

Rural Councils Transformation Program

FAQ Sheet



What is the Rural Councils Transformation Program (RCTP)?

The RCTP is a program to incentivise and support rural and regional councils to implement large-scale, transformative projects on a regional level, such as joined-up service delivery, corporate services, procurement and asset management.

The RCTP is designed to improve the financial sustainability of councils, by providing them with initial financial assistance to invest in these transformations.

The Victorian Government is committing \$20 million in the 2018-19 financial year towards the Rural Councils Transformation Program.

Why is the Rural Councils Transformation Program needed?

Rural councils often have a restricted ability to affordably invest and deliver services and infrastructure, in part due to their dispersed populations and larger geographic areas they need to service.

Compared to metropolitan councils, rural councils tend to face greater barriers to sustainability: meaning they are less likely to have the capacity to meet the agreed service and infrastructure needs of their community and absorb foreseeable changes and unexpected shocks into the future.

This can lead to poorer outcomes for the community, with measures of health and wellbeing in many rural communities being recorded at lower levels than those of their metropolitan counterparts.

It can also result in a reduction in service levels, declining breadth and scope of available services, and deterioration in infrastructure performance.

Regional service delivery models can help to achieve greater service benefits for rural and regional communities, through increased collaboration across councils and the delivery of greater efficiencies.

How can the RCTP benefit councils and communities?

The RCTP aims to:

- improve the financial sustainability of rural and regional councils by achieving economies of scale including through regional service delivery or collaborative procurement;
- promote more efficient and improved service delivery through collaboration and innovation;
- facilitate benefits for rural and regional communities, with priority given to those for rural communities; and
- demonstrate potential efficiencies to be gained through regional service delivery.

What types of activities will be considered for funding?

The RCTP aims to fund regional scale proposals that will implement transformation of existing council functions such as direct service delivery, corporate services, procurement or asset management.

Who will be eligible to apply for this program?

Councils, as defined by the *Local Government Act 1989*, from rural and regional Victoria are eligible to submit an application under this fund.

Rural and regional Victoria is defined as the 48 local government areas set out in Schedule 1 of the *Regional Infrastructure Development Fund Act 1999*.

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How do councils apply for the program?

To request funding under the RCTP, applicants will need to submit an Expression of Interest (EOI), which will be assessed and considered for approval to progress to a full application that includes development of a business case. Both the EOI and the full application will be submitted via Grants Online. Details are contained in the RCTP Funding Guidelines.

What commitment is required for an EOI to proceed to a full application?

Applications will only be considered where there is an arrangement governed by a Memorandum of Understanding (MOU) or similar between three or more eligible councils. The arrangement is expected to include a majority of rural councils, and may also include regional councils. The inclusion of relevant public-sector agencies in the arrangement will be considered on a case by case basis.

What commitment is required for a full application to be assessed for funding?

Parties to the MOU must pass and submit relevant council resolutions to implement a successful business case. Successful applicants will be invited to enter a funding agreement with the Department of Environment, Land, Water and Planning.

Is this program paving the way for future council amalgamations?

No. This program is not a step toward council amalgamations. It is intended to support the sustainability of rural and regional councils by helping address issues associated with revenue raising constraints, absence of economies of scale and human resource limitations.

It is essential that rural councils retain their autonomy and local decision-making ability, while being able to deliver high quality, efficient services to their community.

Does this mean councils will start cutting jobs if they share services?

It is possible that through combined services, councils may propose to reduce positions in some areas, and increase investment in other areas leading to new recruitment.

Sharing services means reconfiguring staffing and resources, not simply cutting costs. Retaining high quality staff and skills can be another benefit of collaboration, along with attracting new skills.

The RCTP offers a range of support to councils beyond staffing. This support includes digital transformation or system development, IT hardware and software, and related consultancy advice (such as legal and finance).

These types of support can help councils to achieve greater service benefits for rural and regional communities, through increased collaboration and the delivery of greater efficiencies.

Were councils involved or consulted in the development of this program?

Councils were extensively consulted in 2017-18 as part of the Rural and Regional Councils Sustainability Reform Program. This Program identified the key challenges to financial sustainability and developed options for councils, and the Victorian Government.

This work directly contributed to the development of the RCTP.

How will it work in terms of community consultation? Will communities be notified of council applications?

Councils are not required to consult with communities as part of the application process, however individual councils may choose to conduct community consultation as part of their process if they deem it necessary.

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