QON No. 10

Legislative Assembly for the **Australian Capital Territory**
Standing Committee on Environment and Planning

Inquiry into DPA-04: Missing Middle Housing reform

Answer to question on notice

Asked by: JO CLAY

Addressed to: Minister for Planning and Sustainable Development

Reference: CED - Planning

Hearing: 12 February 2026
In relation to: LEASE VARIATION CHARGE
Question received: 18 February 2026
Answer Due: 25 February 2026

Chris Steel MLA – took on notice the following questions:

(1) When determining the Lease Variation Charge to be paid, is a differentiation made as to the size of the dwellings to be provided?

(2) If a proponent intends to vary a Crown lease to allow 3 two bedroom dwellings to be constructed on a block, will the proponent be charged the same Lease Variation Charge if the lease were varied to allow 3 three bedroom dwellings to be built on a block?

(3) If the same amount is charged why is that the case?

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

1) No. Under the *Planning Act 2023*, when a lease variation increases the number of dwellings permitted on the land, the lease variation charge (LVC) is calculated per dwelling, not by dwelling size, number of bedrooms, or floor area.

   Section 331(4)(b) specifies that the determination must *'state an amount for each additional dwelling permitted on the land under the lease'*, with no reference to dwelling size or type.

   Further, the codified LVC schedules in Planning (Lease Variation Charges) Determination 2025 (No 2) apply a fixed charge per dwelling. For example, schedule 1, item 1 sets a charge of $46,000 per dwelling for a variation to limit the maximum number dwellings permitted on the land under a residential lease, in one of the residential zones, with no differentiation by size.

2) Yes. The charge applies per dwelling, regardless of whether each is two-bedroom, three-bedroom, or any other configuration.

The legislation links the charge to number of dwellings increased, not the characteristics of each dwelling.

3) Because the LVC is conceptually and legislatively designed to capture the value uplift generated by increasing development rights, measured by how many dwellings the lease allows, not by the size or amenity of those dwellings.

This is supported by:

(a) Legislative intent

The LVC is intended to reflect the increase in market value due to expanded development rights. The valuation framework positions LVC as a form of betterment tax capturing uplift generated solely by government decision, not by construction choices.

(b) Codified structure (Schedules)

Codified LVC determinations set fixed charges per dwelling. These apply uniformly and are not adjusted by bedrooms, floor area, or dwelling type.

(c) Statutory design

Section 331 of the *Planning Act 2023* requires the Treasurer to determine an amount per additional dwelling when a variation increases the number of dwellings permitted. There is no statutory authority to vary charges by dwelling size.

Approved for circulation to the Standing Committee on Environment and Planning

Signature: Date:

By the Minister for Planning and Sustainable Development, Mr Chris Steel MLA 26/2/26