

25 May 2022

Mr Adam Wilson
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001



Submitted via online form on ESCOSA website

Dear Mr Wilson

RE: Local Government Rates Oversight Scheme Advice – Framework and Approach

On behalf of Council, I thank you for the opportunity for the City of Mitcham to provide feedback on the Draft Framework and Approach (DFA) for the rates oversight scheme as part of the recent Local Government Reforms.

Council considered the DFA on the 10th of May 2022 (Item 9.2) and resolved to provide the following response summarised below:

Council;

- Recommends that ESCOSA changes its analytical framework to incorporate the identification of both cost and rates increases that relate to *existing services, new services and cost shifting*.
- Agrees that it is appropriate for the cost of existing services to increase at or below CPI, and it is therefore important that ESCOSA changes its framework to distinguish between these three distinct types of service costs and the rates increases needed to fund them.
- Recommends that the analysis of rate increases needs to be based on the proposed increase in revenue and not from the advertised rate increase percentage as there is not a consistent approach to what the advertised percentage increase refers to. This is to ensure the integrity of the data on which ESCOSA analysis and advice is provided.
- Asks that ESCOSA's advice is limited to high-level advice, enabling Council to understand the implications of its revenue decisions with reference to its LTFPs and IAMPs (as described in the Legislation).
- Does not support the increased scope and cost of the scheme proposed by ESCOSA in the Draft Framework and Approach.
- Does not support the impost of the establishment costs for ESCOSA to perform this service.

Street Address:
131 Belair Road
Torrens Park SA 5062

Postal Address:
PO Box 21
Mitcham Shopping Centre
Torrens Park SA 5062

Phone: (08) 8372 8888
Fax: (08) 8372 8101
mitcham@mitchamcouncil.sa.gov.au
www.mitchamcouncil.sa.gov.au

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The report presented to Council also included detailed responses to many of the consultation questions posed in the DFA which can be viewed via the following link: https://www.mitchamcouncil.sa.gov.au/_data/assets/pdf_file/0032/1143689/10-May-2022-Full-Council-Agenda.PDF

The City of Mitcham welcomes any further opportunity to provide feedback on the rates oversight scheme and can be contacted via the details included in this letter should ESCOSA require further information or clarification.

Yours faithfully

