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From: de Vries, Josef K [REDACTED]
Sent: Thursday, 29 August 2019 11:28 AM
To: Local Government Legislation Review (DPaC)
Cc: Donegan, Rob; Wojcik, Mark
Subject: Commonwealth Bank - Tasmanian Local Government Act Review Feedback

Good morning

By way of introduction I look after the Commonwealth Bank's relationships with Local and State Government clients across Tasmania. We are the main transactional banker to around 85% of all Council's in Tasmania and have some form of banking relationship with every Council.

One problem we have with the current form of the Tasmanian Local Government Act is the process to document security over rate revenue for the purpose of lending to Council's. Our existing legal advice and precedent is that we need to obtain a fresh mortgage over rate revenue executed under Council Seal every time a new lending facility is provided to a Council and is to be secured by rate revenue (for small facilities these may not require this security and this will not be an issue in those circumstances).

In most other States/Territories (excepting SA and TAS) our legal advice based on the relevant Local Government Act is that we can rely upon an existing rates mortgage when providing additional borrowings.

Providing this feedback so that consideration to this issue can be made as part of the current review or a future possible amendment. Possible ways to address this could be through either ensuring that the Act is clear that a previously obtained Rates Mortgage can be relied upon by a lender OR the Act could include a legislative guarantee securing any borrowing over rates revenue (this second option would make the process of Council's borrowing funds quicker and administratively easier for both the Council and financier).

Happy to discuss this further if it would be of assistance.

Kind regards

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