



Local Government under covid19 pressure (20Apr2020)

The Austrian municipal level fully supports the measures taken by the European Union, the Austrian Federal Government and the Austrian Länder. Cities and municipalities are currently proving - once again - that they are absolutely indispensable agents on the ground in crisis situations. The current situation and its economic effects will have a massive impact on cities and municipalities. In order to keep damage to the municipal level to a minimum, the following measures are demanded or proposed:

1. at European Union level:

- Complete exemption of services of general interest from the Stability Pact/Maastricht relevant allocations
- Enforcing European investment in services of general interest
- Support and exchange with EU (and non-EU) cities, esp with cities that are in particular need of cooperation
- Involving the local governments in taking action
- Encourage more cross-border municipal cooperation and coordination,
- Strengthening of European value chains and relocation of essential production - drugs, vaccines, manufacturing plants - to Europe (Ensure supply of personal protective equipment)
- protect European businesses from foreign takeover

2. at national level:

Health sector:

- Ensure the nation-wide distribution of corona tests
- Long-term securing of medical staff (especially nurses)

Municipal finances:

- **Municipal tax – “Kurzarbeit”(reduced working hours)-scheme:** The Social Security contributions and the wage tax will continue to be paid on the basis of the unabridged working hours. In contrast the municipal tax is calculated on the basis of the reduced wage. Alongside the growing numbers of unemployment this difference result in a substantial loss in municipal tax income. The AACT demands that this loss is substituted by the federal government.
- **Ensure liquidity:** Unlike the federal and state governments, the municipalities have no direct access to the Austrian Treasury (OeBFA). This is a long-standing demand of the municipalities. One would only have to supplement the municipalities in §2 of the Federal Financing Act.
- Since, on the one hand, municipal tax revenues will collapse, e.g. the municipal tax, and since municipalities are also employers (but salaries must be paid), the municipalities will also need financial support.
- Cities and municipalities need as soon as possible halfway serious estimates of the effects on tax revenues.
- It should be made clear that the targets of the Austrian Stability Pact for this year will be suspended.
- To revive the economy after the crisis, an investment programme in municipal infrastructure is an essential component.
- Transparency of aid funds and an effective check whether they reach the workers are indispensable.

Fundamental rights:

- Safeguarding fundamental rights and freedoms when accessing mobile phone data.