

COUNCIL WATCH

SPECIAL EXTRA EDITION

Accountability with Integrity - The time for change is now!

Independent Oversight of Local Government

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This publication is produced in good faith as part of Council Watch's public-interest oversight activities

Long Term Financial Plan:

Why the Council Debate Should Alarm Every Ratepayer

This is not theory — councillors themselves warned the plan is flawed.

After viewing the video and the transcript from the public Special Council Meeting on **5 February 2026**, councillors openly acknowledged that the **Long-Term Financial Plan (LTFP)** being adopted is built on **assumptions that may no longer be accurate**, yet it was approved regardless.

For residents, this matters because **assumptions drive spending, and spending drives rates**.

Council Watch concerns are - **"We risk locking ourselves into higher costs for years to come"**

During the debate, Councillor **Stewart Burns** issued one of the clearest warnings a council can give before adopting an LTFP:

"The Long-term Financial Plan most important financial document we adopt each year. It sets trajectory for our rates, our services, and our capacity to invest in the future".

"If we adopt the long-term financial plan as written, we risk unintentionally endorsing higher cost and long-term liabilities... We lock ourselves into a financial position that forces rate rises above CPI for years to come."

Council Watch's concerns are –

This is not speculation.

It is a councillor stating plainly that **future rate rises are being embedded now**, despite uncertainty around major projects.

Councillor Burns said further – **"We need to protect the financial sustainability for this community."**

"To ensure that major projects only proceed where independent analysis confirms they are affordable."

"... we need to prioritise strategic opportunities ...that can actually grow our economy rather than burden it"

Councillor David Kemp also expressed concerns about **...."whether the long-term financial plan is achievable"** that **"we need to be more accurate in our assumptions"** Councillor Kemp was concerned that deficits will continue.

Council Watch's concerns are it appears that spending commitments are being made without updated figures

During the debate, Councillor Burns further warned that the LTFP relies on **assumptions that have already changed**, particularly around the Sports and Recreation Precinct:

“The long-term financial plan still contains assumptions we know are no longer accurate...”

These changes fundamentally alter the financial profile of the project, yet the long-term financial plan has not been updated to reflect them.”

Council Watch concerns are - From a household perspective, this is the takeaway:

1. outdated assumptions = understated risk
2. understated risk = future cost shocks
3. cost shocks = higher rates or reduced services

Council Watch's concerns are - **Council knows the community cannot easily absorb higher rates**

During the debate, Councillor Burns highlighted a reality often missing from council spreadsheets:

Where 39% of our community is welfare dependent, we also need to recognise the broader picture.

We have other major projects also under consideration... all these projects would draw from the same limited rate base.”

This matters because **rate increases do not fall equally**.

Fixed-income households, pensioners, and low-income families feel them first and hardest.

Yet the LTFP was adopted **without revision, without updated assumptions, and without additional public consultation**.

Council Watch's concerns are -

Even supporters of the LTFP admit the numbers don't stack up cleanly

During the debate, Councillor **David Kemp** openly questioned the credibility of the LTFP's promised turnaround from deficits to surpluses:

“I can't believe that we will return to surplus by 28/29 after such large deficits... I don't believe it will happen.”

For residents, this is critical:

1. projected surpluses are used to justify borrowing today
2. if surpluses do not materialise, the shortfall lands on ratepayers

Council Watch's concerns are -

Spending pressure keeps growing — not shrinking

Despite these warnings, councillors supporting the plan argued that:

1. projects are complex
2. delays are normal

3. costs rising over time are unavoidable

During the debate, Councillor **Brayden Mann** acknowledged that costs have already escalated significantly:

“Over that time the costs have gone up... delivering a Rec centre now costs double.”

From a resident’s perspective, this confirms a **spending control problem**:

1. delays increase costs
2. increased costs justify borrowing
3. borrowing locks in long-term rate pressure

Council Watch’s concerns are -

The Heads of Agreement has now been extended seven times

Council Watch concerns are -

Immediately after adopting the LTFP, Council’s next agenda items was to discuss in confidence whether to extend the **Sports Precinct Heads of Agreement for the seventh time**.

Before going into confidence, Councillor **David Kemp** asked the obvious question most ratepayers must be thinking:

“This is the seventh time we are extending. I’m just wondering how many more times we’re going to be extending it... the more we extend, it’s getting more costly to build.”

Council Watch’s concerns are - Each extension:

1. increases construction risk
2. increases borrowing exposure
3. increases the likelihood that Council will be pressured to “fill the gap”

That gap ultimately comes from **rates**.

Council Watch concerns are - **What this means for your hip pocket**

Putting the pieces together:

1. The LTFP embeds **deficits and borrowing** in the early years
2. Councillors acknowledge assumptions may already be wrong
3. Grant funding is uncertain
4. Costs are rising, not falling
5. Extensions continue without a clear end point

For residents, the consequences are straightforward:

1. upward pressure on rates
2. reduced capacity to fund everyday services
3. less financial resilience when shocks occur

Council Watch view

Council Watch is not opposing community facilities, where they are affordable for the community. We are opposing **financial decisions that knowingly rely on uncertain assumptions** while transferring risk to households.

Council Watch's concerns are -

The meeting debate shows:

1. councillors themselves recognise the spending problem
2. warnings were raised and dismissed
3. ratepayers were not given updated figures before adoption

That is not prudent financial stewardship.

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