



Office of Local Government

5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

Our Reference: A571003
Your Reference:
Contact: Katrina Annis-Brown
Phone: 02 4428 4197

Clr Leigh Byron
Mayor
Balranald Shire Council

Email: mayor@balranald.nsw.gov.au
Copy to: adrenovski@balranald.nsw.gov.au

Dear Clr Byron

I am writing further to my letter of 3 November 2017 about Council's recent decision to award a new lease for the operation of the Balranald Caravan Park.

As I understand it, Council resolved on 28 June 2017 to appoint Sustainable Park Solutions to prepare a Master Plan and Business Plan for the Caravan Park. On 15 August 2017, Council resolved to adopt the Master Plan and Business Plan and to invite expressions of interest for proposals regarding the operation of the Caravan Park.

As you are aware, Council has since rescinded its decision and resolved "*that a Tender based on the current Caravan Park Contract is put out for expression of interest based on a 2 year Contract.*" The expression of interest process resulted in six applications being submitted for Council's consideration, following which Council determined to enter into a lease with the second ranked applicant, rather than calling for tenders under a selective tendering process.

I am concerned that Council's dealings in this matter have not been open, transparent and accountable. I am also concerned that Council has failed to ensure a 'best value' outcome. This is particularly so, given the review of the Caravan Park undertaken by Sustainable Park Solutions and that the operation of the Caravan Park is an item identified in the implementation plan adopted by Council on 15 August 2017. Council's departure from the actions identified in the implementation plan ultimately raises concerns about Council's ability to comply with the performance improvement order.

While it would appear that the Caravan Park has contributed in recent years to decreasing revenue, it has the potential to be a significant asset for the Balranald Shire. Therefore, it is imperative that Council ensures the ongoing financial viability of the Caravan Park. To this end, a 'request for tender' process could more fully examine the financial suitability of potential applicants.

In the circumstances, Council should urgently reconsider its decision not to call for tenders. Council should also take this opportunity to revisit the recommendations forming part of Caravan Park Master Plan and Business Plan.

In the meantime, I recommend that until Council has determined a way forward, any action to enter into the lease agreement be deferred.

I ask that a copy of this letter be provided to all councillors. I also ask that a copy of this letter be tabled at an open Council meeting.

Yours sincerely



Tim Hurst
Acting Chief Executive
Office of Local Government

6/11/17