



REVIEW OF REGIONAL POLICY AND SERVICE DELIVERY MODEL

A RURAL COUNCILS
PERSPECTIVE

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au



REVIEW OF REGIONAL POLICY AND SERVICE DELIVERY MODEL



This submission has been provided as Rural Councils Victoria's (RCV) input to the review of the Department of Economic Development, Jobs, Transport and Resource's Regional Service delivery model and strategic direction for regional policy.

RCV is an alliance representing the 38 rural Victorian councils, supporting and promoting sustainable liveable and prosperous rural communities.

Victoria's rural councils are responsible for 79 per cent of Victoria's land area and have a combined population of approximately 704,000 people¹ (June 2011). RCV's mission is to:

1. Heighten awareness and understanding of issues that impact on rural communities.
2. Assist with building the capacity of rural councils to face challenges.
3. Provide leadership on local governance.

The RCV Executive Committee - comprising two representatives, a councillor and officer from each of the six Municipal Association of Victoria rural regions - meet monthly to steer directions, identify priorities and guide the implementation of the program.

This document was prepared with the assistance of SGS Economics and Planning.

For further information about this report contact:
Olwyn Redshaw
Program and Policy Manager
Rural Councils Victoria
03 9667 5590
oredshaw@mav.asn.au

© Copyright Municipal Association of Victoria, May 2015

The Municipal Association of Victoria is the owner of the copyright in this publication.

No part of this publication may be reproduced, stored or transmitted in any form or by any means without the prior permission in writing from the Municipal Association of Victoria.

All requests to reproduce, store or transmit material contained in the publication should be addressed to Olwyn Redshaw on 03 9667 5590 oredshaw@mav.asn.au.

All requests to reproduce, store or transmit material contained in the publication should be addressed to Olwyn Redshaw on 03 9667 5590 oredshaw@mav.asn.au.

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Purpose

This paper was commissioned by Rural Councils Victoria (RCV) to assist the State Government's review of its regional policies and programs.

The paper:

- Presents a typology of rural Councils in Victoria
- Outlines some of the key economic and social trends for each type of rural Council
- Discusses the issues faced by each grouping of rural Councils and the broad strategies required to deal with these challenges and opportunities
- Assesses the role and impact of State programs in realising these strategies, and
- Makes recommendations for reform of the State's regional policy and delivery model.

Types of rural Councils

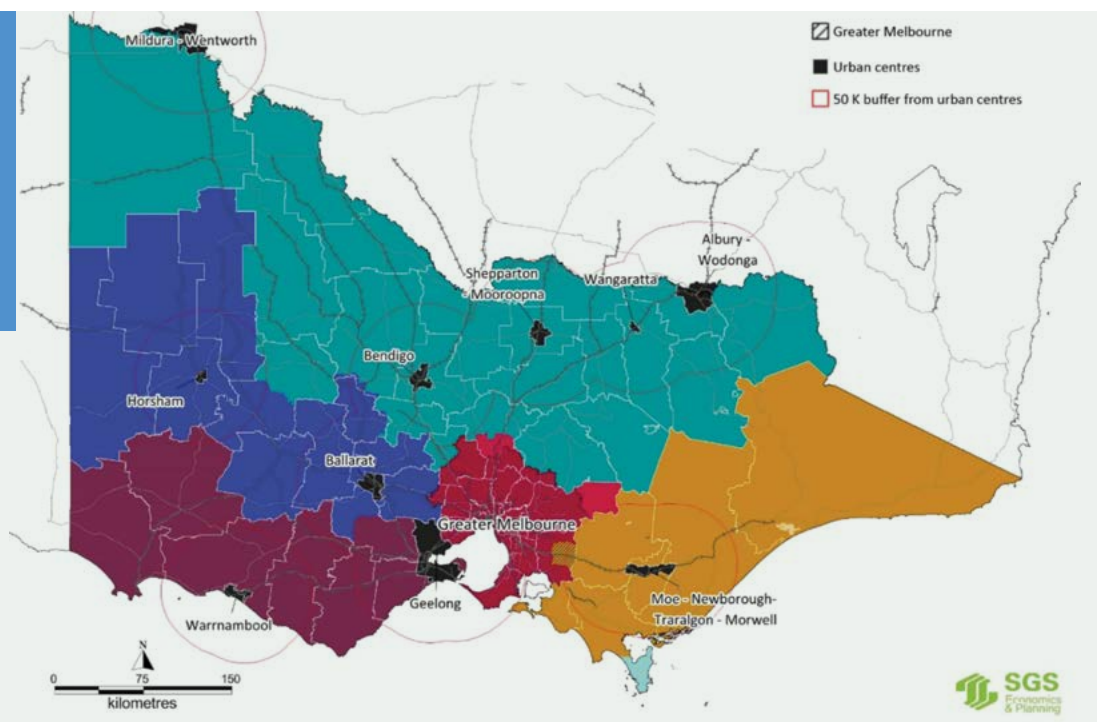
SGS undertook a journey to work analysis for Victoria, but treating metropolitan Melbourne as a separate economy.

Local government areas were statistically 'joined' to, or 'clustered' with, their closest and largest regional employment centres through an iterative process. This produced 4 broad sub economies in non-metropolitan Victoria: Gippsland; Northern Victoria, stretching along the length of the Murray and anchored by a chain of major employment centres including Wodonga, Wangaratta, Shepparton, Bendigo and Mildura; Western Victoria centred on Geelong and Warrnambool; and Central Western Victoria along the Ballarat-Horsham corridor (Figure 1).

When these broad groupings of Councils based on labour market flows are related to 50km travel distances to key centres, a three way segmentation of RCV Councils emerges (Figure 2). This comprises:

- Peri-metropolitan Councils
- Regional satellite Councils, and
- Outer rural Councils.

FIGURE 1
CLUSTERED
ECONOMIES



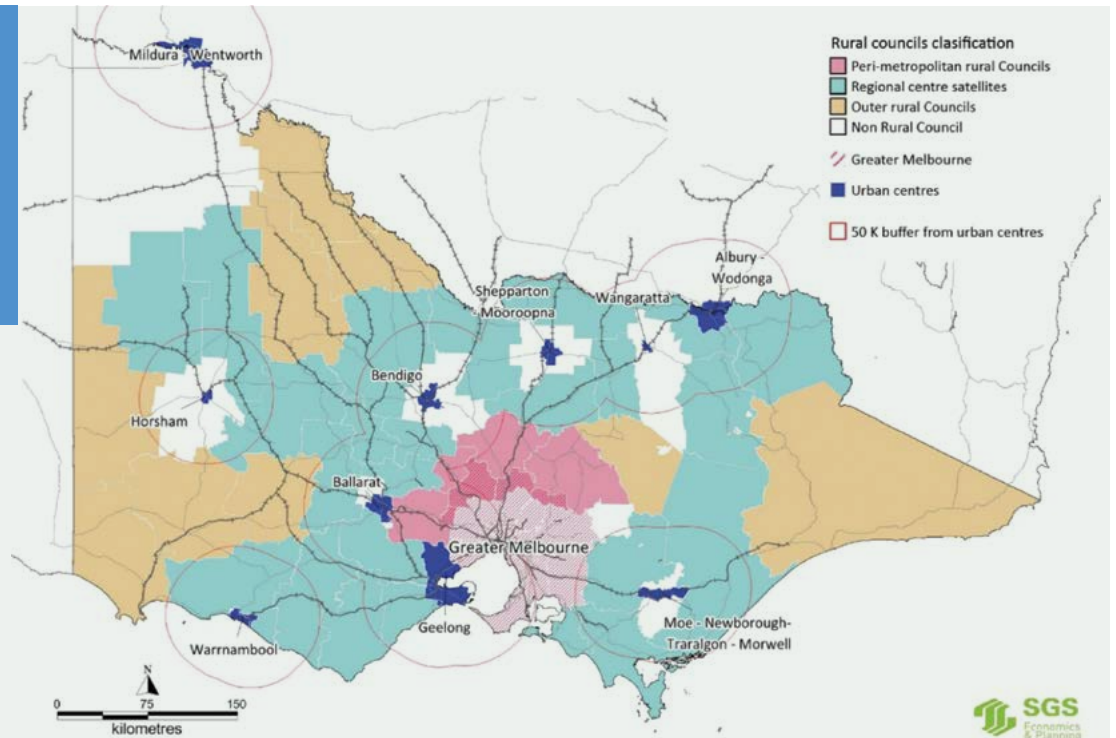
Source SGS Economics & Planning Pty Ltd

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

FIGURE 2
TYPOLOGY
OF RURAL
COUNCILS

Source SGS Economics & Planning Pty Ltd



Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | Ph: 03 9667 3555
www.ruralcouncilsvictoria.com.au

Population trends

Unsurprisingly, the Peri-metro RCV municipalities have grown very rapidly – faster than Victoria as a whole and close to the rate of population increase for the metropolis.

However, those RCV municipalities that are not closely linked to the metropolis or to major regional centres featured static populations, in terms of aggregate numbers, in the 10 years to 2013.

Regional centre satellite municipalities had moderate population growth, but at levels significantly below those of both the metropolis and the major regional centres (Table 1).

It is evident from Figure 3 that two factors explain growth in regional settlements: (1) proximity to Melbourne, which provides access to labour market opportunities as well as a host of higher order services and (2) the critical mass (size) of centres, which enables larger centres to soak up growth which would have otherwise flowed to smaller towns.

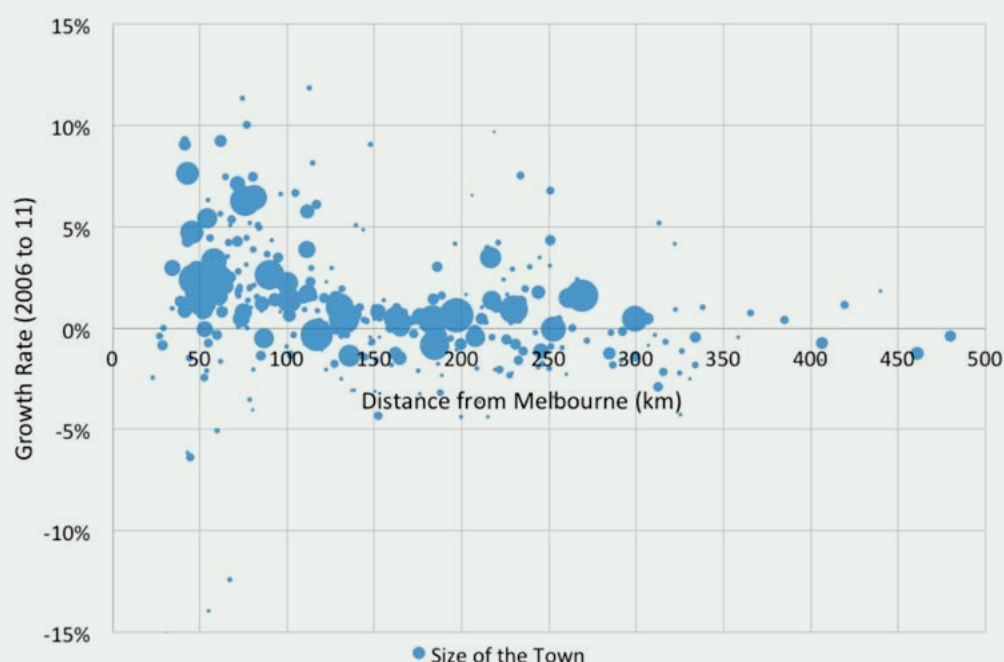
TABLE 1
POPULATION
GROWTH BY
RURAL COUNCIL
CATEGORY

Source: SGS Economics & Planning Pty Ltd, ABS data

Classification	Population Growth (2003-2013)
Peri-metropolitan rural Councils	19%
Regional centre satellites	7%
Outer rural Councils	1%
RCV	7%
Melbourne Metro	21%
Regional Cities	11%
Victoria	18%

FIGURE 3
POPULATION
GROWTH
FACTORS

Source: ABS, SGS Economics & Planning Pty Ltd



Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Peri-metropolitan RCV municipalities perform a de facto growth area function for the metropolis. Accordingly, the population profile for these Councils is skewed towards families with children, compared to the Victorian population profile.

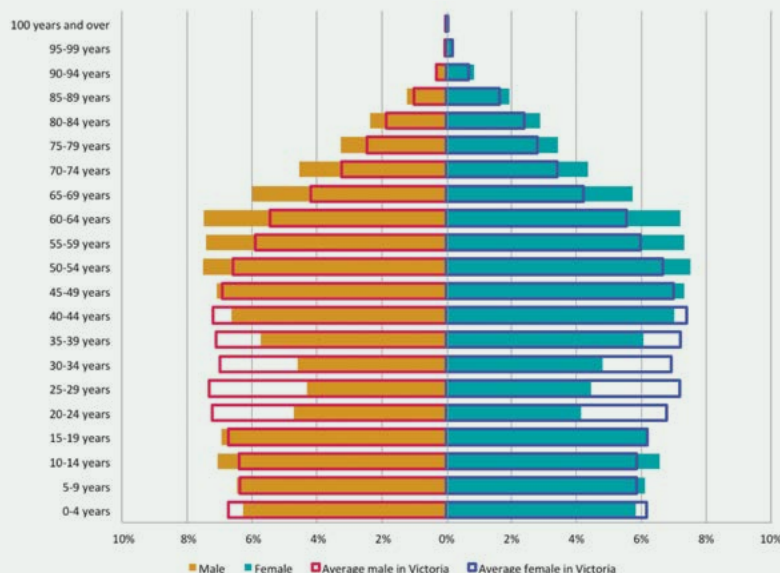
The population pyramid for the Outer rural sub grouping of RCV municipalities reveals an opposite dynamic to their Peri-metro counterparts. Families, and young adults in particular, are significantly under-represented compared to the age structure for Victoria as a whole.

The Regional centre satellites sub grouping also features a significant 'shortfall' of adults of prime working age.

In combination, all RCV Councils face the challenge of attracting and retaining young adults and people in the family formation stage of the life-cycle. Meanwhile, they host proportionally more people in the retirement phase (Figure 4).

FIGURE 4 POPULATION STRUCTURE – ALL RCV MUNICIPALITIES

Source: ABS, SGS Economics & Planning Pty Ltd



Current population structures as just discussed, form only part of the story. There is a degree of dynamism in population profiles across the State, generated by internal, interstate and international migration.

The RCV Councils as a whole attracted more than 3,500 migrants in net terms during the latest year for which official statistics are available (2013/14).

This is actually greater than net migration recorded for either Melbourne metro or the Regional Cities as a group.

However, this relatively strong in-migration was confined to the Peri-metro and Regional Satellite Councils, with Outer rural Councils suffering a net outflow of people during the period in question (Table 2).

TABLE 2 MIGRATION 2013-14

Source: ABS, SGS Economics & Planning Pty Ltd

Classification	Net Migration
Peri-metropolitan rural Councils	1,817
Regional centre satellites	2,167
Outer rural Councils	-364
Total RCV	3,620
Melbourne Metro	2,788
Regional Cities	2,347
Total Victoria	12,375

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Industry composition and business formation

There are no surprises when it comes to industry structure amongst the RCV municipalities versus the rest of the State. Primary production is clearly more important across the three sub-groupings compared to both regional cities and the metropolis.

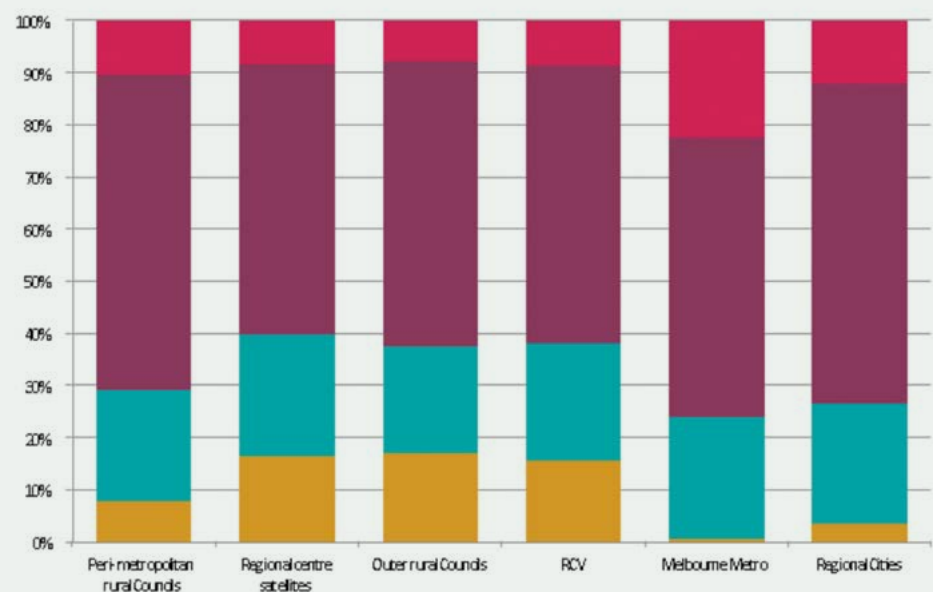
Meanwhile, Melbourne metro is a dominant provider of specialised business services, which are proxies for the 'knowledge economy'.

The commuter economy status of the Peri-metropolitan Councils is also evident in these numbers, with its relatively large proportion of population serving jobs

FIGURE 5
INDUSTRY
COMPOSITION

Source: ABS, SGS Economics & Planning Pty Ltd

- Business to business services
- Population Serving
- Manufacturing and Allied
- Primary Industries



Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

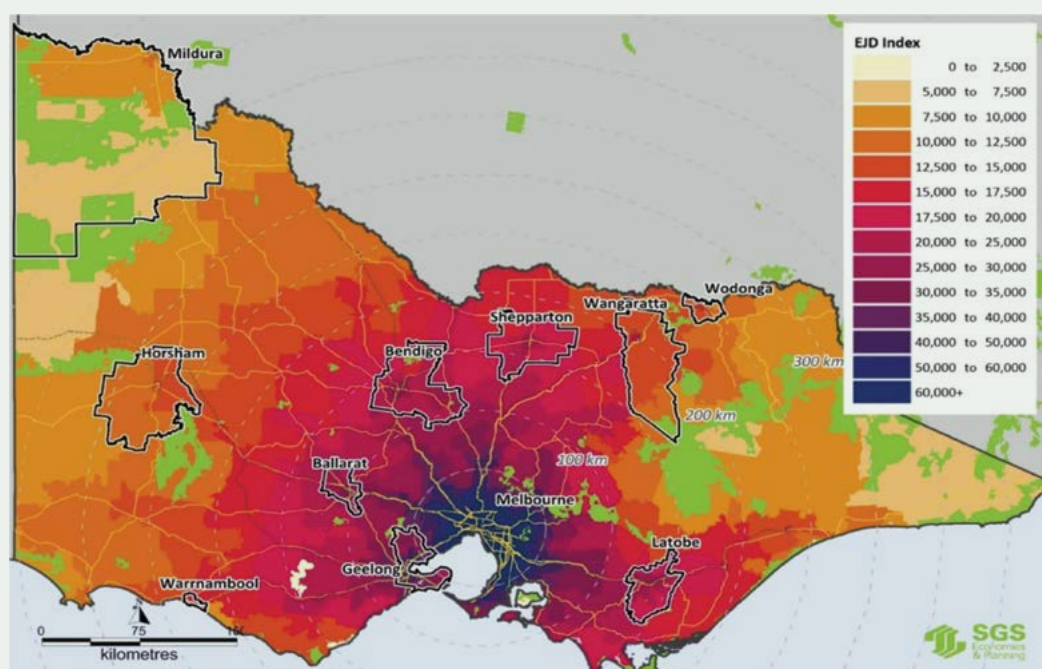
Figure 6 plots 'Effective Job Density (EJD)' across Victoria. EJD is an index of economic massing or agglomeration, which reflects the number of jobs in a given area (a proxy for businesses) plus the number of jobs elsewhere that can be reached from that area divided by the travel time in reaching them.

The productivity of firms, particularly those in knowledge intensive activities, is known to be positively related to EJD.

Victoria is a relatively compact State which offers a positive environment for business formation across much of its territory, given good access to advanced business services in the metropolis. However, EJD tapers off rapidly beyond a 2 hour drive of Melbourne (Figure 6).

**FIGURE 6
ECONOMIC
AGGLOMERATION**

Source: ABS, SGS Economics & Planning Pty Ltd



Futher Information:

Contact Rural Councils Victoria at:
 Level 12/ 60 Collins Street Melbourne
 GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

The Regional centre satellites category of RCV members led new business formation for the 2003-2013 period. Tourism activity appears to have been particularly strong in this grouping of Councils, with many new retail and hospitality businesses being launched. Interestingly, this sub-grouping also featured significant new business formation in the manufacturing sector, perhaps signifying niche and high value added activity also linked to the tourism base of these municipalities (Figure 7).

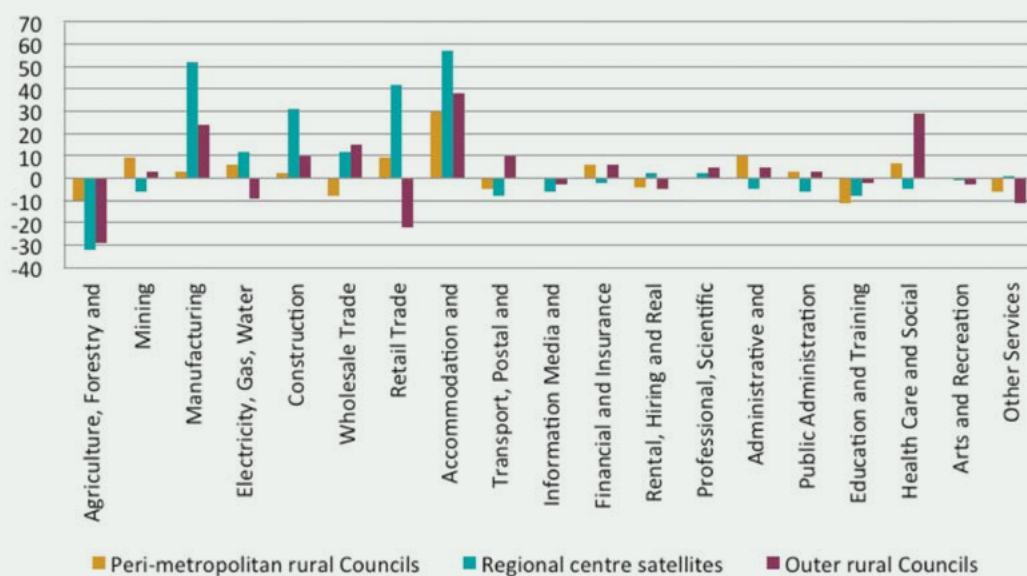
The commuter status of the Peri-metropolitan Councils is also underlined by Figure 7. This sub-grouping may have grown more strongly in population terms than the other segments of the RCV membership, but new business formation was quite low.

Significant tourism investment is evident in the Outer rural sub-grouping in an otherwise difficult environment where there have been substantial enterprise losses. Health care and social assistance organisations represent a second strong point for the Outer rurals, reflecting, perhaps, their ageing populations.



FIGURE 7
NEW BUSINESSES
SPLIT BY RCV
CATEGORIES
2003-2013

Source: ABR, SGS Economics & Planning Pty Ltd



Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Income and employment

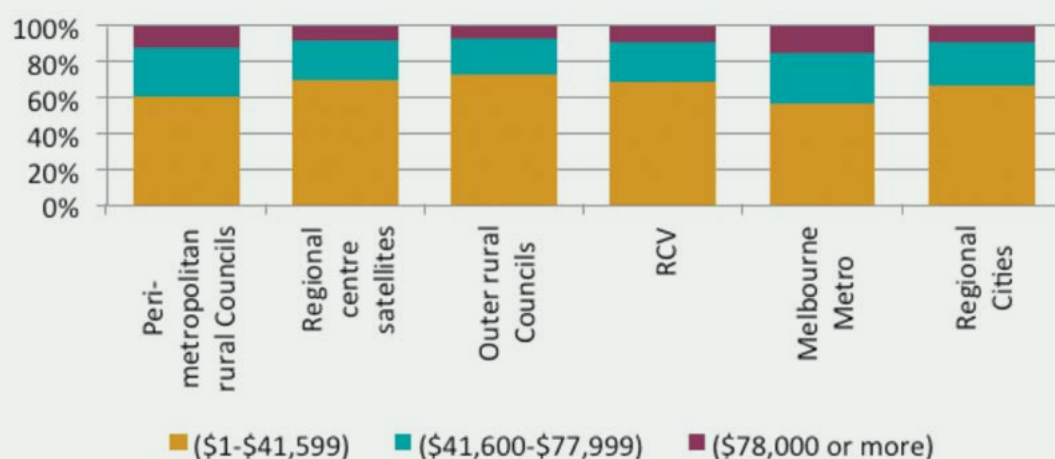
In line with the differences in industry structure described earlier, the income profiles of all three RCV sub-groupings are skewed towards the lower end of the distribution compared to the metropolitan area. The lowest income communities are found in the Outer rural grouping of Councils (Figure 8).

On one reading there is little difference between the RCV sub-groupings, the regional centres and the metropolitan area in terms of unemployment levels (Table 3).

However, these figures need to be interpreted in the context of the depth of local labour markets. Churn in very large labour markets such as those in the metro area means that unemployed people may be absorbed back into work at a faster rate than their counterparts in regions which have limited capacity to generate new jobs.



FIGURE 8
INCOME
DISTRIBUTION



Source: ABS, SGS Economics & Planning Pty Ltd

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

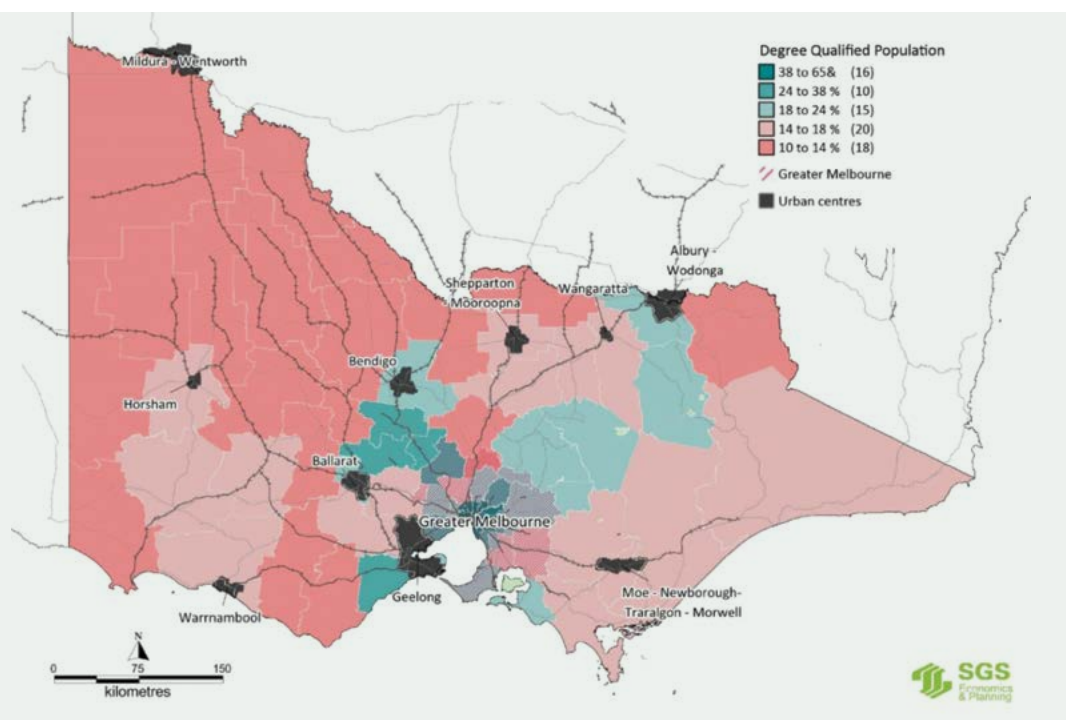
**TABLE 3
UNEMPLOYMENT
LEVELS**

Classification	Unemployment Rate
Peri-metropolitan rural Councils	4%
Regional centre satellites	5%
Outer rural Councils	4%
RCV	4%
Melbourne Metro	5%
Regional Cities	6%
Victoria	5%

Source: ABS, SGS Economics & Planning Pty Ltd

The skill profile of RCV Councils both in aggregate and on a sub-grouping basis tends to reflect the income profiles described above. All non-metro areas have a somewhat lower skill profile to that of Melbourne, with advanced skills being least available in Outer-rural municipalities (Figure 9).

**FIGURE 9
SKILLS
AVAILABILITY**



Source: ABS, SGS Economics & Planning Pty Ltd

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Value added (total income) generated in the RCV municipalities

That part of the Victorian economy which is housed within RCV member Councils generated more than \$30 billion in income for the State in 2011 (Table 4).

This contribution to total State income has been relatively stable over the past decade or so. In part this reflects the competitive, trade exposed environment within which this sub-economy must operate. It also partly attributable to the lack of skills in regional areas. This is holding back economic growth.

In line with trends at the State and national levels, productivity appears to be falling for the RCV sub economy. Lack of infrastructure to support efficient economic development is likely to be an important factor here, but this requires investigation.



TABLE 4
GROSS
REGIONAL
PRODUCT

Source: RDV Data

Outer rural Councils	2001	2006	2011
GRP (\$ million)	\$ 6,724	\$ 6,627	\$ 5,884
GRP per Worker (\$)	\$ 129,099	\$ 115,634	\$ 98,236

Peri-metropolitan rural Councils	2001	2006	2011
GRP (\$ million)	\$ 2,897	\$ 3,343	\$ 3,604
GRP per Worker (\$)	\$ 107,817	\$ 115,740	\$ 108,092

Regional centre satellites	2001	2006	2011
GRP (\$ million)	\$ 21,727	\$ 21,562	\$ 20,838
GRP per Worker (\$)	\$ 129,557	\$ 128,231	\$ 112,719

All Rural Councils	2001	2006	2011
GRP (\$ million)	\$ 31,348	\$ 31,532	\$ 30,326
GRP per Worker (\$)	\$ 127,160	\$ 123,932	\$ 108,802

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Challenges and strategic directions

Contemplating the trends and patterns evident in this paper so far, as well broader input from RCV members, a number of challenges and opportunities facing the various sub-groupings of Councils can be outlined as set out in Table 5.

These issues, in turn, are suggestive of the broad strategic directions which the sub-groupings of Councils within RCV might pursue (Table 6).



**TABLE 5
CHALLENGES AND
OPPORTUNITIES
BY CATEGORY
OF RCV
MUNICIPALITY**

Source: SGS Economics & Planning Pty Ltd

Challenges and opportunities	
Peri-metropolitan Councils	<ul style="list-style-type: none"> • Growth of towns outstripping capacity to supply community infrastructure • Distributed pattern of growth is creating higher infrastructure costs • Councils are facing metro growth area issues but without growth area Council resources • Local business formation and employment generation is lagging labour force growth, creating commuting pressures and potentially wasting human capital
Regional satellites Councils	<ul style="list-style-type: none"> • Strong flows to major regional centres may be stripping vitality of rural town centres • Strong pressure for rural residential living may be compromising agricultural viability • Concentrations of lower income workers creating pockets of disadvantage • Substantial potential to expand tourism and niche manufacturing
Outer rural Councils	<ul style="list-style-type: none"> • Outmigration of skills is compromising business growth even where the resource base would support economic expansion • Population levels falling below thresholds to maintain continuity of community services • Infrastructure for social capital is eroding

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

**TABLE 6
STRATEGIC
DIRECTIONS
BY RCV
MUNICIPALITY
CATEGORY**

Source: SGS Economics & Planning Pty Ltd

	Strategic direction
Peri-metropolitan Councils	<ul style="list-style-type: none"> • Consolidate and sequence growth to improve infrastructure efficiency • Facilitate local business formation through incubators and the like
Regional satellites	<ul style="list-style-type: none"> • Focus on cultural renewal and tourism appeal of town centres • Facilitate telecommuting and local business formation • Improve public transport links with dominant regional centre
Outer rural Councils	<ul style="list-style-type: none"> • Conserve and enhance the local resource base • Look for opportunities to add value to current resource based trade • Secure 'anchor' community facilities and businesses through smart consolidation and network management • Targeted recruitment to fill specialised skill gaps which are holding back local enterprise



Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

The State Government's role

In the light of the foregoing discussion, what part can the State Government play in assisting RCV communities meet their challenges and realise their preferred strategic direction?

While the sub-groupings differ significantly in many respects, they all share an imperative to strengthen their local economies.

Achievement of stronger local economies is a question of expanding and diversifying the sources of new income flowing into the community via exports to other parts of Victoria and beyond, as well as the attraction of investment, while at the

same time mitigating the leakage of income from the economy in terms of consumer spending and supply chain linkages (Figure 10).

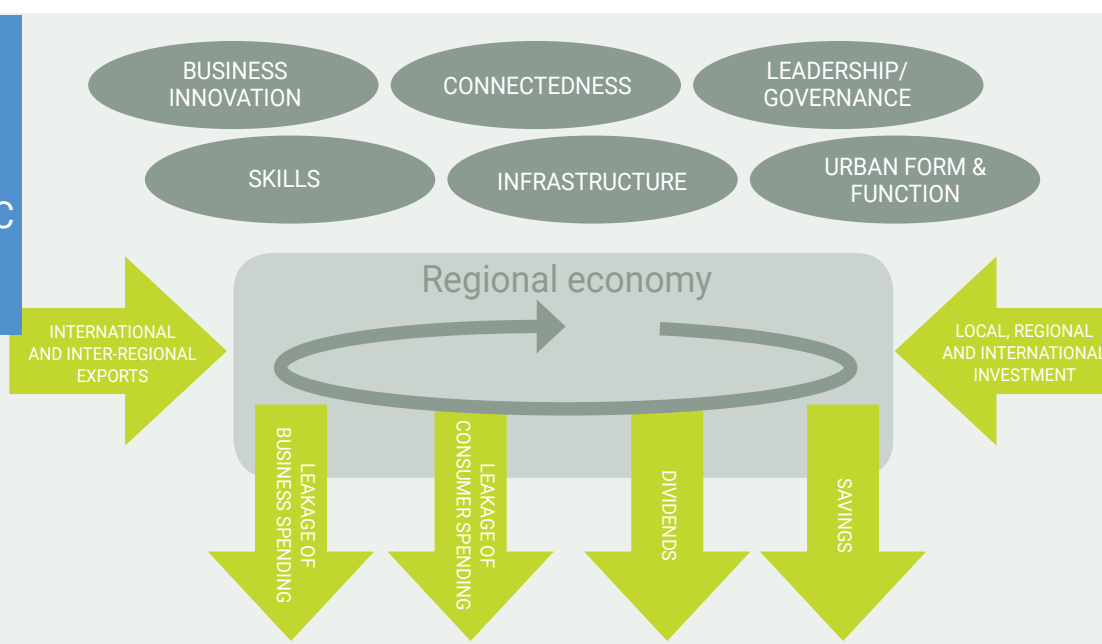
The capacity of local communities to expand exports and mitigate income leakages is dependent on six enablers: business innovation; skills; transport connectedness; infrastructure; leadership/governance; and livability.

RCV Councils want State Government programs to bolster these enablers in their local communities so that they can, in turn, make the most of their competitive strengths and resource endowments.

It is therefore useful to audit the efficacy of State Government activity, for the RCV constituencies, against these enablers.

FIGURE 10
ENABLERS AND DRIVERS OF LOCAL ECONOMIC DEVELOPMENT

Source: SGS Economics & Planning Pty Ltd



Review of recent regional programs

The State Government has operated a wide array of regionally focussed programs over the past 3 years. It is understood that many of these programs will be discontinued (Table 7). Nevertheless, it is useful to appraise their effectiveness to extract lessons for how such a suite of programs might be re-imagined and re-engineered.

It is immediately apparent that the regionally oriented programs have proliferated. There are many small and moderately sized programs.

Without prejudging the merits of any given program, there is a risk that this multiplicity of modest initiatives will generate relatively large administration and governance costs for the benefits delivered to regional communities.

This audit also suggests that the 'skills' enabler has received scant direct attention given that the earlier analysis in this paper shows labour market constraints to be a key drag on the development potential of RCV communities. Focussed programs to attract and retain advanced skills in these regional communities should be a priority as the State goes about reviewing its regional service delivery model.

Futher Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

TABLE 7
STATE
GOVERNMENT
REGIONAL
PROGRAMS

Local economic development enabler	State programs in operation over the past 3 years	Small (<\$2m/pa) Moderate (\$2m/pa - \$5m/pa) Large (\$5m + /pa)	
Business innovation	Broadband-enabled Innovation Program (BEIP) - RDV	Small	
	Goulburn Valley Industry and Infrastructure Fund - RDV	Large	
	Industries for Today and Tomorrow - RDV	Moderate (tbc)	
Infrastructure	Developing Stronger Regions Program - RDV	Small (tbc)	
	Growing and Sustaining Regional Industries and Jobs - RDV	Moderate (tbc)	
	Regional Growth for the Future - DELWP	Moderate (tbc)	
	Economic Infrastructure Program - RDV	Moderate (tbc)	
	Transforming and Transitioning Local Economies - RDV	Moderate (tbc)	
	Building Strategic Tourism and Cultural Assets - RDV	Moderate (tbc)	
	Local Government Infrastructure Program	Large	
	Coastal Planning Program - DELWP	Large	
	Leadership & governance	Regional Tourism Initiative – Tourism Victoria	Large
		Economic Development through RDA - RDV	Large
Victorian Business Flood Recovery - RDV		Large (tbc)	
Networked Rural Councils - RCV		Moderate	
Resilient Community Program - RDV		Small	
Regional Community Leadership Program - RDV		Moderate (tbc)	
Planning Flying Squad - DTPLI		Moderate	
Livability	Country Football and Netball program - SRV	Small	
	Community Facility Funding Program - SRV	Small	
	Country Action Grant Scheme - SRV	Small	
	Farmers Market Support Program - RDV	Moderate	
	VicTalent - SRV	Small	
	Improving Livability for Older People – Health Dept	Small	
	Provincial Victoria Arts Experience – Creative Victoria	Large	
	Men's Sheds Program - DHS	Small	
	Youth Action Strategy - DHS	Small	
	Putting Locals First Program - RDV	Large	
Connectedness	Transport Connections Program - RDV	Moderate (tbc)	
	Regional Aviation Fund – Business Victoria	Large	
	Country Roads and Bridges - VicRoads	Large	
Skills	Regional Partnerships Facilitation Fund - DET	Large	

Further Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

RCV conducted a survey of its members to appraise awareness and utilisation of the various programs shown in Table 7.

Generally speaking, there was high awareness of most of the programs operated over the past 3 years. However, fewer than half of the respondents were aware of the following programs:

- Industries for Today and Tomorrow – RDV
- Building Strategic Tourism and Cultural Assets - RDV
- Regional Partnerships Facilitation Fund - DET
- Goulburn Valley Industry and Infrastructure Fund - RDV
- Coastal Planning Program - DELWP
- Provincial Victoria Arts Experience – Creative Victoria.

The most heavily used programs by RCV members (that is, usage or benefit was reported by more than 60% of respondents) included:

• Local Government Infrastructure Program	100% (usage by respondents)
• Country Football and Netball program - SRV	100%
• Putting Locals First Program - RDV	100%
• Transport Connections Program - RDV	100%
• Community Facility Funding Program - SRV	100%
• Men's Sheds Program - DHS	91%
• Resilient Community Program - RDV	67%
• Victorian Business Flood Recovery - RDV	60%
• Economic Infrastructure Program - RDV	60%
• Improving Livability for Older People – Health Dept	60%

In broad terms, RCV respondents tended to rate economic and infrastructure programs, as well as 'grass roots' social capital programs most highly in terms of positive impact on their communities.

It is also understood that heavy use was made of the Country Roads and Bridges Program operated by VicRoads, and the Planning Flying Squad Program administered by the former DTPLI, although survey data on these programs was not available at the time of writing.

The following programs attracted the highest 'approval' scores by user Councils:

- Developing Stronger Regions Program - RDV
- Growing and Sustaining Regional Industries and Jobs - RDV
- Economic Infrastructure Program - RDV
- Local Government Infrastructure Program
- Coastal Planning Program - DELWP
- Economic Development through RDA - RDV
- Country Football and Netball program - SRV
- Community Facility Funding Program - SRV
- Improving Livability for Older People – Health Dept
- Provincial Victoria Arts Experience – Creative Victoria
- Putting Locals First Program - RDV
- Regional Aviation Fund – Business Victoria
- Regional Partnerships Facilitation Fund - DET
- Country Roads and Bridges – VicRoads
- Planning Flying Squad - DTPLI

Futher Information:

Contact Rural Councils Victoria at:
 Level 12/ 60 Collins Street Melbourne
 GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

Recommendations

Based on the analysis outlined in this paper, RCV makes the following 4 recommendations for reform directions for the State Government's regional programs:

Create fewer, bigger programs

- State regional assistance programs have proliferated. There are many specific purpose grants and service programs that have a narrow focus and, presumably, relatively heavy administration and accountability costs per \$ delivered to the regional communities in question.
- RCV recommends rationalisation of the programs, potentially into just one which allows regional communities to determine the focus of assistance rather than Spring Street.

Apply funding weights to assist Councils with higher locational cost

- There needs to be further recognition within the State's regional programs that there is great variety in economic and community conditions across non-metropolitan Victoria. In particular, there needs to be explicit recognition that the 'Outer-rural Councils' as defined in this presentation carry particular economic (and revenue) disadvantages by virtue of their location outside the service and commuting pull of metropolitan Melbourne.
- Whilst in broad terms RCV recognises the logic of distributing regional programs on a per capita basis, there is a need for appropriate weightings to reflect the cost standings of Outer Rural, Regional Satellite, Peri-metropolitan and Regional Centres, as well as acknowledgement of benchmark minimum thresholds to sustain services and social infrastructure. These weightings and benchmarks could be advised by the State's Grants Commission.

Untie funding support to Councils and communities

- As noted, many of the existing or recently expired regional programs of the State may carry a heavy administration cost, for both the State and recipient Councils. In part, this is a function of requiring accountability for 'inputs' – how funds are deployed on particular programs and projects.
- RCV calls for a fundamental shift in the accountability philosophy underpinning these programs, to focus on outcomes rather than inputs. Once a strategy for achieving desired, measurable and auditable outcomes have been agreed between the State and the Councils in question, recipients of the regional assistance should be held accountable for delivery of these specific results for their communities, not the creation of specific assets as such.
- This shift will require more sophisticated and rigorous funding agreements. But once set up they should be able to be run more efficiently.
- This approach also embodies a more mature and respectful relationship between the two spheres of governance.

Focus on collaboration and networks, not specific projects

- In line with, the foregoing recommendation, RCV calls for funding assistance to be contingent upon the preparation of wide ranging strategies that connect up various enablers of local economic and community development, as distinct from narrowly focussing on one facet of a complex system.
- This approach recognises that social and economic productivity in regional areas will come mainly from smarter use of existing capital and intellectual assets as opposed to one-off projects. This is not to say that new investment is not required, rather that new investment needs to be demonstrably catalytic in improving returns from other assets.
- The formulation of these strategies should span as many of the 6 economic enablers as possible and look to forge new partnerships within governments as well as across the community and business. Importantly, measurable milestones and outcomes need to be established.

Further Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
GPO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au



REVIEW OF REGIONAL POLICY AND SERVICE DELIVERY MODEL

A RURAL COUNCILS
PERSPECTIVE

Further Information:

Contact Rural Councils Victoria at:
Level 12/ 60 Collins Street Melbourne
PO Box 4326 Melbourne 3001 | PH: 03 9667 5555
www.ruralcouncilsvictoria.com.au

