



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 ANDREW BRADDOCK 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: Lease Variation Charge – jobs generated or saved by LVC reduction

MR BRADDOCK: Have you evaluated the effect that that measure had on the construction industry and how many jobs it created or saved?

Mr Barr: Not at this point. Obviously, there will be some assessment undertaken, but it is difficult to directly pinpoint because there are a number of initiatives in this space, including construction industry jobs, government-funded stimulus programs and projects as well. It may be difficult to draw out the distinction between jobs that were supported by government public works or fast tracking, as opposed to the private infrastructure projects and their timing. But we will give it our best shot and I will take that on notice for you.

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

The Construction Sector Recovery Lease Variation Charge (LVC) Remission provided a 50 per cent remission of LVC up to \$250,000 for construction projects that started between 23 December 2020 and 31 March 2021, and a 25 per cent remission up to \$125,000 for projects that started between 1 April 2021 and 31 January 2022. The remission applied to LVC paid in the period 25 June 2020 to 30 June 2021.

The remission was intended to support construction activity to continue in the ACT by encouraging shovel ready projects to commence, and help the local economy recover from COVID-19.

It is difficult to separate the impact that any one factor had on construction industry in 2020-21. There were various factors that impacted the industry, including COVID-19 social distancing measures, border closures and supply chain disruptions. These were offset to some degree by a range of stimulus measures, including the Commonwealth's HomeBuilder program and stamp duty concessions and ACT Government construction projects being brought forward.

The remission by itself is unlikely to have had significant impacts on job creation, as the number of projects requiring a lease variation is relatively small compared to the total construction activity in a year. However, as state above it is one of a number of programs and schemes (across both Federal and Territory Government's) that support significant job creation across the construction sector.

Please note that there were 51 remissions provided out of the 919 DA's received in 2020-21.

Approved for circulation to the Standing Committee on Public Accounts

Signature: *Andrew Barr*

Date: **18.3.22**

By the Treasurer, Andrew Barr MLA