



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Elizabeth Kikkert MLA (Chair), Michael Pettersson MLA (Deputy Chair),  
Andrew Braddock MLA

**Inquiry into Annual and Financial Reports 2020-21**  
**ANSWER TO QUESTION TAKEN ON NOTICE**  
**1 March 2022**

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Asked by PETER CAIN MLA on 1 MARCH 2022: ANDREW BARR MLA took on notice the following question(s):

Ref: Hansard Transcript 1 MARCH 2022, PAGE 38

In relation to:

MR CAIN: So I have some supplementaries on that COVID remission scheme, Chair.

THE CHAIR: Yes, quickly.

MR CAIN: Treasurer, how many approvals have claimed the remission under this package?

Mr Barr: I do not have that figure in front of me but I can get that on notice for you.

MR CAIN: I notice as part of the scheme, construction was required to be commenced by 31 January 2022. How many approvals have claimed a remission through the package but construction has not commenced by 31 January 2022?

Mr Barr: Again, I do not have that information in front of me. I will take that on notice for you.

MR CAIN: And if construction is not commenced, will the LVC revert to its original amount?

Mr Barr: I would anticipate that would be the case, yes, if you did not meet the criteria for the remission. An obvious question would be why. Unless there was a reason that the territory had contributed, it would be reasonable to seek the additional LVC.

MR CAIN: And if there is no justifiable reason, as you just described, will the reassessment for it include penalties and interest?

Mr Barr: I think we would need to look at that on a case-by-case basis.

MR CAIN: What compliance activity do you actually have planned for this, given we have passed that start of construction date, and which projects have not so far physically been checked as to their compliance?

Mr Barr: I will take those questions on notice.

ANDREW BARR MLA: The answer to the Member's question is as follows:–

The number of projects that received the construction sector recovery lease variation charge remission, and the number that applied but did not commence construction by the due date, are shown in the table below.

<b>Lease Variation Charge (LVC) construction sector recovery remission</b>	<b>No. of projects</b>	<b>Amount remitted</b>	<b>No of projects which did not commence construction by the due date</b>
50 per cent remission. Disallowable Instrument DI2020-224	32	\$1,880,755	6 Due date: 31 March 2021
25 per cent remission. Disallowable Instrument DI2021-13	19	\$598,125	3 Due date: 31 January 2022

The Revenue Office contacted all taxpayers who claimed the remission to determine the construction date. Projects that did not meet the construction commencement date had the remission amount added to their deferred LVC accounts. For these taxpayers, the Revenue Office did not impose penalty tax, or interest above what would have been incurred under the deferral scheme.

LVC remissions dependent on a future action are no longer applied upfront. The full LVC amounts are payable until the Revenue Office has been provided proof the relevant criteria for a remission have been met.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 16.3.22

By the Treasurer, Andrew Barr MLA