

At a Glance:  
**Annual Report 2006**  
Public Employment Service Austria (AMS)

**More Power in the Labour Market**





2006 was a busy, interesting and very successful year for the AMS and its employees. More than 308,000 people were able to enhance their skills with our help, roughly 572,000 individuals found a new job through us. 370,000 job openings and apprenticeships were notified to the AMS, and almost 320,000 of them were able to be filled.

The Austrian labour market registered the long-awaited trend reversal in April 2006. Since then unemployment has significantly dropped on the previous year, across all employment groups and across all Austrian regions. This development is due to good economic growth and to the AMS's more active policy efforts, which also resulted in a marked reduction of average unemployment duration.

This is why it is interesting not only to look back on how the AMS fared last year but also to provide an outlook on future developments:

Benefiting from a favourable economic climate, combined with adequate resource provision and responsible use of the employment service, its funds, employees and partners, we should be in a position to perform our current and new tasks and meet the government's objective of reaching full employment in Austria by 2010.

Dr. Herbert Buchinger  
Chairman

Dr. Johannes Kopf, LL.M.  
Director

## LABOUR MARKET SITUATION

Annual average and annual total	2006 total	of which women	+/- over 2005 total
Employees	3,280,878	1,515,668	50,591
Unemployed	239,174	103,396	-13,481
Unemployment rate (national)	6.8 %	6.4 %	-0.5 %
Unemployment rate (Eurostat)	4.8 %	5.2 %	-0.4 %

### AMS targets set for 2006 - targets attained

Targets set for 2006	Target value	Actual value	Target attained
Enhance labour market involvement (filled vacancies only refer to fully insurable employment; primary sector not included)	min. 290,873	309,650	+
Canvass for vacancies from new or inactive corporate clients	min. 54,944	58,346	+
Keep youth unemployment short (should not be out of work for more than 6 months)	max. 8,857	6,028	+
Keep older workers' unemployment short (should not be out of work for more than 6 months)	max. 14,843	12,590	+
Prevent long-term unemployment (unemployed for > 12 months)	max. 2.5 %	1.2 %	+
Provide work to the long-term unemployed	min. 47,045	56,871	+
Improve labour market position (provide training to low-skilled workers of prime working age)	min. 72,679	87,459	+
Improve job prospects for young and older people through training measures	min. 96,416	108,652	+
Facilitate reintegration (job take-up by returners)	min. 25,424	24,384	-
Facilitate reintegration (training of returners)	min. 14,566	20,801	+

## Austria's labour market in international comparison

Eurostat, the Statistical Office of the European Union, recorded an unemployment rate of 4.8% for Austria in 2006, while the unemployment rate of the EU-27 was 7.9%. Austria still fares quite well compared with other economies. It ranks sixth within the European Union after Denmark (3.9%) and the Netherlands (3.9%), Ireland (4.4%), Luxembourg (4.7%) and Cyprus (4.7%).

### 2006 unemployment rates (according to EU criteria)

	Total		Men		Women	
	2006	2005	2006	2005	2006	2005
EU-27	7.9	8.7	7.2	7.9	8.8	9.7
EU-25	7.9	8.7	7.1	7.9	9.0	9.8
EU-15	7.4	7.9	6.5	7.0	8.4	8.9
Eurozone - 13	7.9	8.6	6.7	7.4	9.3	10.0
Denmark	3.9	4.8	3.3	4.4	4.5	5.3
Netherlands	3.9	4.7	3.5	4.4	4.4	5.1
Ireland	4.4	4.3	4.6	4.6	4.1	4.0
Cyprus	4.7	5.2	4.1	4.3	5.5	6.5
Luxembourg	4.7	4.5	3.5	3.5	6.2	5.8
<b>Austria</b>	<b>4.8</b>	<b>5.2</b>	<b>4.4</b>	<b>4.9</b>	<b>5.2</b>	<b>5.5</b>
UK	5.3	4.8	5.7	5.1	4.9	4.3
Lithuania	5.6	8.3	5.8	8.2	5.4	8.3
Estonia	5.9	7.9	6.2	8.8	5.6	7.1
Slovenia	6.0	6.5	4.9	6.1	7.2	7.0
Italy	6.8	7.7	5.4	6.2	8.8	10.1
Latvia	6.8	8.9	7.4	9.1	6.2	8.7
Sweden	7.0	7.4	6.9	7.4	7.1	7.3
Czech Republic	7.1	7.9	5.8	6.5	8.8	9.8
Malta	7.4	7.3	6.5	6.5	9.2	9.0
Romania	7.4	7.2	8.3	7.8	6.3	6.4
Hungary	7.5	7.2	7.2	7.0	7.8	7.4
Portugal	7.7	7.6	6.5	6.7	9.0	8.7
Finland	7.7	8.4	7.4	8.2	8.1	8.6
Belgium	8.3	8.4	7.5	7.6	9.2	9.5
Germany	8.4	9.5	7.7	8.8	9.1	10.3
Spain	8.6	9.2	6.4	7.0	11.6	12.2
Greece	8.9	9.8	5.6	6.1	13.6	15.3
Bulgaria	9.0	10.1	8.6	10.3	9.3	9.8
France	9.4	9.7	8.6	8.8	10.4	10.7
Slovak Republic	13.4	16.3	12.3	15.5	14.7	17.2
Poland	13.8	17.7	13.0	16.6	14.9	19.1
Japan	4.1	4.4	4.3	4.6	3.9	4.2
United States	4.6	5.1	4.6	5.1	4.6	5.1

Source: Eurostat (according to labour force scheme as of 19.2.2007)

## JOB PLACEMENT

Placement indicators	2006	2005
Vacancies filled	287,492	268,429
Inflow of notified vacancies	335,608	298,279
Percentage of vacancies filled within one month	64.3 %	67 %
Number of job take-ups by unemployed individuals (total)	508,648	490,800
Number of job take-ups by older people (45+)	121,292	104,366

### Canvassing for jobs

The job canvassing campaign called “AMS on Tour” was carried out from March to June 2006. AMS counsellors used rented Smart cars adorned with the AMS logo to visit employers, ask for new vacancy notifications, step up job broking and encourage the upskilling of job seekers and employees. This active outreach effort had been anticipated by mailings sent by counsellors to selected employers and was accompanied by media and publicity work.

**The labour market is on the move.  
So are we.**



**Don't lose a moment! Your Employment Service**

AMS on Tour and other job canvassing efforts in the 2006 business year were key factors in increasing the number of vacancies notified to the AMS by 37,329 on 2005 figures to a total of 335,608. If we add the number of apprenticeship positions notified to the employment service, we arrive at a total of newly notified job openings of 370,267.

## LABOUR MARKET PROGRAMMES

	2006	2005
Programme spending ( m)	846,98	629,94
Number of new beneficiaries	308,530	294,17

Around 308,500 individuals were newly enrolled in the AMS's various labour market programmes. This resulted in roughly 968,500 cases being processed by the employment service, as one person might have been granted several types of assistance. The number of newly enrolled individuals rose by around 14,500 (up 4.9 %) on the previous year. The number of newly enrolled unemployed jumped 19.9 %, while that of employed individuals dropped by 64.1 % as a result of completion of the ESF-funded in-work training for employees.

### Training measures

Within the entire range of labour market programmes, skills training is still the most important strategy for solving labour market problems. In 2006, a total of 567.04m (2005: € 395.25m) were spent on training the skills of unemployed and employed individuals, i.e. around 67 % of all programme spending (versus 63 % in 2005).

### Employment measures

Include company integration subsidies, subsidies to short hours and job schemes, which accounted for €211.45m in 2006 (2005: €173.4m), or 25 % of budgeted programme expenses (2005: 27.8 %). If referenced to all new programme participants, roughly 15 % (also) received some form of employment subsidy.

### Support measures

In addition to the regular services provided by the AMS, regional AMS offices also provide employment-related guidance, such as debt counselling, to individuals with special needs before and around their actual placement in a job. Other support measures include the business start-up programme, the start-up subsidy and measures to foster reconciliation of work and family life (child-care subsidy, etc.). A major supplement to the AMS's service delivery is the ESF-driven programme of assisting employers in upskilling their workforce.

A total of €68.56m (2005: €59.3m) was spent on support measures in 2006, i.e. 8 % of all programme spending. Some 69,000 individuals were in receipt of such support.

### Spending in 2006/2005 by types of measures (€m)

Spending	2006	2005	Percentage in total	Percentage change over previous year
Employment	211.45	175.38	24.97	20.57 %
Training	566.96	395.25	66.94	43.44 %
Support	68.56	59.30	8.09	15.48 %
<b>Total</b>	<b>846.98</b>	<b>629.93</b>	<b>100.00</b>	<b>34.45 %</b>

## The government's skills training programme called *Unternehmen Arbeitsplatz*

The Austrian parliament adopted the Employment Promotion Act (BeFG) in autumn 2005 intended to contribute towards "reaching full employment under the employment policy strategy of the federal government". For this purpose a skills training initiative has been launched for 61,500 people to help job seekers enter or re-enter the labour market.

Key components of this skills training and upskilling initiative include a wider range of training options in healthcare and nursing, support for vocational training of young people, as well as policies to provide a second chance to complete compulsory schooling. To facilitate transition to work for the long-term unemployed a wage top-up scheme (*Kombilohnmodell*) was introduced for one year in 2006 for young people and those aged 45+.

### Newly subsidised individuals under the priority areas of the government programme

Priority areas	2006	2005	additionally subsidised	of which women
<b>SP1 healthcare occupations</b>	<b>5,698</b>	<b>3,736</b>	<b>1,962</b>	<b>1,587</b>
<b>SP2 women</b>	<b>67,619</b>	<b>48,56</b>	<b>19,059</b>	<b>19,059</b>
<b>SP21 women returners</b>	<b>6,959</b>	<b>2,333</b>	<b>4,626</b>	<b>4,626</b>
SP211 integration subsidy	4,066	1,716	2,350	2,350
SP212 SÖB*/GBP**	2,893	617	2,276	2,276
<b>SP22 skills training</b>	<b>60,660</b>	<b>46,227</b>	<b>14,433</b>	<b>14,433</b>
SP221 training courses	59,635	45,861	13,774	13,774
SP222 apprenticeship courses	1,025	366	659	659
<b>SP3 young people</b>	<b>86,339</b>	<b>51,542</b>	<b>34,797</b>	<b>16,016</b>
<b>SP31 add. apprentices (Blum)</b>	<b>21,779</b>	<b>0***</b>	<b>21,779</b>	<b>9,229</b>
<b>SP32 complete compulsory school</b>	<b>1,538</b>	<b>152</b>	<b>1,386</b>	<b>590</b>
<b>SP33 J4Y</b>	<b>63,022</b>	<b>51,39</b>	<b>11,632</b>	<b>6,197</b>
SP331 training	54,319	45,489	8,830	4,562
SP332 employment	8,703	5,901	2,802	1,635
<b>SP4 men</b>	<b>50,496</b>	<b>38,823</b>	<b>11,673</b>	
<b>SP41 core working age</b>	<b>28,631</b>	<b>22,094</b>	<b>6,537</b>	
SP411 training	21,777	17,591	4,186	
SP412 employment	6,854	4,503	2,351	
<b>SP42 older workers</b>	<b>21,865</b>	<b>16,729</b>	<b>5,136</b>	
SP421 training	15,143	11,118	4,025	
SP422 employment	6,722	5,611	1,111	
<b>SP5 wage top-up</b>	<b>356</b>	<b>0</b>	<b>356</b>	<b>252</b>
<b>Sum total of government programme</b>	<b>210,508</b>	<b>142,661</b>	<b>67,847</b>	<b>36,914</b>

\* socio-economic enterprises

\*\* community employment schemes

\*\*\* For monitoring the *Unternehmen Arbeitsplatz* programme additional apprenticeships have been set to zero.

## PROVIDING INCOME SUPPORT

### Processed applications for benefits (granted/rejected)

	2006			2005		
	total	women	men	total	women	men
Unemployment benefits	666,171	275,069	391,102	674,723	269,763	404,960
Unemployment assistance	236,889	104,157	132,732	239,532	105,130	134,402
Transition benefits	7,122	4,763	2,359	7,973	5,399	2,574
Further training benefits:						
for paid educational leave	1,939	1,107	832	3,518	2,253	1,265
for unpaid leave scheme	69	48	21	99	70	29
Old-age part time scheme	5,459	2,327	3,132	7,054	2,512	4,542
Others*	48,274	19,710	28,564	51,942	20,899	31,043
<b>TOTAL</b>	<b>965,923</b>	<b>407,181</b>	<b>558,748</b>	<b>984,841</b>	<b>406,026</b>	<b>578,815</b>

\* e.g.: family hospice leave, labour foundations (training courses).

### Average number of recipients

	2006			2005		
	total	women	men	total	women	men
Unemployment benefits	120,969	49,705	71,264	129,402	52,839	76,563
Unemployment assistance	91,908	37,404	54,504	96,512	39,430	57,082
§ 34 – pension insurance	2,795	2,519	276	2,311	2,082	229
Transition benefits	6,880	5,341	1,539	5,169	3,976	1,193
Further training benefits:						
for paid educational leave	1,019	639	380	1,317	900	417
for unpaid leave scheme	43	32	11	41	31	10
Old-age part-time scheme	31,117	14,333	16,784	34,904	16,453	18,451
Pension benefit advance	20,052	7,264	12,788	21,502	7,845	13,657
Continued payment of unemployment benefits for duration of programme/training	14,353	7,984	6,369	11,602	6,064	5,538
Continued payment of unemployment assistance for duration of programme/training	16,665	8,066	8,599	14,206	6,598	7,608
Others*	5,333	2,599	2,734	5,335	2,472	2,863
<b>TOTAL</b>	<b>311,134</b>	<b>135,886</b>	<b>175,248</b>	<b>322,301</b>	<b>138,690</b>	<b>183,611</b>

\* e.g.: family hospice leave, labour foundations (training courses).

## Benefits paid (€m)

	2006	2005
Unemployment benefits (including bridge benefits)	1,273.53	1,286.91
Unemployment assistance	815.09	817.78
Transition benefits	71.97	51.29
Further training benefits	6.56	8.39
Old-age part-time scheme	455.85	502.44
Other benefits*	29.60	16.15
<b>Net payment total</b>	<b>2,652.60</b>	<b>2,682.97</b>
Pension insurance contributions**	774.44	707.88
Health insurance contributions** (including compensation for days of sick leave)	295.53	271.40
Work accident insurance contributions	4.54	4.46
<b>Social insurance total</b>	<b>1,074.51</b>	<b>983.74</b>
<b>Total expenditure</b> (net payment and social insurance contributions)	<b>3,727.11</b>	<b>3,666.71</b>

\*advance on pensions and special support including benefits paid by the social insurance fund for miners (administrative expenses not included).

\*\* These are payments on account. Actual expenditure will be included in 2007 accounting calculation only.

## AMS ON THE INTERNET

With an average of 29 million page views per month (including AMS vocational information and job compass system), the number of visitors accessing the AMS service sites continued to rise on the previous year (2005: roughly 25m), making the AMS website (www.ams.at) one of Austria's most popular Internet addresses.

Internet access to:	January to December 2006 number of page views	January to December 2005 number of page views
AMS website/ info sites	101,446,292	99,125,660
eJob-Room (job exchange)	211,347,565	209,261,191
<b>Total</b>	<b>351,875,757*</b>	<b>308,386,852</b>

\*2006 including vocational information and job compass system

## AMS ORGANISATIONAL SET-UP (as of 12/2006)

The AMS is a three-tiered organisation comprising federal, provincial and regional levels: the federal office, the provincial and regional offices. Moreover, there are four branch offices and 61 careers information centres (BIZ). The social partners' involvement in AMS activities extends across all three levels. Serving on the Administrative Board, Provincial Directorates and Regional Advisory Boards, the social partners play a major role in labour market policy design (employment programmes of the provinces) and in supervising the organisation.

### Administrative Board\*

**Chairman:** Prof. Dr. Günther Steinbach,  
Federal Ministry of Economics and Labour

**Deputies:** Rudolf Kaske, Trade Union  
Dr. Wolfgang Tritremmel, Federation of Austrian Industry

### Members

#### Government representatives:

Prof. Dr. Günther Steinbach as from 7/06  
Federal Ministry of Economics and Labour  
Dr. Johannes Kopf, LL.M. to 6/06  
Federal Ministry of Economics and Labour  
Dr. Christian Steyrer from 7/06  
Federal Ministry of Economics and Labour  
Mag. Richard Gauss  
Federal Ministry of Finance

#### Employees representatives:

Mag. Bernhard Achitz  
Austrian Trade Union Federation  
Rudolf Kaske  
Trade Union  
Josef Wallner  
Federal Chamber of Labour

#### Employers' representatives:

Dr. Wolfgang Tritremmel  
Federation of Austrian Industry  
Mag. Maria Kaun to 3/06  
Austrian Economic Chamber  
Dr. Martin Gleitsmann from 4/06 to 6/06  
Austrian Economic Chamber  
Dr. Josef Singer  
Austrian Economic Chamber

#### Representatives of the AMS Central Works Council:

Heinz Rammel, Federal Office,  
Chairman of the Central Works Council

#### Co-opted members:

Gabriele Kreutzer, Provincial Office Vienna  
Member of the Central Works Council  
Silvia Krill, Provincial Office Lower Austria

### Board of Directors\*

**Chairman:** Dr. Herbert Buchinger

**Director :** Mag. Herbert Böhm to 30.6.2006, Dr. Johannes Kopf, LL.M. from 1.7.2006

## MISSION STATEMENT

### We connect people and jobs

The AMS is the leading client-oriented employment service provider in Austria. We connect job seekers and employers, and ensure that unemployment does not last longer than necessary under any given labour market conditions. Our work helps maintain social stability.

### Service for job seekers and employers

We place workers in job openings and support job seekers' and employers' own initiatives through counselling, information, skills training and financial assistance. During periods of unemployment we provide income support to ensure peoples' livelihood. For business and industry we are one of the key partners in seeking and selecting suitable employees.

### Equal opportunities

Equal opportunities are of special concern to us. We support disadvantaged individuals and are specially committed to advancing the equality of women.

### Our clientele

The Austrian employment service is consistently fine-tuning service delivery to the needs of its clients – they are the ones who decide our success or failure. Meeting with our clients involves expertise, empathy, clear communication, restoring self-reliance and concluding mutually binding partnership agreements. We will also try to strike a balance between our clients' differing interests.

### Case workers

Our clients expect us to act professionally. This is why we foster our employees' capabilities through training, advanced training and staff development.

### Quality

We make responsible and effective use of our resources. Our nationwide and regional service delivery – in combination with our high-capacity information network ensures client responsiveness and rapid information. We operate in a dynamic environment and provide a developmental impetus. We ensure high-quality services which are constantly being upgraded and are experts in all labour market and employment-related issues.

#### Editorial:

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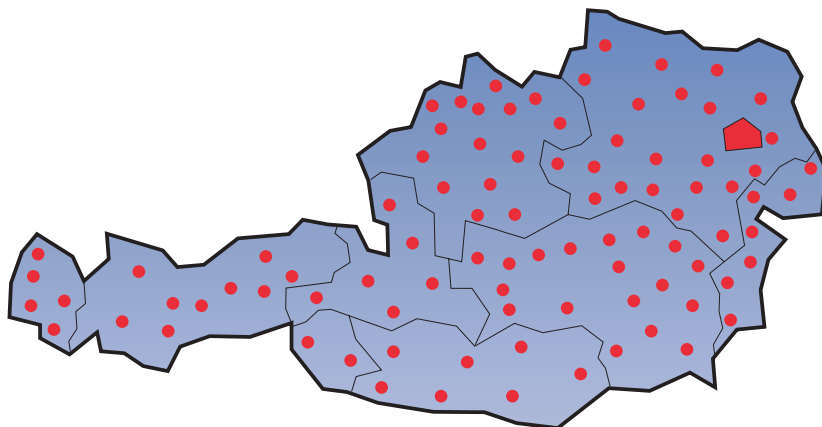
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## PUBLIC EMPLOYMENT SERVICE (AMS)

4,820 employees work in 103 AMS offices and 61 AMS-operated careers information centres (BIZ).



AMS Burgenland  
Permayrstraße 10  
7000 Eisenstadt  
[ams.burgenland@ams.at](mailto:ams.burgenland@ams.at)

AMS Carinthia  
Rudolfsbahngürtel 42  
9021 Klagenfurt  
[ams.kaernten@ams.at](mailto:ams.kaernten@ams.at)

AMS Lower Austria  
Hohenstaufengasse 2  
1013 Vienna  
[ams.niederoesterreich@ams.at](mailto:ams.niederoesterreich@ams.at)

AMS Upper Austria  
Europaplatz 9  
4021 Linz  
[ams.oberoesterreich@ams.at](mailto:ams.oberoesterreich@ams.at)

AMS Salzburg  
Auerspergstraße 67a  
5020 Salzburg  
[ams.salzburg@ams.at](mailto:ams.salzburg@ams.at)

AMS Styria  
Babenbergerstraße 33  
8020 Graz  
[ams.steiermark@ams.at](mailto:ams.steiermark@ams.at)

AMS Tyrol  
Andreas-Hofer-Straße 44  
6020 Innsbruck  
[ams.tirol@ams.at](mailto:ams.tirol@ams.at)

AMS Vorarlberg  
Rheinstraße 33  
6901 Bregenz  
[ams.vorarlberg@ams.at](mailto:ams.vorarlberg@ams.at)

AMS Vienna  
Landstraßer Hauptstraße 55–57  
1030 Vienna  
[ams.wien@ams.at](mailto:ams.wien@ams.at)