

What is a Development Contributions Plan?

A Development Contributions Plan (DCP) is a mechanism which allows the fair funding and delivery of infrastructure. It's a planning and legal tool forming part of a Planning Scheme that requires landowners to make a mandatory financial contribution towards the cost of delivering new or upgraded infrastructure that benefits their properties.

A DCP identifies the area of land it applies to, the infrastructure projects the financial contributions would fund, and how these contributions are calculated and shared across landowners subject to the DCP. (Contributions under a DCP are also known as "levies").

The *Planning and Environment Act 1987* allows DCPs to be prepared and introduced to a Planning Scheme via a formal planning scheme amendment process, as approved by the Minister for Planning.

Further information about DCPs can be found here: www.planning.vic.gov.au/guides-and-resources/legislation-regulation-and-fees/infrastructure-contributions

What is a Planning Scheme?

A Planning Scheme is a legal document that contains all the policies and provisions that control land use and development in a local government area. Planning Schemes have three main parts:

1. Maps showing how land is affected by zones and overlays
2. Ordinance setting out the written requirements of a planning scheme
3. Incorporated documents (such as the Creswell Street East Crib Point Development Contributions Plan incorporated document (<https://planning-schemes.app.planning.vic.gov.au/Mornington%20Peninsula/docs?query=creswell%20street&page=1>))

Every Council in Victoria has its own Planning Scheme. A Planning Scheme is prepared by a Council (or the Victorian Minister for Planning) and approved by the Minister for Planning.

A local Council is generally responsible for administering its own Planning Scheme to ensure land is used and developed in a way that delivers a net community benefit.

Visit Planning Victoria (<https://www.planning.vic.gov.au/guides-and-resources/guides/guide-to-victorias-planning-system/planning-schemes>) for more information about Planning Schemes.

What is a Planning Scheme Amendment?

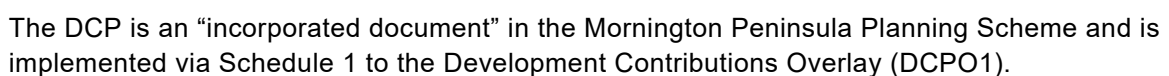
A Planning Scheme Amendment is a change (or set of changes) proposed to a Planning Scheme (<https://planning-schemes.app.planning.vic.gov.au/Mornington%20Peninsula/ordinance>). Examples include:

- Changing the zoning of land (such as rezoning land from an industrial zone to a residential zone)
- Applying or amending an overlay to land (such as a Heritage Overlay)

- There is a formal process for amending a Planning Scheme which takes approximately 1 – 2 years to complete, but sometimes longer.

The Creswell Street East Crib Point Development Contributions Plan (DCP) facilitates the funding and delivery of road and drainage infrastructure to service privately owned properties in Creswell and Cooma Streets, Crib Point.

Figure 1: Extent of the DCP



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In summary, the DCP:

- Outlines infrastructure to be delivered by Council, which includes road, drainage, public street lighting and optic fibre ready pit and pipe infrastructure within the unmade Council road reserves (within sections of Creswell Street and Cooma Street).
- Provides for Council and landowners to make a financial contribution towards the infrastructure costs, being 30% funded by Council and 70% funded by landowner contributions.
- Requires landowners to pay their contribution before they are allowed to develop or subdivide their land (which is triggered by a planning or building permit, including for the removal of vegetation).
- Provides for a total estimated project delivery cost of \$2,091,053 (expressed in October 2017 dollars).
- Apportions and charges contributions based on \$20,330 (October 2017 dollars) per existing 20.12 metres of lot frontage, which equates to \$25,746.39 in July 2023 dollars.
- Requires that contributions be indexed on a quarterly basis to account for inflation.
- Requires landowners to pay their contribution once only – regardless of when or what triggers the contribution.
- States that Council must deliver the outlined infrastructure when first of either occurs:
 - 50% of landowner contributions have been collected by Council, or
 - Within 7 years from when the DCP was first incorporated into the Planning Scheme (i.e. by 6 June 2026).

The DCP notes that it should be revised and updated every five years (or more frequently if required), and that any proposed changes to the scope or contents of the DCP (including cost estimates, alternate timeframes, charge area, infrastructure to be delivered, cost-apportionment, etc.) can only be implemented by a formal amendment to the Mornington Peninsula Planning Scheme.

How do I know if I need a Planning Permit to subdivide or develop my land?

Common things that require a planning permit include subdividing land, building two or more dwellings on a property and removing vegetation.

If you're unsure whether you need a Planning Permit, please contact our Planning Services department on (03) 5950 1010 or email planning@mornpen.vic.gov.au. You can also visit our website for more information about Planning Permits: <https://www.mornpen.vic.gov.au/Building-Planning/Planning>.

How do I know if I need a Building Permit?

Most types of building works require a Building Permit such as building or renovating a house, shed, garage, carport, veranda, pool fence, and deck. If you're unsure whether you need a Building Permit, please contact a private building surveyor. You can also visit our website for more information about Building Permits: www.mornpen.vic.gov.au/Building-Planning/Building/Building-Permits.

What is “Amendment C295morn”?

Amendment C295morn is a proposed change to the Mornington Peninsula Planning Scheme to replace the existing DCP (and associated DCPO1) with a revised DCP and DCPO1.

Why is Amendment C295morn needed?

Mornington Peninsula Shire Council commissioned an independent peer review of the existing DCP which identified several issues, the most significant being that the project costs included in the DCP do not reflect the current construction costs. As a result, a revised DCP has been prepared. Amendment C295morn proposes to remove the existing DCP (incorporated document) from the Mornington Peninsula Planning Scheme and replace it with the revised DCP and update the DCPO1 accordingly.

In summary, the revised DCP subject to Amendment C295morn: -

- Updates the infrastructure project extent to include the upgrade of Cooma Street and Glossop Street between Creswell Street and Disney Street and extends the eastern edge of Creswell Street so it meets the existing road pavement (see Figure 2). As a result, the total length of unmade local roads to be upgraded has increased from 860 linear metres in the 2018 DCP to 1,138 linear metres in the revised DCP. The extension of the road and drainage upgrades will provide an improved outcome for the local residents and deliver two upgraded north-south local access roads.

Figure 2: Proposed extent of revised DCP area



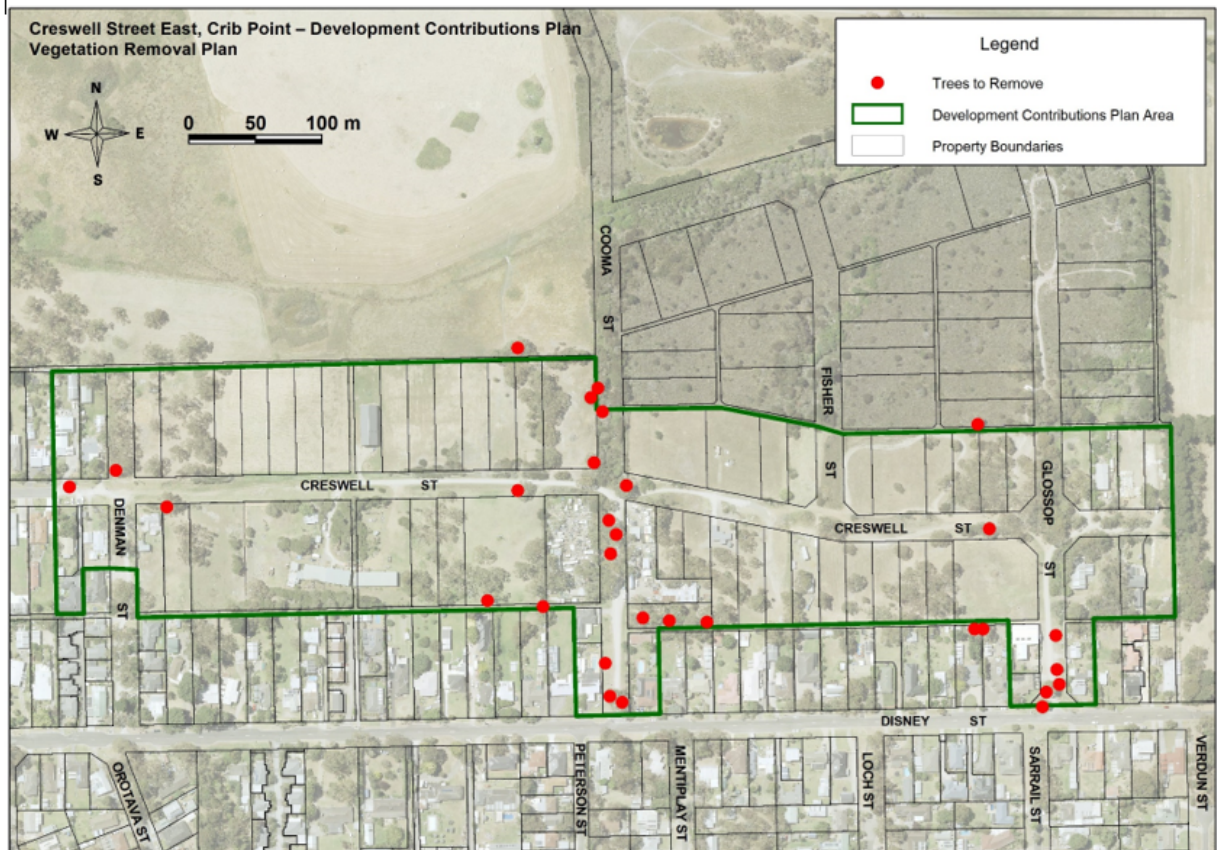
- Retains the project type and scope – i.e. the road cross-section remains the same as that in the existing DCP and includes the construction of a 5.5 metre wide asphalt pavement and stormwater drainage but does not include a footpath;
- Increases the DCP area as the extent of the upgrade of the local unmade roads has increased. The DCP area has been increased to include all properties immediately adjacent to the unmade local roads that will be upgraded, as a result 12 additional properties are included in the revised DCP.
- 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, includes finance costs to deliver the project by 30 June 2028, and plan preparation costs.
- Increases the DCP charges required due to the increase in total DCP costs.
- Apportions 70% of all DCP projects including the road and drainage infrastructure construction, plan preparation and finance costs to the landowners benefiting from the localised infrastructure. Council will fund the remaining 30% of the total DCP project costs. The “70/30” apportionment of costs between landowners and Council is the same as the existing DCP which funds road and drainage infrastructure construction only.
- Increases the project delivery timeframe to 30 June 2028.
- Revises the demand units from 20.12m linear metre of lot frontage to metre square of lot area.

Does the delivery of the road and drainage infrastructure require vegetation removal?

Yes. The revised DCP includes a vegetation removal plan identifying the vegetation that needs to be removed from private and public land to allow for the construction of the road and drainage infrastructure. All vegetation required to be removed is shown in Figure 3, below:

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Figure 3: Vegetation removal plan – private and public land



Ordinarily, a planning permit is required to remove, destroy or lop any vegetation given the Schedule 1 to the Vegetation Protection Overlay (VPO1) applies to the area of proposed works.

To avoid requiring a planning permit to remove vegetation (as shown in Figure 3 above), Amendment C295morn amends the Schedule to Clause 52.17 (Native Vegetation) to exempt the Mornington Peninsula Shire from needing a planning permit to remove, destroy or lop vegetation required to be removed as shown in the revised DCP.

This exemption reduces the administrative burden on the Mornington Peninsula Shire to deliver infrastructure needed to service the residential land.

Importantly, while the amendment provides for an exemption to remove vegetation required to construct the infrastructure, Mornington Peninsula Shire Council has committed to voluntarily pay for and provide appropriate offsets to compensate for the proposed vegetation loss. The cost of providing the offsets will be funded by Council and is not included within the revised DCP.

What is “Amendment C300morn”?

Amendment C300morn is a separate planning scheme amendment that extended the expiry date of the existing DCP by 2 years, until 6 June 2026. It was approved by the Minister for Planning on 13 June 2024.

Amendment C300morn was required to ensure the existing DCP remains in place (i.e. does not expire) so Council can retain contributions collected to date and continue to collect contributions while Amendment C295morn – to introduce the revised DCP – is being progressed.

When the DCP was first incorporated into the Planning Scheme in 2018, it required Council to deliver the specified infrastructure when the first of either occurred:

- 50% of landowner contributions have been collected by Council; or
- Within 5 years of the DCP being gazetted (i.e. by the 6 June 2024).

Because Council hasn't received 50% of the landowner contributions to date and did not have enough funding to deliver the DCP infrastructure by June 2024, the existing DCP expiry date was extended to 6 June 2026.

What is ‘Amendment C305morn’?

Amendment C305morn is another planning scheme amendment that was gazetted on 18 July 2024 to correct obvious errors that occurred as a part of the gazettal of Amendment C300morn. That is, Amendment C305morn:

- added an exemption for small second dwellings from the DCP (because the State Government approved [Amendment VC249](#) which exempted small second dwellings from all DCP requirements across Victoria), and
- updated the date of the DCP incorporated document from 2018 to June 2024, to recognise when the DCP was revised with these technical changes.

You can read more about Amendment C305morn here: <https://planning-schemes.app.planning.vic.gov.au/Mornington%20Peninsula/amendments/C305morn>

How will development contributions be used under the revised DCP?

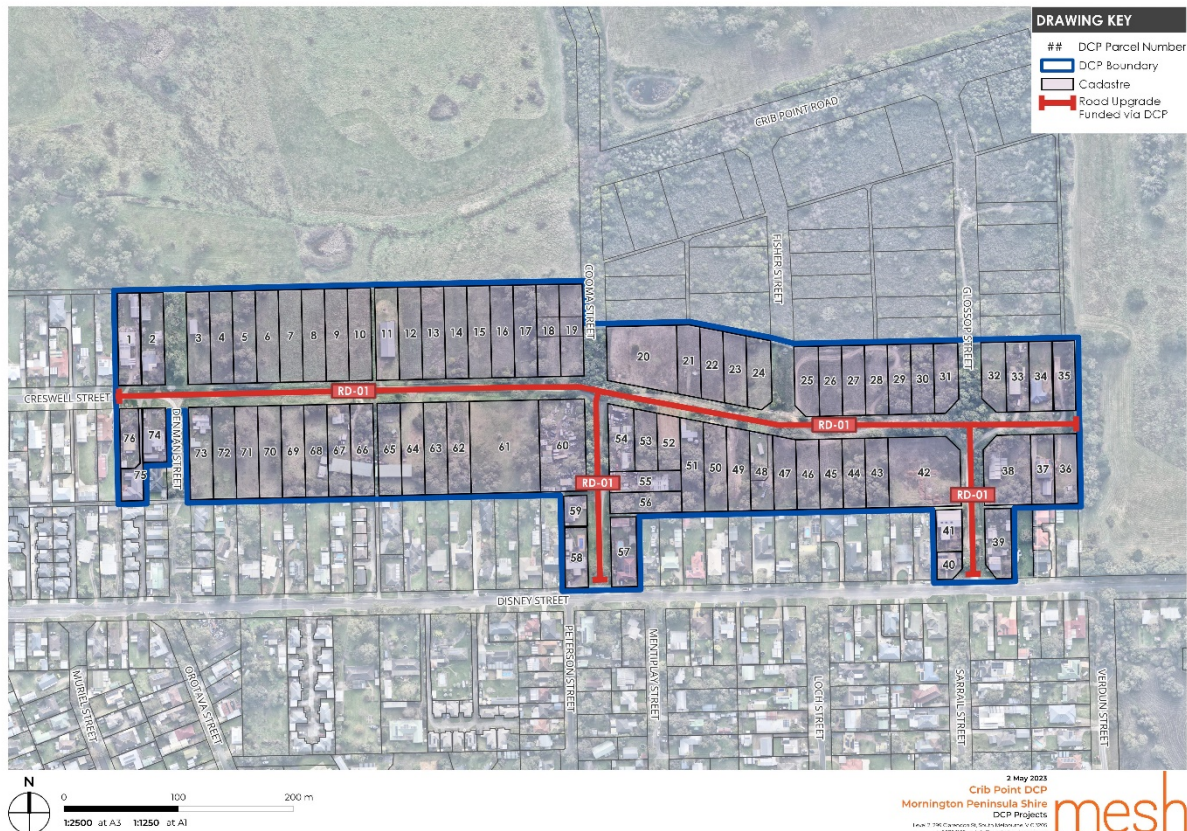
Much like the existing DCP, development contributions collected under the revised DCP will be used to upgrade the existing unmade local roads within the DCP area.

The revised DCP area includes Creswell Street from the existing pavement to the eastern edge of the DCP area; and Cooma Street and Glossop Street between Creswell Street and Disney Street. These unmade local roads will be upgraded to a 5.5 metre wide (from the invert of each kerb) sealed road that includes local drainage works (see Figure 4).

The contributions will pay for the construction of the road and drainage infrastructure and associated vegetation removal to facilitate these works, and finance costs required to deliver the project by 30 June 2028 – ahead of Council receiving the necessary funds and the plan preparation costs.

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Figure 4: DCP area and infrastructure project location



When would the infrastructure be delivered under the revised DCP?

The revised DCP proposes that Council would deliver the infrastructure by 30 June 2028.

Who has to pay contributions under the revised DCP?

Landowners for all properties identified within the area shown in Figures 2 and 4 will have to pay contributions under the revised DCP (unless they've already paid contributions under the existing DCP).

How would the costs be shared under the revised DCP?

Under the revised DCP, it is proposed to pass on 70% of the road and drainage infrastructure construction, plan preparation and finance costs to landowners within the DCP area benefiting from the upgraded infrastructure. Council will fund the remaining 30% of the total DCP project costs. This share of funding between landowners and Council is the same as the existing DCP.

What is the total cost under the revised DCP?

The total cost included in the revised DCP is \$5,559,668 (made up of \$4,720,000 for roads and drainage infrastructure construction, \$520,428 for finance costs and \$319,240 for plan preparation costs).

How are the contributions calculated under the revised DCP?

The contribution amount to be paid by landowners is calculated based on multiplying the demand units by the DCP levy charge rate per square meter (m²). A demand unit in the revised DCP is defined as the total number of square metres within a property.

Why have the demand units changed from linear metre of frontage to per square metre of each lot?

The existing DCP specifies lot frontage as the demand unit and charges the development infrastructure levy per existing 20.12 metres of equivalent lot frontage. This results in 72 equivalent demand units in the DCP area and lots with frontage greater or less than the demand unit of 20.12m are required to contribute on a pro rata basis.

Applying lot frontage as the demand unit is an unusual approach as the lot frontage does not always have a direct relationship to the total lot yield i.e. future subdivision potential of a lot. It is common practice to adopt land area as the demand unit in a DCP and this approach has been applied in the revised DCP.

How much are the landowner contributions under the revised DCP?

The revised DCP sets the DCP levy charge rate as \$33.98 per m² of site area. The amount landowners will pay will depend on the total site area of their parcel.

The current charge rate of \$33.98m² is in May 2023 dollars and will be indexed quarterly using the Australian Bureau of Statistics Producer Price Index for road and bridge construction in Victoria.

Once the DCP infrastructure is delivered, the project cost will be indexed by applying Consumer Price Index (CPI) (All Groups Melbourne) to ensure the charges keep pace with inflation.

Table 1 on Council's website sets out the current land area of each parcel (m²) and the estimated DCP levies for each property under the revised DCP. The last two columns in Table 1 show the approximate landowner contributions under the existing DCP (based on June 2024 dollars) and the estimated frontage length in metres. (Note: Properties that have "N/A" for estimated parcel area and "\$0.00" in estimated charges are properties that were not included in the existing DCP).

To determine the contributions for your property, refer to the "DCP Parcel Number ID" that's been assigned to your property in Figure 4, then refer to the corresponding number in Table 1.

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Table 2 provides an overview of the revised DCP average, minimum and maximum contributions that landowners would be required to pay based on existing lot sizes compared to the existing DCP.

Table 2: Existing and revised DCP average, minimum and maximum contributions compared

	Revised DCP contribution rates proposed (70% landowner apportioned and per square metre of site area)	Existing DCP contribution rates (70/30 apportioned, June 2024 dollars and per 20.12 metre lot frontage)
Average	\$51,207	\$25,783
Minimum	\$16,515 (Note: this property is not contained within the April 2018 DCP area)	\$24,056
Maximum	\$165,244	\$89,240

When do the contributions have to be paid under the revised DCP?

As is the case for the existing DCP, landowners must pay their contribution before they are allowed to subdivide or develop their land as follows:

- Contributions must be paid when a planning permit to subdivide or develop a property has been approved by Council and acted on by the landowner. (Planning permits will be issued with a condition specifying that the levy must be paid).
- If a subdivision is taking place, the development contribution must be paid prior to issue of Statement of Compliance.
- If no planning permit is required, landowners will need to pay the development contribution prior to the issue of a building permit under the *Building Act 1993*.

Why is a contribution only paid when a site is developed?

A DCP is a funding mechanism that identifies infrastructure required to support new development i.e. new development generates the demand or need for the infrastructure. The *Planning and Environment Act 1987* states that the requirement to pay a development infrastructure levy in accordance with a DCP must be specified in a condition on planning permit. If no planning permit is required, then the DCP must document alternative procedures such as payment prior to issue of building permit under the *Building Act 1993*.

In simple terms, a development infrastructure is paid prior to when land is developed as it is that development that generates the demand for the infrastructure.

Does vegetation removal trigger the need to pay contributions under the revised DCP?

Yes, the removal, destruction or lopping of trees and the removal of vegetation triggers the need to pay contributions if:

- a Planning Permit is required to carry out those works, and
- a DCP contribution has not already been paid for the land.

The removal, destruction or lopping of trees and the removal of vegetation is considered a type of 'works' that falls within the definition 'development' under the *Planning and Environment Act 1987*.

If you are unsure whether you need a Planning Permit to remove or modify trees or vegetation on your land, contact our Planning Services department on (03) 5950 1010 or email planning@mornpen.vic.gov.au.

Are there transitional provisions for payment of contributions under Amendment C295morn?

No, Amendment C295mon does not contain transitional provisions for the payment of contributions. This means that if Amendment C295morn is approved, contributions have to be paid as per the revised 2023 DCP from the time Amendment C295morn is gazetted (i.e. officially approved by the Minister for Planning and included in the Planning Scheme).

What happens if I've already paid my contribution under the existing DCP?

If you have already paid the full amount of contributions you owe under the existing DCP, you will not be required to pay any further contributions – even if the revised DCP comes into effect.

What will happen to the contributions already collected by Council under the existing DCP?

Contributions collected by Council under the existing DCP will be held by Council and used to deliver the infrastructure outlined within the revised DCP.

What happens if I've already been issued a Planning Permit under the existing DCP?

If a Planning Permit has been issued for your property under the existing DCP (and prior to approval of the revised DCP), you will need to pay the contribution in accordance with the conditions on your permit.

What happens if I have a current Building Permit?

If a Building Permit has been issued for your property prior to approval of the revised DCP, and you (or a previous owner) have paid the Development Infrastructure Levy in accordance with the existing DCP, you will not need to pay any additional contributions.

What happens if I have my existing Planning Permit amended?

If you apply to amend your existing Planning Permit, and the development allowed by the permit is not exempt from a DCP contribution, you will be required to pay a contribution if it has not already been paid previously.

Would there be any exemptions from needing to pay contributions under the revised 2023 DCP?

Yes, some types of development are proposed to be exempt from paying infrastructure development levies. Where land is subdivided or developed for an exempt purpose, as listed below, and the land is subsequently used for a purpose other than as one of those exempt uses, the owner of that land must pay to the Collecting Agency infrastructure contributions in accordance with the provisions of this DCP. The levy must be paid within 28 days of the date of the commencement of the construction of any buildings or works for that alternative use.

The following land use and development are proposed to be exempt from paying the Development Infrastructure Levy under the revised DCP: -

- A non-government school
- Housing provided by or on behalf of the Department of Health and Human Services
- A small second dwelling
- In addition to the Ministerial Directions, pursuant to Section 16 of the Planning and Environment Act 1987, the Governor in Council directs that planning schemes shall not be binding on the use and development of land carried out by or on behalf of the following Ministers:
 - Minister for Education
 - Minister for Health
 - Minister for Skills and Workforce Participation
- Land which has an existing Section 173 Agreement under the Act and/or a Deed of Agreement which requires the payment of a contributions levy and/or construction infrastructure/provision of land
- Land owned and operated by South East Water

How can I have my say about the proposed revised DCP?

You can have your say about the proposed revised DCP during public exhibition of Amendment C295morn (which implements the revised DCP). Before exhibition starts, Council will notify all landowners and occupants about the amendment, explaining how and when people can make written submissions for Council's consideration.

Please note: Any written submissions received prior to formal public exhibition of the amendment will not count as a submission.