

Budget 2025-2026

Ministry of Finance
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Budget 2025-2029 at a glance

Start of budget consolidation in a difficult environment

Federal budget, cash statement In bn. €	Outcome	→	Budget d.	→	Budget d.	MTEF		
	2024	Δ 24/25	2025	Δ 25/26	2026	2027	2028	2029
Cash outflows	120.7	+2.5	123.2	+2.6	125.9	126.4	127.8	130.5
Cash inflows	101.6	+3.5	105.1	+2.5	107.6	110.6	112.9	115.4
Net financial balance	-19.1	+1.0	-18.1	-0.1	-18.3	-15.8	-14.9	-15.1

General government acc. to ESA 2010 In % of GDP	STAT	→	Forecast - May 2025					
	2024	Δ 24/25	2025	Δ 25/26	2026	2027	2028	2029
Maastricht balance	-4.7	+0.2	-4.5	+0.4	-4.2	-3.5	-3.0	-2.8
Maastricht public debt ratio	81.8	+2.9	84.7	+1.5	86.2	86.9	87.0	86.9

Economic conditions Change in %	STAT	→	Forecast - March 2025					
	2024	Δ 24/25	2025	Δ 25/26	2026	2027	2028	2029
Real GDP growth	-1.2	+0.9	-0.3	+1.5	+1.2	+1.3	+1.2	+1.1
Consumer prices	+2.9	-0.2	+2.7	-0.6	+2.1	+2.0	+2.0	+2.0

Source: MoF, Statistics Austria, WIFO economic forecast March 2025

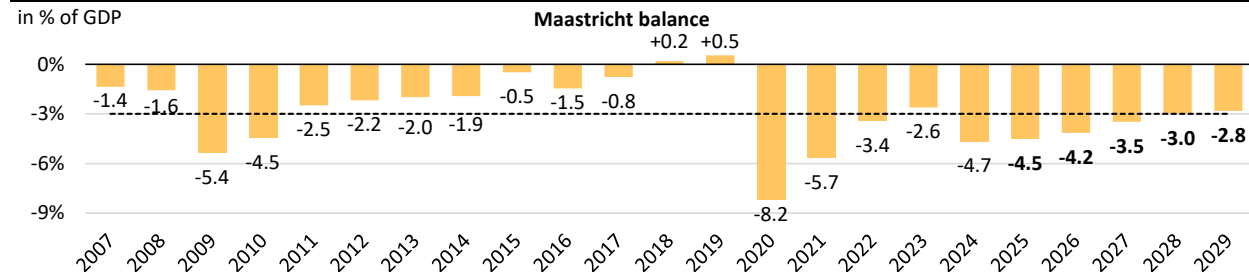
General government acc. to ESA 2010 In mn. €	2025	2026	2027	2028	2029
Consolidation	6,997.2	10,297.7	12,979.6	14,885.7	16,475.3
Proactive measures	612.5	1,561.9	1,795.3	1,811.4	1,826.3
Net consolidation	6,384.7	8,735.8	11,184.3	13,074.3	14,649.0

- At the general government level, € 6.4 bn. will be consolidated in 2025 and € 8.7 bn. in 2026.
- In 2028, the Maastricht deficit will be reduced to just under 3.0% of GDP. The debt ratio will be stabilised in the medium term.
- The return to fiscal policy stability is taking place with caution and by considering the economic development and the situation on the labour market.
- It is expected that the European Commission will recommend the opening of an excessive deficit procedure in July 2025.

Main indicators general government (1/2)

Budget consolidation measures bring back Maastricht balance to -3.0% of GDP in 2028 and stabilise the debt ratio

General government, ESA 2010 % of GDP	Statistics Austria						MoF forecast as of May 2025				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Expenditure	49.1	57.3	56.0	53.1	52.7	56.3	56.8	56.6	55.8	55.3	55.0
Interest	1.4	1.4	1.1	1.0	1.2	1.5	1.7	1.9	2.0	2.2	2.4
Revenue	49.6	49.1	50.3	49.7	50.1	51.6	52.2	52.4	52.4	52.3	52.2
Taxes (Indicator 4 acc. to EC)	43.5	42.9	44.0	43.5	43.5	44.9	45.7	45.9	45.9	45.8	45.7
Maastricht balance, general government	0.5	-8.2	-5.7	-3.4	-2.6	-4.7	-4.5	-4.2	-3.5	-3.0	-2.8
Central government	0.4	-7.4	-5.2	-3.9	-1.9	-3.5	-3.5	-3.5	-3.2	-2.8	-2.7
States and municipalities	0.1	-0.8	-0.5	0.6	-0.6	-1.0	-1.0	-0.7	-0.4	-0.3	-0.2
Social security system	0.0	0.0	0.0	-0.1	-0.1	-0.2	0.0	0.0	0.0	0.1	0.1
Primary balance, general government	2.0	-6.9	-4.6	-2.5	-1.4	-3.2	-2.8	-2.3	-1.4	-0.8	-0.4
Public debt, general government	71.0	83.2	82.4	78.4	78.5	81.8	84.7	86.2	86.9	87.0	86.9
Real GDP growth (Y-o-Y in %)	1.8	-6.3	4.8	5.3	-1.0	-1.2	-0.3	1.2	1.3	1.2	1.1



Source: Statistics Austria until 2024, MoF starting 2025; GDP: 2019-2024 STAT; 2025-2029 WIFO forecast of March 2025

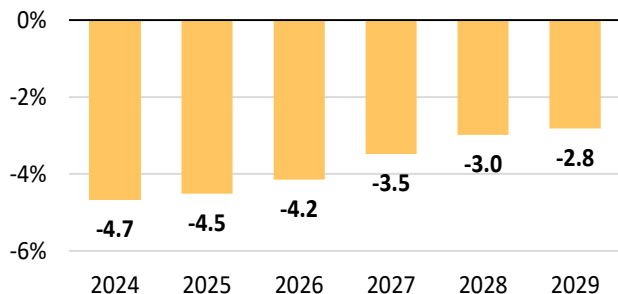
- The **Maastricht balance** will improve from -4.7% of GDP in 2024 to -4.5% of GDP in 2025 and -4.2% of GDP in 2026. The deficit will be reduced to just under 3.0% of GDP by 2028 and will stand at -2.8% of GDP in 2029.
- The **primary balance** improves steadily, starting from -3.2% of GDP in 2024 to -0.4% of GDP in 2029.
- Rising **interest expenses** have a significant impact on budget path.
- The consolidation measures are sufficient to stabilize the increase in the **debt ratio**. A debt ratio of 84.7% of GDP is forecast for 2025 and 86.2% in 2026. By 2028, there will only be a slight increase to 87.0%. The debt ratio will then fall again for the first time in 2029.

Main indicators general government (2/2)

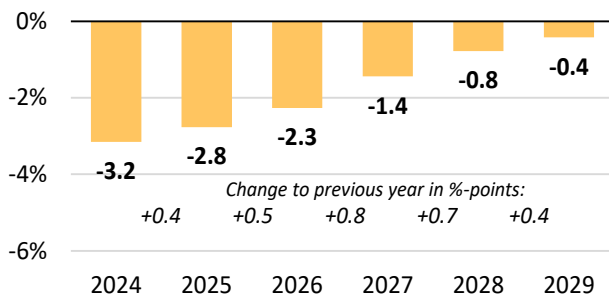
Consolidation is significantly counteracted by rising interest expenses

in % of GDP

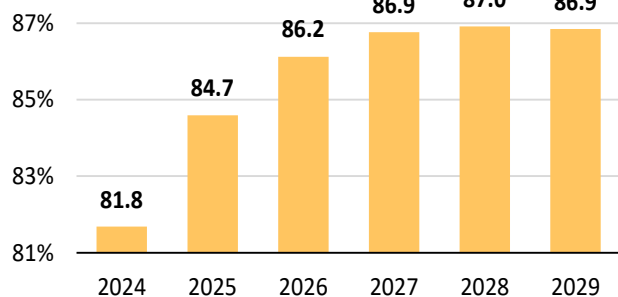
Maastricht balance



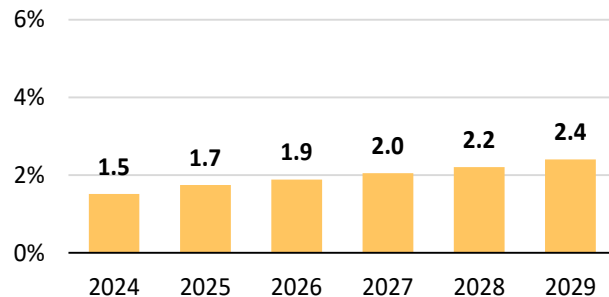
Primary balance



Public debt ratio



Interest expenses



- While the Maastricht deficit will decrease only by 1.8 percentage points of GDP from 2024 to 2029, the primary balance will fall by 2.7 percentage points of GDP.
- Interest expenses increase from 2024 to 2029 by almost 1 percentage point of GDP.
- This means that the increase in the debt ratio can only be slowed down and will only fall slightly in 2029.

Overview consolidation and proactive measures

At the general government level, € 6.4 bn. will be consolidated in 2025 and € 8.7 bn. in 2026

In mn. €, balance effect	2025	2026	2027	2028	2029
Consolidation (balance effect)	6,997.2	10,297.7	12,979.6	14,885.7	16,475.3
Tax measures	1,043.5	2,203.8	2,290.8	2,722.8	3,170.8
Savings in ministries	1,109.4	1,303.3	1,503.4	1,807.0	2,006.1
Abolition of climate bonus	1,964.5	1,973.6	1,983.5	1,983.5	1,983.5
Reduction of subsidies	1,299.0	1,283.7	1,870.4	1,934.1	2,147.3
Labour market, employment of older people and pensions	240.0	1,393.2	1,900.7	2,338.0	2,694.3
Contribution state-affiliated companies	584.2	725.3	775.7	699.4	744.7
Further measures	63.0	299.2	901.9	1,418.3	1,517.5
Other sectors	693.6	1,115.5	1,753.2	1,982.7	2,211.0
Proactive measures	612.5	1,561.9	1,795.3	1,811.4	1,826.3
Economy & labour	476.5	976.5	1,206.5	1,206.5	1,206.5
Health & social affairs	16.0	235.4	253.8	269.9	284.8
Education & integration	120.0	350.0	335.0	335.0	335.0
Net-consolidation	6,384.7	8,735.8	11,184.3	13,074.3	14,649.0
Consolidation	6,997.2	10,297.7	12,979.6	14,885.7	16,475.3
Expenditure	4,995.1	6,719.8	9,312.7	10,751.4	11,879.9
Revenue	2,002.1	3,577.9	3,666.9	4,134.3	4,595.4
Proactive measures	612.5	1,561.9	1,795.3	1,811.4	1,826.3
Expenditure	422.5	1,111.0	1,207.8	1,223.9	1,238.8
Revenue	190.0	450.9	587.5	587.5	587.5
Net-consolidation	6,384.7	8,735.8	11,184.3	13,074.3	14,649.0

- **Net consolidation** amounts to € 6.4 bn. in 2025, € 8.7 bn. in 2026 and increases to € 14.6 bn. in 2029.
- As the proactive measures negotiated as part of the government programme and planned as part of the 2025/2026 budget are counter-financed, the **total consolidation** volume is larger: € 7.0 bn. in 2025, € 10.3 bn. in 2026 and € 16.5 bn. in 2029.
- Total consolidation is made up of 30% (35%) revenue-side and 70% (65%) expenditure-side measures in 2025 (2026).
- The Federal Government is investing € 0.6 bn. in 2025 and € 1.6 bn. in 2026 to address challenges in the areas of economy & labour, health & social affairs, education & integration.

Consolidation: Tax measures

Promoting fair taxation without weakening the economy

In mn. €, balance effect	2025	2026	2027	2028	2029
Budget Rehabilitation Measures Act (Budgetsanieungsmaßnahmengesetz) I 2025	890.0	1,000.0	630.0	630.0	630.0
Consolidation contribution energy industry	200.0	200.0	200.0	200.0	200.0
Consolidation contribution banks (stability tax)	350.0	350.0	50.0	50.0	50.0
Inclusion of electric cars in the motor-related insurance tax	65.0	130.0	130.0	130.0	130.0
Increase in betting fee	50.0	100.0	100.0	100.0	100.0
Abolition VAT-exemption photovoltaic systems	175.0	70.0			
Increase in tobacco tax for cigarettes and tobacco for heating ²	50.0	100.0	100.0	100.0	100.0
Prolongation top income tax rate		50.0	50.0	50.0	50.0
Budget Accompanying Act (Budgetbegleitgesetz) 2025*	76.0	651.0	1,033.0	1,335.0	1,713.0
Suspension of the last third of the inflation adjustment 2026-2029		440.0	800.0	1,100.0	1,475.0
Closing the "share deal" loophole in real estate transfer tax	35.0	100.0	100.0	100.0	100.0
Increase of betting fees	31.0	71.0	73.0	75.0	78.0
Introduction reclassification tax as part of the real estate income tax	10.0	30.0	50.0	50.0	50.0
Increase in foundation entrance tax		10.0	10.0	10.0	10.0
Budget Rehabilitation Measures Act (Budgetsanieungsmaßnahmengesetz) II 2025	67.5	177.8	177.8	177.8	177.8
Post-valorisation of federal fees	65.0	150.0	150.0	150.0	150.0
Increase in interim tax for private foundations		20.0	20.0	20.0	20.0
Increase in foundation tax equivalent		3.0	3.0	3.0	3.0
Post-valorisation of consular fees	2.5	4.8	4.8	4.8	4.8
Further tax measures	10.0	375.0	450.0	580.0	650.0
Anti-fraud package		270.0	330.0	390.0	450.0
Tobacco tax alternative products		85.0	100.0	100.0	100.0
Modernisation of gambling monopoly	10.0	20.0	20.0	90.0	100.0
Sum	1,043.5	2,203.8	2,290.8	2,722.8	3,170.8

- The Federal Government is also relying on tax measures in order to deal with the consolidation and make it socially balanced.
- Tax measures are designed in such a way that, on the one hand, groups that have benefited from the crisis in the past, e.g. those who have profited from higher energy prices or interest rate hikes, contribute to the consolidation.
- On the other hand, also tax loopholes will be closed.
- In total, this will generate additional revenue of € 1.0 bn. in 2025 and € 2.2 bn. in 2026.

** Table footnote: Excluding the suspension of the valorisation of the child tax credit, which is presented together with the expenditure-side social benefits under "Other measures".*

Consolidation: Savings in ministries

Every ministry and supreme body contributes to the consolidation

In mn. €, balance effect	2025	2026	2027	2028	2029
ch 01-06 Supreme Bodies	14.4	14.2	15.2	15.2	15.2
ch 10 Federal Chancellery	45.0	53.2	61.4	73.6	81.8
ch 11 Interior Affairs	85.0	100.5	115.9	139.1	154.5
ch 12 Foreign Affairs	14.0	17.5	25.9	31.1	34.5
ch 13 Justice	48.7	57.5	66.4	79.6	88.5
ch 14 Military Affairs	70.0	91.8	113.6	146.4	168.2
ch 15 Financial Administration	53.5	63.2	72.9	87.5	97.2
ch 17 Housing, Media, Telecommunications and Sports	26.9	32.0	15.1	18.1	20.1
ch 18 Asylum and Migration	5.0	5.9	6.8	8.2	9.1
ch 20 Labour	59.7	70.6	81.4	97.7	108.6
ch 21 Social Affairs and Consumer Protection	55.5	65.6	75.7	90.8	100.9
ch 24 Health	19.5	23.0	26.5	31.8	35.4
ch 25 Family and Youth	45.0	53.2	61.4	73.6	81.8
ch 30 Education	81.0	94.8	103.6	124.4	138.2
ch 31 Science and Research	40.5	47.9	55.3	66.3	73.7
ch 32 The Arts and Culture	1.0	1.0	23.0	27.5	30.6
ch 40 Economy	150.0	168.2	186.4	213.6	231.8
ch 41 Mobility	178.8	211.3	243.8	292.5	325.0
ch 42 Agriculture, Forestry, Regions and Water Management	10.0	6.8	8.6	16.4	18.2
ch 43 Environment, Climate and Circular Economy	90.0	106.4	122.7	147.3	163.6
ch 45 Federal Assets	16.0	18.9	21.8	26.2	29.1
Sum	1,109.4	1,303.3	1,503.4	1,807.0	2,006.1
Expenditure	984.4	1,093.3	1,391.4	1,695.0	1,894.1
Revenue	125.0	210.0	112.0	112.0	112.0

- A consolidation volume of € 1.1 bn. in 2025 and € 1.3 bn. in 2026 will be realised through measures by the ministries and supreme bodies.
- Steps have already been taken in many ministries since the beginning of the year, when this consolidation measure was first announced.
- The realisation of these savings is basically the responsibility of the ministries/supreme bodies, whereby the specific measures were selected in such a way that the achievement of the consolidation volume is guaranteed.
- Specific examples are reduction of advertising costs, postponements of IT projects, reduction of business trips, reduction of recruitments

Consolidation: Reduction in subsidies

Reduction in subsidies that have grown disproportionately in recent years

In mn. €, balance effect	2025	2026	2027	2028	2029
Development assistance and foreign disaster fund	10,0	40,0	40,0	40,0	40,0
Broadband subsidies	150,0				
Energy cost subsidy NPO	25,0				
Sports promotion	15,0			20,0	20,0
Promotion of art and culture	5,0	5,0	5,0	5,0	5,0
Investment premium	130,0				
Environmental subsidies (incl. e-mobility)	557,0	819,9	1.158,8	982,5	995,7
<i>Climate and Energy Fund (KLI.EN)</i>	328,5	335,1	333,0	333,0	333,0
<i>Transforming the industry & energy efficiency</i>	177,1	180,8	320,5	245,5	158,5
<i>E-mobility (excl. part of KLI.EN)</i>	30,0	60,0	72,9	72,9	72,9
<i>Renovation campaign, domestic environm. promotion, district heating etc.</i>	21,4	244,0	432,4	331,2	431,3
Climate ticket	120,0	150,0	150,0	150,0	150,0
Mobility subsidies and transport service contracts		93,3	116,7	136,7	136,7
Agriculture, forestry and water management	110,0	25,0			
Forest fund	10,0	0,5			
Further subsidies reductions	167,0				
Subsidy task force		150,0	400,0	600,0	800,0
Sum	1.299,0	1.283,7	1.870,4	1.934,1	2.147,3

- In 2025 and 2026, € 1.3 bn. will be saved on expenditure-side subsidies in each year.
- In 2025 and 2026, cuts primarily affect those subsidies , where reductions can be implemented quickly.
- In the medium term, subsidies are to be gradually made more efficient, more accurate and more socially just in order to reduce budgetary costs and increase the desired effects.
- The Federal Government therefore establishes a subsidy task force.

Consolidation: Labour market, elderly employment & pensions

Structural reforms to improve the long-term stability of the pension system

In mn. €, balance effect	2025	2026	2027	2028	2029
Abolition educational leave	240.0	650.0	650.0	650.0	650.0
Restriction on unemployment benefit for marginally employed persons		110.0	110.0	110.0	110.0
Pensions		633.2	1,140.7	1,578.0	1,934.3
<i>Partial retirement</i>			18.0	38.0	41.0
<i>Partial pension</i>		178.4	369.7	353.8	335.1
<i>Elderly employment package</i>		235.0	246.0	321.0	431.0
<i>Disability & occupational disability pension</i>		40.0	40.0	40.0	40.0
<i>Corridor pension</i>		146.7	439.2	802.0	1,068.8
<i>Pension aliquotation</i>		33.1	27.8	23.2	18.4
Sum	240.0	1,393.2	1,900.7	2,338.0	2,694.3
Expenditure	240.0	1,379.6	1,859.8	2,291.2	2,662.7
Revenue		13.6	40.9	46.8	31.6

Introduction of a statutory sustainability mechanism

In addition to these measures, the Federal Government is introducing a statutory mechanism to ensure the long-term financial viability and stability of the pension system. This sustainability mechanism stipulates that mandatory measures must be taken if the planned budget path for pension expenditure and the planned cost reductions are not met overall in 2030. The coalition agreement mentions the (further) increase in the required insurance years for the corridor pension from 1 January 2035 in half-yearly increments as well as other measures in the pension area relating to the contribution rate, account percentage, accrual age, pension adjustment, eligibility requirements, etc.

- The Federal Government is countering the demographic pressure on public finances with a set of structural reforms in the labour market and pension sectors.
- Their contribution to consolidation will amount to € 0.2 bn. in 2025, with the measures gradually taking effect. In 2026, the resulting consolidation volume will amount to € 1.4 bn., rising to € 2.7 bn. by 2029.
- The pension sector will account for € 1.9 billion of this in 2029.
- The aim of these reforms is to increase the long-term stability of the pension system by strengthening employment rates, particularly among the over-60s.

Consolidation: Abolition climate bonus & further measures

Further adjustments of measures, particularly of ones introduced recently

In mn. €, balance effect	2025	2026	2027	2028	2029
Abolition climate bonus	1,964.5	1,973.6	1,983.5	1,983.5	1,983.5

In mn. €, balance effect	2025	2026	2027	2028	2029
Digitalisation	10.0	20.0	20.0	20.0	20.0
Imprisonment of foreign inmates		10.0	12.0	14.0	16.0
Suspension of the valorisation of the child deduction		45.0	90.0	90.0	90.0
Asylum reform		50.0	100.0	200.0	300.0
Suspension of the valorisation of social benefits *		128.2	239.9	234.3	231.5
Cancellation of pilot project "Administrators GCS"	53.0	26.0			
Increase in toll tariffs (external costs: air, noise, CO ₂ emissions)		20.0	20.0	20.0	20.0
Cost-cutting measures in the personnel area			420.0	840.0	840.0
Sum	63.0	299.2	901.9	1,418.3	1,517.5
Expenditure	63.0	234.2	791.9	1,308.3	1,407.5
Revenue		65.0	110.0	110.0	110.0

* Figures excluding the amounts used in ch 21 Social Affairs and Consumer Protection and ch 25 Family and Youth for the savings in the ministries.

- The abolition of the regional climate bonus ensures a consolidation volume of € 2.0 bn. per year.
- A set of further measures results in a consolidation volume of € 0.1 bn. in 2025 and € 0.3 bn. in 2026.
- Part of these further measures are the suspension of the valorisation of social benefits (esp. family benefits).
- Also, the Federal Government is developing a comprehensive personnel strategy with the involvement of the Public Service Union and is implementing cost-cutting measures in the personnel area with the aim of realising permanent savings in personnel expenditure.

Consolidation: State-affiliated companies & other sectors

State-affiliated companies, states, municipalities and social security carriers also contribute to the consolidation

In mn. €, balance effect	2025	2026	2027	2028	2029
Dividend payments	430,0	310,0	310,0	310,0	310,0
UG 40 Economy	300,0	280,0	280,0	280,0	280,0
UG 41 Mobility	130,0	30,0	30,0	30,0	30,0
State-owned enterprises task force			100,0	200,0	300,0
ÖBB-Infrastruktur AG - Additional adjustment master plan investments *	154,2	415,3	365,7	189,4	134,7
Sum	584,2	725,3	775,7	699,4	744,7
Expenditure	154,2	415,3	465,7	389,4	434,7
Revenue	430,0	310,0	310,0	310,0	310,0

* Part of the adjustment to ÖBB-Infrastruktur AG's investments is used for the contribution of budget chapter 41 Mobility to the savings in ministries. The total adjustment amounts to € 0.3 bn. In 2025 and € 0.6 bn € in 2026.

In mn. €, balance effect	2025	2026	2027	2028	2029
States and municipalities (sector)	100.0	150.0	760.0	960.0	1,160.0
Social security sector	593.6	965.5	993.2	1,022.7	1,051.0
Increase in health insurance contributions for pensioners	366.2	696.8	721.9	748.7	774.6
Increase in e-card fee	37.4	78.7	81.3	84.0	86.4
Consolidation social securities / reforms	190.0	190.0	190.0	190.0	190.0
Sum	693.6	1,115.5	1,753.2	1,982.7	2,211.0
Expenditure	290.0	340.0	950.0	1,150.0	1,350.0
Revenue	403.6	775.5	803.2	832.7	861.0

- The Federal Government has also agreed on consolidation measures that are rendered by state-related companies.
- On the one hand, these measures relate to consolidations at state-affiliated companies that belong to the government sector according to ESA 2010. E.g. adjustments of the master plan investments of ÖBB-Infrastruktur AG (Austrian Federal Railways).
- On the other hand, these measures involve an increase in dividend payments by quasi-government enterprises which do not belong to the govmt. sector acc. to ESA 2010.
- Also, states, municipalities and social security carriers contribute to the consolidation.

Proactive measures: Economy & labour

Targeted stimulus measures to support the economy and the business location

In mn. €	2025	2026	2027	2028	2029
Increase in the commuter euro (partial compensation climate bonus)		110.0	200.0	200.0	200.0
Possibility of a tax-free bonus for employees	165.0	85.0			
Increase in basic flat rate incl. flat-rate input tax	5.0	50.0	105.0	105.0	105.0
Tax concessions for light commercial vehicles	20.0	50.0	50.0	50.0	50.0
"Working in Old Age"		300.0	470.0	470.0	470.0
Active labour market policy	236.5	306.5	306.5	306.5	306.5
<i>Labour market funding budget Public Employment Service</i>	230.0	100.0	100.0	100.0	100.0
<i>Fund for tourism employees</i>	6.5	6.5	6.5	6.5	6.5
<i>Further training period (successor model for educational leave)</i>		150.0	150.0	150.0	150.0
<i>Initiative 55Plus</i>		50.0	50.0	50.0	50.0
Extension heavy labour regulation (nursing professions)		40.0	40.0	40.0	40.0
Package for innovation, internationalisation and skilled labour	40.0				
Sustainability initiative	10.0				
<i>Sustainability initiative - Part Economy</i>	5.0				
<i>Sustainability initiative - Part agriculture & forestry</i>	5.0				
Initiative "Clean Austria" (funds for shifting transport to the railways)		30.0	30.0	30.0	30.0
Closing the gap in mobility support for apprentices (top youth ticket)		5.0	5.0	5.0	5.0
Sum	476.5	976.5	1,206.5	1,206.5	1,206.5
Expenditure	286.5	558.6	659.0	659.0	659.0
Revenue	190.0	417.9	547.5	547.5	547.5

- Given the current economic environment and high geopolitical uncertainty, it is important not only to pay attention to the economy and the labour market when designing the restructuring measures, but also to provide targeted impetus.
- Therefore, the Federal Government has developed a well thought-out and counter-financed package of effective proactive measures in the area of business and labour.
- These include inter alia additional funding for the Public Employment Service, making working in old age more attractive and introducing reliefs for SMEs. In addition, the package also includes follow-up regulations for educational leave and the climate bonus.

Proactive measures: Health & social affairs

Targeted measures to strengthen the healthcare system, especially for women, children and adolescents

In mn. €	2025	2026	2027	2028	2029
VAT exemption for feminine hygiene products and contraceptives		28.0	35.0	35.0	35.0
Extraord. increase in nominal social insurance reimbursement limit f. pensioners		5.0	5.0	5.0	5.0
Innovation fund for strengthening outpatient care		50.0	50.0	50.0	50.0
Alimony guarantee fund for single mothers		35.0	35.0	35.0	35.0
Expansion of psychosocial therapy services	16.0	21.0	21.0	21.0	21.0
Package of measures for prevention in the area of women's health		10.0	10.0	10.0	10.0
Prescription fee freeze 2026 & adaptation of prescription fee cap		86.4	97.8	113.9	128.8
Sum	16.0	235.4	253.8	269.9	284.8
Expenditure	16.0	202.4	213.8	229.9	244.8
Revenue		33.0	40.0	40.0	40.0

- Targeted measures are being implemented in the area of health and social affairs.
- The focus is on empowering women, children and young people.
- From 2026, funds will be made available for the endowment of a alimony guarantee fund for single mothers. For women in particular, research and prevention as well as medical services for specific women's health issues will be strengthened and a VAT exemption for feminine hygiene products and contraceptives will be introduced.
- Psychosocial care for children and young people is continued and expanded.

Proactive measures: Education & integration

Forward-looking education policy that meets the challenges facing kindergartens and schools

In mn. €	2025	2026	2027	2028	2029
"My-newspaper-subscription" for young people		30.0	30.0	30.0	30.0
Improving German language skills and protection against violence	55.0	90.0	90.0	90.0	90.0
Compulsory second year of kindergarten		80.0	80.0	80.0	80.0
Opportunity bonus and data-based school development	20.0	65.0	65.0	65.0	65.0
Digital teaching aids	10.0	25.0	20.0	20.0	20.0
Project healthy free snack in kindergarten		20.0	20.0	20.0	20.0
Training of teachers and educators	15.0	15.0	15.0	15.0	15.0
Quality improvements elementary education	10.0	15.0	15.0	15.0	15.0
Further development of pedagogy	10.0	10.0			
Sum	120.0	350.0	335.0	335.0	335.0
Expenditure	120.0	350.0	335.0	335.0	335.0
Revenue					

- Already in 2025 and increasingly from 2026, the Federal Government provides funds to address the most urgent problems in the education system.
- These measures aim to improve German language skills, the understanding of democracy, the use of digital media and the rejection of hatred, violence and extremism.

Effect of measures on subsectors

Consolidation, proactive and some other measures impact all subsectors

In mn. €, balance effect	2025	2026	2027	2028	2029
Central government	5,344.7	6,777.1	8,530.2	10,054.9	11,271.0
Consolidation - Federal budget	5,818.8	8,071.6	9,647.9	11,019.0	11,972.9
Consolidation - Subsidy taskforce from 2027			250.0	450.0	650.0
Consolidation - Extra-budgetary units	332.9	584.6	667.5	639.9	717.8
ÖBB-Infrastruktur AG - Master plan investments total effect	332.9	584.6	567.5	439.9	417.8
Federal holdings task force			100.0	200.0	300.0
Increase in health insurance contributions for pensioners - rates of assessment	-257.7	-497.5	-517.2	-537.9	-557.3
Takeover of sickness benefit for the unemployed from health insurance providers		-133.0	-130.0	-128.0	-125.0
Takeover of maternity benefit from health insurance providers			-15.7	-15.7	-15.0
Proactive measures ¹	-549.3	-1,248.6	-1,372.3	-1,372.3	-1,372.3
States and municipalities (sector)	188.7	508.5	1,184.2	1,528.0	1,876.4
Consolidation	100.0	150.0	760.0	960.0	1,160.0
Tax effect consolidation & proactive measures (via tax transfers) ²	88.7	358.5	424.2	568.0	716.4
Social security sector	851.3	1,450.2	1,469.9	1,491.4	1,501.6
Consolidation	593.6	965.5	993.2	1,022.7	1,051.0
Incr. in health insur. contrib. f. pensioners - rates of assessm. - 2025 f. fed. budget	257.7				
Incr. in health insur. contrib. f. pens. - rates of assessm. - Fonds Gesundheitsreform		497.5	517.2	537.9	557.3
Corridor pension - health insurance contribution (incl. effect rates of assessment)		2.3	8.3	-2.3	-21.2
Shift of sickness benefit for the unemployed to Public Employm. Serv. (fed. budget)		133.0	130.0	128.0	125.0
Shift of maternity benefit to Public Service Employment (federal budget)			15.7	15.7	15.0
Proactive measures		-148.1	-194.5	-210.6	-225.5
Net consolidation	6,384.7	8,735.8	11,184.3	13,074.3	14,649.0

- This table shows the effect the consolidation and proactive measures have on the subsectors.
- Two measures are balance-neutral on the general government level, but not in the perspective of a single subsector. These are the shift of the cost bearing of the maternity and the sickness benefit for the unemployed.

Table footnote 1: In case of some proactive measures, e.g. in the education or healthcare area, the federal government transfers funds to the states and municipalities. In an individual sector analysis, these have a balance-neutral effect on states & municipalities and a balance-deteriorating effect on the central government.

Table footnote 2: The additional payments from the subsequent valorisation of federal fees are allocated 100% to the central government. The federal fees are exclusively federal charges. The cost reimbursements are not a tax measure.

Federal budget: Budget draft 2025/2026 & MTEF until 2029

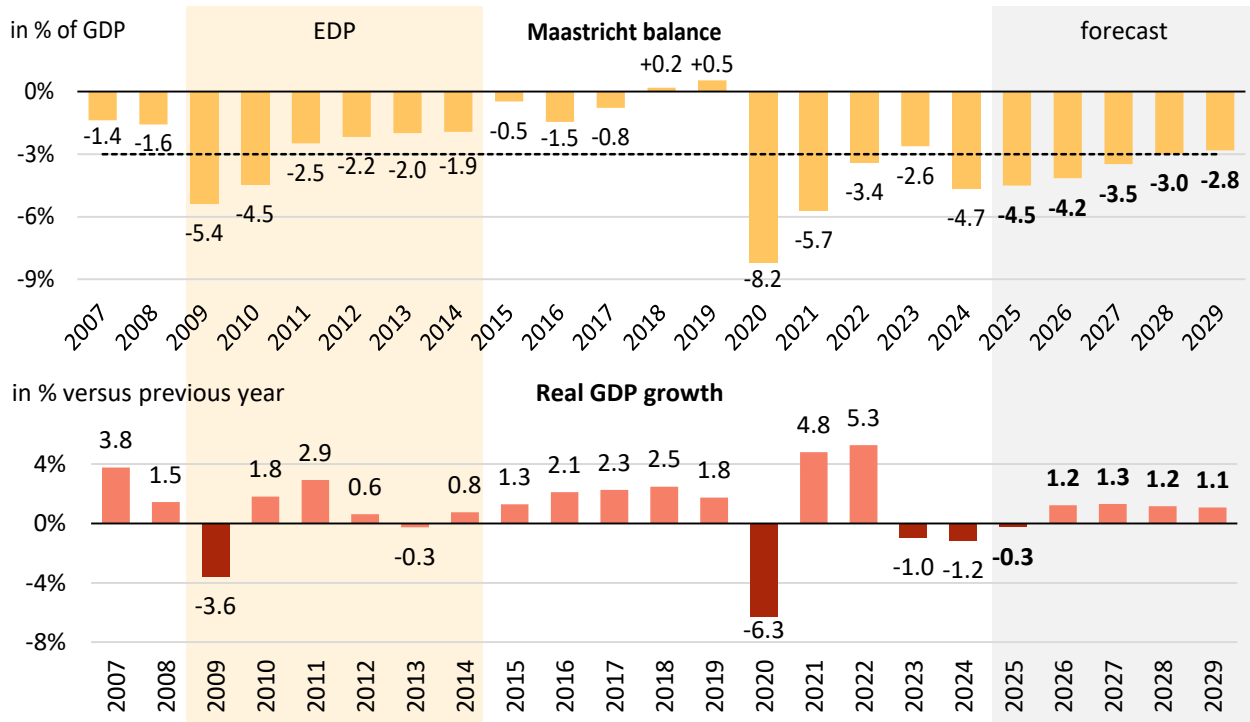
Federal budget cash statement 2025-2029

In mn. €	Outcome	→	Budget d.	→	Budget d.	MTEF		
	2024	Δ 24/25	2025	Δ 25/26	2026	2027	2028	2029
Cash outflows	120.687,3	+2.546,1	123.233,4	+2.618,4	125.851,8	126.440,6	127.792,4	130.480,5
<i>Change to previous year</i>			+2.546,1 +2,1%		+2.618,4 +2,1%	+588,8 +0,5%	+1.351,8 +1,1%	+2.688,1 +2,1%
Pensions (ch 22, ch 23)	30.014,7	+2.860,1	32.874,7	+1.299,7	34.174,4	35.369,7	36.758,6	38.330,8
Environment, Climate a. Circular Economy (ch 43)	4.884,3	-2.691,2	2.193,1	-823,2	1.370,0	939,3	1.016,0	899,5
Education, R&D (ch 30-31, ch 33-34)	18.906,6	+1.217,8	20.124,4	+587,4	20.711,8	20.577,8	20.614,3	20.870,9
Financing costs (ch 58)	7.365,1	+1.018,9	8.384,0	+528,2	8.912,3	9.373,0	9.357,1	9.940,6
Mobility (ch 41)	5.356,9	+672,6	6.029,5	+562,4	6.591,9	6.791,9	7.003,5	7.322,0
Other	54.159,6	-532,0	53.627,6	+463,8	54.091,5	53.388,8	53.042,8	53.116,6
Cash inflows	101.567,9	+3.533,2	105.101,1	+2.468,9	107.569,9	110.601,8	112.877,1	115.414,5
<i>Change to previous year</i>			+3.533,2 +3,5%		+2.468,9 +2,3%	+3.031,9 +2,8%	+2.275,3 +2,1%	+2.537,4 +2,2%
ch 16 Tax Revenue	70.016,5	+1.745,9	71.762,4	+2.560,9	74.323,4	77.163,5	78.821,1	81.318,4
Gross taxes	114.062,1	+3.335,9	117.398,0	+4.746,0	122.144,0	127.035,0	130.363,0	134.611,0
Tax transfers	-44.252,3	-1.383,3	-45.635,6	-2.185,1	-47.820,6	-49.871,5	-51.542,0	-53.292,6
ch 20 Labour	9.803,9	+60,9	9.864,9	+592,0	10.456,9	10.651,7	10.915,2	11.171,3
Unemployment insurance contributions	9.372,7	+319,2	9.692,0	+298,6	9.990,6			
ch 25 Family and Youth	8.903,3	+54,4	8.957,8	+523,7	9.481,4	9.916,4	10.256,8	10.584,0
Contributions to Family Burden Equalisation Fond	8.540,9	+239,8	8.780,7	+254,4	9.035,1			
Other	12.844,1	+1.671,9	14.516,0	-1.207,8	13.308,3	12.870,3	12.884,1	12.340,8
Net financial balance	-19.119,4	+987,0	-18.132,4	-149,5	-18.281,9	-15.838,7	-14.915,3	-15.066,0

- The net financial balance in the Budget draft 2025 amounts to € -18.1 bn. and is therefore € 1.0 bn. better than in 2024.
- According to the Budget draft 2026, the net financial balance will deteriorate slightly to € -18.3 bn. in 2026 before falling to € -15.8 bn. in 2027 and € -14.9 bn. 2028.
- The increase in the deficit from 2025 to 2026 is in particular due to the RRF back payment of € 1.7 bn. in 2025, which is not included in the Maastricht deficit.
- In the years 2025 to 2029, the expenditure dynamic of +1.6% per year on average is below the expected average inflation rate (+2.2%, CPI) and below the forecast nominal GDP growth (+3.0%).

Long-term series: Maastricht balance and real GDP growth

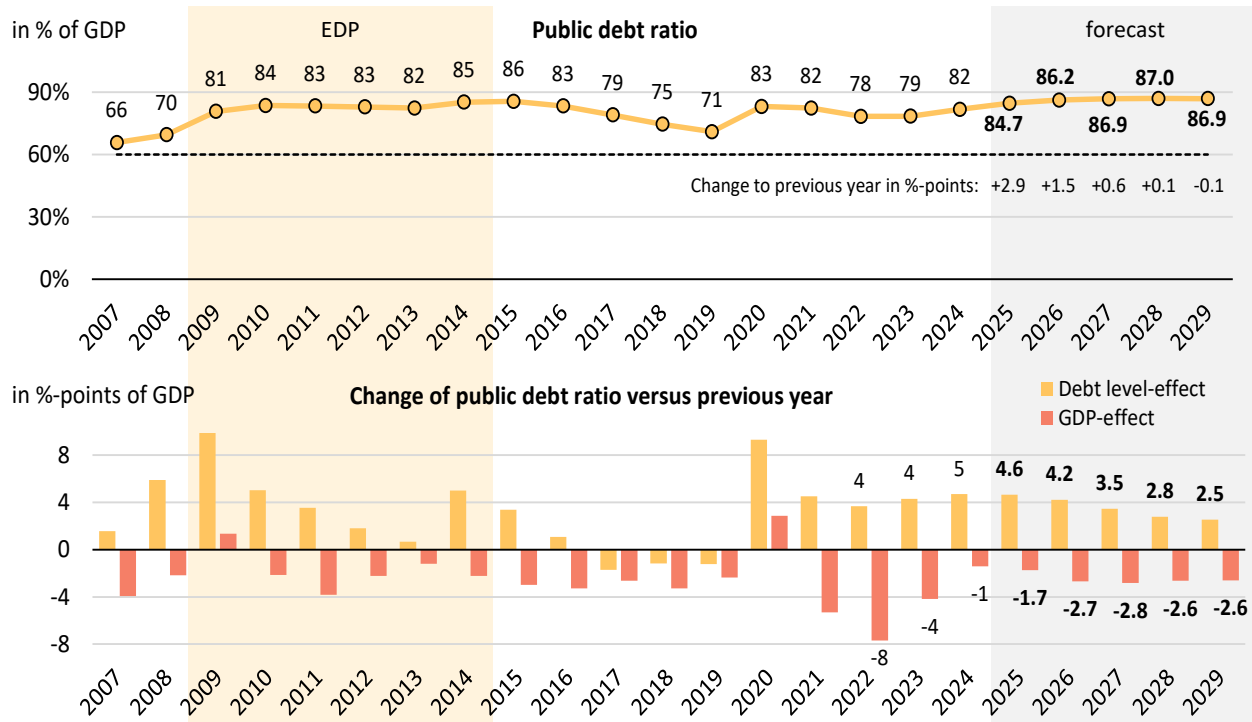
Compliance with the 3% Maastricht deficit limit from 2028 onwards



- The Federal Government is committed to regain the lost budgetary leeway for new proactive, future-oriented measures.
- The Maastricht deficit shall be reduced under 3% of GDP by 2028.
- Entering an excessive debt procedure (EDP) will help to implement the consolidation in a way that is gentle to the economy.

Long-term series: Public debt ratio

Low nominal growth is not sufficient to bring the debt ratio down in view of the high deficits

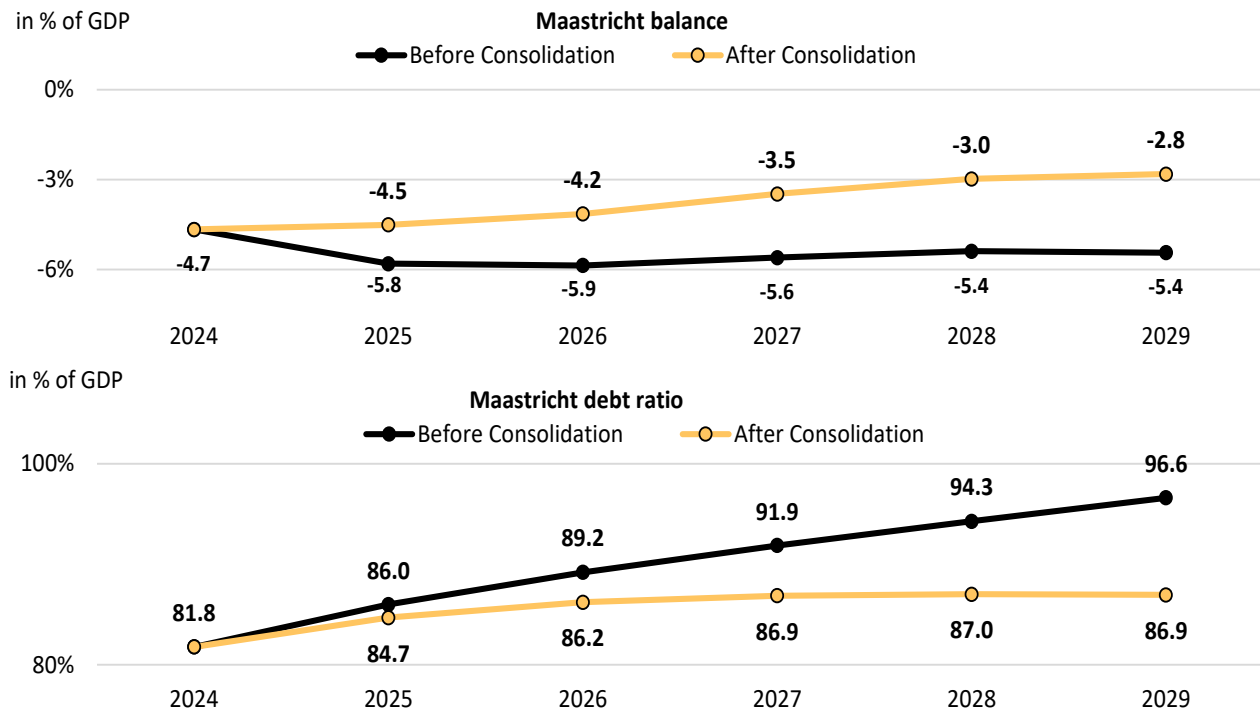


Source: Statistics Austria until 2024, MoF starting 2025

- In 2024, the public debt ratio has risen and will continue to rise in 2025 and 2026.
- This is not only due to the deficit, but also due to weak GDP growth.
- The debt ratio will fall slightly again only in 2029, when nominal GDP growth will be higher than the growth in nominal debt.

Effect of the consolidation

Consolidation is absolutely necessary in order to curb rising deficits and rising debt.



- Without consolidation, the Maastricht deficit would be close to 6% of GDP and would stabilise at well over 5% in the medium term.
- The public debt ratio would be close to the 100% mark.

Public Finances



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Ministry of Finance

Vienna, May 2025