



Legislative Assembly for the
Australian Capital Territory

Standing Committee on Environment
and Planning

Submission Cover Sheet

Inquiry into DPA-04 – Missing Middle Housing Reform

Submission number: 013

Submitter: ACT Council of Social Service Inc (ACTCOSS)

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Standing Committee on Environment and Planning
ACT Legislative Assembly
GPO Box 1020, Canberra ACT 2601
LACommitteeEnvironment@parliament.act.gov.au

19 December 2025

Dear Sir/Madam

RE: INQUIRY INTO DPA-04 – MISSING MIDDLE HOUSING REFORM

The ACT Council of Social Service (ACTCOSS) welcomes the opportunity to provide comment on the Draft Major Plan Amendment to the Territory Plan 04 (DPA-04).

ACTCOSS is the peak body for not-for-profit community organisations in the ACT. Our membership includes community housing providers (CHPs), and organisations that support people on low incomes and those experiencing multiple, intersecting forms of disadvantage. We work in partnership with the community sector and Government to advance the vision of an inclusive Canberra in which no one lives in poverty.

ACTCOSS supports the Government's ambition to facilitate more missing middle housing through DPA-04, recognising the urgent need for planning reform to increase housing supply and diversity and make efficient use of well-located land. The significance of DPA-04 lies not only in increasing overall housing supply, but in how these reforms interact with existing housing strategies, public landholdings and delivery of existing Government commitments – particularly those targeted at expanding the supply of social and affordable housing in the Territory.

In supporting these reforms, we wish to highlight several considerations that we believe must be central to the Committee's deliberations on DPA-04. This submission therefore focuses on the urgency of addressing housing insecurity and homelessness in the ACT, the need to significantly scale up social and affordable housing, the importance of clear alignment between DPA-04 and existing housing strategies and commitments, the management of proposed changes to the Lease Variation Charge (LVC), and the complementary measures required to support effective implementation of the reforms.

Key Points and Recommendations

Link to other Government strategies and policies

- The Committee should seek clarity on how the missing middle housing reforms are intended to support delivery of the ACT Government's 2030 public housing targets, including a progress update on the planning work funded in the 2025-26 budget being undertaken by Infrastructure Canberra.
- That DPA-04 and its Supporting Report more clearly articulate how the missing middle housing reforms align with, and support delivery of, the *ACT Housing Strategy 2018-2028* and its associated *Implementation Plan*, and that any updates to these documents explicitly reflect the reforms, if adopted.

Lease Variation Charge

- That any review of the LVC aimed at increasing housing supply and facilitating more missing middle housing be undertaken through an open, consultative and transparent process, including publication of the modelling and assumptions underpinning proposed changes, and engagement with independent expertise such as the Tax and Transfer Policy Institute (TTPI) at ANU.

Complementary measures

- That DPA-04 be accompanied by complementary measures, consistent with feedback from the consultation process conducted by the Territory Planning Authority earlier in 2025, including:
 - incentives for the construction of single-level townhouses to support ageing in place and downsizing
 - incentives for more liveable and accessible housing to expand options for people with disability
 - robust data collection and regular evaluation to monitor uptake, outcomes and unintended consequences of the reforms over time, so that adequate and timely policy responses can be delivered.
- That the ACT Government progress the establishment of an independent Office of the Strata Commissioner and carefully consider the forthcoming findings and recommendations of the *Inquiry into the Management of Strata Properties*, noting that effective strata governance will be critical to the long-term success of the missing middle housing reforms.
- That DPA-04 be accompanied by complementary measures that incentivise clubs with electronic gaming machines (EGMs) to transition completely away from gambling revenue (rather than merely diversifying their income through land development to reduce but not eliminate their reliance on gambling).

Housing insecurity and homelessness

The harm caused by housing insecurity and homelessness is profound and well-documented. People experiencing domestic and family violence are often forced to choose between remaining in unsafe environments and becoming homeless. People on low incomes frequently sacrifice essential needs such as food, heating or medical care in order to afford rent at market rates. For children and young people, housing instability is associated with poorer educational outcomes and reduced life opportunities.

There are also significant long-term public costs associated with inadequate access to stable housing. As the duration of homelessness increases, needs become more complex, resulting in higher costs across health, justice and social services. From both a wellbeing and fiscal perspective, early access to secure, affordable housing is far more effective than crisis responses once homelessness has occurred.¹ However, the current supply of social and affordable housing in the ACT is insufficient to support early intervention for all Canberrans, and the system is increasingly operating in crisis mode.

The need to scale up social and affordable housing

There is an urgent need to significantly increase the supply of social and affordable housing in the ACT. For a growing proportion of households, social and affordable housing is the only viable option given the sustained unaffordability of the private rental market.²

At present, almost 3,500 applicants are on the ACT public housing waitlist, with a further 1,037 approved for transfer to more suitable housing. Average wait times for standard public housing is almost five years. These figures understate underlying need, as eligibility criteria have become increasingly restrictive in response to limited supply.

ACTCOSS and our member organisations are also concerned about households who are not eligible for social housing, but who do not meet the minimum income thresholds for available affordable rental housing in the market.³ This group typically includes households in the upper range of the first income quintile and the lower range of the second income quintile.

Recent research from YWCA Canberra supports this: of the women who accessed homelessness services last year, the largest group were earning between \$78,000 and \$91,000, and over a third were earning between \$53,000 and \$104,000.⁴ While these incomes levels would typically exclude households from social housing and, in theory, make them eligible for affordable rentals, private market rents in the ACT are so high, that even

¹ Davison, J., Brackertz, N. and Alves, T (2021) [Return on investment for social housing in the ACT](#), Australian Housing and Urban Research Institute (AHURI) Professional Services, p1.

² National Housing Supply and Affordability Council (2025) [State of the Housing System 2025](#), Australian Government, p57.

³ According to the [ACT Housing Strategy: 5 Year Snapshot](#) (June 2024, p 3), affordable rentals in the ACT target those in the second income quintile and the lower half of the third income quintile – those earning more than the lowest 20% but still below the median income. Most affordable rentals are managed by CHPs and rent is usually set as a discount on market rent, typically 20% to 25% below the market rate.

⁴ YWCA Canberra, [Our Lives: Women in the ACT Survey 2025](#), December 2025, p15.

subsidised rents remain unaffordable for many. With few or no such affordable rentals available in the market, these households find themselves unsupported in a policy-created gap – neither eligible for social housing nor able to secure genuinely affordable housing in the market.

Link to other Government strategies and policies

ACTCOSS notes that ACT Housing is the largest holder of RZ1 land in the Territory. As such, ACT Housing will be a central delivery partner if the missing middle housing reforms are to contribute meaningfully to improving the affordability of housing in the ACT. In principle, DPA-04 should enable ACT Housing to use its landholdings to support the delivery of more social and affordable housing. ACTCOSS support for the missing middle reforms is set within this context. However, it is not clear how this is intended to occur in practice, or how the reforms interact with existing public housing commitments.

In the 2025-26 Budget, the ACT Government allocated \$4.82 million to Infrastructure Canberra to develop a plan to deliver more than 1,000 additional public housing dwellings by 2030. However, there has been limited public information on how these planning reforms will support delivery of these commitments, or how they will be reflected in the *ACT Housing Strategy Implementation Plan*, which is currently under review. ACTCOSS urges the Committee to seek clarity on this point.

On page 4 of DPA-04, it is stated that “Further detail about how this DPA meets the key strategic policy documents is set out in the Supporting Report.” ACTCOSS was concerned that neither the *ACT Housing Strategy 2018–2028* nor the *ACT Housing Strategy Implementation Plan* is explicitly identified among the relevant strategies listed in the Supporting Report, despite their clear relevance. This omission is particularly notable given that the Supporting Report acknowledges that the *ACT Planning Strategy 2018* “reflects and integrates the vision and directions of the community and other ACT Government strategies, particularly housing...” (see [Supporting Report](#), section 3.2, p13). DPA-04 also links its amendments to fulfilling the targets of the *District Strategies*, which have clear alignment with the goals of the *ACT Housing Strategy 2018-2028*.

ACTCOSS therefore considers it important that DPA-04 and its Supporting Report more clearly articulate how the missing middle housing reforms align with, and support delivery of, the *ACT Housing Strategy 2018–2028* and its associated *Implementation Plan*, and that these reforms are explicitly reflected in any future updates to those documents if adopted. Clearer policy alignment would strengthen confidence that the reforms will contribute not only to increased housing supply, but to a sustained increase in social and affordable housing in the ACT.

Lease Variation Charge

ACTCOSS understands that the missing middle reforms are intended to be accompanied by reforms to the LVC. ACTCOSS supports the LVC as a value-capture mechanism that ensures a fair return to the community from planning decisions and public investment. The LVC plays an important role in promoting equity, moderating speculative activity that can inflate land values, and contributing to the ACT's revenue base for social housing, community services and essential infrastructure.

ACTCOSS also recognises and supports the need for periodic review of tax settings, the financial constraints affecting housing construction, and the range of policy levers that must be activated to address the housing crisis.

Given the vast sums of money involved and clear financial interests of some stakeholders, it is our strong view that any review of the LVC aimed at increasing housing supply and facilitating more missing middle housing should be undertaken through an open, consultative and transparent process. This should include publication of the modelling and assumptions underpinning proposed changes, and engagement with independent expertise, such as the Tax and Transfer Policy Institute (TTPI) at ANU. Drawing on such expertise, as the ACT Government has in the past, will help ensure reforms are evidence-based and avoid unintended consequences for housing affordability and public revenue.

ACTCOSS considers that any review of the LVC should be guided by the following core considerations:

- **Timing of the LVC collection**, and whether changes to it could reduce barriers by changing cashflow.
- **Equity and distributional impacts** of any proposed changes should be carefully examined. This includes assessing whether changes to the LVC would support the delivery of additional social and affordable housing, as well as their broader effects on housing prices and housing-related wealth inequality. In particular, a review should consider who ultimately benefits from LVC changes, including whether changes would result in a greater share of value uplift flowing to existing landowners, and the longer-term distributional consequences of this. This analysis should also consider the use of full or partial waivers of the LVC in developments where only a limited proportion of dwellings are delivered as affordable housing, especially where affordability is time-limited and dwellings subsequently revert to market rental or private ownership. There is scope to examine whether incentives to build housing suitable for people with disabilities and ageing in place, as well as housing with access to commonly owned spaces for children.
- The **implications for public revenue**, recognising the LVC as a significant and relatively efficient source of ACT Government revenue. Any changes should be assessed against their impact on the Territory's capacity to fund social housing, community services and essential infrastructure over the medium to long term. In a constrained fiscal environment, the LVC a critical policy lever to create public goods. It is a critical mechanism by which Government can deliver community benefits which have been difficult to obtain without market intervention.
- **Investment and market distortions**, including how different LVC settings may shape what types of housing are delivered, whether they encourage or discourage speculative behaviour (including land banking), and how they interact with broader incentives in the development system.
- **Evidence of supply impacts**, to determine whether proposed changes to the LVC are likely to result in additional rezoning and net increases in housing supply, as argued by its proponents, or whether factors such as construction costs, financing conditions, labour availability or market absorption are more significant constraints on delivery.

Complementary measures

ACTCOSS supports recommendations made through the consultation process conducted by the Territory Planning Authority earlier in 2025, that DPA-04 be accompanied by complementary measures, including:

- Incentives for construction of single-level townhouses to support ageing in place and downsizing
- Incentives for more liveable and accessible housing to expand options for people with disability
- Robust data collection and regular evaluation to monitor uptake, outcomes and unintended consequences of the reforms over time, so that adequate and timely policy responses can be delivered.⁵

We also emphasise the importance of progressing the establishment of an independent Office of the Strata Commissioner. The Committee should carefully consider the findings and recommendations of the soon to be released report following the inquiry into the management of strata properties. Effective strata management will be critical to the long-term success of the missing middle reforms.

ACTCOSS also notes that planning reforms of this scale have the potential to generate substantial new revenue streams for landholders, including clubs with electronic gaming machines (EGMs) and significant landholdings. Without appropriate safeguards, there is a risk that increased revenue derived from residential redevelopment could be used to reinforce or prolong reliance on gambling revenue, including through increased promotion and marketing of EGMs. Given the ACT Government's long-standing commitment to reducing gambling harm, ACTCOSS considers it important that any policy settings associated with the missing middle reforms actively support a transition away from gambling revenue, rather than enabling "diversification" that leaves core gambling interests intact. This would ensure that the benefits of planning reform are not reinvested in activities that undermine public health objectives and diminish the intended community benefit.

Further Engagement

If you would like to discuss any of the issues raised in this feedback please contact Ms Jenny Sandilands, Head of Policy at ACTCOSS, at [REDACTED].

Yours sincerely

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[REDACTED]

⁵ Territory Planning Authority, [Consultation Report – Missing Middle Housing Reform](#), ACT Government, September 2025, p 10.