

# Applying the Metropolitan Planning Levy

## Planning Practice Note 82

May 2022

The purpose of this practice note is to explain the Metropolitan Planning Levy.

### Background

Plan Melbourne is the metropolitan planning strategy to manage Melbourne's growth and change to 2050. With Melbourne's population forecast to reach 8 million by 2050, it integrates land use, infrastructure and transport planning to respond to the needs of a growing and more diverse population.

The Metropolitan Planning Levy (MPL) supports the delivery of Plan Melbourne initiatives.

Under section 96P of the Planning and Environment Act 1987 (the Act) the levy applies to a planning permit application for the development of land in the Melbourne metropolitan area where the project is valued at over \$1,107,000 (2021-22).

The levy is set at \$1.30 per \$1000 of development cost. The threshold amount is adjusted annually by the Consumer Price Index. The value of a development is based on the estimated cost of the development for which the permit is required.

For the latest information about the Metropolitan Planning Levy and the current threshold amount, go to:  
[sro.vic.gov.au/metropolitan-planning-levy](https://sro.vic.gov.au/metropolitan-planning-levy).

### Affected areas

The levy applies to the following municipal areas:

| Metropolitan Melbourne |                   |   |              |
|------------------------|-------------------|---|--------------|
| Banyule                | Glen Eira         | Maroondah                                   | Nillumbik    |
| Bayside                | Greater Dandenong | Melbourne                                   | Port Phillip |
| Boroondara             | Hobsons Bay       | Melton                                      | Stonnington  |
| Brimbank               | Hume              | Mitchell (inside the Urban Growth Boundary) | Whitehorse   |
| Cardinia               | Kingston          | Monash                                      | Whittlesea   |
| Casey                  | Knox              | Moonee Valley                               | Wyndham      |
| Darebin                | Manningham        | Moreland                                    | Yarra        |
| Frankston              | Maribyrnong       | Mornington Peninsula                        | Yarra Ranges |



## What is 'development?'

Development, as defined by the Act, includes the:

- construction, exterior alteration or exterior decoration of a building
- demolition or removal of a building or works
- construction or carrying out of works
- subdivision or consolidation of land, including buildings or airspace
- placing or relocation of a building or works on land
- construction or putting up for display of signs or hoardings.

## How the levy works

All leviable planning permit applications must be accompanied by a current MPL certificate. A leviable planning permit application is void unless, at the time of the application, the applicant provides the responsible authority (usually the municipal council) with a current MPL certificate.

The State Revenue Office is responsible for collecting the levy on behalf of the Commissioner of State Revenue. To get a levy certificate, an applicant will need to complete and submit an online MPL certificate application at [sro.vic.gov.au](http://sro.vic.gov.au) and pay the levy. The levy certificate expires 90 days after the day on which it is issued (section 96T(3)). If the certificate expires before the planning permit application is lodged, a new MPL certificate must be obtained, and the levy must be paid again.

## Calculating the levy amount

For all leviable types of development, including subdivision, only the elements requiring a planning permit should be included in the calculation of costs. If the estimated cost of the development for which the permit is required is not a multiple of \$1,000, the estimated cost is to be rounded up or down to the nearest \$1,000.

### Example

*A planning permit is required for a residential development with an estimated cost of development of \$1,350,400.*

*This cost is rounded to the nearest \$1,000, being \$1,350,000.*

$$\$1,350,000 \div \$1,000 = 1,350$$

$$\$1.30 \text{ (the levy)} \times 1,350 = \$1,755$$

## Refunds and exemptions

The Act does not provide for exemptions from payment of the MPL. Refunds will only be provided in the event of a mathematical error in the calculation of the estimated cost of development provided to the Commissioner.

No refund will be provided if the cost of development reduces after the MPL has been paid, or if the permit is refused, lapses or is subsequently cancelled, or if the development never proceeds.

© The State of Victoria Department of Environment, Land, Water and Planning 2022



This work is licensed under a Creative Commons Attribution 4.0 International licence. You are free to re-use the work under that licence, on the condition that you credit the State of Victoria as author. The licence does not apply to any images, photographs or branding, including the Victorian Coat of Arms, the Victorian Government logo and the Department of Environment, Land, Water and Planning (DELWP) logo.

To view a copy of this licence, visit [creativecommons.org/licenses/by/4.0/](http://creativecommons.org/licenses/by/4.0/)

First published May 2016

ISBN 978-1-76047-106-4 (pdf/online)

### Disclaimer

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

## Accessibility

If you would like to receive this publication in an alternative format, please telephone DELWP Customer Service Centre 136 186, email [planning.systems@delwp.vic.gov.au](mailto:planning.systems@delwp.vic.gov.au), via the National Relay Service on 133 677 [www.relayservice.com.au](http://www.relayservice.com.au).

This document is also available in accessible Word format at [www.planning.vic.gov.au](http://www.planning.vic.gov.au)