

Austria

2015 Country Summary

Recommendations

Austria's GI ranking in Band C places it in the moderate risk of corruption category in the defence and security sector. Austria scored higher for Personnel, which scores in Band B (low risk of corruption). The highest risk areas include Procurement and Operations, which both fell in Band D (high risk of corruption).

Building Integrity and Transparency in Procurement and Privatizations

In recent years, the Austrian Bundesheer has faced severe cutbacks in its overall budget. As a result, fewer large procurement projects were implemented in recent years. However, the Ministry of National Defence and Sports does not make information on contract awards and purchases available to the general public, including those cases where there does not appear to be a security justification for withholding information.

The downsizing of the Bundesheer has precipitated several privatizations of real estate, vehicles, and other equipment. In some cases, information on these privatizations and the income they generated was made available to the media. However, such information was not published in a systematic manner.

The lack of a Freedom of Information Act (which is currently debated in Parliament) means that the media and the general public cannot obtain a comprehensive picture in regards to procurement spending and income generated through the sale of real estate and equipment. Furthermore, Parliament continues to have limited powers to directly scrutinize and monitor details of defence purchases and privatizations.

We recommend that the authorities enhance transparency by systematically and proactively releasing information on significant purchases and contract awards. Following best practices, the defence authorities should make public information on future planned acquisitions and ensure that purchases are based on assessments of actual needs, in line with recommendations that the Austrian Court of Audit (Rechnungshof) has made. In addition, the authorities should also consider adopting a policy of making the principal aspects of the financing packages surrounding major future arms deals publicly available prior to the signing of contracts.

Transparency of Arms Exports

Austria has commendably signed and ratified the Arms Trade Treaty (ATT) and has sought to facilitate this international agreement. However, the Austrian authorities currently do not

themselves publish information on awarded arms export permits. Upon request, members of Parliament have at times not received satisfactory answers to their questions about arms exports.

We recommend that greater information be provided to members of the legislature regarding export permits. Parliament should also strengthening the overall transparency of arms and war material exports by publishing a detailed and easily accessible annual report.

Accountability of Intelligence Services

The Austrian Parliament is currently debating the State Protection Act (Staatsschutzgesetz), a government initiative that would expand the investigative powers of the Federal Agency for State Protection and Counterterrorism. Currently, the authorities make hardly any information concerning their intelligence services available to the public.

While we recognize that there are legitimate national security arguments to keep detailed information on the operations of intelligence agencies secret, we recommend the Austrian government consider adopting a higher degree of overall transparency with respect to these agencies through the release of overall budget numbers. Furthermore, we encourage the government to allow for adequate scrutiny of detailed agency budgets, spending on secret items, and key policies of intelligence agencies by the relevant parliamentary sub-committees. Public statements of several members of Parliament in recent years have suggested that there has been limited legislative oversight over the intelligence services.

Promoting Compliance

We found no evidence that the Ministry of Defence is formally requiring contractors, subsidiaries, and subcontractors to adopt anti-corruption programmes, or that it informally encouraging such programmes. The law does not discriminate between possible suppliers on grounds of integrity. We therefore recommend the introduction of policies that require companies to have compliance and business conduct programs in order to be able to bid for work for the Ministry of Defence and the Bundesheer.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	4
		Defence Committee	3
		Defence Policy Debated	2
		CSO Engagement	2
		International AC Instruments	3
		Public Debate	3
		AC Policy	2
		AC Institutions	3
		Public Trust	2
		Risk Assessments	2
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	3
		Budget Scrutiny	2
		Budget Publicly Available	2
		Defence Income	1
		Internal Audit	2
		External Audit	3
	Other Political Areas	Natural Resources	4
		Organised Crime Links	4
		Organised Crime Policing	3
Intelligence Services Oversight		2	
Intelligence Services Recruitment		2	
Export Controls		2	
Finance	Asset Disposals	Asset Disposal Controls	2
		Asset Disposal Scrutiny	3
	Secret Budgets	Percentage Secret Spending	0
		Legislative Access to Information	1
		Secret Program Auditing	2
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
	Information Classification	3	
	Links to Business	Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	4
Unauthorised Private Enterprise		3	
Personnel	Leadership	Public Commitment	2
		Measures for Corrupt Personnel	3
		Whistleblowing	3
		Special Attention to Sensitive Personnel	2
	Payroll and Recruitment	Numbers of Personnel Known	3
		Pay Rates Openly Published	4
		Well-established Payment System	4
		Objective Appointments	2
		Objective Promotions	3
	Conscription	Bribery to Avoid Compulsory Conscription	3
		Bribery for Preferred Postings	3
	Salary Chain	Ghost Soldiers	4

		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	3
		Code of Conduct Breaches Addressed	3
		AC Training	2
		Prosecution Outcomes Transparent	2
		Facilitation Payments	3
Operations	Controls in the Field	Military Doctrine	1
		Operational Training	2
		AC Monitoring	1
		Controls on Contracting	2
		Private Military Contractors	2
Procurement	Government Policy	Legislation	2
		Transparent Procurement Cycle	1
		Oversight Mechanisms	3
		Purchases Disclosed	1
		Standards Expected of Companies	1
	Capability Gap	Strategy Drives Requirements	2
		Requirements Quantified	2
	Tendering	Open Competition v. Single-Sourcing	2
		Tender Board Controls	2
		Anti-Collusion Controls	3
	Contract Delivery / Support	Procurement Staff Training	3
		Complaint Mechanisms for Firms	3
		Sanctions for Corruption	3
	Offsets	Due Diligence	1
		Transparency	2
		Competition Regulation	0
	Other	Controls of Agents	1
		Transparency of Financing Packages	0
		Subsidiaries / Sub-Contractors	0
Political Influence		3	