

11 June 2019

- MEDIA STATEMENT –

VICTORIAN LOCAL GOVERNMENT INSPECTORATE

The Hepburn Hub project at The Rex is a major Council initiative which will deliver a modern community Hub including an administration centre, library, auditorium/cinema and other community spaces.

Council conducted a review of the project in early June 2018. It was determined that a planning permit was required because of additional expenditure on the project above the \$1 million threshold for a Planning Permit exemption. There was also a requirement to lodge a change of use Planning Application for the facility because of the inclusion of the library.

At the July 2018 Council meeting, Council decided to conduct an independent audit of the project to review the processes and outcomes associated with the Hub project. Crowe Horwath, independent auditors, carried out the audit which highlighted potential weaknesses in internal control processes and practices.

The Victorian Local Government Inspectorate was notified and have informed Council that they will be conducting an investigation into the project.

Council understands the need for the investigation. We will work closely with the Local Government Inspectorate to ensure a thorough investigation of the project is conducted from the purchase of the building to when it was suspended in June 2018.

We await the outcomes of the investigation and are committed to implementing best practice recommendations in relation to project management and procurement.

This investigation will not delay the Hepburn Hub at The Rex project. We have received draft revised plans from the architect and hope to recommence construction in late July/early August.

- ENDS -