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**University reform in Austria:  
implementation of the Universities Act 2002 under way**

Since 1990 successive Austrian governments have taken steps to transform the state controlled universities into independent institutions in order to “improve their academic performance and economic efficiency“. The laws passed represent compromises along the way towards this goal. The Universities Act 2002 which recently entered into force continues this evolutionary process. It creates a framework that will enable the Austrian universities to remain or become attractive and competitive in European and international terms.

The universities are to be public institutions with their own legal personalities. The new Act is now being implemented. As of 1 January 2004 every university will be an employer, and all new staff entering their service will be university employees. A new federation of independent universities will make salary agreements with the unions. In their capacity as employers, the universities will also be able to make individual employment contracts with staff. Legal provision has been made for the possibility, but not the certainty of a “tenure track“. Limited term employment contracts may not be for more than six years. Extensions, which are at the discretion of university managements, must ultimately be accorded, but can be terminated.

The Labour Relations Act applies to the universities in the same way as it does to business establishments. The interests of staff members will be represented by works councils. Under the new Act civil servants at work in the universities will retain all their existing rights, and federal contract staff there will become permanent salaried employees.

The State continues to have an obligation to fund the universities. The minister in charge of higher education will conclude three-year performance agreements with all the universities. The draft agreements, on which negotiations with the Government will be based, will come from the universities. Some 20% of the budgets will be indicator based. The Federal Government will not make use of its legal right to set budgets unilaterally.

The universities will be free to determine their internal organisation (faculties, departments, institutes, etc.). The Act prescribes the form to be taken by management: rectorates (a rector and vice-rectors responsible for given areas) will run the universities. The rector will be the employing officer. The university council will perform strategic functions. It will have five, seven or nine members, of whom equal numbers will be appointed by the senate and the Federal Government. These members will elect a further member. The senate will be responsible for academic matters such as curricula, shortlists for appointments (the committee which appoints the rector), and habilitation — which will no longer have automatic consequences in terms of employment rights or academic careers. The senate may have up to 24 members. The professors will hold a majority on it, and the students will have 25% of the votes in matters concerning studies, and at least one vote when the senate resolves on other matters.

Academic freedom continues to be guaranteed by law. It will not be possible to compel anyone to perform work that conflicts with his/her conscience. Irrespective of age or status, all academics will have a right to conduct independent research, and to perform government funded or contract research. The university will have the rights to the commercial exploitation of inventions, but will be obliged to offer them to the inventors.

The arrangements for study law will promote progress towards the objectives mapped out by the Bologna Declaration. The new Act will favour the changeover from the present diploma programmes to the two-cycle system. It prescribes ECTS. In addition, it will be possible to establish PhD programmes in place of the traditional doctoral programmes. The university fees introduced in 2001 are in a statutory amount of EUR 363 per semester.

The universities are obliged to introduce accounting systems tailored to their needs, which will replace traditional fiscal accounting methods and will be inspired by commercial accounting. They will be required to submit opening balance sheets, and thereafter annual financial statements, performance reports and intellectual capital reports to the Minister. The Minister will have a duty to report to Parliament.

Global university budgets will be set by law for the initial three-year changeover period, and the first performance agreements will come into force in the fourth year.

The text of the Act (in German and English) is posted at:  
<http://www.bmbwk.gv.at> and <http://weltklasse-uni.at>

FAQs on the Universities Act 2002 (German only) are at:  
<http://www.unigesetz.at>

## Universities Act 2002

