

17 March 2021

PROJECT CONSOLIDATION AND PRIORITISATION AT HEPBURN SHIRE

At the meeting last night, Council resolved to defer and cancel a number of projects as part of its mid-year Budget review.

Each year Council carries out a review of its adopted Budget to quantify changes to income and expenditure forecasts. Changes may be required as a result of additional grants received, formal advice of budgeted grant allocations, or in response to events or information obtained after the Budget is adopted (eg. COVID). Costs and reduced income as a result of COVID-19 is estimated at a minimum of \$526,000 for the 2020/2021 financial year.

Given the financial impact of COVID-19, pressure of Council's cash position, changing priorities of Council and the increasing number of projects being carry-forward a detailed review of current projects was undertaken. This is a prudent undertaking by Officers and Councillors to ensure the long term financial sustainability of Council, responding to the current financial situation especially as a result of COVID-19 and ensuring that adequate resources are in place to deliver projects, rather than projects continuing to be "carry-forward" and delivered in subsequent financial years.

Mayor, Cr Lesley Hewitt, said that COVID has significantly impacted the organisation financially, like it has impacted businesses and communities.

"Council wants to deliver projects in a timely way, but we can't when the list of projects continues to grow, and resources are stretched. We have a responsibility to the community to consider the long-term financial viability of the organisation so that we can deliver on outcomes of the Hepburn Together project," said Cr Hewitt.

The largest project to be recommended to be cancelled is that of the Daylesford Pool and Civic Complex. This project is currently budgeted at \$1.59 million with significant grant funding from the State Government. Following a tender process, it was found that the proposed cost was to be substantially higher.

“We’ve heard concerns from the community that this project will not deliver the benefits expected. We are about to embark on a Shire-wide Aquatic Strategy, so we’ve taken the decision to cancel this project until after a review of our aquatic assets is undertaken,” said Cr Hewitt.

Thirty-one projects with a net cost to Council of \$2.79 million were deferred or cancelled. However, the review included the addition of capital works of \$2.9 million, which has been funded by an additional \$2.1 million of Government funding. Projects such as Doug Lindsay Reserve Security Lighting and Shared Pathway, Blampied-Molonghip Road Bridge Strengthening and Stage 2 of the Daylesford-Coomoora trail have been included.

Officers and Councillors are working on the development of Council’s Annual Budget 2021-22, the Financial Plan (Long Term Financial Plan) to respond to communities input to the Hepburn Together project that will drive the vision for the community for the next 10 years, the four-year Council Plan and ensure that these objectives can be achieved in a financial sustainable manner.

For a full list of impacted projects visit <https://www.hepburn.vic.gov.au/minutes-agendas/>.

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