



European Social **Policy Analysis** Network (ESPAN) Access for children in need to the key services covered by the European Child Guarantee

Austria

Marcel Fink







#### **EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion Directorate D — Social Rights and Inclusion Unit D.2 — Social Protection

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European Commission B-1049 Brussels EUROPEAN SOCIAL POLICY ANALYSIS NETWORK (ESPAN)

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Manuscript completed in March 2023

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**Quoting this report:** Fink, M. (2023) Access for children in need to the key services covered by the European Child Guarantee – Austria. European Social Policy Analysis Network, Brussels: European Commission.

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# Summary

On 14 June 2021, the Council of the European Union adopted a Recommendation establishing a European Child Guarantee, with a view to guaranteeing access to six key services for "children in need":

- effective and free access to four services: high-quality early childhood education and care (ECEC); education and school-based activities; at least one healthy meal each school day; and healthcare; and
- effective access to two services: healthy nutrition and adequate housing.

The purpose of the present report is to assess the extent to which low-income children in Austria do indeed have effective (or effective and free) access to these services.

In Austria, ECEC is in the first instance the responsibility of the federal provinces (*Bundesländer*), which – together with the municipalities (*Gemeindewohnungen*) and private ECEC providers – implement the ECEC scheme. Only one major national regulation exists in this policy area, stating that the last year of kindergarten (i.e. from age 5) is generally free of charge for 20 hours per week. Besides this, marked variations exist between the federal provinces, with some granting (in principle) free-of-charge full-time ECEC from an early age, whereas in others private co-payments are the norm.

Regarding education and school-based activities, books and transport (to and from school) are usually (to the very largest degree) free of charge, whereas (co-)payments exist for other items and activities. Regarding IT equipment, children in the first year of secondary education receive a digital device, usually a notebook or a tablet, and low-income children are exempted from related private co-payments.

School meals in Austria only have to be offered by schools operating as an "all-day school" and are usually not free of charge. In Vienna, accessibility is to some degree better, where school meals are free of charge in several schools offering "integrated" all-day schooling, and where families with very low income can generally be exempted from co-payments for school meals.

Regarding healthcare, most standard services and treatments are generally free of charge for insured children. Regarding co-payments for prescribed medicines, exceptions exist for low-income households.

Concerning effective access to healthy nutrition, empirical evidence is rather scarce. However, the data available suggest that the affordability of (healthy) food may be an issue for low-income households, but that the size of the group hitherto affected is rather small.

Measures for adequate housing are – to the largest degree – the responsibility of the federal provinces. As in some other policy areas, variations between federal provinces appear to be substantial. Municipal housing and dwellings provided by limited-profit housing associations are promoted very strongly in Vienna. However, the affordability and availability of adequate housing remains an issue for low-income households even under these circumstances.

### Introduction

On 14 June 2021, the EU Member States unanimously adopted the Council Recommendation (EU) 2021/1004 establishing a European Child Guarantee (ECG).<sup>1</sup>

The objective of the ECG is to offset the impact of poverty on children and to prevent and combat their social exclusion. To this end, it is recommended that Member States guarantee for "children in need" (defined as people **under 18** who are at risk of poverty or social exclusion – AROPE):

- effective and free access to four services: high-quality early childhood education and care (ECEC); education and school-based activities;<sup>2</sup> at least one healthy meal each school day; and healthcare; and
- effective access to two services: healthy nutrition and adequate housing.

According to the ECG Recommendation, *effective access* means "a situation in which services are readily available, affordable, accessible, of good quality, provided in a timely manner, and where the potential users are aware of their existence, as well as of entitlements to use them" (Article 3d). *Effective and free access* means "effective access" to the services, as well as free-of-charge provision – either by organising and supplying such services or by providing "adequate benefits to cover the costs or the charges of the services, or in such a way that financial circumstances will not pose an obstacle to equal access" (Article 3e).

The Recommendation directs the Member States to prepare action plans, covering the period until 2030, to explain how they will implement the Recommendation.<sup>3</sup> These plans are to be submitted to the European Commission.

The purpose of the present report is to assess the extent to which children who are AROPE have effective and free access to four of the six services covered by the ECG and effective access to the other two (see above). Given that the eligibility criteria for accessing those services in individual Member States (at national and/or sub-national level, depending on how the service is organised) are not based on the EU definition of the risk of poverty or social exclusion,<sup>4</sup> the report focuses on access for **low-income children** to each of these services, using the national low-income criterion (or criteria) that apply (e.g. having a household income below a certain threshold or receiving the minimum income). Throughout this report, "low-income children" is to be understood as children living in low-income households.

In Austria, four of the six services covered by the ECG are primarily regulated at sub-national level. For these services, the report seeks to provide a general picture of the (effective/free) access for low-income children in the country. In addition to this general picture, if access differs substantially across the country, it illustrates these geographical disparities by providing

<sup>&</sup>lt;sup>1</sup> The full text of the ECG Recommendation is available at: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L</a> .2021.223.01.0014.01.ENG&toc=OJ%3AL%3A2021%3A223%3ATOC.

<sup>&</sup>lt;sup>2</sup> According to the Recommendation (Article 3f), school-based activities means "*learning by means of sport*, leisure or cultural activities that take place within or outside of regular school hours or are organised by the school community".

<sup>&</sup>lt;sup>3</sup> Once they have been submitted to the European Commission, the plans are made publicly available online at: <a href="https://ec.europa.eu/social/main.jsp?catId=1428&langId=en.">https://ec.europa.eu/social/main.jsp?catId=1428&langId=en.</a>

<sup>&</sup>lt;sup>4</sup> According to the EU definition, children are AROPE if they live in a household that is at risk of poverty (below 60% of median income) and/or severely materially and socially deprived, and/or (quasi-)jobless. For the detailed definition of this indicator and all other EU social indicators agreed to date, see: <a href="https://ec.europa.eu/social/main.jsp?catId=756&langId=en">https://ec.europa.eu/social/main.jsp?catId=756&langId=en</a>. In 2021, EU Member States agreed a target to be reached by 2030: a reduction in the number of people AROPE in the EU by at least 15 million, including at least 5 million children.

an example of both a sub-entity in the country that performs well and a sub-entity that performs poorly.

The report is structured by service:

- effective and free access to high-quality ECEC;
- effective and free access to education and school-based activities;
- effective and free access to at least one healthy meal each school day;
- effective and free access to healthcare (e.g. free regular health examinations and follow-up treatment, and access to medicines, treatments and support);
- effective access to healthy nutrition;<sup>5</sup> and
- effective access to adequate housing.<sup>6</sup>

# 1. Early childhood education and care (ECEC)

This section describes the situation regarding effective and free access for low-income children to ECEC services.

## 1.1 Mapping accessibility and affordability of ECEC

According to the constitutional division of competencies in Austria, legislation and execution in matters pertaining to the ECEC system are in general the responsibility of the nine federal provinces (Bundesländer) under Article 14 (4) (b) of the Federal Constitutional Law (Bundes-Verfassungsgesetz, B-VG).7 As a consequence, the federal provinces through their own legislation are responsible for the broad field of ECEC and for supporting the municipalities in the building of ECEC provision. This legislation contains provisions regarding group size, staff requirements, equipment of the facilities, general provisions for staff and parents, and regulations on financial issues. In most federal provinces, it is in the first instance the municipalities that are assigned the task of actually establishing and maintaining the running of kindergartens infant-toddler centres/crèches (Kleinkindbetreuungseinrichtungen/Krippen), and the largest part of public funding for ECEC comes from their budgets.<sup>8</sup> Besides this, private (mostly not-for-profit) service-providers also play a role in running related facilities, varying between federal provinces. As a result, the accessibility and affordability of ECEC show substantial variations between federal provinces, and partly also between different municipalities within federal provinces (for an overview, see: Grand/Fink 2021).

However, one general provision applies to all federal provinces (see Table 1.1). Since September 2010, attending a kindergarten has been compulsory for children aged 5, for 20 hours per week. By this, a legal entitlement was indirectly enacted. Together with this regulation, the last year of kindergarten was – according to a general rule – made free of charge for at least 20 hours per week ("free of charge compulsory kindergarten"; beitragsfreier

<sup>&</sup>lt;sup>5</sup> According to the Recommendation (Article 3g), "healthy meal" or "healthy nutrition" means "a balanced meal consumption, which provides children with nutrients necessary for their physical and mental development and for physical activity that complies with their physiological needs".

<sup>&</sup>lt;sup>6</sup> According to the Recommendation (Article 3h), "adequate housing" means "a dwelling that meets the current national technical standards, is in a reasonable state of repair, provides a reasonable degree of thermal comfort, and is available and accessible at an affordable cost".

<sup>&</sup>lt;sup>7</sup> See: https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10000138.

<sup>&</sup>lt;sup>8</sup> For an assessment see Mitterer et al. (2022a).

*Pflichtkindergarten*). This regulation derives from an "agreement according to article 15a of the Federal Constitutional Law" between the federal republic and the federal provinces, and it has to be implemented by all federal provinces.<sup>9</sup>

Table 1.1: Accessibility and affordability of ECEC: national regulation

Childcare (usua	illy under age 3)	Pre-school setting (usually age 3 to compulsory school age)		
Accessibility	Affordability	Accessibility	Affordability	
NO	NO	ENT-ALL5years	FREE-ALL5years	

Note: "ENT-ALL5years" means a legal entitlement for all children from the age of 5. "NO" in the accessibility column means no entitlement or priority for low-income children. "FREE-ALL5years" means free for all children from the age of 5. "NO" in the affordability column means not free for low-income households. If the information differs between centre-based and home-based care, the information provided applies to centre-based care.

Besides this nationwide regulation, which co-ordinates minimum criteria for accessibility and affordability for the last year of ECEC before compulsory school age, the federal provinces enact their own rules and regulations, which show very substantial variations (for an overview see Grand/Fink 2021). The following paragraphs deal with two examples: the federal province of Vienna and the federal province of Salzburg.

In Vienna, the principle of free-of-charge institutional childcare for ages 0-6 was introduced as from the 2009/2010 kindergarten year (see Table 1.2). Most of the measures implemented in this context are universal (i.e. not means tested). This holds both for free-of-charge "standard" (see below) ECEC in public facilities and for public co-financing for ECEC facilities run by private providers.<sup>10</sup>

Table 1.2: Accessibility and affordability of ECEC: Vienna

Childcare (usua	illy under age 3)	Pre-school setting (usually age 3 to compulsory school age)		
Accessibility	Affordability	Accessibility	Affordability	
NO	FREE-ALL0year	ENT-ALL5years	FREE-ALL3years	

Note: "ENT-ALL5years" means a legal entitlement for all children from the age of 5. "NO" in the accessibility column means no entitlement or priority for low-income children. "FREE-ALL3years" means free for all children from the age of 3. "NO" in the affordability column means not free for low-income households. If the information differs between centre-based and home-based care, the information provided applies to centre-based care.

In public facilities (i.e. facilities run by the city of Vienna), parents do not have to make copayments for half- or standard full-day ECEC, where opening hours are usually from 6.30 am to 5.30 pm. However, in some cases, an additional fee (*Zusatzbeitrag*) may apply (e.g. in cases of longer-than-standard opening hours, or in cases of special pedagogical offers and services).

ECEC in private facilities is co-financed by the city of Vienna according to two different models, namely "full funding" (with a higher rate of public financing; *Vollförderung*) or "basic funding" (with a lower rate of public financing; *Basisförderung*).<sup>11</sup> In both models several quality criteria

<sup>9</sup> See: https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20006448.

<sup>&</sup>lt;sup>10</sup> As a general principle, these providers may not be for-profit entities.

<sup>11</sup> Depending on the type of facility, opening hours and age of the child, the co-financing per child according to the full finding model may amount to a maximum €284.69 for a "care contribution" (*Betreuungsbeitrag*) plus a maximum of €392.68 for a "basic contribution" (*Grundbeitrag*) per month. This means that the maximum public co-financing per child per month amounts to €677.37. Apart from the care contribution and the basic contribution, private ECEC providers in this model are additionally co-financed via a "management subsidy" (*Verwaltungszuschuss*), currently amounting to between €626.90 and €1,880.27 per group per month, depending on how many groups are administered by the private ECEC provider. In cases where a service-

have to be met, with full finding only applying in cases where sufficient demand can be proved by the provider according to an economic needs test. Although it is the declared goal of the full funding model to offer free-of-charge institutional childcare in privately run facilities too, such care-providers usually charge parents an additional fee. They argue that these additional fees are justified (e.g. by the smaller size of groups, more special pedagogical offers or "beyond standard" activities). To give the example of two large organisations: "Kinder in Wien" (KIWI)¹² charges parents an additional fee currently amounting to €77 per month, and the "Kinderfreunde"¹³ charge €69 per month. Fees may be higher in some cases, especially where the care-provider only receives basic funding (see above).

When compared with Vienna, legislation by the federal province of Salzburg is much less comprehensive. As in all federal provinces, ECEC from age 5 is generally free of charge for 20 hours per week (§45(2) Salzburg Child Education and Care Act; Salzburger Kinderbildungs-und-betreuungsgesetz) (see Table 1.3). Besides that, §45(1) of the Act stipulates that ECEC providers have to charge parents fees amounting to a minimum of €25 per month for children aged 3 and over, and a minimum of €75 per month up to the age of 3. However, these minimum contributions may be reduced in cases of hardship. The maximum fee is set at €400 per month. These fees are exclusive of public co-financing, which is granted by the federal province. It amounts to €20 per child per month for weekly ECEC of up to 30 hours, and to €40 for weekly ECEC of 31 hours and more. This public co-financing is directly transferred to the ECEC provider.

Table 1.3: Accessibility and affordability of ECEC: Salzburg

Childcare (usua	ılly under age 3)	Pre-school setting (usually age 3 to compulsory school age)		
Accessibility	Affordability	Accessibility	Affordability	
NO	NO	ENT-ALL5years	FREE-ALL5years	

Note: "ENT-ALL5years" means a legal entitlement for all children from the age of 5. "NO" in the accessibility column means no entitlement or priority for low-income children. "FREE-ALL5years" means free for all children from the age of 5. "NO" in the affordability column means not free for low-income households. If the information differs between centre-based and home-based care, the information provided applies to centre-based care.

Actual fees to be covered by parents vary to considerable degree, depending on the type of ECEC provider (public or private), the age of the child and the temporal extent of care. According to data provided by the statistical office of the federal province of Salzburg, the median fee for children looked after full time in infant-toddler centres/crèches (i.e. usually up to age 3) amounted to €390 per month in private facilities in 2019, and to €124 in public facilities. In kindergartens (i.e. from age 3 or 4), the median fee for full-time care in private facilities amounted to €119.30 per month, and to €90.50 per month in public facilities (Land Salzburg 2019, 6). Both public and private ECEC providers may charge reduced fees in cases of low income. For infant-toddler centres/crèches this applies to 57% of all facilities; and for kindergartens it applies to 56%. Private ECEC providers (49%) more often implement socially

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provider is co-financed according to the basic funding model, only the care contribution applies. For details see: <a href="https://www.wien.gv.at/amtshelfer/kultur/bildung/bildungseinrichtungen/foerderung/innerhalb-wiens-abmaerz.html">https://www.wien.gv.at/amtshelfer/kultur/bildung/bildungseinrichtungen/foerderung/innerhalb-wiens-abmaerz.html</a> and <a href="https://www.wien.gv.at/bildung/kindergarten/ahs-info/foerderbeitrag-beitragsfreier-kiga.html">https://www.wien.gv.at/bildung/kindergarten/ahs-info/foerderbeitrag-beitragsfreier-kiga.html</a>.

<sup>&</sup>lt;sup>12</sup> See: https://www.kinderinwien.at/fileadmin/user\_upload/202223\_Tarifblatt\_allgemein.pdf.

<sup>&</sup>lt;sup>13</sup> See, for example: <a href="https://kinderfreunde.at/angebote/detail/02-vorgartenstrasse-161">https://kinderfreunde.at/angebote/detail/02-vorgartenstrasse-161</a>.

The following section depicts the situation at the time of writing of this report (February 2023). On 15 March 2023 important changes were decided, becoming effective as from April 2023. Due to this reform institutional childcare of 20 hours per week is generally free of charge in Salzburg for ages 3-6 (i.e. for a maximum of three years). For details see: <a href="https://www.salzburg.gv.at/00201lpi/16Gesetzgebungsperiode/6Session/283.pdf">https://www.salzburg.gv.at/00201lpi/16Gesetzgebungsperiode/6Session/283.pdf</a>.

<sup>&</sup>lt;sup>15</sup> See:

reduced fees than public ones (26%) (*ibid.*, 11). At the same time, there is no information readily available on how many children actually benefit from a socially reduced rate or how large these reductions actually are (*ibid.*).

However, mention should also be made in this context of public cash subsidies from the Childcare Fund (*Kinderbetreuungsfonds*), which may be granted to parents to cover ECEC fees in cases of low income. For ECEC of up to 20 hours per week, parents can receive €400 per year per child; and for ECEC amounting to more than 20 hours per week, €700 per year per child. When compared with the above-mentioned median fees, these cash subsidies cover less than two thirds of the actual costs to be met by parents.

### 1.1.1 Conditions for qualifying as a "low-income child"

As access to free ECEC organised by public providers and public co-financing for private providers is universal in Vienna, no conditions for qualifying as a "low-income child" apply here.

To receive public cash subsidies from the Childcare Fund in Salzburg, net income <sup>16</sup> may not exceed €2,275 per month for households with one child (for both single- and two-parent households). For every additional child the net income threshold is increased by another €560 per month. <sup>17</sup> No other conditions have to be met on top of the low-income criterion. As mentioned above, this cash subsidy (in most cases) does not cover the full fees that have to be met by parents.

# 1.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

This point is not applicable for the national and regional regulations covered in this report.

- National regulation: access is free for all children from age 5 for 20 hours of ECEC per week.
- Vienna: access is free for all children in public ECEC.
- Salzburg: access is free for all children from age 5, for 20 hours of ECEC per week (according to national regulation, see above), but not for any other children.

# 1.2 Main barriers to effective and free access to ECEC for low-income children

#### 1.2.1 Financial barriers

Empirical evidence on financial barriers in access to ECEC is rather limited for Austria. According to a recent survey undertaken by Grand/Fink (2021), in total 13% of respondents<sup>18</sup> strongly agreed that ECEC was too expensive. In the case of those with a net monthly household income below €1,100, the related share was 26%; and for those with a household income of €1,100-1,800, 24%. It then fell step-wise to 8% for those in the highest income bracket (above €5,500). A related result applies regarding the perceived income situation of the household. In cases where respondents reported that they had strong or at least some problems in covering their usual spending from their household income, 34% strongly agreed

<sup>&</sup>lt;sup>16</sup> Excluding family cash benefits.

<sup>17</sup> For details see: <a href="https://www.salzburg.gv.at/themen/gesellschaft/familie/mat-foerderungen#F%c3%b6rderung%20Kinderbetreuungsfonds.">https://www.salzburg.gv.at/themen/gesellschaft/familie/mat-foerderungen#F%c3%b6rderung%20Kinderbetreuungsfonds.</a>

<sup>&</sup>lt;sup>18</sup> The survey was undertaken among people with at least one child under 14. Of them, around 46% had a child under 6.

that ECEC was too expensive. In cases where people perceived themselves to have sufficient income, this applied to 17%; and in cases where people reported that they could live comfortably from their income, it applied to 6%.

On a related manner, among households that had not opted for full-time institutional care for their child or children, 44% of respondents living in a household with perceived problems in covering their expenses said that too high prices for institutional care were a reason for this decision. In cases where households perceived themselves to have sufficient household income, this share fell to 17%; and in cases where households had an income that allowed them to live comfortably, it fell to 8%. In total, 15% reported that too high prices were a main reason for not using full-time institutional care. When looking at actual household income, the share of respondents reporting that they had not opted for full-time care for cost reasons fell from 23% in households with a monthly income below €1,800 to 6% in households in the highest income bracket (i.e. above €5,500).

Overall, these results suggest there are substantial financial barriers concerning full-time institutional childcare. These barriers become stronger as household income falls, and they increase with generally perceived problems of covering necessary spending from the household budget.

#### 1.2.2 Non-financial barriers

Registry data indicate a strong variation in coverage by institutional ECEC between different federal provinces. In 2021, the coverage rate in the age range 0-2 varied between 18.6% in the federal province of Styria and 44.3% in Vienna. In the age range 3-5, the variation was less pronounced, with a minimum of 88.9% in Styria, and a maximum of 98.3% in the federal province of Lower Austria. Apart from coverage rates, institutional childcare also varied to a large degree in terms of its temporal extent. Regarding infant-toddler centres/crèches (i.e. in institutions usually dedicated to children up to age 2 or 3), only 19% of the children were looked after full time in the federal province of Vorarlberg, but 88% in Vienna. In kindergartens (usually dedicated to children age 3-5), between 28% (Vorarlberg) and 76% (Vienna) attended full time. These very strong variations are unlikely to be explained by differences in demand only, pointing – besides existing financial barriers – towards a lack of available places in federal provinces with lower coverage rates and lower rates of full-time care.

Actual accessibility may also be limited due to other specific criteria, such as the employment status of parents. For example, in Vienna a comparatively high share of children in ECEC (currently 64%) attends private facilities (Austrian average: 36%).<sup>21</sup> Regarding access to public ECEC facilities provided by the municipality, priority is given to parents who are employed or in training/education, and to children with a sibling looked after in a public facility. However, priority may also be given according to social aspects, most importantly if the family concerned faces a crisis situation. Nonetheless, access to a public ECEC facility may be difficult, and early registration is essential.<sup>22</sup> As described above, not obtaining a place in a public facility usually comes with financial consequences, because ECEC in Vienna only tends to be really

<sup>19</sup> Source: Statistik Austria, Kindertagesheimstatistik, https://www.statistik.at/fileadmin/pages/318/KTH\_Betreuungsquote.ods.

Source: Statistik Austria, Kindertagesheimstatistik, <a href="https://www.statistik.at/fileadmin/pages/318/KTH\_Kinder\_2021\_22.ods.">https://www.statistik.at/fileadmin/pages/318/KTH\_Kinder\_2021\_22.ods.</a>

<sup>&</sup>lt;sup>21</sup> Source: Statistik Austria; Kindertagesheimstatistik, https://www.statistik.at/fileadmin/pages/318/KTH Kinder 2021 22.ods.

<sup>&</sup>lt;sup>22</sup> The ECEC year usually starts in September. To get a place as from September, registration has been done in November/December of the preceding year; see: <a href="https://www.wien.gv.at/amtshelfer/kultur/bildung/bildungseinrichtungen/kinder/kindergarten.html">https://www.wien.gv.at/amtshelfer/kultur/bildung/bildungseinrichtungen/kinder/kindergarten.html</a>.

free of charge if provided by a public facility (i.e. in facilities run by the municipality of Vienna), whereas private providers usually charge additional fees.

### 1.3 Free meals provision for low-income children in ECEC

Different regulations apply in the different federal provinces. In most cases, meals are not provided for free to low-income children. In the case of full-time care, the monthly fee for meals in ECEC usually amounts to around €60 to €120 (see Grand/Fink 2021 for an overview).

In public ECEC facilities in Vienna, the cost of meals to be covered by parents currently amounts to €72.33 per month.<sup>23</sup> Some private ECEC providers charge higher costs. The monthly fee of KIWI" currently amounts to €108 for full-time care.<sup>24</sup> In the Kinderfreunde, the monthly fee for meals is €106.<sup>25</sup> In cases of very low household income, the fee for meals may, up to the costs charged in public facilities (i.e. currently €72.33 per month), be covered by the municipality of Vienna. The relevant income threshold is a monthly (twelfth of annual) household net income of €1,100. For every additional child in the household the threshold is increased by another €350 (i.e. it is €1,450 for a household with two children). This threshold, which has not been indexed since 2009, appears to be very low.<sup>26</sup> In 2021, 6,132 applications were made to receive a refund of the fees for meals, and in 2,909 cases a refund was granted (Magistrat der Stadt Wien 2022a, 26). This means that the impact of this instrument is rather low. Recently,<sup>27</sup> around 85,000 people aged 0-14 were AROP in Vienna (Statistik Austria 2022, 166).

### Education and school-based activities

This section describes the situation regarding effective and free access for low-income children to education and school-based activities.

Section 2.1 maps the main school costs in public primary and secondary education, distinguishing between the following:<sup>28</sup>

- compulsory basic school materials (schoolbag, pens, glue, scissors, etc.);
- compulsory school materials (textbooks, school supplies, notebooks, etc.);
- compulsory specific clothing (uniform, sports clothing);
- IT equipment requested by the school;
- sports equipment or musical instruments requested by the school;
- compulsory extramural activities (e.g. school trips, sport, culture) that are part of the curriculum;
- other compulsory fees or costs; and

<sup>&</sup>lt;sup>23</sup> See: <a href="https://www.wien.gv.at/amtshelfer/gesellschaft-soziales/magelf/finanzielles/essensbeitrag.html">https://www.wien.gv.at/amtshelfer/gesellschaft-soziales/magelf/finanzielles/essensbeitrag.html</a>.

<sup>&</sup>lt;sup>24</sup> See: https://www.kinderinwien.at/fileadmin/user\_upload/20210806\_2021\_22\_Tarifblatt\_allgemein.pdf.

<sup>&</sup>lt;sup>25</sup> See, for example: <a href="https://kinderfreunde.at/angebote/detail/02-vorgartenstrasse-161">https://kinderfreunde.at/angebote/detail/02-vorgartenstrasse-161</a>.

<sup>&</sup>lt;sup>26</sup> In 2021 the at-risk-of-poverty (AROP) threshold (60% of the net equivalised median household income), according to the European Union statistics on income and living conditions (EU-SILC), amounted to €2,469 per month for a two-parent household with one child, and €2,880 for a two-parent household with two children (Statistik Austria 2022, 12).

<sup>&</sup>lt;sup>27</sup> For a breakdown according to federal provinces Statistik Austria provides averages of the last three waves of the EU-SILC (in this case 2019, 2020, and 2021). This is done to deal with the problem of insufficient numbers of cases that would arise when analysing yearly data only.

<sup>&</sup>lt;sup>28</sup> Tuition fees charged by private schools are not covered.

transport costs to or from school.

Section 2.2 briefly describes the cash benefits specifically intended to help meet educational costs.

Finally, Section 2.3 seeks to identify the main barriers that prevent low-income children from having effective and free access to school-based activities as defined in the Council Recommendation establishing the ECG (see "Introduction" section). Given that the distinction between these activities and some of the activities covered above – especially compulsory extramural activities that are part of the curriculum – may not always be clear-cut, the focus of Section 2.3 is specifically on school-based activities that are not part of the curriculum.

# 2.1 Mapping the main school costs in public primary and secondary education

Regarding primary education, most school-related costs have to be covered by parents. Major exceptions are books and public transport, which are (largely) free of charge for all pupils.

Table 2.1a: School costs of primary education (free for all/low-income children)

Basic material	Books	Clothing	IΤ	Sports or music equipment	Extra- mural activities	Other fees or costs	Transport
NO	ALL	NO	NO	NO	NO	NA	ALL

Note: "ALL" means that this category is free for all children. "NO" means that most/all items in the category are not free for low-income children. "NA" (not applicable) means that this category is not requested/compulsory in the country.

Regarding primary education (see Table 2.1a), the cost of books has been fully covered by the federal republic for all children since 1972, via a programme called *Schulbuchaktion*.<sup>29</sup> Public transport between home and school (*Schülerfreifahrt*) is universally available for €19.60 per year.

Other school-related costs generally have to be borne by parents. Regarding clothing, school uniforms are not used in Austria (with the exception of some private schools), but children have to have sports clothing. Regarding IT equipment, unlike secondary education (see below), no general programme exists hitherto. This means that in cases where a school decides to use digital learning etc. in primary education, either schools have to provide the related equipment (e.g. financed from donations<sup>30</sup>), or parents have to pay for it. Parents usually also have to cover the costs of basic materials. However, children living in households eligible for social assistance or minimum income can receive a yearly voucher, currently amounting to €80, to buy such materials (see below Section 2.2).

Regarding secondary education (see Table 2.1.b), the situation is largely similar. Books are free for all pupils. For public transport, a small co-payment amounting to €19.60 per year applies. The cost of clothing or specific music or sport equipment (such as ski gear) usually has to be covered by parents. This also holds for the cost of extramural activities, but some specific financial subsidies are available for children from low-income households.<sup>31</sup>

<sup>&</sup>lt;sup>29</sup> For details see: <a href="https://www.schulbuchaktion.at/index.html">https://www.schulbuchaktion.at/index.html</a>.

<sup>&</sup>lt;sup>30</sup> See, for example: <a href="https://kurier.at/chronik/niederoesterreich/digitalisierung-volksschueler-lernen-jetzt-mit-tablets/401797417">https://kurier.at/chronik/niederoesterreich/digitalisierung-volksschueler-lernen-jetzt-mit-tablets/401797417</a>.

<sup>&</sup>lt;sup>31</sup> For details see: <a href="https://www.bmbwf.gv.at/Themen/schule/befoe/schuelerunterstuetzung.html">https://www.bmbwf.gv.at/Themen/schule/befoe/schuelerunterstuetzung.html</a>.

Table 2.1b: School costs of secondary education (free for all/low-income children)

Basic material	Books	Clothing	ΙΤ	Sports or music equipment	Extra- mural activities	Other fees or costs	Transport
NO	ALL	NO	POOR	NO	NO	NA	ALL

Note: "ALL" means that this category is free for all children. "POOR" means that it is free for low-income children. "NO" means that most/all items in the category are not free for low-income children. "NA" (not applicable) means that this category is not requested/compulsory in the country.

Regarding IT equipment, the situation in secondary education differs from the one in primary education. Starting from the 2021/2022 school year, schools providing secondary education (i.e. from the fifth school level), can participate in a programme called the "digital learning initiative" (*Initiative Digitales Lernen*).<sup>32</sup> In schools participating in this programme, all children when starting the fifth school level (i.e. in the first year of secondary education) are equipped with a digital device, usually a notebook or a tablet. 75% of the cost of the digital device is covered by the federal republic, and 25% usually has to be paid by the parents. However, in cases of low family income (see below for details), the usual private co-payment of 25% may also be borne by the federal republic.<sup>33</sup> Reportedly, in March 2022 around 93% of all classes in the first year of secondary education had already participated in the programme and been equipped with laptops or tablets.<sup>34</sup>

### 2.1.1 Conditions for qualifying as a "low-income child"

Different options exist regarding the conditions for qualifying as a "low-income child" in order to receive a digital device (a laptop or tablet) free of charge in the first year of secondary education. The related regulations can be found in §5 of the Federal Act on the Financing of the Digitalisation of School Teaching (*Bundesgesetz zur Finanzierung der Digitalisierung des Schulunterrichts*).<sup>35</sup>

Pupils are eligible if they live in a household receiving one of the following benefits:

- social assistance or minimum income;
- compensatory supplement (Ausgleichszulage) from the public pension scheme; or
- unemployment assistance from unemployment insurance.

Alternatively, free access is granted when a sibling of the pupil<sup>36</sup> who lives in the same household received one of the following benefits in the preceding school year:

- schooling allowance (Schulbeihilfe);
- boarding school allowance (Heimbeihilfe);
- extraordinary support in accordance with the Student Allowance Act (Schülerbeihilfengesetz); or
- study assistance (Studienbeihilfe), granted to university students.

Furthermore, free access is granted in the following conditions:

<sup>&</sup>lt;sup>32</sup> For more details see: <a href="https://digitaleslernen.oead.at/de/">https://digitaleslernen.oead.at/de/</a>.

<sup>&</sup>lt;sup>33</sup> For more details see: <a href="https://digitaleslernen.oead.at/de/fuer-eltern/geraete-support/bezahlung-befreiung#c51471">https://digitaleslernen.oead.at/de/fuer-eltern/geraete-support/bezahlung-befreiung#c51471</a>.

<sup>&</sup>lt;sup>34</sup> See: <a href="https://www.ots.at/presseaussendung/OTS\_20220323\_OTS0192/nationalrat-beschliesst-ausweitung-des-bezugs-von-kostenlosen-laptops-in-den-schulen">https://www.ots.at/presseaussendung/OTS\_20220323\_OTS0192/nationalrat-beschliesst-ausweitung-des-bezugs-von-kostenlosen-laptops-in-den-schulen</a>.

<sup>&</sup>lt;sup>35</sup> See: <a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20011437">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20011437</a>.

<sup>&</sup>lt;sup>36</sup> This rule only mentions "a sibling of the pupil", not the pupil themself. The rationale behind this is that these benefits are only available at a later stage of education (i.e. as from upper secondary or in the case of tertiary education, but not at the beginning of secondary education, when pupils are equipped with a digital device).

- a household is exempt from radio license fees;
- a household is exempt from payment of the "green electricity lump sum" (Ökostrompauschale); or
- a telephone charge subsidy has been granted.

# 2.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

This point is only relevant for one dimension of school costs, namely IT equipment (a free laptop or tablet) in secondary education.

As sketched out above, different conditions qualify for meeting the criteria for being a low-income child in order to receive a free digital device (laptop or tablet) in the first year of secondary education. These conditions involve different criteria in terms of the household, or other members of the household (including siblings), receiving one of several social benefits, and by this the household composition and income level. Given the multitude of different possible conditions that potentially qualify for being a low-income child in this context, it is beyond the scope of this report to assess the relation between the groups of children that have access to a digital device (a laptop or tablet) free of charge, and the population of children AROPE in the relevant age group. Furthermore, as the programme only started with the 2021/2022 school year, no data are publicly available yet on the number of pupils who actually received a digital device without private co-payment.

# 2.2 Cash benefits whose specific purpose is to help meet educational costs

Several specific cash benefits with the purpose of helping to meet educational costs are available in Austria.

Every September a "school-start benefit" (*Schulstartgeld*) is granted within the scheme of family cash benefits (*Familienbeihilfe*) for children aged 6-15. This is a universal benefit (not means tested) and currently amounts to €105.80 per child (it is price indexed on a yearly basis).<sup>37</sup>

In order to offset the cost of basic school materials, a yearly voucher, currently amounting to €80 per child, is granted to pupils who live in families entitled to social assistance or minimum income. This programme is co-financed by the Fund for European Aid to the Most Deprived. Children in both primary and lower and upper secondary education are entitled to the voucher, which can be used to buy basic school materials in two major retail chains for office and school supplies. Eligibility criteria for social assistance or minimum income vary to some degree between federal provinces. For example, in Vienna (where benefits granted to children are somewhat more generous than in other federal provinces), for a family with two parents and two children the monthly net income (excluding family benefit) may currently not exceed €2,149.42.³8 This income threshold equals at the same time the maximum regular benefit that can be granted from the Vienna minimum income scheme. For a family with two children aged 6-9, the total net income including universal family benefit would amount to €2,422.42. This

<sup>&</sup>lt;sup>37</sup> See: https://www.oesterreich.gv.at/themen/familie\_und\_partnerschaft/geburt/3/2/2/Seite.080714.html.

<sup>&</sup>lt;sup>38</sup> Furthermore, savings may not exceed €6,321.84 per adult. For more details, see: https://www.wien.gv.at/sozialinfo/content/de/10/InstitutionDetail.do?it\_1=2101751.

income level is lower than the AROP threshold (60% of the equivalised median household income) for such a household type, amounting to €2,880 according to EU-SILC 2021.<sup>39</sup>

Another benefit worth mentioning in this context is the schooling allowance,<sup>40</sup> which is regulated by a specific federal act, the Student Allowance Act.<sup>41</sup> Schooling allowance may only be granted to pupils as from the second year of upper secondary education (i.e. as from school level 10). The standard yearly maximum rate of schooling allowance currently amounts to €1,520. Entitlement to schooling allowance and the amount of benefit granted depend on household income, sources of income and household type, according to a very complicated calculation method (see §12 of the Pupil Allowance Act). To give an example, we calculated the schooling allowance for a specific household type, where the sum of income from employment and universal family allowances (plus universal family tax credit; Familienabsetzbetrag) just reaches the related AROP threshold according to EU-SILC 2021. This households shows the following features:

- two parents both of them being employed, each of them earning a yearly gross salary of €19,228; and
- two children one aged 12 and attending lower secondary education, one aged 17 and attending upper secondary education.

The net yearly earned income of this family amounts to €32,489. In addition, the household is eligible for universal family allowance and child tax credit (*Kinderabsetzbetrag*), amounting to €5,362 per year. The total yearly net household income comes to €37,851, which is exactly the AROP threshold for this household type according to EU-SILC 2021.<sup>42</sup> With this income, a schooling allowance of €1,227 yearly would be granted for the child attending upper secondary education. In order to receive the full schooling allowance of €1,520, the yearly net income of this family would have to be lower than €32,188. Besides the income criterion, no other specific conditions have to be met to qualify as a low-income child.

Reportedly, around 38,000 children recently (in 2021) received the schooling allowance.<sup>43</sup> This was equal to 44% of the number of people aged 15-19 who were AROP (in absolute numbers around 85,500<sup>44</sup> people). However, it has to be taken into account that not all people in this age group are in upper secondary education, which is necessary to qualify for the schooling allowance. No more detailed data are publicly available on (non-)take-up, or on whether groups of children over-represented in the AROPE population of this age group lack access to this benefit. Furthermore, no clear evidence is available on education-related costs in this age group, and the fraction of them actually covered in cases where they are AROP.

However, data from more general recent surveys indicate that school-related out-of-pocket payments are substantial in many cases, and that they often imply a substantial burden on the household budget. According to a panel survey undertaken on behalf of the Chamber of Labour (*Arbeiterkammer*) between September 2020 and July 2021,<sup>45</sup> payments for school-related expenses (in the broader sense; including costs of private tuition) on average came to 14% of total household income for those in the lowest income quartile. In the second quartile school-related expenses amounted to 7% of household income, and to 5% in the third and fourth

<sup>39</sup> Statistik Austria (2022, 12).

<sup>&</sup>lt;sup>40</sup> See: <a href="https://www.bmbwf.gv.at/Themen/schule/befoe/sbh.html">https://www.bmbwf.gv.at/Themen/schule/befoe/sbh.html</a>.

<sup>&</sup>lt;sup>41</sup> See: <a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10009531">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10009531</a>.

<sup>&</sup>lt;sup>42</sup> See: Statistik Austria (2022, 12).

<sup>43</sup> Source: data from the Ministry of Education, Science and Research: https://www.parlament.gv.at/dokument/XXVII/ME/132/fnameorig\_981247.html.

<sup>&</sup>lt;sup>44</sup> Source: Statistik Austria, EU-SILC 2021, own calculations from microdata.

<sup>&</sup>lt;sup>45</sup> See Schönherr et al. (2021).

quartiles. Furthermore, 76% of those in the lowest quartile reported rising school-related outof-pocket payments when compared with earlier years, whereas the same only held for 48% of those in the highest income quartile. Among other things, rising school-related costs were especially caused by higher expenses for digital devices (tablets, laptops, smartphones) necessary for distance learning during the COVID-19 lockdowns but not regularly provided by schools. In this context it should be noted that the above-mentioned digital learning initiative programme only started from the 2021/2022 school year, and that it only addresses pupils in the first year of lower secondary education.

According to another survey, undertaken by the Institute for Empirical Social Research (IFES) in July and August 2022, many parents reported that they could not afford different school-related expenses (anymore) – caused by, among other things, strong general price inflation (Landau/Larcher 2022). For example, 21% reported that they (probably) would not be able to co-finance afternoon care anymore for children attending schools. In the case of single parents, the related number was 39%. In total, 21% reported that they would not be able to finance the cost of extramural activities such as sports or project weeks. 26% expected that they could not (anymore) afford necessary expenses for digital equipment (tablets, laptops etc.).

# 2.3 Main barriers to effective and free access to school-based activities for low-income children

### 2.3.1 Financial barriers

To the best of our knowledge, there are no recent studies/data that have – with a focus on low-income children – analysed in detail whether and to what degree the out-of-pocket costs for accessing school-based activities are a financial barrier.

#### 2.3.2 Non-financial barriers

No sound empirical evidence is available on non-financial barriers (e.g. lack of activities organised by school, geographical disparities).

### 3. Free meals at school

This section describes the situation regarding effective and free access for low-income children to at least one free healthy meal each school day.

## 3.1 Mapping free provision of school meals

There are no national or regional programmes that would guarantee that low-income children receive at least one free healthy meal each day. No related regulation is in place at the national level, and in most federal provinces relevant regulations are also scarce.<sup>47</sup>

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<sup>&</sup>lt;sup>46</sup> See also:

https://www.arbeiterkammer.at/interessenvertretung/arbeitundsoziales/bildung/Bildungsausgaben.html.

<sup>&</sup>lt;sup>47</sup> It appears that no comprehensive national assessment exists on this issue at the time of writing (February 2023). Our own research suggests that, with the exception of Vienna, no related regulations exist at the level of the federal provinces. A very limited number of municipalities may run related programmes, such as the city of Traiskirchen. For details on this example see: <a href="https://www.traiskirchen.gv.at/entlastungspaket/">https://www.traiskirchen.gv.at/entlastungspaket/</a>.

One partial exception to this is the federal province of Vienna, where some public primary schools and lower secondary schools ("new middle schools", run by the federal province; *Neue Mittelschule*) offer "integrated" full-day schooling with a free lunch for all pupils. This currently holds for 80 primary schools (out of a total of 298 public and private primary schools) and for 12 new middle schools (out of a total of 137 new middle schools).<sup>48</sup>

Furthermore, for other pupils in schools run by the city of Vienna, which offer afternoon care ("open" or "non-integrated" full-day schooling), a lunch is usually offered. However, lunch is normally not free in such schools, and parents currently have to pay a fee of €4.42 per day per child. However, low-income children can be exempted from the fee for lunch.

### 3.1.1 Conditions for qualifying as a "low-income child"

In order to be eligible for a free lunch in a public school run by the city of Vienna offering open full-day care, the monthly net household income, including family benefit, may currently not exceed €1,161.43 per month. For every additional child in the household, another €415.23 is added to the threshold. No other conditions need to be met on top of the low-income criterion. Similar to the regulation concerning ECEC (see Section 1.3 of this report), this very low income threshold is likely to result in a very low number of children eligible for a free lunch under this programme.<sup>49</sup>

# 3.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

Due to a lack of existing data and studies, it is impossible to evaluate the relation between the groups of children who have free access to at least one healthy meal and the population of children who are AROPE. There is even a lack of sound published data on the general availability of school meals (i.e. on the number of children attending schools in which school meals are being offered) (see also Section 3.2.2 below).

# 3.2 Main barriers to effective and free access to school meals for low-income children

#### 3.2.1 Financial barriers

To the best of our knowledge there are no data or studies publicly available that have analysed financial barriers in access to school meals in more detail. According to the results of the IFES survey, 13% of respondents reported that they were either unable to cover the cost of school meals or would not be able to do so in future (Landau/Larcher 2022).<sup>50</sup>

### 3.2.2 Non-financial barriers

Information on non-financial barriers in access to (healthy) school meals is extremely sparse. There is even a lack of published data on the share of schools offering school meals or the share of pupils who would in principle have access to school meals. One proxy for this could be the share of schools offering all-day schooling (*Ganztagsschulen*), which according to legal

<sup>&</sup>lt;sup>48</sup> Source: <a href="https://www.wien.gv.at/bildung/schulen/tagesbetreuung/betreuungs-essensbeitrag.html">https://www.wien.gv.at/bildung/schulen/tagesbetreuung/betreuungs-essensbeitrag.html</a> and Statistik Austria, school statistics, <a href="https://www.statistik.at/fileadmin/pages/441/020953">https://www.statistik.at/fileadmin/pages/441/020953</a> Schulen insgesamt21.ods.

<sup>&</sup>lt;sup>49</sup> At the time of writing, no data on the number of actual beneficiaries appear to be publicly available.

<sup>&</sup>lt;sup>50</sup> See also

https://www.arbeiterkammer.at/interessenvertretung/arbeitundsoziales/bildung/Bildungsausgaben.html.

rules also have to offer adequate meals.<sup>51</sup> In the 2019/2020 school year, around 50% of all primary and lower secondary schools offered integrated, combined (integrated-open), or open all-day schooling (Mitterer *et al.* 2022b, 27). On average in Austria, the coverage rate of all-day schooling amounted to 24% for pupils in compulsory schooling (i.e. primary education and lower secondary education) in the 2020/2021 school year. Marked variations existed between different federal provinces. The lowest coverage rate was reported for the federal province of Tyrol (10.8%), and the highest for Vienna (41.2%) (Statistik Austria 2022b, 2012). Overall, a strong contrast existed between urban and rural regions, whereby all-day schooling showed substantially higher coverage rates in and around urban centres, whereas coverage rates in rural areas were often comparatively low (Mitterer *et al.* 2022b, 45-47). At the same time there are no data publicly available on the number of schools not offering all-day schooling, but the opportunity to receive school meals.

### 4. Healthcare

This section describes the situation regarding effective and free access for low-income children to healthcare, focusing on vaccinations, care from a general practitioner (GP) or infant nurses, specialist care, dental care (not orthodontics) and prescribed medicines.

# 4.1 Mapping the provision of free healthcare services and products

Table 4.1: Healthcare costs (free for all/low-income children)

Vaccination	GP	Infant nurses	Specialist care	Dental care (not orthodontics)	Prescribed medicines
MOST S&P	MOST S&P	MOST S&P	MOST S&P	MOST S&P	POOR

Note: "POOR" means that they are free for low-income children. "MOST S&P" means that most but not all services/products in the category are free for low-income children.

In order to understand the conditions for the provision of free healthcare services and products, a short description of the Austrian public health system is necessary.

Coverage by the public health system is in the first instance organised according to an insurance model. Most people in gainful employment, including the self-employed, are covered by statutory health insurance. A second important channel to obtain coverage by statutory health insurance is receiving benefits from public social insurance schemes, such as invalidity or old-age pensions or benefits from the unemployment insurance system. Since 2010 recipients of social assistance or minimum income have also been covered by normal statutory health insurance. In addition to the directly insured parties, statutory health insurance under specific conditions also covers dependent family members (if these people are not directly insured themselves), including children. One other option to receive coverage by public health insurance is "voluntary self-insurance", where – depending on the financial situation of the person concerned – a minimum insurance contribution of €66.79 per month currently applies.<sup>52</sup>

<sup>&</sup>lt;sup>51</sup> §10 of the Basic Law on the Maintenance of Compulsory Education (*Pflichtschulerhaltungs-Grundsatzgesetz*). See: <a href="https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10009231">https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10009231</a>.

<sup>&</sup>lt;sup>52</sup> See: https://www.sozialversicherung.at/cdscontent/load?contentid=10008.772955&version=1672304717.

Overall, the multitude of different options to obtain coverage by public health insurance results in a very high actual coverage rate. According to estimates by the federation of social insurance institutions (Dachverband der Sozialversicherungen), it amounted to 99.9% of the population in 2021 (Dachverband 2022, 22). Fuchs (2018), doing a more detailed assessment, came to the conclusion that around 0.3% of the population - or around 27,000 people - lacked coverage by private or public health insurance. This included (inter alia) irregular migrants, students above the age limit for coverage through their parents, and people without a history of formal employment. Austrian health insurance covers a wide variety of different services, such as primary healthcare services provided by contracted physicians, specialised in-patient and out-patient care, emergency care, dental services, prescription medicines, medical devices, ambulance services, preventive and health-promotion services (including vaccinations or screening examinations) and rehabilitation services. Many services are available free of charge for people insured with most public health insurance funds. A 10% or 20% co-payment for most services provided by physicians exists (up to specific limits) for adults insured with certain health insurance funds, namely those for self-employed people, farmers and civil servants. However, all children (irrespective of household income) and also - in the case of low income - adult patients are exempted from these general co-payments (see below Section 4.1.1 for details).

Nonetheless, it would be wrong to state that all services and products under the different dimensions of healthcare mentioned in Table 4.1 are free of charge for low-income children. This is caused by the fact that all public health insurance funds have "catalogues" of services and treatments to be covered by the insurance, which implicitly excludes some other existing diagnostic and curative treatments and services not mentioned there. This means that both contracted physicians (*Vertragsärzte*) and non-contracted physicians (*Wahlärzte*; see below) may offer or even recommend treatments and services not covered by public health insurance, with related costs to be covered privately. Therefore, "MOST S&P" applies to most dimensions in Table 4.1.

More concretely, most vaccinations are free for all insured children. This especially holds for all vaccinations covered by the "child vaccination plan" (*Kinderimpfplan*).<sup>53</sup> Major exceptions are vaccinations needed for travelling to some foreign countries.

GPs or specialists providing out-patient care in medical practices might either be contracted physicians or non-contracted physicians. Contracted physicians have a contract with one or more public health insurance funds and are paid by the latter using a mix of contact capitation and fee-for-service. Here, no co-payments for children exist for all the services covered by the respective insurance funds; but the cost of treatments and services not included in the insurance funds' catalogue of standard treatments has to be covered privately. Furthermore, in the case of non-contracted physicians, patients have to cover the doctor's fee and are usually reimbursed only for 80% of what insurance would usually cover for contracted care.

Regarding infant nurses, a standard programme of services before, during and after giving birth is available from contracted infant nurses (*Hebammen mit Kassenvertrag*) for insured people without private co-payments.<sup>54</sup> However, additional services going beyond the standard programme have to be covered by private payments. In the case of a non-contracted infant nurse (*Wahlhebamme*), clients are only reimbursed for 80% if what insurance would usually cover for contracted care.

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<sup>&</sup>lt;sup>53</sup> See: https://www.sozialministerium.at/Themen/Gesundheit/Impfen/Kostenfreies-Kinderimpfprogramm.html.

<sup>&</sup>lt;sup>54</sup> For more details of this programme see: <a href="https://www.hebammen.at/wp-content/uploads/2023/01/RZ\_Hebammenbetreuung\_Ueberblick.pdf">https://www.hebammen.at/wp-content/uploads/2023/01/RZ\_Hebammenbetreuung\_Ueberblick.pdf</a>.

Standard dental care is free of charge for insured children in cases where they consult a contracted dentist or one of the dental treatment centres run by the health insurance provider. In cases where a non-contracted dentist is consulted, the doctor's fee first has to be paid privately, and the insurance will then cover 80% of what it would usually pay for contracted care. Costs for non-standard dental services, such as inlays, dental crowns and fixed dental prosthesis, are – depending in the insurance fund – not or only partly covered by public health insurance. However, since July 2015, public health insurance has also covered dental braces for children and adolescents under 18 in cases of severely misaligned teeth.

Prescribed medicines are – in principle – available free of charge for all insured people. But for every prescription a fee (*Rezeptgebühr*), currently amounting to €6.85, has to be paid. However, besides other defined groups, people with low income and/or receiving specific social benefits are also exempt from this co-payment (see Section 4.1.1 below). Furthermore, an income-related cap applies on the total of yearly prescription fees (see Section 4.2 below).

### 4.1.1 Conditions for qualifying as a "low-income child"

Regarding healthcare costs, this point is only relevant regarding the exemption from prescription fees in the Austrian context.

Besides other defined groups,<sup>55</sup> people with low income and/or receiving specific social benefits are exempt from the prescription fee. This applies to people receiving a compensatory supplement<sup>56</sup> from pension insurance, and to recipients of social assistance or minimum income benefits. Insured people are also exempted from the prescription fee, if the monthly net household income does not exceed the following thresholds, which are of the same level as the gross compensatory supplement:

- single people €1,110.26;
- couples €1,751.56;
- for every co-insured child, the threshold is increased by another €171.31.

Income is defined as income from gainful employment and also includes most types of social cash benefits, but not universal family allowance.

For other healthcare services and products addressed in Section 4.1, no differentiations according to income apply.

# 4.1.2 Relation between the group(s) of children who have free access and the AROPE population of children in the relevant age group(s)

In Austria, this point is only relevant regarding the exemption from prescription fees. For children, two criteria can be supposed to be of significant importance, namely:

- living in a household receiving social assistance or minimum income; or
- living in a household with an income not exceeding the above-mentioned income threshold.

Eligibility criteria for social assistance or minimum income vary to some degree between federal provinces. For example, in Vienna (where benefits granted to children are somewhat more generous than in other federal provinces) for a family with two parents and two children

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<sup>&</sup>lt;sup>55</sup> For details see: https://www.gesundheitskasse.at/cdscontent/?contentid=10007.870471&portal=oegkportal.

<sup>&</sup>lt;sup>56</sup> The compensation supplement (Ausgleichszulage) may – on a partly means-tested basis – apply to people who are in principle eligible to a pension entitlement, but where the pension benefit is very low. The pensions of a low benefit level may be raised to the level of the compensation supplement reference rate (Ausgleichszulagenrichtsatz).

the monthly net income (excluding family benefit) may currently not exceed €2,149.42.<sup>57</sup> This income threshold equals at the same time the maximum regular benefit than can be granted from the Vienna minimum income scheme. For a family with two children aged 6-9, the total net income including universal family benefit would amount to €2,422.42 per month. This income level is lower than the AROP threshold (60% of the equivalised median household income) for such a household type, amounting to €2,880 per month according to EU-SILC 2021.<sup>58</sup>

In the case of a family with two parents and two children, the maximum net threshold for earned income, calculated according to the level of the compensatory supplement (see above Section 4.1.1), amounts to €2,094.18 per month. If we suppose that the children are aged 6-9, the family would in addition receive universal family allowance and child tax allowance amounting to €438 per month.<sup>59</sup> The total household budget would then amount to €2,490.78 per month, which is lower than the AROP threshold (60% of the equivalised median household income) for such a household type, of €2,880 per month according to EU-SILC 2021.<sup>60</sup>

Unfortunately, no detailed data are publicly available on the number of children who benefit from the exemption from the prescription fee. At the same time, we lack empirical evidence on the number of children living in households with a household income just below the income threshold, which would qualify for the exemption from the prescription fee. For these reasons, no information can be provided on groups of children who are over-represented in the AROP population but who are not exempted from the prescription fee.

As noted above, people in households receiving social assistance or minimum income are also exempted from prescription fees. In total, 268,000 children aged 0-14 were AROP according to EU-SILC 2021.<sup>61</sup> During the same year 58,845 children of this age received social assistance or minimum income. This equals a share of around 22% of all children in this age group being AROP.

# 4.2 Cash benefits whose specific purpose is to help meet healthcare costs

No general cash benefits exist in Austria whose specific purpose is to help meet healthcare costs. However, once the yearly sum of prescription fees reaches 2% of the yearly income, no additional prescription fees are charged to the insured person in the respective year (i.e. in the case of children, from the parent with whom the child is co-insured).

According to data provided by the Austrian Chamber of Pharmacists in February 2019, around 27% of all packages of prescribed medicines were handed over to people exempted from prescription fee for different purposes. <sup>62</sup> By the end of that year (i.e. December 2019) this share had increased to 50%, indicating a rising number of people reaching the 2% threshold (Österreichische Apothekerkammer 2020, 44).

<sup>&</sup>lt;sup>57</sup> Furthermore, savings may not exceed €6,321.84 per adult. For more details, see: https://www.wien.gv.at/sozialinfo/content/de/10/InstitutionDetail.do?it\_1=2101751.

<sup>58</sup> Statistik Austria (2022, 12).

<sup>&</sup>lt;sup>59</sup> For benefit levels according to age and number of siblings see:
<a href="https://www.oesterreich.gv.at/themen/familie\_und\_partnerschaft/geburt/3/2/2/Seite.080714.html">https://www.oesterreich.gv.at/themen/familie\_und\_partnerschaft/geburt/3/2/2/Seite.080714.html</a>.

<sup>60</sup> Statistik Austria (2022, 12).

<sup>61</sup> Statistik Austria, EU-SILC 2021: <a href="https://www.statistik.at/fileadmin/pages/338/Tabellen\_zum\_Tabellenband-EU-SILC-2021.ods">https://www.statistik.at/fileadmin/pages/338/Tabellen\_zum\_Tabellenband-EU-SILC-2021.ods</a>.

<sup>62</sup> On the different purposes, see Sections 4.1 and 4.1.1 above.

# 4.3 Non-financial barriers to effective and free access to healthcare

Overall, the availability and affordability of health services is supposed to be high in Austria from an international comparative perspective (OECD/European Observatory on Health Systems and Policies 2019; 2021). However, one point especially worth mentioning in this context is the stagnant number of contracted physicians, whereas the number of non-contracted physicians is steadily increasing. Given the fact that demand is increasing due to population growth and demographic ageing, this development appears to be problematic, as services by non-contracted physicians are only partly covered by health insurance (see OECD/European Observatory on Health Systems and Policies 2019, 17). Furthermore, there is some evidence that physicians are increasingly resistant to working as contracted physicians in rural areas.<sup>63</sup> This, together with the high number of physicians reaching pensionable age in the coming years, is likely to cause rising problems in the supply of health services fully covered by statutory health insurance, especially – but not only – in rural areas (OECD/European Observatory on Health Systems and Policies 2019; 2021).

# 5. Healthy nutrition

This section describes the situation regarding effective access for low-income children to healthy nutrition.

### 5.1 Main barriers to effective access to healthy nutrition

#### 5.1.1 Financial barriers

Empirical evidence on the accessibility of (healthy) food for low-income children, and related problems of affordability, is scarce for Austria.

EU-SILC only includes one standard item on the affordability of food, namely on the household's "inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day". According to results from EU-SILC 2021, 2.6% of all children under 15 (in absolute numbers around 33,100 children) lived in households where this form of deprivation applied. The rate was substantially higher for children living in households who were AROP (9.5%; around 25,300 children) than in households with an income above the AROP threshold (0.8%; around 7,800 children).<sup>64</sup>

The EU-SILC 2014, in a special module on child deprivation, contained two child-specific items on nutrition, namely the (enforced) inability to afford the daily consumption of proteins ("meat, chicken, fish or equivalent vegetarian food") and of fruits and vegetables.<sup>65</sup> In total about 1.8% of all children aged 0-14 (around 23,700 children) lived in households that could not afford a daily meal containing proteins (meat, chicken, fish). In the case of those AROP, this share increased to 5.1% (around 12,550 children). Regarding the daily affordability of fruits and vegetables, the results showed a very low rate of deprivation among children. In total, around 0.5% of them (around 7,000 children) lived in a household that could not afford fruits and

Source. Statistik Austria, E0-SILC 2021, own calculations from microdata.
 Source of the following results: Statistik Austria, EU-SILC 2014; own calculations from microdata.

<sup>&</sup>lt;sup>63</sup> See for example: <a href="https://www.derstandard.at/story/2000142749618/das-verwaisen-der-landarztpraxen-im-weiten-land">https://www.derstandard.at/story/2000142749618/das-verwaisen-der-landarztpraxen-im-weiten-land</a> and <a href="https://www.derstandard.at/story/2000135432493/parlament-ermoeglichte-studienplaetze-fuer-landaerzte-doch-keiner-nutzt-sie">https://www.derstandard.at/story/2000135432493/parlament-ermoeglichte-studienplaetze-fuer-landaerzte-doch-keiner-nutzt-sie</a>.

<sup>&</sup>lt;sup>64</sup> Source: Statistik Austria, EU-SILC 2021; own calculations from microdata.

vegetables on a daily basis. In the case of children living in households in income poverty, the rate was somewhat higher, amounting to 1.2% (around 3,300 children).

Another data source on eating behaviours is the Health Behaviour in School-aged Children (HBSC) survey, which is a World Health Organization (WHO) collaborative cross-national study. 66 The last HBSC survey was undertaken in 2017-2018. The results of the survey were presented by reference to a "family affluence scale" (FAS) (Inchley *et al.* 2020) – a measure of the socio-economic situation of the household. The survey used a six-item assessment of common material assets or activities. Fasponses were scored and summed to form an FAS summary score. This summary score was used to estimate relative socio-economic position by comparing the individual's FAS score with all other scores within their country or region. The affluence score was then used to identify groups of young people in the lowest 20% (low affluence; LA), middle 60% (medium affluence) and highest 20% (high affluence; HA) brackets in each country and region. This approach to measuring inequalities assesses relative, not absolute, inequality. Fas

In Austria, family affluence (comparing LA with HA) did not have a significant impact on the share of children aged 11-15 who "eat breakfast every school day" (girls – LA 37%, HA 39%; boys – LA 43%, HA 49%). However, from an international comparative perspective the rate of children eating breakfast every school day was generally rather low (Inchley *et al.* 2020, 11). A related situation applied to the share of children (aged 11-15) eating a meal with their family every day (girls – LA 40%, HA 37%; boys – LA 48%, HA 46%).

As in most other countries, children with high family affluence eat fruit daily significantly more often than children with low family affluence. For Austria, the numbers are as follows: girls – LA 41%, HA 50%; boys – LA 36%, HA 44%. These variations between low family affluence and high family affluence are statistically significant, but somewhat lower than in many other EU Member States (Inchley *et al.* 2020, 15). Results for the daily consumption of vegetables point in a similar direction. Children with high family affluence eat vegetables daily more often (girls – 45%; boys – 34%) than children with low family affluence (girls – 32%; boys – 26%). Again, the variations according to family affluence are statistically significant.

When looking at unhealthy nutrition, the results – although they show significant variations – tend to show that this is more widespread for children with low family affluence. In Austria, differences in the frequency of eating sweets daily were not significant, but children with low family affluence (girls -16%; boys -26%) consumed sugared soft drinks every day significantly more often than children with high family affluence (girls -11%; boys -17%) (Inchley *et al.* 2020, 21).

Overall, the (limited) data available suggest that the affordability of (healthy) food may be an issue for low-income households, but that the size of the group hitherto affected is rather small. This is – amongst other things – likely to be caused by the fact that the Austrian welfare system grants rather generous universal cash benefits to all families with children.<sup>69</sup> Cash benefits of

<sup>66</sup> See: https://www.who.int/europe/initiatives/health-behaviour-in-school-aged-children-(hbsc)-study.

<sup>&</sup>lt;sup>67</sup> The following questions were used: 1. Does your family own a car, van or truck (responses: no, one, two or more)? 2. Do you have your own bedroom for yourself (no, yes)? 3. How many times did you and your family travel out of [insert country/region name] for a holiday/vacation last year (not at all, once, twice, more than twice)? 4. How many computers does your family own (none, one, two, more than two)? 5. Does your family have a dishwasher at home (no, yes)? 6. How many bathrooms (rooms with a bath/shower or both) are in your home (none, one, two, more than two)?

<sup>&</sup>lt;sup>68</sup> The same summary score on the FAS may therefore correspond to medium affluence in a high-income country and high affluence in a low-income country.

<sup>&</sup>lt;sup>69</sup> For details see:

https://www.oesterreich.gv.at/themen/familie\_und\_partnerschaft/geburt/3/2/2/Seite.080714.html.

the ESSPROS<sup>70</sup> "families & children" function in 2020 amounted to €-PPS<sup>71</sup> 760.51 per head in Austria in 2020, which was substantially higher than the EU-27 average (€-PPS 471.40).<sup>72</sup>

#### 5.1.2 Non-financial barriers

To the best of our knowledge, there are not detailed studies or data on the main non-financial barriers in access to healthy foods, such as knowledge gaps. The data from the HBSC survey on nutrition habits presented above indicate some social structuring of this issue. However, evidence on concrete causes is missing at the time of writing.

# 5.2 Publicly funded measures supporting access to healthy nutrition

In Austria, to the best of our knowledge there are no specific publicly funded measures for supporting healthy nutrition for low-income children (apart from meals in ECEC and school meals; see above Sections 1.3 and 3). Foodbanks and social grocery stores usually do not receive public funding, but are run by private not-for-profit initiatives.

# 6. Adequate housing

This section describes the situation regarding effective access for low-income children to adequate housing.

# 6.1 Publicly funded measures supporting access to adequate housing – Housing allowances

In order to understand the issue of adequate housing of children, a brief overview of the distribution of related responsibilities across different layers of the political and administrative system is necessary.

In Austria, no national strategy for tackling homelessness and housing exclusion exists. This is caused by (inter alia) the fact that responsibility for the policy areas that could be part of such a strategy is dispersed across the different layers of the political and administrative system, namely at national state level (government of the federal republic), and in the federal provinces and the municipalities.

The federal republic is responsible for civil law regulation, including landlord and tenant law – among other things addressing the level of rent within parts of the private market, condominium law and basic regulations on limited-profit housing associations (LPHAs; *Gemeinnützige Wohnbaugesellschaften*). The nine provincial governments are responsible for different forms of housing-related subsidies. Their housing subsidy schemes cover aid for individuals in the form of cash transfers (housing allowances; *Wohnbeihilfe*), subsidies for bricks and mortar (object-related subsidies in new construction; *Wohnbauförderung*) and subsidies for renovation and refurbishment. The federal provinces are also engaged in the implementation of the law relating to limited-profit housing. Both federal provinces and municipalities provide social housing. Furthermore, the federal provinces, partly again together with the

<sup>&</sup>lt;sup>70</sup> European System of integrated Social PROtection Statistics.

<sup>&</sup>lt;sup>71</sup> Purchasing power standard.

<sup>&</sup>lt;sup>72</sup> Source: Eurostat database, online data code: SPR\_EXP\_PPSH.

municipalities, are – in principle – responsible for legislation and implementation of the social assistance or minimum income, which is also intended to cover housing costs.

Housing allowances<sup>73</sup> are the responsibility of the federal provinces. In all nine of them, related schemes are in place, with the result that the more detailed conditions, regulations on entitlement and benefit levels vary to a very substantial degree. At the same time no up-to-date comparative assessment of these schemes is available at the time of writing, and providing such an assessment is clearly beyond the scope of this report.<sup>74</sup> For this reason, the following section deals with the (not representative) case of the city/federal province of Vienna, where recently about 32% all children aged 0-14 who were AROP lived.<sup>75</sup>

In Vienna, eligibility for housing allowance depends on a number of different criteria, and the calculation of the benefit is rather complicated.<sup>76</sup>

First, housing allowance may be accessible for tenants in the private market, in social housing and LPHAs. Under specific circumstances, even people living in owner-occupied flats may be eligible for housing allowance.

A basic precondition for receiving housing allowance in Vienna is to prove a minimum (*sic*!) household income, where the level depends on the household type. The minimum monthly net income currently amounts to €1,053.64 for one adult, and to a total of €1,577.02 for two adults in a common household. For every additional adult in the household the minimum net income is increased by another €523.38, and for every child by €162.57. The monthly net income also includes, if applicable, the 13<sup>th</sup> and 14<sup>th</sup> salary (i.e. holiday and Christmas remuneration, which are taken into account on a pro rata basis). Besides earned income, most social cash transfers also count as income, with the major exception of universal family allowance.<sup>77</sup> For example, for a family with two adults and two children aged 10-14, the minimum net income has to amount to €1,902.16. Together with family allowance and family tax credit, the total monthly net income of this household amounts to €2,340.60, which is just lower than the AROP threshold of this household type, amounting to €2,880 according to EU-SILC 2021.<sup>78</sup>

If a person cannot prove that they currently reach the minimum income, they may qualify if they reached the minimum income level for an uninterrupted period of 12 months during the previous 10 years. In practice this second option is more important, because people reaching the minimum income level *currently* can – depending on household type – often only receive a very small benefit. And once income exceeds the minimum level, often – depending on household type and eligible housing expenses (see below) – no benefit can be granted. This means that the housing allowance in Vienna especially favours people or households who face a significant reduction in income (when compared with earlier years).

To calculate the eligible housing expenses (*anrechenbarer Wohnungsaufwand*), housing costs are only taken into account (on a pro rata basis) up to a maximum size of the dwelling, depending on the number of people living in the household. For a single person, costs are only fully taken into account for 50 square metres. For two people costs taken into account are for

<sup>&</sup>lt;sup>73</sup> Different terms are used for this type of benefit in the different federal provinces, such as "Wohnbeihilfe", "Wohnunterstützung", or "Mietzuschuss".

<sup>&</sup>lt;sup>74</sup> For a short summary of the related regulations currently in place in the different federal provinces see: https://www.wohnnet.at/finanzieren/wohnbeihilfe-oesterreich-49741791.

<sup>&</sup>lt;sup>75</sup> Source: Statistik Austria, EU-SILC 2021 (Statistik Austria 2022).

<sup>&</sup>lt;sup>76</sup> For an overview and examples see: <a href="https://www.wien.gv.at/amtshelfer/bauen-wohnen/wohnbaufoerderung/unterstuetzung/wohnbeihilfe-antrag.html">https://www.wien.gv.at/wohnen/wohnbaufoerderung/wohnbeihilfe-antrag.html</a> and <a href="https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-berechnungsbeispiele.pdf">https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-berechnungsbeispiele.pdf</a>.

<sup>&</sup>lt;sup>77</sup> For more details see: <a href="https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/wohnbeihilfe/haushaltseinkommen.html">https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/wohnbeihilfe/haushaltseinkommen.html</a>.

<sup>&</sup>lt;sup>78</sup> Statistik Austria (2022, 12).

a maximum of 70 square metres, and for every additional person another 15 square metres are taken into account. This means, for example, that for a family with two parents and two children only the pro rata costs for a maximum of 100 square metres are taken into account.

Besides that, the maximum eligible costs per square metre are defined, and taken into account when calculating the benefit. For a dwelling in "category A" (with a modern central heating system, bathroom and toilet) the maximum eligible cost currently amounts to €6.15 per square metre. For dwellings in lower categories (i.e. without central heating or bathroom etc.) lower eligible costs apply. In the case of a rented apartment, the eligible costs normally only include the rent in the narrow sense, but not value added tax, energy costs and other running costs (for water, waste etc.).

To assess if an applicant can receive a benefit, and to calculate its level, eligible housing costs are then compared with "reasonable housing expenditure" (*zumutbarer Wohnungsaufwand*). The benefit is calculated by subtracting the reasonable housing costs from the eligible housing costs. The reasonable housing costs are defined in tables for different housing types and different income levels.<sup>79</sup>

The position can be illustrated using some examples.<sup>80</sup> For a household with four people, the maximum eligible costs in a rented category A dwelling currently amount to €615 per month (€6.15 x 100 square metres; see above). If this household has an income just reaching the above-mentioned minimum income for two adults and two children (€1,902.16 per month), the reasonable housing costs amount to €535 per month.<sup>81</sup> The housing allowance would in this case amount to €80 per month (€615 minus €80). If the household *currently* had, for example, an income of €1,500 per month, the reasonable housing costs would amount to €210 per month, and the housing allowance to €404.<sup>82</sup> In the case of a household income below around €1,100, reasonable housing expenses would be zero, and the maximum benefit of €615 would be granted.

In 2021, according to registry data, 38,398 people received housing allowance in Vienna (Magistrat der Stadt Wien 2022b, 163).<sup>83</sup> The actual number of people benefiting from the scheme was higher, as this number does not appear to include the family members of beneficiaries. The total spending for this programme amounted to €53.4 million in 2021 (i.e. on average €1,390 per case per year). This suggests that the level of benefits granted is often rather low (on average amounting to around €116 per month).

Unfortunately, no more detailed data are available from registry data on the household types of recipients of housing allowance in Vienna. In any case, the number of households with children who are AROP in Vienna in 2021, amounting to 53,911, substantially exceeded the number of households receiving housing allowance (see above). Besides households with children, another 133,000 households without children were AROP in Vienna according to EU-SILC 2021.<sup>84</sup>

Data on households entitled to housing allowance are also available from EU-SILC 2021. In total, in Austria 4.2% of all households without children, and 3.5% of all households with

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<sup>&</sup>lt;sup>79</sup> The current tables are published here: <a href="https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/wohnbeihilfe/tabellen.html">https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/wohnbeihilfe/tabellen.html</a>.

<sup>80</sup> For other – more complicated – examples see: <a href="https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-berechnungsbeispiele.pdf">https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-berechnungsbeispiele.pdf</a>.

 $<sup>{\</sup>tt 81 See:} \ \underline{\tt https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-vierpersoneneinkommen.pdf.}$ 

<sup>82</sup> See: <a href="https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-vierpersoneneinkommen.pdf">https://www.wien.gv.at/wohnen/wohnbaufoerderung/ahs-info/pdf/wbh-vierpersoneneinkommen.pdf</a>.

<sup>&</sup>lt;sup>83</sup> The number of recipients has fallen substantially since 2008, when close to 55,000 beneficiaries existed. The reduction is especially caused by tightened access criteria, in place since 2011.

<sup>84</sup> Statistik Austria; EU-SILC 2021; own calculations from microdata.

children, received a housing allowance. In cases of low household income (i.e. not exceeding the AROP threshold), the coverage rate was higher. It amounted to 14.8% of households AROP with no children, and to 13.9% of households AROP with children.<sup>85</sup>

For Vienna only, data from EU-SILC 2021 indicate that 37,800 households received a housing allowance. This is largely in line with the available information from registry data, presented above. Of these 37,800 households, 85% were households without children, and only 15% households with children. In total 4.5% of all households without children, and 2.7% of all households with children received a housing allowance in Vienna. In cases where the household income was below the AROP threshold, in Vienna the allowance was received by 13.8% of households without children, and 6.9% of households with children. This result suggests that the housing allowance of the federal province of Vienna does not especially well serve low-income households with children, but no more detailed assessments are available at the time of writing.

On average nationally, 9.6% of all households without children, and 4.3% of all households with children, were affected by housing cost overburden in Austria, according to EU-SILC 2021.<sup>87</sup> Concerning AROP households, the related rates were 42.9% for households without children, and 23.7% for households with children.

In Vienna, 14.8% of all households without children, and 5.6% of all households with children, were affected by housing cost overburden in 2021. In cases of an income below the AROP threshold, the rate of housing cost overburden amounted to 51.8% for households without children, and to 17.5% for households with children.

Taking a personal perspective instead of a household perspective, data from EU-SILC 2021 indicate that in Austria 4.7% of all people under 18 were affected by housing cost overburden (in absolute numbers around 76,500 people). In cases of household income not exceeding the AROP threshold, the rate of housing cost overburden increased to 22.4% (around 71,250 affected people). In Vienna, 5.8% of all people under 18 were affected by housing cost overburden (around 18,900 people), and around 17.6% (around 18,000 people) of those with a household income below the AROP threshold. This indicates that the situation is more favourable in Vienna than nationally, which – in all likelihood – has to do with the rather large social housing sector in Vienna (see Section 6.2.1).

# 6.2 Publicly funded measures supporting access to adequate housing – Social housing

## 6.2.1 Mapping the provision of social housing

The following section provides a short overview of the housing situation in Austria. When looking at dwellings of different types that serve as a main residence (*Hauptwohnsitz*) for one or more people, it becomes evident that Austria, in terms of the national average, exhibits a comparatively high share of rented dwellings, of which a comparatively large part is municipal housing and dwellings offered by LPHAs. In 2021, 36.9% of all dwellings that were main residences were owner-occupied houses, and 11% owner-occupied flats. 18.6% were private rental dwellings, 16.5% rented dwellings of the LPHA sector and 6.9% dwellings of municipal

<sup>85</sup> Statistik Austria; EU-SILC 2021; own calculations from microdata.

<sup>86</sup> Statistik Austria; EU-SILC 2021; own calculations from microdata.

<sup>87</sup> Housing cost overburden is defined as total housing costs (net of housing allowances) representing more than 40% of the disposable income (net of housing allowances). Data source: Statistik Austria; EU-SILC 2021; own calculations from microdata.

housing. Other arrangements accounted for the remaining 10.2%.<sup>88</sup> This means that limited-profit and municipal housing accounted for altogether about 23.5% of the total housing stock, and more than 55% of the rental sector, which are high numbers by international standards (see Housing Europe 2015).

However, it has to be taken into account that housing structures show very substantial variations between federal provinces, and between urban and rural areas. For example, in Vienna municipal housing provides 21.8% of the housing stock and LPHAs 21.2%, summing up to 43%. On the other end of the spectrum, in Vorarlberg only 1.8% of all dwellings in 2021 that were main residences were offered by municipal housing, and 11.2% by LPHAs.<sup>89</sup>

Access criteria to LPHA dwellings<sup>90</sup> vary according to the regulations that the federal provinces have put in place for the object-related housing subsidies,<sup>91</sup> which are used by the LPHAs to co-finance the construction of their buildings. For access to social housing offered by the municipalities, different specific regulations apply.

The following two paragraphs deal with the example of Vienna.

In order to get access to a rented dwelling offered by a LPHA, which was co-financed by object-related housing subsidies by the city of Vienna, or to a flat offered by municipal housing by the city of Vienna, currently the following thresholds of maximum yearly net household income may not be exceeded:<sup>92</sup>

- one-person household: €53,340;
- two-person household: €89,950;
- four-person household: €100,410;
- for every additional person in the household, plus €5,850.

Apart from this, to get access to a dwelling offered by an LPHA, applicants need to have an "urgent need for housing" (*dringendes Wohnbedürfnis*). However, this only means that the dwelling has to be used as a main residence. Furthermore, for dwellings offered by LPHAs, tenants have to pay a financing contribution (*Finanzierungsbeitrag*) (see below Section 6.2.2.1).

For housing offered by the Vienna municipality, different additional rules apply. To be eligible for municipal housing (i.e. to receive the "Vienna housing ticket with justified housing needs"; *Wiener Wohn-Ticket mit begründetem Wohnbedarf*), applicants – besides the maximum income threshold mentioned above – generally have to meet (at least) one of the following special criteria. 93

 Being a young person without their own dwelling: people under 30 who do not have their own apartment or house (rented or owned), and whose main residence has been with their parents for more than 10 years, can register for a "housing ticket for young

<sup>88</sup> For example, cost-free dwellings owned by relatives, service accommodation or sub-tenancies. Source: Statistik Austria, Mikrozensus, Tabellenband Wohnen 2021, <a href="https://www.statistik.at/fileadmin/pages/350/Tabellenband">https://www.statistik.at/fileadmin/pages/350/Tabellenband</a> 2021.ods.

<sup>89</sup> Source: Statistik Austria, Mikrozensus, Tabellenband Wohnen 2021, https://www.statistik.at/fileadmin/pages/351/Tabellenband\_2021.ods.

<sup>&</sup>lt;sup>90</sup> By the end of 2021, 185 different LPHAs existed in Austria, of which 98 had the legal form of an association (*Genossenschaft*), and 87 of a non-profit corporation (*gemeinnützige Kapitalgesekkschaft*) (GBV 2022, 2).

<sup>&</sup>lt;sup>91</sup> Object-related housing subsidies are subsidies granted by the federal provinces to co-finance the building costs of new housing facilities and renovation costs for existing facilities.

<sup>&</sup>lt;sup>92</sup> See: https://www.wien.gv.at/wohnen/wohnbaufoerderung/wohnungssuche/voraussetzungen-miete.html and https://wohnberatung-wien.at/footer/einkommenshoechstgrenzen.

<sup>&</sup>lt;sup>93</sup> See: <a href="https://wohnberatung-wien.at/footer/glossar">https://wohnberatung-wien.at/footer/glossar</a>.

Viennese". This allows them to receive two offers of a municipal dwelling with a maximum of two rooms.

- Being a couple with separate households: municipal housing is also available for couples who live at different addresses in Vienna and therefore hitherto have not had a common household, in cases where both partners living in one of the existing dwellings would cause overcrowding due to the size of the apartment. This covers married couples, registered partnerships and life partners.
- Being affected by overcrowding: municipal housing is also available in cases of overcrowding in the current dwelling. Overcrowding is defined as: two (eligible) people living in an apartment with one room, three or four people living in two rooms, five or six people living in a dwelling with three rooms, seven or more people living in a dwelling with four rooms, nine or more people living in a dwelling with five rooms, or if the current apartment is smaller than 15 square metres.
- Being a single parent without their own dwelling: single parents have access to municipal housing if they do not have a sole main tenancy and are not the owner of an apartment at the time of application.
- Being 65 or over: people aged 65 or over can get access to municipal housing if they
  live in a residential building without a lift or in a sub-standard apartment without
  bathroom and/or own toilet.

Applicants meeting one of these conditions are issued with a Vienna housing ticket and then have to wait until they are offered a dwelling. Waiting time depends on urgency, size of the dwelling and preferred area of Vienna, and – according to anecdotal evidence (more detailed assessments are not publicly available) – varies between some months and some years.

Even if the conditions above are not met, applicants may also get access to municipal housing for other social reasons (*soziale Wohnungsvergabe*). This especially holds in cases where people are homeless or at risk of homelessness. In this case, a panel of experts decides on access to municipal housing and applicants are only offered one dwelling, without any choice.

### 6.2.2 Main barriers to effective access to social housing

#### 6.2.2.1 Financial barriers

Special financial barriers exist regarding access to dwellings offered by LPHAs, but usually not concerning municipal housing.

For dwellings offered by LPHAs, applicants usually have to pay a financing contribution. For new buildings, this usually consists of a contribution towards the price of the plot on which the building was built (*Grundbetrag*), plus a contribution to the building costs (*Baukostenbeitrag*) (in Vienna currently 12.5% of the building costs). As a result, in order to get access to a new LPHA dwelling, applicants usually have to be able to pay a financial contribution of about €15,000-30,000<sup>94</sup> (or even more, depending on the size of the dwelling), which obviously is a problem for low-income families. In Vienna, credit financing is made available for such cases by the city of Vienna, but the financing contribution is still likely to constitute a financial barrier for low-income households to access dwellings offered by LPHAs (see for example Vollmer/Kadi 2018).

<sup>94</sup> See:

https://noe.arbeiterkammer.at/beratung/konsumentenschutz/wohnen/miete/Finanzierungsbeitrag Genossenschaftswohnung.html.

Overall, municipal housing (and to a somewhat lesser degree also housing by LPHAs) has a price-dampening effect. For example, the average monthly price for a rented dwelling per square metre was €4.60 for municipal housing in Vienna in 2020, whereas it was €5.80 for LPHAs, and €7.90 for "other rented dwellings" of the for-profit market.<sup>95</sup> Thus, the difference between municipal housing and other rented dwellings amounted to no less than 72%.

#### 6.2.2.2 Non-financial barriers

As already mentioned above, the availability of municipal housing and housing offered by LPHAs varies to a very considerable degree between regions and federal provinces (see Statistik Austria 2022c). Another non-financial barrier is availability (i.e. demand often exceeding supply). For example, although Vienna has a very large stock of municipal housing, the waiting time to receive a firm offer of a dwelling – depending on preferred area and size – usually amounts to a minimum of between one and two years (for a further analysis, see for example Reinprecht 2021).

# 6.3 Publicly funded measures supporting access to adequate housing – Other measures

Beside housing allowances and social housing, there are no other important measures that support access to adequate housing for low-income households with children.

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<sup>&</sup>lt;sup>95</sup> Assessment by the Momentum Institute using data of Statistik Austria; <a href="https://www.momentum-institut.at/news/teures-wohnen-es-droht-eine-mietpreis-spirale">https://www.momentum-institut.at/news/teures-wohnen-es-droht-eine-mietpreis-spirale</a>.

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