WRITTEN QUESTION P-3835/05 by Johannes Voggenhuber (Verts/ALE) to the Commission

Subject: Review by Eurostat of the methods used by Statistik Austria for calculating government deficit and government debt (the 'Maastricht indicators')

According to the web site of Statistik Austria (the Austrian Statistics Office), (http://www.statistik.gv.at/fachbereich 02/maastricht txt.shtml), Eurostat reviewed the methods used by Statistik Austria to calculate government deficit and government debt on the basis of the Maastricht Treaty, partly in the light of the classification of public hospitals since the 1997 hospital reform (conversion to performance-related hospital funding) as being outside the public sector. The web site also shows that, by letter dated 23 February 2005, Eurostat totally approved the substance of the Austrian methods of calculation with regard to public hospitals. But the web site does not show the exact subject of the Eurostat review with regard to public hospitals. The question which remains glaringly unanswered is whether the funding system amended in the individual Länder after 2001 to cover redundancy payments to staff leaving Land hospitals was reviewed. With effect from the 2001-2004 compensatory financing period, changes were made in the way that hospitals were funded. Until 2001, regular subsidies were paid to the hospitals from Land budgets to fund redundancy payments to staff leaving Land hospitals, but, thereafter, some Länder changed the funding system to the granting of a loan so that they might more easily amass the requisite stability contributions to the Austrian Stability Pact and, hence, to the Stability and Growth Pact. Henceforth, as a result of this change in funding arrangements, the requisite resources have to be made available through the Land budgets in order to repay the Land loans, including outstanding capitalised interest, which run until 2004. This change in funding arrangements may be classified as 'creative accounting', which hardly complies with the EU standards laid down in ESA 1995.

- 1. What exactly did Eurostat review with regard to public hospitals in Austria? Did it review the partly changed funding arrangements in Land budgets for the funding of redundancy payments to staff leaving Land hospitals after 2001? What are the actual verbatim findings of the review as set out in the letter dated 23 February 2005 which Eurostat sent in connection with the review of the public hospitals?
- 2. What documents did Statistik Austria forward to Eurostat in this connection? Did they include Decision No 1224 of the Styria Land Government?
- 3. In the light of Decision No 1224, is the entry in the accounts planned by Statistik Austria of the loans granted to the Land hospitals to cover redundancy payments as a financial transaction compatible with the provisions of ESA 1995 relating to the calculation of government deficit? If so, how so?

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