

Austria boosts climate spending despite virus hit

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Austrian Environment Minister Leonore Gewessler, pictured April 2020, hailed the budget for greening the country's rail network as the "biggest rail package Austria has ever seen"

Austria will devote 17 billion euros (\$20bn) to greening its rail network despite a historic budget deficit caused by the coronavirus pandemic, the government announced Wednesday in its 2021 budget.

Environment Minister Leonore Gewessler, from the Green party, hailed the money as the "biggest rail package Austria has ever seen".

The Greens have been in a coalition with the centre-right People's Party (OeVP) since the beginning of the year.

Part of the new plan for the railways is a target to make the network carbon neutral by 2035 through electrification.

Even though Austrian governments—and the OeVP in particular—are normally advocates of balanced budgets, the package presented to parliament on Wednesday by OeVP Finance Minister Gernot Blumel foresees a budget deficit of 6.3 percent of GDP due to the effects of the coronavirus pandemic.

Despite this, spending on climate and environment-related projects is projected to grow by around a billion euros over three years.

A further 95 million euros will also be dedicated to a flagship project of the Green party, the so-called "1-2-3" transport ticket.

This would enable users to buy an annual ticket valid for travel on all public transport in their region for one euro per day, in two regions for two euros per day and throughout Austria for three euros a day.

Adam Pawloff of Greenpeace Austria welcomed the extra investment in climate goals as "a step in the right direction, even though more resources would be needed to meet the Paris climate targets".

But the budget contained no steps towards a promised reform of the tax system to encourage more environmentally sustainable behaviour, he pointed out.

The WWF agreed that the lack of such reform was the "blind spot in this [budget](#)". The current measures would not be enough for the government to reach its declared aim of making Austria carbon neutral by 2040, it added.

At present 67 percent of Austria's energy is supplied through [fossil fuels](#) such as coal, oil and gas.

The Greens and environmental NGOs have been pushing for a tax on [carbon emissions](#), but the OeVP have proved resistant to the idea.

In June the government had said it wanted to introduce a minimum price of 40 euros for flight tickets as well as a tax on flights under 350 kilometres (217 miles) but no further details on this have been announced.

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