



Inquiry into annual and financial reports 2024–25

Answer to question on notice

Asked by: Ms Jo Clay MLA

Addressed to: Minister for Planning and Sustainable Development

Reference: CED

Hearing: 12 November 2025

In relation to: LEASE VARIATION CHARGE REVIEW

Question received: 20 November 2025

Answer Due: 27 November 2025

The media is reporting from the Chief Minister that the Government is open to considering changes to the Lease Variation Charges (LVC) that would be imposed on Missing Middle developments to ensure that housing the Government wants actually gets built while delivering a benefit to the community.

- (1) What progress has the Government made on its considerations?
- (2) Has any modelling been carried out into how LVC impacts the viability of projects?
- (3) Will the Government consult with the community and industry on the changes it proposes to make?
- (4) Is Government looking at other ways for developers to contribute such as with footpaths, community gardens or by contributing to local arts and environment projects in the area?

Chris Steel MLA: The answer to the Member's question is as follows:

- (1) The Government is considering options for sensible, technical adjustments to the lease variation charge (LVC) framework, including in the context of the Missing Middle Housing Reforms (MMHR). This work will continue over coming months.
- (2) Modelling the market impacts of LVC is inherently difficult, including for industry. LVC as a form of betterment tax is intended to capture only the change in value of land due to the additional development rights granted. When properly applied, the LVC reflecting the increase in the value of the land should not distort investment decisions. Development activity is influenced by a range of external economic factors such as market demand, labour availability, construction costs and

financing conditions. LVC is just one of many factors in the overall context of the viability of redevelopment projects.

(3) The Government routinely engages with stakeholders, including receiving detailed feedback from the community and industry on LVC and development viability during the recent engagement on the MMHR. Any consultation relating to an LVC review will be communicated as part of the policy review process.

(4) The Government has noted it is exploring approaches that recognise contributed assets or infrastructure upgrades delivered by proponents. Broader contribution mechanisms are under consideration and further detail will be provided as this work progresses.

Approved for circulation to the Standing Committee on Environment and Planning

Signature:



Date:

25/11/25

By the Minister for Planning and Sustainable Development, Chris Steel MLA