Submission Cover Sheet

Inquiry into Home Buyer Concession Scheme Administration

Submission number: 012

Submitter: Eastlake Football Club Limited

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The Secretary
Standing Committee on Public Accounts
Legislative Assembly for the ACT
GPO Box 1020
CANBERRA ACT 2601.

20 August 2025

Dear Committee,

RE: Inquiry into Home Buyer Concession Scheme Administration

Eastlake Football Club Limited, trading as Eastlake Football Club, Calwell Club, Eastlake Gungahlin and owner of the Kaleen Indoor Sports Centre, (the Club) welcomes the inquiry into the Home Buyer Concession Scheme Administration. While the Club's experience is not directly related to the Home Buyers Concessions Scheme it does relate in particular to points 2 of the Terms of Reference regarding rates assessments and the application of the Taxation Administration Act 1999.

In May 2015 the Club made a submission to the Inquiry into elements impacting on the future of the ACT club sector. In this submission the Club outlined its intentions to diversify away from gaming by 'maximising revenue from existing land assets'.

In 2016 the Club undertook investigations into its Kaleen property, the Kaleen Indoor Sports Centre. The report determined that the Kaleen building had come to the end of its useful life and consequently, the Board undertook to seek a Territory Plan Variation (TPV) to underpin its long-term strategic direction. This process was commenced in late 2016.

An initial draft of the Planning Study was commenced in early 2017. It included conducting background reviews of all relevant information and develop the appropriate plan variation.
Upon confirmation of the preferred rezoning and draft concepts, a community consultation session was held in May 2017 to gather community feedback on the proposal and use this information to review and adjust the proposal.

A second community consultation session took place on 21 November 2017. Following receipt of community feedback from this final session the final planning study was undertaken and submitted to ACTPLA on 8 December 2017. The TPV was finally completed in August 2021 approximately 5 years after commencing the variation.

Following the completion of the TPV the Company lodged a Lease Variation application in March 2022. Again, after lengthy delays the Company finally received a Notice of Decision on 7 August 2023.

Consequently, due to the length of time taken for both the TPV and LVC the Company immediately set about to pay the LVC Notice of Assessment to finalise this process utilising gaming credits received from the surrender of electronic gaming machines which was in the order of $937,500. This was competed on 18 October 2023.

It was with great surprise when on 24 December 2024 the Company received a revised rates notice imposing an adjusted rates charge from 1 July 2024 to 30 June 2025 in respect of the Land, as follows:

- Pre Section 11B Rates Charges assessment: $44,661.66
- Post Section 11B Rates Charges assessment: $620,979.63

Following is an extract of the particulars of the Company's objections to this assessment.

*(1) The crown lease for the land was varied on 11 December 2023 as a consequence of the then owner of the land – Eastlake Football Club (**'the Club'**) – seeking a variation to the crown lease to enable residential development to occur on the land. The Club subsequently transferred the Land into a special purpose unit trust in which the Club holds 100% of the units.*
(2) Prior to the lease variation, the lease purpose clause for the Land provided for recreational and commercial use.
(3) The amended lease purpose clause provides that the land is to be used for the purpose of an indoor recreation facility and in addition multi-unit housing limited to a maximum of one hundred and ten (110) dwellings; provided indoor recreation facility has a minimum gross floor area of 1,400 square metres that is available for use by members of the public.
(4) The significant increase in the unimproved value of the Land is entirely attributable to the addition of residential use to the lease purpose clause; however, the calculation of the amended Rates is based on the Land being classified as 'commercial land' under the Rates Act.
(5) The amount of the increase is excessive when considering the current valuation of the land relative to available usage and will have an enormous impact on the Club – as owner of units in unit trust as well as the tenants of the existing premises on the land, to the extent those tenants are subject to paying outgoings in relation to their tenancies.

(6) The Club has consistently demonstrated its commitment to giving back to the Canberra community both financially and socially, but its ability to continue to do so is being placed under significant pressure. The sizable amount of the Rates assessment on the Club will further exacerbate the existing financial challenges faced by the Club, which has been trying for over 8 years to alleviate this situation by rezoning and redeveloping the Land. This process has been significantly delayed by the extended processes of approval, including but not limited to the territory plan variation process (which took over 5 years) and the subsequent process to find a development partner for the Land. The Club is now working towards the development of the land but remains at least 2 years away from being able to realise the value of the Land in a meaningful way.

(7) The Taxpayer is currently unable to make an application under section 31 of the Rates Act requesting the Commissioner to deal with the Land under Division 5.2 of that Act, because the land is not 'entirely undeveloped' (there is an existing building on the Land) and the Taxpayer does not yet have development approval to undertake the residential development on the Land. Notably, the 1,400m2 of recreational use is a requirement under the amended lease purpose clause, and not a stipulation requested by the Taxpayer or the Club.
(8) The Taxpayer lodged a development application in January 2025, which specifies the proportion of the Land that will be used for commercial purposes to be approximately 11.53%. Development approval is not expected to be given for at least 9 to 12 months from the date of lodgement.
(9) Once the Development approval is obtained, the Taxpayer can apply for reassessment under section 31 of the Rates Act, and we have calculated that the Rates should be reduced to $115,313.75, resulting in a net amount payable of $71,112.60, taking into account the amount of Rates already paid.
(10) Further, given that the recreational use of the Land is – in fact – detrimental to the overall value and development potential of the Land, it seems illogical that this use should cause the Taxpayer to bear a higher burden of Rates than if the Land was fully utilised for residential purposes only. For this reason, we consider that the Rates should be assessed as if the Land was determined to be 100% residential use. This would result in Rates being calculated at $48,562.60, with a net amount payable of $4,361.45.

Despite repeated efforts to engage with Treasury on this issue, the Club has been unsuccessful. These setbacks underscore the significant time and financial burdens of the development process and highlight the challenges ordinary people face when navigating planning procedures. We trust this perspective will offer the Committee valuable insight.

Yours sincerely,

[redacted]

Lorin Joyce
President
Eastlake Football Club Limited