

## CLIMATE CHANGE LEGISLATION IN

# AUSTRIA

*AN EXCERPT FROM*

## The 2015 Global Climate Legislation Study

A Review of Climate Change Legislation in 99 Countries



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# Austria

## Legislative Process

Austria is a federal republic comprised of nine federal states or provinces (Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vienna, and Vorarlberg). Legislative powers rest with the Federal Assembly, consisting of two chambers: the National Council (Nationalrat) and the Federal Council (Bundesrat).

The National Council has 183 members. Its members are elected for five years, using a proportional representation system. In the most recent parliamentary elections in 2013 the Social Democratic Party of Austria (SPÖ) came first, closely followed by the Austrian People's Party (ÖVP) and the Freedom Party of Austria (FPÖ). The Greens, Team Stronach and NEOS are also represented in Parliament.

The Federal Council has 61 members and its main function is to represent the provinces and their interests at the federal level. However, unlike the National Council, its members are not elected by direct popular vote. Instead, they are delegated by the federal states, in proportion to the relative strengths of the parties in the provincial legislatures. The number of members delegated by each state depends on its size: the most populous province sends 12 members to the Federal Council; the smallest province delegates three members.

Passing federal legislation involves both chambers of the Federal Assembly. However, most powers lie with the National Council. The legislative process begins with a bill being introduced into the National Council, most commonly by the government and its ministers. Less commonly, Private Members, the Federal Council and National Council committees can also introduce bills, and bills can be initiated by popular demand. Once a bill has been introduced to parliament, it is assigned to a committee or the National Council may – on very rare occasions – hold a first reading, involving a plenary discussion of the whole house.

The relevant committee deliberates on the bill and often amendments are made to the draft text. Once a bill has been approved by a majority of the committee's members, a report is drawn up, detailing the discussions and changes made. Then the bill is passed back to the plenary for a second reading, and the different parliamentary groups can state their opinions and propose further changes. At the end of the second reading, the National Council votes on the bill, and on any amendments. A bill passes if at least one third of Council members are present and a simple majority votes in favour. The entire bill is then put to a vote in a third and final reading.

After the National Council enacts a bill, it is referred to the Federal Council for approval. While the Federal Council cannot amend the proposed legislation, it can reject it by means of a reasoned objection. However, with a few exceptions, the Federal Council has only a "suspensive veto" and cannot prevent a bill from being passed into law.

## Approach to Climate Change

As a member of the European Union (EU), Austria's climate policy primarily aims to implement EU-level legislation into national legislation (see EU chapter, this volume). For example, under the EU's effort-sharing mechanism, Austria is obliged to reduce its emissions in sectors not covered under the European Emissions Trade Scheme (ETS) by 16% by 2020 from 2005 levels. It also has to increase the use of renewable energy to 34% of total consumption during the same period. Austria's national climate policy has also been strongly driven by its commitments under the Kyoto Protocol. As an Annex 1 country it had to reduce its greenhouse gas (GHG) emissions by 13% by 2012 from 1990 levels.

Responsibility for climate policy-making and implementation in Austria is distributed among several federal ministries and territorial authorities (federal states, municipalities), led by the Federal Ministry for Agriculture and Forestry, Environment, and Water Management. To improve the co-ordination between these entities, different committees have been established. In the past, the Interministerial Committee to Co-ordinate Measures to Protect Global Climate (IMK Climate) and the Kyoto Forum were the institutional focal points of climate policy co-ordination in Austria.

Founded in 1991, the IMK Climate consists of representatives of the federal ministries, the federal states and the Austrian system of social partnership. It serves as a forum to exchange information about national and international climate change issues and to discuss and agree on government policies. It played an important role in the preparation of Austria's climate strategy, described below. Established in 1999, the Kyoto Forum co-ordinated the efforts of the different levels of state (federal government, provinces, and municipalities) to develop and implement a strategy to reach Austria's obligations under the Kyoto Protocol. The Climate Protection Act in 2011 created two new groups for climate policy co-ordination: the National Climate Change Committee (NKK) and the National Climate Change Council (NKB). The NKK replaced the IMK Climate and Kyoto Forum and is now the focal point of climate policy-making in Austria. The Committee is supported by the NKB, an expert body comprised of representatives from science, energy, industry, and civil society.

### **Energy supply**

Austria's Climate Strategy is one of the key policies affecting energy supply. First adopted in 2002 and revised in 2007, the Strategy provides the country with a roadmap and concrete measures to reach its 13% GHG reduction target under the Kyoto Protocol. The Strategy proposes increasing the use of renewable energy for heating (biomass and solar thermal power) and the promotion of electricity from renewable sources. To implement these measures, the Climate and Energy Fund was created in 2007. With a focus on energy efficiency measures, the development of renewable energy systems, new transport and mobility systems, the Fund invested €730 million (\$916 million) between 2007 and 2012. Other important policies in this area include Austria's Energy Strategy of 2010, the Green Electricity Act of 2012, and the Feed-in Tariff Decree of 2012, which were designed to meet Austria's obligations under the EU Renewable Energy Directive to increase the share of renewables of the energy mix to 34% by 2020. Therefore, they set and elaborate targets and measures to develop renewable energy sources such as hydropower, wind power, biomass/biogas and solar power.

### **Energy demand**

The promotion of energy efficiency is another central element of Austria's climate policy. The Climate Protection Act of 2011 defines GHG reduction targets for sectors not covered under the EU ETS. Measures proposed under the Act include: improving the energy efficiency of private housing, public institutions, and industry. Austria's Energy Strategy identifies energy efficiency as one of its three strategic pillars and it is also an important building bloc of the Austrian Climate Initiative (Klimaaktiv). Klimaaktiv consists of a bundle of measures, including professional training, awareness raising activities, and the development of standards. In August 2014, the Austrian National Council adopted a new Energy Efficiency Act designed to meet Austria's obligations under EU regulation. The energy consumption reduction requirements included in the Act primarily target energy providers, large companies, and government agencies.

### **Carbon pricing**

As a member state of the EU, Austria has participated in the ETS since January 2005. EU-level emission trading is implemented through the Emissions Allowance Trading Act. In 2013, the EU ETS entered its third trading phase (2013-2020), with new sectors being covered under the scheme (e.g. production of petrochemicals). A total of 212 Austrian installations are included in the third phase of the EU ETS. For 2013, 67% of emission certificates were allocated free of charge (24.02 million certificates), which will decrease to 62% (22.34 million certificates) by 2020.

### REDD+ and LULUCF

Forest management, protection, and wood production are regulated through the Forestry Act of 1975, which is implemented at the sub-national level through the different Nature Protection Acts of the nine Austrian provinces. Amended in 2002, the Forestry Act now includes a general commitment to use forests sustainably, in accordance with the Ministerial Conference of the Protection of Forests in Europe. In 2003, the Federal Ministry for Agriculture, Forestry, Environment, and Water Management initiated the Austrian Forest Dialogue, which involved a diverse group of forestry stakeholders from the public and private sectors as well as civil society. As a result, the Austrian Forest Programme was launched. It consists of seven thematic areas, of which the first is the “contribution of Austrian Forests to Climate Protection.” Among its policy goals are the increased use of wood as a renewable raw material, expansion of forest areas in regions with low forest cover, and the stabilization of forest ecosystems.

### Transportation

A key policy objective in the transport sector is to comply with the EU Renewable Energy Directive of 2009, which set a target that all member states should derive 10% of their fuel from renewable sources by 2020. In particular, first generation biofuels play an important role in meeting this target. The EU Renewable Energy Directive is implemented through the Fuel Ordinance (Kraftstoffverordnung). Austria has also passed legislation to improve the energy efficiency of its transport sector through a CO<sub>2</sub>-based tax on new cars and passenger car registration tax is based on CO<sub>2</sub> emissions. Klimaaktiv Mobil promotes climate and environmentally friendly mobility, for example, in the areas of e-mobility, eco-driving, cycling, and demand-oriented public transport.

### Adaptation

In the context of EU-level efforts to develop a climate change adaptation strategy and action plan for Europe, Austria launched a national process in 2007 that resulted in the adoption of the Austrian Strategy for Adaptation to Climate Change in 2012. The strategy identifies 14 key sectors, including agriculture, forestry, tourism, energy, health, and transportation, for which it defines principles to support the planning and implementation of adaptation measures.

## Austria: Legislative portfolio

<b>Name of law</b>	<b>Energy Efficiency Act</b>
<b>Date</b>	11 August 2014
<b>Summary</b>	The Act was designed to reduce energy consumption in Austria. In 2006, the EU had set a binding target for all member states to increase their energy efficiency by 20% by 2020. The Act targets lower consumption by energy providers, large companies and government agencies with the aim of increasing Austria’s energy efficiency by 1.5% per annum, starting in 2014.

<b>Name of law</b>	<b>Green Electricity Act</b>
<b>Date</b>	29 July 2011
<b>Summary</b>	The Act aims to support the production of electricity from renewable energy sources through subsidised feed-in tariffs and investment grants. For certain types of green electricity bonuses can be granted on top of the standard feed-in tariff, for example when electricity and heat from renewable sources are generated in a high efficiency co-generation installation. The Act specifies targets for energy from different renewable energy sources. For 2010-2020 the following targets are set: hydro 1,000 MW, wind 2,000 MW, photovoltaic 1,200 MW, biomass and biogas 200 MW.

<b>Name of law</b>	<b>Climate Protection Act</b>
<b>Date</b>	21 November 2011
<b>Summary</b>	The Act lays down GHG emission thresholds for six sectors not covered under the EU ETS for the period 2008-2012 and the period 2013-2020 – waste, energy and industry not covered under the EU ETS, fluorinated gas, buildings, agriculture, and transportation. Article 4 creates a National Climate Protection Committee, comprised of representatives of the Länder, federal ministries involved in climate change (Environment, Finance, Economic, Transport, Health, and Justice) and representatives from trade unions, industry, and agricultural associations.

<b>Name of law</b>	<b>Climate and Energy Fund Act</b>
<b>Date</b>	6 July 2007
<b>Summary</b>	The Act supports the development of a sustainable energy system for Austria and the reduction of GHG emissions. Its targets include cutting energy consumption by 25% by 2010 and 45% by 2020. Energy intensity must be decreased by 5% by 2010 and by 20% by 2020. The Fund's activities are focused on three key areas: research into renewable energy systems, development and testing of new transport systems, and acceleration of commercial climate mitigation measures.

<b>Name of law</b>	<b>Environmental Support Act</b>
<b>Date</b>	16 March 1993
<b>Summary</b>	The Act created the Domestic Environmental Support Scheme, whose main objective is to provide subsidies for companies to implement energy efficiency measures and environmental protection measures. An amendment created the framework for Austria's Joint Implementation/Clean Development Mechanism/Green Investment Programmes, to help Austria to comply with its commitments under the Kyoto Protocol. The total budget available for purchase of emissions reductions amounts to €611 million (USD 767 million).

## ***Austria: Executive portfolio***

<b>Name of policy</b>	<b>The Austrian Strategy for Adaptation to Climate Change</b>
<b>Date</b>	October 2012
<b>Summary</b>	Austria's climate change adaptation strategy identifies 14 key sectors: agriculture, forestry, water resources, tourism, energy, construction and housing, protection from natural hazards, disaster risk management, health, ecosystems/biodiversity, transportation infrastructure, spatial planning, business/industry/trade, and cities. It defines principles to support the planning and implementation of adaptation measures and develops a plan of action.

<b>Name of Policy</b>	<b>Feed-in Tariff Decree</b>
<b>Date</b>	30 December 2011
<b>Summary</b>	The Decree determined new feed-in tariffs for renewable electricity, including electricity produced from wind, biomass, biogas, landfill and sewage gas, geothermal and solar. Contracts for wind energy, solar, landfill and sewage gas and geothermal energy last 13 years, while contracts for biomass and biogas last 15 years. The tariff rates fixed under the scheme vary between €0.05/KWh for electricity generated from landfill gas to €0.25/KWh for solar energy.

<b>Name of policy</b>	<b>Energy Strategy</b>
<b>Date</b>	March 2010
<b>Summary</b>	The Strategy aims to develop a sustainable energy system while implementing the EU requirements. One of the key policy objectives is to stabilize energy consumption in Austria at 2005 levels by 2020. The Strategy defines three strategic pillars: increasing energy efficiency, promoting and intensifying renewable energy, guaranteeing energy supply for the long term.

<b>Name of policy</b>	<b>Austrian Forestry Programme</b>
<b>Date</b>	2007
<b>Summary</b>	The Programme consists of seven thematic areas, of which the first is the “contribution of Austrian Forests to Climate Protection.” Its aims include: increased use of wood as a renewable raw material, expansion of forest areas in regions with low forest cover, and the stabilization of forest ecosystems.

<b>Name of policy</b>	<b>Climate Strategy</b>
<b>Date</b>	2002 (revised 2007)
<b>Summary</b>	The Climate Strategy develops a pathway to reach Austria’s commitments under the Kyoto Protocol (a reduction in GHG emissions of 13% by 2012, based on 1990 levels). To meet Austria’s obligations under the second commitment period of the Kyoto Protocol 2008-2012 the Strategy focuses on our key areas: energy, transport, and agriculture. There is also an evaluation of the economic consequences of these measures.

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