QON No. 117

Legislative Assembly for the **Australian Capital Territory**
Select Committee on Estimates 2026–2027

Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question on notice

Asked by: Ms Jo Clay MLA

Addressed to: Minister for Planning and Sustainable Development

Reference: Planning and Sustainable Development – City and Environment Directorate

Hearing: 24 July 2026
In relation to: Lease Variation Charge
Question received: 03 August 2026
Answer Due: 10 August 2026

On pg 86 of the Budget Outlook you have a figure of about $2m as revenue forgone under the Missing Middle remission. Is this the amount you expect to forgo through Missing Middle DAs in 2026/2027. Is this correct and can you explain how you came up with that figure. Was it based on expected Development Applications of a particular type and scale? Was any modelling done?

What progress is being made into the broader Lease Variation Charge review that is being undertaken by Government. Have you commenced discussions with industry such as holding a roundtable? What are you hearing from the consultation undertaken to date and are you planning to engage with the broader community?

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

The $2.018 million in Lease Variation Charge (LVC) revenue forgone in 2026–27 represents the estimated reduction in revenue from developments that are expected to proceed regardless of the remission, but which will now receive the 50 per cent Missing Middle LVC remission. The estimate was informed by historical patterns of codified LVC revenue from relevant residential development in RZ1 and RZ2 zones.

The City and Environment Directorate and Treasury also considered additional development estimated to be stimulated by the remission. This estimate indicates that much of the forgone revenue is expected to be offset by additional LVC and ongoing rates and property-related revenue generated by additional development. The net cost of the policy in the 2026-27 financial year is forecast to be $64,000. The actual outcome will be determined by market factors.

The broader review of the LVC framework is also progressing. I held an industry roundtable on 25 June 2026 to hear directly from developers, valuers and other industry stakeholders about the operation of the current framework. Key issues raised by industry included the impact of uncertain

LVC on project feasibility, complexity and delays in the assessment process, valuation methodology, and the predictability and consistency of charges.

The Government is currently procuring specialist technical advice to support the next stage of the review, including further analysis and testing of reform options. As the review is focusing on technical and process aspects of the current framework, consultation will be targeted to users of the system rather than the broader public. Further engagement will be considered as the review progresses and reform options are identified.

Approved for circulation to the Select Committee on Estimates 2026–2027

Signature: Date: 6/8/26

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