

## Federal Act No. 226/I/2021 amending the Federal Law Establishing the Fiscal Advisory Council and Establishing a Productivity Board (Fiscal Advisory Council and Productivity Board Act of 2021 – Fiskalrat- und Produktivitätsratgesetz 2021)

The National Council has decided:

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### Fiscal Advisory Council

**Article 1.** A Fiscal Advisory Council shall be established and entrusted with the following tasks:

1. Assessing the current and future fiscal situation against the backdrop of Austria's fiscal policy objectives within the meaning of Article 13 para. 2 and 3 Federal Constitutional Law (Bundesverfassungsgesetz) and Article 2 para. 3 Federal Budget Act 2013 (Bundeshaushaltsgesetz 2013, Federal Law Gazette I No. 139/2009) and development trends in the money and capital markets;
2. Analyzing economic effects of financial operations in connection with public debt on the basis of research activities under no. 1;
3. Analyzing the sustainability and the quality of public budgetary policies against the backdrop of Austria's fiscal policy objectives;
4. Providing written recommendations on the fiscal policies of the public authorities in Austria, taking economic conditions into consideration;
5. Tasks according to Article 3 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, Federal Law Gazette III No. 17/2013, Article 6 of Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States, OJ L 306, 23.11.2011, p. 41, and according to Article 5 of Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area, OJ L 140, 27.5.2013, p. 11 ("Two-Pack"); this specifically includes:
  - a) Providing recommendations on the medium-term budget objectives according to Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies as amended by Regulation (EU) No 1175/2011, OJ L 306, 23.11.2011, p. 12;
  - b) Providing recommendations on the adjustment path to reach medium-term budget objectives;
  - c) Monitoring, in a timely fashion, rule compliance under Article 5 of Regulation (EU) No 1466/97 as amended by Regulation (EU) No 1175/2011;
  - d) Identifying circumstances and submitting recommendations that activate, extend or end corrective measures according to Article 7 Austrian Stability Pact (Österreichischer Stabilitätspakt 2012), Federal Law Gazette I No. 30/2013;
6. Preparing an annual report on the recommendations made to the Federal Minister of Finance under nos. 4 and 5, including the results of studies and analyses under nos. 1 to 3, which the Federal Minister of Finance is obligated to present to the National Council and the Federal Government;
7. Other tasks requested by the fiscal equalization partners;

8. Contributing to shaping public opinion in connection with the tasks of the Fiscal Advisory Council as well as organizing information events;
9. Regularly preparing and publishing analyses of the quality of macroeconomic and fiscal forecasts;
10. Exchanging expertise and best practices with similar bodies in other countries and, where appropriate, preparing joint analyses with such bodies; in particular, participating in presentations and meetings with representatives of such bodies and presenting the Fiscal Advisory Council's own work in national and international fora.

### **Composition of the Fiscal Advisory Council**

**Article 2.** (1) The Fiscal Advisory Council is composed of 15 people.

(2) The members appointed to the Fiscal Advisory Council under para. 3 must be recognized public finance experts. The members of the Fiscal Advisory Council are not bound by any instructions. They must not solicit or follow any instructions from their respective nominating organizations nor from anyone else. The Fiscal Advisory Council's website provides information about each member's activities outside the Fiscal Advisory Council that are of particular interest. Activities of particular interest are defined in the rules of procedure pursuant to Article 3 para. 8. The share of women and men in the Fiscal Advisory Council should be balanced.

(3) The Fiscal Advisory Council is composed of

1. six members appointed by the Federal Government,
2. three members appointed by the Austrian Economic Chambers in agreement with the Austrian Chamber of Agriculture,
3. three members appointed by the Austrian Federal Chamber of Labour,
4. three non-voting members, one appointed by the Austrian Association of Municipalities, one by the Austrian Association of Cities and Towns and one by the Austrian Conference of Provincial Governors.

(4) The member ranked first in the list of appointees presented by the Federal Government under para. 3 no. 1 will be President of the Fiscal Advisory Council. The members ranked first in the lists of appointees presented by the interest groups designated in para. 3 will be Vice Presidents of the Fiscal Advisory Council.

(5) The term of office for members of the Fiscal Advisory Council is six years. If a member resigns before the end of a term, a successor is appointed for a term of office of six years. Members may be reappointed after the end of their term of office.

(6) Each nominating organization must also appoint a substitute member for each member it appoints to act in the capacity of such members if they are temporarily prevented from exercising their duties. Substitute members are not bound by any instructions, and Article 4 applies analogously. If specific members have been unavailable or continuously absent from meetings for more than twelve consecutive months, their membership will be automatically revoked. In such cases, ordinary membership passes on to the designated substitute member, and the nominating organization must nominate a new substitute.

(7) The Oesterreichische Nationalbank and the Parliamentary Budget Office are entitled to attend all meetings of the Fiscal Advisory Council in an advisory capacity.

### **Modalities of the Fiscal Advisory Council**

**Article 3.** (1) Membership in the Fiscal Advisory Council is an honorary post. However, members shall be reimbursed for expenses with a lump-sum allowance. The President may be granted adequate compensation for his or her work.

(2) The Fiscal Advisory Council meets as often as circumstances require on request of the President or, if the President is prevented from attending, the Vice President, but at least once every quarter year. At the written request of three voting members, a meeting of the Fiscal Advisory Council shall be convened within one week.

(3) All members, the Oesterreichische Nationalbank and the Parliamentary Budget Office must be

invited to the meetings of the Fiscal Advisory Council and must be provided with an agenda of the meeting.

(4) A request to the President made by the Federal Minister of Finance or the Oesterreichische Nationalbank for a meeting of the Fiscal Advisory Council to be convened must be complied with immediately.

(5) The Fiscal Advisory Council has a quorum if all members have been invited to the meeting in due time and at least seven voting members, including the President, are present or represented.

(6) Resolutions are passed by a simple majority of votes. It is permissible to abstain. In the event of a tie, the President has the casting vote.

(7) The minutes of the meetings shall be signed by the President.

(8) The Fiscal Advisory Council shall establish its own rules of procedure.

(9) Regional administrative authorities and all public bodies and institutions must reply, within a reasonable time frame, to requests by the Fiscal Advisory Council for information necessary to fulfill the tasks under Article 1. On request, Statistics Austria must provide budget data, without delay and in electronic form, for regional administrative authorities and fiscal entities, as well as the reports on budget results according to the Austrian Stability Pact of 2012.

(10) To fulfill its tasks, the Fiscal Advisory Council may consult specialists provided that these have sufficient expertise in the required area.

(11) The Oesterreichische Nationalbank will bear the costs incurred by the Fiscal Advisory Council, will provide the required staff, and will cover administrative expenses.

#### **Other conditions for Fiscal Advisory Council membership**

**Article 4.** The members of the Fiscal Advisory Council must fulfill the eligibility criteria for being elected to the National Council, European Parliament or a comparable legislative body in a European Union member state. Members of the National Council, Federal Council or Parliament of a Federal Province, the Federal Government or a Provincial Government cannot be appointed as members of the Fiscal Advisory Council. Should circumstances arise that retroactively preclude appointment to the Fiscal Advisory Council, the member in question shall leave the Fiscal Advisory Council.

### **Productivity Board**

**Article 5.** In line with EU Council Recommendation 2016/C 349/01, a Productivity Board shall be set up and entrusted with the following tasks:

1. Diagnosis and analysis of productivity and competitiveness developments in Austria. The analysis should take into account euro area and European Union aspects, the long-term drivers and enablers of productivity and competitiveness, including innovation, and the capacity to attract investment, businesses and human capital, and to address cost and non-cost factors that can affect prices and quality content of goods and services including relative to global competitors in the short term. Analysis should be based on transparent and comparable indicators;
2. Independent analysis of policy challenges and possible measures in the field of productivity and competitiveness, and assessment of the effects of policy options, making trade-offs of policy explicit, in particular those defined in Article 13 para. 2 and 3 Federal Constitutional Law and Article 2 para. 3 Federal Budget Act 2013 (Federal Law Gazette I No. 139/2009);
3. Exchanging views and best practices with similar bodies in other countries and, where appropriate, preparing joint analyses with such bodies; in particular participating in meetings with representatives of such bodies and presenting the Productivity Board's own work in national and international fora from time to time.

4. Drafting papers outlining options for avoiding long-term trade-offs between productivity, business location and competitiveness and for promoting sustained economic growth and convergence, while at the same time identifying conflicts between the objectives of different policy areas. In particular, the following productivity and competitiveness factors and their development shall be assessed: legal certainty, education level, demographic structure, environmental and climate protection as well as people's quality of life as it relates to economic development;
5. Preparing an annual report (productivity report) on the recommendations made to the Federal Minister for Digital and Economic Affairs under no. 4, including the results of studies and analyses under nos. 1 to 3, which the Federal Minister for Digital and Economic Affairs is obligated to present to the National Council and the Federal Government;
6. Contributing to shaping public opinion in connection with the tasks of the Productivity Board as well as organizing information events.

### **Composition of the Productivity Board**

**Article 6.** (1) The Productivity Board is composed of five people.

(2) The members appointed to the Productivity Board under para. 3 must be recognized productivity and competitiveness experts. The members of the Productivity Board are not bound by any instructions. They must not solicit or follow any instructions from their respective nominating organization nor from anyone else. The Productivity Board's website provides information about each member's activities outside the Productivity Board that are of particular interest. Activities of particular interest are defined in the rules of procedure pursuant to Article 7 para. 8. The share of women and men on the Productivity Board should be balanced.

(3) The Productivity Board is composed of

1. a chairperson ("the Chair") and two further members appointed by the Federal Government,
2. one member appointed by the Austrian Economic Chambers,
3. one member appointed by the Austrian Federal Chamber of Labour.

(4) The Productivity Board is chaired by the President of the Fiscal Advisory Council. The member ranked second in the list of appointees presented by the Federal Government under para. 3 no. 1 will be Vice Chair of the Productivity Board.

(5) The term of office for members of the Productivity Board is six years. If a member resigns before the end of a term, a successor is appointed for a term of office of six years. Members may be reappointed after the end of their term of office.

(6) Each nominating organization must also appoint a substitute for each member to act in the capacity of such members if they are temporarily prevented from exercising their duties. Substitute members are not bound by any instructions, and Article 8 shall apply analogously. If specific members have been unavailable or continuously absent from meetings for more than twelve consecutive months, their membership will be automatically revoked. In such cases, ordinary membership passes on to the designated substitute member, and the nominating organization must nominate a new substitute member.

(7) The Oesterreichische Nationalbank and the Parliamentary Budget Office are entitled to attend all meetings of the Productivity Board in an advisory capacity.

### **Modalities of the Productivity Board**

**Article 7.** (1) Membership on the Productivity Board is an honorary post. However, members shall be reimbursed for expenses with a lump-sum allowance. The Chair of the Productivity Board shall be remunerated by the Federal Government with a fee that is aligned with his or her tasks.

(2) The Productivity Board meets as often as circumstances require on request of the Chair or, if the Chair is prevented from attending, the Vice Chair, but at least twice a year. At the written request of two members, a meeting of the Productivity Board shall be convened by the Chair within one week.

(3) All members, the Oesterreichische Nationalbank and the Parliamentary Budget Office must be invited to the meetings of the Productivity Board and must be provided with an agenda of the meeting.

(4) A request to the Chair made by the Federal Government for a meeting of the Productivity Board to be convened must be complied with immediately.

(5) The Productivity Board has a quorum if all members have been invited to the meeting in due time and at least two members, in addition to the Chair, are present or represented.

(6) Resolutions are passed by a simple majority of votes. It is permissible to abstain. In the event of a tie, the Chair of the Productivity Board has the casting vote.

(7) The minutes of the Productivity Board's meetings shall be signed by the Chair.

(8) The Productivity Board is to establish its own rules of procedure.

(9) Regional administrative authorities and all public bodies and institutions must reply, within a reasonable time frame, to requests by the Productivity Board for information necessary to fulfill the tasks under Article 5. On request, Statistics Austria must immediately provide related data in electronic form, in particular those that are relevant for productivity, business location, sustainability and competitiveness.

(10) To fulfill its tasks, the Productivity Board may consult related scientific works by the Oesterreichische Nationalbank. In addition, it may consult specialists provided that these have sufficient expertise in the required area.

(11) The Oesterreichische Nationalbank will provide the required staff and will cover administrative expenses.

(12) The Oesterreichische Nationalbank shall bear the direct costs arising from the Productivity Board's task fulfillment, of which the Federal Government shall bear an annual amount of up to EUR 250,000. This amount will be paid in advance in quarterly installments of EUR 62,500. Once the annual financial statements of the Oesterreichische Nationalbank are finalized, the Federal Ministry of Finance must be informed about the actually incurred costs. Should actual costs be lower than the amount paid in advance by the Federal Government, any overpayment on part of the Federal Government shall be deducted from its payments in the following year.

### **Other conditions for Productivity Board membership**

**Article 8.** The members of the Productivity Board must fulfill the eligibility criteria for being elected to the National Council, European Parliament or a comparable legislative body in a European Union member state. Members of the National Council, Federal Council or Parliament of a Federal Province, the Federal Government or a Provincial Government cannot be appointed as members of the Productivity Board. Should circumstances arise that retroactively preclude appointment to the Productivity Board, the member in question shall leave the Productivity Board.

### **Transitional provisions**

**Article 9.** The members appointed to the Fiscal Advisory Council under the Federal Law Establishing the Fiscal Advisory Council, Federal Law Gazette No. 742/1996 as amended by Federal Law Gazette I No. 149/2013, shall be deemed appointed pursuant to Article 3 para. 3 for the remainder of their respective terms of office. The term of office of the Fiscal Advisory Council's President holding office when this Federal Act enters into force shall end together with the first term of office of the Productivity Board's Chair appointed under Article 6 para. 5. Any subcommittees of the Fiscal Advisory Council shall be dissolved.

### **Execution**

**Article 10.** Executing this Federal Act falls within the purview of the Federal Minister of Finance and, regarding the matters pursuant to Article 5 no. 6, the Federal Minister for Digital and Economic Affairs.

**Entry into force**

**Article 11.** This Federal Act enters into force on January 1, 2022. At the same time, the Federal Law Establishing the Fiscal Advisory Council, Federal Law Gazette No. 742/1996, as amended by Federal Law Gazette I No. 149/2013, shall expire.