

Date 12 October 2026

Submission on behalf of the Planning Authority
Amendment C236mbek to the Merri-bek Planning Scheme

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INTRODUCTION

1. This submission is made on behalf of Merri-bek City Council (**Council**).
2. Council is the Planning Authority for Amendment C236mbek (**Amendment**) to the Merri-bek Planning Scheme (**Scheme**). Council has prepared and is the proponent of the Amendment.
3. The Amendment proposes to introduce the new municipal wide *Merri-bek Development Contributions Plan* (Hill PDA, March 2026) (**DCP 2.0**) to replace the *Moreland Development Contributions Plan 2015* (**DCP 1.0**) which has expired.
4. On 14 May 2025, Council resolved to request authorisation from the Minister for Planning (**Minister**) to prepare and exhibit the Amendment. The Minister authorised the Amendment on 3 March 2026 subject to conditions.
5. The Amendment (amended in accordance with the Minister's conditions of authorisation) was exhibited from 11 May 2026 to 17 June 2026. Council received four submissions, with three submissions supporting the Amendment and one submission objecting to the Amendment. None of the submitters have requested to be heard at the Panel hearing.
6. On 14 August 2026, Council considered the submissions and resolved to refer the submissions to a Planning Panel.
7. On 23 September 2026, the Panel issued its written directions (**Panel's Directions**) and determined that the hearing would be held 'on the papers'.
8. Council has arranged this submission under the following headings to respond to the Panel's Directions:
 - 8.1 Summary of the Amendment;
 - 8.2 Current development and infrastructure contributions landscape in Merri-bek;
 - 8.3 Background to the Amendment;
 - 8.4 Preparation of the Amendment (includes summary of conditions of authorisation and how they have been met in response to direction #2(b));
 - 8.5 Strategic context and assessment (responds to directions #2(a) and #2(d));
 - 8.6 Summary of issues raised in submissions and Council's response (responds to direction #2(c)(i)to(iii)); and
 - 8.7 Council's current position on the Amendment (responds to direction #2(c)(iv)).
9. In accordance with direction #3 of the Panel's directions, Council has circulated the evidence of Mr Hrelja of HillPDA together with this submission. Mr Hrelja is the primary author of the DCP 2.0.
10. In summary, Council supports the Amendment in its exhibited form, subject to the recommended changes described in this submission. The Amendment is necessary to ensure that new developments in Merri-bek continue contributing towards the roads, paths drainage and community facilities needed to support growth across the municipality.

SUMMARY OF THE AMENDMENT

Overview

11. The DCP 2.0 will ensure that Council can continue to collect contributions from new development in the municipality to be able to provide the infrastructure projects set out in the DCP 2.0, which are required to support new development in the municipality from 2026 to 2041.
12. Furthermore, the Amendment is required because the timeframe of the previous DCP 1.0 has finished. Accordingly, Council currently is unable to require development in the municipality to make contributions to essential shared infrastructure which is required to support those developments.
13. The importance of the Amendment should be uncontroversial. Merri-bek is a growing municipality. Residential and commercial development in the municipality is projected to increase significantly over the next 15 years, from:¹
 - 13.1 84,254 dwellings in 2026 to 100,912 dwellings in 2041 (19.8% increase); and
 - 13.2 1,449,580 sqm of commercial floorspace in 2026 to 1,802,077 sqm of commercial floorspace in 2041 (24.3% increase).
14. New infrastructure is required to support this growth. The DCP will facilitate Council providing that infrastructure, by enabling Council to collect contributions from development that triggers that demand.
15. The use of a DCP to impose levies on new development is established under Part 3B of the *Planning and Environment Act 1987* (**PE Act**). The DCP 2.0 has been prepared in accordance with the requirements for a development contributions plan under s 46J. Once the Amendment is gazetted, Council will implement the DCP 2.0 in accordance with its obligations as 'collecting agency' and 'development agency' under s 46Q of the PE Act.

Proposed changes to the Planning Scheme

16. The Amendment seeks to introduce the DCP 2.0 into the Scheme.
17. Specifically, the Amendment proposes to:
 - 17.1 introduce a new Schedule 2 to the Development Contributions Plan Overlay (**DCPO2**);
 - 17.2 amend the Schedule to Clause 72.04 to incorporate the DCP 2.0 into the Scheme; and
 - 17.3 amend the maps to implement the new DCPO2.

Development Contributions Plan (Hill PDA, March 2026)

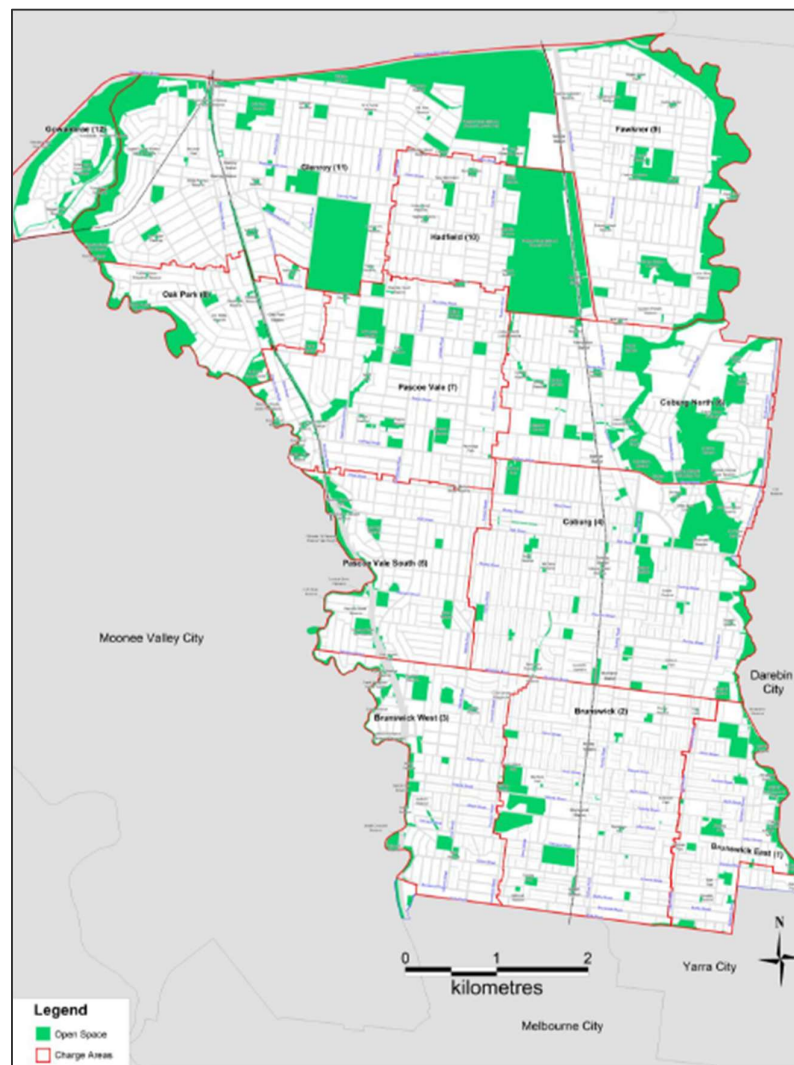
18. The DCP 2.0 was prepared by HillPDA. It has a timeframe of 15 years, from 1 July 2026 to 30 June 2041.
19. The DCP 2.0 includes a list of 24 projects with a total cost of \$155.6 million. The project list was developed by Council through a review of its Capital Works Plan and other planning and strategic work in process. Table 5 of the DCP summarises the types of projects included in the DCP:

¹ DCP 2.0, p. 9.

Table 5: Summary of DCP Projects

Facility Type and Code	Total Cost	Number	Average Cost
Community Facility CFCI	\$58,570,000	6	\$9,761,667
Community Facility CFDI	\$9,043,600	2	\$4,521,800
Path PADI	\$2,000,000	1	\$2,000,000
Road RDDI	\$83,415,503	12	\$6,951,292
Drainage RDDI	\$2,561,000	3	\$853,667
Total	\$155,590,103	24	\$6,482,921

20. The following map shows the whole of the municipality broken up into charge areas in accordance with the DCP 2.0.



21. The 12 charge areas are the same as the charge areas in the DCP 1.0.
22. The DCP 2.0 applies levies to residential and non-residential (commercial and industrial) development within the municipality.

23. The levies applicable to residential development are to be applied on a per dwelling basis. The community infrastructure levies (**CIL**) and development infrastructure levies (**DIL**) levies to be applied to residential development in each of the charge areas is set out in Table 7 of the DCP, extracted below:²

Table 7: Residential Levies (1 July 2024\$)

AREA		LEVIES PAYABLE BY RESIDENTIAL DEVELOPMENT		
Charge Area Number and Name		Development Infrastructure	Community Infrastructure	All Infrastructure
		Per Dwelling	Per Dwelling	Per Dwelling
Area 01	Brunswick East/North Fitzroy	\$486	\$60	\$546
Area 02	Brunswick	\$224	\$60	\$284
Area 03	Brunswick West	\$288	\$60	\$348
Area 04	Coburg	\$1,216	\$1,450	\$2,666
Area 05	Pascoe Vale South	\$513	\$1,450	\$1,963
Area 06	Coburg North	\$388	\$1,450	\$1,838
Area 07	Pascoe Vale	\$707	\$1,450	\$2,157
Area 08	Oak Park	\$852	\$21	\$873
Area 09	Fawkner	\$297	\$99	\$396
Area 10	Hadfield	\$2,250	\$99	\$2,350
Area 11	Glenroy	\$1,111	\$99	\$1,211
Area 12	Gowanbrae/Tullamarine	\$699	\$21	\$719

24. Only the DIL is to be applied to non-residential development. It is to be applied per square metre of gross floorspace, to commercial and industrial development, as set out in Table 8 of the DCP, extracted below:³

Table 8: Non-Residential Levies (1 July 2024\$)

AREA		LEVIES PAYABLE BY NON-RESIDENTIAL DEVELOPMENT	
Charge Area Number and Name		Commercial	Industrial
		Per Square Metre (SQM) of Gross Floorspace	Per Square Metre (SQM) of Gross Floorspace
Area 01	Brunswick East/North Fitzroy	\$6.04	\$6.31
Area 02	Brunswick	\$2.30	\$2.40
Area 03	Brunswick West	\$3.21	\$3.35
Area 04	Coburg	\$17.17	\$17.68
Area 05	Pascoe Vale South	\$7.33	\$7.66
Area 06	Coburg North	\$5.54	\$5.79
Area 07	Pascoe Vale	\$6.77	\$7.08
Area 08	Oak Park	\$12.18	\$12.72
Area 09	Fawkner	\$4.24	\$4.43
Area 10	Hadfield	\$28.52	\$29.43
Area 11	Glenroy	\$12.39	\$10.82
Area 12	Gowanbrae/Tullamarine	\$9.99	\$10.43

25. Finally, it is noted that the DCP 2.0 contains exemptions at section 6.5 where it exempts certain types of development from a requirement to pay any development contribution under the DCP 2.0. The exemptions include:

² DCP 2.0, p. 18.

³ DCP 2.0, p. 19.

- 25.1 types of development that the *Ministerial Direction on the Preparation and Content of Development Contributions Plans* dated 7 August 2026 (**Ministerial Direction on DCPs**);
- 25.2 types of development that Council considers do not generate additional demands for infrastructure;
- 25.3 Council infrastructure;
- 25.4 State and utility infrastructure; and
- 25.5 developments where the infrastructure contributions have already been addressed through an agreement under s 173 of the PE Act.

Development Contributions Plan Overlay – Schedule 2

- 26. The DCPO2 will implement the DCP 2.0 into the Scheme. It is proposed to apply to all land in the municipality, divided into the 12 charge areas set out in the DCP 2.0.
- 27. Clause 2.0 of the DCPO2 includes a summary of levies payable, which reflects tables 7 and 8 of the DCP 2.0 which are included at paragraphs 23 and 24 above.
- 28. Further, clause 3.0 of the DCPO2 sets out land or development exempt from the requirements to pay development contributions, in accordance with section 6.5 of the DCP 2.0.

CURRENT DEVELOPMENT AND INFRASTRUCTURE CONTRIBUTIONS LANDSCAPE IN MERRI-BEK

- 29. It is important, at the outset, to identify where the Amendment fits in within the framework for development and infrastructure contributions in Merri-bek.
- 30. The DCP 1.0 applied to all of land within the municipality. However, as explained below, the timeframe for the DCP 1.0 has ended. The Amendment is required so that the DCP 2.0 can replace the DCP 1.0 to enable Council to collect contributions from new development towards shared infrastructure required to support new residential, commercial and industrial development and the communities that they bring to Merri-bek.
- 31. Additionally, part of Merri-bek (Brunswick (Sydney Road) and Coburg Activity Centres) is subject to the State government's Train and Tram Zone Activity Centre Program (**TTZACP**), which will result in an infrastructure contributions plan (**ICP**) being applied to these areas, in addition to the DCP 2.0. The interaction between the future ICP and the DCP 2.0 is a relevant factor to consider when looking at the strategic context of the Amendment.

Moreland Development Contributions Plan 2015

- 32. In 2015, [Amendment C133](#) introduced Merri-bek's first municipal wide development contributions plan (the DCP 1.0) into the Scheme and applied Schedule 1 to the Development Contributions Plan Overlay (**DCPO1**) to all land in the municipality. At the time Amendment C133 was gazetted, the DCP 1.0 included 842 projects with a total value of approximately \$150 million.
- 33. Delivering the full DCP 1.0 project list within the original 10-year timeframe set by the DCP 1.0 proved challenging for Council due to the scale of the program. Further, the planning scheme amendment process that resulted in the gazettal of Amendment C133 took 18 months, and effectively reduced the period Council had to deliver the projects. Accordingly, Council undertook [Amendment C215more](#) to extend the DCP 1.0 infrastructure completion

date by an additional 3 years to 30 June 2026. The development contribution collection period, however, was not extended and ended on 30 June 2023.

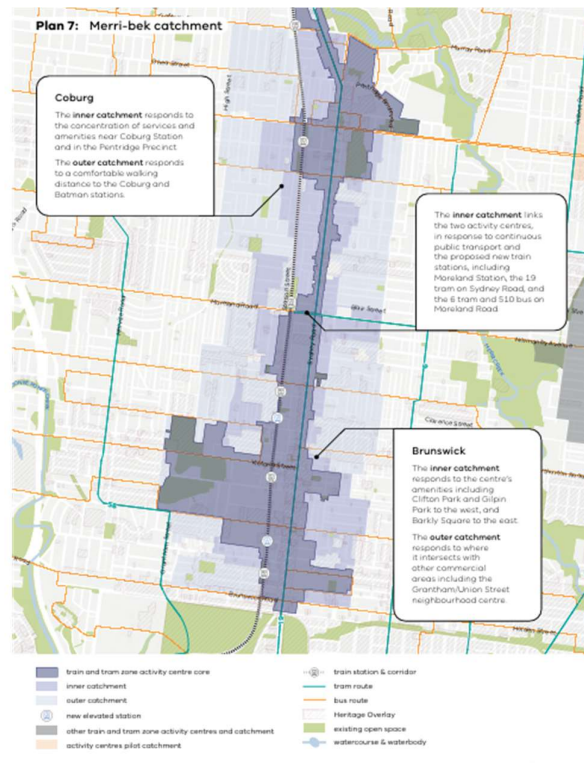
34. In conjunction with Amendment C215^{more}, Council reviewed the DCP 1.0 project list in 2022 to ensure the remaining infrastructure program aligned with the Capital Works Program and Council's strategic priorities. This resulted in a revised project list (comprising 678 projects) being incorporated into the Scheme through the '2015 DCP Addendum', introduced by [Amendment C221^{more}](#).
35. Since its introduction, DCP 1.0 played a key role in funding essential infrastructure within Merri-bek. Through approximately \$38 million collected in development contributions, it has helped support the delivery of 669 infrastructure projects with a combined value of around \$197 million (equating to approximately 19% cost recovery).
36. The DCP 2.0 will effectively fill the gap that has been created by the ending of the DCP 1.0, and enable development contributions to be collected from new development within the municipality. However, the DCPO1 will remain in the Scheme for the time being given Council is continuing to deliver projects under the DCP 1.0.

Train and Tram Zone Activity Centre Zone Infrastructure Contributions Plan

37. As the Panel will be aware, the State government is rolling out the TTZACP, as part of its initiatives in *Plan for Victoria*. The purpose of the TTZACP is to establish plans for growth around train stations and tram corridors and change the planning controls to provide for increased growth in these locations. The State government aims to create additional capacity for over 300,000 new homes through this program.⁴
38. The TTZACP applies to 60 activity centres, including the Brunswick (Sydney Road) Activity Centre (**Brunswick Activity Centre**) and Coburg Station Activity Centre (**Coburg Activity Centres**), which are located in Merri-bek.
39. The Brunswick and Coburg Activity Centres are located around Brunswick and Coburg Stations. The catchment of the areas is shown in the *Merri-bek Train and Tram Zone Activity Centres Plan* (February 2026) as follows:⁵

⁴ *Train and Tram Zone Activity Centres Program – Program Explainer* (DTP, 2026), p 9.

⁵ Plan 7, p. 40.



40. Updated planning controls for the Brunswick and Coburg Activity Centres were gazetted as part of [Amendment GC270](#) on 31 March 2026. It included the following changes (in summary):
 - 40.1 rezoning of residential land within the catchment areas from RGZ, GRZ and Neighbourhood Residential Zone (**NRZ**) to Housing Choice and Transport Zone and from NRZ to Public Park and Recreation Zone;
 - 40.2 rezoning of certain parcels of land within the core of the Brunswick Activity Centre from Residential Growth Zone (**RGZ**) to Mixed Use Zone and from General Residential Zone (**GRZ**) to Commercial 1 Zone (**C1Z**) to ensure consistent zoning throughout the core;
 - 40.3 rezoning of certain parcels of land within the core of the Coburg Activity Centre from GRZ and C1Z to Activity Centre Zone to ensure consistent zoning throughout the core;
 - 40.4 application of the Built Form Overlay to the core of the activity centres; and
 - 40.5 various other associated changes to the Scheme.
41. To facilitate the growth in the TTZACP, the State government is in the process of rolling out ICPs which will be applied through the Infrastructure Contribution Plan Overlay (**ICPO**) to each of the activity centres. Like the DCP, ICPs facilitate the collection of contributions from new development towards essential infrastructure. However, unlike the DCP system, ICPs do not identify a specific list of infrastructure projects but instead establish broad categories of allowable items which contributions can be spent on.
42. The *Ministerial Direction on the preparation, content and administration of infrastructure contributions plans* (**Ministerial Direction on ICPs**) sets out the framework for ICPs as they

will apply to the TTZACP under Annexure 2 (State-led Infill Precincts). It includes the following standard levies applicable to residential, commercial and industrial development:

Table 1: Standard levy rates for each class of development *(All amounts in \$ per demand unit at \$2026/27)*

Class of development	Demand unit	Threshold	Standard levy rate	Local component	State component
Residential development	Each additional dwelling or residential lot	1 dwelling or residential lot	\$11,350	\$7,567	\$3,783
Commercial development	1 additional square metre of leasable floor area	100 square metres of leasable floor area	\$114	\$76	\$38
Industrial development	1 additional square metre of leasable floor area	200 square metres of leasable floor area	\$57	\$38	\$19

43. The State government has not yet released a final version of the ICPs which will apply to the Brunswick and Coburg Activity Centres. Nevertheless, Council expects an amendment to be gazetted in the coming months, with collections to commence in July 2027.
44. As the DCP 2.0 applies to all land within Merri-bek, it is anticipated that the Brunswick and Coburg Activity Centres will be subject to both the DCP2.0 and the relevant ICP once they are incorporated into the Scheme.

BACKGROUND TO THE AMENDMENT

45. The following section provides an overview of the background work that has informed the preparation of, and strategic justification for, the DCP 2.0.

4-Year Budget and Capital Works Program

46. On 22 June 2026, Council adopted its four year *Budget 2026-2030 (Budget)*. The Budget is informed by a Capital Works Program (included in the Budget at Appendix B) which is updated annually, and which lists priority infrastructure projects for delivery that are costed across the five year framework.
47. The priority projects listed in the Capital Works Program have informed the project list included in DCP 2.0. Specifically, projects commencing in the 2026/27 financial year and onwards were considered for inclusion in the DCP 2.0 project list.

Merri-bek Planning for Population Growth (August 2024)

48. The DCP 2.0 uses residential development data from the *Merri-bek Planning For Population Growth* (Quantify Strategic Insight, June 2024) which analyses the projected population growth to 2051 in the municipality, and its implications for planning. It projects:
- 48.1 an increase of around 75,000 people, from 181,000 in 2023 to 256,000 by 2051, with the fastest growth expected between 2024 and 2031, driven largely by overseas migration and new housing supply;
 - 48.2 growth will later slow as high-density development opportunities diminish, shifting focus to townhouse infill;
 - 48.3 early population increases will be concentrated in Brunswick and Coburg-East, before moving north as development capacity changes; and
 - 48.4 household numbers are expected to rise to approximately 104,000, with a return to larger family households post-COVID and ongoing demand for diverse housing types.
49. The report also highlights long-term challenges such as development constraints, ageing demographics, and changing household structures, providing insights for future infrastructure planning.

Merri-bek Worker Population Floorspace Forecast Report (August 2024)

50. The DCP 2.0 uses worker development data from the *Merri-bek Worker Population Floorspace Forecast* (Quantify Strategic Insight, August 2024). The report reviews Merri-bek's shifting employment landscape and its impact on future floorspace needs.
51. Specifically, it forecasts the following:
- 51.1 growth is driven by health care, social assistance, and professional services, while manufacturing and retail decline;
 - 51.2 commercial and retail floorspace is forecast to rise from 1.37 million sqm in 2023 to 1.95 million sqm by 2046, with major expansions in Brunswick and Coburg North;
 - 51.3 industrial land remains in demand but is constrained by redevelopment; and
 - 51.4 overall Merri-bek is transitioning to a service-oriented economy, requiring strategic planning for office, clinical, and mixed-use spaces.

Community Infrastructure Plan 2022-2032

52. On 23 June 2022, Council adopted its *Community Infrastructure Plan 2022 – 2032* (**Community Infrastructure Plan**).
53. The Community Infrastructure Plan guides Council's planning and delivery of community infrastructure and responds to increasing demand for community infrastructure in Merri-bek because of the growing and changing population. It focuses on improving the performance of existing assets and directing new investment to where the community benefits most.
54. The Community Infrastructure Plan takes two broad approaches for addressing community infrastructure needs designed to deliver the plan's objectives and vision for community infrastructure in Merri-bek. The approaches are:
- 54.1 Strategies: Strategic approaches to optimise the use of facilities, improve experiences for the community and seek other forms of investment.
 - 54.2 Capital Projects: Investment proposals to upgrade, expand or build new community infrastructure. This includes further planning activities for capital projects.
55. The Community Infrastructure Plan evaluates the capacity of existing community infrastructure relative to projected demand through to 2036, identifying infrastructure needs and the projects required to address any shortfalls.
56. Relevant to the Amendment, the Community Infrastructure Plan includes the following projects, which are included in the DCP 2.0:
- 56.1 Dawson Street Child Care Co-op (DCP 2.0 Project 2) and Hadfield Early Years Centre (DCP 2.0 Project 3) upgrades;
 - 56.2 New Coburg Library (DCP 2.0 Project 5) and Fawkner Library upgrade (DCP 2.0 Project 9); and
 - 56.3 Coburg Town Hall upgrade (DCP 2.0 Project 6).
57. Each of these projects are also in Council's Budget and Capital Works Program.

Early Years Infrastructure Plan 2022-2030

58. On 8 June 2022, Council adopted the *Early Years Infrastructure Plan 2022-2030* (**Early Years Infrastructure Plan**).
59. Similar to the Community Infrastructure Plan, the Early Years Infrastructure Plan provides an assessment of Council's early years services and facilities and examines future demand over a 10-year period.
60. The plan identifies infrastructure needs arising from population growth and aging facilities and recommends capital projects to address those needs.
61. It finds that:
- 61.1 demand is increasing for early years facilities due to population growth and implementation of 15 hours of government funded three-year-old kindergarten; and
 - 61.2 most early years facilities are not fit for purpose, with limited staff spaces and inadequate amenities for families, including waiting areas and accessible toilets.

62. The upgrades to the Dawson Street Child Care Co-op (DCP 2.0 Project 2) and Hadfield Early Years Centre (DCP 2.0 Project 3) are also identified in this plan as projects needed to address service gaps and infrastructure upgrade requirements to support the provision of modern, fit-for-purpose facilities.

Aquatic and Leisure Strategy 2018-2038

63. On 13 June 2018, Council adopted the *Aquatic and Leisure Strategy 2018-2038* (**Aquatic and Leisure Strategy**).
64. The Aquatic and Leisure Strategy was developed to guide the future provision of aquatic and leisure facilities and services, ensuring current and future community needs are met while continuing to cater for recreational and lap swimming. It recommends that Council provide aquatic and leisure facilities in line with the following principles:⁶
- 64.1 **High quality, accessible and inclusive:** develop a network of complementary facilities that service all of the contemporary aquatic and leisure facility markets, encouraging Moreland residents to be healthier and more active.
 - 64.2 **Affordable and viable:** resourcing Council's aquatic and leisure assets to ensure they operate to an agreed standard, balancing pricing strategies / community access with the investment required to operate and upgrade facilities within Council's overall financial capacity.
 - 64.3 **Well planned, maintained and managed:** provide a strategic basis for aquatic and leisure investment in Moreland, and ensure that aquatic and leisure facilities are effectively managed to maximise benefits for the local community and provide for multiple, complementary uses to service the wider community using environmentally sustainable principles.
65. Upgrades to the Brunswick Baths (DCP 2.0 Project 7) and Pascoe Vale Outdoor Pool (DCP 2.0 Project 8) are captured in this strategy as projects needed to improve the functionality, quality and longevity of these facilities.

Glenroy Structure Plan 2008

66. On 13 August 2008, Council adopted the *Glenroy Structure Plan 2008* (**Glenroy Structure Plan**).
67. The Glenroy Structure Plan provides the framework for regeneration of the Glenroy Activity Centre. It is centred around the following four themes:
- 67.1 **Getting around Glenroy** - Improving connectivity and movement throughout the centre;
 - 67.2 **Places to enjoy and do business** - Supporting a vibrant centre for business, activity and community life;
 - 67.3 **Living in the centre** - Providing diverse housing to support a growing community; and
 - 67.4 **Quality space for people** - Creating attractive, safe and accessible public spaces.
68. Relevant to the Amendment, the Glenroy Structure Plan identifies improvements to the public realm, pedestrian connectivity and the quality of public spaces as key priorities for the centre.

⁶ Aquatic and Leisure Strategy, p. 4.

69. The DCP2.0 includes the Post Office Place urban realm renewal project (DCP2.0 Project 1). This project directly implements the objectives of the Glenroy Structure Plan by enhancing the function, amenity and attractiveness of a key public space within the Glenroy Activity Centre.

Road Reconstruction and Drainage Program 2026-2041

70. The *Road Reconstruction and Drainage Program 2026 – 2041 (Road and Drainage Program)* was prepared to support the development of the DCP 2.0 project list.
71. Informed by Council's 2025 road condition audit, it identifies and prioritises road reconstruction and drainage upgrade projects across the municipality and provides the evidence base for the road reconstruction projects and drainage upgrade projects included in the DCP 2.0.
72. The Road and Drainage Program contains 109 individual road reconstruction and drainage upgrade projects. The DCP 2.0 groups these projects into projects applicable to each of the 12 charge areas (DCP Projects 10-21). The following table summarises the projects allocated to each charge area in the DCP 2.0, in accordance with the Road and Drainage Program.

Summary of Road Reconstruction and Drainage Program			
Charge Area No.	Charge Area Name (suburb)	No. of projects	Total Estimated Cost
Area 01	Brunswick East/North Fitzroy	8	\$5,684,085
Area 02	Brunswick	8	\$5,384,435
Area 03	Brunswick West	3	\$2,283,765
Area 04	Coburg	28	\$25,646,275
Area 05	Pascoe Vale South	2	\$2,976,479
Area 06	Coburg North	11	\$6,670,378
Area 07	Pascoe Vale	12	\$6,008,965
Area 08	Oak Park	6	\$4,247,320
Area 09	Fawkner	2	\$2,904,440
Area 10	Hadfield	10	\$8,507,476
Area 11	Glenroy	17	\$12,111,886
Area 12	Gowanbrae/Tullamarine	2	\$990,000

PREPARATION OF THE AMENDMENT

73. This section of the submission provides an overview of the Amendment process to date.

Preparation and request for authorisation

74. On 14 May 2025, Council resolved to run a planning scheme amendment process to introduce DCP 2.0 into the Scheme, as follows:

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.

Authorisation

75. On 3 March 2026, Council received a letter of authorisation for the Amendment from the Department of Transport and Planning (**DTP**) under delegation from the Minister for Planning that included conditions and a further recommendation.

76. The following table outlines the conditions of authorisation and how Council addressed them in the exhibited version of the Amendment.

Conditions of authorisation	How the condition was addressed by Council
1 Update the Explanatory Report using the current explanatory report template and to address the following matters: a) Removal of reference to Ministerial Direction 9 – Metropolitan Planning Strategy (MD9) as it has been revoked b) The response to Ministerial Direction 11 - <i>Strategic assessment of amendments</i> (MD11) to reflect the recent changes to MD11 and VC283. c) Any other changes recommended by DTP in the attached track version of the explanatory report.	The Explanatory Report was updated to address these conditions as follows: a) Reference to MD9 was removed. b) Additional content was added to respond to the recent changes to MD11 to describe how the Amendment is consistent with the delivery of the relevant housing target for Merri-bek set out in the PPF. c) All updates were made as per DTP's tracked version except the suggestion to include a table with a list of all affected land. This is because C236mbek is a municipal wide DCP and as such applies to every property in Merri-bek municipal boundary. That equates to about 78,000 properties. Council considered a table listing all properties excessive and

	unnecessary to communicate what land is affected by the Amendment. Council sent an email to DTP seeking support for this approach on 4 March 2026 and DTP replied on 12 March 2026 supporting Council's alternative approach, confirming Council's updates to the Explanatory Report would comply with this condition of authorisation.
2 Update Schedule 2 to the DCPO in accordance with the Ministerial Direction - The Form and Content of Planning Schemes as follows: a) Delete Table 1 and associated notes as it is information only that is contained within the DCP and does not provide any information to assist a developer to understand their DCP obligations. b) Delete the subheading 'Summary of Contributions' and replace with 'Summary of Levies Payable' c) Amend the table for 'Levies payable by non-residential development' by changing the column headings for Commercial and Industrial from "per square metre (sqm) of floorspace" to "per square metre (sqm) of gross floorspace". d) Retain the following notes and delete the remaining notes after viii: i. The levies are current as at 1 July 2024. ii. The main development types identified in the Merri-bek Development Contributions Plan 2 (HillPDA, April 2025) are Residential, Commercial and Industrial. Commercial refers to retail, office or other commercial uses. For development that does not fall within one of the three development types, the development contribution that applies to Commercial development will apply in default unless the Collecting Agency agrees in writing to a different development type. iii. Where the Merri-bek Development Contributions Plan 2 (HillPDA, April 2025) provides for a Community Infrastructure Levy at the Maximum Dwelling Amount as determined in accordance with section 46L(3) of the Planning and Environment Act 1987, it will be adjusted to the Maximum Dwelling Amount each year. iv. Where the Merri-bek Development Contributions Plan 2 (HillPDA, April 2025) provides for a Community Infrastructure Levy of less than the Maximum Dwelling Amount, that levy will be adjusted annually on the 1st of	The DCPO2 was updated as per the authorisation as follows: a) Table 1 and associated notes were deleted b) The 'Summary of contributions' heading was deleted and replaced with the heading 'Summary of Levies Payable'. c) The column names in the 'Levies payable by non-residential development' table was updated to refer to 'gross floorspace'. d) The notes were reduced, modified and re-ordered as directed in the letter of authorisation.

July each year (or first practical date thereafter) in accordance with the Building Price Index for Melbourne shown in the Rawlinsons Australian Construction Handbook. v. The Development Infrastructure Levy will be adjusted annually on the 1st of July each year (or first practical date thereafter) in accordance with the Building Price Index for Melbourne shown in the Rawlinsons Australian Construction Handbook. vi. A list showing the current contribution amounts may be viewed at Merri-bek City Council's website or by contacting the planning department.	
3 Make any consequential changes required to reflect updates (in project timings, costings etc) that occurred since the authorisation request was submitted to DTP.	The DCP 2.0 was updated to reflect changes in project costings and funding to align with Council's Budget and Capital Works Program. It also included the removal of one project, Brunswick Baths Plant Rehabilitation - Mechanics and BMS, given its priority and viability had changed.

77. The letter of authorisation also included the following recommendation in relation to the TTZACP ICP:
- DTP's Train and Tram Zone Activity Centres Program (TTZACP) team has recently engaged with Merri-bek officers regarding the Infrastructure Contributions Plan (ICP) proposed for Brunswick and Coburg activity centres. It is requested that you engage with the TTZACP team prior to submitting the amendment documentation for the municipal wide DCP exhibition to confirm timeframes and alignment with the Infrastructure Contribution Plan (ICP).
78. Based on discussions with DTP during its consideration of the authorisation of the Amendment, Council had understood DTP's request for 'alignment' to be related solely to the timing of the exhibition of Amendment, to coordinate it with the State's ICP consultation.
79. Council engaged with DTP's TTZACP and ICP team regarding the proposed exhibition dates for the Amendment on 4 March 2026, with DTP confirming on 5 March 2026 that DTP had no concerns with the proposed dates.
80. Direction 1(b) of the Panel's Directions is also relevant to the recommendation from DTP in relation to the TTZACP ICP. It requires Council provide:
- a copy of written advice from the Department of Transport and Planning (DTP) confirming Amendment C236mbek aligns with the proposed Train and Tram Zone Activity Centres Infrastructure Contributions Plan.
81. On 23 September 2026, Council responded to Direction 1(b) and provided the Panel with an email exchange with DTP. It includes an email from DTP on 15 September 2026 which states:
- In 2026, the Department of Transport and Planning (DTP) has undertaken legislative and policy reforms regarding the operation of both the Development Contributions Plan (DCP) and Infrastructure Contributions Plan (ICP) systems and their capacity to operate in tandem.
- On 7 August 2026, the Department of Transport and Planning (DTP) gazetted an updated Ministerial Direction on the Preparation and Content of Development Contributions Plans. This Direction identifies limits on where a development contributions plan may apply, specifically referencing circumstances where a DCP is applied to the same land as an ICP.

Amendment C236mbek does not contradict this Direction, although to ensure alignment is maintained over the lifespan of the proposed DCP it is recommended that the Merri-bek DCP document is updated to address the updated guidance included in the Ministerial Direction, specifically reflecting that the ICP and DCP will not fund the same items where they overlap.

[our emphasis]

82. Council has addressed the TTZACP ICP and updates to the Ministerial Direction on DCPs further at paragraphs 107 to 115 of this submission.

Exhibition

83. Council exhibited the Amendment for 38 days from 11 May 2026 to 17 June 2026. Submissions could be lodged by email or by post to the Strategic Planning Unit at Council.
84. The exhibited Amendment documents set comprised:
- 84.1 Notice of Preparation;
 - 84.2 Explanatory Report;
 - 84.3 Instruction Sheet;
 - 84.4 Schedule to Clause 45.06 – DPCO2;
 - 84.5 Schedule to Clause 72.04;
 - 84.6 DCP 2.0; and
 - 84.7 updated maps.
85. Notice of the Amendment was:
- 85.1 provided to prescribed Ministers, relevant State government departments and authorities;
 - 85.2 provided to adjoining local Councils;
 - 85.3 published in the Government Gazette on 14 May 2026;
 - 85.4 published in the following newspapers:
 - 85.5 *The Age* on 18 May 2026;
 - 85.6 *Herald Sun* on 18 May and 25 May 2026 (the second notice was undertaken to correct a typo by News Corp in the publication of the notice in the hard copy notice (incorrect amendment number was used);
 - 85.7 provided in a Facebook post on 18 May 2026;
 - 85.8 provided to planning permit applicants for buildings and works and subdivision across a 26-month period (1 January 2024 to 5 March 2026); and
 - 85.9 provided to building surveyors who registered permits across a 26-month period (1 January 2024 to 5 March 2026).
86. Under section 19(1A) of the PE Act, it was considered impractical to individually notify owners and occupiers throughout the municipality.

Submissions

87. In response to exhibition, Council received four submissions, comprising of:

87.1 three submissions that supported or did not object to the Amendment; and

87.2 one submission which objected to the Amendment and requested changes.

88. The following table summarises the submissions:

No.	Submitter	Submission type	Summary
1	Head of Transport for Victoria (HTV) (includes VicTrack)	Supportive	The submission stated that HTV has no objection to the Amendment, highlighting there being a suitable exemption for the types of works undertaken by HTV.
2	Department of Energy, Environment and Climate Action (DEECA)	Supportive	The submission stated that DEECA does not oppose the Amendment, noting that with the expiry of DCP 1.0 and that proposed DCP 2.0 will support the ongoing collection of DCP levies.
3	Melbourne Water	Supportive	The submission stated that Melbourne Water does not oppose the Amendment as exhibited, highlighting that the DCP is an appropriate mechanism to equitably fund and deliver drainage infrastructure required to manage flood risk and support sustainable development.
4	De Group	Objection, requested changes	The submission opposed the DCP 2.0 being applied to current planning permit applications, in particular their current planning permit application at 20 Leinster Grove Brunswick East, comprising for 130 dwellings. The submission requests: a) Excluding any planning permits lodged prior to the gazettal of the Amendment from liability under the DCP2.0 on the basis that the additional levy creates an additional cost that has not been considered in the design and financially modelling at the time of lodgement. b) Ensure the DCP 2.0 liability is coordinated with the Victorian Government's proposed Infrastructure Contribution Plan to ensure a development is not subject to duplicated or excessive infrastructure contributions. c) Keep the submitter informed of the progress of C236mbek, including panel haring or further opportunity to be heard.

STRATEGIC BASIS FOR THE AMENDMENT

89. This section provides an overview of the strategic basis for the Amendment, including the relevant State and local policies. The exhibited Explanatory Report also includes a strategic assessment, which is adopted for the purposes of this submission.

Planning and Environment Act 1987

90. The Amendment seeks to implement the following objectives set out at section 3 of the PE Act, to:
- a) to provide for the fair, orderly, economic and sustainable use and development of land;
 - b) to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;
 - c) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;
 - d) to balance the present and future interests of all Victorians.
91. The Amendment seeks to implement these objectives by:
- 91.1 providing a formal, lawful and equitable method to collect contributions for the provision of essential social and physical infrastructure;
 - 91.2 providing certainty as to development contributions required to be made with new development within the municipality; and
 - 91.3 supporting the provision of necessary social and physical infrastructure throughout the municipality.
92. As noted earlier in this submission, Part 3B of the PE Act provides the framework for the development contributions regime in Victoria.
93. Section 46J of the PE Act states that a DCP can provide for the imposition of a DIL and CIL. Section 46K provides the requirements for the contents of a DCP. The DCP 2.0 includes a DIL and CIL and complies with those requirements.
94. Further, Council has responsibilities as a 'collecting agency' and 'development agency' under the DCP 2.0 as set out in s 46Q of the PE Act. Once the Amendment is gazetted, Council will administer the DCP in accordance with s 46Q of the PE Act.
95. The Amendment is consistent with the framework set out under Part 3B of the PE Act and provides a lawful and appropriate basis for Council to collect contributions from new development.

Municipal Planning Strategy

96. The Amendment is consistent with clause 02.03-8 (Infrastructure) of the Municipal Planning Strategy (**MPS**) which provides:

The provision of infrastructure is required to support a growing and changing population. While the southern part of Merri-bek is experiencing greater population pressure, the need for community infrastructure in the north of Merri-bek is also substantial. Suburbs across Merri-bek are also experiencing growth in different ways, creating pressure for different types of community infrastructure.

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

97. The Amendment will support Council being able to provide accessible community infrastructure suited to local community needs in accordance with clause 02.03-8.

Planning Policy Framework

98. The Amendment advances the strategies and objectives of Clause 19 (Infrastructure) of the Planning Policy Framework.

99. Clause 19 recognises the importance of planning for social and physical infrastructure when planning for growth:

Planning for development of social and physical infrastructure should enable it to be provided in a way that is efficient, equitable, accessible and timely.

Planning is to recognise social needs by providing land for a range of accessible community resources, such as education, cultural, health and community support (mental health, aged care, disability, youth and family services) facilities.

Planning should ensure that the growth and redevelopment of settlements is planned in a manner that allows for the logical and efficient provision and maintenance of infrastructure, including the setting aside of land for the construction of future transport routes.

100. Clause 19.03-1S (Development and infrastructure contributions plans) includes as its main objective:

To facilitate the timely provision of planned infrastructure to communities through the preparation and implementation of development contributions plans and infrastructure contributions plans.

101. It includes the following strategies:

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

Collect development contributions on the basis of approved development and infrastructure contributions plans.

Require annual reporting by collecting and development agencies to monitor the collection and expenditure of levies and the delivery of infrastructure.

102. The Amendment implements and supports these objectives and strategies through the preparation and incorporation of the DCP 2.0 and the application of the DCPO2 which will guide the delivery of identified shared infrastructure

Victorian Planning Provisions

103. The Amendment makes proper use of the Victoria Planning Provisions (VPPs).

104. The Amendment proposes to use the DCPO2 to apply the DCP 2.0 across the municipality. The DCP02 is the appropriate tool for implementing a development contributions plan.

Ministerial Directions and Guidelines

Development Contributions Guidelines (2007)

105. The Amendment has been prepared in accordance with the *Development Contributions Guidelines (2007) (DCP Guidelines)*. The DCP 2.0 applies the methodology set out in the DCP Guidelines to identify eligible infrastructure, establish an evidence-based nexus between development and infrastructure demand, apportion costs equitably between existing and future users, and calculate development contribution levies.
106. The Amendment also applies the planning tools and framework established in the DCP 2.0, including the use of the DCPO2, defined charge areas, infrastructure project catchments, growth projections and levy calculations to fund the required infrastructure.

Ministerial Direction on the Preparation and Content and Reporting Requirements of Development Contribution Plans (August 2026)

107. Direction #2(d) of the Panel's direction requires an explanation of how the Amendment aligns with the Ministerial Direction on DCPs.
108. The Amendment has been prepared in accordance with the Ministerial Direction on DCPs. Specifically, the DCP 2.0 and associated documents have been provided in the form, and including the content, required by the Ministerial Direction. An explanation of how the DCP 2.0 responds to the Ministerial Direction on DCPs is set out in Mr Hrelja's evidence.
109. On 7 August 2026, the Ministerial Direction on DCPs was updated to take into account the new ICP system. Specifically, clause 3 of the Ministerial Direction on DCPs provides a limit to where a development contributions plan may apply, as follows:

Limits on where a development contributions plan may apply

3. Where an initial development contributions plan is applied to the same land as an existing infrastructure contributions plan, the development contributions plan must not fund the provision of infrastructure that services the same need as an item funded by the infrastructure contributions plan. This does not apply where the existing infrastructure contributions plan specifies priority categories of works, services or facilities and relevant land acquisitions to be funded through a standard levy and determined at a future date.

Note: Nothing in this clause prevents a DCP funding the augmentation of an item funded by an ICP in order to respond to additional need not funded by the ICP. For example, a DCP may include funding for an additional room for a maternal health centre otherwise funded by an ICP, provided the additional room is responding to an additional need.

[our emphasis]

110. The Ministerial Direction on ICPs does not apply to the DCP 2.0. Nevertheless, it is relevant to note that it has a similar limit in relation to an ICP where there is an existing DCP:

29. Where an ICP is applied to the same land as an existing DCP, the ICP must not fund the provision of infrastructure that services the same need as an item funded by the DCP. This does not apply where the existing infrastructure contributions plan specifies priority categories of works, services or facilities to be funded through a standard levy and determined at a future date.

Note: Nothing in this clause prevents an ICP funding the augmentation of an item funded by a DCP in order to respond to additional need not funded by the DCP. For example, an ICP may include funding for an additional room for a maternal health centre otherwise funded by a DCP, provided the additional room is responding to an additional need.

[our emphasis]

111. Both the Ministerial Direction on DCPs and the Ministerial Direction on ICPs make it clear that a DCP and ICP can apply to the same land. Therefore, the proposed application of the DCP 2.0 to the Brunswick and Coburg Activity Centres which will also be subject to a TTZACP ICP is consistent with both Ministerial Directions.
112. What both Ministerial Directions require is that the documents do not '*fund the provision of infrastructure that services the same need as an item funded*' by the other document.
113. The DCP 2.0 funds infrastructure that has been established as being required to support development projected across the municipality in accordance with the well -established principles of development contributions planning. The ICP has not been released yet. However, Council will ensure that it complies with the requirements of the Ministerial Directions on DCPs and the Ministerial Directions on ICPs by ensuring that, once an ICP is approved, that any infrastructure to be funded by the ICP does not service the same need as an item in the DCP 2.0.
114. This is addressed in the updates to the DCP2.0 at section 6.8, which is filed with Mr Hrelja's evidence.
115. The Ministerial Direction on DCPs also includes new reporting requirements at Part B and a new Ministerial Reporting Requirements table at the Annexure. The updated DCP 2.0 provided with Mr Hrelja's evidence addresses these requirements at section 6.10 (Annual Reporting) and in the table at Appendix D of the DCP 2.0.
116. Accordingly, the DCP 2.0 is consistent with the Ministerial Direction on DCPs.

Other relevant Ministerial Directions

117. The Amendment is consistent with the:
 - 117.1 *Ministerial Direction on the Form and Content of Planning Schemes* - the content of the Amendment has been drafted in line with this direction;
 - 117.2 *Ministerial Direction No. 11 – Strategic Assessment of Amendments* - the Amendment is consistent with this direction which ensures a comprehensive strategic evaluation of a planning scheme amendment and the outcomes it produces;
 - 117.3 *Ministerial Direction No. 15 – The Planning Scheme Amendment Process* - the Amendment has been prepared and progressed to comply with this direction.

Plan for Victoria

118. The State Government has released the *Plan for Victoria 2025 (Plan for Victoria)*. The five 'pillars' of the Plan for Victoria are:
 - 118.1 **Pillar 1 - Housing for all Victorians** – 'Providing all Victorians with a choice of a well-designed home at an affordable price and close to daily needs';
 - 118.2 **Pillar 2 - Accessible jobs and services** – 'Enabling to you to connect to jobs, education, healthcare, shops and the services you need to live a productive and prosperous life'
 - 118.3 **Pillar 3 - Great places, suburbs and town** – 'Ensuring Victoria's suburbs, towns and neighbourhoods are vibrant, resilient and inclusive to support strong communities'

- 118.4 **Pillar 4 - Sustainable environments** – ‘Protecting our environment, agricultural land and natural resources for a sustainable and healthy future’
- 118.5 **Pillar 5 - Self-determination and caring for Country** – ‘All our actions have implications for self determination and caring for Country’.
119. Plan for Victoria emphasises the delivery of more homes in established areas and activity centres while ensuring communities are supported by the infrastructure needed to accommodate population and employment growth.
120. The Amendment supports this objective by establishing a municipal-wide framework for funding growth-related infrastructure. By requiring new development to contribute towards the cost of growth-related infrastructure, the Amendment helps ensure infrastructure investment keeps pace with population and employment growth.
121. The Amendment supports Pillar 1 by ensuring new housing growth is accompanied by investment in the roads, drainage, community facilities and other infrastructure needed to support growing communities.
122. The Amendment also supports Pillars 2, 3 and 4 by facilitating the delivery of infrastructure that supports access to jobs and services, contributes to the liveability and resilience of neighbourhoods, and helps maintain the functionality of established urban areas as growth occurs.
123. Further, the Amendment also does not limit or constrain Council's ability to plan and deliver infrastructure in a manner that reflects its broader commitments to self-determination, caring for Country and community wellbeing.

SUMMARY OF ISSUES RAISED IN SUBMISSIONS AND COUNCIL'S RESPONSE

124. Council notes the three supportive submissions which have been provided. Council does not address these issues further in this submission, save to note that the submissions highlight the importance of the DCP2.0 in providing for the shared funding of essential infrastructure required for the growth of Merri-bek.
125. Submission 4, which was lodged by De Group, opposes the DCP 2.0 being applied to current planning permit applications, including De Group's current application at 20 Leinster Grove, Brunswick East which seeks approval for 130 dwellings. The issues set out in the submission are addressed separately as follows.
126. It is worth noting that submission from De Group is the only submission lodged by a developer in relation to the Amendment. Further, while the De Group submission seeks changes to the Amendment, it does not appear to object, overall, to the application of the DCP 2.0 to the municipality or raise any issues with the strategic basis of the Amendment.

The additional cost on development created by levies applicable under DCP 2.0

127. Submission 4 seeks transitional provisions to provide an exemption under the DCP2.0 for permit applications lodged before the Amendment is gazetted. It states:

...the imposition of a further contribution at this stage creates additional cost uncertainty for projects that have already been designed, assessed and financially modelled on the basis of the planning controls and contribution framework in place at the time of lodgement.

We also note that the previous Development Contributions Plan has expired, with collection of levies under that plan ceasing on 30 June 2023. The introduction of a new contribution regime should not unfairly prejudice landowners and applicants with existing applications already before Council.
128. De Group has not requested to be heard at the Panel hearing.
129. Council's position is that the DCP 2.0 does not unfairly prejudice land owners and applicants who lodged permit applications before the Amendment is to be gazetted. Transitional provisions are not required for developments where the permit application was lodged before the DCP 2.0 comes in to effect.
130. Under s 46N of the PE Act, where a development requires a planning permit, Council will be required to apply a condition applying the DIL in accordance with the DCP 2.0:

46N Collection of development infrastructure levy

- (1) Without limiting section 62, if –
 - (a) an approved development contributions plan provides that a development infrastructure levy is payable in respect of the development of any land; and
 - (b) an application is made under this Act for a permit to carry out that development on that land—

the responsible authority must include a condition in the permit that the applicant –

 - (c) pay the amount of the levy to the relevant collecting agency within a specified time or within a time specified by the collecting agency; or
 - (d) enter into an agreement with the relevant collecting agency to pay the amount of the levy within a time specified in the agreement.

[our emphasis]

131. Further, residential developments (such as the De Group development) will be liable to pay the CIL at building permit stage (or before commencement of development if no permit is required):

46O Collection of community infrastructure levy

- (1) If—
- (a) an approved development contributions plan provides that a community infrastructure levy is payable in respect of the development of any land; and
 - (b) an application is made under the Building Act 1993 for a building permit to carry out building work in respect of that development—
- the applicant must, before the building permit is issued—
- (c) pay the amount of the levy to the relevant collecting agency; or
 - (d) enter into an agreement with the relevant collecting agency to pay the amount of the levy within a time specified in the agreement.
- (2) If—
- (a) an approved development contributions plan provides that a community infrastructure levy is payable in respect of the development of any land; and
 - (b) a building permit under the Building Act 1993 is not required for the building work for that development—
- a person who proposes to carry out that development of the land must, before commencing the development—
- (c) pay the amount of the levy to the relevant collecting agency; or
 - (d) enter into an agreement with the relevant collecting agency to pay the amount of the levy within a time specified in the agreement.

132. The DCP 2.0 contains various exemptions at section 6.5. Section 6.5 does not include transitional provisions for developments where a permit application was made *prior* to the gazettal of the Amendment.
133. Accordingly, under the DCP 2.0, the DCPO2 and s 46N and s 46O, developments that are approved under a permit granted *after* gazettal of the Amendment will be subject to the DIL, regardless if the application was made before the Amendment was gazetted. Nevertheless, where a permit is granted before the Amendment is gazetted, the DIL will not apply because it is not possible for Council to apply the DIL to a permit that already been granted.
134. Further, as the CIL is triggered at building permit stage (or commencement of development where no building permit is required) whether or not the development has a permit that was applied for before the Amendment was gazetted does not affect whether the CIL is payable under the DCP 2.0 – under s 46O it must be paid.
135. This is a fair and equitable approach. The DCP 2.0 funds infrastructure required for development in the municipality projected from 2026 to 2041. Developments associated with applications that are lodged before the Amendment is gazetted will still trigger demand for public infrastructure. It is therefore appropriate that they contribute to that infrastructure in accordance with the DCP2.0 and DCPO2.

136. This approach is also consistent with various other DCPs across Victoria.
137. Whether or not transitional provisions should be included was a relevant issue in [Amendment C296ston](#) which implemented the *Stonnington Municipal Wide Development Contributions Plan 2020-2040*. Two submitters sought exemptions for development that were already approved by permits granted before that amendment was gazetted from being required to pay levies should further permits be required for their developments.
138. The Panel did not support this exemption, finding that financial impacts are not a relevant planning consideration for determining the exemptions:⁷

It is common practice for municipal wide DCPs to exclude transitional provisions for pragmatic reasons. In this case, Greystar and Chapel Plaza are seeking exemptions on fairness and equity grounds where there is an existing planning permit. The Panel has turned its mind to the fairness of exempting these but is not persuaded they are warranted for reasons of financial burden, accrued rights and consistency with common practice.

There was some debate as to whether 'fairness and equity' are relevant principles to considering permit exemptions. The Panel agrees with Mr Ainsa and Council that the DCP Guidelines apply these principles to infrastructure need and apportionment. The Panel finds however that 'fairness' remains relevant by virtue of the PE Act objectives.

On financial impacts, the Panel considers this not a relevant planning consideration for determining exemptions.

[our emphasis]

139. In relation to fairness, the Panel found that it would be fair for the developments already approved under existing permits to contribute to the infrastructure funded by the DCP (should a further permit be required that triggers liability). It noted that questions of fairness would also arise if the developments were given a transitional provision exemption, as it would shift the costs to Council or other contributors in the area:⁸

Most arguments on the fair imposition of levies cut both ways: where one development is exempt, another pays. Wherever it is drawn, the line shifts the burden of costs. In the DCP context, a 'fair' line is also a 'clear' line to avoid the potential for unfairness in implementation. The Panel accepts the notion by Mr Walker that planning permits are a 'clearer line' than applications. It prefers Council's argument that the PE Act draws both a clear and fair line and one consistent with common practice for municipal wide DCPs.

The Greystar and Chapel Plaza developments will both generate demand for DCP-funded infrastructure. In turn, both parties benefit from that infrastructure in terms of amenity and the value of the product they produce. If neither pays for this infrastructure, either Council or other DCP contributors will, which raises further questions of fairness. Rather than 'curing' all unfairness, as Mr Sutton sought, the Panel must consider net community benefit and finds it fair that both Greystar and Chapel Plaza contribute to DCP-funded infrastructure they will benefit from.

[our emphasis]

⁷*Stonnington C296ston (PSA)* [2021] PPV 97, Panel Report, 26 November 2021, p 18.

⁸*Stonnington C296ston (PSA)* [2021] PPV 97, Panel Report, 26 November 2021, p 20.

140. Further in [Amendment C294moon](#) to the Moonee Valley Planning Scheme, which implemented the *Moonee Valley Development Contributions Plan*, the Panel found it accepted practice for DCPs not to include transitional provisions:⁹
- The Panel acknowledges that this issue is complex and that as a matter of principle it is generally accepted that the rules should not change part way through a process. However, the Panel notes that it is not aware of any municipality wide DCP that has included transitional provisions. Accepted practice appears to be settling on the exclusion of transitional provisions in DCPs.
141. The Panel in [Amendment C145mari](#) to the Maribyrnong Planning Scheme, which implemented the *Joseph Road Precinct Development Contributions Plan* similarly concluded that including transitional provisions would result in unfairness in relation to other landowners in the area:¹⁰
- The Panel is sympathetic to the issues facing existing permit holders. However, on balance the Panel supports the Amendment and its application to sites with current or activated permits, given that the infrastructure proposed has a direct relationship to the development approved and taking place. To exempt these approvals would unfairly shift the burden to remaining land owners in the precinct. Because of the number of permits issued, exemption of existing approvals would fundamentally change the exhibited DCP.
142. Finally, whether or not DCP levies should apply to developments where planning permits or section 173 agreements have been finalised was considered by the Panel appointed to consider [Amendment C133more](#) to the Scheme in relation to the DCP 1.0.
143. Council's position there was that transitional provisions are not required because, in summary:
- 143.1 it was not possible for Council to apply the DIL to existing permits issued before Amendment C133 was approved because there was no condition requiring the DIL on those permits; and
- 143.2 the CIL is payable before the issue of a building permit if a statement of compliance at building occupancy stage has not been issued before Amendment C133 is approved.
144. The Panel agreed, stating '*the Panel concludes there is no requirement to amend the DCP or the DCP01 to include further exemptions as the current proposal is in accordance with the [PE] Act*'.¹¹
145. When considering all of the Panel commentary above, it should be noted that the requests for exemptions from submitters were in circumstances where the submitters already had planning permits approved before the relevant amendment was gazetted. Those submitters were therefore seeking an exemption from the requirement to pay a levy should a further permit be required for their developments (or if the CIL is required). This is arguably a stronger position than what the De Group submission seeks, which is in relation to permit applications made (rather than developments approved under permits granted) before the Amendment is gazetted. This further supports Council's position that transitional provisions are not required in relation to the De Group submission.
146. Mr Hrelja's evidence addresses the potential financial impact of the DCP2.0 on development, in response to the De Group submission. The evidence notes that the DCP2.0 levy for the submitters property in Area 1 Brunswick East / North Fitzroy is \$546 per dwelling (in July 2024 dollars). His evidence finds this to be a 'modest levy' compared to other DCPs.

⁹ *Moonee Valley C194moon (PSA)* [2020] PPV 4, Panel Report, 15 January 2020, p. 14.

¹⁰ *Maribyrnong C145 (PSA)* [2019] PPV 30, Panel Report, 21 May 2019, p. 53.

¹¹ *Moreland C133 (PSA)* [2014] PPV 157, p 31.

147. Further, Mr Hrelja concludes that:¹²

- When benchmarked to a median 2-bedroom apartment price of approximately \$590,000 in Brunswick East, a levy of \$546 per dwelling equates to approximately 0.09% of this price.
- In my opinion, this levy is modest relative to development values and would be readily absorbed within an otherwise viable development project.

148. Notably, the De Group submission does not include any evidence of financial impacts or potential feasibility issues associated with its proposed development arising from the introduction of the DCP 2.0 that would contradict Mr Hrelja's opinion.

149. Finally, it should also be noted that Merri-bek has already had the municipal wide DCP 1.0 since 2015. While the timeframe of the DCP 1.0 ended on 30 June 2023 and no development contribution conditions have been included on permits in the last three years, it should not be a surprise to any developers in the area that their development would be subject to DCP levies in the future.

150. Accordingly, no changes are required to the Amendment to include transitional provisions in response to the De Group submission.

Coordination with the State government's ICP program

151. Submission 4 states:

...the State Government is also proposing to introduce an Infrastructure Contributions Plan for activity centres, including areas within Merri-bek. Any local DCP should be carefully coordinated with the proposed State Government ICP to ensure development is not subject to duplicated or excessive infrastructure contributions.

152. The DCP 2.0 does not duplicate or impose excessive requirements to pay contributions on development within the municipality.

153. As set out above, it is clear from the Ministerial Direction on ICPs and the Ministerial Direction on DCPs that the State government has prepared the TTZACP ICP framework on the basis that there will be areas where an ICP and DCP both apply. The Ministerial Directions seek to ensure that where an ICP and DCP applies to the same area, the two documents do not *'fund the provision of infrastructure that services the same need as an item funded'* by the other document.

154. Further, the Ministerial Directions for ICPs ensures that, where a DCP and ICP apply to the same area, the ICP levy acts as a cap on total infrastructure contributions, with the ICP levy reduced by the amount of the DCP levy payable for the development. This is set out under clause 16 of the Ministerial Direction on ICPs as follows:

Where an ICP is applied to the same land as an existing DCP, the total amount of levies payable under the applicable DCP in relation to an application for a permit for development or a building permit is to be deducted from the total amount of the local precinct component of the standard levy payable under the ICP in relation to the same development. Should the total levies payable under an existing DCP exceed the total amount of the local precinct component of the levies payable under an ICP, then the total amount of the local precinct component of the levies payable under the ICP is reduced to nil for that permit application.

[our emphasis]

155. This means that development within the Brunswick and Coburg Activity Centres will not be charged any more than the total amount of the standard ICP levy, regardless of the fact that the area will be subject to both the DCP 2.0 and an ICP.

¹² Mr Hrelja's evidence statement, p. 9.

156. Accordingly, the fact that part of the municipality will be subject to both the DCP 2.0 and a future ICP does not result in duplicated or excessive infrastructure contributions in those areas. Council does not support any changes to the Amendment to address this issue.

COUNCIL'S CURRENT POSITION ON THE AMENDMENT

157. No changes are required to the Amendment documents to address the issues raised by De Group in submission 4.
158. Otherwise, Council supports the changes set out in the updated DCP 2.0 included with Mr Hrelja's evidence comprising:
- 158.1 changes to respond to updates to the Ministerial Direction on DCPs; and
 - 158.2 administrative and typographical changes.
159. No changes are required to the balance of the Amendment documents.

CONCLUSION

160. For the reasons set out above, Council:
- 160.1 considers the Amendment to be strategically justified and essential to ensuring that new development contributes to the infrastructure required to support new communities within the municipality; and
 - 160.2 respectfully requests that the Panel recommend the Amendment be adopted, subject to the changes to the DCP 2.0 outlined above and illustrated in the updated DCP 2.0 provided with Mr Hrelja's evidence statement.
161. This completes Council's submission.
162. Should the Panel have any further questions for:
- 162.1 Council in respect of this submission; or
 - 162.2 Mr Hrelja in respect of his evidence,
- Council would be happy to receive them and respond promptly.

Maddocks

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Maddocks
Lawyers for the Planning Authority
12 October 2026