

Our ref: R91/0112-05 OUT-30717

28 May 2020

The Hon. Shelley Hancock MP
Minister for Local Government
GPO Box 5341
SYDNEY NSW 2001

Email: office@hancock.minister.nsw.gov.au

Dear Minister

Determination of Maximum Interest on Overdue Rates and Charges

I write to urge you to reverse the Government's determination that the maximum rate of interest payable on overdue rates and charges for the period 1 July 2020 to 31 December 2020 (inclusive) will be 0.0% per annum.

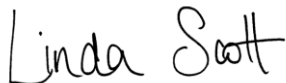
Councils fear that this determination provides an incentive to rate payers to defer payment of rates and annual charges regardless of their financial position. Councils fear that some rate payers, including large corporates could game the interest free period to receive a cash flow advantage, to the detriment of councils' financial position. This has serious implications for council cash flow and liquidity.

This concession is unnecessary as councils already have hardship policies in place and do not object to waiving penalty interest where rate payers are suffering genuine financial hardship.

The gazettal, while well intended, is untargeted and there is the likelihood that it will cause more harm than good. **Will the Minister reverse this determination?**

Should your staff have any further questions, please contact Mr Shaun McBride, Chief Economist, shaun.mcbride@lgnsw.org.au or 9242 4072.

Yours sincerely



Cr Linda Scott
President