

Griffith-Narrabundah Community Association Inc.

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Director
Lease Variation Charge Review Team
LVCReview@act.gov.au

Dear Sir/Madam

Thank you for the opportunity to provide input into the ACT Government's review of Lease Variation Charges (LVC). On behalf of the Griffith Narrabundah Community Association (GNCA), I submit the following points for consideration by the Review Team.

1. The GNCA supports the continuation of the LVC because it is fair and reasonable for developers to be taxed on any increase in the value of their land resulting from a change of use for that land. It also discourages developers holding land without developing it for considerable period of time as the holding costs can be large. It is not clear, however, how a decrease in value, however unlikely in present circumstances, might be treated.
2. The LVC on an existing block of land should be levied at the time the change of use is granted.
3. We are not sure how the current Lease Variation Charge of 75 per cent of difference in the change in land value was obtained, but it should be retained.
4. The waiving or reduction of Lease Variation Charges to obtain a specific outcome, such as the viability of a sporting club should not be permitted. The LVC should be paid and the club should apply, on a competitive basis, to the Government through the budget process for any additional funding.
5. With the example of the Services Club site in Manuka very much in mind, we remain most concerned about the method of valuing land for LVC purposes. Credibility with the community requires realistic valuations. A range of commercial entities could be drawn on, with no repeat requests to any entity, in order to encourage independent valuations that are not influenced by the possibility of repeat business.

We would be most grateful if our views could be accorded positive consideration. We agree to have our submission published.

Yours sincerely



Leo Dobes
President
17 October 2018