

**Mornington Peninsula Planning Scheme
Amendment C295morn
Creswell Street East, Crib Point
Development Contribution Plan**

Panel Report

Planning and Environment Act 1987

27 August 2025

How will this report be used?

This is a brief description of how this report will be used for the benefit of people unfamiliar with the planning system. If you have concerns about a specific issue you should seek independent advice.

The planning authority must consider this report before deciding whether to adopt the Amendment.

[section 27(1) of the *Planning and Environment Act 1987* (the PE Act)]

For the Amendment to proceed, it must be adopted by the planning authority and then sent to the Minister for Planning for approval.

The planning authority is not obliged to follow the recommendations of the Panel, but it must give its reasons if it does not follow the recommendations. [section 31 (1) of the PE Act, and section 9 of the *Planning and Environment Regulations 2015*]

If approved by the Minister for Planning a formal change will be made to the planning scheme. Notice of approval of the Amendment will be published in the Government Gazette. [section 37 of the PE Act]

Planning Panels Victoria acknowledges the Wurundjeri Woi Wurrung People as the traditional custodians of the land on which our office is located. We pay our respects to their Elders past and present.

Planning and Environment Act 1987

Panel Report pursuant to section 25 of the PE Act

Mornington Peninsula Planning Scheme Amendment C295morn

Creswell Street East, Crib Point Development Contribution Plan

27 August 2025

A handwritten signature in black ink, appearing to be 'G. McMillan', written in a cursive style.

Gabby McMillan, Chair

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Glossary and abbreviations

Council	Mornington Peninsula Shire Council
DCP	Development Contributions Plan Overlay
DEECA	Department of Energy, Environment and Climate Action
Development Contributions Guidelines	Development Contribution Guidelines Version 5.9 (Department of Sustainability and Environment, Amended March 2007)
exhibited DCP	<i>Creswell Street East, Crib Point Development Contributions Plan (Mesh, December 2023)</i>
existing DCP	<i>Creswell Street East Crib Point Development Contributions Plan (Watsons, June 2024)</i>
GRZ	General Residential Zone
NRZ	Neighbourhood Residential Zone
original DCP	<i>Creswell Street Development Contributions Plans (April 2018)</i>
PE Act	<i>Planning and Environment Act 1987</i>
Planning Scheme	Mornington Peninsula Planning Scheme

Overview

Amendment summary

The Amendment	Mornington Peninsula Planning Scheme Amendment C295morn
Common name	Creswell Street East, Crib Point Development Contribution Plan
Brief description	The Amendment seeks to vary the existing Creswell Street East, Crib Point Development Contributions Plan (DCP)
Subject land	Eastern end of Creswell Street, Cooma Street and Glossop Street, Crib Point (between Creswell Street and Disney Street) incorporating: <ul style="list-style-type: none"> - 1 – 77 Creswell Street (inclusive) - 1, 3 and 6 Cooma Street - 4 Glossop Street - 58, 62, 90 and 92 Disney Street
Planning Authority	Mornington Peninsula Shire Council
Authorisation	21 May 2024, with conditions
Exhibition	31 October – 20 December 2024
Submissions	Number of Submissions: 8 Opposed: 5

Panel process

The Panel	Gabby McMillan
Directions Hearing	By video, 30 June 2025
Panel Hearing	Hastings Shire Office, 21 Marine Parade, Hastings, 11 August 2025
Site inspections	Unaccompanied, 10 July 2025
Parties to the Hearing	Mornington Peninsula Shire Council represented by Mr Jack Chido of Jackson Lane Legal Jurgen Dietzsch Matthew Smith (supported by Ms McGregor)
Citation	Mornington Peninsula PSA C295morn [2025] PPV
Date of this report	27 August 2025

Executive summary

Morningside Peninsula Planning Scheme Amendment C295morn (the Amendment) seeks to implement the *Creswell Street East, Crib Point Development Contributions Plan* (Mesh, December 2023) (exhibited DCP) to support road and drainage infrastructure upgrades. The exhibited DCP will replace the existing *Creswell Street East, Crib Point Development Contributions Plan* (Watsons, June 2024) (existing DCP).

Specifically, the Amendment proposes to:

- amend the mapped extent of the Development Contributions Plan Overlay Schedule 1 (DCPO1) to include an additional 12 properties (comprised of 11 residential properties in the General Residential Zone 1 (GRZ1) and one property zoned Public Use Zone 1)
- amend Schedule 1 to the DCPO to reference the exhibited DCP
- amend the Schedule to Clause 72.04 to reference the exhibited DCP as an incorporated document and remove reference to the existing DCP
- amend Schedule 1 to the Clause 52.17 (Native Vegetation) provide exemptions for native vegetation removal to facilitate the works identified in the exhibited DCP.

Key issues raised in submissions included:

- Whether the financials of the DCP (project cost, demand unit calculation and apportionment) are sufficiently justified?
- Whether the additional road infrastructure should be included in the DCP?
- Whether the additional properties should be included in the DCP?
- Whether vegetation removal exemptions should be provided for in the Amendment?

Strategic justification

The Amendment seeks to update the existing DCP that is already in the Morningside Peninsula Planning Scheme. The existing DCP will expire in June 2026 and the costings in the existing DCP are not reflective of current construction costs. Accordingly, it is logical to update the DCP to ensure that the land rezoned for residential purposes in 2019¹ can be serviced.

The core issue is whether the expanded scope of the DCP (in terms of the DCP project scope and the additional properties proposed to be included in the DCP area) is appropriate.

Scope of the DCP

Submitters opposed the inclusion of additional residential properties in the DCP area. They submitted that it was not equitable for the properties in Cooma Street, Disney Street and the established part of Creswell Street to contribute to the DCP project when they already have electricity, gas, sewerage, water and fibre optic cable infrastructure and sufficient road access to meet their needs. Several submitters also opposed the road upgrades proposed to be delivered through the DCP, arguing it was not necessary nor in keeping with the character of the area.

Council reduced the scope of the DCP in response to submissions in the Day 1 Amendment. It removed several properties from the DCP area and reduced the extent of road upgrades.

¹ Through Amendment C210morn

Ms Fisher gave evidence that the additional residential properties would receive a shared benefit. On that basis, Ms Fisher said they should be included and did not support the Day 1 Amendment. She supported the exhibited Amendment.

Council submitted that the costings in the DCP should be updated to reflect the most recent cost estimated prepared in July 2025. Ms Fisher supported the use of the July 2025 costings. Council accepted that the cost increase between the existing DCP and the Day 1 DCP was 'not insignificant'.

Conclusions

The Panel concluded that the Amendment was strategically justified, subject to the changes recommended by the Panel.

In relation to the inclusion of the 11 additional residential properties in the General Residential Zone 1 (GRZ1), the Panel concluded that:

- It is not equitable for established residential properties, that are already serviced to contribute to the cost of infrastructure at the same rate as unserved (and recently rezoned) properties through the DCP.
- These properties will receive some level of shared benefit, however the level of benefit will be generally equivalent to the benefit of other residential properties in the local area (i.e. other properties which are not liable for contributions under the exhibited DCP).

In relation to the scope of the DCP project, the Panel concluded:

- The scope of road upgrades identified in the exhibited DCP is appropriate and should not be altered.
- The DCP should not include water mains and rising sewer mains (as presented in Council's Day 1 DCP).

In relation to the financials of the DCP, the Panel concluded:

- The use of lot area to calculate demand is acceptable.
- The approach to apportionment is acceptable.
- The cost of the road upgrades in the exhibited DCP should be redistributed among the remaining properties mapped in the DCPO1.
- The updated project costings prepared by Harlock in July 2025 for the project scope presented in the exhibited Amendment can form the basis of the costings in the DCP.
- Council should consider whether further notice is required, noting the cost increases expected for the remaining properties mapped in the DCPO1.

In relation to the native vegetation exemptions, the Panel concluded:

- The native vegetation exemptions should be deleted from the Amendment.
- The removal of vegetation can be considered through the usual planning application process, enabling a full consideration of options to avoid, minimise and offset any impacts on native vegetation.
- The project delivery date at section 5.4 of the exhibited DCP should be extended to 2030, rather than 2028 to allow sufficient time to secure any required approvals.

Recommendations

Based on the reasons set out in this Report, the Panel recommends that Council:

1. **Adopt Mornington Peninsula Planning Scheme Amendment C295morn as exhibited with the changes recommended in this Report.**
2. **Revise the *Creswell Street East, Crib Point Development Contributions Plan* (December 2023) and the Development Contribution Plan Overlay Schedule 1 to reflect the *Updated Quantity Surveying Estimates prepared by Harlock Consulting* (31 July 2025) for the project scope presented in the exhibited Amendment.**
3. **Revise the Development Contributions Plan Overlay Schedule 1 mapping to delete the 11 additional residential properties (i.e. land zoned General Residential Zone 1).**
4. **Revise the *Creswell Street East, Crib Point Development Contributions Plan* (December 2023) and the Development Contributions Plan Overlay Schedule 1 to redistribute the costs to the properties remaining in the Development Contributions Plan Overlay Schedule 1.**
5. **Delete the exemptions for native vegetation removal from the Schedule to Clause 52.17.**
6. **Revise the *Creswell Street East, Crib Point Development Contributions Plan* (December 2023) to extend the project delivery date to 2030.**

1 Introduction

1.1 The exhibited Amendment

The purpose of Morningside Peninsula Planning Scheme Amendment C295morn (the Amendment) is to implement the *Creswell Street East, Crib Point Development Contributions Plan* (Mesh, December 2023) (exhibited DCP) to support road and drainage infrastructure. The exhibited DCP will replace the existing *Creswell Street East, Crib Point Development Contributions Plan* (Watsons, June 2024) (existing DCP).

The Amendment also seeks to provide exemptions for native vegetation removal to facilitate the works identified in the exhibited DCP.

Specifically, the Amendment proposes to:

- amend the mapped extent of the Development Contributions Plan Overlay Schedule 1 (DCPO1) to include 12 additional properties (comprised of 11 residential properties in the General Residential Zone 1 (GRZ1) and one property zoned Public Use Zone 1)
- amend Schedule 1 to the DCPO to reference the exhibited DCP
- amend the Schedule to Clause 72.04 to reference the exhibited DCP as an incorporated document and remove reference to the existing DCP
- amend Schedule 1 to the Clause 52.17 (Native Vegetation) provide exemptions for native vegetation removal to facilitate the works identified in the exhibited DCP.

The exhibited DCP included the following changes:

- Changes to the extent of the infrastructure proposed to be funded through the control:
 - Extends the local road and drainage works to include an additional part of Creswell Street, Cooma Street and Glossop Street as shown in Figure 1.
 - Increases the total length of unmade local roads to be upgraded from 860 linear metres DCP to 1,151 linear metres. Notably the road design will not be altered from the existing DCP, it will still be a 5.5 metre wide asphalt pavement and stormwater drainage, with no footpath.
- Changes to the costings:
 - Increases the total costs included in the DCP to account for the extended road length, updated construction costs based on detailed design plans, Quantity Surveyor estimates, financing costs to deliver the project by 30 June 2028 and plan preparation costs.
 - The total cost will be \$5,559,668.12 (made up of \$4,720,000 for roads and drainage infrastructure construction, \$520,427.93 for finance costs and \$319,240.19 for plan preparation costs).
 - Increases the individual landowner DCP charges required due to the increase in total DCP costs. Noting that the apportionment arrangements are not altered, so Council will continue to contribute 30 percent of the cost.
 - Commits Council, as the Development Agency, to deliver the project within the revised timeframe of 30 June 2028.
 - Revises the demand units from linear metre of lot frontage as defined in the existing DCP to metre square of lot area. This is consistent with the State Government's DCP Guidelines and standard practice for DCPs in other planning schemes.
 - Removes the DCP expiry date and replaces it with:

This DCP commences on the date it is gazetted into the Mornington Peninsula Planning Scheme and it adopts a long-term outlook for development and is intended to operate for 20 years. This timeframe considers planned future development of the area and this DCP will end when it is removed from the Mornington Peninsula Planning Scheme.

This approach provides Council the ability to continue collecting contributions, regardless of whether works have been delivered, whilst the DCP remains in the Planning Scheme. Removing the DCP from the Scheme will require a planning scheme amendment in the future.

1.2 Amendment land

The exhibited Amendment applies to land shown in Figure 1. The extent of road upgrade proposed is also shown in Figure 1.

Figure 1 Exhibited Amendment land and extent of proposed road upgrade



Source: Explanatory report

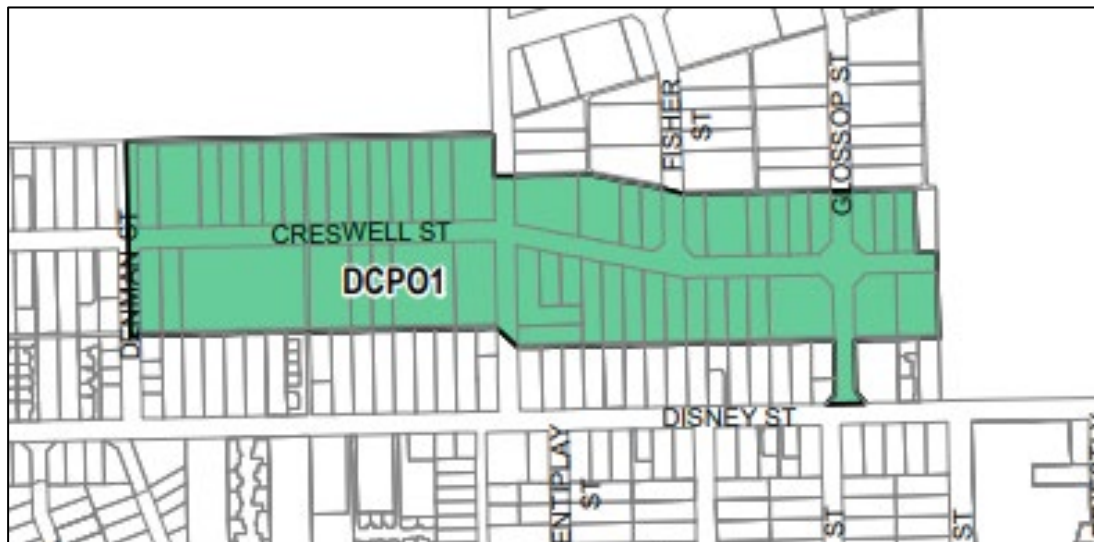
1.3 Background

This section explains the background which is relevant to the Panel's consideration of submissions. This includes events leading up to the exhibited Amendment and further changes proposed by Council after the exhibition period.

1.3.1 Introduction of DCPO1 (2019)

Most of the Amendment land is already affected by DCPO1 as shown in Figure 2 (existing DCP land). This land was historically zoned for industrial purposes. The DCPO1 was introduced by Amendment C210morn in 2019 at the same time the industrial land was rezoned to Neighbourhood Residential Zone Schedule 1 (NRZ1). Amendment C210morn was initiated by a private proponent.

Figure 2 Existing extent of the Development Contributions Plan Overlay 1



1.3.2 Original DCP and scope of works

Amendment C210morn gave effect to the *Creswell Street Development Contributions Plan* (April 2018) (original DCP).

Some key features of the original DCP:

- The extent of project works included the formalisation of Creswell Street from Denman Street to its eastern end and Cooma Street as shown in Figure 3.
- The total cost of the project was estimated to be \$2,091,053 and subject to indexation.
- Costs were apportioned using a methodology equivalent to a Special Charges Scheme where landowners contribute to 70 percent of the costs and Council contributes 30 percent.
- It required Council to deliver the project by 6 June 2024, regardless of whether contributions have been collected. The DCP needed to be removed from the Planning Scheme once the project works were completed.

Figure 3 Extent of work in the original DCP



1.3.3 Minor revisions to the DCP (2019 – 2024)

Several revisions were made to the DCPO1 and DCP between 2019 and 2024 in response to Victoria Planning Provisions changes and other changes. The main change that has occurred was the extension of the delivery date² such that Council was required to deliver the DCP project by 6 June 2026 (regardless of the contribution amount that had been collected at the time).

Throughout this period there have been no substantive changes to the original DCP in terms of costing, however the DCP has been given a revised date of June 2024³ (current DCP).

1.3.4 Contributions collected (2019 to now)

The DCP is already in the Planning Scheme. This means that Council has already collected contributions from 14 properties under the DCPO1 as identified in Figure 4. These contributions have amounted to \$362,476.21⁴.

² Through Amendment C300morn

³ Revised date introduced through Amendment C305morn which came into effect on 18 July 2024

⁴ Council’s Part A submission, page 25

Figure 4 Properties in the Amendment land who have already contributed (shown in red hatch)

Source: Council's Part A submission (page 26)

1.3.5 Substantive review of design, costings and DCP (2022 - 2023)

In 2022, Council prepared a detailed design and costings for the project identified in the original DCP. This review estimated that the project would cost \$3,700,000. Even when accounting for indexation, the review identified a shortfall of approximately \$1.1 million.

Council commissioned Mesh to complete an independent peer review of the original DCP. In November 2022 Mesh prepared a report which recommended revisions to the DCP, including recommended changes to the scope of the DCP.

In response, Council commissioned further drawings and a range of technical assessments to inform updates to the DCP including detailed design drawings, biodiversity assessment and cost estimates.

1.3.6 Post exhibition revisions (May 2025)

At its meeting on 20 May 2025, Council resolved to refer all seven⁵ submissions to a panel. At that same meeting Council endorsed changes to the Amendment in response to submissions. These changes included the following:

- Removal of the following properties and infrastructure adjacent to these properties from the DCPO1 and DCP as shown in Figure 6:
 - 6 Cooma Street
 - 90 Disney Street
 - 92 Disney Street.
- Update the DCP project costs to reflect the changes to the scope of infrastructure proposed to be delivered.
- Deletion of the native vegetation permit exemptions (e.g. so that a permit application process would apply).

⁵ At that time the late submission had not been received, this was referred to the Panel in July 2025.

1.3.7 Post exhibited revisions (June – July 2025)

In the lead up to the Hearing, Council undertook additional work to inform the updated DCP project costs:

- Detailed Design Drawings (for Council’s Day 1 Amendment), prepared by JCA Land Consultants, dated 20 June 2025, revision E
- Memorandum regarding drainage inclusions within the DCP Project, prepared by JCA Land Consultants, dated 25 July 2025
- Updated Quantity Surveying Estimates (for both the exhibited Amendment and Council’s Day 1 Amendment), prepared by Harlock Consulting, dated 31 July 2025 (July 2025 costings)
- Detailed Design Drawings (for the exhibited Amendment), prepared by JCA Land Consultants, dated 30 July 25, Revision F.

Notably, the revised design prepared in 2025 included a sewer rising main that was not included in the exhibited DCP.

These most recent changes were integrated into Council’s Day 1 Amendment.

1.4 Day 1 Amendment

Council presented its Day 1 Amendment as its preferred position at the Hearing. The Day 1 Amendment included Council’s response to submissions and revised design and costing.

The Day 1 Amendment applies to the land shown in Figure 5.

Figure 5 Day 1 Amendment land



The following revisions to the exhibited Amendment were proposed in the Day 1 Amendment:

- Removed a section of road infrastructure in Cooma Street (i.e. 63 metres), reducing the scope of works.

- Removed 6 Cooma Street, 90 and 92 Disney Street from the DCPO1 mapping and the DCP.
- Updated the DCP infrastructure costs to reflect the reduction in road length in Cooma Street and inclusion of a sewer rising main in the scope of the project. This results in a net increase in costs.
- Removed the native vegetation exemptions at Clause 52.17 from the Amendment so that a separate planning permit would be required for any vegetation removal.

1.5 Procedural issues

1.5.1 Late submission

Council referred a late submission (submission 8) to the Panel on 25 July 2025. The Panel provided the late submitter with an opportunity to be heard at the Hearing. The submitter did not appear at the Hearing however the Panel considered the submission. Other parties were provided with a redacted version of submission 8.

1.5.2 Exhibition process

Mr Dietzsch and Mr Smith raised concerns about the original exhibition process for the Amendment. Council provided a detailed explanation of the exhibition that occurred.

The submitters confirmed at the Hearing that they had received all the material circulated by Council for the Hearing and the late submission.

The Panel is satisfied that the submitters have been provided with the relevant material to participate in the Hearing.

1.6 The Panel's approach

Key issues raised in submissions were:

- Whether the financials of the DCP (project cost, demand unit calculation and apportionment) are sufficiently justified?
- Whether the additional road infrastructure should be included in the DCPO?
- Whether the additional properties should be included in the DCPO?
- Whether vegetation removal exemptions should be provided for in the Amendment?

The Panel has assessed the Amendment against the principles of net community benefit and sustainable development, as set out in Clause 71.02-3 (Integrated decision making) of the Planning Scheme.

The Panel considered all written submissions made in response to the exhibition of the Amendment, observations from site visits, and submissions, evidence and other material presented to it during the Hearing. All submissions and materials have been considered by the Panel in reaching its conclusions, regardless of whether they are specifically mentioned in the Report.

This Report deals with the issues under the following headings:

- Strategic issues
- Financials
- Road infrastructure and property inclusions
- Native vegetation exemptions.

2 Strategic issues

2.1 Planning context

This chapter identifies planning context relevant to the Amendment.

Table 1 Planning context

	Relevant references
Victorian planning objectives	- Part 3B of the PE Act - Section 4 of the PE Act
Municipal Planning Strategy	- Clause 2.03-8 (Infrastructure)
Planning Policy Framework	- Clauses 11.01 (Victoria), 11.01-1S (Settlement) - Clauses 11.02 (Managing Growth), 11.02-1S (Supply of urban land) - Clauses 19 (Development Infrastructure), 19.03-1S (Development and infrastructure contributions plans), 19.03-2S (Infrastructure design and provision), 19.03-3S (Integrated water management), 19.03-3L (Integrated water management – Morrington Peninsula)
Planning scheme provisions	- Development Contributions Plans Overlay - Clause 52.17 (Native vegetation)
Ministerial directions	- Ministerial Direction 11 (Strategic Assessment of Amendments) - Ministerial Direction on the preparation and content of development contributions plans and Ministerial reporting requirements for development contributions plans
Guidelines	- Development Contributions Guidelines (March 2007)

2.2 Strategic justification

The Amendment seeks to update and extend DCPO1 and the existing DCP that is already in the Planning Scheme. Accordingly, the key strategic issue is whether the updates are strategically justified.

The existing DCP will expire June 2026 and the costings in the existing DCP are not reflective of current construction costs, even when accounting for indexation. Accordingly, it is logical to update the DCP.

The Amendment is generally consistent with the Planning Policy Framework which seeks to:

- ensure supporting infrastructure is available to support sustainable urban development provide an integrated approach to the delivery of infrastructure for urban areas (Clause 11.02-1S)
- facilitate the timely delivery of planned infrastructure (Clause 19.03-1S).

The updates to the costings and calculation of demand unit in the exhibited DCP are more reflective of current practices in the *Ministerial Direction on the preparation and content of development contributions plans and Ministerial reporting requirements for development contributions plans* and the *Development Contributions Guidelines*. Subject to the resolution of

more specific issues around the inclusion of additional infrastructure, properties and native vegetation exemptions, the Amendment is strategically justified.

(i) Conclusions and recommendation

For the reasons set out in this Report, the Panel concludes that the Amendment:

- is supported by, and implements, the relevant sections of the Planning Policy Framework
- is consistent with the relevant Ministerial Directions
- is generally well founded and strategically justified
- should proceed subject to addressing the more specific issues raised in submissions as discussed in the following chapters.

The Panel recommends Council:

- 1. Adopt Mornington Peninsula Planning Scheme Amendment C295morn as exhibited with the changes recommended in this Report.**

3 Financials

(i) The issue

The issue is whether the financials of the exhibited DCP (project costs, demand unit calculation and apportionment) are sufficiently justified.

(ii) Background

The exhibited DCP is proposed to increase the project costs and alters the demand unit calculation, compared with the existing DCP. Council's Day 1 DCP includes further cost increases. There is no change proposed to the apportionment of costs within the DCP.

Table 2 shows the cost changes between the existing DCP, exhibited DCP, revised costs following exhibition⁶ and Day 1 DCP⁷ in June 2025 dollars:

Table 2 Costs comparison for different version of the DCP (June 2025 dollars)

Existing DCP	Existing DCP	Revised cost following exhibition	'Day 1' DCP
\$2,796, 974 (Originally \$2, 091,053)	\$4,985, 245 (Originally \$4, 720,000)	\$5,272,000	\$5,210,000

Source: Council's Part B submission

(iii) Evidence and submissions

Council made the following submissions:

Project costs

- Accepted that the costs increases presented in the Day 1 DCP are 'not insignificant' when compared with the existing DCP.
- It is likely the costs in the original DCP were based on concept plans only.
- Council has undertaken significant work to scope out the DCP project and provide a realistic cost estimate (in June 2025 dollars).
- The updated costs presented in the Day 1 DCP includes water mains and rising sewer main that is not typically included in a DCP, noting an exception in the Arden Precinct⁸.
- It is reasonable to include the costs associated with the water mains and rising sewer mains on the basis that:
 - the infrastructure is relatively localised and would not otherwise be delivered by service authorities
 - the overall cost is relatively minor
 - Council would be funding at least 30 percent of the costs of the delivering the project
 - if the cost of water infrastructure was not included in the DCP, Council would not be able to easily recoup costs through other mechanisms.

⁶ This is the revised cost estimate of the project as exhibited (e.g. including the Cooma Street infrastructure)

⁷ This is revised cost estimate of the project based on Council's preferred position (e.g. not including a portion of Cooma Street infrastructure).

⁸ Arden Precinct Development Contributions Plan (Amended December 2023)

- It is reasonable to use the cost estimated prepared by Harlock in July 2025 in the DCP as this represents the best available information and the exhibited DCP anticipated some adjustment to the cost of infrastructure:

5.10 Adjustment to the Infrastructure Scope

The infrastructure project in this DCP has been costed to a sufficient level of detail; however, the Council may amend or modify some aspects of the project, so long as they are still generally in accordance with any direction regarding the scope outlined in this DCP.

Where the Council or another agency seeks to change the scope of a DCP infrastructure item to meet changing standards imposed by adopted policy or a public regulatory agency, such changes of standards and the resulting cost changes should normally be made through a change to the DCP at the time of a regular review of the DCP.

Where, after the DCP has been approved, a Council or other agency proposes changes to the scope of a DCP infrastructure item for reasons other than changes in standards imposed by policy or regulation the net cost increases resulting from the change should normally be met by the agency requesting the change.

- No further notice of the Amendment would be required if the July 2025 costing were included in the DCP because:
 - it is the best available information
 - notification would further delay the recouperation of more accurate costs (noting that several properties⁹ in the existing DCPO1 have already made contributions).

Apportionment

- That the apportionment costs, being 70 percent to landowners and 30 percent to Council is a pragmatic and reasonable approach given the small scale of the project.
- The apportionment approach has already been accepted by a Panel in Amendment C210morn (i.e. when the original DCP was introduced).

Demand unit calculation

- That the demand unit should be calculated on the basis of lot area, rather than street frontage.
- A lot area demand unit calculation is consistent with the *State's Development Contributions Guidelines*.
- Demand units defined by the total size of the lot is more logical and equitable as it has regard to the development capacity of the site.

Ms Fisher gave the following evidence on behalf of Council:

Project costs

- Do not support the inclusion of water mains and rising sewer mains in the DCP project. This type of water infrastructure is not typically included in DCPs, but there had been exceptions in the Arden precinct.
- The project costs prepared by Harlock in July 2025 should be reflected in the planning controls.

Apportionment

- In her peer review, she initially recommended that 100 percent of the costs should be apportioned to landowners in the DCP area.

⁹ Refer to discussion in section 1.2.4 of this Report

- In her evidence statement she acknowledged that Council intended to contribute 30 percent of the project costs and considered this reasonable response in the circumstances.
- In her evidence statement she said:
 - I note that Council could have pursued 100% apportionment however Council's acceptance of 30% effectively deals with any external benefit that would be associated with the proposed DCP project and therefore I consider this approach reasonable in the circumstances.

Demand unit calculation

- Supported the use of lot area to calculate demand.
- The use of lot area is reasonable as it aligns with common practice.

Mr Smith and Mr Dietzsch made the following submissions:

- That landowners of the former industrial zoned land should contribute 100 percent of the project costs, as they were the ones who benefited from the original rezoning.
- Council should not contribute 30 percent of the project costs.

Mr Smith submitted that he was concerned about the change in the demand unit calculation.

(iv) Discussion

Project costs

Council has accepted that the cost increases included in the exhibited DCP and Day 1 DCP are 'not insignificant'. These costs increases are attributed to several factors, including:

- the inclusion of financing costs
- plan preparation costs
- the inclusion of water infrastructure in the DCP project
- a further review of costs by a quantity surveyor in July 2025.

The costs associated with financing and plan preparation costs are typically included in a DCP. The Panel accepts this approach given it is consistent with the *Development Contribution Guidelines* and was supported by Ms Fisher in her evidence.

The costs associated with water mains and rising sewer mains are not typically included in DCPs. The Panel accepts the evidence of Ms Fisher that these items should not be included. This is particularly the case given these works were not included in the exhibited DCP and already the 'not insignificant' cost increase flagged by Council. While the Panel understands Council's dilemma in terms of recovering funds, it is not reasonable to add additional infrastructure that would not normally be expected to be covered in a DCP. Council needs to identify an alternative funding mechanism.

The Panel accepts Ms Fisher's evidence that the project costs should be calculated using the best available information, being the estimates prepared by Harlock in July 2025. However, Harlock's July 2025 estimates will need to be adjusted to reflect the DCP project scope changes recommended by the Panel.

Council should consider if further exhibition of the Amendment is needed on the basis noting that:

- some level of cost review was anticipated in the exhibited DCP
- the Panel is recommending the removal of established residential land from the DCP area (see section 4 of this Report) so they will not be required to bear the costs, but these costs will need to be redistributed to the balance of properties within the DCP area.

Apportionment

The Council has proposed to continue with a 30 percent contribution towards the project costs. This approach is consistent with the existing DCP and effectively deals with any external benefit that would be associated with the DCP project.

This is a reasonable approach in the circumstances and removes the need for a detailed (and costly) analysis of the split between the beneficiaries of the DCP project.

Demand units

The use of lot area to calculate the demand unit is logical. This approach more accurately reflects the development capacity of land (and associated demand on the planned infrastructure), is consistent with the *Development Contribution Guidelines* and is a more equitable than an approach relying on the length of a lot's frontage.

(v) Conclusions and recommendations

The Panel concludes:

- The DCP should not include water mains and rising sewer mains (as presented in Council's Day 1 DCP).
- The updated project costings prepared by Harlock in July 2025 for the project scope presented in the exhibited Amendment can form the basis of the costings in the DCPO1 and DCP.
- The use of lot area to calculate demand is acceptable.
- The approach to apportionment is acceptable.

The Panel recommends:

- 2. Revise the *Creswell Street East, Crib Point Development Contributions Plan (December 2023)* and the *Development Contribution Plan Overlay Schedule 1* to reflect the *Updated Quantity Surveying Estimates prepared by Harlock Consulting (31 July 2025)* for the project scope presented in the exhibited Amendment.**

4 Road infrastructure and property inclusions

(i) The issues

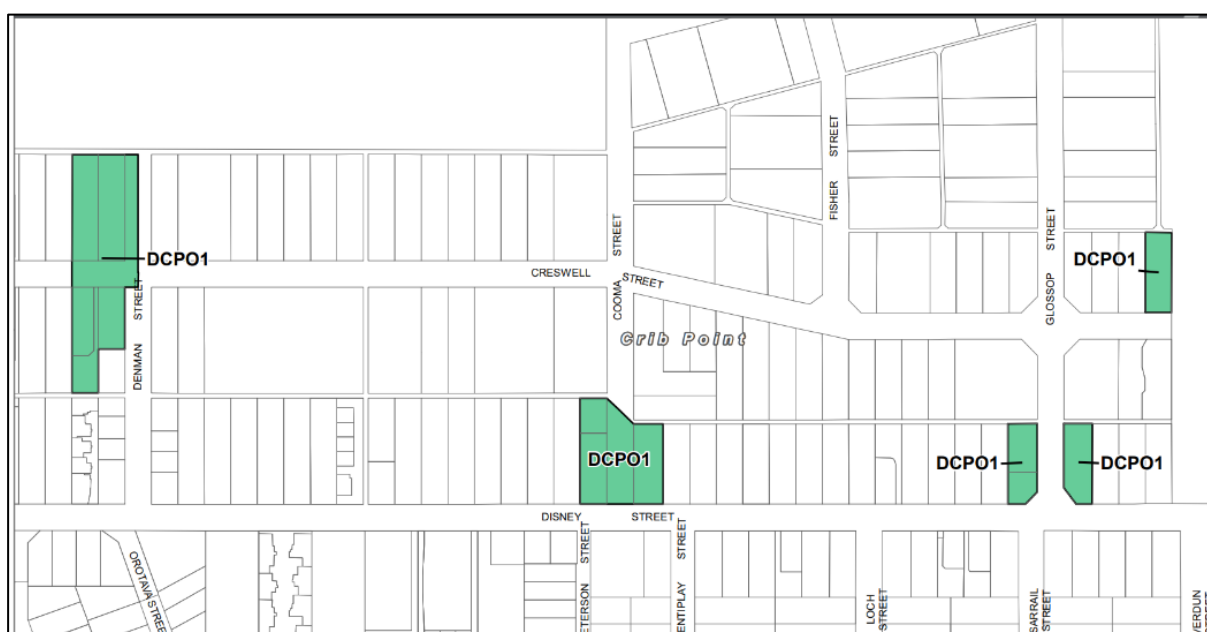
The issues are:

- whether the additional road infrastructure should be added to the DCP.
- whether the additional properties should be added to the DCP.

(ii) Background

The exhibited DCP expanded the extent of road infrastructure to be upgraded (as shown in Figure 1) that added 12 additional properties as shown in Figure 6 (New DCP land).

Figure 6 Residential properties proposed to be included in the New DCP area



Council's Day 1 Amendment reduced the scope of road works and properties proposed to be included in the DCP area (as described in section 1.3 of this Report). The extent of road works presented in Council's Day 1 Amendment are shown in Appendix B.

(iii) Evidence and submissions

Council made the following submissions:

- It acknowledged that four submitters (from properties proposed to be added to the DCPO1) already had access to existing drainage infrastructure.
- The Day 1 DCP had been updated in response to submitter concerns to:
 - remove 6 Cooma Street, 90 and 92 Disney Street, Crib Point from the Amendment
 - remove infrastructure immediately adjacent to 6 Cooma Street, 90 and 92 Disney Street
 - revise the DCP infrastructure costs to account for those changes (as discussed in section 3 of this Report).
- It did not have a position in relation to submitter 8. This was a late submission received after Council had resolved its position on the Amendment. No adjustments to the scope of the DCP project were proposed in response to submitter 8.

Ms Fisher gave the following evidence on behalf of Council:

- Did not support the road infrastructure changes presented in Council's Day 1 DCP for the following reasons:
 - I am concerned that the impact of the Day 1 DCP changes will result in an inconsistent road network that conflicts with the objective of the Exhibited DCP as it does not deliver a continuous local road network that is of shared benefit to the DCP area.
- Did not support the removal of 6 Cooma Street, 90 and 92 Disney Street, Crib Point from the Amendment on the basis that these properties would have a shared benefit from the DCP project. There was insufficient justification to exclude those submitters from the DCP area and reduce the DCP project extent noting the disbenefit to other landowners that would arise due to the delivery of a discontinuous network.
- If 6 Cooma Street, 90 and 92 Disney Street were removed from the DCP area, she would prefer to retain the exhibited DCP project scope but reallocate the costs to the remaining properties in the DCP area.
- In response to cross-examination, she accepted that there was a discrepancy between the cost of constructing the southern end of Cooma Street (\$62,000) and the required contributions for those abutting properties under the DCP (\$100,000). However, she gave evidence that the abutting properties still obtained a benefit from the project and they should still be required to contribute.
- If Council intended on removing 6 Cooma Street, 90 and 92 Disney Street from the DCP area, it would be consistent to remove the other properties in Creswell Street (west)¹⁰.

Mr Smith submitted:

- The infrastructure proposed in Cooma Street was not appropriate and would impact on the amenity of his property.
- Upgrades to Cooma Street were not warranted, and that Glossop Street was historically the preferred access for the former industrial land.
- Existing residential properties should not be required to contribute to the cost of the DCP on the basis that they did not need or benefit from the proposed works.
- It was not appropriate to charge properties a second time for existing infrastructure such as the drainage and road infrastructure.

Mr Dietzsch's submitted:

- The infrastructure proposed in Cooma Street and Glossop Street was not consistent with the character of the area and should not be supported, noting a more particular concern with Cooma Street.
- It was not equitable for the properties in Cooma Street and Disney Street to contribute to the DCP project when they already have electricity, gas, sewerage, water and fibre optic cable infrastructure and sufficient road access to meet their needs.
- Properties in Disney Street already have access to a sealed road.
- The contributions required in the exhibited DCP for Cooma and Disney Street properties were not equitable. Council had calculated¹¹ that the costs of works in Cooma Street equated to \$62,000, but that the properties in Cooma Street would need to contribute \$100,000 through the exhibited DCP.

¹⁰ An issue raised by submitter 8

¹¹ Part B submission, page 10

- The Amendment is inconsistent with Council's other plans, noting:
 - Council's Asset Plan requires Council to prioritise maintaining or renewing existing assets over new ones – this Development Plan [on the former industrial land] was privately led and will only benefit those properties clearly within Cresswell (sic) Street and should therefore be fully funded by those properties without subsidisation from adjoining existing properties already having the benefit from the other infrastructure proposed.
- That Cooma Street should be a no through road¹².

Submitters from properties in the New DCP land raised similar concerns to Mr Smith and Mr Dietzsch:

- Opposed the inclusion of established residential properties in the DCP area on the basis that it was unjust and disproportionate.
- Existing residential properties should not be required to contribute to the cost of the DCP on the basis that they did not need or benefit from the proposed works.
- At least 14 properties had already paid their contributions under the existing DCP, at a significantly lower rate than the rate proposed. It would not be fair for new properties, that did not accrue material benefit to pay a higher rate than those properties (who also benefited from the rezoning).
- It is fundamentally unfair to levy existing serviced property to fund infrastructure for future development for which they gain no benefit.

(iv) Discussion

Property inclusions

Most submissions were received from owners of established residential properties that are proposed to be included in the DCP area. The Council acknowledged that these properties (all zoned GRZ1) are already serviced by electricity, drainage, sewer and road access (though in some instances an unmade road).

The Panel agrees that these properties will receive some level of shared benefit, however the level of benefit will be generally equivalent to the benefit of other residential properties in the local area (i.e. other properties which are not liable for contributions under the exhibited DCP). The Council has acknowledged these broader local benefits by accepting that it will contribute 30 percent of the costs.

The additional properties would contribute disproportionately to the cost of the DCP project for the following reasons:

- They are only benefiting from a slight upgrade in their existing infrastructure (not the full upgrade which will be experienced by the former industrial properties).
- The costs these residents would be required to contribute would be disproportionate. As illustrated by the example provided by Mr Dietzsch, the Cooma Street properties would contribute \$100,000 to a part of the infrastructure project that will cost \$62,000.
- Several existing properties have already contributed at the lower rate; and it would be unreasonable for properties that receive less shared benefit to contribute higher costs.

¹² The Panel clarified that this issue was outside the remit of the Hearing.

The Panel agrees with Ms Fisher that if Council supported the removal of the Cooma and Disney Street properties from the DCP, all 11 of the established residential properties in the GRZ1 should be removed from the DCP for consistency.

(v) Conclusions and recommendations

The Panel concludes:

- It is not equitable for established residential properties, that are already serviced to contribute towards the cost of infrastructure at the same rate as unserviced properties in the DCP.
- The established residential properties adjacent to the DCP project will receive some benefit from the works, however the benefit will be generally equivalent to the benefit of other residential properties in the local area which are not liable for contributions under the exhibited DCP.
- The scope of road upgrades identified in the exhibited DCP is appropriate and should not be altered.
- The cost of the road upgrades in the exhibited DCP should be redistributed among the properties already mapped in the Development Contributions Plan Overlay Schedule 1.
- Council should consider whether further notification of the DCP is required, having regard to the increases costs and the recommendation to redistribute costs between less properties.

The Panel recommends:

- 3. Revise the Development Contributions Plan Overlay Schedule 1 mapping to delete the 11 additional residential properties (i.e. land zoned General Residential Zone 1).**
- 4. Revise the *Creswell Street East, Crib Point Development Contributions Plan (December 2023)* and the Development Contributions Plan Overlay Schedule 1 to redistribute the costs to the properties remaining in the Development Contributions Plan Overlay Schedule 1.**

5 Native vegetation exemptions

(i) The issues

The issues are:

- whether vegetation removal exemptions should be provided for in the Amendment
- whether the project delivery date in the exhibited DCP should be extended to allow for vegetation removal application processes.

(ii) Background

The exhibited Amendment included the introduction of a native vegetation exemption through a modification to the schedule at Clause 52.17 (Native vegetation). The exemption was proposed to facilitate the removal of native vegetation required for the DCP project.

(iii) Evidence and submissions

Council submissions:

- The native vegetation exemption was initially introduced at the suggestion of Department of Transport and Planning officers who suggested it as a means of streamlining the approvals process for the DCP project.
- The exemption would have applied to native vegetation only and removed the formal requirement for Council to provide offsets for the losses incurred.
- Council was mindful of its lead role in protecting and enhancing Morningside Peninsula's biodiversity.
- Council had committed to voluntarily pay for native vegetation offsets as part of its resolution to proceed with the Amendment.
- Accepted the submissions of the Department of Energy, Environment and Climate Action and had resolved to remove the native vegetation exemption in the Day 1 Amendment.
- Would pursue a separate planning application process to remove native vegetation to facilitate the DCP project. The permit application would be able to encompass other vegetation removal triggers that might exist (e.g. under the Vegetation Protection Overlay).

DEECA written submissions:

- Did not support the native vegetation removal exemption as proposed in the exhibited Amendment.
- The most appropriate statutory process to facilitate the removal of native vegetation to facilitate the DCP project was a permit application process.
- This permit application process would require referral to DEECA.

Other written submissions:

- Several submitters raised concerns about the extent of vegetation removal required, identifying particular trees that should be retained.

(iv) Discussion

The Panel accepts that Council introduced the native vegetation exemption as part of the Amendment with a view to streamlining the process for the delivery of the DCP project. The Panel accepts Council's revised position and notes there are some benefits in terms of enabling the

consideration of all vegetation removal requirements (for example, for native and non-native vegetation).

This approach is more likely to enable further avoidance of impacts and secure native vegetation offsets through the permit application process.

The Panel canvassed the implications of delays in the permit process with the overall DCP project delivery timelines at the Hearing (completion by 2028). Council did not have a formal position on project delivery, but was open to the Panel considering an extension. To ensure the DCP does not need to be amended another time, it is recommended the project delivery time be extended to 2030 (noting this will not affect the project finance costs which are capped at a 5 year period).

(v) Conclusions and recommendations

The Panel concludes:

- The native vegetation removal exemptions should be deleted from the Amendment.
- The removal of vegetation can be considered through the usual planning application process, enabling a full consideration of options to avoid, minimise and offset any impacts on native vegetation.
- The project delivery date at sections 2.2.2 and 5.4 of the exhibited DCP should be extended to 2030, rather than 2028 to allow sufficient time to secure any required approvals.

The Panel recommends:

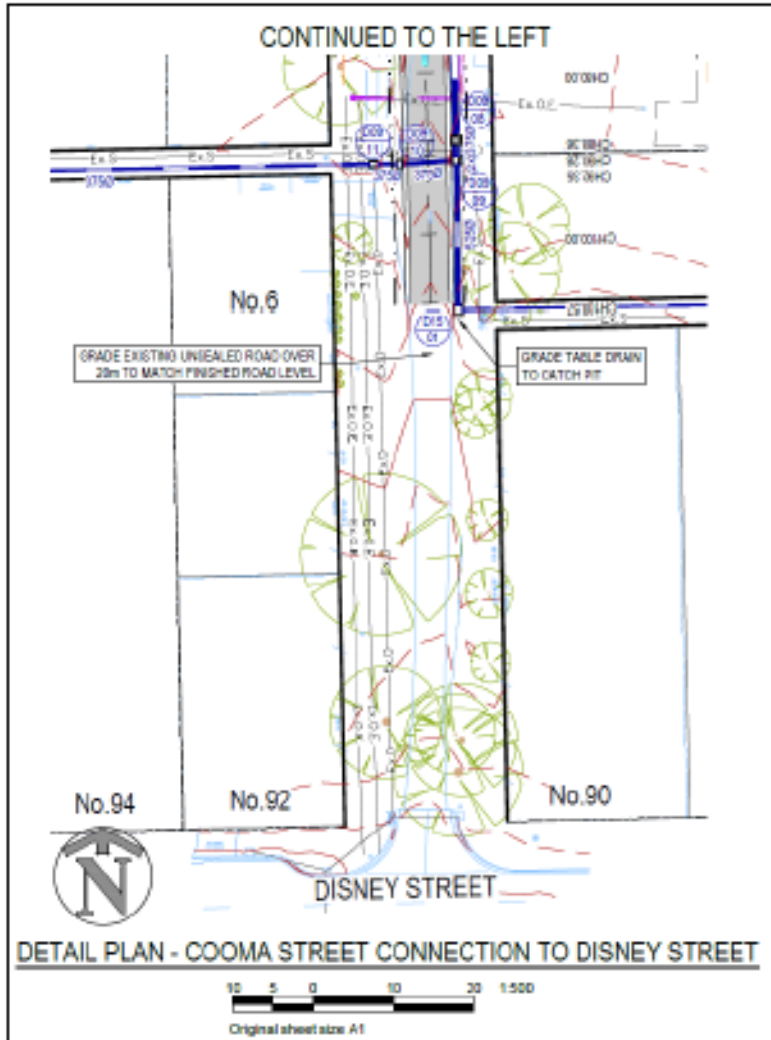
- 5. Delete the exemptions for native vegetation removal from the Schedule to Clause 52.17.**
- 6. Revise the *Creswell Street East, Crib Point Development Contributions Plan (December 2023)* to extend the project delivery date to 2030.**

Appendix A Document list

No.	Date	Description	Provided by
1	1 Jul 2025	Panel Directions and Hearing Timetable	Council
2	25 Jul 2025	Late submission from Caitlin and David Phillips (referred to the Panel)	Council
3	25 Jul 2025	Email to late submitter providing opportunity to complete a request to be heard form for the Hearing	Planning Panels Victoria
4	4 Aug 2025	Part A submission with attachments: <ul style="list-style-type: none"> - Photos of Amendment land - Map of photo locations - Authorisation Request for Further Information, responses and authorisation with conditions - Submitter map - Planning Permit applications map and table - Detailed design drawings (Rev E) (20 June 2025) (Preferred position), Updated Quantity Surveyor estimates (exhibited and preferred position), memorandum drainage within DCP (July 2025) 	Council
5	4 Aug 2025	Expert evidence statement of Jo Fisher of Mesh Planning Pty Ltd	Council
6	4 Aug 2025	Day 1 documents: <ul style="list-style-type: none"> - Explanatory report (tracked) - Instructions sheet (tracked) - Clause 45.06 Schedule 1 DCPO (tracked) - Clause 52.17 Schedule (tracked) - Clause 72.04 Schedule (tracked) - DCPO Map 33 - Creswell Street East, Crib Point DCP (tracked) - Comparison Table – DCP costs using revised figures 	Council
7	8 Aug 2025	Part B submission	Council
8	10 Aug 2025	Additional material referred to in Council's submissions: <ul style="list-style-type: none"> - Amendment C210morn Explanatory report - Amendment C210morn Panel report - Existing DCP sought to be amended - Aerial images (April 2019 and June 2025) 	Council
9	12 Aug 2025	Drainage comparison plans (as presented at the Hearing)	Council

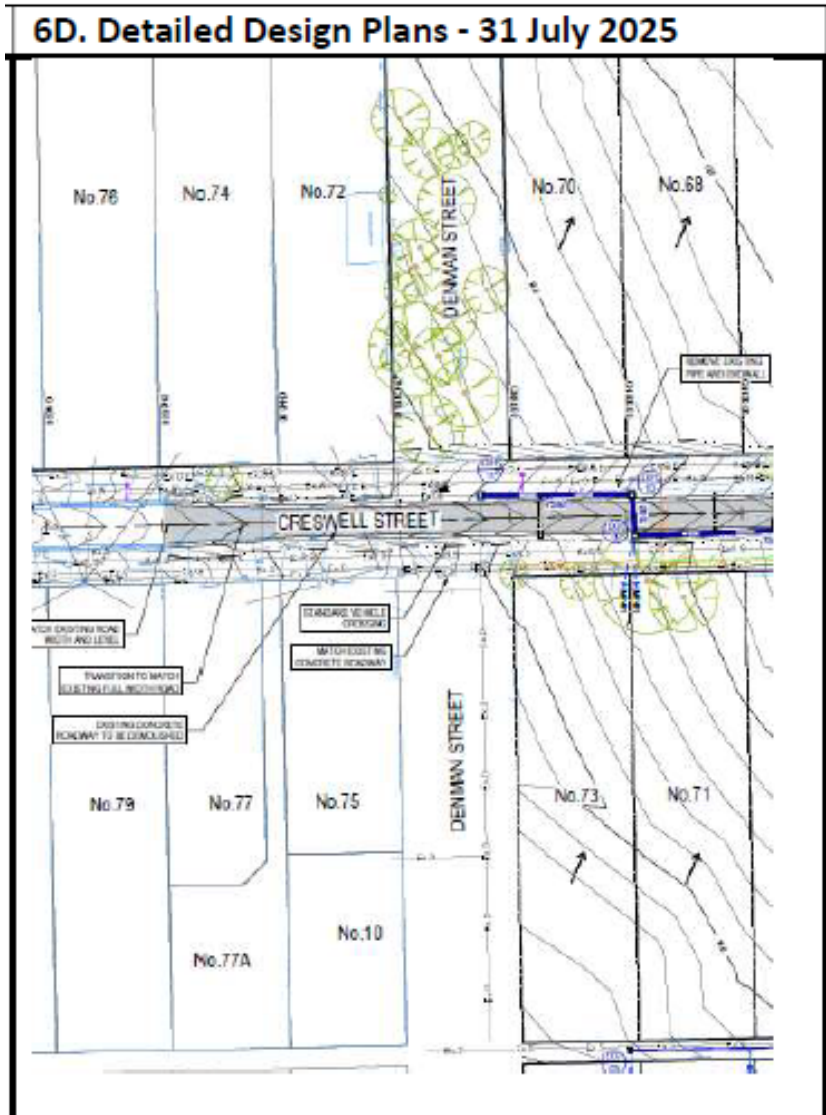
Appendix B Council's preferred extent of road works in Day 1 Amendment

Figure 7 Council's preferred extent of works in Cooma Street



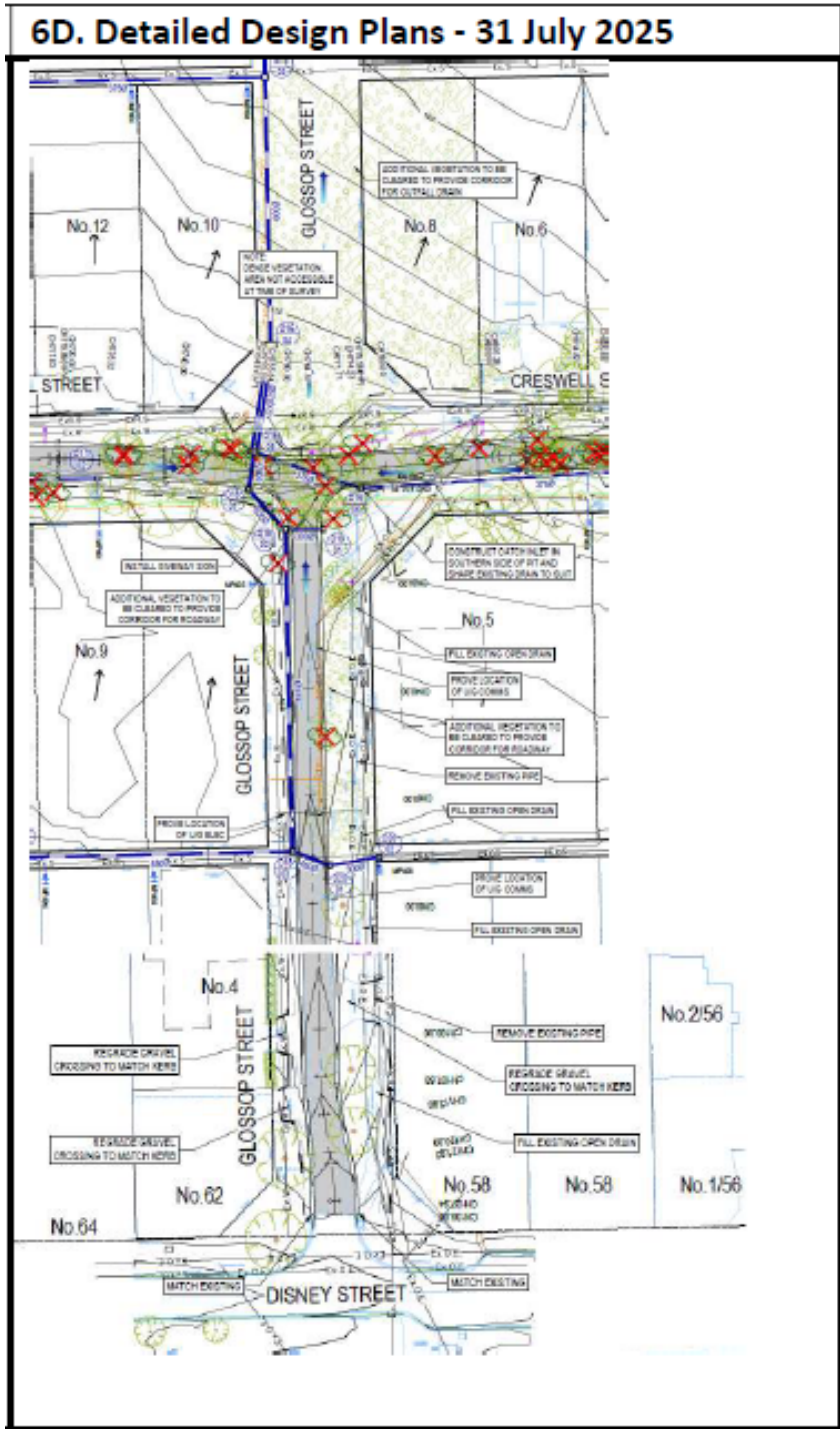
Source: Council's Part B submission (page 17)

Figure 8 Council's preferred extent of works in Creswell Street (West)



Source: Council's presentation at the Hearing

Figure 9 Council's preferred extent of infrastructure Glossop Street



Source: Council's presentation at the Hearing