

# Rural Councils Transformation Program

## Program Summary



### What is the Rural Councils Transformation Program?

The \$20 million Rural Council Transformation Program (RCTP) funded in the 2018-19 State Budget aims to support large scale proposals by rural and regional councils to transform existing council functions. This will help improve the financial sustainability of councils which would not otherwise be able to invest in these large-scale transformations.

The RCTP is designed to seed fund transformative projects requiring approximately \$2 million to \$5 million in funding and comprising three or more rural or regional councils.

Potential funded projects could include shared engineering and building services, corporatising fleet management, asset management for multiple rural councils, and / or combining the back office corporate functions of finance, human resources, IT, procurement and payroll.

Activities to be considered for funding under the RCTP include but are not limited to:

- Establishment of governance arrangements
- Digital transformation, harmonisation or system development
- IT hardware and software – both new and upgrades
- Staffing – management and administration
- Related consultancy advice – legal and finance
- Buildings (leased only) and fixtures and furniture – leased and owned
- Vehicles and office equipment.

### Program Timelines

Applications by council groups will be subject to assessment against the Program criteria and councils will be offered additional support within the RCTP to develop a project business case.

Key milestones:

1. RCTP Expressions of Interest period commences on 14 August 2018 with the release of Program guidelines and accompanying information by the Minister for Local Government.
2. Regional information sessions for rural and regional councils across Victoria (see communication and engagement below).
3. Expressions of Interest proposals for RCTP funding close on 15 November 2018. Applications must include a commitment from the applicant councils' CEOs in the form of a Memorandum of Understanding.
4. Final applications, including a detailed business case close on 31 March 2019. Council resolutions of commitment from each participating council must accompany the application.
5. Assessment of applications from April-May 2019.
6. Final project funding allocation decisions and announcements in May 2019.

### Communication & Engagement

The transformative requirements of RCTP proposals, coupled with a single year budget allocation in 2018/19, require supporting communication and engagement.

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Local Government Victoria (LGV) has information sessions in rural and regional locations for councils and interested stakeholders in August 2018 at the following locations:

LOCATION	DATE
• Benalla	22 August 2018
• Bendigo	22 August 2018
• Swan Hill	23 August 2018
• Horsham	23 August 2018
• Warrnambool	24 August 2018
• Geelong	31 August 2018

LGV staff can also assist rural and regional councils in the scoping of potential projects and the development of proposals.

## How does RCTP build on existing programs?

The Victorian Government has provided support to rural and regional councils to develop shared services for almost a decade. These efforts have focussed on developing the evidence base and local government confidence to move forward. Current programs such as the Collaborative Councils – Sustainability Fund Partnership and the Finance and Accounting Support Team have funded business cases and feasibility studies for rural and regional council shared services. Other efforts have focussed on joint procurement of goods and services.

There are limited examples of shared services currently in place. Many of these examples are small scale, specific to a particular service and involve small numbers of staff. The local government sector has experienced challenges in the past with initiating shared services at a larger and transformative scale without Victorian government support.

In 2017-18, the Victorian Government invested in research and consultation to identify the main obstacles and paths to improved financial sustainability for rural and regional local governments. KPMG were engaged

to undertake this project, which proposed a suite of reforms and investments encompassing operational transformation, stronger local governance and a state-local government alliance to support sustainable service delivery. This project resulted in a State budget allocation of \$20 million in 2018-19 for the Rural Councils Transformation Program.

## Contacts and Further Information

Further information regarding the program is located at

<https://www.localgovernment.vic.gov.au/grants/rural-and-regional-councils-sustainability-reform>

To discuss the program please contact:

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