



# MEDIA RELEASE

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## BACKING REGIONAL COUNCILS TO REDUCE COSTS

Regional Cities Victoria (RCV) will investigate a new funding model that could save councils millions of dollars in interest, thanks to support from the Victorian Government.

Backed by a \$100,000 Government grant, Regional Cities Victoria – an advocacy group comprising the ten largest regional cities in Victoria – will commission a Business Case for a treasury shared services finance model that could dramatically reduce interest costs for regional councils.

The funding for the Business Case was announced on Friday by the Minister for Regional Development, the Hon Jaala Pulford MP.

Preliminary work undertaken by RCV indicates the proposed model would slash interest rates for regional councils and could provide savings in excess of \$5 million per annum – funding which would instead be used by councils to invest in local infrastructure.

The model would see RCV's ten councils pool their resources to obtain the financial clout necessary to access wholesale investment markets, bypassing the high cost, indirect funding offered by financial institutions.

RCV Chair Anna Speedie said the group had been undertaking research on the model over several years.

"Our research shows it will save our Councils millions of dollars by reducing interest payments for all ten of our cities," Cr Speedie said.

"These savings will be used to fund the things that ratepayers want from their councils: better infrastructure and improved services that address local priorities.

"Regional councils want to be more self-sustainable, and we expect the Business Case will show this model will help us to achieve our goal.

"RCV welcomes the Government's commitment to backing regional economies by funding this Business Case," she said.

If the model does prove feasible, it will allow for Councils to use the savings to make further investments in regional communities, addressing infrastructure backlogs and other local priorities.

**Media Contact:** Joe Fennessy (0499 500 086)

*RCV is a regional leadership group dedicated to building a sustainable Victoria by providing strategic advice, coordination and advocacy to State and Federal Governments to support policies which enable Victoria's regional centres to grow and develop. Comprising Mayors and CEOs of the 10 largest cities in regional Victoria – Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga – RCV is focused on achieving real change in regional Victoria through policy development and active implementation of those policies.*