



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: 007

Submitter: Canberra Planning Action Group (CPAG)

Date authorised for publication: 15 January 2026



Updated 17.12.2025

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This Submission to the Standing Committee on Environment & Planning — Inquiry into DPA-04 Missing Middle Housing Reform — is on behalf of the Canberra Planning Action Group (CPAG).

Submitted by email to:
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CPAG submission to the Inquiry into DPA-04 – Missing Middle Housing Reform

<https://www.parliament.act.gov.au/parliamentary-business/in-committees/committees-11th-assembly/EPC/inquiry-into-dpa-04>

The Canberra Planning Action Group submits the case, based on empirical evidence arising from comparable reforms in other jurisdictions over the last few years, that the changes proposed under the *Missing Middle Housing Reform Bill* are unlikely to meet the government's aims. Rather, with its focus on individual block redevelopments and a blanket upzoning of RZ1, it will have significant negative impacts on the liveability and amenity of established residential suburbs. This reality is shown by what has happened in other jurisdictions in which similar measures have been implemented. CPAG therefore recommends that the proposed legislation under consideration by this Inquiry be rejected or significantly altered.

Moreover, we submit that by using the term 'Missing Middle' in its title and throughout the released documentation associated with this Inquiry, the committee is prejudging, however unintentionally, the outcome of its deliberations. Note in this regard the comments on the language of the 'Missing Middle' in the body of our submission.

Missing Middle Housing Reform

The so-called 'Missing Middle' planning reforms proposed by this legislation are not precise and are not satisfactorily explained.

Based on the abundant evidence from cities that have introduced so-called Missing Middle deregulation and upzoning, the highly valued character and desirable qualities of Canberra's older more established suburbs — beyond RZ2 areas — that have larger blocks and good tree cover and which contribute greatly to Canberra's 'Garden City' character, will be adversely impacted. These suburban areas are directly responsible for Canberra's highly valued and environmentally responsive 'Garden City' character.

CPAG research has found that, in the ACT, there's almost a complete absence of any awareness or understanding by the general public of the 'Missing Middle' or the *Missing Middle Housing Reform*, or what changes that so-called reform entails. This lack of awareness is apparent despite the report making reference to an 11 week period of public consultation. CPAG makes the case that statements contained in the *Missing Middle Housing reform — Consultation Report* in no way can suggest or assert that the public of Canberra is informed.

We will return to this issue below.

Over 70% of properties in Canberra will be affected by this proposed change in ACT planning if it was to go ahead as proposed. For a reform with such a huge impact on the majority of people who live in Canberra (higher rates, loss of greenery and higher suburban temperatures, uncertainty about neighbourhood changes etc) the ACT government must ensure there is a high level of public awareness and understanding of the likely impacts. Without such public awareness this reform has no validity, no social licence.

Key recommendations

CPAG agrees with the ISCCC (submission of 23 November 2025 to the Committee) that, rather than a “one size fits all” planning policy for RZ1 zones, a more sensitive and nuanced planning approach should include:

- *Special Character Zones* to protect particular high-quality residential areas, including Heritage housing precincts, similar to the Auckland Unitary Plan ‘Single House Zone’; and
- *Block Consolidation* to encourage more efficient redevelopment [in suitable locations], with more dwellings in higher amenity settings including open space and trees.

In this regard, CPAG recommends that:

1. ‘Missing Middle’ (also referred to variously as densification, deregulation, infill development, gentle urbanisation etc) should only be applied discreetly and sensitively in a local context;
2. ‘Missing Middle’ should be part of a multi-faceted and integrated approach that includes the construction of social housing as a significant percentage of housing stock, tax reform¹ and changes to superannuation² and housing development;
3. The wholesale ditching of the dominant zoning (RZ1) must be rejected since it represents unacceptable risks to the existing character and amenity of large parts of Canberra, plus it represents the abandonment by government of responsible, competent and context-sensitive planning;
4. The term ‘Missing Middle’ should be abandoned since it is by now a controversial term associated with a standard cookie-cutter answer to densifying cities in countries beyond Australia, whose differing cultural, heritage and environmental values are now being eroded. It is a one-size-fits-all planning approach that has split communities and led to untold litigation cases. On the whole, this planning approach has not delivered on any of the promises made by the proponents of ‘Missing Middle’.

A preferable strategy would be ‘Block Consolidation’ that would result in more efficient redevelopment, with more dwellings in higher amenity settings while including open space and trees — for example, a minimum of four adjoining existing house blocks, with a development plan to be negotiated with stakeholders and potentially subject to a ‘fast-tracked’ approval process.

Block consolidation could be achieved in a number of ways: through a “collaborative housing” model involving the existing owners directly; by private developers; or by a government redevelopment agency charged with assembling and packaging projects in appropriate locations for on-sale to developers.

¹ The Rational Economic Reform Discourse attributes housing affordability problems to policy settings giving preferential treatment to one housing tenure (home ownership) over another (renting). This incentivises housing choices that benefit from such preferential treatment. These policy settings are not only inequitable, their benefits are also capitalized into property values, pushing these further out of reach for low to middle-income non-owners, and detracting from investment in other more productive economic activities. Instead advocate ‘tenure neutrality’ in housing policy; that is, tax treatment equality across the different forms of housing. ([Henry Tax Review](#))

² <https://www.abc.net.au/news/2024-08-18/singapore-homeownership-sock-yong-phang-henry-george/104237980>

Missing Middle Context

There is a wealth of 'Missing Middle' precedents from which to learn in order to avoid the negative outcomes that result from taking an across the board cookie-cutter approach to very different contexts driven by the single focus to deregulate planning and upzone low density high value urban areas.

There are plenty of existing 'Missing Middle' examples in Canberra that demonstrate how sensibly planned and sensitively developed medium density housing can be achieved through expert planning and sensitive development, with the support of the communities in which they are placed, without the need to ride roughshod over those communities by forcing wholesale upzoning onto all.

The proposed 'Missing Middle' idea of upzoning all RZ1 zones will create both chaos and stress in communities, while making misleading claims of achieving affordable housing, sustainable urban densification, and the facts of whether the costs justify the returns.

Whilst the international 'Missing Middle' movement is very successful in the single-minded push towards deregulation and upzoning, it operates in a virtually context-free zone itself. The same arguments, same diagrams, same promises, same ideology irrespective of the context in which it is to be applied. It is essential to appreciate the context from which the local branch/movement has emerged.

In the Canberra setting, the 'Missing Middle' default approach appears to be focused on the undoing of Canberra's planning heritage with its relatively recent enlightened planning principles that resulted in very high levels of amenity, tree canopy cover and urban biodiversity — the Garden City.

The question must be asked: Is there really a 'Missing Middle' in the ACT? The population density in the established suburbs of Canberra already exceeds 1200 persons per square km, with places like Kingston over 5,600 persons per square km. This is a reasonable density for a garden city in a country with no shortage of land. Every shopping centre at town and suburb level in Canberra is already surrounded by numerous townhouses and small apartment blocks, with many more planned or under construction, e.g. the former AFP site in Weston. Furthermore, there is still a great deal of potential development in these RZ2 zone suburban areas.

Missing Middle Housing Reform — Consultation Report

CPAG considers the consultation regarding this housing reform as inappropriately entitled 'Missing Middle'.

CPAG notes that the ACT Territory Planning Authority has released a Consultation report dated September 2025. We note that "This document is the consultation report on the Missing Middle Housing Reforms and serves as the consultation report required under section 67 (3) of the Planning Act 2023 (the Act)". Ostensibly, "This consultation report has been prepared to provide an overview of the consultation process, to outline comments received and how those comments have been considered or responded to.". It is a required report and thus important; however the report has some significant weaknesses relevant for consideration by the Committee.

First, the report is titled 'Missing Middle Housing Reform' when in fact the consultation is about the 'Draft major Plan Amendment to the Territory Plan 04'. This elision of project focus is very confusing.

Second, we note that the proposed 'reforms' were developed through 'extensive industry and agency consultation'. Yet there appears to be no measurable, quantifiable information contained in the consultation report relating to the analysis of submissions, and no reference to Good Consultation Standards or whether this was achieved. The 'Have your Say' website is demonstrably a poor and ineffective tool for consultation given it is a one-way information flow and there is no knowledge exchange or learning capacity involved.

Third, the report indicates 16,053 people were reached by various means. However, this represents only approximately 3.3% of the ACT population, not randomly determined.

Taking this figure into account and noting the concerns referenced in the report, it is therefore not possible to claim that "Overall the majority of Canberrans have indicated that they support an increase in missing middle housing and greater housing choice across Canberra". The concerns included poor design of lots, impact upon streetscapes, car parking issues, loss of local character, eg. off-street parking and management, loss of affordable rental housing, impact upon heritage areas, increased heat island effects, the loss of the 'Garden City' and 'Bush Capital' aesthetic... the list goes on!

Finally, we see no inclusion either of ways or mechanisms to ensure the issues are redressed in the Draft Plan 04 Amendment which purports to respond to these concerns. Below we provide examples of where such concerns have arisen after the introduction of such poorly developed pieces of legislation and equally poor oversight.

Missing Middle pushback

There are relevant examples in the USA, the birthplace of Missing Middle and its handlers, known as YIMBYs, of pushback at some early adopters of the Missing Middle planning-deregulation movement, resulting in the elimination of single-family zoning and parking requirements were eliminated; these examples include Arlington (Washington DC) and Charlottesville (Virginia). Community pushback is often via litigation with arguments around the lack of studies in relation to the potential impact on infrastructure from these changes:

<https://www.smartcitiesdive.com/news/charlottesville-virginia-zoning-lawsuit-settlement/804135/>

<https://wjla.com/news/local/arlington-missing-middle-again-invalid-court-of-appeals-order-virginia-court-reverses-decision-eho-zoning-homeowners-townhomes-duplexes-multi-unit-buildings-single-family-permits-housing-status>

In some cases this has led to there be no zoning at all due to conflicting court rulings:

<https://www.smartcitiesdive.com/news/no-zoning-code-thats-a-problem-charlottesville-virginia-affordable-housing/756423/>

There are significant examples of Missing Middle experiments from the USA, where the process is some years ahead of Australia, and from where important lessons must be learned before considering the implementation of the Missing Middle Housing Reform here: Seattle for example:

<https://medium.com/the-green-urbanist/washingtons-missing-middle-housing-bill-misses-the-mark-59b1ace55265>

The following observations from Seattle serve as a rear view mirror for us to see what has gone before, pushed by the same agendas and propaganda, and demonstrate:

- *Density Will Not Save the Environment . . . But It Will Destroy the Neighbourhood*
- *[Missing Middle] is a Developer Giveaway Disguised as Affordable Housing*
- *Higher density leads to higher prices*
- *We cannot build our way to affordability... almost 30% of Seattle's housing has been built in the last 20 years. In 2000 the median price of a house in King County was \$250,000. The price in 2023 — 87,169 housing units later — is \$822,850.*
- *Property taxes go up with upzoning*
- *Deregulation hands the neighbourhood to the for-profit building industry: Its job is to maximize return, not to build below-market housing for a teacher or a grocery clerk.*

As for the claims 'Missing Middle' will deliver more affordable housing, there is scant evidence of that claim; there is however plenty of evidence that it can't deliver more affordable housing. For example in the case of Arlington, a similar urban setting to established Canberra, policymakers have abandoned earlier claims that the 'Missing Middle' proposal would yield affordable housing after data came out showing housing costs would not drop far enough to be affordable to those with

incomes under the Arlington median income. Existing residents are now left with the fallout and loss of amenity from 'Missing Middle' deregulation yet with none of the claimed upsides such as cheaper housing and a more inclusive neighbourhood.

<https://patch.com/virginia/arlington-va/hundreds-protest-missing-middle-housing-zoning-plan-arlington>

Claims that 'Missing Middle' reforms will reduce urban sprawl ring particularly hollow here in Canberra where the sprawl is simply exported a short distance into NSW, a different jurisdiction over which Canberra has no influence.

The glib terms *Missing Middle* and *Yes In My Back Yard* are too simplistic to be of any use in addressing the housing crisis that has been building for decades. However these terms have the real potential to mislead those who wish to see a genuine solution to the housing crisis, making them supportive of the initiatives, while inadvertently playing into the hands of vested interests, and enabling permanent damage to amenity in high quality urban areas. The result? Everyone is impoverished by this market-first neoliberalism.

Downsides of upzoning (and densification)

The crude approach, the blanket lifting of all single family house zones, can come at the high cost to those who have invested decades of work to live in a low density, healthy leafy suburb.

Increased density is no guarantee for more affordable housing. A recent study by the Urban Institute examined how changes in zoning density impacted rents and housing prices in over 1,000 cities from 2000 to 2019. The researchers found that housing supply increased by only 1% in the cities that permitted more dense housing and that all of these new units were in the upper price ranges. They could not find any increase in the availability of middle or low income housing.

<https://www.urban.org/research/publication/land-use-reforms-and-housing-costs>

Another significant concern is that deregulation may not effectively address the affordable housing crisis for low-income individuals. Critics argue that simply increasing housing supply through deregulation, sometimes referred to as "trickle-down affordability," does not guarantee lower prices for those most in need. New developments, even those considered 'Missing Middle', are frequently built at market rates, which can still be unaffordable for middle and lower-income households. The potential for gentrification and displacement of vulnerable populations is real. When zoning restrictions are loosened, the value of the land can increase, making it more expensive to build new housing and leading, potentially, to higher property rates for existing homeowners. This can result in the demolition of older, more affordable housing units to make way for new, more expensive developments, forcing out current residents, especially renters. A typical example can be found in Aranda, an established suburb in Canberra's Inner North (boasting Canberra's highest level of tree canopy cover) where affordable townhouses built in the 70s (by well-known architect Dirk Bolt) have been bulldozed and replaced with six townhouses with a starting price of \$1.28 Million.

<https://www.allhomes.com.au/unit-3-10-jalanga-crescent-aranda-act-2614>

One of the original Dirk Bolt townhouses sold in 2024 for \$667,000.

<https://www.realestate.com.au/sold/property-townhouse-act-aranda-144569528>

The real answer to affordable housing, and putting downward pressure on the private market, is government built public housing at scale. It is conspicuous that the YIMBYs calls for social housing is almost non-existent or at best very muted. In their single-minded focus on deregulation and upzoning they wilfully ignore the one housing policy that could, and did, successfully address housing affordability: government-built social housing as a substantial percentage of the housing stock. The decline of social housing and the commensurate increase in the cost of housing is nicely presented by Pascoe:

<https://www.thenewdaily.com.au/finance/2023/07/22/michael-pascoe-missing-housing-australia>

Increasing density not only leads to increased prices and thus unaffordability, but it also heightens inequality. Only wealthier residents will be able to afford the increased rates to protect their existing access to gardens and outdoor play areas for their children. The rest of the community will experience heightened noise levels, loss of visual amenity, soil compaction and depletion, car parking issues, and the overloading of sewerage systems, etc. This will inevitably generate a lot of conflict within families, between neighbours, and between the community and the government. We need gardens not only to sustain biodiversity but also for our own wellbeing, both physical and mental.

The ACT Greens have warned that tree canopy in the ACT has gone backwards in the last five years, reducing from 22.7% to 21.8% — this at a time of increasing temperatures and urban heat.

<https://canberradaily.com.au/act-greens-warn-canberras-tree-canopy-is-shrinking/>

The Canberra Times (13/12/2025, p5) concludes that *"the report authors noted that canopy cover was generally declining in almost all the older suburbs with canopy cover above 30%, 'likely as a result of trees being removed to facilitate urban densification'. A 'significant number of trees' in older suburbs were identified as in decline in the 2025 ACT Urban Forest Conditions Report"*.

Bad planning

More affordable housing means by definition lower house prices, something that would not suit the development interests who naturally will seek the best return, ergo high prices. This is one glaring flaw in the YIMBY claim that 'Missing Middle' will provide for cheaper housing. Remember when they say "Yes In My Back Yard" they don't actually mean "My" backyard, they mean "Your Back Yard", preferably in the older, more established suburbs; usually expensive neighbourhoods that offer high levels of amenity via attributes such as good tree canopy cover, good proximity to shops and services, low density and congestion-free streets.

In Canberra these attributes are the result of deliberate planning and regulation, to provide a healthy, pleasant and secure environment in which to live in. To abandon these sound planning principles because the free market has failed to provide affordable quality housing to some is to wilfully ignore the history of the ghetto-like conditions that existed in the not so distant past precisely because of a lack of good planning, and wilfully ignores what we know about the social

stresses resulting from dense living condition, the health problems associated with the urban heat island effect, among many social and environmental negatives that result from poorly planned densification — a very likely result from the Missing Middle cookie-cutter context-immune approach to urban zoning.

The idea that dense development automatically leads to vibrancy is nonsense. Vibrancy is generally created in areas where many people wish to congregate, not necessarily live. If you have an entertainment district with great theatres, music venues, restaurants, galleries, sports stadia, etc. people will come; but relatively few will want or can afford to live there. Such areas tend to be very expensive, unless the government repurposes older industrial areas at deliberately low rents to attract creative types (a good idea).

To apply blanket 'Missing Middle' upzoning across all of Canberra is opportunistic and lazy; it is taking advantage of a genuine crisis without solving any of it, and it represents the abrogation by the government and its planners of their responsibility to deliver integrated, context-sensitive planning; they must not be allowed to shirk their responsibility.

Good timing

The Missing Middle's time has come thanks to a complex set of problems that have been building up over decades and given us the present housing crisis. The general de-skilling of bureaucracy and a reluctance to engage in responsible professional planning, the idea of simply throwing out the rule book and let the market rip is not only appealing to our emasculated planning authorities but is a logical next step in the process of abrogating their duty for good planning.

Whether it's called Infill or Densification or Gentle Urbanism (Barr), or now Missing Middle, the aim is the same: more buildings and less green; more people and less air; more congestion and less biodiversity. That is the reality on the ground and no glossy presentations or hopeful statements about greenery, trees, keeping urban heat in check and managing on-street parking can negate the negative outcomes.

Observing Churchill's assertion to "never let a good crisis go to waste" the YIMBYs assert that Missing Middle Planning Reform will deliver a quick solution (politicians love that, true or not) by building medium density in relatively low density neighbourhoods (governments love that, more rates per square metre), usually in the more expensive neighbourhoods, and that this will be achieved by simply removing single-family house zoning.

The housing crisis is being opportunistically exploited by the YIMBYs, together with vested interests like the development and construction lobby, the unions and the property speculators, who together simply play into the hands of governments that seek to extract higher rates and taxes from existing land and infrastructure. Canberra's founding principles of a city embedded in nature, of socially just urbanism, seem to be treated today as simply a relic of the past, its legacy something to be exploited.

Next steps

Doing it right

Infill, densification, gentle urbanisation, missing middle, whatever it is called, the key to any of them being successful and accepted more broadly, is to do it right. Canberra's legacy has set the bar high, one that seems to have been set much too high for successive governments since self-government in 1989. The issue is governance and whilst this is not being addressed (indeed, deliberately excluded from the planning inquiry of 2023) there will be poor outcomes and therefore resistance and fight back from local residents.

One way of doing it right is by *Block Amalgamation*.

The Guardian writes:

Peter Newton, an emeritus professor at Swinburne University's Centre for Urban Transitions, has researched how to infill the missing middle for decades. Newton says that to build high-quality, medium-density housing that fits in, the approach should shift from knock-down rebuilds of single plots of land and towards councils identifying a cluster of several properties and building either townhouses or apartment blocks of no more than three storeys. By developing a large plot, shared space and other amenities can be planned sensibly, he says.

<https://www.theguardian.com/australia-news/2023/apr/16/living-with-density-will-australias-housing-crisis-finally-change-the-way-its-cities-work>

Block Amalgamation is a true and proven approach for increasing density that minimises loss of tree canopy cover and disturbing local context as advocated by Richard Johnston, retired planner and architect:

<https://www.canberraplanningactiongroup.com/post/the-missing-middle-doing-it-right>

Proposed Recommendation

CPAG recommends that the Committee determine that DPA-04 NOT be approved by the Assembly for the following cogent reasons:

The proposed changes:

1. Focus on single block redevelopment and are unlikely to produce large numbers of additional, well-located, diverse, affordable new dwellings;
2. Fail to maintain and enhance the amenity values of established residential neighbourhoods and fail to ensure the protection of heritage precincts;
3. Are likely to result in degradation of the "excellent tree canopy cover" and create more urban heat 'hotspots' [see Inner South District Strategy p.10];
4. Are likely to result in poor quality development outcomes through reduced standards from more 'exempt' development [see pp.6&7 of this submission];

5. Include arbitrary and unjustified increases to building heights in RZ4 & RZ5;
6. Ignore that “CED is currently undertaking further work, which includes locational suitability which may inform future rezoning opportunities for well-located blocks, such as those in close proximity to commercial centres”;
7. Ignore the ‘change areas and key sites’ identified in the District Strategy as the main focus for future development in the Inner South over the next 15 years [District Strategy pp.15,16];
8. Ignore the need for infrastructure upgrades and “infrastructure capacity studies being undertaken across the ACT” [District Strategy p.47];
9. Ignore the intentions of the District Strategy set out in ‘Potential urban regeneration areas’ that:
“In the future, there will be need to undertake further investigations into potential urban regeneration areas that may be suited to redevelopment for housing. Investigations would include consideration of a range of matters such as existing character, heritage and environmental values, natural hazards, the practicalities of redevelopment and available infrastructure”.

If there is a genuine housing shortage, it should be addressed in other, less disruptive ways. For example, the government could use the tax system to encourage the thousands of currently vacant homes to be occupied, urge people to share their residences (we are suffering from a pandemic of loneliness), and, where possible, support the addition of second storeys to single-storey dwellings, rather than new construction on valuable gardens and green spaces.

The current circumstances present the opportunity to push for a really dramatic change to planning, superannuation and housing development — the latter two particularly based on the Singapore model — and also the Federal Government's failed 5% deposit scheme. The Federal housing scheme fails because it simply increases the price of houses - 5% already.

In the previously mentioned Guardian article, Grattan Institute’s economic policy Deputy Director Trent Wiltshire says in reference to the housing crisis:

“We’re just not going to find a silver bullet to fix all of this.”

We all would do well to resist the idea that ‘Missing Middle’ is going to be a silver bullet.

On behalf of CPAG

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