

Council Watch Victor Harbor Newsletter

Sporting Precinct Alternative Proposal Deserves Proper Consideration

At the Ordinary Council Meeting **coming** on Monday 27 July, Councillor Stewart Burns **and** Councillor David Kemp, **hope to present** a Motion on Notice seeking an assessment of an alternative community-led Sporting and Community Precinct proposal before Council makes any further commitments regarding the current developer-led project.

The motion, **if successful, will come** at a critical time, with Council expected to consider the future of the Head Agreement in August. The motion requests that the CEO prepare a report comparing the community-led alternative against the current proposal, including construction costs, operating costs, borrowing requirements, ownership structures, funding opportunities and long-term financial risks. It also requests the report be provided in time for the August meeting so elected members can consider the information before any decision is made on extending, amending or terminating the Head Agreement.

Why Is This Important?

Few would dispute the need for improved sporting facilities in Victor Harbor. The question now is whether the community can achieve the same sporting outcomes through a more affordable and lower-risk model.

The current proposal has evolved significantly since it was first conceived. Costs have increased substantially, and concerns have been raised regarding the long-term financial implications for ratepayers. The issue is no longer simply about construction costs. It is about the total financial commitment that may be required over many years through debt servicing, operating subsidies and ongoing funding support.

Financial analysis presented with the motion suggests community exposure may be considerably higher than the headline contribution often discussed publicly, particularly once borrowing costs and forecast operating losses are taken into account.

The Alternative Proposal

Many residents may not realise that local sporting groups, including the Great Southern Amateur Basketball Association (GSABA), previously developed and presented a detailed alternative proposal.

The alternative proposal:

- Provides a four-court regional basketball stadium.
- Includes a regional gymnastics facility.
- Accommodates future growth and regional competitions.
- Includes parking and landscaping.
- Does not require revocation of community land.
- Retains ownership and control within the community.

The proposal was originally costed at approximately \$16.8 million, with updated advice suggesting the final delivered cost may not exceed \$16 million due to reductions in steel costs.

Based on currently available information, the alternative proposal may be more than \$11 million cheaper than the developer-led option while still meeting the needs of the sporting clubs that originally identified the need for improved facilities.

Community Ownership vs Developer Ownership

One of the most significant differences between the two proposals is ownership.

The community-led proposal would create a community-owned asset that remains under local control. The current proposal is based on a developer-owned model involving long-term commercial arrangements. These are fundamentally different approaches which carry significantly different long-term implications for future councils and future generations of ratepayers.

The motion notes that some arrangements associated with the current proposal may extend for up to 99 years, making this one of the most consequential decisions ever considered by the City of Victor Harbor.

What About Childcare and Allied Health?

Supporters of the current proposal often point to potential childcare facilities, allied health services, wellbeing centres and other commercial developments.

However, there is currently no guarantee that all, or even any, of these facilities will ultimately be delivered under the developer-led proposal. As the motion commentary points out, these uses are separate to the core objective of delivering improved sporting facilities.

Importantly, Council retains the ability to pursue childcare, health and wellbeing services separately in the future through an open expression-of-interest or tender process. Community land can be leased and used for approved commercial purposes under the provisions of the Local Government Act and an appropriate Community Land Management Plan. This means such opportunities are not dependent on the current developer-led model proceeding.

Due Diligence Matters

Throughout discussions on the Sporting Precinct, Mayor Moira Jenkins has consistently emphasised the importance of due diligence and the responsibility of elected members to review all available information and consider all available options before making major decisions.

The motion **proposed** by Cr Burns and Cr Kemp reflects exactly that principle. It does not seek to predetermine the outcome. It simply asks that Councillors be provided with a thorough comparison of both options before making a decision that could affect the community for generations.

Council Watch View

Whatever one's position on the Sporting Precinct, it is difficult to argue against the principle of informed decision-making.

If there is an alternative proposal that:

- meets the sporting requirements of local clubs;
- avoids revoking community land;
- retains community ownership;
- may cost more than \$11 million less to construct; and
- potentially reduces long-term financial exposure for ratepayers,

then surely it deserves to be properly assessed before Council commits to the next stage of the current proposal.

With a decision on the Head Agreement expected in August, the coming weeks may prove pivotal in determining the future of sport, community infrastructure and ratepayer obligations in Victor Harbor.

Terry Andrews
Council Watch Victor Harbor