COUNCIL WATCH FLEURIEU INC

Accountability with Integrity

IS THIS REALLY COUNCIL'S JOB?

WHO IS REALLY ACCOUNTABLE?

Ratepayers deserve answers before Council commits to a three-year takeover of the Encounter Community Centre.

Encounter Centre questions remain unanswered as Council moves towards a three-year takeover.

The future of the Encounter Community Centre has become one of the most significant governance, financial accountability and public policy issues currently facing the City of Victor Harbor. Over recent months, Council has committed significant ratepayer funding to the Encounter Community Centre and has now resolved to assume operational management of the Centre for what it describes as a **three-year trial**.

Council Watch believes this proposal raises fundamental questions about the proper role of local government, the governance of publicly funded organisations and the stewardship of ratepayer funds.

Council Watch Sought Answers

Council Watch wrote directly to **Dr Moira Jenkins, Chairperson of Encounter Centre Incorporated**, seeking clarification on more than twenty governance, financial and accountability questions concerning the future of the Encounter Community Centre.

The questions covered:

- the financial circumstances that led to the organisation's current position;

- the Board's governance and due diligence;
- the use of ratepayer funding;
- the proposed winding up of the incorporated association;
- the transfer of assets;
- liabilities and employee entitlements;
- and the proposed assumption of operational management by the City of Victor Harbor.

These are matters of legitimate public interest involving substantial public funding and the future management of an important community facility.

Dr Moira Jenkins' Reply

Dr Moira Jenkins responded in her capacity as Chairperson of Encounter Centre Incorporated, rather than as Mayor of the City of Victor Harbor.

Council Watch acknowledges that Dr Jenkins confirmed she had declared a Material Conflict of Interest in her role as Mayor and had not participated in Council deliberations relating to the Encounter Community Centre.

Her response also confirmed that:

- Encounter Centre Incorporated will cease operating as an NDIS provider;
- another accredited not-for-profit organisation will commence providing disability services from 1 July 2026; and
- discussions between the Board and the City of Victor Harbor have been undertaken in confidence due to the commercial nature of the negotiations.

However, the response did not substantively answer the majority of the governance, financial and accountability questions raised by Council Watch.

Questions concerning:

- public funding;
- governance;
- financial sustainability;
- liabilities;
- due diligence;
- asset transfers;
- business planning;
- and long-term financial exposure

remain unanswered.

Although Dr Jenkins responded in her capacity as **Chairperson of Encounter Centre Incorporated**, the matters discussed relate directly to negotiations with the City of Victor Harbor, the expenditure of public funds and the proposed assumption of operational management by Council.

These are matters of significant public interest that warrant the highest standards of transparency and accountability.

A New Records Management Question

One aspect of the Board's response has raised an additional governance issue.

The correspondence was signed by **Dr Moira Jenkins as Chairperson of Encounter Centre Incorporated**.

However, it was sent from her private business email address rather than from either:

- an official City of Victor Harbor email account; or
- the published Encounter Centre Incorporated email address.

Council Watch makes **no allegation** that the use of a private business email address was improper.
However, where correspondence concerns:

- substantial public funding;
- negotiations between the Board and the City of Victor Harbor;
- the proposed transfer of operational management to Council; and
- matters of governance and public accountability,

Council Watch believes it is imperative that such correspondence forms part of the official records of the relevant organisations.
Accordingly, Council Watch has written to the Chief Executive Officer requesting that the correspondence be incorporated into the City's official records management system and brought to the attention of all elected members.
Good governance depends not only upon sound decision-making but also upon complete and accessible public records.

The Board's Responsibility

Encounter Centre Incorporated is governed by a Board that has collective responsibility for the strategic direction, financial oversight and long-term sustainability of the organisation.
According to publicly available ACNC records, the current Board comprises:

- **Dr Moira Jenkins – Chairperson**
- **Gregory Allison – Deputy Chairperson**
- **Janice Foreman – Secretary**
- **Geoffrey Sheridan – Board Member**
- **Ian Toogood – Board Member**
- **Leann Symonds – Board Member**

Boards exist to govern organisations, particularly during periods of financial difficulty.
The Board, under the leadership of its Chairperson, **Dr Moira Jenkins**, has publicly acknowledged that the organisation can no longer continue under its existing structure.
Encounter Centre Incorporated has now ceased operating as an NDIS provider and has proposed winding up the incorporated association.
Council Watch recognises that financial challenges can arise in any organisation.
However, the community is entitled to ask:

- Why did the Board's strategy fail to achieve long-term financial sustainability?
- What independent reviews were commissioned?
- What corrective action was taken as financial performance deteriorated?
- At what point did the Board conclude that the organisation was no longer financially viable?
- Why has the outcome become a proposal to wind up the incorporated association while seeking Council intervention?

These are governance questions that deserve public answers.

Is This Really Council's Role?

The Encounter Community Centre building is owned by **SA Health**, not the City of Victor Harbor.
Encounter Centre Incorporated is an independent incorporated association.
The City of Victor Harbor is **not** an accredited NDIS provider.

Victor Harbor already has a number of accredited not-for-profit and private organisations delivering NDIS and disability-related services.

Council Watch therefore asks:

- Why has one organisation received continuing ratepayer funding while other accredited providers have not?
- What objective policy criteria were applied?
- How is this consistent with fairness and competition neutrality?

If another accredited provider is already taking over disability services from 1 July 2026, why should the City of Victor Harbor also become the operator of the Encounter Community Centre?

More fundamentally:

Should local government be operating organisations that have become financially unsustainable, or should Council concentrate on delivering its core local government responsibilities?

A Three-Year "Trial"?

Council describes the proposal as a **three-year trial**.

Council Watch questions whether a commitment of this duration can reasonably be described as a trial.

Trials are generally measured in months—not years.

A three-year commitment represents a substantial financial and operational undertaking.

Before proceeding, ratepayers deserve to know:

- What performance indicators will apply?
- What public reporting will occur?
- What financial benchmarks must be achieved?
- Under what circumstances would Council terminate the arrangement before the end of the three-year period?

Assets to Council – But Who Pays the Bills?

Perhaps the most significant unanswered question concerns the financial obligations of Encounter Centre Incorporated.

Council's released resolution provides for the transfer of the Centre's assets to the City of Victor Harbor while stating that liabilities remain the responsibility of the Encounter Centre Board.

On the surface, that may appear straightforward.

However, it raises serious questions.

If the incorporated association is wound up:

- Does the organisation have sufficient funds to pay all outstanding creditors?
- Have adequate provisions been made for employee entitlements, including annual leave, long service leave and any redundancy obligations?
- Who will pay outstanding supplier accounts, utilities, insurance and contractual commitments?
- If staff transfer to another organisation or to Council, who is responsible for accrued employee entitlements?
- Has independent legal and financial advice confirmed that every statutory obligation can be met?

Council Watch is **not** suggesting that Council has agreed to assume these liabilities.

However, if assets are transferred to Council while liabilities remain with the incorporated association, the community is entitled to know whether the Board has sufficient financial resources to discharge every outstanding obligation before the winding-up process is completed.
These are not merely accounting questions.
They go directly to governance, fiduciary responsibility and financial stewardship.

Time for an Independent Review

Council Watch believes the circumstances now warrant an independent review examining:

- the financial circumstances that led to the proposed winding up;
- the governance decisions of the Board;
- the effectiveness of the organisation's business strategy;
- the use of public funding;
- the alternatives considered before Council intervention; and
- whether direct Council management represents the best long-term outcome for Victor Harbor ratepayers.

Ratepayers Must Have Their Say

The proposal extends far beyond the future of one organisation.
It involves:

- ongoing expenditure of ratepayer funds;
- long-term operational commitments by Council;
- management of a facility Council does not own;
- and the expansion of Council into a service sector already served by accredited community providers.

Council Watch believes these decisions should not be made without meaningful public consultation.
Before further ratepayer funds are committed, the community deserves:

- complete financial transparency;
- full disclosure of the governance decisions that led to this position;
- assurance that all liabilities can be met;
- and an opportunity to decide whether this represents an appropriate role for local government.

The question for every Victor Harbor ratepayer is simple:
Should the City of Victor Harbor continue using ratepayer funds to assume responsibility for an organisation that has become financially unsustainable, or should Council concentrate on delivering the core services for which local government exists?

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