eurostat clarifying the NACE classification of some entities included in the "Questionnaire on government controlled units classified outside general government".

Deadline: End of November 2022

Action point 20: The Austrian statistical authorities will add an additional column explaining the reason for the reclassification (e.g. 50% criterion, captive entity, artificial subsidiary, ancillary unit, merger notably for tax optimization purposes) to the list of reclassified units (from or to S.13) provided to Eurostat before the dialogue visit and resubmitit.

Deadline: End of July 2022¹⁵

Action point 21: Statistics Austria will add a section to the regular explanatory note related to the EDP notifications describing the impact of the reclassification of units on the net lending/ net borrowing (B.9) and debt of general government and its subsectors, as well as listing the B.9 of the most notable units (e.g. B.9 > 30 million) reclassified inside or outside the government sector, but not within the government sector (from the October2022 EDP notification onwards).

Deadline: Continuous from October 2022 EDP notification

¹³ A note was provided on 1 September 2022. The action point is under evaluation.

¹⁴ A note was provided. The action point is under discussion.

¹⁵ A note was provided on 1 September 2022. The action point is under evaluation.

5.1.1.1.1. Practical aspects of sector classification - 50% criterion, 80% criterion and qualitative criteria

Introduction

Statistics Austria confirmed that there are no substantial changes since the previous EDP dialogue visit. The process to identify and classify new public units was discussed.

Discussion and methodological analysis

Statistics Austria explained that there have been no major changes in the calculation of the 50% criterion since the 2020 EDP dialogue visit. Business accounts are still the main data source. In practice, the work to identify possible cases of new public entities is mainly done by Statistics Austria, directorate “Macro-economic Statistics” in cooperation with the department “Business register”.

The starting point is the “Meldung neuer Einheiten” a survey on newly established entities. All units of the government sector have to inform Statistics Austria within two months if they have created a new unit. In addition, new public entities will also show up in the statistical business register; and/or specific and significant transactions and restructuring activities may be identified when the government accounts are compiled.

The next step is the classification within the public sector, in particular, deciding whether the public entity should be classified in the government sector. In this context, ESA paragraphs 20.5 to 20.55 are analysed. STAT noted that, in general, the depreciation recorded in the business accounts is used. This means that the depreciation recorded in the business accounts is used as a proxy for the consumption of fixed capital required in the market/ non-market test. The issue was whether it would be justified to use a coefficient for depreciation (at historical costs) to align it better to the concept used for consumption of fixed capital in national accounts (in particular, based on prices of the current period).

Eurostat also noted that Statistics Austria had added a line to the questionnaire “Meldung neuer Einheiten”, to include the 80%-criterion for ancillary corporations. Regarding newly established companies, which have to be reported to STAT, information is asked about revenue(%) generated with GG units.

Findings and conclusions

Eurostat took note that the calculation of the 50% criterion has not changed since the 2020 EDP dialogue visit, i.e. that, in general, the depreciation recorded in the business accounts is used. The discussion emphasised whether it would be justified to use a coefficient for the depreciation (at historical costs) to adjust it better to the concept used for consumption of fixed capital in national accounts (in particular, based on prices of the current period). Eurostat also noted that Statistics Austria had added a line to the questionnaire “Meldung neuer Einheiten”, which allows to identify ancillary units of government and to classify them accordingly.

5.1.1.1.2. Classification procedure applied for public financial entities (financial intermediaries, captive financial entities)

Introduction

This agenda point was intended to briefly review the classification of financial units. In the 2020 EDP dialogue visit, the approach used for classification of public financial entities was also discussed.

Discussion and methodological analysis

Statistics Austria explained that there have been no major changes in the procedure applied for public financial entities since the 2020 EDP dialogue visit. Austrian statistical authorities informed that the procedure for the classification of public entities follows, in principle, a two- steps approach, i.e., first to identify possible cases of public financial entities and second to decide on their classification. STAT mentioned that that they used several source data, for example, the structural business statistics, data provided from Bureau Van Dijk (private company providing information on companies).

Findings and conclusions

Eurostat took note of the explanations provided by STAT.

5.1.1.1.3. Follow-up on the classification of hospitals

Introduction

The issue of sectorization of hospitals classified in the S.15 sector was discussed in the previous dialogue visit and an action point was placed on it. Eurostat raised questions regarding the classification of 39 non-profit hospitals, which were classified in the NPISH sector S.15. At the time Eurostat noted that the sector classification of non-profit hospitals should be analysed once again by Statistics Austria with reference to ESA 2010 para 20.15 and para 20.309. Statistics Austria considered these hospitals as privately controlled, because the management was not appointed by government. However, Eurostat believed that there were other aspects which could have been considered and which might indicate government control over these units. Therefore, via an action point, STAT was asked to reconsider the sector classification of these hospitals: if they are government-controlled, they should be classified in the government sector.

Discussion and methodological analysis

Eurostat recalled that the above action point was not yet fulfilled and referred to fact that on the request of STAT, the action point was postponed. The Austrian statistical authorities reiterated that, due to the need of additional efforts in connection with the COVID-19 pandemic, the investigation of the sector classification of the 39 non-profit hospitals could not be finalized as requested by AP. 13 from the EDP dialogue visit 2020.

On substance, Statistics Austria replied that before drawing conclusions, the information provided in the questionnaire on hospitals must be re-examined and, if necessary, adjusted. STAT will investigate the criteria specifically mentioned by Eurostat, including the existence of specific legislation, which applies for public and non-profit hospitals but not to the others, and also verify if government provide most of the revenue, covers some losses and take over the risks. STAT thought that it was necessary to receive additional information from the Ministry of Health regarding the management of hospitals.

Statistics Austria further remarked that a criterion for reclassification is a control, which is the appointment of the management of the hospitals. The government clearly does not appoint the management of the non-profit hospitals, as they are appointed, for example, by the church, which owns a number of these hospitals. It should also be noted that the employment contracts are not public contracts but private contracts. Non-profit hospitals are in this respect more similar to private hospitals. In addition, some hospitals are part of bigger groups, which would not be classified in the government sector.

Eurostat also noted that the fact that the entities are not established by government does not mean that there is no government control. Eurostat noted that, in general, concerning the control of non-profit institutions, ESA 2010 paragraph 20.15 indicates that the following five criteria should be considered: appointment of officers, other provisions of the enabling instrument, contractual agreements, degree of financing and risk exposures. It appears that four of the five criteria relating to non-profit hospitals can be considered as fulfilled. Only the first criterion, the appointment of officers, which, if present, would directly indicate government control, is not met. There might be also other aspects to be considered that might point to the existence of government control.

Findings and conclusions

Action point 22: Statistics Austria will further investigate the sector classification of the 39 non-profit hospitals currently classified in S.15, following the discussion in the EDP dialogue visit. The deadline of this action point (ex-13) was extended on the basis of the received information from Statistics Austria that the research on the appropriate sector classification of these 39 non-profit hospitals could not yet be undertaken sufficiently due to the ongoing huge efforts in connection with the corona pandemic.

Deadline: End of December 2022

5.1.1.2 Public transport companies

Introduction

Under this agenda item, Eurostat reviewed with Statistics Austria the existing classification of public transport companies at regional and local level in Austria.

The “ÖBB Personenverkehr AG” was founded in 2004 and started passenger transport operations, by train and by bus, in January 2005, as set out in the Federal Railways Act 2003. The company is a wholly owned subsidiary of the ÖBB-Holding AG. The ÖBB-Holding is the holding company of the ÖBB Group. All shares of ÖBB-Holding are owned by the Republic of Austria, the administration of share rights is the responsibility of the Federal Ministry for Transport, Innovation and Technology.

The “ÖBB Infrastruktur AG” is responsible for developing, maintaining and operating the rail infrastructure, train stations, buildings, terminals etc. in Austria. The ÖBB-Infrastruktur AG is a 100 percent subsidiary of ÖBB-Holding AG. Both the “ÖBB Personenverkehr” AG and the “ÖBB Infrastruktur AG” are classified in general government sector in national accounts.

Prior to the EDP dialogue visit, Statistics Austria provided a brief description of the public transport companies at the state and local government level.

Discussion and methodological analysis

Statistics Austria informed that several railway companies exist at the state and local government level in Austria. The railway companies are mostly owned (by majority) by state governments or (several) local governments. The “Bund” also owns some regional railway companies (e.g. Graz-Köflacher Bahn und Busbetrieb GmbH). In addition to public railway companies, some private companies exist, some of which also cooperate with public railway companies. For railway companies active in public transportation there is often a service contract (“Verkehrsdienstvertrag”) with either SCHIG or a Verkehrsverbund. These contracts are generally in line with Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007. The contracts can be granted directly (Direktvergaben) or be awarded via a tendering procedure (Ausschreibungen).

The majority of services of this kind is provided by the ÖBB Personenverkehr AG (classified in S.13).

Statistics Austria noted that so-called “Verkehrsverbände” - public transport organizations in Austria also exist. These entities coordinate the companies providing public transport (either by train, bus, tram or subway) in a specific region. They are classified in the non-financial corporations sector (S.11), given that most companies providing public transport are classified in the non-financial corporations sector. Eurostat asked whether Verkehrsverbände are seen as ancillary units of transportation companies and enquired for more information regarding the activities of Verkehrsverbände. STAT explain that Verkehrsverbände received transfers from government and pass them to the transport operators. Their role is to coordinate sales of tickets and to distribute the proceeds of sales; they are also involved in the distribution of the funds associated to the public service obligation (PSO). The amounts distributed by the Verkehrsverbände are recorded as sales in the accounts of the receiving transport companies. Eurostat asked whether the Verkehrsverbund receive fees for their services. STAT confirmed this and clarified that market output is recorded in national accounts.

Furthermore, the activities of the “ÖBB-Produktion GmbH” was discussed. Eurostat enquired if the ÖBB-Produktion is related to the Cargo company or if it provide services for train stations. Eurostat asked to quantify the share of ÖBB-Produktion services that are provided to the ÖBB entities, classified in government. The discussion aimed to clarify whether the ÖBB-Produktion GmbH could be considered as an ancillary to government (80% criterion) since the ÖBB Personenverkehr and the ÖBB Infrastruktur are already classified in government or whether it provides sufficient services to the ÖBB cargo company and other rail companies in the private sector in order to justify its classification in S.11.

Afterwards, Eurostat raised questions on the recording of PSO in Austria and on whether these subsidies in national accounts are recorded as subsidies on product or subsidies on production. Eurostat enquired about the basis for calculating the payments made under the “Verkehrsdienstvertrag”, in particular on whether the payments were made per train-kilometre or per passenger. While there is a common understanding at European level that payments per passenger should be regarded as subsidies on product, there would be considerable doubt as to whether this would also apply to payments made per train-kilometre. Eurostat, as well as some Member States, consider that payments per train-kilometre could be seen as subsidies on production, with the consequence that these payments should not be considered as sales for the calculation of the 50% criterion. Eurostat also noted that payments per train-kilometre might be seen as a subsidy to reduce the cost of an input factor (use of tracks) of the railway company.

Findings and conclusions

Action point 23: Eurostat took note of the specific activities of the “Verkehrsverbände”, which perform tasks of planning, financing and coordination of public transport in the transport area of the “Verbund” in Austria. Statistics Austria will provide a note on the activities of the “Verkehrsverbände”, in particular their task within the framework of revenue sharing between the transport companies (sales, subsidies etc.) which have joined a “Verkehrsverbund”, as well the cash flows existing between the “Verkehrsverbände” and government. Statistics Austria will also clarify what should be considered the principal activity of these “Verkehrsverbände” and whether their current classification (most commonly) in the nonfinancial corporations sector (S.11) is justified.

Deadline: End of August 2022¹⁶

¹⁶ A note was provided on 1 September 2022. The action point is under evaluation.

Action point 24: The Austrian statistical authorities will examine the payments from the budgets of federal and state governments and, where appropriate, local governments, to (rail) passenger transport companies, broken down by type of payment and type of recipient, and their recording (type of transaction) in the national accounts, and will report to Eurostat.

Deadline: End of August 2022¹⁷

Action point 25: Statistics Austria will provide Eurostat with a detailed justification of why it considers PSO payments (payments per train-kilometre) as payments for a service provided by the (rail) passenger transport companies, given that the latter provide passenger-kilometre services (and not train-kilometre services), and not as a subsidy on production or as a subsidy on the service purchased from the infrastructure company.

Deadline: End of August 2022¹⁸

Action point 26: Statistics Austria will examine the current classification of the “ÖBB-Produktion GmbH” in the non-financial corporations sector (S.11) and will inform Eurostat on the main activities and the main clients of this unit as well as on the sales generated with these clients (if not otherwise available, based on an estimate where appropriate).

Deadline: End of July 2022¹⁹

5.1.2. Time of recording

5.1.2.1 Taxes and social contributions

Introduction

With respect to the time of recording, STAT records taxes on a cash and time adjusted cash basis. Social contributions are recorded on the basis of assessments/declarations. The last transmission of the questionnaire on taxes and social contributions took place in December 2020. The data for tax refunds and tax credits was discussed, as well as the nature of “*Forschungsprämie (PF)* (Research bonus)” under this agenda point.

Discussion and methodological analysis

Statistics Austria informed that there was a new tax on online advertisement introduced (D214H) in 2020. STAT stated that, in order to tackle the economic impacts of the COVID-19 pandemic, several tax measures, within already existing taxes, have been put into place: temporarily reduction of VAT (D211) for certain industries, reduction of tax base via carry-over losses for income tax (D51A) and corporation tax (D51B). STAT pointed out that, due to the new VRV 2015, they were able to identify the tax on secondary residencies (D59A) that was previously recorded together with other taxes (mainly tax on tourism – D214H). STAT concluded that, in general, the new VRV 2015 led to quality improvements for identifying several taxes more clearly (especially for taxes formerly accounted for as other taxes, D29H and D59F) and to better distinguish between taxes and service fees for S.1312 and S.1313.

¹⁷ A note was provided on 1 September 2022. The action point is under evaluation.

¹⁸ A note was provided on 1 September 2022. The action point is under evaluation.

¹⁹ A note was provided on 30 June 2022. The action point is under evaluation.

Eurostat asked to what exactly referred to the tax measures listed in the document submitted prior to the dialogue visit (labelled as “tax refunds”). STAT explained that some of the listed tax measures do not have the nature of tax refunds or of tax credits, in the ESA sense. In Austria it exists a practice to fund dedicated expenditure schemes directly from tax resources that do not transit through the working balance. Therefore, the “tax refunds” represent de facto amounts that are being reinstated by statisticians to the overall tax cash flow, correcting cash data coming from the budget. In this respect, it was agreed that more information on this is needed and STAT was asked to provide to Eurostat a detailed note indicating the nature (gross presentation of tax revenue, tax credit, tax refund etc.) of each item listed, including the related transfer (expenditure) component. In addition, Eurostat asked for an overview of the existing tax credits and for an indication of their nature (payable/ non-payable), as well as for the specification how the tax credit associated flows are reflected in single tax account (if applicable).

Findings and conclusions

Action point 27: The Austrian statistical authorities will clarify the genuine nature of the tax measures listed in the document submitted prior to the dialogue visit (labelled as “tax refunds”). A number of tax measures in Austria do not have the nature of tax refunds or of tax credits, and merely reflect a practice to fund dedicated expenditure schemes directly from tax resources that do not transit through the working balance. Statistics Austria will send a note to Eurostat indicating the nature (gross presentation of tax revenue, tax credit, tax refund etc.) of each item listed including the related transfer (expenditure) component.

Deadline: April 2022 EDP notification²⁰

Action point 28: Statistics Austria will provide a note on the tax credits currently applicable in Austria and indicate whether the type of tax credit in question is payable or non-payable and their treatment in the Single Tax Account, if recognised there.

Deadline: End of June 2022²¹

5.1.3.1. Table on main revenue and expenditure items of other central government units/groups of units and financial transactions for 2020 (see Annex 1 “Detailed revenue and expenditure OCGB_OSGB”).

Eurostat appreciated the fact that the table was provided prior to the EDP DV. Eurostat took note that the sheet on the Other Central government bodies was filled, providing data on both non-financial and financial accounts by unit/groupings of units. Seemingly, no consolidation between the OCGB is implemented and no adjustments, were observed to be implemented on the aggregated level.

5.1.3. Interest

Introduction

Eurostat thanked Statistics Austria for the ad hoc table on interest provided prior to the meeting. The ad-hoc table on interest is based on data provided by the Austrian Treasury (OeBFA) and includes

²⁰ A note was provided on 31 March 2022. The action point is under evaluation.

²¹ A note was provided on 30 June 2022. The action point is under evaluation.

therefore only data of the central government core entity.

Discussion and methodological analysis

Eurostat and the Austrian statistical authorities reviewed the ad-hoc table on interest provided prior to the EDP DV. Eurostat noted that the ad hoc table compiled from Austrian statistical authorities is largely consistent – the stock of coupons is consistent with flows of coupons. The observed decrease in stocks of coupons can be explained by the changeover of debt into the debt with lower interest rates. Coupon paid is structurally higher than coupon accrued, which is reasonable. The stocks of discounts and premiums and their amortization are also consistent. Significant amounts of premiums at issuance are observed. The discounts and premiums at issuance are not consistent with the amounts reported in the EDP table 3B (the observed differences are seemingly due to coverage).

Next, Eurostat asked what part of Bund's debt is in the form of loans. The Austrian statistical authorities explained that the main part of debt consists of bonds, commercial papers and treasury bills, however, the Bund is also borrowing from banks and insurance companies. The stock of AF.4 amounted to EUR 13.8 billion end 2021, of which EUR 7.2 billion refer to bank loans (these are long-term loans). Eurostat referred to the FISIM shown in the ad-hoc table on interest and asked for the reason of the rather high amount reported for the FISIM (e.g. EUR 300 million in 2021). FISIM is only applicable to bank loans, so implied FISIM would be 2% of nominal value. The FISIM amounts reported in the table was allocated by STAT, as the global calculation of FISIM covers the whole central government sector, including the OCGB. Eurostat drew the attention of the Austrian statistical authorities that in some cases in other Member States, an overstated FISIM has been observed, and therefore it is worth looking into the calculation of FISIM separately.

The issue of coupons sold was also discussed. In 2019, the 2020 coupon sold is smaller than in previous years. The Austrian authorities explained that they issue fixed rate bonds with an interest coupon of zero and that the issue price is above par. The increase in coupon sold represents the higher own retention. The practice in Austria is to issue bonds and to retain part of it, not selling it to the market at the beginning, but rather later on in the secondary market. So, if there is higher self retention, there is a higher coupon sold observed (e.g. less own retention in 2019 than before). Another reason, when there are new types of bonds having zero coupon being issued, is that there is no flow of coupon sold observed.

Eurostat enquired on the reporting of premiums and discounts in EDP tables 2A and 3B. The Austrian statistical authorities explained that the differences between EDP table 2A and EDP table 3B (and thus the interest table) reflect the fact that the cash flow associated to discounts is entering the working balance at redemption, whereas in EDP table 3B (and thus the table on interest reporting) discounts are included at time of issuance. Eurostat noted that the current description in the EDP Inventory should be updated, especially as regards the recording of discounts and premiums in the EDP table 2A working balance.

The Austrian statistical authorities recalled that, in the April 2021 EDP notification, the issue of the recording of discount on early redemption of bonded loans was discussed (EUR 189 million in 2020). This amount apparently was not featuring in the interest table. STAT explained that it is included in the line discount at issuance, however they agreed that it should be reported in item 15 "*Discounts (-)/premium (+) repurchased*", referring to the premium and discount not yet accrued. Also the line number 9 "*discounts at issuance (+)*" had to be corrected in the table.

Eurostat asked which OCGB are issuing debt with discounts/ premiums. A net premium of EUR -1.7 billion featured in table 3B, whereas interest table showed only -0.8 billion in 2019. Eurostat recalled that ÖBB infrastructure has a significant amount of debt and, in addition, the table on the revenue and expenditure of the OCGB shows significant flows in bonds of the ÖBB infrastructure in 2020, so maybe a similar situation was also present in 2019. It was agreed that the main reason for the

differences between the amounts reported in the EDP table 3B under “*Issuances above(-)/below(+)* nominal value” and in the interest table was due to the difference in coverage (the ad-hoc table on interest covers only budgetary central government): the amounts reported in the interest table exclude the above/below par issuances of other central government bodies, in particular, the ÖBB Infrastruktur AG and ÖBB Personenverkehr AG as well as of *Rechtsträgerfinanzierung*.

Eurostat and the Austrian statistical authorities discussed the recording of interest referring to the so-called “bonded loans”. In Austria, there exist a special type of loans – “bonded loans” (*Schuldscheindarlehen*). STAT recorded those type of financial instruments as loans in GFS/ EDP statistics. Eurostat understand that STAT recorded this amount at nominal value as loans and not at market value as bonds, and did not apply therefore the rule for bonds. Bonded loans are similar to securities in the sense that they are tradable. Early redemption of bonded loans is recorded as revaluation.

Eurostat noted that the repurchase entries appearing in EDP table 3B (relating to the Bund own repurchases of “bonded loans”) should in principle lead to some entries in the interest table line 15 (although not for the same amounts).

Findings and conclusions

Action point 29: The Austrian statistical authorities will update the table on interest by including the amounts of discount/premium repurchased (item 15) and, if needed, correct the stocks and amortisation of discounts and premiums. They will also verify the reconciliation between table 3B and the interest table (due to coverage issues).

*Deadline: April 2022 EDP notification*²²

5.1.4. Gross fixed capital formation (GFCF)

Introduction

The data sources and the calculation of some accrual adjustments for gross fixed capital formation in EDP Tables 2B and 2C with the implementation of the new VRV 2015 were reviewed.

Discussion and methodological analysis

Eurostat asked what data sources were used for the calculation of gross fixed capital formation figures. STAT explained that, for the calculation of the gross capital formation, data from the public accounts are used. Generally, for the compilation of GFCF, balance sheet information is used (including the schedule of fixed assets attached to the balance sheet as well as information on depreciation and write-offs and write-downs of fixed assets). The supplementary information is also used, where applicable. Another issue discussed was the usage of Balance sheet information for the State government sub-sector, in order to calculate the F.8 relating to GFCF. STAT noted that there is one “Konto” in the balance sheet, which comprises all potential F.8 transactions, so, in fact, F.8, associated to GFCF is implicitly always captured in EDP tables 2 and 3 and in the table 4 of the Questionnaire related to EDP tables. It is just that the amounts are included in the totals and a separation of F.8 specifically referring to GFCF is not possible. The Austrian statistical authorities were asked to describe the link/ connection between cash flow statements and the financial accounts. Eurostat preferred that the identification of F.8 referring to GFCF is reported explicitly (at least) in Questionnaire table 4, possibly based on the compilation to be undertaken.

²² An information was provided on 31 March 2022. Action point is under discussion.

Findings and conclusions

Action point 30: Eurostat encouraged Statistics Austria to (continue) carry out reconciliations for the difference between cash flows statements and profit and loss data, on the one hand, and the F.8 data reported in the financial accounts on the other hand, for units reporting such financial statements – similar to the Bund or other units subject to VRV2015. Eurostat also encouraged Statistics Austria to carry out tri-ways comparisons between cash flows statements, on the one hand, and profit and loss and balance sheet data, on the other hand, for units reporting such financial statements – similar to the Bund or other units subject to VRV2015 – at the appropriate level of transactions (taking into account that the required information does not have the same detail).

Deadline: End of December 2023

Action point 31: Eurostat took note that the “Rechnungsquerschnitt” (EDP working balance, see above) already encompasses GFCF, which is compiled by using the fixed asset schedule attached to the balance sheet. The Austrian statistical authorities were asked to describe the link/ connection between cash flow statements and the financial accounts. Statistics Austria will carry out a reconciliation with cash flow statements for the State government sub-sectors so to calculate the implied F.8 of GFCF. Moreover, Eurostat noted that, while the F.8 related to GFCF is implicitly always captured in the EDP tables 2 and 3 and in the Questionnaire table 4, it is not identified. Eurostat asked if this identification could be reported at least in Questionnaire table 4, based on the compilation made in this action point.

Deadline: End of December 2023

5.1.5. Military expenditure

The amounts associated to the military expenditure, reported in the Questionnaire table 7 were reviewed under this agenda point. Eurostat noted that cash flows relating to the acquisition of military equipment increased in 2020, as compared to 2019, and asked for more details on this. Statistics Austria explained that the reported data represent the information regarding cash payments from Bund. It was agreed that STAT would provide additional information on the reasons for the observed increase in the cash payments for military equipment.

Action point 32: As regards the cash payments for military equipment reported in EDP questionnaire table 7, Statistics Austria will provide an explanatory note with some supplementary information explaining the substantial increase of the cash payments in 2020.

*Deadline: April 2022 EDP notification*²³

5.1.6. EU flows

This agenda point was briefly discussed during the EDP dialogue visit.

Introduction

Prior to the EDP visit, STAT provided the ad-hoc table on EU flows. The table essentially reflects the data availability situation, as described by STAT during the 2017 EDP dialogue visit - STAT could only identify in the accounts of the core government entity the cash inflows related to the

²³ A note was provided on 31 March 2022. The action point is under discussion.

reimbursements of expenditure and the cash outflows related to expenditures made on behalf of the EU. This information allows STAT to neutralize the impact of EU flows in B.9. There is no detailed data available for central government extra-budgetary entities and no detailed information for state and local government entities (both core and extra-budgetary entities).

Discussion and methodological analysis

Eurostat noted that, in the recording of EU flows, STAT neutralised correctly the impact of EU flows on B.9 when the data is for "Bund". STAT explained that, for the central government subsector, all cash inflows and outflows, which are related to the different EU Funds (EAGF, ESF, ERDF and ESF), are available in the working balance of the main unit, the "Bund". The split between beneficiaries outside government and inside government is mainly based on the data for the "Bund" ("Finanzierungsrechnung") but also data of other units are used if available. There is no detailed data available for state and local government sub-sector and extra budgetary entities. This means that statistical authorities did not apply a neutralisation according to the rules in MGDD. Statistics Austria clarified that they analysed a new counterpart sector information, due to data received through the new VRV 2015 (chart of accounts), but this is still in process and they need time for analysing the data.

The discussion continued with the clarification of agricultural subsidies. STAT explained that a part from EU flows are the subsidies to the farmers. EU Agricultural subsidies do not transit via the budget and therefore are not reflected in the GFS/EDP statistics, they are directly recorded between the EU and the farmers who benefit from the subsidies.

There is also some information available from extra-budgetary units, which allows the split between beneficiaries. Beyond this information, no specific data or accounting information is available to determine the beneficiaries and, accordingly, no flows from EU Funds are recorded (and no correction for time of recording is carried out). Statistics Austria considers that flows from EU Funds, which are missed on the central government sub-level are small. The statistical authorities confirmed that they neutralised this amount at the level of the "Bund" and that the amounts transferred from „Bund“ to the "Länder" are not big. Eurostat asked the Austrian statistical authorities to investigate further the possibilities to improve the recording of EU flows for the State and local government subsectors by using counterpart information in the VRV 2015. STAT will inform Eurostat on the results of their analysis.

Findings and conclusions

Action point 33: Regarding the EU flows, the Austrian statistical authorities will provide a note on whether the implementation of the VRV 2015 at the state and local government level has resulted in better counterpart information, in order to allow the necessary neutralisation of these flows. In particular, they will describe whether the possibility of identifying the amounts received from Bund and transferred to the "Länder" as well as the subsequent transfers of these flows by the "Länder" has improved. They will also explain the existing difficulties that prevent the full neutralisation of these flows in national accounts.

Deadline: End of July 2022²⁴

²⁴ A note was provided on 22 July 2022. The action point is closed.

5.1.7. Other (social benefits, compensation of employees, subsidies, financial transactions)

This agenda point was not specifically discussed during the EDP dialogue visit.

6. Specific government transactions

6.1. Re-arranged transactions

Introduction

This agenda point was mentioned with respect to the rearrangement of Austrian Development Bank (Österreichische Entwicklungsbank - OeEB) transactions/ programmes in the context of the 2019 MGDD.

Discussion and methodological analysis

Eurostat took note that the Austrian Development Bank is a borderline case, both in terms of its sector classification and of the need to rearrange some of its activities. Eurostat asked whether there have been any changes in the way in which the entity operates since the last EDP dialogue visit. Statistics Austria confirmed that there are no substantial changes since the 2020 EDP dialogue visit. Eurostat asked whether a formalised data exchange between OeEB and STAT exists and, if yes, whether the data would allow STAT to take a decision on whether an operation should be rearranged via government accounts or not. The Austrian statistical authorities stated that, for the moment, such a procedure between the two institutions is not in place. However, the OeEB's Profit & Loss accounts, as well as annual reports, are regularly reviewed in order to assess whether there are big operations or major changes in the balance sheets. The Austrian statistical authorities stated that neither their analyses of the P&L accounts nor the analyses of the balance sheets of the OeEB in recent years had given cause to rearrange an operation through government accounts.

Findings and conclusions

Eurostat maintained the action point 10 from the 2020 EDP dialogue visit and considered the analyses of the OeEB operations with regard to the possible rearrangement as an ongoing task.

Action point 34: With regard to the statistical classification of the OeEB in the financial corporations' sector (S.12), Eurostat considers the OeEB as a borderline case and therefore the monitoring of the OeEB by Statistics Austria, taking into account the ongoing methodological discussions, should be continued.

Deadline: ongoing task

6.2. Government operations relating to the financial crisis - progress in unwinding of financial positions of government defeasance structures

Introduction

There are three units in Austria, which are defeasance structures: HETA Asset Resolution AG (HETA), KA Finanz AG and Immigon Portfolioabbau AG. All units are allocated to the central

government subsector (S.1311). There is also the “Kärntner Ausgleichzahlungsfonds” (KAF), which has the task to acquire (and manage) debt instruments of HETA secured by guarantees provided by the state government of Carinthia. KAF was established to ensure the solvency of Carinthia, which was questioned due to guarantees provided to HETA and the high likelihood that these guarantees would be called. While the KAF is involved in operations related to a defeasance structure, it is not a defeasance structure itself. KAF is classified in the central government sector (S.1311).

Discussion and methodological analysis

Eurostat and STAT reviewed the reporting of the stocks and flows associated to the defeasance structures, reported in the Supplementary table on government interventions to support financial institutions. Statistics Austria recalled that the stock of assets of the defeasance structures is valued at the initial nominal value. Eurostat asked about the reconciliation of the stock data with the information on transactions and the calculation made on the basis of the available information (e.g. table Detailed revenue and expenditure OCVB and EDP Notification table 3B) and the other changes in volume.

The main aim of this discussion was to establish the correct impact on B.9 in the year 2019. Eurostat concluded that part 1 and part 2 of the table are correctly compiled. Discussion continued on the gap between the B.9 impacts in Part 1 of the table and the sum of the B.9 impacts in part 2. The observed gap gives rise for doubts on whether the valuation of the assets at the time of their recognition in the government accounts was accurate. A comparison with the recording in EDP table 3B when the liabilities were recognized in the government accounts through OCV was also made.

Eurostat reiterated its view, that it was important to fill the voluntary part 3 on transactions, as this bloc 3 has proved very useful to ensure a proper recording of bloc 2, by monitoring the consistency of bloc 1 with bloc 3 (discrepancy) and bloc 2 with bloc 3 (other flows).

Findings and conclusions

Action point 35: The Austrian statistical authorities agreed to provide an explanatory note and an updated table regarding the financial crisis table, given the gap between the stock of assets or liabilities and the reported transactions that was observed in the data (notably for year 2019) sent to Eurostat in the past. Further discussion on technical issues will continue on a bilateral basis.

Deadline: End of August 2022²⁵

Action point 36: Eurostat welcomed the provision of part 3 of the Supplementary tables for reporting government interventions to support financial institutions. Further discussion on technical issues will continue on a bilateral basis.

Deadline: October 2020 EDP notification, New deadline: October 2022 EDP notification²⁶

6.3. Guarantees and other potential obligations of government

Introduction

Guarantee cash calls recorded as acquisition of claims are related to claims for exports guarantees granted according to the “Ausfuhrförderungsgesetz” (the government guarantee system

²⁵ A note was provided on 31 March 2022. The action point is under evaluation.

²⁶ The table is partially filled on voluntary base. The action point is under evaluation.

for exports and investment insurance) and claims according to the “*Unternehmensliquiditätsstärkungsgesetz*”. In the above cases, guarantee cash calls are treated as an acquisition of a loan asset and recoverability is regularly assessed in the public accounts. Repayments of guarantee cash calls are treated as repayment of loan receivable, i.e. with no impact on government net lending / net borrowing. Repayments related to guarantees called are recorded as repayments (disposals) of loan assets. An exception is made for guarantees granted under the “*Ausfuhrförderungsförderungsgesetz*” (export promotion financing act), which are recorded in the accounts of the Bund as well as in ESA accounts as expense/ expenditure (i.e., no claim is recognized). Other guarantee cash calls are recorded as expenditure.

Discussion and methodological analysis

Eurostat reviewed EDP Questionnaire table 9.1 and asked about the breakdown of the stock of guarantees. Eurostat thought that there might be some issue in the reported split between public entities and private entities. In addition, the split is substantially different from the data provided in the context of the so called “six pack” regulation. It has been clarified that the split of the stock of guarantees between public and private companies as reported in EDP Questionnaire table 9.1 is currently wrong and that it will be corrected in the context of the 2022 April EDP notification. Eurostat also understands that there will be a temporary difference between the guarantees reported according to the “six-pack” regulations and the data notified on 2022 April EDP notification.

Eurostat recalled the discussions in the recent EDP notification rounds, that the existence in public accounts of a provision of a significant size (20% or more for 2020 COVID guarantees) might have implications on the recording of government guarantees. Eurostat reiterated its view that, ESA 2010 paragraph 20.256 could be applicable on some of the COVID guarantees granted in Austria, given the unusual provisioning rate apparently retained by public accountants at inception and for large amounts, and therefore the recording of one-off guarantees as if called at inception, in some exceptional circumstances could be appropriate. The Austrian statistical authorities were asked to reflect on this and also to provide updated figures for the “provision” reported in the P&L account of the “Bund” related to the year 2021.

As regards the ad-hoc table on guarantees, the Austrian statistical authorities will correct the regular table on guarantees provided for the SDV along the lines discussed in the meeting (e.g. cases where the amount of the guarantee exceeds the liabilities reported for a unit). In particular, they will highlight those guarantees reported in the table that are not provided directly to the entity indicated, but passed on by the entity to the final beneficiaries. Statistics Austria explained that the coverage of the ad-hoc table on guarantees and EDP questionnaire table 9.1 is the same but that, in the table on guarantees, export guarantee schemes were split and to some extent overlapping. The overlap is eliminated in EDP questionnaire table 9.

Findings and conclusions

Action point 37: Statistics Austria will clarify whether the guarantees on liabilities reported for the guarantees provided in the context of the “*Ausfuhrfinanzierungsförderungsgesetz*” (via “*Österreichische Kontrollbank*”) are guarantees on the liabilities of the “*Österreichische Kontrollbank*” incurred in the context of providing export guarantees, or whether the guarantees on liabilities concern the liabilities of the exporters towards banks to fund their export business. These guarantees are different from, but additional to, guarantees granted on assets/claims of the exporters towards the importers. Eurostat noted that the latter were recorded in the financial accounts when called (and expensed only later on at time of write-off), while the former are expensed when called. Statistics Austria will explain why the former are significant compared to the latter (to the extent that

the former may constitute a cushion to the latter).

*Deadline: October 2022 EDP notification*²⁷

Action point 38: The Austrian statistical authorities will provide updated figures for the “provision” reported in the P&L account of the “Bund” related to the guarantees issued in the COVID-19 pandemic.

*Deadline: April 2022 EDP notification*²⁸

Action point 39: Statistics Austria will reflect on whether ESA 2010 paragraph 20.256 (which foresees that one-off guarantees are recorded as if called at inception in some exceptional circumstances) could be applicable on some of the COVID guarantees granted in Austria, given the unusual provisioning rate apparently retained by public accountants, at inception and for large amounts (20% or more).

*Deadline: October 2022 EDP notification*²⁹

6.4. Debt assumptions, debt cancellations and debt write-offs

This agenda point was not specifically discussed during the EDP dialogue visit.

6.5. Capital injections into public corporations

This agenda point was not specifically discussed during the EDP dialogue visit. An information on capital injections is reported in the Questionnaire relating to the EDP notification tables. Eurostat did not raise any specific questions.

6.6. Dividends and super-dividends

Introduction

Statistics Austria apply the super dividend test only to larger distributions that are identified as peaks in time series. Dividends that accrue on a normal basis are not considered to be super-dividends by default. The related amounts are fully recorded as government revenue.

Discussion and methodological analysis

Eurostat took note of Statistics Austria’s aggregated approach related to the identification of super-dividends. Statistics Austria noted that dividends decreased substantially due to COVID-19 pandemic. However, in view of the fact that annual dividend payments to general government amount to around EUR 1.5 billion, Eurostat asked to reconsider the current approach and to proceed monitoring dividends in a more disaggregated way. A possibility would be to start with a more detailed analysis at the level of the “Bund”.

²⁷ A note was provided on 31 March 2022. This action point is under evaluation.

²⁸ A note was provided on 31 March 2022. The action point is closed.

²⁹ A note was provided on 31 March 2022. The action point is under evaluation.

Eurostat then briefly reviewed EDP Questionnaire tables 10.1A and 10.2 and pointed out that the information on dividends (total amounts) in the two tables is not consistent. Statistics Austria explained that they would review the two tables again and provide a consistent set of tables.

Findings and conclusions

Action point 40: Eurostat took note of the approach applied by Statistics Austria to identify super-dividends and expressed its concern that the approach is not fully in line with the ESA 2010/ MGDD 2019 requirements. Eurostat emphasized that there must be a clear and unambiguous procedure for the identification of super-dividends. A rather unsystematic approach based on the simple observation of (extreme) peaks in time series of the dividend payments of certain units does not meet these requirements from Eurostat's point of view, especially in times of economic crisis. Statistics Austria will establish a clear procedure to be able to conduct the super-dividend test thoroughly.

Deadline: October 2022 EDP notification

6.7. PPPs, EPCs and concessions

6.7.1. PPPs

Introduction

Prior to the EDP dialogue visit, Statistics Austria sent a note with two new PPP projects by the city of Vienna discussing their treatment in National accounts. Eurostat noted that the procedure for analysing whether a PPP project should be recorded on- or off-balance sheet was adapted by Statistics Austria to the structure of the Eurostat PPP guide. The analysis was structured in the same way as the analysis of the two projects that were presented in the last EDP dialogue visit. These are the joint contract on „Campus+Aron Menczer“ and „Campus+Seestadt Aspern Nord“, which are runned simultaneously under the same contract. The projects “PPP Campus + Rappachgasse” and the PPP “Campus + Landgutgasse” concerned the construction and operation of schools. The construction began on the 4th August of 2021 and is supposed to be finished on the 01st of August 2023, and henceforth be used as a school until the expiration of the contract on the 01st of August 2048.

Discussion and methodological analysis

Statistics Austria informed Eurostat that the analyses of the two PPP projects have been finalised and the projects were reported accordingly in EDP Questionnaire table 11 in October 2021. The two new projects will be classified as off-balance sheet, due to the outcome of the analyses according to the Eurostat/ EIB guide.

Eurostat asked whether the investments in the PPP contracts are material. Statistics Austria replied that they recorded PPP contracts according to the provision of PPPs guide and the MGDD and that they are material contracts. The two projects concern the construction and operation of schools. The construction contracts are new and they started on 4.08.2021. Eurostat conclude that it is necessary to check if the last PPP contract is recorded according to the provisions of PPP guidance and asked to receive the contract itself. Eurostat requested Statistics Austria to provide one of the most recent analyses carried out in the context of a PPP, in order to see how the provisions of the Eurostat/ EIB guide are applied in practice by STAT, i.e., that the recording decision of STAT is not essentially based on the self-assessment (statistical surveys) of the data providers.

Findings and conclusions

Action point 41: With regard to the on-/off-balance sheet assessment of PPP projects, Statistics Austria will send to Eurostat one of the newly established (referring to year 2020) PPP campus contracts, as a reference contract (contract concluded after the publication of the PPP guide) together with the detailed assessment carried out by Statistics Austria using the PPP guide specifications.

*Deadline: April 2022 EDP notification*³⁰

6.7.2. Concessions

Statistics Austria confirmed that there are no concession contracts.

6.7.3. Energy Performance Contracts (EPCs)

Introduction

The issue of EPCs was reviewed during the 2022 EDP dialogue visit. The Austrian statistical authorities will start applying the EPC guide unless the decision is taken to record all EPC contracts on balance sheet. Applying the EPC guide will require looking into the individual contracts in the absence of standardization. STAT encourage their respondents, especially those that draw up their accounts in accordance with the VRV 2015, to record EPCs either on balance sheet or analyse them according to the EPC guide. The guide itself has been brought to the attention of the committee responsible for interpreting the VRV on various occasions. Statistics Austria collects information on operating and financial lease and private public partnerships in a standardized way. This is possible from the reporting year 2020 onwards, due to the detailed chart of accounts in the new budget regulation for states and municipalities (VRV 2015). This also allows STAT to identify potential EPCs. Projects above the materiality threshold (0.01% of GDP) can thus be looked at thoroughly and recorded according to the EPC guide. EPCs in form of financial lease are generally recorded on-balance. Statistics Austria pointed that this is the case for example for many EPCs projects in Vienna in the field of energy saving in public kindergarten and schools or street lightning. EPCs of the local governments were treated according to the EPC guide.

Discussion and methodological analysis

Eurostat subsequently enquired about the accounting treatment of EPCs in the government accounts (VRV 2015). Eurostat enquired about the situation with the analysis and recording of the EPC contracts in Austria. In particular, Eurostat wanted to know whether all EPCs are recorded in the government balance sheet by default; an analysis is being undertaken following the provisions of the EPC guide, and therefore the sectorisation of the EPC assets varies (on government balance sheet or off government balance sheet), or, instead, STAT has not started to check and apply the EPCs guide. The Austrian statistical authorities confirmed that they have EPCs at municipality level; they are aware of the EPC guide and municipalities applied the EPC guide. In addition, STAT is confident that municipalities applied the EPC guide and, if not, they looked at least at the rules between financial and operating lease. Statistics Austria explained that they do not look at the individual contracts, but they screen the financial statement of the municipalities and they have an EPC survey. Statistics Austria informed Eurostat that in the VRV 2015 EPCs will be recorded either as financial lease (which automatically leads to capital expenditure being accounted on-balance) or as operating

³⁰ A note was provided on 31 March 2022. This action point is under evaluation.

lease and that there is no separate request for EPCs in the data interface. STAT confirmed, moreover, that issue is not material.

Findings and conclusions

Eurostat took note of the situation.

6.8. Emission trading permits

This agenda point was briefly discussed during the EDP dialogue visit. Statistics Austria confirmed that they used the time adjusted cash method (time-lag of 1 year) for accrual recording of ETS revenue in the GFS/ EDP statistics.

6.9. Financial derivatives

Introduction

Under this agenda item, Eurostat discussed with the Austrian statistical authorities the use of derivatives, their recording in EDP Tables 3 and the correct application of the relevant accounting rules for derivatives. Prior to the EDP dialogue visit, the Austrian statistical authorities provided an ad-hoc table on financial derivatives by entities for the core unit “Bund”. The ad hoc table contained, in particular, information on stock/ transactions in derivatives, stocks/ transactions of hedged debt and collateral on derivatives. As regards the different types of derivatives, Austria uses only interest and currency swaps (other forms of derivatives such as options, forwards and off-market swaps are not used). With respect to the coverage of the ad-hoc table on financial derivatives, it should be noted that the stock/ transaction data refer to the general government subsector (bloc 1 of the ad hoc table) while the remaining data (bloc 3 to 5) refer only to the central government core unit (the “Bund”). Stocks and transactions in swaps are reported for both assets and liabilities. The EDP Tables 3B, 3C and 3D show that derivatives (swaps) are essentially used by the central government subsector.

Discussion and methodological analysis

Eurostat thanked the Austrian statistical authorities for providing the ad-hoc table on derivatives and welcomed the fact that, in Austria, the transactions in derivatives are presented gross i.e., derivative transactions in assets and liabilities are not netted. Eurostat also took note that statistical authorities started to extract the values directly from the data interface of the Austrian Treasury. By receiving the values via the data interface, STAT has more detailed information, which allows distinguishing between the different instruments within the derivatives.

Statistics Austria mentioned that, in the context of the conceptual implementation of the data interface, a double counting issue was observed, i.e, the so-called “both sided collaterals” were already incorporated on a net basis under F.4/L but also under derivatives. Accordingly, the stocks and flows of these collaterals were removed from the derivative figures, which will result in some revisions in the F.7 transactions (for both assets and liabilities) for the April notification 2022. Bloc 1 of the ad hoc table also includes the revised figures for derivatives.

Eurostat recalled that, in the derivative table bloc 1, the swap/other derivative transactions should be recorded in principle net on either the asset or the liability side, depending on whether swap/other derivative is an asset or a liability. The Austrian statistical authorities will verify whether this approach was actually followed, and if needed, will correct the table according to the Eurostat

guidance.

Eurostat also noted the fact that the notional amounts of currency swaps are reported twice in the bloc 2 (de facto showing both legs) instead of showing only one leg on either the asset or the liability side depending on whether a swap/other derivative is an asset or a liability.

Eurostat further noted, for the unwinding of swaps, that transactions were not reported neither in bloc 1 nor in bloc 5, despite the fact that commercial papers used for short-term funding were hedged. Eurostat explained that the unwinding effects should also be recorded for short-term derivatives hedging (which is the largest part of the hedging operations of the Austrian Treasury). In the EDP table 3, the debt is redeemed at nominal value after hedge, corresponding to the cash outflow; in addition, because there is a liquidation of derivative to be shown under derivative (asset or liability), consistently with the ESA table 27, a counterpart entry is required under Appreciation(+)/depreciation(-) of foreign-currency debt in EDP table 3.

Data on collateral reported in bloc 3 seemed (plausibly) consistent with the data of bloc 1, given that the Austrian Treasury has both asymmetric and symmetric collateral agreements and that a given counterpart could have simultaneously assets and liabilities in derivatives with the Austrian Treasury.

Findings and conclusions

Action point 42: The Austrian statistical authorities will resend the updated derivative table following Eurostat's comments, e.g. eliminating potential double-counting in transactions and notional amounts and reporting unwinding of hedge in the block 1/5.

*Deadline: End of June 2022*³¹

Action point 43: The Austrian statistical authorities will verify the current recording of derivative unwinding in the EDP tables 3, report to Eurostat on their findings and, if needed, implement the necessary changes in the EDP tables.

*Deadline: April 2022 EDP notification*³²

6.10. Other (pension schemes, privatisation, LTEs/5G, tax credits)

This agenda point was not specifically discussed during the EDP dialogue visit.

7. Any other business

7.1. GFS data

This agenda point was not specifically discussed during the EDP dialogue visit.

³¹ The table was sent on 31 May 2022. The action point is under evaluation.

³² A note was provided on 31 March 2022. The action point is under evaluation.

7.2. Major upcoming government operations

Introduction

Before the EDP visit, the Austrian statistical authorities provided a table with specific tax measures foreseen to be carried out and their impact on the government budget. The Austrian statistical authorities informed that no major government operations like capital injections or the privatisation of public units were foreseen. In principle, “major” operations are mainly related to specific tax measures. Most of the tax measures are related to alleviate the impacts of the COVID-19 pandemic or to the need to decrease the CO₂ emissions.

Some of the measures have been already discussed in the context of the Supplementary table for reporting measures taken in the context of the COVID-19 pandemic.

Discussion and methodological analysis

Eurostat enquired further on the support measures for green energy recently introduced in Austria for the relief of surge in energy prices.

The statistical authorities presented the very recently introduced government discretionary measures. Firstly, they included some measures related to vaccinations, e.g., government announced a lottery and premiums to the municipalities where vaccination rates are rather high, as well as the reimbursement of vaccination costs of municipalities.

A second part of the recently adopted measures concerned the compensations for higher inflation measures, aimed at vulnerable groups, designed as a general compensation for households as well as the measure related to the eco tax. The Austrian statistical authorities explained that the so called eco-tax system is similar to the one existing in Germany. It entails market premiums and investment bonuses to the producers of the renewable energy. These measures were aimed at compensation for higher investments and production costs incurred in the renewable energy sector. The overall costs of the scheme were born by the sector S.14, via the addition to the energy bill, the so-called eco tax. The Austrian statistical authorities confirmed that the eco-tax was not considered as a tax in national accounts. Currently, due to the development of the market price, the market premiums on renewable production are suspended for 2022. Further investment needs could be covered by the amounts accumulated in previous years. The estimated amount of the eco tax suspended for 2022 was expected to reach around EUR 900 million (lump sum fee component EUR 350 million and EUR 550 million regular payment). It has been agreed that more information was needed on the existing renewable energy support schemes in Austria, on their functioning, on the amounts involved and on their current treatment in national accounts. The analysis should also include the appropriateness to rearrange (tax/subsidies schemes) through government accounts.

The Austrian statistical authorities explained that the system was managed by the Green Electricity Settlement Agency (OeMAG), currently classified in S.11. Eurostat thought that the entity, having mainly a redistributive function (collecting tax/fee from electricity consumers and paying out premiums to the renewable energy producers), could be seen as a government agent. STAT confirmed that the sectorisation of the OeMAG is an issue, which needs further analysis. Eurostat recalled that also the nature of the inflows and outflows transiting through, or reported by, OeMAG, should be analysed from a national accounts perspective.

Findings and conclusions

Action point 44: With regard to the measures already introduced or planned to mitigate the increase in energy prices (electricity, gas, etc.), the Austrian statistical authorities will provide to Eurostat a

note regarding those measures, the amounts involved and their intended treatment in national accounts.

Deadline: End of August 2022³³

Action point 45: Statistics Austria will inform Eurostat about the existing renewable energy support schemes in Austria, their functioning, the amounts involved and their current treatment in national accounts, the units involved and their sector classification. Statistics Austria will also consider whether the identified schemes are to be rearranged (tax/ subsidies schemes) through government accounts in national accounts.

Deadline: End of August 2022³⁴

Action point 46: Taking into account the analyses of the financing schemes for the expansion of renewable energy in Austria, Statistics Austria will reassess the sector classification of the Green Electricity Settlement Agency (OeMAG) currently classified in the nonfinancial corporations sector (S.11), and classify the entity to the general government sector, if appropriate. Statistics Austria will, in particular, examine in detail the genuine nature of the inflows and outflows transiting through, or reported by, OeMAG. OeMAG acts as the license holder for the processing of payments under the Green Electricity Act and is dealing with all issues relating to the funded generation of electricity from renewable energy sources. In this context, OeMAG's main activity appears to Eurostat to be redistributing income levied on electricity consumers to the benefit of renewable energy producers.

Deadline: End of August 2022³⁵

7.3. Other

No other points were raised by the participants of the EDP dialogue visit.

³³ A note was provided on 1 September 2022. The action point is under evaluation.

³⁴ A note was provided on 1 September 2022. The action point is under evaluation.

³⁵ A note was provided on 1 September 2022. The action point is under evaluation.

Annex 1 - Agenda for the EDP Dialogue Visit to Austria

3-4 February 2022

1. Review of institutional arrangements, EDP data sources and procedures

- 1.1. Governance and co-operation
- 1.2. Quality and risk management of EDP/ GFS processes
- 1.3. Sources and data compilation methods
 - 1.3.1. Implementation of the VRV 2015 and first experience with new information available in particular the indication of the counterpart sector
- 1.4. Revision policy and EDP Inventory

2. Follow-up of prior EDP dialogue visit of 27-28 January 2020

- 2.1. Reconciliation of cash flow statement, P&L accounts by "Konto" as well as aggregated for each ESA category (see AP.4 of dialogue visit).

3. Review of the 2021 October EDP reporting and of related data compilation issues

- 3.1. Follow-up on the issues raised in the EDP notification

4. Recording of government measures undertaken in the context of COVID-19

- 4.1. COVID Table
- 4.2. Table for reporting of expenditure and other costs financed by the RRF

5. Methodological issues

- 5.1. Sector delimitation
 - 5.1.1. Questionnaire on government controlled entities classified outside the government sector
 - 5.1.1.1. Practical aspects of sector classification (50% criterion, 80% criterion and qualitative criteria) and public financial entities
 - 5.1.1.2. Public transport companies
 - 5.1.2. Time of recording
 - 5.1.3. Taxes and social contributions and also single tax account
 - 5.1.4. Interest
 - 5.1.5. Gross capital formation (GCF)
 - 5.1.6. Military expenditure
 - 5.1.7. EU flows
 - 5.1.8. Other (social benefits, compensation of employees, subsidies, financial transactions)

6. Specific government transactions

- 6.1. Re-arranged transactions
- 6.2. Government operations relating to the financial crisis - progress in unwinding of financial positions of government defeasance structures
- 6.3. Guarantees and other potential obligations of government
- 6.4. Debt assumptions, debt cancellations and debt write-offs
- 6.5. Capital injections into public corporations
- 6.6. Dividends and super-dividends
- 6.7. PPPs, EPCs and concessions
- 6.8. EU flows
- 6.9. Financial derivatives
- 6.10. Other (pension schemes, emission trading permits, privatisation, LTEs/5G, tax credits)

7. Any other business

- 7.1. GFS data
- 7.2. Major upcoming government operations
- 7.3. Other

Annex 2 - List of participants

The Austrian statistical authorities:

National Statistical Institute

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