

s72 Amendment Planning Assessment - Officer Report

PA2402798 – 511-537 Sydney Road,
Coburg



Section 72 Amendment Planning Assessment - Officer Report Development Assessment

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Department
of Transport
and Planning

OFFICIAL

Executive Summary



Key Information	Details																
Permit No:	PA2402798																
Permit Allows:	Use and development of the land for a mixed-use development comprising of 326 dwellings, offices and food and drink premises, reduction in car parking requirements, remove an easement and alteration to access to a road in a Transport Zone 2 and Public Acquisition Overlay																
Land Address:	511-537 Sydney Road, Coburg																
Amendment Received:	5 February 2026																
Statutory Days:	76 as of 22 April 2026																
Applicant:	Assemble SRC Development Nominee Pty Ltd, Assemble SRC Pty Ltd atf Assemble SRC Trust c/- Tract Consultants																
Planning Scheme:	Merri-Bek																
s72 Proposal Summary:	Section 72 amendment to revise the affordable housing model from build-to-rent-to-own to build-to-rent (including changes to Conditions 42 and 43 and associated plans), and to amend waste management by deleting Condition 14 and removing on-level glass recycling requirements.																
Conditions Compliance Summary:	<ul style="list-style-type: none">Affordable Housing Management Plan ConditionWaste Management Plan Condition																
Why is the Minister responsible?	S. 72 Application for amendment of a permit <i>(1) A person who is entitled to use or develop land in accordance with a permit may apply to the responsible authority for an amendment to the permit.</i>																
Planning Controls:	<table border="1"><tbody><tr><td>Clause 37.08</td><td>Activity Centre Zone Schedule 1 Precinct 2</td></tr><tr><td>Clause 45.03</td><td>Environmental Audit Overlay</td></tr><tr><td>Clause 45.01</td><td>Public Acquisition Overlay PAO1</td></tr><tr><td>Clause 45.09</td><td>Parking Overlay Schedule 1</td></tr><tr><td>Clause 45.06</td><td>Development Contributions Plan Overlay Schedule 1</td></tr><tr><td>Clause 52.02</td><td>Easements, Restrictions and Reserves</td></tr><tr><td>Clause 52.06</td><td>Car Parking</td></tr><tr><td>Clause 52.29</td><td>Land adjacent to the principal road network</td></tr></tbody></table>	Clause 37.08	Activity Centre Zone Schedule 1 Precinct 2	Clause 45.03	Environmental Audit Overlay	Clause 45.01	Public Acquisition Overlay PAO1	Clause 45.09	Parking Overlay Schedule 1	Clause 45.06	Development Contributions Plan Overlay Schedule 1	Clause 52.02	Easements, Restrictions and Reserves	Clause 52.06	Car Parking	Clause 52.29	Land adjacent to the principal road network
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Planning History:	<ul style="list-style-type: none">Planning Permit PA2402798 issued by the Department of Transport and Planning under delegation of the Minister for Planning on 22 July 2024.Plans and reports endorsed on 19 February 2025, including the Affordable Housing Management Plan (Condition 42).Secondary consent amendment approved on 12 September 2025.Secondary consent amendment application submitted on 17 December 2025 for minor changes to endorsed plans and reports (including Ross Street interface and communal spaces at podium and rooftop levels).																
Referral Authorities:	Merri-bek (S52)																



Public Notice: 2 objections have been received as of 22 April 2026.



Recommendation: The amendments to the permit are recommended for approval.



1. The proposal can be summarised as follows:

Key Information	Details
Proposal:	<p>The application seeks to amend Planning Permit PA2402798 under Section 72 of the <i>Planning and Environment Act 1987</i> to facilitate changes to the affordable housing delivery model and waste management arrangements.</p> <p>Affordable Housing Amendments</p> <ul style="list-style-type: none">• Amend Condition 42 (Affordable Housing Management Plan) and Condition 43 (Section 173 Agreement) to reflect a revised affordable housing model.• Transition from a Build-to-Rent-to-Own (BTRTO) model to a Build-to-Rent (BTR) model.• Introduce a new affordable housing contribution comprising:<ul style="list-style-type: none">○ 20% of dwellings provided as affordable housing;○ Minimum 25% discount to market rent;○ 10-year delivery period;○ Affordable dwellings to be representative of the approved dwelling mix.• Update AHMP requirements to focus on rental affordability ($\leq 30\%$ of household income), monitoring, and annual reporting, removing previous purchase/mortgage provisions.• Replace Condition 43 with standard wording for affordable housing contributions, with execution prior to occupation. <p>Waste Management Amendments</p> <ul style="list-style-type: none">• Amend waste management approach for glass recycling:<ul style="list-style-type: none">○ Remove requirement for glass bins on each residential level;○ Require residents to transfer glass waste directly to ground floor storage areas via lifts.• Delete Condition 14, which currently requires glass recycling bins adjacent to waste chutes on each level. <p>General</p> <ul style="list-style-type: none">• Seek re-endorsement of the Affordable Housing Management Plan and Waste Management Plan to reflect the above changes.

Subject Site and Surrounds



Site Description

2. The subject site is well progressed in terms of development and is nearing completion.

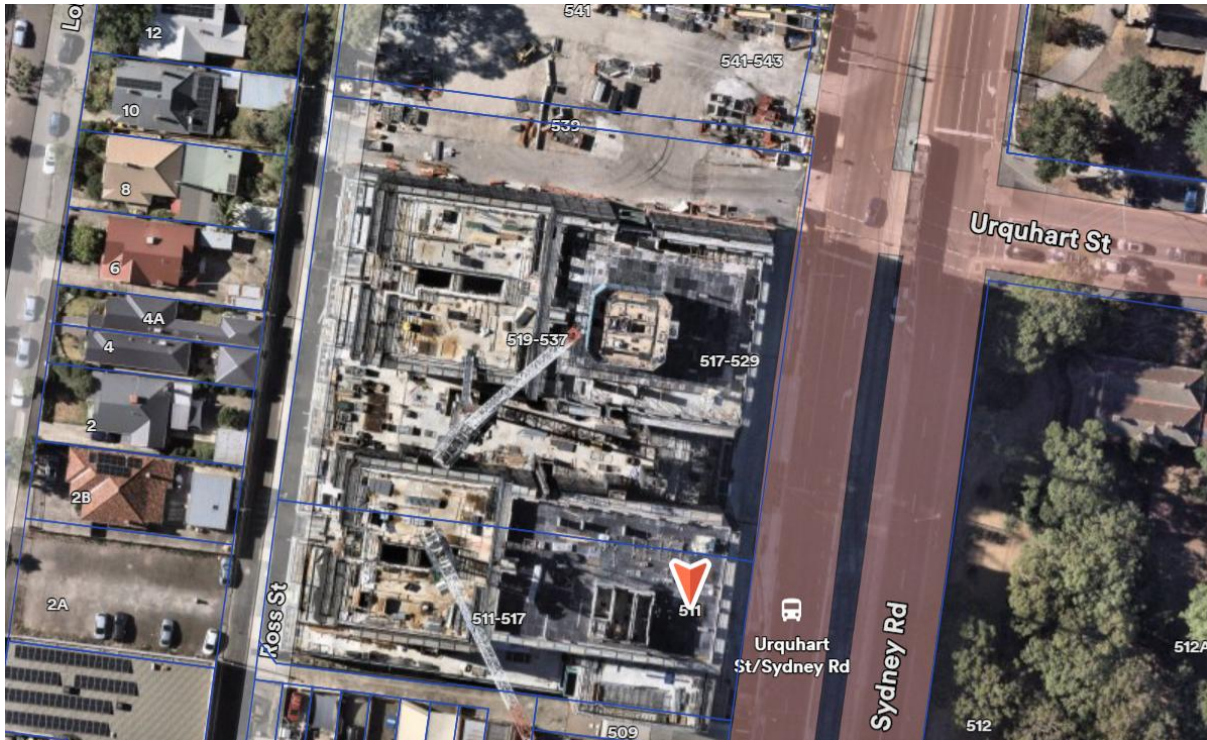


Figure 1 Aerial image of site on 14 Feb 2026 (Nearmap)

Site Surrounds

3. The surrounding site context has not changed since the permit was issued.

Referrals

4. The Merri-bek City Council was given notice of the application under Section 52(1)(b) of the Planning and Environment Act 1983. Merri-bek City Council (officer level) does not support the change from BTRO to BTR affordable rental. The council has assessed the proposal as a 33% reduction of affordable housing contribution. The following was provided:

Is the proposed affordable housing contribution commensurate with what is required under the current permit conditions?

Looking at both financial and yield measurements I conclude that the Affordable Housing contribution for affordable rentals is reduced by 33%. A further loss of contribution is the benefit of affordable housing purchase. The value of this loss is hard to quantify as it would require modelling - which has not been provided by Assemble - on how many of the households went through with purchase and how long they then stayed in the purchased unit as owner-occupiers.

Victoria Street

- no longer providing an affordable ownership opportunity as part of the public benefit of the project
- reducing the quantum of affordable housing from 60% (170 units) to 20% (57 units)
- increasing the timeframe in which the affordable rentals are provided from 5 years to 10 years

Assemble submits that the proposed conditions and Affordable Housing Management Plan "ensure that the revised Affordable Housing contribution would be commensurate with what had been approved to date"

Financial analysis (based on data in the proposed Affordable Management Plan)

Contribution using the weighted average of rent discount (\$247 pw) provided in the proposed Affordable Management Plan:

Weighted average annual discount per unit(NPV)	#units at 20%	#units 60%	10 years @ 20% (proposed)	5 years @ 60% (current)	Difference between current and proposed
\$12,844	57	170	\$7,321 080	\$10,917400	-32.94%

Yield Analysis (based on % of total units contributed over time)

Total units	#units at 20%	#units 60%	Total Affordable Housing years 20% x 10	Total affordable housing years 60% x 5	Difference between current and proposed
284	57	170	570	850	-33%

Sydney Road

- no longer providing an affordable ownership opportunity as part of the public benefit of the project
- reducing the quantum of affordable housing from 60% (203 units) to 20% (68 units)
- increasing the timeframe in which the affordable rentals are provided from 5 years to 10 years

Financial analysis (based on data in the proposed Affordable Management Plan)

Contribution using the weighted average of rent discount (\$181 pw) provided in the proposed Affordable Management Plan:

Weighted average annual discount per unit(NPV)	#units at 20%	#units 60%	10 years @ 20% (proposed)	5 years @ 60% (current)	Difference between current and proposed
\$9412	68	203	\$6,400160	\$9,553180	-33%

Yield Analysis (based on % of total units contributed over time)

Total units	#units at 20%	#units 60%	Total Affordable Housing years 20% x 10	Total affordable housing years 60% x 5	Difference between current and proposed
384	68	203	680	1015	-33%

Affordable housing purchase

A further reduction of contribution under the proposed is the benefit of affordable housing purchase. The value of this loss is hard to quantify as it would require modelling - which has not been provided by Assemble - on how many of the 170 households went through with purchase and how long they then stayed in the purchased unit as owner-occupiers. However, even a very conservative set of assumptions, for instance that 25% of renters took the purchase option and stayed on average a further 2 years, would add an additional 85 "affordable housing years" to the contribution under the current permit conditions.

Aside from the quantum of affordable housing contribution, is the proposed Affordable Housing Management Plan acceptable?

The Plan(s) has sufficient rigour in its data and calculations and addresses key requirements of affordable housing quality such as tenure blind, diversity of units offered etc.

One recommendation for change in the Plan:

In order to take into account periods of vacancy or renters earning over the income threshold from time to time, the timeframe for contributions should be a minimum term than a set term from time of first occupation. Annual reporting derived from the Plan should confirm that the required total rental discount across all properties has been applied before the obligation to provide affordable housing is expended.

In addition to the technical review above, a review of the planning history for the sites has found that both projects made commitments to affordable housing contribution as a package where the proposals did not align with planning policy. Effectively the commitments represent public benefit contributions in lieu of reduction in commercial floor space in the Brunswick Employment Centre (Victoria Street), and exceedance of recommended height controls for Coburg Activity Centre (Sydney Road).

With regard to **Victoria Street**, the Affordable Housing contribution (as currently conditioned) was introduced via a s87A amendment (to MPS/2017/745) which made various changes to built form, decreased commercial floor space by around 4000sqm, and increased dwellings in lieu. The applicant stated:

On balance, the proposed land use mix of affordable apartments, office space, retail tenancies and communal amenities represents a substantial net community benefit to the Brunswick neighbourhood. The proposal will deliver much needed affordable housing supply in range of high amenity dwelling typologies to suit a range of housing needs, supported by generous communal amenities that will assist in fostering social connections between residents. Any further increase in commercial floor area above the ground floor would directly impact on the delivery of affordable housing, both through the reallocation of floor space and through additional construction costs associated with increases in floor to ceiling heights and less efficient building arrangements. - Tract s87A application, June 2023

The s87A proposal was eventually consented to by Council. We make the point as we now see the proposed reduction in overall contribution as a "watering down" of the amendment that Council consented to. **As such we do not support the proposed amendment to the conditions and management plan that represents a reduction of public benefit.**

With regard to **Sydney Road**, Council's position to DTP dated 24 May 2024 was to accept the proposal, including proposed Affordable Housing contribution, conditional to the deletion of five storeys, bringing the overall height to 34.5m (or 12 storeys). This was in order to align with the preferred maximum building height of the precinct in the Coburg ACZ of 36m. DTP determined to issue the permit without the conditions to reduce the height, resulting in approval of overall height of 49m (16 storeys) – 13m above the relevant policy direction. Looking ahead to the pending introduction of new planning controls to this area, the slated proposed building heights for this area of the Train and Tram Zone is *up to 8 storeys*.

Similar to Victoria Street, we make this point as we now see the proposed reduction in overall contribution as a "watering down" of the public benefit committed to in order to secure approval for a building height (and yield) well in excess of the policy setting that applied at the time of permit issue, and will be well in excess of the policy setting that will apply as a result of DTP Activity Centres Program. **As such we do not support the proposed amendment to the conditions and management plan that represents a reduction of public benefit, especially where the development has quite evidently received yield benefit beyond the existing and future policy settings.**



Informal Referrals / Advice

5. DTP affordable housing officer was consulted on the changes. The following advice was provided with the applicant's response highlighted in yellow:

	PA2403363 – 342-348 Victoria St, Brunswick	Tract Comment
Discrepancies in the value of the discount	<ul style="list-style-type: none"> Note that the Management Plan provided by Assemble and cover letter provided by Tract have different NPR figures for the value of the discount – <ul style="list-style-type: none"> Assemble figure is \$7,160,303 (7.8% of development cost) (page 12) Tract figure is \$5,590,664 (7.8% of development cost) (page 4). Elsewhere in the cover letter, Tract refer to the value as equivalent to 6.12% of development cost. 	<ul style="list-style-type: none"> This is an error in the Tract report reflecting the value of the current AH contribution, rather than the proposed. The correct value of the proposed AH contribution is \$ 7,160,303 equivalent to 7.8% of the development cost.
Acquitting the affordable housing requirement	<ul style="list-style-type: none"> Note that DFP Build to Rent requires the value of the contribution to be equivalent to 3% of the development cost, to be acquitted over the defined period. I'd recommend the permit condition / s173 makes it clear that acquittal is tied to the value of the discount rather than the 10-year lifespan. Therefore, we need clarity on the value of the discount as above, i.e., \$7.16m or \$5.59m? The affordable housing requirement should not be tied to the 10-year lifespan. This is because any time an affordable dwelling is vacated or the household income of the tenants increases beyond the moderate-income range, the 'clock is stopped' on the 10-year period. The acquittal should be tracked against the value of the discount, i.e., 7.8% of Development Cost. 	<ul style="list-style-type: none"> As noted above, the value of the discount is \$7,160,303. We note that this figure provides an assessment of the value of the contribution – it is not proposed for this figure to be provided as a cash contribution. The proposed contribution is to be tied to the 10 year time period. If there any revisions to the value of the contribution we can reflect this as necessary, however we anticipate that these would be negligible given the limited likelihood of vacancies of the AH product.
Monitoring and reporting	<ul style="list-style-type: none"> I would recommend the reporting period commence from the time of occupation rather than date of issue of Certificate of Occupancy. The Affordable Housing Management Plan, Jan 2026, prepared by Assemble includes review and reporting steps in section 7.0. I'd recommend the annual reporting include detail on: <ul style="list-style-type: none"> total household income for each household allocated to an affordable dwelling the period when any household exceeded the moderate-income range while occupying an affordable dwelling the accrued value of discount for each affordable dwelling This information is needed to ensure that only eligible households are occupying the affordable dwellings. The value of the rental discount must only accrue while the dwellings are occupied by eligible households. The rent paid for any period by a non-eligible household, e.g., because their household income has increased beyond the medium-income range, must not be accrued against the total value of the discount (7.8% of Development Cost). 	<ul style="list-style-type: none"> We are comfortable amending reporting requirements to be from the time of occupation. We note that the dwellings are only intended to be leased to occupants within the moderate income bracket, therefore we do not agree with the requirement to confirm the accrued value of the discount. Moreover, we do not consider that Assemble should be penalised should a moderate-income household increase their household income when the discount to the dwelling remains the same. Please confirm if the project team is required to amend the value of the discount to reflect this.


6. The applicant responded to these comments with a letter from Assemble dated 3 March 2026 which confirmed that Assemble is supportive of DTP's requirement for the full value of the AH contribution to be acquitted (i.e. 7.2% of dev cost for SRC), rather than for the contributions to be limited to the proposed initial 10-year period.

7. The following change to the conditions were agreed to by the applicant on 10 April 2026 to ensure the full value of the AH contribution to be acquitted (i.e. 7.2% of dev cost for SRC). The following wording will for the wording for this assessment:

Affordable Housing Management Plan

Concurrent with the endorsement of plans, an Affordable Housing Management Plan must be submitted to and approved by the responsible authority, in consultation with Merri-bek City Council.

The Plan must:

- 
- a) Require that no less than 20 per cent of dwellings are provided as affordable housing, to the satisfaction of the responsible authority.
 - b) Specify:
 - i) the total value of the contribution as being no less than 7.2 per cent of the total development cost.
 - ii) the number and mix of dwellings to be provided as affordable housing;
 - iii) the mechanism for delivering the affordable housing as discounted rental dwellings;
 - iv) the method for determining the market rent and the discount to be applied; and
 - v) the duration of the affordable housing provision and the mechanism for acquitting the total contribution.
 - c) Describe the requirements for eligible households and a process to allocate the affordable housing dwellings. An eligible household is a household that meets the income threshold for Moderate income (annual) set out in the Governor in Council Order – Table 1. The Plan must specify matters to be considered when allocating affordable housing to eligible households such as age and occupation of each household. This information can be used to inform and evaluate affordable housing and key worker policy objectives.
 - d) Provide for annual reporting to the responsible authority and Merri-bek City Council in respect of the relevant 20 per cent affordable housing dwellings until the affordable housing contribution has been acquitted to the satisfaction of the responsible authority. The reporting for each affordable dwelling must include:
 - i. The total household income
 - ii. The amount of rent payable
 - iii. The period when total household income exceeded the Moderate income threshold specified in the Governor in Council Order
 - iv. The accrued value of the discount.


Reporting must commence from the first anniversary of the issue of the Statement of Compliance or Certificate of Occupancy (whichever occurs first) and must be reviewed and verified by a suitably qualified independent entity, to the satisfaction of the responsible authority.

- e) Specify the discounted rent levels, including any escalation over time, to ensure affordability is maintained until the required contribution value has been achieved, to the satisfaction of the responsible authority. This must include:
 - Rent for nominated affordable dwellings to be set at a level so as not to exceed 30 per cent of total household income for eligible Moderate income households, unless otherwise agreed to the satisfaction of the responsible authority.

Once approved, the Affordable Housing Management Plan will be endorsed and will form part of this permit. The use and development must be carried out in accordance with the endorsed Plan. The Plan must not be altered without the written consent of the responsible authority.

Section 173 Agreement – Affordable Housing

Prior to the occupation of the development, the owner of the land must enter into an agreement with the responsible authority under section 173 of the *Planning and Environment Act 1987*, in a form to the satisfaction of the responsible authority, that provides for a contribution towards affordable housing (affordable housing contribution).



The agreement must provide for an affordable housing contribution equivalent to **no less than 7.2% of the total development cost** of the development.

The contribution must be acquitted in accordance with the approved Affordable Housing Management Plan required by Condition 37 of the permit

The owner must pay the reasonable costs of preparation, execution and registration of the section 173 agreement.

Notice

8. The application was not advertised other than to the municipal authority under section 52(1)b as it was considered not to cause material detriment to any person because:
 - The amendment did not include any new planning permit triggers.
 - The changes proposed are limited to changes to condition wording to allow for an alternative affordable housing offering.
 - The proposed affordable housing offering remains in excess of the housing affordable requirement in the Merri-Bek Planning Scheme.
9. Although the application was not advertised publicly, the application received two objections with the following concerns:
 - **Perceived reduction in affordable housing outcomes**
Concern that the amendment seeks to reduce previously approved affordable housing commitments (notably the reported “60% affordable” component).
 - **Reduction in build-to-rent (BtR) commitment**
View that the proposal weakens or shifts away from the original BtR model that underpinned the approval.
 - **Equity and housing need**
Strong emphasis on the importance of affordable and secure rental housing for vulnerable groups (including women, children and LGBTQIA+ communities), and that supply should be increased rather than reduced.
 - **Consistency with original approval / expectations**
Concern that the development was fast-tracked under the Development Facilitation Program on the basis of significant affordable housing outcomes, and that changes may undermine that premise.
 - **Public trust and transparency**
Reference to media reporting (The Age article) suggesting commitments are being “quietly” reduced, raising concerns about accountability and process.
10. The concerns raised in submissions have been carefully considered as part of the assessment of the Section 72 amendment.



Planning Policy

11. Amendment VC258 was prepared by the Minister for Planning and amended clauses 53.20, 53.22, 53.23 and 72.01 of the Victoria Planning Provisions and all planning schemes to improve the operation of the Development Facilitation Program (DFP) and expand its scope.
12. The amendment broadened eligibility under the DFP to include gas-related projects and saleyards and refined the assessment framework for both significant economic development (Clause 53.22) and significant residential development with affordable housing (Clause 53.23). Key changes included clarifying entry requirements (requiring applicants to opt into the DFP), enabling mixed-use proposals, introducing additional information requirements (including feasibility and cost reporting), and ensuring consistency with strategic policy and relevant overlays.
13. For Clause 53.23, the amendment strengthened affordable housing delivery by shifting the Section 173 agreement from an entry requirement to a permit condition and aligned the pathway with Homes Victoria and government-funded housing provisions.
14. Clause 72.01 was amended to confirm the Minister for Planning as the responsible authority for applications and agreements under clauses 53.22 and 53.23.
15. Additionally, updated guidance on the DFP pathway clarified that the 10% affordable housing requirement may be delivered through a range of equivalent mechanisms. This includes: (i) provision of dwellings to a Registered Housing Agency or Homes Victoria, either via discounted sale (generally 10% of dwellings at a 30% discount) or gifting (typically 3% of dwellings), or an equivalent value arrangement; (ii) a cash contribution equivalent to 3% of development cost to the Social Housing Growth Fund; or (iii) provision of discounted rental dwellings within build-to-rent developments (generally 10% of dwellings), delivered over time to an equivalent value, with rents set at affordable levels and subject to annual reporting.
16. Overall, the amendment streamlined and clarified the DFP pathway to facilitate the timely delivery of significant housing (including affordable housing) and economic development, consistent with state policy objectives relating to housing supply, economic growth and energy infrastructure.
17. No other of the applicable policies under the Planning Policy Framework or statutory planning controls within the scheme have changed since the decision on the application and given the nature of the amendments these policies do not need to be re-examined.

Statutory Planning Controls

18. The zoning and overlay controls remain the same since the decision for the application was made.

Amended Permit Conditions

19. Changes are proposed to the conditions of the permit as follows:

Change / Comment	
Proposed Change	<p>The applicant seeks the amendment of conditions 42 and 43 and the concurrent endorsement of the accompanying Affordable Housing Management Plan ('the AHMP') prepared by Assemble and dated January 2026.</p> <p>The proposed condition wording of 42 and 43 is as follows:</p> <p style="text-align: center;">Condition 42 Affordable Housing Management Plan</p> <p>Prior to occupation, an Affordable Housing Management Plan must be submitted to and approved by the responsible authority, in consultation with Merri-bek City Council.</p> <p>The Plan must:</p> <ol style="list-style-type: none">a) Require that no less than 20 per cent of dwellings are provided as affordable housing, to the satisfaction of the responsible authority.

b) Specify:

- i. the total value of the contribution as being no less than 7.2 per cent of the total development cost.
 - ii. the number and mix of dwellings to be provided as affordable housing;
 - iii. the mechanism for delivering the affordable housing as discounted rental dwellings;
 - iv. the method for determining the market rent and the discount to be applied; and
 - v. the duration of the affordable housing provision and the mechanism for acquitting the total contribution.
- c) Describe the requirements for eligible households and a process to allocate the affordable housing dwellings. An eligible household is a household that meets the income threshold for Moderate income (annual) set out in the Governor in Council Order – Table 1. The Plan must specify matters to be considered when allocating affordable housing to eligible households such as age and occupation of each household. This information can be used to inform and evaluate affordable housing and key worker policy objectives.
- d) Provide for annual reporting to the responsible authority and Merri-bek City Council in respect of the relevant 20 per cent affordable housing dwellings until the affordable housing contribution has been acquitted to the satisfaction of the responsible authority. The reporting for each affordable dwelling must include:
- v. The total household income
 - vi. The amount of rent payable
 - vii. The period when total household income exceeded the Moderate income threshold specified in the Governor in Council Order
 - viii. The accrued value of the discount

Reporting must commence from the first anniversary of the issue of the Statement of Compliance or Certificate of Occupancy (whichever occurs first) and must be reviewed and verified by a suitably qualified independent entity, to the satisfaction of the responsible authority.

- e) Specify the discounted rent levels, including any escalation over time, to ensure affordability is maintained until the required contribution value has been achieved, to the satisfaction of the responsible authority. This must include:
- Rent for nominated affordable dwellings to be set at a level so as not to exceed 30 per cent of total household income for eligible Moderate income households, unless otherwise agreed to the satisfaction of the responsible authority.

Once approved, the Affordable Housing Management Plan will be endorsed and will form part of this permit. The use and development must be carried out in accordance with the endorsed Plan. The Plan must not be altered without the written consent of the responsible authority.

Condition 43 Section 173 Agreement – Affordable Housing

Prior to the occupation of the development, the owner of the land must enter into an agreement with the responsible authority under section 173 of the *Planning and*

Environment Act 1987, in a form to the satisfaction of the responsible authority, that provides for a contribution towards affordable housing (affordable housing contribution).

The agreement must provide for an affordable housing contribution equivalent to **no less than 7.2% of the total development cost** of the development.

The contribution must be acquitted in accordance with the approved Affordable Housing Management Plan required by Condition 37 of the permit

The owner must pay the reasonable costs of preparation, execution and registration of the section 173 agreement.

Condition 14 – Glass recycling

Proposed Deletion of Condition

Condition 14

The land owner or owners corporation must provide a glass recycling bin adjacent to each garbage and recycling chute on each level of the building and ensure these bins are emptied in time for every waste collection

Assessment

The application proposes to delete Condition 14, which requires the provision of glass recycling bins adjacent to garbage and recycling chutes on each level of the building. This is sought in conjunction with an amendment to the endorsed Waste Management Plan (WMP) (Traffix, Ref: G32746R-02M), which revises the management of residential glass waste.

Under the previously approved arrangement, residents were required to store glass within their dwellings and transfer it to communal glass recycling bins located on each level, with Building Management responsible for transferring glass waste to the primary waste storage rooms at ground level. The amended WMP removes the requirement for intermediate level bins and instead requires residents to transport glass directly from their dwellings to the primary waste storage rooms via lifts, on an as-needed basis. The management of commercial glass waste remains unchanged.

The revised arrangement is supported by Traffix and is considered operationally acceptable. The deletion of Condition 14 aligns with the amended WMP and removes duplication and inconsistency between permit conditions and the endorsed waste management framework.

From an assessment perspective, the amended approach:

- simplifies waste handling and reduces reliance on Building Management for internal transfer of glass waste;
- removes the need for storage of glass bins within common circulation areas on each level, which may have amenity and safety implications;
- consolidates waste management within the primary waste storage rooms, which are purpose-designed for collection and servicing.

While the revised arrangement places greater reliance on residents to transport glass waste to ground level, this is not uncommon in higher density developments and is considered acceptable subject to appropriate building management and resident education. There are no anticipated adverse impacts on amenity, waste collection, or servicing efficiency.

On this basis, the deletion of Condition 14 is supported, subject to the amended WMP being endorsed to the satisfaction of the Responsible Authority.



Discussion

20. The original affordable housing offering and decision required the delivery of affordable housing comprising 60 per cent of dwellings, to be provided in accordance with the Planning and Environment Act 1987 definitions and an approved Affordable Housing Management Plan. This model was structured around a Build-to-Rent-to-Own (BTRO) approach, whereby dwellings were subject to affordability requirements until first sale, generally over a minimum five-year period.
21. The proponent has since amended the affordable housing offer to a Build-to-Rent (BTR) model, comprising 20 per cent of dwellings provided as discounted rental housing. While this represents a reduction in dwelling yield compared to the previous BTRO model, the revised approach delivers a longer duration of affordability and aligns with current DFP guidance for discounted rental delivery.
22. The requirement under Clause 53.23 of the Development Facilitation Program seeks a minimum of 3% of the development cost to be for affordable housing. Below is a breakdown of the approved and proposed development cost value to be for affordable housing.

Approved contribution previous BTRO model	Proposed contribution for BTR model
<u>Current:</u> affordable housing contributions valued at 6.12% of development cost	<u>Proposed:</u> affordable housing contributions valued at 7.2% of development cost

23. Calculations provided by the applicant determine the relative contribution value that the original BTRO model equated to approximately 6.12 per cent of development cost. The revised BTR model equates to approximately 7.2 per cent of development cost. DTP officers have reviewed the methodology and are satisfied that the calculations appropriately reflect the value of the contribution.
24. On this basis, the revised affordable housing offer continues to meet, and exceeds, the minimum affordable housing contribution expectations under Clause 53.23 of the Development Facilitation Program. In particular, the contribution exceeds the benchmark equivalent of a 3 per cent development cost contribution and provides a substantial ongoing affordable housing outcome through 20 per cent discounted rental dwellings. The approach is consistent with the assessment of the option to provide Affordable Housing through a Build to rent Model with the acquittal tied to the percentage of development rather than the time period to ensure the contribution is being accurately reflected.
25. DTP officers have confirmed with the applicant that the acquittal of the agreement will be once the monetary figure is reached, as opposed to a limited timeframe. Therefore, a revised Affordable Housing Management Plan will be required to be submitted for endorsement which includes these changes. The change has been agreed to in writing by Assemble.
26. The council does not support the change from BTRO to BTR affordable housing model. The council has assessed the change in models as a 33% reduction of affordable housing contribution. This calculation is based off of a standard BTR model where that was not the case in the original BTRO model, which was a bespoke model. As outlined above DTP officers do not agree with the council's interpretation. Instead, the change in housing models results in an increase in affordable housing contribution value.

Objector Concerns

27. The concerns raised in submissions regarding a perceived reduction in affordable housing are noted. The amendment does not remove the requirement to provide affordable housing. Rather, it modifies the delivery mechanism to support a build-to-rent model with discounted rents. The obligation to deliver affordable housing remains secured through the permit conditions and Section 173 Agreement, ensuring the requirement continues to apply regardless of land ownership.
28. In relation to the build-to-rent model, the proposal continues to facilitate longer-term rental housing and supports housing diversity. The amended approach aligns with Clause 53.23, which allows flexibility in how affordable housing outcomes are delivered, provided the overall value of the contribution is maintained. On this basis, the amendment is not considered to result in a net reduction in affordable housing benefit.



29. Concerns regarding consistency with the original approval under the Development Facilitation Program are acknowledged. The amendment does not alter the approved built form or broader development outcome. The affordable housing requirement remains in place and continues to be assessed against the intent of the original approval and relevant policy objectives.
30. While reference has been made to media reporting, the assessment has been undertaken on its planning merits and in accordance with the relevant provisions of the planning scheme. The amendment is therefore considered acceptable, having regard to the matters raised in submissions and the applicable policy framework.

Conclusion

31. The proposed amendment results in a reduction in the proportion of dwellings provided as affordable housing, from up to 60 per cent under the approved build-to-rent-to-own (BTRO) model to 20 per cent under the proposed build-to-rent (BTR) model. This reduction is acknowledged.
32. Notwithstanding this, the amended model provides affordable rental dwellings for a longer minimum duration (10 years compared to 5 years under the approved BTRO model), offering greater certainty and continuity of access to affordable housing. The revised approach shifts the outcome from a transitional ownership pathway to a longer-term rental product.
33. Importantly, the value of the affordable housing contribution under the proposed model is higher than the approved contribution and continues to exceed the minimum requirement of 3 per cent as set out in Clause 53.23. On this basis, while there is a reduction in the proportion of dwellings, the amendment maintains and enhances the overall affordable housing outcome in value and duration terms and is considered acceptable.

Conditions Compliance

34. The applicant seeks the concurrent endorsement of the accompanying Affordable Housing Management Plan ('the AHMP') prepared by Assemble and dated January 2026.

Condition 42 – Affordable Housing Management Plan

Affordable Housing Management Plan

Prior to occupation of the development, an Affordable Housing Management Plan must be submitted to and approved by the responsible authority, in consultation with Merri-bek City Council.

The Plan must:

- a) Require that no less than 20 per cent of dwellings are provided as affordable housing, to the satisfaction of the responsible authority.
- b) Specify:
 - i) the total value of the contribution as being no less than 7.2 per cent of the total development cost.
 - ii) the number and mix of dwellings to be provided as affordable housing;
 - ii) the mechanism for delivering the affordable housing as discounted rental dwellings;
 - iii) the method for determining the market rent and the discount to be applied; and
 - iv) the duration of the affordable housing provision and the mechanism for acquitting the total contribution.
- c) Describe the requirements for eligible households and a process to allocate the affordable housing dwellings. An eligible household is a household that meets the income threshold for Moderate income (annual) set out in the Governor in Council Order – Table 1. The Plan must specify matters

to be considered when allocating affordable housing to eligible households such as age and occupation of each household. This information can be used to inform and evaluate affordable housing and key worker policy objectives.

- d) Provide for annual reporting to the responsible authority and Merri-bek City Council in respect of the relevant 20 per cent affordable housing dwellings until the affordable housing contribution has been acquitted to the satisfaction of the responsible authority. The reporting for each affordable dwelling must include:
- i. The total household income
 - ii. The amount of rent payable
 - iii. The period when total household income exceeded the Moderate income threshold specified in the Governor in Council Order
 - iv. The accrued value of the discount

Reporting must commence from the first anniversary of the issue of the Statement of Compliance or Certificate of Occupancy (whichever occurs first) and must be reviewed and verified by a suitably qualified independent entity, to the satisfaction of the responsible authority.

- e) Specify the discounted rent levels, including any escalation over time, to ensure affordability is maintained until the required contribution value has been achieved, to the satisfaction of the responsible authority. This must include:
- Rent for nominated affordable dwellings to be set at a level so as not to exceed 30 per cent of total household income for eligible Moderate income households, unless otherwise agreed to the satisfaction of the responsible authority.

Once approved, the Affordable Housing Management Plan will be endorsed and will form part of this permit. The use and development must be carried out in accordance with the endorsed Plan. The Plan must not be altered without the written consent of the responsible authority.

Assessment

As detailed above an amended Affordable Housing Management Plan is required to be submitted inline with the new Condition 42 requirements. Therefore, the submitted Affordable Housing Management Plan will not be endorsed at this time.

Condition 12 – Waste Management

Amended Waste Management

Concurrent with endorsement of plans, an amended Waste Management Plan (WMP) must be submitted to the satisfaction of the responsible authority. The amended WMP must be generally in accordance with the WMP prepared by Traffix Group and dated March 2024 but modified to:

- a) Reflect the development hereby approved and the changes required by Condition 3 of this permit;
- b) Provide a Food and Organics collection for the volumes that exceed the capacity of the in-house composter.
- c) Cover the requirement of Condition 14.

When submitted and approved to the satisfaction of the responsible authority, the WMP will be endorsed to form part of this permit. No alterations to the WMP may occur without the written consent of the responsible authority.

Assessment

The application proposes to amend the approved Waste Management Plan (WMP) as it relates to residential glass recycling. The previously endorsed arrangement required residents to store glass within individual dwellings and subsequently transfer it to



glass recycling bins located adjacent to waste chutes on each residential level, with Building Management responsible for transferring this material to the primary waste storage rooms at ground level for collection.

The amended arrangement removes intermediate floor-level glass bins. Instead, residents would transport glass directly from their dwellings to the primary waste storage rooms at ground level via lifts on an as-needed basis. No changes are proposed to the management of commercial glass waste streams.

The amendment is supported by advice from Traffix, which confirms that the revised approach is operationally feasible and acceptable from a waste management perspective. The removal of level-based glass bins is not expected to materially impact the functionality of the waste system, subject to appropriate ongoing management by the Owners Corporation.

From an amenity and operational perspective, the revised arrangement is considered acceptable. While the amendment places greater reliance on residents to transport glass waste to the ground level, it avoids the need for additional bins within circulation areas on each level and reduces servicing requirements associated with collection from multiple floors. Provided lift capacity, management practices and resident information are appropriately maintained, the change is unlikely to result in adverse amenity, hygiene or operational outcomes.

Having regard to the above, the proposed amendment to the WMP is supported.

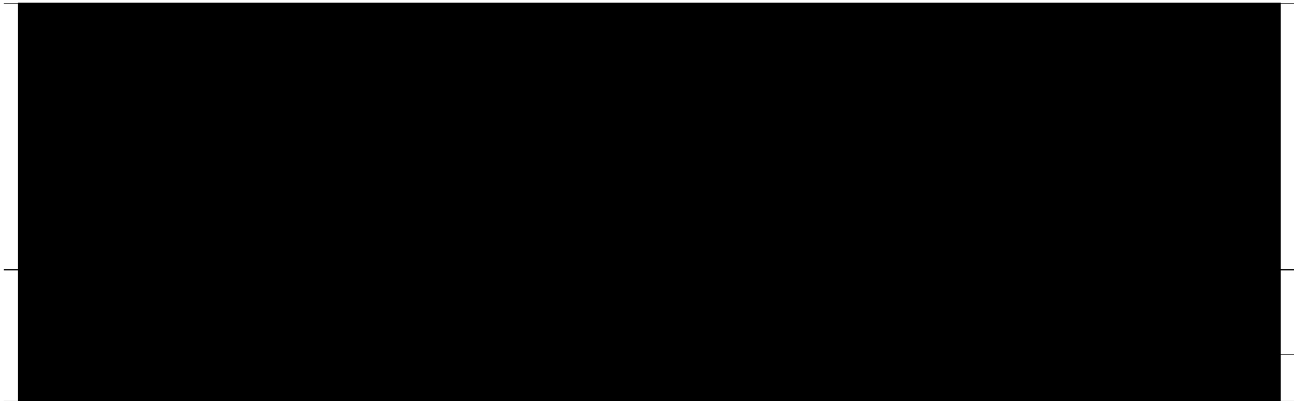
Recommendation



1. **It is recommended that the amended** Planning Permit No. PA2402798-1 for the Section 72 amendment to revise the affordable housing model from build-to-rent-to-own to build-to-rent (including changes to Conditions 42 and 43 and associated plans), and to amend waste management by deleting Condition 14 and removing on-level glass recycling requirements. at 511-537 Sydney Road Coburg, subject to conditions.
2. It is recommended that Planning Permit No. PA2402798-1 Conditions 12 be discharged and the following submitted documents be endorsed:
 - Updated Waste Management Plan prepared by Traffix dated 2 September 2025.
3. It is recommended that the applicant, council, and objectors be notified of the above in writing.



Prepared by:



Reviewed / Approved by:

