



Ms Katy Gallagher MLA
Chief Minister
ACT Legislative Assembly
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Government Policy on Lease Variation Charges

Dear Chief Minister

Thank you for your letter of 16 October 2013 and the information provided on the Lease Variation Charge (LVC) of \$7.5 million that was waived for the Brumbies on Block 15 Section 42, Griffith.

We understand that the Treasurer has the power to waive fees but, from the information provided in your letter, the waiving of the LVC looks like a one-off deal between the Treasurer and the Brumbies, based on subjective and un-quantified assessments.

We are not suggesting that his decision be rescinded, but are concerned that a precedent appears to have been set, because you did not respond to our question:

- What other instances have there been when the LVC has been waived and how much money was involved?

We are therefore urging the government to develop a set of criteria to be used when future applications are made by developers to have all or part of the LVC waived. At the very least the process should include tabling in the Legislative Assembly an independent financial assessment so that the dollar benefits to the community can be assessed.

We also question whether use of the Treasurer's powers in approving a waiver is an appropriate measure in such cases, and why it would not have been better for the LVC to have been paid by the Brumbies and then for any bid for additional funds to have been assessed on its merit, against other needs in the ACT community. This process would have provided a higher level of transparency with respect to government funding provided for other similar projects and would not weaken the present LVC system.

The current situation needs to be improved, so that all agencies seeking to re-zone and redevelop know where they stand with respect to the waiving or reduction of the LVC. In addition the process needs to be designed so that tax payers can have confidence that community interest is being properly maintained.



We would be very happy to discuss this issue with any of your officers if we can be of assistance. I can be contacted on 0419 854 211 or info@isccc.org.au

Yours sincerely

Gary Kent
President

3 December 2013