



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON THE COVID-19 PANDEMIC RESPONSE

Mr Alistair Coe MLA (Chair), Ms Tara Cheyne MLA (Deputy Chair), Mrs Vicki Dunne MLA,
Mr Michael Pettersson MLA, Ms Caroline Le Couteur MLA

ANSWER TO QUESTION TAKEN ON NOTICE COVID PUBLIC HEARINGS – 11 June 2020

Asked by MR COE on 11 June 2020: MINISTER GENTLEMAN took on notice the following question(s):

Ref: Hansard Transcript 11 June 2020, pages 355-357

In relation to: Lease Variation Charge

THE CHAIR: Minister, how much revenue has the ACT government received in this financial year from lease variation charges?

Mr Gentleman: I will have to take that on notice. I do not have those figures in front of me. I am happy to go to treasury and seek that.

THE CHAIR: Sure. Do any of your officials have a ballpark figure?

Mr Gentleman: Generally, around the room, no.

THE CHAIR: No-one has a ballpark figure as to how much money has been brought in by the lease variation charge as of June?

Mr Gentleman: Not from this directorate, no. We can find out for you, as I mentioned, through the treasury directorate.

THE CHAIR: Quite frankly, minister, I find it very hard to believe that nobody there has a ballpark figure.

Mr Ponton: It is important to note the role of the planning and land authority in the lease variation process. Whilst we deal with the development applications for the varying of leases, we work with determining the amount. In terms of it being paid, it is, of course, a tax, and that is through our colleagues in treasury. We do not keep the data on what is paid. I can certainly ask Mr Phillips to give you a sense of whether or not what we have been determining is similar to previous years, but in terms of what is being paid, that is not something that we would have at hand. We are certainly happy to get that for you.

THE CHAIR: I understand what your role is. Given that it is pretty pivotal to planning policy, I am amazed that nobody here, when you look at the titles of all of the officials that are here before us, has a clue as to how much—

Mr Ponton: *Mr Coe, I would have to disagree. The payment of amounts of money for lease variation charge is not pivotal to planning policy. In terms of planning policy, that is separate from the tax regime. Lease variation charge is a tax and we work under delegation to determine that amount at the end of the process. In terms of its collection, it is a matter for our colleagues in treasury. I am more than happy to get that data for you. It is certainly not pivotal to planning policy.*

THE CHAIR: *Okay; it is interesting to hear that. How many instances of lease variation charge have been paid or issued by the agency in this financial year?*

Mr Ponton: *I will ask Mr Phillips to respond to that.*

Mr Phillips: *We have decided in excess of a thousand DAs in the system in this financial year. Around a quarter of those have a lease variation component, which means that if, for example, for a unit title matter, there is an application to add a certain number of units onto a particular development application, the lease variation component might relate to an amendment to the number of units that can be built or an amendment to the GFA. That information is put together and provided in normal financial returns. I can get the information in relation to the precise numbers, but I do not have the precise numbers available.*

THE CHAIR: *Treasury do not provide a report to the agency?*

Mr Phillips: *We have financial reports on a yearly basis in relation to the revenue that is obtained from lease variation charges. As I said, I do not have one currently, at this stage of the financial year.*

THE CHAIR: *The question was: does treasury provide a report to the directorate about how much has been paid for lease variation?*

Mr Phillips: *Lease variation charges and payments appear. We do get a report. The information is reported in our annual report when it is released in about September.*

THE CHAIR: *I am keen to see what internal reporting there is. With what frequency do you get reports from treasury containing this information?*

Mr Phillips: *We receive those reports—an end of financial year report, Mr Coe. I would have to take the question on notice and get information from our chief financial officer as to when those reports are obtained.*

MINISTER GENTLEMAN: The answer to the Member's question is as follows:—

1. How much revenue from Lease Variation Charge (LVC).

For the 2019-20 financial year to May, there were 118 Lease Variation Charge assessments with a value of \$13.523 million.

This response is prepared by Treasury.

2. How many instances of LVC have been paid or issued by the agency.

The Environment, Planning and Sustainable Development Directorate (EPSDD) plays an administrative role in the collection of LVC (excluding the amounts paid or deemed to have been paid in the deferred payment scheme) on behalf of the Commissioner for ACT Revenue. 118 LVC determinations have been issued up to May 2020.

3. What internal reporting & what frequency do you get from Treasury this information. What internal reporting takes place from TSY with regards to LVC and all other payments that relate to planning policy.

Officers from EPSDD, Treasury and the Commissioner for ACT Revenue exchange information on a monthly basis to reconcile LVC payments.

Collection of LVC and other land payments is formally reported and published annually through the Budget Statements and the Annual Report.

4. Do we get a monthly report? Only CFO gets it & not Execs?

Apart from providing information in the Annual Report and Budget Statements, EPSDD Finance does not prepare other reports in relation to LVC, nor does it disseminate information about LVC within the Directorate, including to the executives. This is because LVC is the statutory responsibility of the Commissioner for ACT Revenue.

Approved for circulation to the Select Committee on the COVID-19 pandemic response

Signature:



Date: 6/7/2020

By the Minister for Planning and Land Management, Mick Gentleman MLA