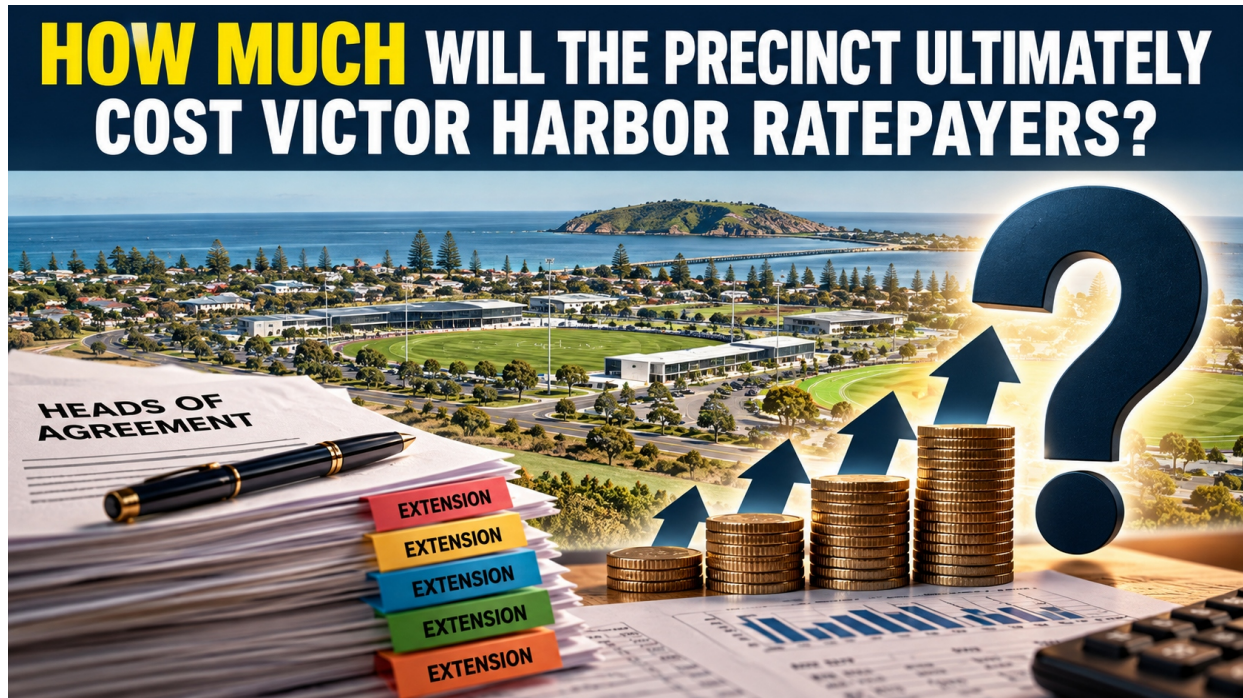




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COUNTRY CABINET 2026

VICTOR HARBOR RATEPAYERS DESERVE ANSWERS

Country Cabinet — Thursday, 8 October 2026

Encounter Bay Football Club

Statement by Mr Terry Andrews

Chairman, Council Watch Fleurieu Inc.

HOW MUCH WILL THE PRECINCT ULTIMATELY COST VICTOR HARBOR RATEPAYERS?

Council Watch Fleurieu will use the South Australian Government's Country Cabinet visit to Victor Harbor to seek greater scrutiny of the proposed Regional Community, Sport and Recreation Precinct and ask a fundamental question:

How much will this project ultimately cost the Victor Harbor community?

The question has become more urgent following repeated extensions and revisions to the project's Heads of Agreement and the defeat of a motion at the City of Victor Harbor's 28 September 2026 Ordinary Council Meeting seeking greater public disclosure about changes to the project's financial and commercial arrangements.

Council's published material has previously placed the proposed development at approximately \$40–43 million, with its 2026/27 budget material referring to an \$11.7 million Council construction contribution. The proposal also involves a long-term lease over part of publicly owned Lot 202 Armstrong Road.

Council Watch supports improved sporting and recreational facilities for Victor Harbor.

Our concern is whether the proposed public-private partnership remains financially sustainable, what risks and obligations will ultimately remain with Council, and whether ratepayers have been given enough current information to understand what they may eventually be required to pay.

REPEATED EXTENSIONS — HAVE THE COSTS CHANGED?

The original Heads of Agreement dates from May 2024.

Since then, Council's own September 2026 agenda acknowledges that numerous revised and extended versions have been negotiated and executed, extending the negotiation period through to at least 31 December 2026.

Based on publicly available Council agenda reports and Council Watch's records, the Heads of Agreement appears to have been extended 11 times. We believe that history warrants a clear public explanation.

The community also needs to understand the long-term operating implications of the Precinct, including depreciation, asset renewal requirements, maintenance obligations, operating subsidies, and any financing costs. These costs can exceed initial construction expenditure over time and will ultimately fall to future ratepayers. The passage of time also raises an unavoidable financial issue.

The cost of construction, labour, materials, financing and doing business has been subject to substantial price pressures. There is no reason to assume that Accord, as the private developer, is immune from those pressures.

If negotiations ultimately fail, what costs will Council have incurred and what recovery rights or obligations exist under the various agreements entered into to date?

The community therefore needs to know:

- Has the cost of the Precinct increased?
- Have Council's financial obligations increased?
- Have the proposed commercial arrangements changed?
- And if costs have increased, who ultimately carries them — Accord, Council, other levels of government, or Victor Harbor ratepayers?

These questions become particularly important while the current commercial arrangements remain confidential.

COUNCIL VOTES AGAINST CR BURNS DISCLOSURE MOTION

On 28 September, Cr Stewart Burns brought Item 18.1 — Motion on Notice: Transparency and Public Disclosure of Heads of Agreement Amendments before Council.

His motion sought a public report identifying amendments, revisions and extensions to the Heads of Agreement since May 2024 and summarising material changes.

The information sought included changes to commercial terms, funding arrangements, risk allocation, Council obligations, subsidy arrangements, leasing structures, design obligations, grant requirements, development rights, buy-back provisions and potential financial exposure or contingent liabilities.

Cr Burns argued during the meeting that Council could tell the community whether commercial terms, risks or financial exposure had materially changed without necessarily disclosing the confidential commercial details themselves.

Cr David Kemp seconded the motion.

The motion was defeated.

THE RECORDED VOTE

A division was called.



The meeting transcript records Mayor Moira Jenkins declaring the motion lost following the 2–4 division.

Those voting against the motion also put reasons on the public record.

In particular, Cr Mann argued that the proposed report could not, in his view, be prepared without risking disclosure of information protected by the existing confidentiality arrangements.

Council Watch acknowledges that explanation.

But the consequence of the vote is also clear:

Cr Burns's proposal for greater public disclosure did not proceed.

Those councillors who voted against the motion made a conscious decision not to support the proposed level of public disclosure and must accept responsibility for their decision. Their vote to keep crucial information hidden should be considered by the community at the next council elections.

Council Watch also sought disclosure of whether the following had materially changed since May 2024:

- **Council's direct capital contribution;**
- **Council borrowing requirements;**
- **Lease arrangements over Lot 202;**
- **Revenue-sharing arrangements;**
- **Operating subsidy commitments;**
- **Risk allocation provisions;**
- **Buy-back obligations;**
- **Development rights granted to private parties;**
- **Council's contingent liabilities.**

It means the public record establishes which councillors supported the disclosure proposal and which councillors voted against it.

The community can make its own judgment about that decision.

COMMERCIAL CONFIDENTIALITY SHOULD NOT BECOME A BLANK CHEQUE

Council Watch accepts that genuine commercial negotiations sometimes require confidentiality.

But there is a substantial difference between publishing commercially sensitive negotiating details and telling ratepayers whether their financial exposure has changed.

Council Watch believes the community should at least be told:

Has the projected total cost changed?

Has Council's contribution changed?

Have Council's risks or long-term obligations changed?

Have proposed subsidies or operating commitments changed?

Has the allocation of financial risk between Council and Accord changed?

Has Council's expected borrowing requirement changed?

Has Council's forecast debt position changed?

What impact will the project have on future rate increases and renewal of existing community assets?

If negotiations ultimately fail, what costs will Council have incurred to date and what recovery rights or obligations exist under the various agreements entered into to date? Ratepayers do not necessarily need every confidential clause of a commercial agreement to receive meaningful answers to those questions.

COUNTRY CABINET — STATE GOVERNMENT SCRUTINY

This is why Council Watch intends to raise the Precinct during Country Cabinet.

We call on the State Government to carefully examine the proposed arrangements before providing any further approval or support necessary for the project.

The Government should satisfy itself that the community has been given sufficient information about the project's financial consequences, risks, lease arrangements and long-term obligations.

In particular, Council Watch wants the Government to establish whether the financial assumptions underlying the project remain current after more than two years of negotiations and repeated extensions.

If the project has not reached an irreversible contractual stage, we also believe the Council elected in April 2027 should have an opportunity to examine the project, its current financial position and reasonable alternatives before Victor Harbor enters a long-term commitment.

That should include consideration of whether Lot 202 could be progressively developed with local sporting organisations and the wider community without the same degree of private commercial development.

SUPPORTING SPORT IS NOT THE ISSUE

Council Watch does not oppose improved sporting facilities.

Victor Harbor's sporting organisations and their members have legitimate expectations for appropriate facilities.

The issue is how those facilities are delivered and at what long-term cost to the community.

Public land, millions of dollars of ratepayer funding and contractual arrangements potentially extending for generations require a correspondingly high standard of financial scrutiny and transparency.

If the proposed model represents good value and appropriately allocates risk, greater transparency should strengthen public confidence in it.

RATEPAYERS DESERVE FINANCIAL DISCIPLINE

The Precinct also raises a broader question about Council's financial management.

Victor Harbor households and businesses are experiencing the same cost-of-living pressures affecting communities throughout South Australia.

Every additional dollar Council spends ultimately has to be funded from rates, fees, grants, borrowings, asset income or other revenue.

Council Watch believes councillors do not need to be accountants, but they must be capable of interrogating budgets, understanding financial statements, questioning assumptions and recognising the long-term consequences of their decisions.

For major projects, ordinary ratepayers should be able to understand the capital cost; annual operating cost; depreciation; financing costs; maintenance and lifecycle expenditure; subsidies; contractual commitments; and consequences if projected revenue or patronage is not achieved.

INDEPENDENT SCRUTINY

Council Watch believes Country Cabinet provides an opportunity to ask whether additional independent scrutiny of the City of Victor Harbor's long-term financial position and major project commitments is warranted.

This is not an allegation that financial wrongdoing has occurred.

It is a request for transparency and assurance.

If Council's financial strategy and major projects are sound, independent examination should strengthen community confidence.

If weaknesses are identified, ratepayers deserve to know before further long-term commitments are entered into.

ENCOUNTER COMMUNITY CENTRE

The Precinct is not the only significant financial issue requiring scrutiny.

Council has also become involved in securing the continuing operation of the Encounter Community Centre.

Council Watch believes ratepayers should be provided with clear information about the Centre's operating costs, income, liabilities, Council support and the financial benchmarks against which its future performance will be assessed.

Community benefit is important.

But community benefit does not remove the obligation for financial accountability.

THE ANCHORAGE AND PRIVATE INVESTMENT

Council Watch also believes the relationship between Council processes and major private investment deserves examination.

Questions have been raised locally about the history of the Anchorage Hotel redevelopment, changes associated with the development process, delays and their possible effect on project costs.

Council Watch does not propose to attribute those costs or delays to Council without evidence establishing responsibility.

Instead, we call for disclosure.

The community should be able to establish what occurred, which decisions were made by Council or other planning authorities, why changes were required and what consequences followed.

Victor Harbor needs appropriate planning controls.

It also needs an environment in which responsible private investment can proceed with reasonable certainty.

THREE QUESTIONS COUNTRY CABINET SHOULD ANSWER

Before Victor Harbor is committed to major expenditure, long-term leases or continuing financial obligations, Council Watch believes ratepayers deserve answers to three fundamental questions:

- **WHAT WILL IT COST?**
- **WHAT ARE THE RISKS?**
- **WHAT WILL VICTOR HARBOR RATEPAYERS ULTIMATELY BE REQUIRED TO PAY?**

After years of negotiations and repeated extensions, those questions should be answered before commitments are made — not after the bills arrive.

COUNCIL WATCH FLEURIEU

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