



Hon David Crisafulli MP
Minister for Local Government

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15 FEB 2013

Councillor Gerard O'Connell
Mayor
Fraser Coast Regional Council
PO Box 1943
HERVEY BAY QLD 4655

Dear Councillor O'Connell

Gerard

I refer to Fraser Coast Regional Council's application of 10 May 2012 requesting an exemption from the requirement to go to tender or auction before entering into a Trustee lease with the operators of a business currently operating from land described as Lot 219 SP166253, situated at 351 Charlton Esplanade, Scarness.

Following the receipt of Council's full commercial rental valuation for the above land, dated 20 December 2012, and in accordance with section 236(1)(e) of the *Local Government Regulation 2012* (the Regulation), I have approved Council's application for exemption from the tender and auction requirements of sections 227 and 228 of the Regulation to enter a new Trustee lease with Sch 4 Pt 3(3)

Sch 4 Pt 3(3) subject to the following conditions:

- the land the subject of the new lease is the proposed lot as contained in Attachment 6 of Council's application dated 10 May 2012
- the term of the new lease does not extend beyond the date at which the current State lease held by the proposed lessees is due to expire (2024)
- the lease rental for the property commences at no less than \$12 600, is subject to annual CPI increases and five yearly review.

It is noted in Council's subsequent letter of 17 October 2012 that Council's preference is to enter a new lease for a period of 30 years.

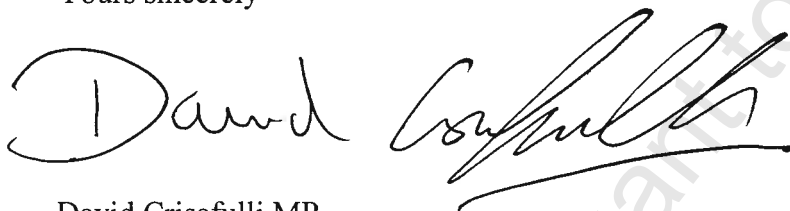
While I am prepared to grant an exemption in this matter to facilitate the consolidation of the existing State lease and permit arrangements into a Trustee lease to ensure an appropriate rental return for the operations of this business, I do not consider it appropriate to provide an exemption to allow an extension to the tenure currently held under the State lease.

Under the exemptions now provided in section 236 of the Regulation, Council has the power to renew the lease of land to an existing tenant without going to tender or auction. Any decision to use this power in the future to renew the lease will be at the discretion of Council having regard to the local government principles and sound contracting principles in the *Local Government Act 2009*.

Mr Stephen Johnston, Acting Director-General, Department of Local Government has written to Ms Lisa Desmond, Chief Executive Officer, to advise of my approval.

If your officers require further information, they can contact Richard Ferrett, Chief of Staff, on (07) 3227 8820 who will be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Crisafulli', with a stylized flourish at the end.

David Crisafulli MP
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