QON No.18

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

Inquiry into DPA-04 – Missing Middle Housing Reforms

Answer to question on notice

Asked by: Fiona Carrick MLA

Addressed to: Minister for Planning and Sustainable Development

Reference: Planning

Hearing: 12 February 2026
In relation to: Missing Middle Reforms – Parking & affordability
Question received: 18 February 2026
Answer Due: 27 February 2026

Fiona Carrick MLA: Asked the Minister for Planning and Sustainable Development -

1) Will land value capture be tied to local improvements such as playgrounds, paths, pocket parks and traffic calming?

2) Why has an inclusionary public housing pathway not been included for areas benefiting most from the uplift?

3) How will the government prevent unintended rates shocks in areas exposed to redevelopment uplift?

4) Why do the reforms remove visitor parking and allow lower parking rates in suburban areas further away from shops where public transport and active travel options are limited?

5) Where is the evidence showing that suburban streets can safely absorb the increased kerbside parking demand created by these reforms?

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

1) The ACT Government captures value uplift associated with increased development rights primarily through the Lease Variation Charge (LVC), where a variation to the Crown lease is required. LVC is the ACT's standard mechanism for capturing value uplift arising from increased development rights and will continue to be the government's mechanism for capturing value uplift arising from additional development potential.

The LVC contributes towards the government's consolidated revenue. LVC revenue helps fund services and infrastructure across the Territory as determined through the ACT Budget. This may cover items such as new and upgraded playgrounds, paths, and traffic calming measures throughout our suburbs.

2) The Missing Middle Housing Reforms apply to blocks in RZ1 and RZ2 areas. The scale and nature of redevelopment likely to be achieved under these reforms is not considered suitable for inclusionary zoning requirements. Like any other lessee, Housing ACT can benefit from the additional development opportunities which comes from these reforms.

   As outlined in my Statement of Planning Priorities, the government is reviewing the Territory Plan District Policies for opportunities for inclusionary requirements in precinct scale development at key sites and change areas.

3) The way rates are calculated will mean that any rates increase will be gradual where they occur or will be limited to where a Crown lease is varied to permit additional redevelopment.

   Aggregate rates revenue is determined by Government annually through the Budget (e.g. WPI plus a percentage), which is not driven by individual property valuations. Thus, the effect of changes to land value is initially distributional only i.e. areas subject to increased land values as a result of 'upzoning' will see increases in rates relative to areas not seeing similar increases.

   Since the Missing Middle Housing Reforms are broad based, with the additional 'development options' in the Territory Plan applying to the large majority of blocks in the ACT, the distributional impacts are not expected to be significant.

   Rates are comprised of two components, being a fixed charge (i.e. $1,026 for residential land and $1,085 for residential units), and a valuation charge that is calculated by applying a rating factor to the Average Unimproved Value (AUV).

   Importantly, the AUV is the average of the property's unimproved value calculated using a five-year rolling average, smoothing fluctuations and reducing the potential for sudden increases. For new or recently varied properties, the AUV reflects the available years of valuation data, ensuring rate changes remain proportionate and moderated.

   This approach ensures that any increases associated with uplift or redevelopment potential occur incrementally avoiding unintended rate shocks.

   Treasury does expect that the most significant impact for individual owners will only occur if a lease variation is granted to take up 'development options' in the Territory Plan, as this will reset the AUV of a property based on the latest valuation only.

4) Parking demand and traffic are matters that vary considerably from street to street – it is recognised that some streets will have more capacity to accommodate visitor parking than others. Furthermore, feedback from the development and building industry during consultation on the reforms suggest the actual parking provided in a development was

dictated by market preferences and demand, which was influenced by the location of the development, including proximity to transport and shops.

This is why this is something that is most appropriately assessed at development application (DA) stage.

The Territory Plan directs residential development to respond to these matters through Residential Zones Policy Assessment Outcome 27 that requires development proposals to ensure that 'Vehicle and bicycle parking sufficiently caters for the development while minimising visual impacts from the street or public space. This includes consideration of parking location, dimensions and number of spaces provided.'

This Assessment Outcome is supported by the relevant Technical Specification which provides guidance on parking rates – however, depending on a type of proposal based on location and a variety of other factors, it may be determined that more or less on-site car parking is appropriate to meet the Assessment Outcome. The Missing Middle Housing Reforms propose to reduce the minimum parking rates in the Technical Specification to provide more flexibility to achieve more dwellings on these sites.

5) As noted above, parking demand and traffic are matters that vary considerably from street to street. Street widths also vary across suburbs, with many older suburbs having wider streets able to support on-street parking. Ultimately, this will be considered on a case-by-case basis during the DA process.

Approved for circulation to the Standing Committee on Environment and Planning

Signature: Date: 3/3/26

By the Minister for Planning and Sustainable Development, Chris Steel MLA