

MEMORANDUM OF UNDERSTANDING

Mansfield Shire Council
ABN 74 566 834 923

Strathbogie Shire Council
ABN 50 882 781 013

Murrindindi Shire Council
ABN 83 600 647 004
and

Benalla Rural City Council
ABN 42 379 380 529

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Memorandum of Understanding

Dated

Parties

Name	Mansfield Shire Council
Address	33 Highett Street, Mansfield 3722
Email	council@mansfield.vic.gov.au
Contact	Dena Vlekkert, General Manager Community & Corporate Services
Short name	Mansfield

Name	Strathbogie Shire Council
Address	109A Binney Street Euroa 3666
Email	info@strathbogie.vic.gov.au
Contact	Dawn Bray, Director People & Governance
Short name	Strathbogie

Name	Murrindindi Shire Council
Address	28 Perkins Street, Alexandra 3714
Email	customer@murrindindi.vic.gov.au
Contact	Michael Chesworth, Director Corporate & Shared Services
Short name	Murrindindi

Name	Benalla Rural City Council
Address	1 Bridge Street East, Benalla 3672
Email	council@benalla.vic.gov.au
Contact	Greg Robertson, Manager Facilities and Information Technology
Short name	Benalla

Background

- A. The Partners were successful in their application to the Department for funding for the Activity, being a digital transformation project named Lifting Service Performance Through Shared Technology and Collaboration.
- B. The Activity will, among other things, concentrate on aligning ICT strategies, adopting common ICT architecture and best practice business processes to support efficient service delivery through modern financial, customer, property and rating systems
- C. Mansfield has agreed to act as the lead council and enter into the Funding Agreement with the Department for the Activity on behalf of the Partners.
- D. Mansfield will receive the Funding on behalf of the Partners. This MOU records the agreement between the Partners in connection with the Funding Agreement and seeks to underline the commitment to collaboration and working together to achieve maximum community benefit from this project.
- E. The delivery of this project will be supported by a Governance Framework as outlined in Schedule 2.
- F. Partners agree that the respective Chief Executive Officers are responsible for reporting back to their Councils and obtaining any approvals or adoptions for agreements or contracts during the life of the Funding Agreement.

This Deed witnesses

1. Interpretation

- 1.1 In this Memorandum of Understanding, unless express or implied to the contrary:

Business Day means a day other than a Saturday, Sunday or public holiday in Victoria.

Commencement Date means the date that this MOU is executed by the last of the Partners.

Department means the Department of Jobs, Precincts and Regions.

Funding means the funding received by Mansfield on behalf of the Participants under the Funding Agreement in the amount of \$1 million.

Funding Agreement means the funding agreement entered into on 27 June 2022 between Mansfield and the Department for provision of the Funding, included in Schedule 1.

Governance Framework means the supporting structures and decision making processes created to support the delivery of this project.

MOU means this memorandum of understanding.

Lead Council means the Partner Council responsible for the delivery of the new business system that forms the basis of the Funding Agreement, which at the time of making the application was Murrindindi for records management, Mansfield for customer/property/rating, Strathbogie for financial management and Benalla for planning, building and regulatory, but which may be subject to change once the detailed project plan is developed.

Partners means the participants in the Activity, being Mansfield, Strathbogie, Murrindindi and Benalla.

Recipient Councils means Strathbogie, Murrindindi and Benalla.

- 1.2 Capitalised terms used but not defined in this MOU have the meanings given in the Funding Agreement.

2. Legal Effect

This MOU creates contractual rights and obligations on the Partners and is intended to be legally enforceable and binding on the Partners.

3. Term

This MOU will commence on the date that it is executed by the last of the Partners and, unless extended by the agreement of the Partners, will end on the date that the Funding Agreement ends.

4. Purpose of this MOU

The purpose of this MOU is to establish the respective rights and responsibilities of the Partners in connection with the receipt and acquittal of the Funding.

5. Relationship of the Participants

- 5.1 The relationship of the Partners under this MOU is limited to the receipt and acquittal of the Funding in accordance with the terms of the Funding Agreement and this MOU.
- 5.2 Each of the Recipient Councils appoints Mansfield as its agent to receive, hold and distribute the Funding on its behalf, on and in accordance with the terms of the Funding Agreement and this MOU.
- 5.3 The appointment under clause 5.2 commences on the Commencement Date and ceases on the expiry or earlier termination of the Funding Agreement.
- 5.4 Each Partner is only responsible for its own acts and omissions (and not jointly for the acts or omissions of another Council).
- 5.5 Each Partner agrees to prioritise time and resources to the delivery of this project, acknowledging the additional time and resource burden placed on Mansfield as the

auspicing agency and the need to support Mansfield throughout the life of the project.

6. Funding of the Activity

- 6.1 The total Funding for the Activity is \$1 million excluding GST, divided and allocated to each of the Participants in equal amounts.
- 6.2 Mansfield will be paid the Funding by the State Government under and in accordance with the Funding Agreement.
- 6.3 Over the term of the Funding Agreement, the Partners will together contribute more than \$1.1 million of additional funding and commit to further funding in the order of \$1.1 million in subsequent years.
- 6.4 The Partners acknowledge that, if the Funding is not utilised as required by the Funding Agreement, it may be required by the Department to repay any or all of the Funding.

7. Responsibilities of Mansfield

The Partners acknowledge and agree that Mansfield will:

- 7.1 do all things necessary to carry out its obligations under the Funding Agreement in a timely fashion, including but not limited to the items detailed in the Activity Deliverables and Payments Table of the Funding Agreement;
- 7.2 provide any and all information requested by the Department from time to time in relation to the Funding and the Funding Agreement;
- 7.3 receive the Funding from the Department on its own behalf and as agent for the Recipient Councils at the times and in the manner specified in the Funding Agreement;
- 7.4 be responsible for the receipt and payment of all invoices related to the project on behalf of all the Partners, providing notification to all Partners of the invoices received within fourteen (14) days of receipt;
- 7.5 coordinate the recruitment and employment of any fixed term staff member appointed to deliver the project as outlined in the Funding Agreement, with any staff member being subject to the terms and conditions of the Mansfield Enterprise Agreement and any relevant Mansfield Shire Council policies and procedures;
- 7.6 pay the Other Contribution at the times and in the manner specified by the Funding Agreement;
- 7.7 only spend the Funding for the purposes permitted by the Funding Agreement;
- 7.8 seek to utilise the entirety of its portion of the Funding for the purposes permitted by, and in accordance with the terms of, the Funding Agreement;
- 7.9 not seek any variation to the Funding Agreement without the prior written agreement of the Recipient Councils;

- 7.10 submit to the Department such:
- 7.10.1 progress reports;
 - 7.10.2 outcomes reports;
 - 7.10.3 evidence of acquittal of the Funding;
 - 7.10.4 evidence of completion of the Activity; and
 - 7.10.5 other documents and information required by the Department from time to time,
- as are necessary to discharge its obligations under the Funding Agreement and this MOU; and
- 7.11 notify the Department and the Recipient Councils immediately of any circumstance which arises, or the occurrence of any event, that adversely affects the ability of Mansfield to fulfil its obligations under the Funding Agreement or this MOU.

8. Responsibilities of the Partner Councils

The Partners acknowledge and agree that the partner Councils will:

- 8.1 do all thing necessary to carry out their obligations under the Funding Agreement in a timely fashion;
- 8.2 each pay the Other Contribution at the times and in the manner specified by the Funding Agreement;
- 8.3 acknowledge that the Funding will only be spent for the purposes permitted by the Funding Agreement;
- 8.4 each seek to utilise the entirety of their respective amounts of their Other Contribution for the purposes permitted by, and in accordance with the terms of, the Funding Agreement; and
- 8.5 provide to Mansfield all information and materials required by Mansfield from time to time so as to permit Mansfield to fulfil its obligations under clause 7.10 of this MOU and the Funding Agreement.

9. Joint meeting of Councils

From time to time it may be more efficient to hold a joint meeting of Councils, as defined by section 62 of the Local Government act 2020, to receive briefings on the progress of the project or make decisions to efficiently facilitate project delivery.

- 9.1 Joint meetings will be held in accordance with an initial determination of the partner Councils (by way of resolution) as to the composition of the joint Council meeting.
- 9.2 The total number of Councillors determined to hold the joint meeting will be at least 3 Councillors from each of the Partner Councils in accordance with section 62(3)(b) of the Local Government Act 2020.

- 9.3 A quorum of a joint meeting is constituted by the number of Councillors that is equal to at least a majority of the Councillors from each of the Councils holding the joint meeting.
- 9.4 Any joint meeting will be held under the Governance Rules of the Mansfield Shire Council as the auspice agency.

10. System Design Principles

The following principles will underpin our decision making around the nature, design and user/customer experience of any new systems or ICT infrastructure:

Cloud based – we will focus on designing systems suitable for the cloud and only use onsite infrastructure if a cloud based solution does not achieve our key objectives and optimum service outcomes.

Strategic ICT investment – we will have a four step approach to guide our ICT software and infrastructure investments:

- If all councils have a system that is fit for purpose we will reuse it
- If it isn't fit for purpose, we will subscribe to it
- If we cannot subscribe a solution we will buy something 'off the shelf'
- If none of these options provide the best solution we will develop it ourselves but only as a final option.

Designing processes for best practice – we will design our business processes to provide optimal service outcomes and to get the best out of the system rather than shaping the system to existing processes which may not be the most efficient and effective way of conducting business.

Minimising manual processes – we will optimise the use of systems to streamline processes and minimise manual handling and duplication of processes

Maximise user experience and equal access – any new system will be user focussed and designed to maximise accessibility and equity for internal users and our community.

11. Procurement

- 11.1 The Partners agree that each Lead Council will conduct the procurement process for the new business system for which they are responsible.
- 11.2 Following the completion of each procurement process, every Partner will enter into a licencing and support agreement with the identified system provider, which may be either in the form of a direct arrangement between each Partner and the provider or a sub licence arrangement between Partners, whichever is agreed between the Partners as providing the optimal outcomes in relation to business efficiency and community benefit.
- 11.3 A single implementation agreement will be negotiated with the identified system provider and signed by each Council (as parties).

12. Termination

- 12.1 If the Funding Agreement is terminated for any reason, this MOU will be deemed to have been terminated on the same day.
- 12.2 If any of the Partners fails to fulfil, or is in breach of, any of its obligations under this MOU or under the Funding Agreement (**Breaching Party**), any of the other Partners (**Notifying Party**) may give the Breaching Party a notice in writing:
- 12.2.1 specifying the failure or the breach; and
 - 12.2.2 providing the Breaching Party with 10 Business Days to rectify the failure or the breach,
- and, if the Breaching Party does not rectify the failure or the breach within 10 Business Days, or such longer period agreed between the Participants, this MOU is terminated.
- 12.3 The Notifying Party must provide a copy of a notice given under clause 12.2 to each of the other Partners at the same time as it is given to the Breaching Party.

13. Performance of Obligations

The parties agree to:

- 13.1 act reasonably and in good faith in relation to all aspects of the Activity, the performance of the Funding Agreement and the performance of this MOU; and
- 13.2 perform their obligations under the Funding Agreement and under this MOU in a cooperative, consultative and transparent manner and to a standard of care and diligence to be expected of a council acting reasonably.

14. Notices

14.1 Delivery of notice

- 14.1.1 A notice or other communication given to a Partner(s) under this MOU must be in writing and in English, and must be delivered to the Participant by:
- (a) delivering it personally to the Partner;
 - (b) leaving it at the Partner's address set out in the notice details;
 - (c) posting it by prepaid post to the Partner at the Partner's address set out in the notice details; or
 - (d) email to the Partner's email address set out in the notice details.
- 14.1.2 If the person to be served is a company, the notice or other communication may be served at the company's registered office.

14.2 Notice details

- 14.2.1 The notice details of each Partner are set out on page 2 of this MOU under the heading 'Parties' (or as notified by a Partner to the other Partner according to this clause).
- 14.2.2 Any Partner may change its notice details by giving notice to the other Partner.

14.3 Time of service

- 14.3.1 A notice or other communication is taken to be delivered:
- (a) if delivered personally or left at the Partner's address, upon delivery;
 - (b) if posted within Australia to an Australian address:
 - (i) using express post, 2 Business Days after posting; and
 - (ii) using any other prepaid post, 6 Business Days after posting; and
 - (c) if delivered by email, at the time the email left the sender's email system, unless the sender receives notification that the email was not received by the recipient.
- 14.3.2 Despite clause 14.3.1, a notice or other communication which is received after 5.00pm or on a non-Business Day (each in the place of receipt), is taken to be delivered at 9.00am on the next Business Day in the place of receipt.

15. Governing law

This MOU is governed by the law applying in Victoria and the parties submit to the non-exclusive jurisdiction of the courts of Victoria.

16. Interpretation

16.1 Words and headings

In this MOU, unless expressed to the contrary:

- 16.1.1 words denoting the singular include the plural and vice versa;
- 16.1.2 the word 'includes' in any form is not a word of limitation;
- 16.1.3 where a word or phrase is defined, another part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 16.1.4 headings and sub-headings are for ease of reference only and do not affect the interpretation of this MOU; and

- 16.1.5 no rule of construction applies to the disadvantage of the party preparing this MOU on the basis that it prepared or put forward this MOU or any part of it.

16.2 Specific references

In this MOU, unless expressed to the contrary, a reference to:

- 16.2.1 a gender includes all other genders;
- 16.2.2 any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced and includes any subordinate legislation issued under it;
- 16.2.3 any document (such as a deed, agreement or other document) is to that document (or, if required by the context, to a part of it) as amended, novated, substituted or supplemented at any time;
- 16.2.4 writing includes writing in digital form;
- 16.2.5 'this MOU' is to this MOU as varied from time to time;
- 16.2.6 'A\$', '\$', 'AUD' or 'dollars' is a reference to Australian dollars;
- 16.2.7 a clause, schedule or attachment is a reference to a clause, schedule or attachment in or to this MOU;
- 16.2.8 any property or assets of a person includes the legal and beneficial interest of that person of those assets or property, whether as owner, lessee or lessor, licensee or licensor, trustee or beneficiary or otherwise;
- 16.2.9 a person includes a firm, partnership, joint venture, association, corporation or other body corporate;
- 16.2.10 a person includes the legal personal representatives, successors and permitted assigns of that person, and in the case of a trustee, includes any substituted or additional trustee; and
- 16.2.11 any body (**Original Body**) which no longer exists or has been reconstituted, renamed, replaced or whose powers or functions have been removed or transferred to another body or agency, is a reference to the body which most closely serves the purposes or objects of the Original Body.

17. General

17.1 Variation

This MOU may only be varied by a document executed by the Partners.

17.2 Counterparts

This MOU may be executed in counterparts, all of which taken together constitute one document.

17.3 Entire agreement and no reliance

This MOU constitutes the entire agreement between the Partners about the subject matter contained in it.

17.4 Severability

17.4.1 Any provision of this MOU that is held to be illegal, invalid, void, voidable or unenforceable must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable.

17.4.2 If it is not possible to read down a provision as required by this clause, part or all of the clause of this MOU that is unlawful or unenforceable will be severed from this MOU and the remaining provisions continue in force.

17.5 Waiver

The failure of a Partner at any time to insist on performance of any provision of this MOU is not a waiver of the Partner's right at any later time to insist on performance of that or any other provision of this MOU.

17.6 Further assurance

Each Partner must promptly execute and deliver all documents and take all other action necessary or desirable to effect, perfect or complete the transactions contemplated by this MOU.

17.7 No merger

The warranties, undertakings, agreements and continuing obligations in this MOU do not merge on completion of the transactions contemplated by this MOU.

17.8 Business Day

If a payment or other act is required by this MOU to be made or done on a day which is not a Business Day, the payment or act must be made or done on the next following Business Day.

Signing Page

Executed by the parties as a deed:

Mansfield Shire Council

..... Bill Millard, Interim Chief Executive Officer

Benalla Rural City Council

..... Dom Testoni, Chief Executive Officer

Murrindindi Shire Council

..... Livia Bonazzi, Chief Executive Officer

Strathbogie Shire Council

..... Julie Salomon, Chief Executive Officer

Schedule 1

Funding Agreement

VICTORIAN COMMON FUNDING AGREEMENT

Standard Form / Schedule

Parties

Department of Jobs, Precincts and Regions
(ABN 83 295 188 244)

and

Mansfield Shire Council
(ABN 74 566 834 923)

Date: 22/06/2022

Details

1. Department (clause 1.1) The State of Victoria as represented by the Department of Department of Jobs, Precincts and Regions (ABN 83 295 188 244)
2. Organisation (clause 1.1) Mansfield Shire Council (ABN 74 566 834 923)
3. Start Date (clause 1.1) 1/7/2022
4. End Date (clause 1.1) 30/6/2024
5. Dispute Resolution Officer (clause 1.1) Colin Morrison, Director Sector Investment Local Government Victoria
6. Organisation's Primary Contact (clause 1.1)
7. Organisation's address
8. Organisation's phone number
9. Organisation's email address
10. Organisation's facsimile n/a
11. Department's Primary Contact (clause 1.1) Colin Morrison
12. Department's address 1 Spring Street
Melbourne VIC 3000
13. Department's phone number 0413 276 911
14. Department's email address colin.morrison@ecodev.vic.gov.au
15. Department's facsimile n/a

Schedule

Re: Lifting Service Performance Through Shared Technology And Collaboration

Schedule no: n/a

Item 1: Activity details

(read with 'Terms and conditions' clause on *Funding*)

What the Funding is for

Collaborative implementation of improvements to the information technology (IT) systems underlying a package of services across rural councils will help to achieve commonality in business processes and operating models that support shared services.

'Lifting Service Performance Through Shared Technology and Collaboration' aims to:

- Establish aligned Strategic Roadmaps and common Enterprise Architecture for four rural councils
- Harmonise business processes subject to new systems implementation
- Fully deploy foundational Microsoft 365 technologies
- Deploy SharePoint based records management systems
- Deploy modern Financials, Customer, Property and Rating systems.

Why the Department is Funding this Activity

Rural councils often have restricted ability to affordably deliver and invest in services and infrastructure, in part due to their dispersed populations and larger geographic areas. Compared to their metropolitan and regional centre counterparts, rural councils tend to face greater barriers to sustainability, meaning they are less likely to have the capacity to meet the service and infrastructure needs of their community and absorb foreseeable changes and unexpected shocks into the future.

With populations forecast to decline in some rural areas over the coming decades, these challenges will likely be exacerbated into the future.

Rural councils generally have less capacity to innovate, plan strategically, or generate efficiencies than their metropolitan and regional centre counterparts.

The adoption of regional service delivery models can help to achieve greater service benefits for rural communities through increased collaboration across councils and the delivery of greater efficiencies. Economies of scale may be achieved through more efficient service delivery with integrated regional services, greater collective buying power through collaborative procurement, or shared corporate services. Such partnering arrangements can lead to more efficient service delivery, ultimately contributing to improved sustainability and better service provision for communities.

The Victorian Government committed \$20 million of funding in the 2018-19 financial year towards the Rural Councils Transformation Program (RCTP).

The RCTP seeks to incentivise the implementation of transformative projects on a regional level, such as joined-up service delivery, corporate services, procurement and asset management. This will help to improve the sustainability of councils which would not be able to invest in these transformations without financial assistance.

The RCTP aims to:

- Improve the financial sustainability of rural 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
- Demonstrate potential efficiencies to be gained through regional service delivery

Activity start date and end date

The Activity described in this Schedule starts on 1/7/2022 and ends on 30/6/2024.

The people/groups who are intended to benefit most from this Activity are:

rural communities

This Activity is intended to benefit people or groups living in the following places:

- Mansfield Shire
- Benalla Rural City
- Murrindindi Shire
- Strathbogie Shire.

Item 2: Funding

(read with 'Terms and conditions' clause on *Funding*)

- The funding for the Activity comes from the Rural Councils Transformation Program .
- The total funding for the Activity is \$1,000,000. This amount is excluding GST.

Payment of Funding

The Funding will be paid as outlined in the Activity Deliverables and Payments Table (Item 3) and within thirty (30) Business Days of the Organisation providing accepted evidence that demonstrates that the Organisation has completed agreed actions.

Repayment of Funding

If the Organisation fails to fulfil, or is in breach of any of its obligations under this Agreement, and does not rectify the omission or breach within 10 Business Days of receiving a notice in writing from the Department to do so, the Department will be entitled to terminate this Agreement and may recover from the Organisation any part of the Funding which:

- has not been legally committed for expenditure by the Organisation in accordance with this Agreement and payable by the Organisation as a current liability (written evidence of which will be required) by the date the notice of termination is given; or
- has not, in the Department's reasonable opinion, been expended by the Organisation in accordance with the terms and conditions of this Agreement.

Auspice

The Organisation is auspicing this grant for Benalla Rural City Council (ABN 42 379 380 529), Murrindindi Shire Council (ABN 83 600 647 004) and Strathbogie Shire Council (ABN 50 882 781 013). The Organisation agrees that it is responsible for making sure that the terms and conditions of this agreement are complied with by the Organisation and by Benalla Rural City Council (ABN 42 379 380 529), Murrindindi Shire Council (ABN 83 600 647 004) and Strathbogie Shire Council (ABN 50 882 781 013).

Item 3: Activity deliverables and payments

(read with 'Terms and conditions' clause on *Funding*)

The Department works closely with Digital Victoria as its advisor, however with new building and planning technology it also takes advice from the Department of Land, Water and Planning and Service Victoria.

Activity Deliverables and Payments Table			
Deliverable or milestone	Demonstrating the deliverable is complete	Evidence due date	Payment amount (excluding GST)
Execution of funding agreement	Funding agreement signed, received and approved by Department	13/6/2022	\$0
Information Technology (IT) Design	'IT Systems Architecture plan' for the Organisation and each auspicee (see Item 2) received and endorsed by the Department. (Support and guidance provided by the Department.)	30/10/2022	\$155,750 Scope of funding: 50% subsidy for average annual cost of project management

<p>Rural Council IT Platform Strategy (the Strategy)</p> <p>The purpose of the Strategy is to develop a common framework for rural councils to select and implement new technology that supports shared services.</p>	<p>Parties to this funding agreement, including auspicee (see Item 2), will be:</p> <ul style="list-style-type: none"> - individually represented on the steering committee. (Monthly meetings estimated for the remainder of 2022.) - individually represented on the technical working group. (Monthly meetings estimated for the remainder of 2022 and fortnightly at peak times.) <p>Representatives must attend a minimum of 75% of meetings.</p> <p>Strategy signed and endorsed by steering committee.</p>	<p>30/1/2023</p>	<p>\$844,250</p>
<p>IT Implementation (see Item 1 - What is the funding for?)</p>	<p>Tender document received by the Department and aligned to the Strategy.</p> <p>Preferred provider response received by the Department and aligned to the Strategy.</p> <p>Before commencing implementation, contract received by the Department and aligned to the Strategy.</p>	<p>1/5/2023</p>	<p>\$0</p>
<p>Progress Reports</p>	<p>Progress report using the supplied template received and approved by the Department.</p> <p>(Includes number of jobs created.)</p>	<p>30/6/2023 & 31/12/2023</p>	<p>\$0</p>
<p>Project Completion</p>	<p>Final report using the supplied template received and approved by the Department.</p> <p>(Includes number of jobs created.)</p>	<p>30/6/2024</p>	<p>\$0</p>
<p>Outcomes Report</p>	<p>Outcomes report using</p>	<p>30/6/2025</p>	<p>\$0</p>

	the supplied template received and approved by the Department.		
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Inclusion of the application

The Organisation’s application and any additional information that is requested by the Department prior to this Schedule being executed is part of this Agreement (Attachment 1). The Activity delivered must be consistent with those documents. If there is a conflict or inconsistency between the Organisation’s application and the Organisation’s Agreement then the Agreement has precedence, to the extent of the conflict or inconsistency.

Evidence due dates

The evidence due dates in the Activity Deliverables and Payments Table are indicative only, and the Organisation only need approval from the Department to extend the Activity start and end dates in Item 1.

Completion requirements

The Organisation must complete the Activity as agreed, meeting all actions and providing evidence as required in the Activity Deliverables and Payments Table.

If any Funding remains unexpended at the completion of the Activity then the Organisation must immediately repay that amount to the Department.

Variations

The Organisation from time to time may give written notice to the Department proposing a variation to the Activity, the Start Date, the End Date, or any Activity deliverable or budget specified in the Schedule, but not to the amount of Funding. If the Department, in its sole discretion, gives written notice agreeing to the proposed variation, the Schedule will be deemed to be varied accordingly.

Item 4: Budget

(read with 'Terms and conditions' clause on *Funding*)

Activity forecast budget

The budget forecast for the Activity is outlined in the Budget Forecast Table.

Contributions

Other Contributions means:

- \$361,450 excluding GST to be provided by Benalla Rural City Council (ABN 42 379 380 529)
- \$361,450 excluding GST to be provided by Murrindindi Shire Council (ABN 83 600 647 004)
- \$361,450 excluding GST to be provided by Strathbogie Shire Council (ABN 50 882 781 013).

The Organisation's Contributions means \$361,450 excluding GST.

In the event that the Contribution or any other Contribution is withdrawn or is not paid or supplied when due, the Organisation must immediately notify the Department.

In the event that the Contribution or any other Contribution is withdrawn or is not paid or supplied when due, the Organisation acknowledges:

1. that the Department shall not be liable to pay any amount in excess of the Funds to cover any resulting funding shortfall; and
2. that the Department shall be entitled to elect to revoke its grant of the Funds or, if any part of the Funds has already been paid to the Organisation, to cease any further payment of Funds to the Organisation.

Flexibility with budget expenditure

Up to ten (10) per cent of the total budget can be transferred between expenditure items without the Department's approval. Approval is required for higher amounts.

Before payment will be released, the Organisation must submit for approval by the Department a revised budget and brief summary outlining any changes to the project plan resulting from the amount offered differing to that requested, and/or income amounts previously unconfirmed in the Organisation's application.

With the exception of those Assets listed in the Activity Deliverables and Payments Table, the Organisation must not use Funds to acquire or create any Asset without the Department's prior written approval. Approval may be given subject to any conditions the Department may impose from time to time.

Budget Forecast Table	
Activity Income	\$ (excluding GST)
Funds from the Department	\$1,000,000
Funds from your Organisation	\$361,450
Funds from Benalla Rural City Council	\$361,450
Funds from Murrindindi Shire Council	\$361,450
Funds from Strathbogie Shire Council	\$361,450
• Grants (Commonwealth)	\$0
• Grants (State)	\$0

• Grants (Other)	\$0
Total Activity Income	\$2,445,800
Activity Expenditure	\$ (excluding GST)
• Program Management	\$623,000
• Microsoft 365 Rollout	\$87,000
• Strategy Harmonisation	\$13,200
• Enterprise Architecture & Governance	\$26,400
• ICT Shared Services	\$66,000
• Procurement: Records	\$7,920
• Procurement: Core Business Systems	\$39,600
• Records Management Deployment	\$382,000
• Agenda Management	\$180,000
• Financials	\$290,680
• Customer, Property, Rating, Billing	\$730,000
Total Activity Expenditure	\$2,445,800
Activity costs met through in-kind contributions (approximate value)	\$ (excluding GST)
Total in-kind support	\$0

Item 5: Reporting requirements

(read with 'Terms and conditions' clauses on *Reporting* and *Assets*)

Progress reports

Progress reports must be completed using the appropriate Department template. This report must be signed by an authorised delegate from the Organisation.

The final or yearly report must be completed using the Department's template. It includes a financial acquittal report. This report must be signed by an authorised delegate from the Organisation.

Outcomes report

Twelve (12) months after the completion of this Activity, the Organisation must provide a report and/or data on outcomes, using the Department's template.

Additional reporting

The Organisation must provide additional information that the Department requests in relation to the evaluation of the program(s) through which this Funding is provided. The Department must make only reasonable requests and should give notice of at least twenty (20) Business Days.

Item 6: Activity specific requirements

- Acknowledgement and Publicity (to be read with clause 4.17)
 1. The Organisation will acknowledge any financial and other support from the Victorian Government according to the *Acknowledgement and Publicity Guidelines* as amended from time to time, which can be found at : Attachment 2 .
 2. The Department reserves the right to publicise and report on awarding the Funding to the Organisation.
 3. The Organisation will acknowledge any financial or other support by partner organisations.

Activity governance

A steering committee, working party or other similar group will be established to manage the Activity. A representative from the Department must be invited to be a part of this group. Having Department representation on a group to manage the Activity does not limit the Organisation's obligations under this Agreement.

The Organisation must notify the Department of any circumstances or the occurrence of any event that adversely affect the ability of the Organisation to fulfil its obligations under this Agreement immediately upon the organisation becoming aware of the circumstances or event.

The Department agrees to assist the Organisation to meet its objectives and to comply with the conditions of this Agreement by:

- responding to and providing comments on reports, papers, proposals, projects and outcomes
- providing support and advice to the Organisation's Representative on issues relating to the Activity
- nominating the Department's representative

Infrastructure capital activities

If either party is unable to perform its obligations due to an event that is beyond its reasonable control, the obligation will be suspended while the event continues.

Intellectual property vests with the organisation

For this Activity, the Organisation will provide Benalla Rural City Council (ABN 42 379 380 529), Murrindindi Shire Council (ABN 83 600 647 004) and Strathbogie Shire Council (ABN 50 882 781 013) with the same licence and permission regarding Intellectual Property the Department receives under this Agreement.

At the request of the Department, the Organisation will make available at no fee all or part of the Project Intellectual Property (as specified by the Department) arising from the delivery of the Activity, in such manner and at such time as the Department requests.

Intellectual property warranty and indemnity

The Organisation warrants to the Department that any Intellectual Property provided by the Organisation and embodied or used in connection with the Activity is the sole property of the Organisation or the Organisation is legally entitled to use the Intellectual Property for the purpose of the Activity.

The Organisation indemnifies and will keep indemnified the Department against any action, claim, suit or demand arising out of or in respect of any breach of a third party's rights in relation to Intellectual Property.

Specific policies, standards and guidelines

The Organisation agrees to report to the Department any breaches, of standards, guidelines, policies and procedures in carrying out this Activity of which the Organisation becomes aware.

The Organisation must conduct a National Police Record Check for any person who will be directly involved in the Activity before the person commences any involvement in the Activity. Any checks which reveal a criminal history must be provided to the Department. The Department will approve or disapprove, in its absolute discretion, the involvement of a person with a criminal history in the Activity. The Organisation must not allow a person with a criminal history to be directly involved in the Activity before the Department has provided written approval.

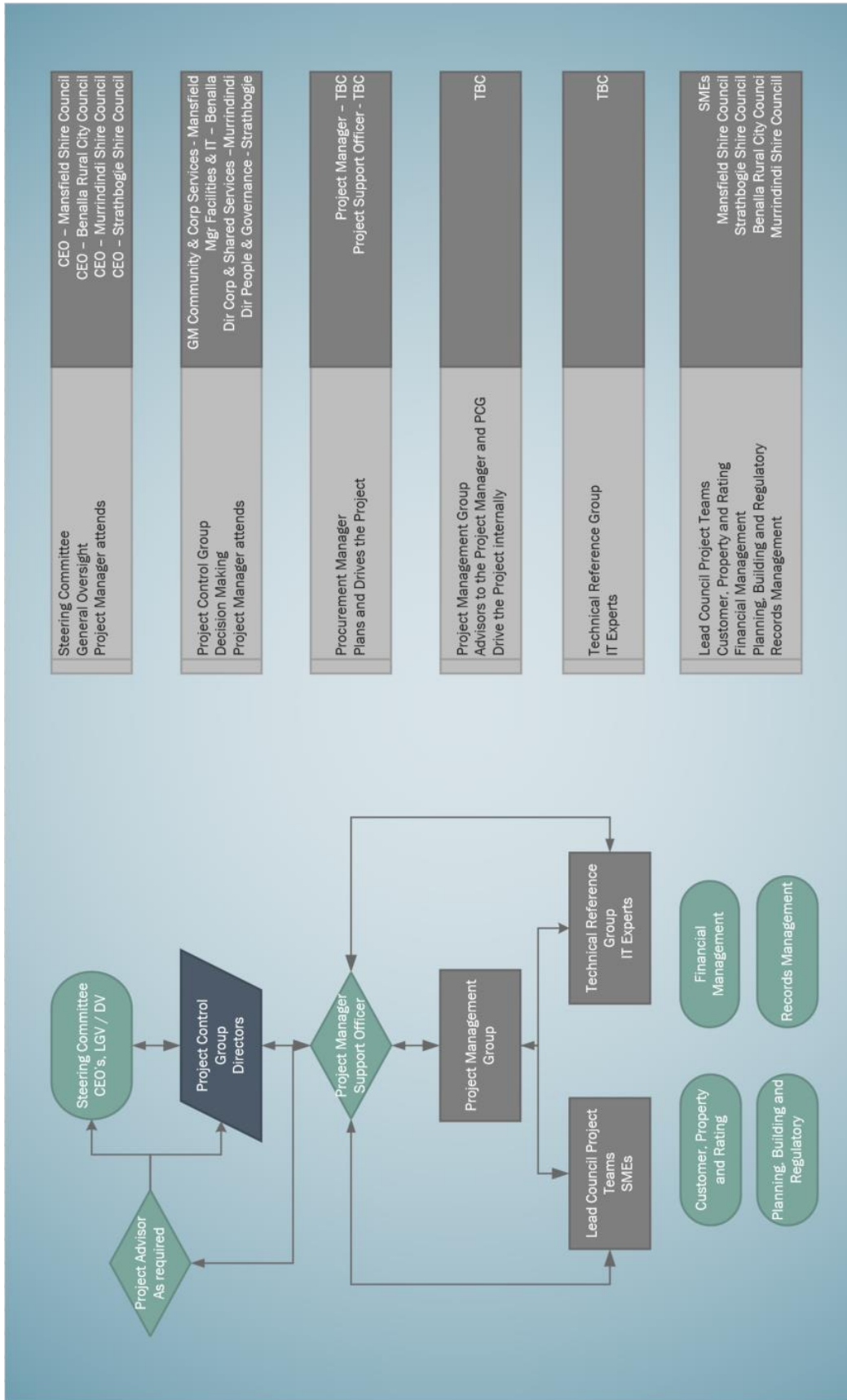
Item 7: Attachments

Attachment 1 – Funding Application

Attachment 2 - Acknowledgement and Publicity Guidelines

Schedule 2

Governance Framework



1 Background

The Lower North East Rural Councils Collaboration (LNERCC) is a collaboration between Mansfield Shire Council, Benalla Rural City Council, Murrindindi Shire Council, and Strathbogie Shire Council.

With \$1M funding from the Local Government Victoria's (LGV) Rural Councils Transformation Program (RCTP), LNERCC is embarking on a journey to transform its business systems to enable a reliable and sustainable service delivery to enable shared services across the four Councils. LNERCC will also participate in a collaborative process in co-designing common IT architecture with Local Government Victoria (LGV) and Digital Victoria and Service VIC.

Key objectives of the transformation project include:

- Establishment of aligned Strategic Roadmaps and common Enterprise Architecture for all councils
- Harmonisation of business processes subject to new systems implementation
- Full deployment of foundational Microsoft 365 technologies
- Deployment of SharePoint based records management systems
- Deployment of modern Financials, Customer, Property and Rating systems.

Mansfield Shire Council is the auspice agency for the project funding and has signed a funding agreement with on behalf of the LNERCC with a project completion date of 30 June 2024. A separate MOU amongst the partnering councils provides the formal commitment from each council to support Mansfield Shire Council's auspice role and the project's successful delivery.

The purpose of this terms of reference is to:

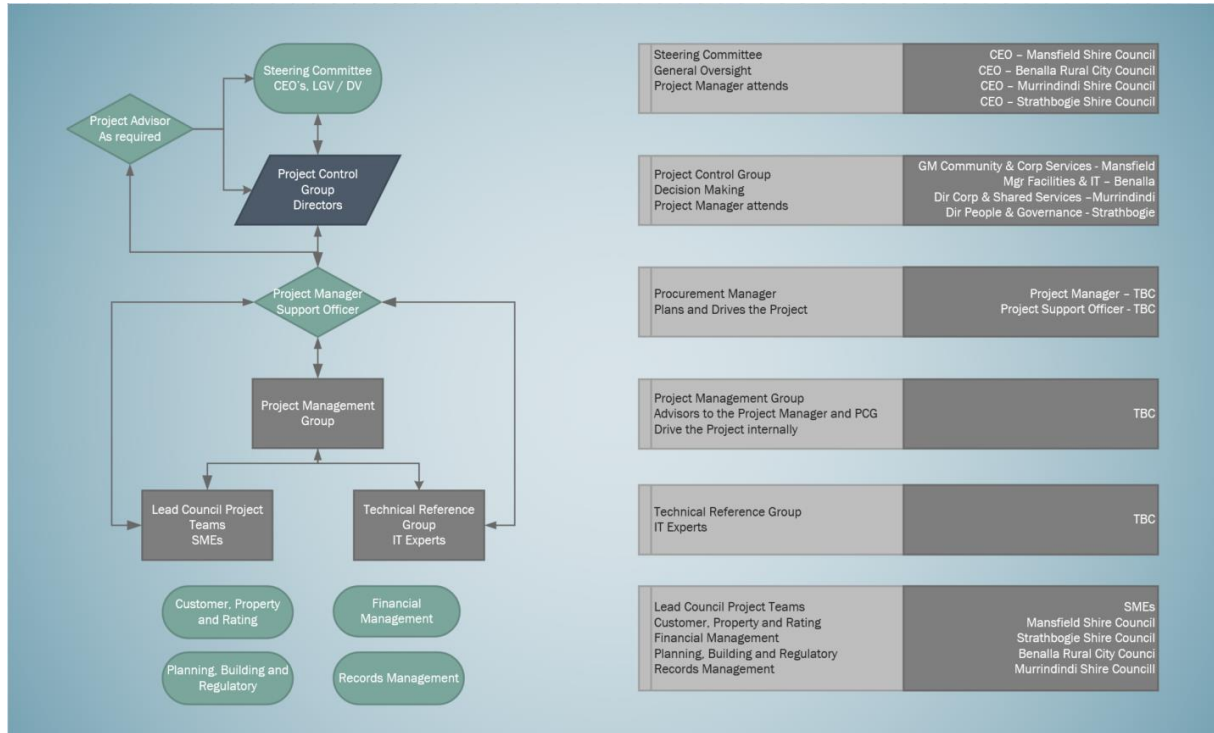
- reinforce the intent to work collaboratively, and
- establish an agreed governance framework for the delivery of the project.

2. Governance Structure

The project governance structure is outlined in the following chart and consists of a Project Manager working with a series of project-related groups with defined roles to aide decision making, issue escalation, communication and efficient operational delivery of the project.

Administration of the project and grant will be delivered by Mansfield Shire Council via the Project Manager and Project Support roles. The Project Manager will be responsible for coordinating and connecting the groups outlined in the framework as required to facilitate effective project delivery.

Proposed Governance Structure



3. Roles and Responsibilities

3.1 Project Steering Group

This group will meet quarterly (or as needed) and act as the ‘project sponsor’ to oversee the overall delivery of the project against project objectives, monitor and address major risks to the successful completion of the project and where necessary facilitate high level liaison with the funding agency and other project stakeholders to address issues.

Membership will include:

- Partner Council CEO’s
- PCG voting members (non-voting)
- Project Manager (non-voting)
- LGV senior funding representatives or other senior external stakeholders (by invitation, as required).

Group will be Chaired by Mansfield Shire Council CEO.

Agenda and minutes to be provided by the Project Manager.

Responsibilities include to:

- monitor overall progress of the project against project objectives
- address significant risks to the achievement of project objectives
- maintain high level liaison with representatives of funding agency and other external stakeholders
- consider and approve major variations to project scope or objectives, or resourcing that depart from the terms of the funding agreement

- report to and liaise with respective Councils on project progress and outcomes, seeking Council resolutions on matters as required.

3.2 Project Control Group

This Group will meet monthly (or as needed) to ensure the successful delivery of the project against project milestones and act as the decision-maker for all aspects of project delivery that are within the terms and scope of the funding agreement.

Membership will include:

- Partner Council Corporate Services Director/GM (or as nominated by CEO)
- Project Manager (non-voting)
- Chair or representative of Project Management Group (non-voting)
- Other participants as invited (non-voting).

This group will be Chaired by Mansfield Corporate Services GM. Agenda and minutes to be provided by the Project Manager.

Responsibilities include to:

- monitor the delivery of the project against project milestones and the terms of the funding agreement
- consider recommendations from the Project Manager relating to:
 - project scope and variations
 - project budget allocations
 - timelines and project stage priorities
 - project management plans and variations
 - risk management plans and actions
- funding body / Steering Committee reporting
- procurement decisions
- any other aspect of project delivery that requires formal approval.

Any variations to the project scope or project delivery that will require significant variation to the funding agreement will require the endorsement of the Project Steering Committee and potentially the respective elected councils.

3.3 Project Manager Role

The Project Manager will be responsible for the design and delivery of the project to meet the project and funding objectives. The Project Manager, in fulfilling this role, will be supported by a Project Support Officer and by the Project Management Group (see below). A separate position description details the role requirements.

Key Responsibilities will include:

- preparation of a project plan for the delivery of the project that addresses scope, activities, risks and contingencies, timelines, resources/ budget for endorsement by PCG
- effective communication and coordination to facilitate the delivery of the project in accordance with the Project Plan
- making recommendations to the PCG for decisions on project delivery and variations
- delivering operational and financial reporting to the PCG and Project Steering Committee against key project milestones

- coordinating project procurement processes
- maintaining liaison with all project and funding stakeholders as required.

3.4 Project Management Group

This Group will meet fortnightly (or as required) and will support the Project Manager in the day-to-day implementation of the project, including the supporting the Project Manager in drafting of project related plans, priorities, variations, and recommendations for PCG endorsement. The group is authorised to make minor operational decisions and carry out actions within the agreed project plan to facilitate project delivery.

Membership will include:

- Project Manager (Chair)
- Project Support Officer
- Partner Council nominated Business Service Manager or equivalent
- Representative of each Lead Council Project Team
- Other participants as required.

Agenda and minutes to be provided by Project Manager.

Responsibilities include:

- support the Project Manager in:
 - facilitating the delivery of the project
 - development and implementation of project plans, risk assessments, communication plans and other project documentation for PCG endorsement
 - preparation of project and financial reporting
- advocate and provide a conduit within each member organisation to remove project roadblocks, and facilitate access to key subject matter experts, other staff and information to support project implementation
- provide a supportive forum to enable the Project Manager to test ideas, concepts and methodologies associated with project delivery
- Support the procurement processes as needed through development of tender specifications and undertake tender assessment processes and recommendation to PCG
- where necessary, escalate issues as required for consideration and decision by the PCG.

3.5 Technical Reference Group

This group will meet as required by the Project Manager to provide technical expertise, information, and advice to support the role of the Project Manager and the delivery of the project. This group is advisory and is not decision making.

Membership will include:

- Project Manager (Chair)
- Representatives of each partner Council's IT and/or digital futures staff (up to 2 per Council)
- Others as required.

Agenda and minutes to be provided by Project Manager.

Responsibilities include to:

- enable the Project Manager to gain insight into the current IT architecture, systems and strategies/plans/priorities within each project partner organisation
- provide a reference group for the consideration of technology priorities, solutions, implementation scheduling and methodologies
- provide technical advice and feedback as needed
- support the technical implementation of IT solutions within each project partner organisation.

3.6 Lead Council Project Teams

These groups will be formed as needed to support the Project Manager to deliver the key projects, which at the time of the funding application was identified as below, but may be subject to change as a fully detailed project plan is finalised:

1. Records Management (Murrindindi)
2. Financial management (Strathbogie)
3. Customer, Property and Rating (Mansfield)
4. Planning, Building and Regulatory (Benalla).

Each partner council will lead the implementation of one of the four components of the project as a 'trial' implementation site to develop and test implementation methodologies to ensure successful rollout in the partnering councils.

It is noted that the Funding Agreement relates to Year 1 and 2 of the RCTP project, with future years funded by Councils.

Membership will be specific to each lead council, but as a guide will most likely include:

- Lead Council member from the Project Management Group (Chair)
- Project Manager
- Lead Council member from the Technical Reference Group
- SME's from lead Council
- Representative invited from each partner Council
- Other participants as required

Agenda and minutes to be provided by Lead Council Chair.

Responsibilities include to:

- assist the Project Manager to scope and identify the technologies/solutions required
- deliver the project component
- map and adapt business processes to support the efficient and effective implementation of the new technology/solution
- implement the solution within the lead Council
- facilitate required change management processes
- refine the implementation methodology to facilitate the rollout of the component in partner councils.

4. Governance Principles

The following principles will underlie the implementation of the governance framework and apply to all groups:

Chairing Meetings

- the Chairperson will endeavour to ensure that all members have a fair and reasonable opportunity to present their views.
- it is recognised that the Chairperson will be involved in discussion and debate.

Group Members

- members undertake to contribute to the Group in a professional and respectful manner, attending meetings regularly (or nominating a delegate) and respecting confidentiality
- all members will act in a united manner once decisions are made and undertake agreed actions in a timely manner
- all members are required to contribute to the smooth running and success of the project, providing advice, information and support as appropriate to their skills, role and function
- members will support the Project Manager and act as advocates and champions for the project within their respective organisations.

Meetings

Groups will establish their own meeting arrangements in consultation with the Project Manager, however the following is provided as a guide;

- meetings are to be conducted amongst members only, with others to participate by invitation
- meetings to follow standard meeting procedures
- decisions will aim to be met by consensus, but formal voting on motions will be required where consensus cannot be reached
- meetings should not normally exceed two hours duration
- meetings are to follow an agenda
- minutes (limited to key actions or decisions) will be taken and available to all members.
- a minimum of four members must be present for a quorum
- meetings can be held online or physical or hybrid as determined by need
- attendance by phone is permitted, although not preferred.

Project Representation

To enable effective communication, authorisation to represent the project and maintain liaison with external funding body representatives with respect to the day-to-day management of the project include:

- Mansfield Shire Council GM Corporate Services (primary authorised officer to represent the project to external funding body and relevant agencies)
- Mansfield Shire Council CEO will facilitate high level communications with senior stakeholders as directed by the Project Steering Committee
- Project Manager
- Other council representatives as delegated by the Project Manager as needed.