

MCDERMOTT AVENUE RESERVE MASTER PLAN - CONSIDERATION FOR CONSULTATION

Report Author: Manager Design and Place
Responsible Officer: Director Planning & Sustainable Futures
Ward(s) affected: Melba;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

Since the relocation of organised netball to Pinks Reserve, Kilsyth in 2015, the McDermott Avenue Reserve at 52 McDermott Avenue, Mooroolbark has remained a vacated and under-utilised open space.

On 27 January 2015 Council passed a resolution that the land be rezoned for housing and sold. This was not acted on at the time.

In late 2020, Council officers began initial research and preliminary community engagement to explore future uses for the site. The project was paused due to other priorities and resumed in late 2024 including site investigations and initial community engagement.

A review of the 2015 resolution has established that, based on population projections and contemporary open space service levels, there is a shortfall in open space provision in this area of Mooroolbark and that a Neighbourhood level reserve of minimum one hectare (1 hectare) is still needed at the site to service local open space needs.

This report provides a draft Master Plan for the future use of the site that responds to both the previous Council resolution as well as the recent findings on open space needs. Officers recommend proceeding to community consultation with the attached Draft McDermott Ave Reserve Masterplan (Attachment 1) that includes developing most of the site for public open space (Neighbourhood level) and that a separate housing investigation still be carried out for the southwest corner. This is recommended to include advocacy to Victorian Government for an exemption to Windfall Gains Tax and seek more viable delivery options for housing and improved open space outcomes.

RECOMMENDATION

That Council

- 1. *Abandon the previous resolution of Council, 27 January 2015, relating to 52 McDermott Avenue.***
- 2. *Retain the land at 52 McDermott Avenue, Mooroolbark.***
- 3. *Support progressing community consultation for the Draft McDermott Avenue Reserve Masterplan (Attachments 1 and 2), including provision of Public Open Space (Neighbourhood level) with partial site investigation for localised housing options which may result in a reduced parcel of subdivision and disposal***
- 4. *Receive a further report considering submissions to the Masterplan.***

RELATED COUNCIL DECISIONS

On 27 January 2015, Council resolved to:

... commence procedures to appropriately re-zone the properties at 8 Cherry Hill Way, Chirnside Park and 52 McDermott Avenue, Mooroolbark on the basis that they are surplus to requirement and are being made ready for possible future sale.

The 2015 resolution has not been actioned.

DISCUSSION

Purpose

This report considers future plans for 52 McDermott Avenue, Mooroolbark, taking into account legislative, statutory and open space planning requirements. It reviews the previous Council resolution in the context of contemporary open space service levels, outlines options for its future use considered during master plan development, and recommends proceeding with community consultation on the Draft McDermott Avenue Reserve Masterplan.

Background

Site Attributes

The property at 52 McDermott Avenue, Mooroolbark (Image 1 below) is owned by Council and zoned Public Park and Recreation Zone (PPRZ). The 1.726 hectare site was previously home to the Lilydale and Yarra Ranges Netball Association, however netball has since been relocated to Pinks Reserve, Kilsyth in 2015. The site has not been remediated and has remained vacant. It has been informally used by residents for open space and informal recreation however the space has not been designed to support this type of community use and does not offer features that meet community needs. The remnant pavilion is in very poor condition and suitable for demolition and

removal. There are no current tenant clubs or user groups active at the site. No site contamination was detected during soil tests.



Image 1 – Aerial image of existing site

McDermott Avenue Reserve is an irregularly shaped, terraced multi-level complex site. The site features 10 disused and deteriorating asphalt netball courts split over two levels, as well as a redundant pavilion and two car parking areas.

Most neighbouring properties currently back onto the reserve with extensive inactive fences, resulting in poor public safety outcomes through negligible opportunities for passive surveillance of the area. As a result, the site is underutilised and at times experiences antisocial behaviour and vandalism. The site levels are also leading to overlooking (Image 2) which impacts privacy of residential properties at the southwest corner.

There is a substantial level change with 13.5 metre fall from Wyuna Walk to McDermott Avenue, and three metre crossfall along Wyuna Walk frontage. There is a substantial five-metre-high retaining wall to the northwest (Image 3). There is no accessible path through the site.



Image 2 - Lower court level, overlooking neighbours



Image 3 - Retaining wall

Key Issues

Future Land Use

Following the relocation of netball to Pinks Reserve, Council resolved on 27 January 2015 to rezone the site for future sale. This would require a Planning Scheme Amendment (PSA) and approval from the Minister for Planning, along with public notification and exhibition requirements in accordance with the *Planning and Environment Act 1987*. This process has not commenced.

Sale of the land would also attract Windfall Gains Tax of 50 percent of the value uplift, as well as a Public Open Space Contributions levy.

In late 2020, Council officers began research and review of the 2015 Council resolution to better understand the current and potential use of the site, including any population changes that may influence future open space needs in the area.

The community was engaged in 2020 to understand how the site is used and identify any issues or opportunities for its future use. In late 2024 Council officers commissioned site surveys and soil investigations then re-engaged with the local community in early 2025 to confirm preferences around social recreation options.

A summary of the community engagement and background research undertaken is provided in the Draft Masterplan (Attachment 1). Copies of the engagement and research reports have been published on the McDermott Avenue Reserve project page on Council's Shaping Yarra Ranges site.

Feasibility Study

At the same time officers commenced an updated assessment of open space provision in Mooroolbark to determine if McDermott Avenue Reserve was still considered surplus to open space requirements. Updated legal advice was also sought regarding the potential rezoning and disposal of the site.

The status of 52 McDermott Avenue, Mooroolbark was investigated from a legislative, statutory and open space planning perspective, with the findings now summarised in the Draft Masterplan. These indicated that there is no surplus of open space in this local area of Mooroolbark and that a neighbourhood level reserve of at least one hectare is still needed.

Options considered

The following options have been considered:

Option 1: Sale of the entire site, in accordance with the Council resolution of 27 January 2015 to rezone and sell the land for housing.

Option 2: Present the Draft McDermott Avenue Reserve Masterplan to community for feedback and comment, including site reactivation for Public Open Space (Neighbourhood level) and partial investigation for future housing options.- Recommended Option.

Option 3: Carry out remediation works only at the site including demolition of the pavilion and retaining wall and basic landscape works.

Option 1 – Sale of the entire site for housing

Option 1 proposes the sale of the entire parcel of land at 52 McDermott Avenue, in accordance with the 2015 Council resolution to commence rezoning of the land for possible future sale. This was based on an analysis at the time using the previous Recreation & Open Space Strategy (2013) which indicated an excess of open space.

Deficit of open space

The 2015 Council resolution determined at the time that the site was surplus to requirements. However, a recent application of the ROSS principles and updated population projections and associated service levels – alongside the proposed service levels in the State Government's draft Guide for Open Space Strategies – indicates that the site is not surplus.

The site is needed to meet both the original ROSS standard for a local park and the more recent State Government classification of a Neighbourhood park. This confirms a clear demand for Public Open Space at this location.

A recent review of open space provision and gap analysis has determined that removing McDermott Avenue Reserve from the open space network creates a gap in local level of provision which applies a 400 metre catchment radius (Images 4 and Image 5) and a gap at a Neighbourhood level provision which uses an 800 metre catchment radius.

Without McDermott Avenue Reserve as a contributor to open space provision, the local level gap would directly affect approximately 382 households to the south-west of the reserve, equating to an estimated 1,146 residents (based on an average of three persons per household in Mooroolbark).

This area of Mooroolbark lacks a Neighbourhood level of social recreation space of one hectare minimum, consistent with draft State Government standards. Hookey Park and Red Earth to the south are closest for this local community but are outside a 10-minute walking distance with direct access inhibited by the rail line. Image 5 shows the 555 properties (1665 residents) that are not currently serviced by local parks but would fall into the 800m catchment of McDermott Avenue Reserve if retained.

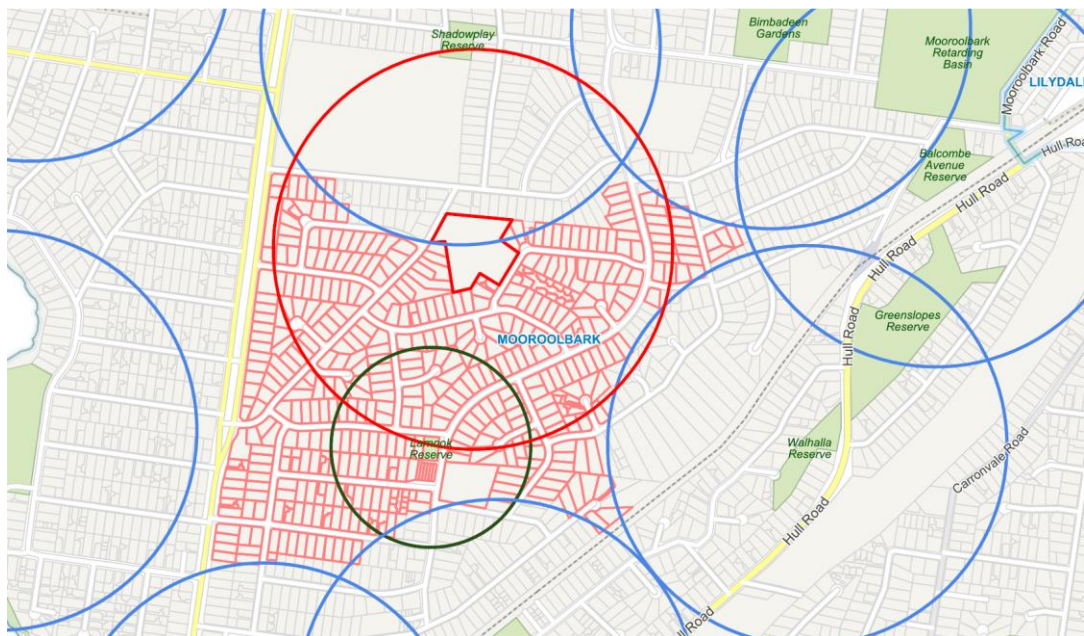


Image 4 Gap in provision showing 400m Local (blue) and 200m Pocket (green) catchments, McDermott Avenue Reserve 400m (red)

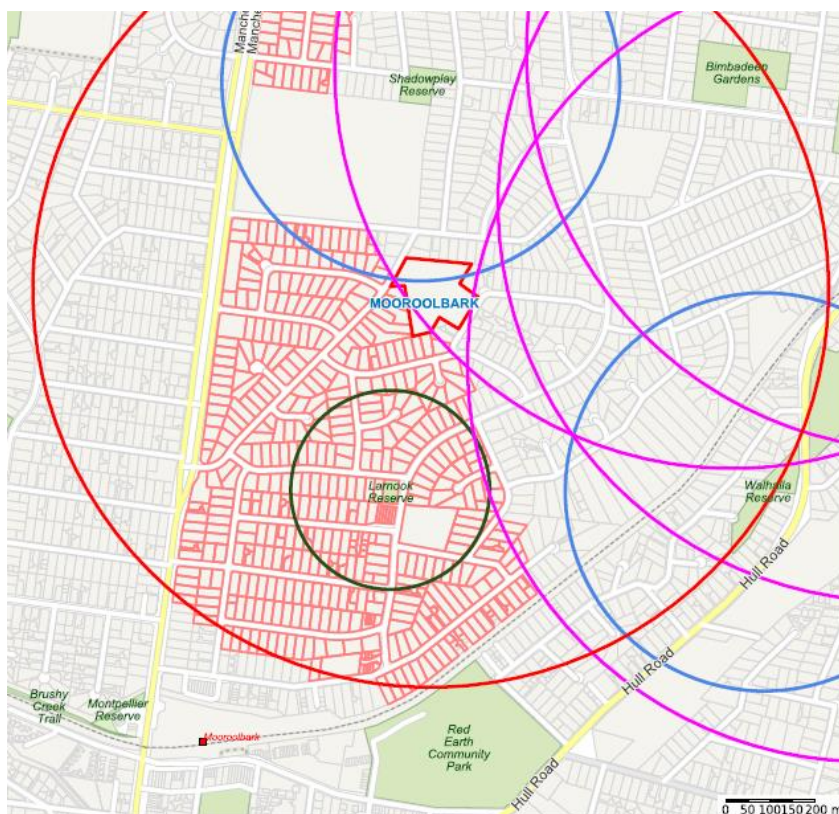


Image 5: Gap in provision showing 800m Neighbourhood catchment (pink), McDermott Avenue Reserve 800m (red)

The projected increase in population (3,550) and increased housing density (1,545 dwellings) in Mooroolbark to 2046, creates an even greater demand for open space and a potential increase in number of people impacted by the gap in provision.

Planning implications

To strategically justify a Planning Scheme Amendment to rezone the land from PPRZ to another zone, Council would need to demonstrate that there is a surplus of public open space and another use is in higher need (in this scenario residential land). The above assessment shows the site is needed to service a gap in the local and neighbourhood open space catchment and hence a surplus of public open space would be very difficult to demonstrate at Planning Panel. Rezoning the entire site is therefore unlikely to meet the strategic justification requirements and is unlikely to be supported by Department Transport and Planning or the Minister for Planning.

It is estimated that the sale of the land, taking in costs associated with planning requirements, land preparation costs, windfall gains tax and public open space contributions levy, could return a nett potential income of approximately \$4.131 million.

While there is no known test case for this, if Council was compelled to purchase equivalent replacement open space land within Mooroolbark to offset the loss, this is estimated to cost around \$16.5m at current market rates. This results in a potential

\$12.4 million nett loss to Council. These amounts reflect land cost only and does not include any embellishments.

Council's ability to acquire new affordable and suitable public open space in this catchment area is limited and likely to be more expensive than the income from selling the existing site. It is recommended that Option 1 not proceed, and a new Council resolution be supported that proceeds with a new direction for the site.

Option 2 – Present the Draft McDermott Avenue Reserve Masterplan to community for feedback and comment, including site reactivation for Public Open Space (Neighbourhood level) and partial investigation for future housing options

A review of Council's adopted standards under the Recreation and Open Space Strategy 2013 (ROSS, currently under review), as well as contemporary draft State Government standards for open space, suggests that a minimum of one hectare / 10,000 square metres of open space may be required at 52 McDermott Avenue. Having considered these standards and the number of households within McDermott Avenue Reserve's catchment, Option 2 proposes a Draft Masterplan that retains approximately 1.4 hectares of the site as 'social recreation' public open space.

Social recreation parks support areas for community to meet and socially gather and offer environments for play, relaxation and informal recreation activities, but are not intended for formal/club-based sport.

Key design objectives are:

- Provide a mix of recreation opportunities suited to the diverse community (age, gender, culture and ability).
- Maintain linkages with abutting streets and schools.
- Enhance biodiversity and support indigenous planting.
- Ensure car parking provision is appropriate for future usage.
- Seek to reduce risks associated with the concealed southern corner and overlooking.

Site and Gender Impact Assessments for the site have identified a lack of passive surveillance for the whole reserve, with sections that are perceived as difficult to access and have personal safety concerns, especially for women. To mitigate these risks a concept design has been developed to create a more safe and accessible open space that delivers quality elements of a neighbourhood park, whilst reducing the safety / Crime Prevention Through Environmental Design (CPTED) and overlooking issues.

The Draft Masterplan includes a concept plan (Attachment 1) that shows the potential layout of social recreation features focusing landscape development in the central and northern sections of the site. This design would meet the current and emerging community social recreation needs now and well into the future.

There are design limitations due to the site layout, in particular poor residential interfaces to most boundaries, challenging topography and associated budget implications.

Cost breakdown – Option 2

Site Preparation

- Single-stage: \$2.003 million, or
- Staggered delivery:
 - Early works: \$1.415 million
 - Remaining works: \$722,900
 - Total staggered cost: \$2.138 million(Extra cost due to staging: ~\$135,404)

Open Space Development (Masterplan works)

- Cost: \$1.945 million

Total Capital Cost

- \$4.095 million

Maintenance Cost (Operational budget)

- Over 15 years: \$374,000

Stage 1 – Site preparation

The estimated cost to redevelop the entire site into a baseline, usable open space is approximately \$2.003 million. This would involve removal of the 10 existing asphalt courts, approximately half of the asphalt car park areas, and the retaining wall. The works would also include reshaping sections of the open space and hydroseeding to establish a usable grassed open space area.

If funds are limited, then a reduced scope could be achieved by focusing only on the north and east sections of the site and leaving the lower asphalt netball courts to the south. This would offer some interim value to community and would cost approximately \$1.415 million. These interim works would achieve improved sight lines and design outcomes, address current concerns over the pavilion and retaining walls and would make the site feel safer. However staggering the Site preparation would come at a cost penalty, with additional works still needing to be carried out prior to commencement of the masterplan delivery.

Stage 2 – Remainder of site preparation

If the interim, reduced scope approach was used in Stage 1, then the remainder of the site preparation would be around \$722,900. Further information regarding the scope of works for this remaining stage can be found in Attachment 1 (7.2 Proposed Implementation Cost Plan). This staggering of the Site Preparation would incur an

additional \$135,000 cost due to multiple site establishment and on-costs. The total cost for Site preparation if staggered would be approximately \$2.138 million.

Stage 3 – Open space development

Stage 3 includes development of social recreation infrastructure in line with the Draft Masterplan. Site improvements such as a playspace, path networks, activity areas, landscaping, shelter and amenities would cost approximately \$1.945 million.

Maintenance

Maintenance of the site over the first 15 years of master plan implementation is projected to cost approximately \$374,000. This would need to be allocated annually to Council's Operational budget. The final design and associated costs will be informed by future community feedback on the draft concept plan, included in the draft Master Plan.

Housing investigation

Option 2 sets aside the southwest corner for future housing investigation, allowing time to advocate to State Government for an exemption to Windfall Gains Tax and explore other housing options. It gives flexibility to either proceed with the housing if the investigations are effective, or converting this to public open space to integrate with the remainder of the site if the investigations are not successful. In the meantime minimal works will be carried out in this part of the site.

The southwest corner presents some amenity challenges. Feedback from local residents and Council's maintenance crews have advised of incidents and evidence of anti-social behaviour in this part of the site. This affects the quality and amenity of the open space. Other contributing factors include the lack of active edges, blank fences and no public sightlines from any streets. The elevated ground levels also create overlooking issues into the adjacent residential private open space.

This option partially responds to the original Council resolution, while being more able to demonstrate strategic justification for the reduced area of rezoning. A Planning Scheme Amendment would still be required to subdivide and rezone part of the land for residential development. If the Amendment is successful for the subdivided portion, then Council is less likely to have a legal requirement to purchase replacement open space as an offset.

Overall Option 2 offers inclusive and attractive open space that meets the service levels required for the local Mooroolbark community. It seeks to reduce existing site issues, preserves open space for the local catchment and offer flexibility to investigate housing that would improve safety and amenity within the open space areas. The Draft Masterplan concept reflects community feedback and includes a range of elements that maximise value and options for community use. The difficult topography is broken down into a sequence of terraces that facilitate an accessible compliant path from one end of the site to the other. Play, picnic and grassed areas offer a range of valuable social recreation activities.

This option is recommended.

Option 3 – Carry out remediation works only at the site including demolition of the pavilion and retaining wall and basic landscape works.

This option would retain the land in Council ownership but would only include minimal works including demolition of the retaining wall and pavilion and minimal landscape and earth works. It would deliver the 'reduced scope' option in Stage 1 above but would not remediate the full site or deliver any open space improvements. It would offer some improved open space outcomes for community but would not meet the service levels required of a Neighbourhood level Public Open Space. The cost for these works would be approximately \$1.415 million.

This option would only be suitable as an interim solution as part of a more significant plan for the site, but would be inadequate as a long term open space outcome for the local community. Hence this option is not recommended.

Recommended option and justification

Option 2 is recommended as it provides the most flexibility and seeks to partially implement the original Council resolution while delivering a neighbourhood level Public Open Space with attractive social recreation opportunities for current and future residents in the Neighbourhood catchment (800 metres) and visitors to the area. It includes staging options to work with available budgets and offers strong community benefit.

The concept plan included in the draft Master Plan aligns closely with community feedback. If the housing component is unsuccessful then the Masterplan allows for this section of site to be established as part of the open space.

A requirement for replacement open space is considered unlikely yet still possible if the investigation leads to a housing outcome in the southwest corner.

Option 1, whilst consistent with the 2015 Council resolution, is not recommended. Updated legal advice and investigations indicate that rezoning the whole reserve is not likely to be able to be strategically justified, especially as Council cannot demonstrate that there is a surplus of open space in this area. This option does not align with community feedback.

Option 3 would not achieve the levels of service required for a neighbourhood level Public Open Space, however it would mitigate some latent risks on site. This would not be a suitable long-term plan for and accordingly is not recommended.

FINANCIAL ANALYSIS

Option 2 provides the required open space for the community on existing Council-owned land, and through smart design and earthworks this option makes the open space more accessible, safe and inclusive.

Delivery of Option 2 would cost approximately \$2.138 million for site preparation and a further \$1.945 million for the Open Space development. Funding for this would be sought through the Open Space Fund in Council's capital program as well as advocacy and applications for external funding through State and Federal grant programs.

Council currently has approximately \$350,000 allocated in the 2025-26 capital works program to carry out early works to the site, however additional funds are needed to address immediate onsite concerns. These will be sought through Council's capital expenditure program.

Option 3 would have a lower cost initially, at around \$1.415m, however if Council decided to proceed with full development of the site in the future then this would incur additional site establishment costs and be more expensive overall. The most efficient approach is to deliver all works within the one contract, reducing duplication and maximising on-site efficiency.

Windfall Gains Tax

Council would rezone the southwest corner parcel to Neighbourhood Residential Zone (NRZ) prior to sale. Rezoning would increase the underlying land value. Where the taxable value uplift is \$500,000 or more a tax rate of 50 percent applies (Table 1). This Windfall Gains Tax (WGT) is payable at the time of rezoning and once the Valuer General for the State Government has valued the land. The tax is calculated as 50 per cent of the value uplift arising from the change of zone.

It is recommended that, as part of the Housing Investigation area in Option 2, Council lobby the Victorian Government for an exemption to the WGT given the land could be repurposed for housing outcomes that align with the State's Housing Statement objectives. Inclusion of Social and Affordable Housing options would be closely aligned with State objectives and may make an exemption more likely.

Public Open Space Contributions Levy

A public open space contributions levy of five percent is applicable when the land is subdivided. This levy is payable upon finalisation of subdivision and once a valuation has been undertaken.

If Council proceed with a housing solution it could sell the land as a superlot to a developer who would then carry out subdivision into individual housing lots. Alternately, if Council seeks greater confidence in the design outcomes for the site, then it could subdivide the land into individual lots prior to sale. Both scenarios trigger the levy when subdivision occurs, at around \$100,000. A public open space contribution may be required only once for the land to be subdivided.

A compromise may be to sell a superlot with a pre-approved planning permit for development, which could also provide some confidence in the design outcomes for the site.

Implementation Costs

The Draft Master Plan – Proposed Implementation Cost Plan (Attachment 1) provides the estimated implementation costs and timing of a staged approach to Option 2. Implementation costs associated with each option and the separate costs of providing replacement open space, are summarised in Table 1 of this report. Applicable taxes and levies have also been factored into the cost to Council of each option.

Site preparation costs would be around \$2.003 million if delivered in one stage. They would be needed for Options 1 and 2. Option 3 would only partially carry out this scope.

A single stage Site Preparation delivery would be most efficient and more cost effective.

However a reduced site preparation may be possible to enable early delivery of works. This approach would focus on demolition of the ageing retaining wall, old pavilion and half of the asphalt courts along with associated earthworks. This reduced scope would cost around \$1.415 million.

Additional funding would still be required to complete the remaining site preparation stage, with asphalt removal and car park works at a cost of around \$722,900. Hence a staggered site preparation would cost an extra approx. \$135,404, totalling around \$2.138 million.

Funding of \$350,000 has already been allocated in Council's 2025/26 budget towards these works, and a further \$300,000 is being planned for 2026/27. Based on a Quantity Surveyor estimate, a further \$1.488 million approximately will still be required to complete major earth works, removal of asphalt courts and part of car parks, and removal of old pavilion infrastructure and area preparation in one stage, in readiness for future construction of the Masterplan concept.

Stage 3 delivery of the social recreation infrastructure proposed requires a further \$1.94 million including cost escalations. Up to 50 percent of the cost would be sought from State and/or Federal Government grants however these have become more difficult to secure.

Operational maintenance of the completed open space infrastructure is estimated to cost approximately \$374,000 over the first 15 years. This would need to be built into the baseline operating costs for outdoor maintenance budgets.

The Melba Ward public open space contributions fund balance is currently \$4,826,452, of which \$350,000 has been committed in the 2025/26 Council Budget. This balance may also be drawn down in future for other planned open space improvements. On average, approximately \$900,000 is received in the Melba ward public open space fund each year.

Whilst public open space contributions provide a relatively stable revenue stream, it is subject to fluctuations based on housing development activity. The current public open space contributions mechanism is triggered by subdivision but does not account for increased demand arising from non-subdivision developments (e.g. build-to-rent, small second dwellings) or population growth. This results in Council bearing additional financial responsibility for meeting the open space needs of increased population growth. Proposed State planning reforms may also create further inequity in contributions payable to councils, but there are not details of these at this stage.

In total the proposed McDermott Avenue Reserve redevelopment and improvements (Option 2) have been estimated at \$4.47 million including maintenance costs over 15 years, and it is expected that there would be sufficient Ward funds to support the staged redevelopment over the 10-15 years, or less if external funding is obtained.

Maintenance would be funded through operational budgets, as they are ineligible to access public open space funds.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the newly adopted Council Plan 2025-2029:

- **Healthy Connected Communities:** McDermott Avenue Reserve has the opportunity to provide safe, inclusive, and accessible public open space with quality infrastructure, recognising the role of open space in encouraging active lifestyles for all ages, supporting mental health through connection to nature, and fostering social cohesion through opportunities for unstructured recreation and community interaction.
- **Quality Infrastructure and Liveable Places:** The recommendations in this report seek to develop well-planned, safe and quality infrastructure with adequate open space to meet current and future community needs. The draft master plan (Option 2) retains the site, reactivating approximately 1.4 hectares as open space for social recreation, enhances linkages to the local path network, transport, primary and secondary schools and will fill the gap in provision of open space to the south of the reserve. The plan includes further investigation into housing outcomes in the remaining 3,000 square metres to the south of the site.
- **Protected and Enhanced Natural Environment:** The recommendation in this report reflects the value the community places on preserving natural open space by replacing approximately 70 per cent of existing asphalt with grass and permeable surfaces, reducing urban heat and improving water absorption. The proposed Master Plan enhances canopy cover, native vegetation, and water filtration to support both community use and local wildlife, while increasing resilience.

The project and recommendations remain aligned with the objectives outlined in the Council Plan 2025-2029 .

Other relevant plans and strategies that have been considered for the development of McDermott Avenue Reserve include, but not limited to:

- Open Space for Everyone 2021, Department of Energy, Environment and Climate Action
- Plan for Victoria 2025, Department of Transport and Planning
- Guide for Open Space Strategies (draft), Department of Energy, Environment and Climate Action.
- Recreation and Open Space Strategy, 2013 – 2023 (under review)
- Sale of Land Policy, 2014

- Housing Strategy, 2024
- Liveable Climate Plan, 2020 – 2030
- Tree Canopy Strategy, 2024- 2044
- Yarra Ranges Planning Scheme:
 - Clause 19.02-6L Open Space: this clause includes strategic guidance concerning provision of open space, including providing open space and recreation facilities for urban areas that includes a local park of approximately one hectare within 400 metres of residential areas and a centralised district park for community events and activities.

RELEVANT LAW

The property is a combination of five titles, two of which hold Reserve status and all are zoned Public Park and Recreation Zone. The implications of these are outlined below.

Subdivision Act 1988, Local Government Act 1989 and Planning and Environment Act 1987

Land which is zoned PPRZ under the Planning Scheme is deemed to be Public Open Space under the *Subdivision Act 1988*. Ordinarily, land zoned for Public Open Space can only be sold where replacement Public Open Space has been provided.

Should Council proceed with rezoning and sale of the southwest corner, the Subdivision Act stipulates that Council must use the proceeds in accordance with Section 24A(8) of the Act.

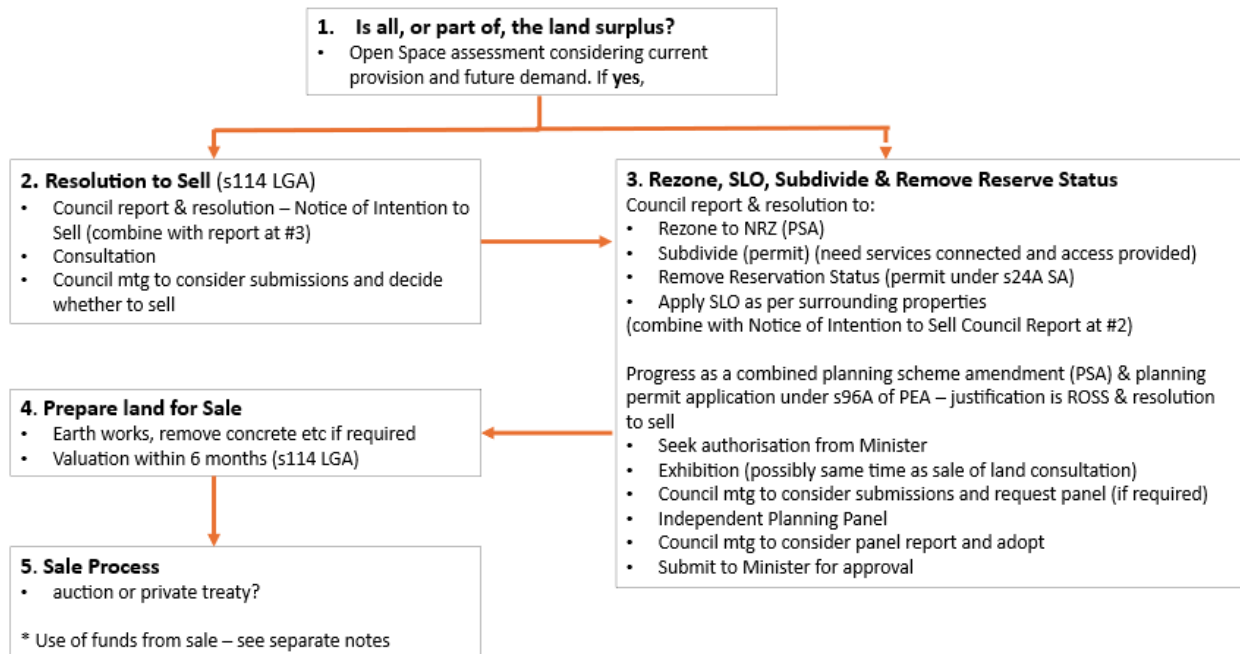
Council may also apply to remove the reserve status from two of the property titles by way of a planning application pursuant to Section 24A of the Subdivision Act.

The area of the site proposed for housing investigation would be rezoned to Neighbourhood Residential Zone 1 (NRZ1) and a Significant landscape Overlay SLO023 applied, consistent with surrounding properties.

Statutory and Legal Process

The cost to Council associated with a Planning Scheme Amendment to rezone the land have been estimated at \$30,530.

To initiate a Planning Scheme Amendment and progress the sale of land, the following processes would be required under options 1 and 2 should further investigations progress to a housing outcome.



SUSTAINABILITY IMPLICATIONS

Economic Implications

Options 1 and potentially Option 2 would increase housing supply within Mooroolbark, offering improved diversity and affordability. The conditions of sale may provide opportunity to direct a portion of the land to be used for social housing. The increased population would support local business while offering improved open space activation.

Options 2 and Option 3 would attract a wider catchment of open space users thereby supporting local business and enabling small local events.

All costs incurred by Council relating to the sale of a property will be recovered from the proceeds of their sale.

Should Council proceed with retaining and improving some public open space on the site, construction, maintenance and management activities are expected to generate supplementary economic benefits through procurement of labour and materials.

Open space improvements also support a wellbeing economy, through the provision of quality, accessible infrastructure that encourages health and wellbeing outcomes.

There are high costs associated with earthworks to prepare the land for sale and/or future use, including: removal of asphalt courts, netball pavilion and court infrastructure, the failing five-metre-high retaining wall, and drop off areas overlooking neighbouring properties. It has been estimated approximately \$2.138 million would be required to prepare the land for future use. The required works will provide significant employment opportunities for local construction companies.

Social Implications

Sale of all or part of the 52 McDermott Avenue property would result in a loss of open space provision for residents of the surrounding neighbourhood. Public open space is of high importance to the community, and Option 1 in particular would be to the detriment of the immediate 382 dwellings (1,146 persons approximately) to the southwest of the reserve that are not serviced within a 400 metre local park catchment and 35 dwellings (105 persons) within an 800 metre neighbourhood catchment of local parks and reserves.

Quality public open space within a 10 minute walking distance (400 – 800 metres) of where people live, also referred to as the 20-minute neighbourhood (Plan for Victoria, 2025), encourages people to be more active, improving mental and physical health. Having local spaces that people can walk to reduces traffic. The natural environment of open space provides an opportunity for air and water filtration for a healthy environment. Community bonds are strengthened by more chance encounters as neighbours use the space, including a space for connection for young people to meet and enjoy time together.

Reports from the community and outdoor maintenance crews regarding vandalism and antisocial behaviour, along with findings from a Gender Impact Assessment for the site, highlighted perceived and actual safety concerns – particularly affecting women and other vulnerable community members. These concerns were considered when formulating recommendations for the site's future use options and are best addressed through Option 2 and partially through Option 3. The draft Master Plan concept design has been drafted to improve visibility through the reserve, improving safety and passive surveillance. Proposed improvements to support use of the area by all include terracing of the landscape and a strong visual interface attributable to the housing in Option 2.

Housing affordability is highlighted as a concern in the Mooroolbark area. Option 2 provides for diverse and high amenity housing options on the subdivided 3000 square metre southwest corner. This will benefit the community with additional housing stock in a good location with access to transport, schools and services.

Options 2 proposes retention of open space embellished to Neighbourhood park level, providing infrastructure to support family and community gatherings with barbecues, shelter, toilets, playspace, youth activity areas and other spaces for interacting. This level of park provides an opportunity for social cohesion and strengthening which in turn supports mental health and wellbeing.

Option 3 would retain the current site as open space offering some value and amenity for community, but would not develop it to the Neighbourhood park level and would continue to experience issues with the poor safety outcomes to the south corner.

Environmental Implications

Aligned with Council's Tree Canopy Strategy and response to climate change resilience, the options that retain a portion for open space will include an increase in tree canopy, particularly around playspaces and pedestrian routes. Mooroolbark is situated in the urban zone of Yarra Ranges which has some of the lowest tree canopy percentages in the municipality, and was identified in the Strategy as having a reduction in tree canopy of 2.9 percent from 2014 – 2018.

Significant heat island effect reduction and water absorption benefits are possible with Options 2 and 3 due to the removal and conversion of large sections of asphalt to grass and/or other permeable surfaces such as gardens.

Existing trees of value/significance will be retained wherever possible. The draft Masterplan includes additional tree canopy and native vegetation that will enhance the user experience and attract additional wildlife. Perimeter planting of trees will create natural shade and reduce the overlooking of properties as they mature.

Water sensitive urban design principles have been considered and will provide opportunities for storm water to be filtered through the landscape, with the use of swales and biofiltration systems. The removal of the large expanses of paved surfaces will increase percolation of rainwater and reduce flooding and stormwater impacts.

The location within walking distance to large numbers of residents supports sustainable and active transport modes, reducing emissions, and encourages active lifestyles.

Aligned with Council's Liveable Climate Plan, applicable elements of the draft Master Plan will consider recycled and sustainable materials and minimum life cycle maintenance.

COMMUNITY ENGAGEMENT

Council engaged the community in late 2020 to understand how the community use the site, their vision and any issues and opportunities they attributed to McDermott Avenue Reserve. This engagement took place during pandemic restrictions and was conducted online, with over 340 submissions received. It was clear from this feedback that many local community members did not support the sale of the site. The Consultation Summary is available in the Draft Masterplan (Attachment 1) and on the Shaping Yarra Ranges page for this site.

In late 2024 the project was resumed and site investigations undertaken. The community was re-engaged informally through correspondence, ad-hoc conversations on site and in early 2025 at pop-up sessions at the Chin Community Festival and Celebrate Mooroolbark Festival.

The more recent engagement enabled officers to confirm the Mooroolbark community's most popular outdoor social activities. Feedback was consistent with earlier findings, and both rounds of engagement have been used to inform the concept plans for all options with retention for open space. These informal check ins also

enabled officers to engage with diverse groups, such as young people from the Chin community.

The community was provided with the Background Research Report (June 2025), available on Council's Shaping Yarra Ranges page for this project. A summary of the findings of the subsequent Feasibility Study is contained in the draft Master Plan (Attachment 1).

This report seeks Council support to proceed with the draft master plan developed (generally in accordance with Attachments 1 and 2) to consultation. The community will be provided with a copy of the draft Master Plan, including the Option 2 concept design. Comment and feedback on the master plan content, concept design and open space inclusions will be invited through a variety of means including online survey, in person pop ups and school incursion sessions.

Subject to Council consideration for endorsement, and community feedback to the draft Master Plan, the Master Plan will be refined and presented to Council for consideration for adoption in mid-2026.

A summary of the proposed Engagement Phases is provided in Attachment 3.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Internal collaboration was sought in the formation of the three options presented. Consultation in the form of workshops, meetings and correspondence was sought from Strategic Planning, Strategic Property Advisor and Council Valuer, Urban Design and Landscape Architecture, Recreation and Sport, Housing and Homelessness Officer and Planning Services to develop a suite of opportunities for the land.

Liaison with officers from the Department of Transport and Planning was undertaken to determine the feasibility of a proposed Planning Scheme Amendment. Advice received indicated that demonstration of a surplus of open space should be the basis for a planning scheme amendment.

Innovation and continuous improvement have been demonstrated through the three options, by proposing modern design inclusions with interfacing affordable housing in the less desirable part of the land.

RISK ASSESSMENT

Risks associated with the options include:

Reputation and Stakeholder Relationships: Community sentiment regarding the rezoning and subdivision for housing of 3000 square metres of McDermott Avenue Reserve may be negative. Furthermore, if Council assesses that the retained Open Space at McDermott successfully fills the open space provision gap and therefore does not purchase replacement open space, there may be a perception that this approach is not beneficial to the local community despite the replacement space's \$4 million cost to Council.

Financial: Legal advice has advised that the obligation to purchase replacement open space may not apply if the land is rezoned first. While there is no known test case, this may still be challenged. A ruling against Council would change the financial implication for Option 2 by incurring an additional \$4 million approx. to purchase replacement open space elsewhere. Land sale values are dependent on market conditions which can fluctuate, and hence income from sale remains an estimate only.

Environmental: Leaving the existing conditions with ageing retaining walls and deteriorating asphalt netball courts could lead to environmental harm such as erosion, flooding and downstream impacts on habitat. These risks may be alleviated by the proposed terraced design treatment with permeable surfaces. Contamination testing has been carried out and indicated no issues, however it is unclear if there remain concealed issues within the soil fill that had been used to create the current site levels. This must be managed carefully through planning conditions and site works.

Planning Approval: A Planning Scheme Amendment (PSA) for rezoning of part or all of the site relies on authorisation by the Minister for Planning and requires strategic justification. Option 1 is considered difficult to justify as explained earlier whereas the remaining two options may have sound strategic foundation and more likely to be supported for an Amendment. If Option 3 investigations result in retention of whole site as public open space, then it would not be affected by a PSA as it is already zoned as PPRZ.

Safety and crime: The safety and anti-social behaviour concerns raised by local residents observed at the south end of the site are likely to continue to present challenges in Option 3 and will need careful management and design to alleviate to the extent possible. Historic research by Victoria Police indicates inactive blank fences in suburban settings are the most common indicator of likelihood for house break-ins around parks. The site will continue to have large expanses of these back fence conditions. The removal of most of the asphalt will prevent opportunity for 'hooning' on the courts. The development of the space as a welcoming social recreation space will introduce positive activation of the area, providing passive surveillance and reduced likelihood of anti-social behaviour.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Draft McDermott Avenue Reserve Masterplan
2. Draft McDermott Avenue Reserve Masterplan Summary
3. Engagement Phases