

Media Statement

WEDNESDAY, 21 NOVEMBER 2007

Auditor-General's Report: Discovering Bendigo Project

A report by **Auditor-General, Des Pearson**, titled *Discovering Bendigo Project*, was tabled in the Victorian Parliament today.

The City of Greater Bendigo (the Council) has a long history of working with The Bendigo Trust (the Trust) on tourism activities in Bendigo. The Council has provided financial support to the Trust for over 30 years to support the Trust's tourist attractions.

The Discovering Bendigo project was conceived in 2000 jointly by the Council and the Trust and proposed extending the existing heritage tramways system to include a loop track around Lake Weeroona. The Council adopted the proposal 'in principle' in June 2000 and, in May 2002, lodged a grant application for \$3.7 million with the Regional Infrastructure Development Fund (RIDF).

Although the grant was approved by the Minister for State and Regional Development in October 2002 and legally formalised in May 2003, the Council terminated the project in January 2005 before accessing any of the RIDF grant monies.

Mr Pearson's report examined the Council's relationship with the Trust and the management of the project.

The report found that the nature of the relationship between the Council and the Trust and the extent of the Council's support for the Trust's operations was not transparent to the Council's ratepayers. Since the financial viability of the Trust was heavily dependent on the Council's on-going financial support, the need for transparency was important.

The report also identified that the current management agreement between the Trust and the Council requires renegotiation to establish procedures and controls to better manage the financial risks inherent in the relationship.

With respect to the management of the project, the report identified a need for the Council to review its processes to manage of project risk, quality, timeliness and scope changes.

Mr Pearson indicated that the Council should have engaged the local community in a more timely manner and identified or resolved any issues they had with the project, and taken reasonable steps to ensure information contained in its grant applications was accurate and complete, particularly where this information was provided by external parties.

<ENDS>

Direct link to report: http://www.audit.vic.gov.au/reports_par/agp130cv.html

For further information:

Mr John Olesky, Manager, Corporate Communications
[p] (03) 8601 7050 [m] 0419 330 785 [f] (03) 8601 7010
[e] john.olesky@audit.vic.gov.au Website: www.audit.vic.gov.au