COUNCIL WATCH FLEURIEU INC.

Accountability with Integrity — The time for change is Now !

NEWSLETTER No. 0000 — June 2026

COUNCIL WATCH SPECIAL REPORT

Has the Sporting Precinct Reached the Point of No Return?

Nine Extensions. Three Years of Negotiations. Millions Spent on Planning and Consultants. Yet Council Says More Due Diligence Is Still Required.

The City of Victor Harbor's Ordinary Council Meeting of 20 June 2026 may ultimately be remembered not for what was decided, but for the questions that remain unanswered.

During debate on the Regional Community Sport and Recreation Precinct, the phrase **"due diligence"** was repeatedly used by elected members and administration to justify extending the Heads of Agreement with the developer for a ninth time.

At the same meeting, Mayor Moira Jenkins announced that negotiations had successfully reduced the proposed lease term from a potential 149 years to a **fixed 99-year lease.**

Council Watch acknowledges that this represents a significant concession and appears to respond to one of the concerns repeatedly raised by members of the community.

However, a more fundamental question now emerges.

If Council is still undertaking due diligence after almost three years of negotiations, why has so much of the project already progressed?

THE PROJECT THAT CANNOT PROCEED

The recently released February 2026 Prudential Report contains a statement that deserves careful consideration.

The report identifies external grant funding as the project's most significant risk and states that the project **cannot proceed without securing $4 million in grant funding.** It further notes that grant funding remains a critical prerequisite to affordability under both operating models.

Yet despite this:

- Nine Heads of Agreement extensions have been granted.
- Planning approvals have progressed.
- The Code Amendment has been completed.
- Community Land Revocation proceedings have been pursued.
- Operating models have been assessed.
- Financial modelling has been undertaken.
- Extensive consultant reports have been commissioned.

The question for ratepayers is straightforward:

If the project cannot proceed without grant funding that has not yet been secured, why has so much of the project already been advanced?

REVERSE APPLICATION?

A growing number of residents are now asking whether the process has effectively been reversed.

Traditionally, major public projects follow a sequence:

1. Due diligence.
2. Financial modelling.
3. Public disclosure.
4. Community consultation.
5. Final decision.
6. Project delivery.

In the case of the Regional Community Sport and Recreation Precinct, many residents may perceive a different sequence:

1. Concept development.
2. Developer negotiations.
3. Heads of Agreement.
4. Repeated extensions.
5. Planning approvals.
6. Code Amendment.
7. Community Land Revocation.
8. Continuing due diligence.

Whether that perception is fair or not, it is a question Council must now address.

THE PRESSURE OF INVESTMENT

Another issue now confronting Council is what governance experts often describe as **"escalation of commitment."**

Put simply, when substantial resources have already been invested into a project, decision-makers can face increasing pressure to continue rather than stop and explain why the project should not proceed.

After three years of work, numerous consultant reports, extensive staff time, legal costs, planning costs, negotiations and community engagement processes, an obvious question arises:

Has so much already been invested that stopping the project has become politically and administratively difficult?

Some residents may reasonably wonder whether elected members are now being asked to choose between:

• approving a project that still has unresolved questions; or

• explaining why years of work and significant expenditure did not result in a final project.

PRESSURE ON GOVERNMENT?

The same question may also apply beyond Council.

The Prudential Report confirms that grant funding remains essential.

Community Land Revocation still requires Ministerial approval.

This raises another legitimate public-interest question.

Does the advancement of planning approvals, negotiations, prudential assessments and commercial arrangements create additional pressure on external decision-makers?

When a project has already progressed this far, does it become increasingly difficult for government agencies, funding bodies or Ministers to refuse approvals because so much work has already been undertaken?

Council Watch is not suggesting that any decision-maker has acted improperly.

However, the question deserves examination.

THE MISSING INFORMATION

The Prudential Report provides important new information.

However, critical questions remain.

Ratepayers still have not been provided with full public disclosure of:

• utilisation assumptions;

• subsidy assumptions;

• concession arrangements;

• long-term financial exposure;

• detailed sensitivity analysis;

• operating model assumptions;

• commercial agreement details; and

• the underlying calculations supporting long-term viability.

The public is largely being asked to accept conclusions without seeing all of the assumptions behind them.

WHO PAYS THE DIFFERENCE?

Both the Great Southern Basketball Association and Victor Harbor Gymnastics have previously expressed concerns about affordability.

More recent statements suggest those concerns may have been addressed.

If that is the case, the community deserves to know how.

If user groups cannot afford the commercial rates required to make the facility viable:

• Is Council providing a subsidy?

• Is the developer providing concessions?

• Are ratepayers underwriting the difference?

• What is the annual cost?

• How long will those arrangements continue?

Someone ultimately pays.

The community deserves to know who.

THE FINAL QUESTION

The reduction from a potential 149-year arrangement to a 99-year lease is a significant development.

However, it does not answer the larger question now confronting Council.

The Prudential Report confirms that key approvals remain outstanding, grant funding remains unsecured, agreements remain incomplete and significant risks remain unresolved.

Yet the project continues to move forward.

Ratepayers are therefore entitled to ask:

Has the project progressed because all of the important questions have been answered?

Or has it progressed to the point where it has become too difficult to stop?

That is a question only full transparency can answer.

Council Watch Fleurieu Inc.

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The time for change is now!

Terry Andrews
Chair – Council Watch Fleurieu Inc.
Council Watch Fleurieu Inc.
Email: councilwatch44@gmail.com
Web: https://councilwatchvictorharbor.com/

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