



# Kununurra Neighbourhood House Family Support Service

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Manager Community Services  
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Dear Sir,

## **RE: Community Lease Policy review**

Kununurra Neighbourhood House (KNH) welcomes the opportunity to review the Community Lease Policy (CP/PMG-3780), particularly relevant to our organisation given our current Agreement for Lease for Lot 507 Chestnut Avenue.

KNH is very supportive of the development and maintenance of such policies as it sets out the strategic intent of the Shire and acknowledges the community benefit of many locally provided services and facilities.

The KNH would like to reiterate previous views and make further comment in relation to the policy presented for review.

KNH strongly supports the objective of promoting equity, clarity and consistency in community leases. The policy aims to "promote equity" across community leases. This could be interpreted simplistically to mean all leases should be the same (or equal). Equity is not about all things being equal but more accurately relates to fairness and social justice. This is better achieved by treating organizations differently to achieve an equal outcome. We think this is an important distinction to make in this policy context and means that each case should be considered within the framework of the policy but it does not mean leases should be identical. This recognizes different circumstances of each community lease and specific contribution made to the community.

Thankyou for hearing the concerns from the community regarding the introduction of the Termination Clause as part of the last review of this policy. The clause now reflects a more collaborative approach between SWEK, as the Lessor, and the Lessee to work together towards the best outcome for the community with regards to the use of land vested to the SWEK for Community Purposes. With regard to the termination clause and the circumstance of a 'ground lease' on which a community group is to build premises, KNH believes the significant investment made by the Lessee/community group should warrant a lease with more limited termination rights for the Lessor/SWEK due to the significant investment and be based on the Lessee breaching certain conditions of a lease.

KNH would like to suggest that the Shire considers developing more than a one-size-fits-all template lease to reflect the significantly different circumstances between a 'ground lease' and a building lease.

In response to the newly modified Commercial Activity clause, KNH believes that the new condition stating that profits from commercial activity be "*used to support the development*



or maintenance of the facilities for the purpose of providing a community service” and that “the Income generated is placed into a financial reserve account for the development or maintenance of the facility” reduces the ability of the Lessee to directly benefit people in the community through use of the funds to provide community services and further the organisation’s objectives.

The clause fails to recognise that commercially generated funds may have a more positive impact on our community both in the process of income generation (often through unpaid volunteer activity) and by being expended on the development, delivery and continuity of services to the community, than being kept in reserve. Additionally, external funding bodies look favorably upon the ability of an organisation to partially resource its own activities, which can both attract increased funding into our community from these funding bodies and make the difference between the viability of a community organisation and the continuation of its community services.

The condition, as it reads currently

- reduces the ability of a lessee non-profit organisation to increase its capacity through its own energies
- will reduce community services and stifle the ability of these community groups to grow and respond to community needs in an effective or efficient manner.

If a lessee organisation is taking on the maintenance and development responsibilities of the leased land, the organisation should not need to be directed by the lessor in how to allocate expenditure of funds to do so. Perhaps the clause may be reworded such that “it is an expectation that a portion of income generated is placed into a financial reserve for the operation, development or maintenance of the facility” to give Lessees the scope and incentive to generate and use funds as required to “increase capacity, subject to the profit supporting the community use” as initially stated in the Permitted Use clause.

Many thanks for the opportunity to provide feedback regarding this policy. We look forward to continuing to work with the Shire for the best community outcomes.

Kind regards

Maria Chan  
Chairperson  
Kununurra Neighbourhood House Inc.