COUNCIL MEETING AGENDA

Wednesday 12 August 2026

Commencing 6.30 pm

Bunjil (Council Chamber), Merri-bek Civic Centre,
90 Bell Street, Coburg

Language Link

This is the Agenda for the Council meeting. For assistance with any of the agenda items, please telephone 9240 1111.

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ਇਹ ਕੌਂਸਲ ਦੀ ਮੀਟਿੰਗ ਦਾ ਏਜੰਡਾ ਹੈ।
ਏਜੰਡੇ ਦੀ ਕਿਸੇ ਆਈਟਮ ਬਾਰੇ ਮਦਦ ਲਈ,
ਕ੍ਰਿਪਾ ਕਰਕੇ 9280 0751 ਤੇ ਟੇਲੀਫੋਨ ਕਰੋ।

D26/351284

Acknowledgement of the traditional custodians of the City of Merri-bek

Merri-bek City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Custodians of the lands and waterways in the area now known as Merri-bek, and pays respect to their elders past, present, and emerging, as well as to all First Nations communities who significantly contribute to the life of the area.

7.3 C236MBEK - GATEWAY 2 - DCP 2.0 CONSIDERATION OF SUBMISSIONS AND REQUEST FOR A PLANNING PANEL

Director Place and Environment, Pene Winslade

City Design and Economy

Officer Recommendation

That Council:

1. Notes and considers all submissions made on or before the last date of exhibition of Amendment C236mbek to the Merri-bek Planning Scheme (Amendment), in accordance with section 22(1) of the *Planning and Environment Act 1987* (Vic) (Act).
2. Notes and considers late submissions made after the last date of exhibition of the Amendment in accordance with section 22(2) of the Act.
3. In relation to all submissions which were considered by Council, refers those submissions to an independent Planning Panel appointed by the Minister for Planning (Minister) under Part 8 of the Act in accordance with section 23 of the Act.
4. Endorses the response to submissions and the recommendations as set out in the C236mbek Engagement Report at Attachment 1 to form the basis of Council's submission to the independent Planning Panel.
5. Authorises the Director Place and Environment to make administrative changes to the Amendment and to give directions on issues which arise in the course of the Panel hearing in response to expert evidence and submissions consistent with Council's endorsed position in Attachment 1.

REPORT

Executive Summary

As Merri-bek grows, demand for new and upgraded roads, drainage and community facilities will increase. To ensure new development continues to contribute to this infrastructure need, Council has prepared a new 15-year Development Contributions Plan (DCP 2.0) to replace the previous plan, which expired earlier this year.

Planning Scheme Amendment C236mbek (the Amendment) proposes to introduce DCP 2.0 into the Merri-bek Planning Scheme by:

- Applying Schedule 2 to the Development Contributions Overlay (DCPO2) to all land within the municipality.
- Incorporating the *Development Contributions Plan* (Hill PDA, March 2026).

If approved, the Amendment will enable Council to continue collecting contributions from new development (DCP levy) to help fund essential infrastructure.

The Amendment was publicly exhibited for four weeks from 11 May to 17 June 2026. Four submissions were received, with the majority supporting the Amendment:

- The three supportive submissions welcomed the continuation of Merri-bek's development contributions program and recognised DCP 2.0 as an equitable mechanism to help fund essential infrastructure, including drainage upgrades.
- The one non-supportive submission raised concerns about the proposed transitional arrangements and the relationship between DCP 2.0 and the future Infrastructure Contributions Plan (ICP).

Officers have considered the submissions and issues raised and do not propose any changes to the Amendment. As such, this report recommends that Council endorses the Amendment as exhibited and request the Minister for Planning appoint an Independent Planning Panel to consider the Amendment and submissions received during exhibition.

Previous Council Decisions

C236mbek – Development Contributions Plan 2.0 – Gateway 1 – Authorisation & Exhibition – 14 May 2025

That Council:

1. *Endorses the report Merri-bek Development Contributions Plan (April 2025) as shown in Attachment 1 as part of Amendment C236mbek.*
2. *Seeks authorisation from the Minister for Planning to prepare Merri-bek Planning Scheme Amendment C236mbek in accordance with section 8A of the Planning and Environment Act 1987.*
3. *Subject to the Minister's authorisation, prepares Amendment C236mbek, generally in accordance with the documentation provided at Attachments 1 and 2.*
4. *Exhibits Amendment C236mbek in accordance with section 19 of the Planning and Environment Act 1987 and as outlined in the Consultation section of this report.*
5. *Authorises the Director Place and Environment to make changes to the Amendment prior to exhibition based on any conditions imposed in the authorisation granted by the Minister for Planning and to make administrative changes to correct errors and grammatical changes.*

1. Policy Context

Council Plan 2025-2029

The *Council Plan 2025-2029* (Council Plan) aims to create a healthy and inclusive municipality that cares for nature, is climate-resilient, and provides beautiful, liveable spaces and places that support a vibrant community and a thriving economy and culture

The Council Plan identifies a DCP 2.0 as a key supporting strategy and policy to help achieve Theme 3 - Beautiful and Liveable City strategic objective:

Create safe, accessible streets and public spaces that support vibrant communities, active travel, rest and relaxation, and community pride, while ensuring development and growth are well managed and local character is celebrated, ensuring Merri-bek is a welcoming, liveable, and connected place for all.

Budget and Capital Works Program

Council's adopted 4-Year Budget 2025-2029 (the Budget) sets out what Council will deliver in terms of services, infrastructure and projects over four years and how these activities will be funded. The Budget also contains Council's 4-year Capital Works Program (CWP) that includes a detailed breakdown of project spending over the four-year budget period.

The 4-year Budget and CWP have informed the project list for the new DCP 2.0, with projects commencing in the 2026/27 financial year and onwards considered for inclusion in the DCP project list.

Planning and Environment Act 1987 and Ministerial direction

The *Planning and Environment Act 1987* (the Act) provides the legal basis for a DCP by setting out the statutory framework that allows Council to collect development contributions to help fund identified infrastructure. This collection requires Council to deliver all the infrastructure projects listed in the DCP before its expiry and to apply collected funds solely to those identified projects.

The *Ministerial Direction on the Preparation and Content of Development Contributions Plans* (Ministerial Direction) provides direction to Councils on the preparation and content of a DCP, including where a DCP can be applied, what development can be exempt, and what can be funded from collected levies. It also sets out specific reporting requirements Councils must follow when they have a DCP.

Development Contributions Guidelines

The *Development Contributions Guidelines, March 2007* (*DCP Guidelines*) prepared by the Victorian Government also guide the preparation of a DCP. They provide a clear and detailed direction on key concepts and required tasks in preparing a full cost apportionment DCP. They are also recognised by Planning Panels Victoria as the appropriate guide to the development of DCPs.

The proposed DCP 2.0 has been prepared in accordance with these guidelines.

Merri-bek Planning Scheme

Municipal Planning Strategy

Merri-bek's Municipal Planning Strategy (MPS) at Clause 02.03-8 (Infrastructure – Community Infrastructure) includes the following strategic direction focused on providing infrastructure to support a growing and changing population:

In planning and delivering community infrastructure, Council supports:

- *Providing accessible community infrastructure (e.g. health, education, social, leisure and cultural facilities) in different locations suited to the local community's needs.*

Planning Policy Framework

The Planning Policy Framework (PPF) includes state planning policies that apply in all planning schemes across the state. This includes existing policy related to development and infrastructure contributions at Clause 19.03-1S (Development and infrastructure contributions plans). This clause includes an objective to facilitate the timely provision of planned infrastructure to communities through the preparation and implementation of development contributions plans and infrastructure plans.

Strategies to support this objective include:

- *Prepare development contributions plans and infrastructure contributions plans, under the Planning and Environment Act 1987, to manage contributions towards infrastructure.*
- *Collect development contributions.*

2. Background

Development Contribution Plan Overlay

The Development Contributions Plan Overlay (DCPO) is a planning tool that enables councils to implement a DCP. The schedule to the DCPO sets out areas where development contributions are required to fund infrastructure, services, and works prior to development.

The DCPO does not itself trigger the need for a planning permit. Instead, it applies to planning permit applications for subdivision and for buildings and works within the overlay area, with requirements typically implemented through permit conditions. In addition, the levy is collected at defined points in the development process, including prior to the issue of a building permit or statement of compliance. This ensures that new development contributes to the infrastructure identified in the DCP.

Schedule 1 to the Development Contributions Plan Overlay

In 2015, Amendment C133 introduced Merri-bek's first DCP the *Moreland Development Contributions Plan 2015* (DCP 1.0) into the scheme and applied Schedule 1 to the Development Contributions Plan Overlay (DCPO1) to all land in the municipality. This DCP has played a key role in supporting the delivery of essential infrastructure since its introduction, delivery of 842 projects that had a total cost of approximately $115 million.

DCP 1.0 is no longer imposing levies on new development and expired on 30 June 2026.

Proposed Schedule 2 to the Development Contributions Plan Overlay

Amendment C236mbek proposes to introduce DCP 2.0, a 15-year Development Contributions Plan, into the Merri-bek Planning Scheme by applying Schedule 2 to the Development Contributions Plan Overlay (DCPO2) across the municipality. The proposed DCP 2.0 identifies road, streetscape, drainage and community infrastructure projects to be funded through development contributions required to support Merri-bek's projected growth. The Amendment was authorised by the Minister for Planning on 3 March 2026 and publicly exhibited from 11 May to 17 June 2026.

Infrastructure Contribution Plan levy

An Infrastructure Contribution Plan (ICP) and Infrastructure Contribution Plan Overlay (ICPO) is set to apply to the Brunswick and Coburg Activity Centres and their catchment (as defined by the Housing Choice and Transport Zone) as part of the Victorian Governments Activity Centre Program.

Similar to the DCP, the ICP is a contribution mechanism that will impose a levy on new development to help fund essential infrastructure. However, unlike the DCP, the ICP will not include a specific list of projects. Instead, it establishes a list of essential infrastructure categories for which collected contributions may be used.

The rates of the ICP are set by the Victorian Government and will be substantially higher than the DCP at:

- $11,350 per dwelling.
- $114 per sqm of commercial floor area over 100sqm.
- $57 per sqm of commercial floor area over 200sqm.

Council will likely be responsible for collecting the levies, keeping 2/3 to help fund Merri-bek's local infrastructure and transferring 1/3 to the state to go towards state infrastructure.

It is anticipated that an amendment to introduce the ICP and ICPO into the Merri-bek Planning Scheme mid 2026 with collections to commence in July 2027.

3. Issues

The C236mbek Engagement Report at **Attachment 1** includes a summary of all the submissions received during the exhibition period. It documents the key themes raised in each submission, along with a recommended response and proposed direction on each submission.

A total of four submissions were received, summarised in Table 1.

Table 1 – summary of submissions		
Submission	**Submission type**	**Summary of submission**
Submission 1	Supportive	The DCP 2.0 includes a suitable exemption for the types of works undertaken by the submitter.
Submission 2	Supportive	With the expiry of Merri-bek's current DCP, the proposed DCP 2.0 will support the ongoing collection of DCP levies.
Submission 3	Supportive	The DCP 2.0 is an appropriate mechanism to equitably fund and deliver drainage infrastructure required to manage flood risk and support sustainable development.
Submission 4	Not supportive and requesting changes	Opposes the DCP 2.0 being applied to current planning permit applications, requesting: • Exclude any planning permits lodged prior to the gazettal of C236mbek from a DCP liability. • Ensure the DCP liability is coordinated with the proposed state government ICP to ensure a development is not subject to duplicated or excessive infrastructure contributions.

Key Themes

The three supportive submissions are noted and do not raise any matters requiring changes to the Amendment. The only submission that did not support the Amendment, relating to land at 20 Leinster Grove, Brunswick East, raised two key issues, which are discussed below.

Issue 1 - Exemptions for current planning applications and financial implications

Planning applications lodged prior to the gazettal of C236mbek should be excluded from a DCP liability on the basis the additional levy creates an additional cost that has not been considered in the design and financially modelling at the time of lodgement.

Officer response

The DCP provides a fair and consistent method for new developments to contribute to the essential infrastructure required to support population growth. It uses population and development projections from 2026-2041 to inform the DCP levy rates and projected income.

The DCP is proposed to apply to developments that occur following gazettal of C236mbek, regardless of when a planning permit application was lodged. This approach is consistent in all current and past DCPs in Victoria. It is important that this approach is retained, as these developments will trigger a demand for infrastructure and were included in the demand assumptions used in the DCP. Excluding them would undermine the integrity and equitable distribution of the contribution framework underpinning the DCP.

The proposed DCP does include exemptions, and these exemptions are consistent with the directions in *The Act* and the *DCP Guidelines*, as well as DCP's currently operating across Victoria.

No changes are recommended to the Amendment.

Issue 2 – DCP levy relationship with the ICP levy

Ensure that any new DCP liability is appropriately managed with the proposed state government ICP so that contributions are not duplicated or excessive.

Officer response

Both the DCP and the ICP are proposed to apply to the Brunswick and Coburg Activity Centres and their catchments, meaning a single development may be subject to two levies. The site 20 Leinster Grove Brunswick East is not within any of these areas where the ICP is currently proposed to apply.

However, there will be properties in the Merri-bek municipality where the proposed DCP and ICP will apply, meaning that a property will be subject to two different levies. The state government have outlined that to avoid an unreasonable financial burden on development, the calculated ICP levy operates as a cap on total contributions, with the ICP levy reduced by the calculated DCP levy payable for the same development

For example – a development generates the following levies from the addition of one dwelling:

- Calculated DCP levy = $284
- Calculated ICP levy = $11,350

The ICP levy is then adjusted to address the levy cap.

- DCP levy = $284
- ICP levy = $11,066

No changes are required or recommended to the Amendment.

Legal and risk considerations

DCP 2.0 is a legal instrument that obligates Council to deliver the infrastructure projects listed in the DCP before the DCP expiry date and to use the collected levies solely to fund the specified projects.

If Council resolves to not proceed with any of the infrastructure projects listed in the DCP, the funds collected for these projects can be reallocated to new projects with the Minister for Planning's approval or refund the levies collected to affected landowners.

To address this risk, DCP 2.0 includes a four yearly review process to ensure that the DCP remains consistent with expected future development and infrastructure projects needs and costs.

Human Rights Consideration

The implications of this report have been assessed in accordance with the requirements of the Charter of Human Rights and Responsibilities and there are no adverse impacts. The human rights considered as part of the preparation of this report relate specifically to freedom, dignity, and equity.

The notification carried out as part of the Amendment does not limit or interfere with any Human Rights, in particular 'Section 13: The right to privacy and reputation', 'Section 18: The right to take part in public life', and 'Section 20: Property rights', with the following is noted:

- Any person may elect to take part in the process by providing a submission to the Responsible Authority.
- No parties are deprived of any legal or proprietary interest in land, or the ability to use and develop that land in accordance with the planning regulatory framework.
- A person is considered to be deprived of their property rights if a regulation has the effect of substantially depriving a property owner of the ability to use his or her property or part of that property. Amendment C236mbek implements existing planning scheme policy.

It is also considered that the proposed changes to the Merri-bek Planning Scheme by C236mbek will not have a direct or significant impact on gender equality.

4. Community consultation and engagement

Amendment C236mbek was publicly exhibited from 11 May 2026 to 17 June 2026. To support the public exhibition, direct notice was given to:

- Prescribed Ministers, relevant state government departments and authorities.
- Adjoining local Councils.
- Industry bodies with a development focus.
- Planning permit applicants (for development and subdivision) across a 26-month period (1 January 2024 to 5 March 2026).
- Building surveyors who registered permits across a 26-month period (1 January 2024 to 5 March 2026).

To reach the wider community and ensure the community had an opportunity to learn about the Amendment, the following notification was also undertaken:

- Public notice in the Government Gazette on the 14 May 2026.
- Public notice in the Herald Sun and The Age newspapers on 18 May 2026.
- Focussed Facebook post on 18 May 2026.
- A dedicated C236mbek webpage that provides information about the Amendment, including access to all the supporting documents, and a series of FAQs. The website also contains information on how to make a submission, including an online form to make it easy for people to make a submission.

Strategic Planning Officers were available for phone calls to talk about the Amendment with any member of the community.

Affected persons rights and interests

Before making a decision that affects a person's rights, Council must identify whose rights may be directly affected and provide an opportunity for that person (or persons) to convey those views regarding the effect on their rights and consider those views.

Under section 19(1A) of the Act, it is considered impractical to individually notify every property owner throughout the municipality of the C236mbek proposed changes. Directly notifying the development industry, and specifically those who manage planning applications in Merri-bek for both development and subdivision (the type of applications relevant to a DCP) ensures that those who design new development in collaboration with owners are aware of the proposed DCP.

If resolved by Council, all submitters will also be invited to be part of an independent planning Panel Hearing. Here, interested submitters will have an opportunity to present their view on the Amendment to an independent panel of experts and can ask questions directly to the expert consultants.

5. Officer Declaration of Conflict of Interest

Council officers involved in the preparation of this report have no conflict of interest in this matter.

6. Financial and Resources Implications

Financial

Administrative costs associated with the processing of the Amendment will be met within the base budget of the Strategic Planning Unit.

Once implemented into the Merri-bek Planning Scheme, DCP 2.0 will generate a significant income stream for Council and assist in delivering Council's CWP, particularly those infrastructure items forming part of DCP 2.0.

Based on a full development scenario, Council would collect approximately $24 million over the life of the DCP towards the delivery of identified infrastructure items. However, if development occurs at a slower rate than predicted in DCP 2.0, Council will collect fewer contributions and will have to cover the funding gap through its general rates budget to deliver the specified infrastructure projects.

One of the key principles in compiling the project list for DCP 2.0 was to avoid over-commitment and this was done by selecting projects from Council's CWP and current road audit program. Community infrastructure projects have been included where there is a high degree of certainty that the project will be delivered.

This level of commitment also allows Council to manage any risks associated with a potential shortfall in development contributions due to a lower than anticipated rate of development, as Council will not over-commit to the delivery of infrastructure projects on an annual basis.

Resources

Council currently has an administrative policy in place which sets out the administrative processes to be followed when implementing DCP 1.0. An update to this policy is anticipated to ensure it aligns with DCP 2.0 and current best practice.

The administration of the DCP will have resourcing implications on several Council Branches and Units, who will oversee the levying of the DCP, receipt of payments and oversight of project delivery.

7. Implementation

The following timeline for the Amendment is broken down into the key 'decision gateways' for Council. The timeline is approximate and subject to not only Council's continual approval at key decision gateways but also Ministerial approval timelines and Planning Panels Victoria reporting:

Decision Gateway 1 - Authorisation and exhibition (Completed).

Decision Gateway 2 - Submission Review and Panel Request:

- August 2026 - Consider submissions and seek the Ministers appointment of Panel.
- September 2026 - Panel Directions Hearing.
- October 2026 - Panel Hearing.
- December 2026 - Panel Report is provided to Council.

Decision Gateway 3 - Review Panel report and final decision:

- February 2027 - Report on the Panel's recommendations and consider adoption. of final version of the Amendment.
- March 2027 - Submit the Amendment to the Minister of Planning for approval.
- Mid to late 2027 - Anticipated approval by the Minister of Planning.

Attachment/s

1 C236mbek Engagement Report D26/290999