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## Media Release

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<b>From:</b> Anne Champness	<b>Position:</b> Chief Executive Officer
<b>Subject: Bordertown Medical Hub Update</b>	

After overcoming a few challenging hurdles in 2022, the Bordertown Medical Hub has fallen victim to the steep escalation of construction cost and interest rate increases that have plagued the building industry of late.

“It is with great disappointment that Tatiara District Council received correspondence from Dr Remona Pungutan advising that the development of the new medical hub near the Bordertown Memorial Hospital can no longer proceed,” Tatiara District Council Mayor Liz Goossens said.

Council first resolved to accept Dr Pungutan’s expression of interest to develop the hub in May 2021. The project encountered some unexpected hurdles with the Native Vegetation Council’s refusal to support the development but after some negotiation was able to progress with the execution of contracts of sale in October 2022.

“We know Dr Pungutan has put a considerable amount of work into the hub’s design, including the redesign necessitated by the Native Vegetation Council’s concerns, so it is really disappointing that the development is not able to go ahead,” Mayor Goossens said.

Mayor Goossens noted that Council understood well the impact supply shortages and the escalation of construction costs had on building projects. “We have certainly experienced significant post-COVID cost increases in our own operations and capital projects. It would have made it especially challenging to undertake a project of this scale.”

Dr Pungutan said construction costs had increased from \$4.5m to \$6.2m since the designs were first developed. “But it is not just the increase in the cost of building, the interest rate increases over the last 12 months mean that monthly repayments would have almost tripled.”

“To not continue with the medical hub at the hospital site was a very difficult decision to make,” Dr Pungutan added. “It took a lot of time and effort to get the final designs just right, and I was so pleased with how they turned out in the end, and the space they would have provided for many different specialists and allied health professionals. I hope that others may pick them up one day, when the economy is a little kinder to big building projects.”

Dr Pungutan will now focus on improving and expanding her existing premises in Bordertown to accommodate more GPs and visiting specialists.

Mayor Goossens expected Tatiara District Council would consider the future of the land adjoining the Bordertown Memorial Hospital in the coming months. “It could be another call for expressions of interest to develop the land, or maybe letting the construction sector settle a little more before proceeding, or another path altogether.”

For further information, please contact Anne Champness, Chief Executive Officer on ph. 08 8752 1044, or by email to [office@tatiara.sa.gov.au](mailto:office@tatiara.sa.gov.au).

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