

COUNCIL WATCH – SPECIAL INVESTIGATION

GOVERNANCE REVERSED. MODEL ONE ADOPTED. COMMUNITY EXPOSED.

Victor Harbor Council has now **publicly** committed to **Model One – the Developer Operating Model** for the Regional Community, Sport and Recreation Precinct.

This decision was taken **in confidence** at the Special Council Meeting of **Thursday, 05 February 2026**, with only six elected members present.

The released-from-confidence minutes (attached for transparency) confirm the vote. **The vote was recorded as accepted not unanimous, which indicated that not all elected members voted for it.**

But this is not simply about who voted.

It is about **how** this decision was made — and what was not released before it was made.

THE PROCESS WAS REVERSED

In major public infrastructure projects, responsible governance requires:

1. A complete business case
2. A full Section 48 prudential report
3. Transparent financial modelling and assumptions
4. Secured funding sources
5. Alignment with the Long Term Financial Plan
6. Then — and only then — formal commitment

Instead, Victor Harbor ratepayers have witnessed:

- Two consecutive **years of precinct levies** (1.2% and 1.0%) **added to rates, ahead of any vote on undertaking the proposed sporting precinct**
- A Heads of Agreement containing exclusivity
- Seven extensions of that agreement
- A development application lodged
- Model One **claimed by the Mayor and Council Administration** as “the most financially sustainable”
- **Full** Grant funding still unsecured
- Financial assumptions still not fully disclosed

Commitment **preceded** proof.

That is not best practice.

A MAYORAL FAILURE OF LEADERSHIP

This was one of the most controversial decisions in Victor Harbor's history — potentially binding land for **99 + 25 + 25 years (149 years)**.

Yet the vote proceeded without the full chamber present.

On decisions of generational consequence, best practice demands that the Mayor ensure all elected members have the opportunity to participate.

When such a decision proceeds with only part of the chamber present, it risks being interpreted as opportunistic or conveniently timed.

Leadership requires inclusion on decisions of this scale.

That did not occur.

THOSE WHO VOTED MUST STAND BY IT

From the Council minutes of 5 February 2026 (copy attached):

For Model One:

- **Cr Brayden Mann**
- **Cr Angela Schiller**
- **Cr Carol Schofield**
- **Cr Marilyn Henderson**

Against:

- Cr Stewart Burns
- Cr David Kemp

Absent from Meeting:

- Cr Michael Qinton
- Cr Nick McKernzie
- Cr Carlos Quaremba (on approved absence of leave from council to stand for senate election in March 2026)

Those who voted in favour must now explain:

- Why commitment preceded full public financial disclosure.
- Why the prudential report **was not released for public scrutiny** before **model 1** was adoption.
- Why grant dependency was accepted as a foundation for sustainability.
- Why rental affordability modelling has not been released.
- Why planning is advancing before land revocation **by the Minister** is determined.

Accountability requires ownership.

TWO PRUDENTIAL REPORTS – WHY THE SHIFT?

Council Watch further raises concerns about the commissioning of two prudential assessments.

Report 1 – SGL Consulting (Nathan Gray)

- Prepared a comprehensive business case for **Model 1 (Developer designator operator) & Model 2 (Council as operator)**.
- Delivered findings critical of council’s assumptions.
- Highlighted significant financial and operational risks.
- Applied detailed operational modelling.

Report 2 – UHY Haines Norton (Corinne Garrett)

- Commissioned after the SGL findings.
- Prepared under Section 48 of the Local Government Act 1999 (SA).
- Covered Model 1 and Model 2.
- Focused more heavily on process compliance.
- Did not replicate the same depth of operational modelling.

The change in consultants raises a legitimate governance question:

Was the second report commissioned to soften or reinterpret findings critical of the project?

Council Watch makes no allegation — but transparency demands explanation.

“FINANCIALLY SUSTAINABLE” – TESTED OR ASSUMED?

Mayor Moira Jenkins was reported in *The Messenger* and in the Adelaide Advertiser (19 February 2026) as stating Model One was:

“the financially sustainable option ... while shifting risk to the private sector.”

It was also reported that the model offered:

“a quicker return for council financial targets.”

Yet Council borrowing is projected to peak at nearly **\$23 million by 2028/29**.

Cr Brayden Mann has acknowledged publicly:

“...that the building costs had nearly doubled.”

Approximately **\$4 million in grant funding** remains outstanding.

If this model is sustainable:

Why haven’t the financial assumptions been made public?

CONFIDENTIALITY AS A GOVERNANCE SYMPTOM

Negotiations, commercial concessions and financial terms remain confidential.

This undermines:

- **Section 48 prudential transparency expectations**
- **ESCOSA sustainability oversight**
- **Genuine community consultation**
- **Public trust**

Confidentiality may sometimes be justified.

But routine reliance on “**in confidence**” classifications in major financial commitments is a warning sign.

It suggests administrative dominance over open debate.

AUDIT & RISK – WHAT WAS ADVISED?

Council Watch calls for the release of the **in-confidence** Audit and Risk Committee advice that reportedly supported Model One as financially sustainable.

If the Audit & Risk Committee endorsed this model:

The community deserves to see:

- **The financial stress testing applied**
- **The assumptions relied upon**
- **The identified risk mitigation strategies**

Audit committees exist to protect the public interest — not to shield it.

THE RENTAL REALITY

Across South Australia:

Permanent court hire: \$35–50/hour

Casual hire: \$60–80/hour

If construction costs have nearly doubled and debt will peak at \$23 million:

Local basketball and gymnastics clubs will face higher rental pressure.

If they cannot afford it:

- **Will ratepayers subsidise costs in perpetuity?**
- **Will community grants offset operator costs?**
- **Or will clubs be displaced?**

No rental affordability modelling has been released.

149 YEARS OF CONSEQUENCE

The proposed lease structure potentially binds this land for 149 years.

Every current elected member will be long gone before that term expires.

Yet the financial modelling underpinning this generational decision has not been fully stress-tested in public view.

Victor Harbor deserved full financial disclosure before commitment.

It did not receive it.

COUNCIL WATCH REQUESTS

Immediate public release of:

1. **The full SGL draft prudential report.**
2. **The full UHY Haines Norton prudential report.**
3. **All financial modelling assumptions.**
4. **Rental affordability projections.**
5. **The Audit & Risk Committee advice.**
6. **The cumulative cost of seven HOA extensions.**

If Model One is truly financially sustainable, **public** transparency will confirm it.

If it is not, the community deserves to know before irreversible commitments deepen.

THIS IS A TEST OF LOCAL GOVERNANCE

Local government fails not when it builds infrastructure.

It fails when it asks the community to accept financial sustainability on trust — while withholding the numbers.

Victor Harbor residents are entitled to full disclosure.

Anything less erodes confidence not only in this project, but in local governance itself.

Terry Andrews (Chair)

Council Watch Fleurieu Inc.



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