

Applying the Metropolitan Planning Levy

June 2024

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 \$1,271,000 (2024-25).

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.

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	Merri-bek	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 and pay the levy.

The levy certificate expires 180 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. No refunds can be granted, except in the case of a mathematical error, the applicant dies before the application is made, or the relevant planning scheme was amended before the leviable permit application was made.

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, except for specific grounds. Refunds will only be provided in the event:

- there has been a mathematical error in the calculation of the estimated cost of development provided to the Commissioner
- the applicant dies before the application is made and no other person is proceeding with the application, or
- the relevant planning scheme was amended before the leviable permit application was made, and so as a result of the amendment, the responsible authority must refuse to grant the permit.

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.

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