

MERRIFIELD NORTH PSP

INFRASTRUCTURE AND DEVELOPMENT STAGING PLAN BACKGROUND DOCUMENT

AUGUST 2026

Purpose

This document explains how the methodology outlined in the *Infrastructure and Development Staging Guidance Note* (the Guidance Note) was applied to prepare the Infrastructure and Development Staging Plan (IDSP) for the Merrifield North Precinct Structure Plan (PSP).

Infrastructure and Development Staging Guidance Note

The Victorian Planning Authority developed the Guidance Note to assist planning authorities, responsible authorities, agencies and other stakeholders to:

1. Understand and inform the methodology for the preparation of an IDSP and accompanying requirements and guidelines in the PSP.
2. Define the stages of the IDSP to appropriately manage the expected growth scenarios for a new community and plan for the provision of infrastructure (local and state) in the most efficient way.
3. Apply and enforce the IDSP in practice.

Under this guidance, the draft Merrifield North IDSP has been prepared for public consultation in mid-2026. The Guidance Note can be found here: <https://vpa-web.s3.ap-southeast-2.amazonaws.com/wp-content/uploads/2025/02/Victorian-Planning-Authority-Guidance-Note-Infrastructure-Coordination-Infrastructure-and-Development-Staging-February-2025.pdf>

Summary of Outcomes in Merrifield North IDSP

The Guidance Note includes a five-step process for preparing an IDSP. It is an iterative process, and the steps may need to be adjusted several times including after public consultation, before there is agreement on the final draft IDSP. The preparation of the IDSP includes the following steps:

Step 1:	Undertake contextual analysis.
Step 2:	Analyse and map development drivers within the precinct.
Step 3:	Analyse financial revenue against infrastructure expenditure over time.
Step 4:	Combine the outputs of Steps 1 to 3 into a single IDSP identifying sub-areas within the precinct suitable for development stages numbered in order.
Step 5:	Monitor and review.

This step methodology was not followed in its entirety for this PSP. It was deemed that Merrifield North provides a unique development scenario and therefore, the full methodology is superfluous. This is primarily due to the following:

- The need for the Gunns Gully Road and Hume Freeway Interchange to be constructed prior to development proceeding.
- The importance of arterial roads including Aitken Boulevard and the Western Arterial Road in Merrifield North which play a significant network role.
- The location of the Kalkallo Retarding Basin.

- The location of the contiguous net developable area, located towards the north and east of the precinct.

As a result, the analysis conducted as per Steps 1 and 2 above is simple and logical. It leads to an understanding that:

- The location of the Gunns Gully Road and Hume Freeway Interchange, as the primary gateway for the precinct, leads to a logical westward development sequence, with development being accessed from Gunns Gully Road itself.
- Stage 1 should be limited in area to ensure that Gunns Gully Road is delivered logically, either by Council with the use of infrastructure contributions or as Works-in-Kind.
- The Western Arterial Road provides an important network function for the North Growth Corridor, providing a crucial second north-south connection which will alleviate pressure on the Hume Freeway. Staging for Merrifield North therefore sends a signal that this road should be delivered early using ICP funds. However, it is acknowledged that this road is a 'soft staging' item, meaning that if the responsible authority deems it necessary using the 'generally in accordance' principle, stage 2 development may commence prior to the complete delivery of this road.

Financial Analysis

The financial analysis for the IDSP provides an understanding of when revenue is likely to be available from ICP levies for the delivery of infrastructure. The analysis has been used to assign infrastructure to a stage in alignment with estimated funds.

The financial analysis has only considered local infrastructure delivered by Council and funded through the Merrifield North ICP. It does not include drainage infrastructure funded through the DSS nor state infrastructure. The delivery of state infrastructure will be subject to future state government budget outcomes or through the Growth Areas Infrastructure Contributions (GAIC).

Assumptions

A key assumption for the IDSP is the delivery of some projects via Works in Kind (WIK) arrangements. If this is to occur, then developers will forward fund the cost of constructing the infrastructure and offset against their future ICP monetary contribution. This assumption relies on developer eagerness and ability to deliver projects through WIK arrangements.

Inputs

The financial analysis identifies how many hectares will be developed per year for each stage and uses this to calculate the value of the ICP Standard and Supplementary Transport Levies collected. It shows that a total of 314 hectares will be developed throughout the life of the ICP and this will generate over \$151 million in the ICP Standard and Supplementary Transport Levies.

Financial Analysis table and summary

The financial analysis demonstrates that broadly, the ICP can support the cost of infrastructure per stage, noting that the ICP system provides for *contributions* towards infrastructure, instead of a full cost recovery.

The table below shows the transport levies collected per stage and the net position against the estimated project cost per stage:

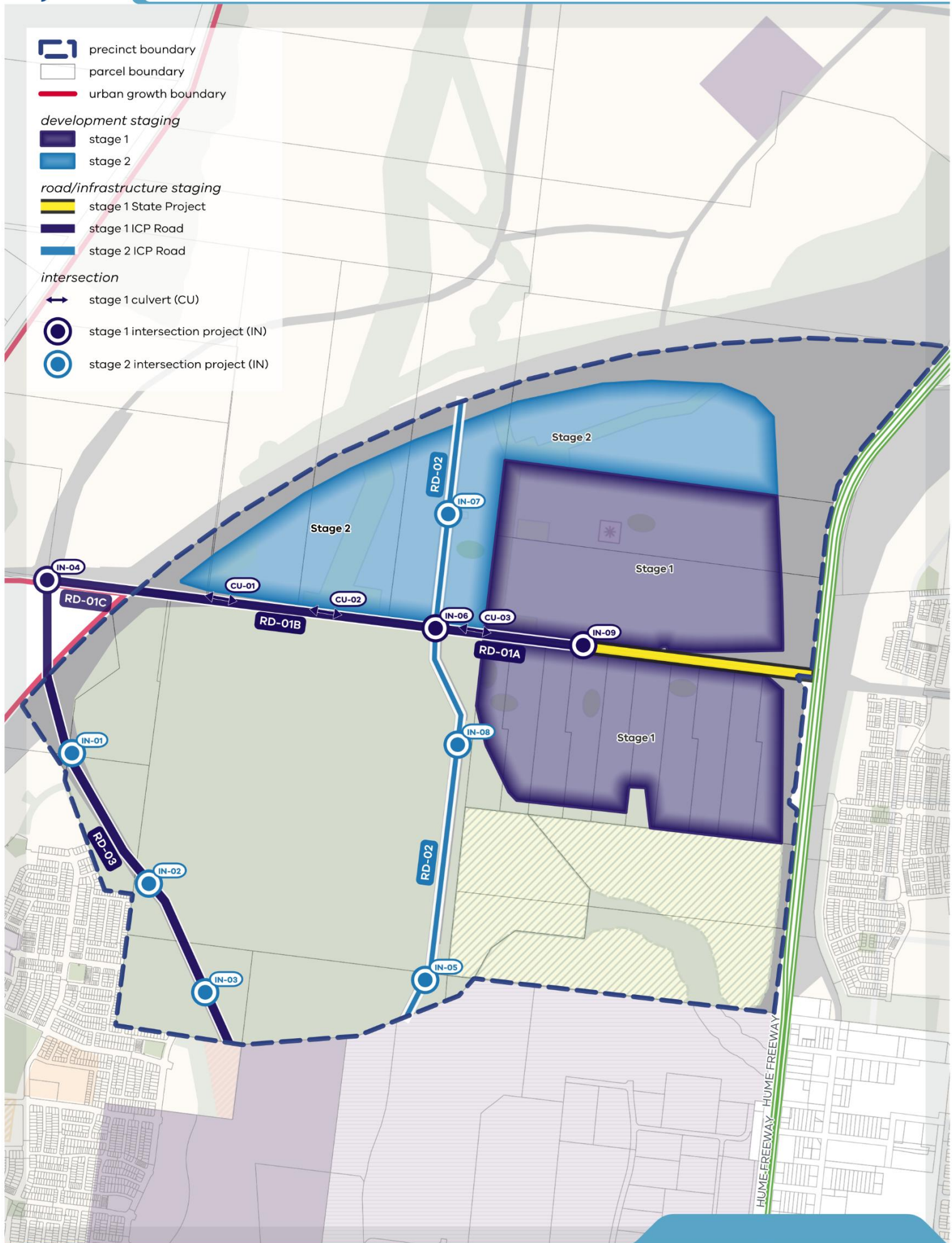
Stage	Area of stage (ha)	Levy/ha	Stage revenue	Stage cost	Overall position at the end of stage
1	204.03	\$483,613.73	\$98,672,686.93	\$62,378,225.69	\$36,294,461.25
2	110.09	\$483,613.73	\$53,241,640.43	\$89,536,101.68	\$0.00

Preparation of Infrastructure and Development Staging Plan (IDSP) and Statutory Controls

Proposed staging

Stage 1 will facilitate the orderly delivery of Gunns Gully Road (including the interchange as a state project) as well as the Western Arterial Road (WAR). Stage 1 seeks to unlock developable land westward from the Hume Freeway as Gunns Gully Road provides essential connection in and out of the precinct. This will be supported by achieving early delivery of the WAR, allowing the precinct to be accessed across the road transport network and addressing safety and emergency response needs.

Stage 2 will include Aitken Boulevard and concentrate on the southward delivery of the precinct, having unlocked developable land north of Gunns Gully Road. Remaining intersections across the precinct will complete the Merrifield North road network and be delivered to match development needs and timelines. These include MN-IN-01, MN-IN-02, and MN-IN-03 which will allow the residential areas of the Merrifield West Precinct Structure Plan to access the precinct and its employment opportunities without adding additional pressure to the Hume Freeway.



Proposed Specific Controls Overlay

Gunns Gully Road Interchange will provide safe and direct access between the precinct and Hume Freeway and facilitates development of the precinct.

To ensure the precinct is supported by adequate transport infrastructure, and inappropriate traffic impacts are avoided, a Specific Controls Overlay (SCO) is proposed to be applied to the precinct to restrict development prior to the delivery of the Gunns Gully Road Interchange. The SCO will operate as a 'hard stage gate', meaning planning permits will not be able to be granted to develop the precinct until Gunns Gully Road Interchange has been delivered. The application of the SCO to the precinct will be reviewed in the future once Gunns Gully Road Interchange has been delivered.

Refer to the Merrifield North PSP Background Report and the Explanatory Report for planning scheme amendment GC295 for further information.

Monitor and review

The Merrifield North IDSP will be tested through the consultation process and amended as appropriate.

Periodic review of the IDSP and supporting ordinance is recommended post gazettal of the PSP. This would be the responsibility of the responsible authority and should have regard to updates in funding information, developability, relevant consultation with landowners and updated information or policy from government.

References

Department of Transport and Planning, *Draft Merrifield North Precinct Structure Plan: Draft for Public Consultation August 2026*, Victorian Government.

Department of Transport and Planning, *Draft Merrifield North Infrastructure Contributions Plan: Draft for Public Consultation August 2026*, Victorian Government.

Department of Transport and Planning, *Merrifield North PSP and ICP Background Report August 2026*, Victorian Government.

Explanatory Report for Planning Scheme Amendments GC295.