



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: 014

Submitter: Master Builders Association of the ACT (MBA)

Date authorised for publication: 15 January 2026



MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

MASTER BUILDERS ACT

Submission on the Inquiry into Draft Major Plan Amendment 04 (DPA-04) – Missing Middle Reforms

1. Introduction

The Master Builders Association of the ACT (Master Builders ACT) welcomes the opportunity to make a submission towards the Inquiry into Draft Major Plan Amendment 04 (DPA-04) – Missing Middle Reforms.

Master Builders ACT is supportive of the ACT Government's Missing Middle planning reforms. These changes, if implemented effectively, have the potential to increase the ACT's housing supply close to existing shops, services, and transport routes. It will allow more people to live close to where they work or study, facilitate ageing in place, and reduce the cost of delivering housing by using existing infrastructure and utilities, benefiting the ACT Government as well as home buyers.

However, there remains a gap between the ACT Government's ambition for a compact city with more housing typologies, and what is practically achievable through these reforms. Master Builders ACT remains concerned that limitations within the planning system could impede project delivery and create bottlenecks, preventing the ACT from the possible achievements through this reform and reaching the Government's aim of 30,000 additional homes by 2030.





2. Current state

Master Builders Australia forecasting data from September 2025, which compares projected industry activity against the National Housing Accord targets, shows that the ACT is underperforming. New residential building commencements in the ACT are projected to reach 17,163 dwellings by June 2029, compared with a National Housing Accord target of 21,030 dwellings. This represents a shortfall of 3,867 dwellings, or 18.4 per cent below target. This means new homes will need to be built at a rate of 4,206 per annum, which would require record year on year builds. [1]

17,163



Projected actual no. of new residential dwellings based on Master Builders Australia data

21,030



Target no. of new dwellings by June 2029 under National Housing Accord

4,206



No. of new homes that need to be built per annum to reach target

Based on this data, Master Builders ACT has identified that, without significant structural reform, the ACT Government is at serious risk of falling well short of its commitment to deliver up to 30,000 additional homes by 2030. Master Builders ACT remains committed to contributing to evidence-based reforms that address structural constraints and improve housing delivery outcomes.

[1] [Master Builders Australia Building and Construction Industry Quarterly Data Report October 2025](#)

3. About Master Builders ACT

As the peak industry body representing ACT's building and construction sector, Master Builders ACT's membership spans residential, commercial, and civil contractors, as well as subcontractors, suppliers, and professional consultants involved in delivering Canberra's built environment.

Master Builders ACT plays a leading role in policy development, workforce training, and construction standards, engaging closely with Government to ensure that regulatory settings promote both quality and affordability.

Master Builders ACT members are directly responsible for delivering the medium-density housing envisioned under the Missing Middle framework. Their on-the-ground experience provides practical insight into the interplay between planning regulation, cost feasibility, and construction capacity, factors that ultimately determine whether these reforms succeed in delivering successful outcomes.



Without significant structural reform, the ACT Government is at serious risk of falling well short of its commitment to deliver up to 30,000 additional homes by 2030.



4. Acknowledgement

Master Builders ACT supports the ACT Government's Missing Middle Housing Reforms. Delivering these reforms is key to achieving greater housing diversity and affordability. The reforms will provide more homes within the existing urban area, aligning with community need and economic opportunity. Overall, the Missing Middle reforms build on previous strategic planning decisions to gently increase our urban infill, such as the changes allowing more dual occupancy development on ex-Mr Fluffy blocks. The ACT Government recently announced a package of reforms to improve construction sector productivity, along with mooted changes to the calculation of Lease Variation Charge (LVC).

These changes will help facilitate more Missing Middle housing to be built, although Master Builders ACT maintains that further and changes are required to ensure Canberra builders, home buyers, and homeowners are able to realise the benefits of the ACT Government's commitment to more housing.

5. Issues and recommendations

5.1 Planning and Approvals

Lengthy planning approvals continue to discourage development and investment for builders, developers, and homeowners alike. Requiring all Missing Middle development to go through a full Development Approval (DA) process could hinder the take-up of Missing Middle reforms, both by clogging the planning system with smaller developments and by adding costs and potential delays to each individual development.

Smaller individual dwellings are generally not intended to require full development approval, with single residential homes typically classed as 'exempt development' requiring only Building Approval (BA). Increasing Canberra's housing supply through small-scale development which requires development approval will overwhelm the planning system and prevent planners from being able to focus their time and attention on the largest developments with the greatest impacts.

Other Australian jurisdictions are also currently implementing planning reforms to enable faster take-up of similar dwelling types and can provide a guide for how the ACT could ensure quality buildings and fast approvals. New South Wales and Victoria have both passed changes to their planning systems to allow greater density and more Missing Middle development. In New South Wales, housing designs that comply with the New South Wales 'pattern book' are 'complying' developments and do not require development approval. In Victoria, the 'Great Design Fast Track' allows homes that comply with the 'State Design Book' to have a fast-tracked approvals process. The expansion of the types of development exempt from requiring DAs or BAs will assist in speeding up housing delivery and creating more affordable housing.





Where removing the requirement for development approvals is not feasible, this should be accompanied by a strong and clear statutory timeline for development application assessments, supported by escalation mechanisms and deemed approval provisions to ensure accountability and timeliness. This will ensure developments are being considered and approved in a timely manner. Additionally, where the requirement for development approval is not feasible, these developments should be excluded from appeals to the ACAT.

Recommendation 1

Introduce a fast-tracked approvals process for buildings that meet the requirements of the design guidance.

Recommendation 2

Establish clear statutory timelines for required development and building approval assessments, supported by deemed approval provisions.

Recommendation 3

Remove the ability for third parties to appeal decisions relating to 'Missing Middle' developments.

5.2 Streamline agency referrals

The review processes from government agencies, utilities providers, and the National Capital Authority can add further delays to approvals timeframes. Master Builders ACT recognises the ACT Government's attempts to streamline approvals through machinery of government changes but some referrals, such as those to utilities providers and the National Capital Authority, are outside of the remit of the ACT Government's administrative arrangements.

The implementation of statutory timeframes for utility providers and referral agencies involved in DA processes can ensure decisions are timely and developers and builders have certainty to deliver projects.

Recommendation 4

Introduce statutory timeframes for external referral agencies.

Lengthy planning approvals continue to discourage development and investment for builders, developers, and homeowners alike.



5.3 Lease Variation Charge

Although Lease Variation Charge (LVC) falls outside the immediate scope of this inquiry, Master Builders ACT recognises its significant impact on the affordability and viability of Missing Middle developments, particularly for homeowners. This is especially true for those wishing to construct additional dwellings on their property to age in place or to help family members enter the property market. In many cases, LVC directly adds tens of thousands of dollars to the cost of each dwelling and can be a decisive factor in whether or not a development proceeds.

LVC is generally applied to reflect the value uplift that landowners derive from changes to their lease. However, the rate of LVC can exceed the actual uplift in value, particularly where the ACT Government gains direct savings from development in existing suburbs. Developing blocks already serviced by local schools, roads, utilities infrastructure, public transport routes, parks and playgrounds save the ACT Government thousands of dollars per dwelling.

Recommendation 5

Review LVC and introduce permanent changes to the LVC calculation to incentivise Missing Middle development.



5.4 Strategic planning

In addition to the proposed reforms, a strategic planning framework that identifies long-term land supply and infrastructure coordination will provide the ACT Government, Canberra community, and the building and construction industry, including the civil construction sector, with certainty over development plans and priorities. This would build on the 'Change areas and key sites' and 'Potential urban regeneration areas' identified in the District Strategies but be less specific than the Indicative Land Release Program.

This should especially occur around Group Centres and Local Centres, where government, industry and the community could see significant benefit in redevelopment. The ACT Government committed to an investigation of the changing role of Local Centres in the 2018 Planning Strategy and this has not yet eventuated. Many Local Centres in Canberra are underperforming or derelict (for example, those in Richardson and Monash). Redeveloping these sites could enliven entire suburbs, and thus lead to more successful implementation of Missing Middle housing.^[2]

Recommendation 6

Undertake a strategic planning framework identifying long-term land supply and infrastructure development.



^[2] [Local, group and town centres - City and Environment Directorate - Planning](#)



5.5 Infill Housing Implementation Unit

Master Builders ACT recommended in its submission to the ACT Government's consultation earlier this year that the Government create an 'Infill Housing Implementation Unit' to monitor and review the implementation of the Missing Middle housing reforms to ensure the practical application of the reforms are matching the policy intent.

This Unit should be empowered to:

- review assessment pathways to ensure planning approvals are consistent and timely
- report identified challenges and solutions to consultation bodies such as the Environment and Planning Forum
- make recommendations to the Minister regarding reforms that are necessary to give full effect to the intent of the Missing Middle policy reforms.

The Unit would also be required to consult with industry and other stakeholder to collate and assess feedback on the practical implementation of the reforms.

Recommendation 7

Introduce a dedicated unit to monitor the implementation of the Missing Middle housing reforms.

6. Additional commentary

Master Builders ACT recognises that changes outside of the planning system are also required to ensure the successful implementation of the Missing Middle housing reforms. These include:

- reviewing the introduction of National Construction Code changes to ensure they are providing affordable, quality homes for Canberrans that are appropriate for our local climactic conditions
- ensuring the ACT Government is building social licence for reforms by investing in social infrastructure upgrades, for example to footpaths, parks, and playgrounds, in suburbs experiencing significant population growth and demographic change due to the Missing Middle reforms
- investing in local construction skills and apprenticeships, such as removing the levy exemption for government-funded projects to ensure all developments contribute to workforce training, and funding pre-apprenticeship and skills conversion programs in key construction trades
- overhauling the *Urban Forest Act (2023)* to facilitate development and building.



7. Conclusion

Master Builders ACT strongly supports the policy intent of the Missing Middle reforms. These changes are essential to grow and diversify Canberra's housing stock and improve affordability through smarter use of existing urban land. However, without foundational reform to the regulatory, financial, and infrastructure framework, DPA-04 risks remaining a theoretical aspiration rather than a viable delivery mechanism.

In its current form, the draft makes slight technical changes to provide more design flexibility but does not deliver the certainty or cost clarity that developers, builders and landowners require to activate medium-density projects. The persistent absence of streamlined approvals, cost signals aligned to feasibility and coordinated infrastructure planning undermines market confidence.

These issues are not abstract. They directly influence whether medium-density projects are built, who can afford to deliver them, and whether they achieve intended affordability outcomes for households and deliver the intended outcomes of the Missing Middle reforms.

Master Builders ACT remains committed to working collaboratively with Government to achieve successful delivery of Missing Middle. Only by addressing planning system efficiency, cost structures, infrastructure capacity, and workforce readiness can the Territory realise its ambition of delivering more diverse and affordable housing options for Canberra's future.

Sunny Homes





We approve our submission being made public for
Canberrans to read.

Authorised by Anna Neelagama on behalf of Master Builders
Association of the ACT.

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