



# Kununurra Neighbourhood House Family Support Service

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Shire of Wyndham East Kimberley  
Director Planning & Community Development  
Mr Nick Kearns  
PO Box 614  
Kununurra WA 6743

June 22, 2018

Dear Nick Kearns,

**RE: Kununurra Neighbourhood House Inc Agreement for Lease for Lot 507 Chestnut Avenue.**

We at Kununurra Neighbourhood House (KNH) wish the Shire of Wyndham East Kimberley (SWEK) and Council to understand the position of KNH, considering the recent discussions regarding Lot 507 Chestnut Avenue (Lot 507) within the Council Chambers.

As you are aware, SWEK and KNH signed a legally binding Agreement for Lease (the Agreement) in December 2016. This Agreement binds both parties.

The KNH new building project is shovel ready and KNH has secured in excess of \$2 million dollars towards the project - these funds are founded on support from the grassroots of our community - people who live, work, run and own businesses in our community. KNH has responsibilities to these people and their businesses with regard to our building project. KNH has secured "*sufficient funding to complete all or a substantial part of the Lessee's Works*", meeting the first Development Condition of the Agreement. For the past year, KNH has been able to fulfil the remaining two development conditions by progressing to Tender, signing building contracts and gaining a building permit. However, with the aim to construct the best facility possible, KNH decided that it would take one year to seek the remainder of the estimated required funding for a more effective and efficient build and to include building for the Kununurra Toy and Puzzle Library and a crèche facility that meets required child care standards – to add capacity and flexibility to the facility for whole of community use.

As such, we hope this will dispel speculation that KNH will not fulfil the Development Conditions of the Agreement for Lease.

SWEK Council must further recognise that the remaining processes to fulfil the Development Conditions will take time to complete. Thus, KNH must begin the required processes towards Tender well before the Agreement for Lease end date. Once these processes are in motion KNH will not be amenable to negotiation, as the additional time and expense invested in this process will be underway – not only for KNH but also for businesses in the community interested in tendering for the project.

SWEK and KNH are bound by the Agreement and it is neither reasonable nor responsible of SWEK to discuss alternate uses of Lot 507 without considering the Agreement or involving KNH.

Should the Council be serious in its consideration to investigate renegotiation to develop Lot 507 Chestnut Avenue, it would be responsible of SWEK to formally request KNH to enter discussions towards an amendment or variation of the Agreement for Lease, stating reasons and estimated timeframe to:

- i) allow the Council to properly consider the options and, as necessary, negotiate mutually agreeable outcomes with ALL stakeholders. Without a request from SWEK to discuss varying the conditions of the Agreement for Lease, all SWEK (ratepayer) funded resources spent on investigating alternatives to the Agreement are based on SWEK's presumption that KNH will be willing to negotiate – and may be wasted. KNH is committed to the Agreement and must continue its fulfilment of the Development Conditions.
- ii) make it possible for KNH to discuss the implications of possible changes with our legal advisors and funding bodies to ensure that there is no negative impact on the KNH building project due to anything that may be discussed with SWEK. Please be aware that SWEK is not able or authorised to communicate with funding bodies on KNH behalf.



KNH is cognizant of the fact that changes to the Agreement and KNH plans that may be required by any variation to the agreed development of Lot 507 will generate significant delays. Thus, KNH would like this process to be as short as possible - as costs of building escalate with time, and with time delays there are additional opportunity costs that will impact on the project. We note that these costs will be borne by ratepayers and this should be factored into any cost/benefit analysis of this proposal.

KNH is a community support group with the best interests of the community at heart and may be willing to discuss alternatives. However, we wish to make it clear that SWEK does not have until Dec 20 2018 (being the latest date for KNH to fulfil the development conditions under the Agreement for Lease) to approach KNH with the idea of discussion. KNH reserves all of its rights under the Agreement for Lease. If SWEK has intentions to investigate / request a variation to the Agreement and development of Lot 507, it must formally declare these intentions as soon as possible to enable an open, responsible and meaningful approach to planning and stakeholder engagement towards the best outcomes for our community.

Sincerely,

Maria Chan  
Kununurra Neighbourhood House Inc. | Committee Member

*Cc: Carl Askew, David Menzel*