

# ENSURING THAT POLLUTERS PAY

## Austria

Austria's revenue from environmentally relevant taxes remains close to the EU average. Environmental taxes stood at 2.3 % of GDP in 2019 (EU-27 average: 2.37 %). The largest portion of the environmental taxes were the energy taxes at 1.42% of GDP, against an EU average of 1.84 %. Transport taxes represented 0.86% of GDP (EU average being 0.45%), taxes on pollution and resources represented only 0.2%. In the same year, the environmental tax came to 5.34 % of total revenues from taxes and social security contributions (slightly below the EU average of 5.76 %)<sup>1</sup>.

### Further options

#### A **NOx taxation** could work to improve air quality

Austria could consider taxing NOx emissions to improve air quality. Emissions of NOx from industry and energy production were 28% of all NOx emissions in [date; source] and clearly contribute to Austria's exceedance of air quality limits. A NOx tax for emissions from industry and energy production could be a very helpful instrument to reduce these emissions. Modelling carried out for the European Commission suggests that introducing a NOx tax would contribute 0.01 - 0.04% to GDP by 2030 and create x jobs (depending on the model around 0.05 % growth in relation to the baseline) [hyperlink to modelling for Austria]. An example of how a NOx tax can be designed is in the factsheet for Sweden.

#### A **pesticide tax** could work to improve water quality

Austria could consider introducing a tax on pesticides as it has the 11th highest rate of pesticide use per hectare in the EU (Eurostat, 2018) and the European Commission has noted that 100% of Austria's surface waters suffer from chemical pollution<sup>2</sup>. The OECD, having noted in its Environmental Performance Review of 2013<sup>3</sup> that pesticide sales have risen in Austria despite a stable level of agricultural production, has suggested that Austria consider a pesticide tax (add ref). Modelling carried out for the European Commission suggests that introducing taxes on pesticides in Austria could raise €741 million in revenue (decreasing to 320 million as it does its regulating work) [hyperlink to modelling for Austria]. An example of how such a tax works is in the Denmark factsheet.

# WASTE DISPOSAL TAX (Altlastenbeitrag)

Austria has a well-designed tax on landfill, incineration and other forms of waste disposal which could be an example to other Member States.

The waste disposal tax (the Austrian name literally means charge for historic contaminated sites) is a tax on the disposal of waste, with the revenue used for sanitation of historic landfills. Key design features of Austria's tax are:

- ▶ it covers incineration and other forms of waste disposal or storage as well as landfill, in order to minimise the risk that a tax simply diverts waste from one form of disposal to another;
- ▶ the tax rate has different bands for different types of waste, and rates per tonne are high enough to have an impact;
- ▶ the only significant exemption is for inert mining waste;
- ▶ all revenue is used to improve historic contaminated sites.

## How it works

The tax covers different disposal options with different tariffs:

- ▶ deposition (landfilling) of waste: € 9.2 - € 29.8/tonne, depending on the type of deposition site
- ▶ incineration of waste, production of combustible material from waste, and use of waste in blast furnaces: € 8/tonne
- ▶ storage of waste for disposal (> 1 year), for recycling (> 3 years), backfilling with waste: € 9.2 – 87 / tonne, depending on type of waste
- ▶ as well as export of waste for the above mentioned purposes.

It is important not only to tax landfilling, because waste will then move to other disposal options. Therefore, the tax is also laid on incineration, storage and export, to discourage these options too. However, landfilling as the least desirable option in the waste hierarchy is

taxed at the highest rate.

To simplify tax collection it is the landfill (or other waste disposal) operator who is liable to pay it. They pass it on to customers in higher gate fees, thus creating the desired incentive effect.

The revenue of the disposal tax is exclusively used to finance the remediation or protection of historic contaminated sites, i.e. sites from before 1989, the year the tax entered into force. The taxation of incineration was added in 2006. Also, it is important to note that modern landfills must be remediated at the operator's expense. The revenue of the tax amounted to around € 69 million in 2019, and accumulated to around €1.5 billion.

Austrian customs is responsible for the collection of the landfill tax.

## What it does

By making the disposal of waste more expensive, the waste disposal tax can lead to minimisation of waste and the use of the different waste management options.

It is difficult to determine whether it has led to more recycling and prevention, since there are other measures (like the Landfill Ordinance) that can have an impact on waste generation and waste treatment. In any case, compared to other EU countries, waste recycling rates are relatively high and landfill rates of waste relatively low in Austria.

By using the tax revenue for the remediation/protection of contaminated sites, the tax can mitigate the effects of the disposal of waste on the environment and on humans. The total number of old deposits and old sites in Austria is currently (as of January 1st 2020) estimated at 74,280, 93% of which have already been identified. A total of 312 contaminations have been identified of which 168 have been remediated/protected and 2.3 million m<sup>2</sup>/11.5 million m<sup>3</sup> contaminated areas/ contaminated underground/ landfill bodies have so far been decontaminated.

This is an important example for other Member states where there are historic landfills and other contaminated / brownfield sites. As a citizen or stakeholder campaigning for remediation of such a

site you might well argue for a similar tax in order to generate funds for that.

## How it came about and stakeholder involvement

Austria has set itself the objective to complete the remediation of contaminated sites within two generations, by 2050 the latest. The landfill tax was implemented in 1989 with the aim to remediation or protection of contaminated sites and, therefore, the revenue of the tax is exclusively used to this end.

Kommunalkredit Public Consulting (KPC) manages the allocation of the revenues from the landfill tax to projects. KPC is also involved in the development of new funding frameworks (e.g. for the mobilization of little contaminated properties which are brownfield sites right now). Stakeholders are involved in this process, for example by means of workshops.

Comments and questions related to the proposal of the latest amendments of the landfill tax (ALSAG-Novelle 2019) submitted by various stakeholders can be found on the [Parliament's website](#).

Environmental NGOs and citizens' initiatives are currently mainly concerned about potential negative impacts planned waste treatment/incineration facilities.

**Greenpeace Austria** is concerned about the [increase](#)

[of pollutants in the filter cakes](#) of waste incineration plants, and there are several citizens' initiatives that are concerned about air pollution from waste treatment/incineration plants, like an [initiative in Theresienfeld](#), which protests the building of a large waste management facility, on the grounds that it will lead to noise, air pollution and endanger organic agriculture and biodiversity. In October 2019, citizens organised a demonstration against a new waste treatment facility. Further protests led to an EIA being conducted. Pressure finally meant that the facility was cancelled and a solar field contemplated instead. However, the waste will need to be treated somewhere else.

<https://www.neuestheresienfeld.net/31156-2/>

<https://www.derstandard.at/story/2000113374078/abfallbehandlungsanlage-im-theresienfeld-uvp-pflichtig>

<https://zusammenwachsen.co.at/photovoltaikanlage-statt-abfallbehandlungsanlage/>

Other protests against incinerators:

[https://www.wienerzeitung.at/nachrichten/chronik/oesterreich/318511\\_Deponieverordnung-neu-kommt.html](https://www.wienerzeitung.at/nachrichten/chronik/oesterreich/318511_Deponieverordnung-neu-kommt.html)

<https://www.vol.at/mllverbrennung-heiligenkreuz-greenpeace-protest-in-eisenstadt/2179534>



<sup>1</sup> [https://ec.europa.eu/eurostat/databrowser/view/env\\_ac\\_tax/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/env_ac_tax/default/table?lang=en)

<sup>2</sup> The Environmental Implementation Review 2019 Country Report Austria [https://ec.europa.eu/environment/eir/pdf/report\\_at\\_en.pdf](https://ec.europa.eu/environment/eir/pdf/report_at_en.pdf)

<sup>3</sup> OECD Environmental performance review Austria 2013

[https://read.oecd-ilibrary.org/environment/oecd-environmental-performance-reviews-austria-2013\\_9789264202924-en#page168](https://read.oecd-ilibrary.org/environment/oecd-environmental-performance-reviews-austria-2013_9789264202924-en#page168)



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