



Legislative Assembly for the
Australian Capital Territory

Standing Committee on Environment
and Planning

Submission Cover Sheet

Inquiry into DPA-04 – Missing Middle Housing Reform

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From: [Ian Diversi](#)
To: [LA Committee - Environment](#)
Subject: Urgent Briefing: Structural contradictions within the DPA-04 Official Blueprint and technical specifications
Date: Friday, 6 March 2026 4:03:39 PM

Dear Ms Clay and Members of the Standing Committee on Environment and Planning,

I am writing to provide urgent forensic planning and economic data regarding the current inquiry into Draft Major Plan Amendment 04 (DPA-04). As the committee prepares to finalise its recommendations to the Legislative Assembly, it is critical to address a profound structural misalignment between the government's stated missing middle policy objectives and the mathematical realities of property development.

If enacted in its current form or amended solely based on the subjective testimony provided during the February public hearings, DPA-04 will fail to deliver the intended housing supply. A forensic analysis of the government's official blueprint—specifically the September 2025 consultation documents, technical specifications and the *Missing Middle Housing Design Guide* (MMHDG)—reveals that the territory plan is fundamentally at war with itself. The purpose of this briefing is to present objective evidence demonstrating that the proposed regulatory framework will result in 'zombie zoning', a condition where the plan legally permits increased density but the intersecting technical specifications prohibit actual construction.

The Design-Led Illusion and the MMHDG

The stated macroeconomic objective of DPA-04 is to accommodate projected population growth by delivering 70 per cent of new housing within the existing urban footprint. The government intends to achieve this 'gentle density' through the introduction of typologies such as the Manor House and Dutch Row House, heavily regulated by the new *Missing Middle Housing Design Guide*.

During the public hearings the committee heard extensive testimony advocating for the protection of neighbourhood character. The government's response is to rely on this 'design-led' governance model to appease community anxiety. However, the technical data proves that mandating high-end architectural outcomes without addressing the underlying economics will sabotage the policy. The property market does not recognise aesthetic compromise; any proposed development is subject to a strict pass-or-fail test: it must physically fit on the block and it must generate a viable profit. The high cost of meeting the bespoke design standards outlined in the MMHDG, when combined with statutory charges, ensures that the residual land value is insufficient to secure private project finance.

Zombie Zoning and the Residential Zones Specifications

This financial unviability is entrenched by the *Draft Planning Residential Zones Technical Specifications 2025*. Specification 5.1 explicitly formalises the 120-square-metre maximum floor area for secondary residences. While intended as a safeguard to preserve suburban scale, this restriction is a critical mathematical failure point.

We have conducted a detailed financial breakdown to test if building a standard dual occupancy on an RZ1 block actually generates a viable profit. When the artificially restricted yield of a 120-square-metre dwelling is offset against high local construction costs, extended holding charges and the territory's lease variation charge, the project margin is destroyed. By institutionalising this cap the government is guaranteeing a phenomenon of zombie zoning. Private capital will simply bypass the missing middle sector in favour of more commercially viable greenfield or high-rise projects. To unlock private capital this arbitrary cap must be entirely abandoned and replaced with standard outcomes-based metrics such as plot ratio and site coverage.

The Spatial Paradox: Subdivision Specs vs Living Infrastructure

Furthermore the committee must recognise the insurmountable spatial paradox embedded within the intersecting regulations of DPA-04. The government cannot simultaneously mandate increased infill housing yield, enforce expansive deep root zones to meet the 30 per cent tree canopy target and demand large-scale on-site municipal infrastructure on a standard 800-square-metre suburban block.

This contradiction is codified in the *Draft Planning Subdivision Technical Specifications 2025*. Specification 28.1 dictates that developments proposing post-occupancy waste management facilities must achieve endorsement from Transport Canberra and City Services (TCCS). This mandates on-site waste collection for multi-unit housing. Forensic subtractive constraint mapping demonstrates that accommodating the required 25-metre turning circle for heavy rigid waste vehicles actively cannibalises the buildable area of the allotment. When a developer subtracts the mandated deep root zones, the prescribed boundary setbacks and the massive swept path of a commercial garbage truck from the site area, there is simply no room left to construct the Manor House or Tri-occupancy the government desires.

Recommending stricter environmental mandates without addressing this spatial conflict will guarantee project failure. The most urgent intervention the committee can recommend is the immediate decoupling of the municipal waste code from residential design controls. The committee must recommend amending the technical specifications to permit kerbside waste collection for developments of up to four dwellings. Removing the necessity for on-site vehicle turning circles will instantly resolve this spatial paradox.

The Infrastructure Cliff and Entity Endorsement

Finally the committee must address the severe financial friction caused by the territory's infrastructure deficit. Specification 29.1 of the Residential Zones document requires endorsement from utility providers confirming that the site is appropriately serviced. However, the mid-20th-century hydraulic networks and local substations in established suburbs lack the inherent capacity to support significant infill densification.

Because the territory is currently operating under a paradigm of managed reactivity regarding municipal services, utility endorsement is rarely a simple procedural step. The prohibitive cost of necessary network augmentations is routinely shifted onto the small-scale builder-developer. This infrastructure burden immediately fractures the feasibility logic gate. Meaningful urban densification requires a proactive and fully costed government capital works program to upgrade sewerage mains and stormwater drainage. Without this investment the missing middle reforms will stagnate.

Conclusion

The missing middle housing reforms represent a critical juncture for the Australian Capital Territory. However, treating a geometric and economic challenge as an exercise in aesthetic negotiation will guarantee policy failure. The official blueprint released for consultation in September 2025 contains a set of demands that cannot all be met at once.

I strongly urge the committee to prioritise technical feasibility over political compromise in your final report. By recommending the abandonment of the 120-square-metre limit within the Residential Zones Specifications, the decoupling of the waste code within the Subdivision Specifications and a recalibration of the lease variation charge, the committee can transition DPA-04 from a theoretical legislative exercise into a functional delivery mechanism for new housing.

Thank you for your time and your commitment to securing a sustainable and viable urban future for the territory. I am happy to be of further assistance in whatever capacity the committee may require.

Regards,

Ian Diversi

