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

Clr Leigh Byron
Mayor
Balranald Shire Council
PO Box 120
BALRANALD NSW 2715

Dear Clr Byron

The Office of Local Government (OLG) has received information about Balranald Shire Council's decision of 20 October 2017 to award a new lease for the operation of the Balranald Caravan Park.

As I understand it, Council has resolved to enter into a lease with the second ranked applicant, contrary to a staff recommendation and notwithstanding that it has obtained legal advice that it should call for tenders.

I further note that Council is currently subject to a *performance improvement order* and the operation of the Caravan Park is an item identified by the temporary adviser as contributing to decreasing revenue.

Council must be mindful of its obligations to act in the best interests of its residents, ratepayers and the wider community. To this end, Council should ensure that its dealings are open, transparent and accountable and that it promotes fairness and competition to ensure a "best value" outcome. It is my view that this can generally be achieved by calling for tenders before entering into high value contracts, even where such tendering is not otherwise a statutory requirement.

In the circumstance, Council should give urgent further consideration to this matter before proceeding to enter into the lease.

While the decision as to how the proceed is ultimately one for Council, it should have due regard to any legal advice that it has received. Council may wish to obtain further advice in relation to not proceeding with the resolution.

As Council is the reserve trust manager of the land, the approval of the Minister for Lands and Forestry, or his delegate, must be obtained before entering into a new lease.

I ask that a copy of this letter be provided to all councillors so that the concerns of OLG will be understood.

Yours sincerely

Tim Hurst
Acting Chief Executive
Office of Local Government

3/10/17

