

## 6.7 Moonee Ponds Creek linear park concept plan (Macaulay Road to Arden Street) and control of land

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### Executive Summary

1. In response to the August 2024 Future Melbourne Committee resolution, this report outlines options for Council to obtain control of VicTrack-owned land known as Lots 72 and 110 on the western bank of Moonee Ponds Creek between Macaulay Road and Arden Street, and the proposed approach to developing a linear park concept plan for this section of the creek.
2. Management has applied to VicTrack for a community lease over the two lots and seeks authorisation to take all necessary actions and execute required documentation to finalise the lease.
3. Purchase of the land is not recommended due to its high cost, encumbered nature and lack of funding commitment from State Government. A community lease provides a cost-effective interim arrangement while longer-term tenure options are resolved.
4. The VicTrack land is currently underutilised, with no formal access, amenities or visibility of the creek from surrounding streets. Securing tenure of the available land would enable Council to progress strategic priorities for public access to the land.
5. The proposed linear park aligns with the Macaulay Structure Plan and Planning Scheme Amendment C417 (Macaulay Structure Plan and Development Contributions Plan), which guide the area's transition from an industrial precinct to a mixed-use, mid-rise neighbourhood. Significant housing and population growth in the Macaulay Urban Renewal Precinct has heightened the need for increased public open space to maintain liveability, with more than 1300 new dwellings completed, under construction or planned.
6. The Melbourne Water (MW) are leading work on an updated drainage strategy the Arden and Macaulay urban renewal precincts. The updated drainage strategy will provide detailed drainage infrastructure requirements for both precincts.
7. The updated drainage strategy will clarify and resolve flooding and drainage infrastructure requirements for the precinct, including linear park and future open space on the western side of the Moonee Ponds Creek between Arden Street and Racecourse Road. It is critical that this informs any future work by the City of Melbourne to investigate, plan and develop a linear park and future open space in this location.
8. It is recommended that the linear park and open space concept plan is commenced once Amendment C417 is resolved and flood modelling and drainage infrastructure work led by Melbourne Water is completed.
9. The proposed study area for the future concept plan will include Lots 72 and 110, the Bent Street road reserve, setback land and the future 'Drainage Land' known as the Macaulay Terraces immediately north of Macaulay Road. It may also include the western side of Moonee Ponds Creek north of Macaulay Road, extending to Racecourse Road.

### Recommendation from Management

10. That Future Melbourne Committee:
  - 10.1. Notes that management has applied to VicTrack for a community lease over all of Lot 110 and the unleased portion of Lot 72.
  - 10.2. Authorises management to take all necessary actions to enter a community lease with VicTrack for Lots 110 and 72, and requests that following execution of the lease agreement that management progress works to formalise community access, including over the levee from Bent Street.

- 10.3. Requests management to commence the Moonee Ponds Creek linear park concept plan following Ministerial approval of Amendment C417 and completion of the Macaulay flood modelling and drainage infrastructure work led by Melbourne Water.
- 10.4. Requests the Lord Mayor write to relevant Ministers to once again request the finalisation and public release of the Moonee Ponds Creek Implementation Plan and invite a roundtable discussion seeking to resolve barriers and unlock critical open space to support the increased housing and population in the precinct.

**Purpose**

11. The purpose of this report is to set out the options to obtain control of VicTrack-owned lots on the western bank of Moonee Ponds Creek between Macaulay Road and Arden Street (lots 72 and 110) and the proposed approach to resolving a Moonee Ponds Creek linear park concept plan.

**Background**

12. The Macaulay urban renewal area covers approximately 90 hectares of land and incorporates parts of Kensington and North Melbourne. With an industrial history, Macaulay will experience significant change over the next 15 to 30 years, becoming a mixed use, mid-rise neighbourhood guided by the Macaulay Structure Plan. The land use and built form objectives of the Structure Plan are to be implemented into the Melbourne Planning Scheme via Amendment C417.
13. To date, the area has been experiencing significant population growth, with over 1300 new dwellings either completed, under construction, or planned. This has resulted in a rapid population increase, further intensifying the need and timely delivery for essential infrastructure including quality open space to ensure liveability for residents.
14. On 20 August 2024, as part of its resolution to approve item 6.3 Chelmsford Street Open Space final concept plan, the Future Melbourne Committee requested that a report be presented to Committee setting out:
  - 14.1. Options with timelines to obtain control of Lot 110
  - 14.2. Options with timelines to obtain control of Lot 72
15. A process to consult on and resolve a 'Moonee Ponds Creek (Macaulay Road to Arden Street) linear park concept plan' in FY25–26, the scope of which is to:
  - 15.1. Integrate with the Chelmsford Street Open Space.
  - 15.2. Implement the proposal for a linear park and (unpaved) trail identified in the Macaulay Structure Plan and amendment C417.
  - 15.3. Cater for future potential integration with the 'setback land' identified in the Macaulay Structure Plan and amendment C417.
  - 15.4. Implement the 'Bent Street access' and 'Moonee Ponds Creek forest' actions identified in the Moonee Ponds Creek Strategic Opportunities Plan.
  - 15.5. Identify the potential route of the future bridge across the creek as identified by the Committee on 21 May 2024.
16. Council does not own or manage the land in the Moonee Ponds Creek corridor. Most of the land is controlled by Victorian Government agencies for different purposes.
17. Council has focused on strategic planning to establish a shared vision for the corridor's future. This includes preparing and endorsing the Moonee Ponds Creek Strategic Opportunities Plan 2019, which identifies projects to restore and revitalise the creek environment. In 2019, the Victorian Planning Authority began preparing a Moonee Ponds Creek Implementation Plan, intended to outline funding and delivery pathways for these projects and secure State Government commitment. This plan has not yet been publicly released.
18. In March and May 2024, the Future Melbourne Committee endorsed the Moonee Ponds Creek Advocacy Plan to increase transparency about the State Government's role and delays in delivering projects. In September 2024, the City of Melbourne and partners issued a Joint Statement urging the Victorian Government to act on the vision for Moonee Ponds Creek. An interactive webpage was also launched to provide quarterly updates on key improvement projects.

19. The western bank between Arden Street and Macaulay Road comprises land parcels owned by VicTrack. While the land is accessible at its northern and southern ends, it lacks paths and amenities. A concrete levee separates the creekside area from Bent Street and adjoining private properties. There is an informal path including makeshift earthen steps over the levee at the corner of Chelmsford and Bent Streets, connecting the residential area to the creek. Part of VicTrack's landholding in this area are two lots known as Lot 72 and Lot 110, which it makes available for community lease.
20. Lot 72 is adjacent to Vision Australia's Seeing Eye Dogs training centre at 17 Barrett Street, Kensington. Vision Australia holds a community lease over Lot 72 for a dog run, which expires in 2034. Lot 110 is not currently leased.
21. Lot 72 is also adjacent to the future Chelmsford Street open space. Council purchased 70-90 Chelmsford Street in 2021 for the purpose of public open space. The property currently includes a warehouse, concrete yard and an easement for vehicle access to an adjacent property. Once complete, it will provide approximately 3600 square metres of new public open space. The Future Melbourne Committee approved the final concept plan for Chelmsford Street in August 2024 and design development is underway. Delivery is scheduled in FY2026–27.

### **Key considerations**

#### Options to obtain control of lots 72 and 110

22. Amendment C417 is the primary implementation pathway for land use and development controls and the proposed Development Contributions Plan (DCP) that seek to implement the Macaulay Structure Plan. If progressed by Council, Amendment C417 will proceed to an independent Planning Panel in 2026 for review before future decisions by Council and the Minister for Planning.
23. The proposed Macaulay DCP includes \$19.2 million for the 'OS\_02 Moonee Ponds Creek – Bent Street Access' project, which will create a linear open space reserve. This project relies on the site being available. There is no provision in the Macaulay DCP for land acquisition of the site or for the future creek crossing, making collaboration with VicTrack essential to secure the land for community and environmental benefit.
24. Fragmented land ownership along the lower Moonee Ponds Creek has stalled progress on community and council priorities. Securing long-term control of the western bank between Macaulay Road and Arden Street would enable delivery of key actions and give Council decision-making authority rather than an advocacy role. However, this would also transfer financial and delivery responsibilities from the State to Council, including the proposed creek crossing estimated at \$3.4 to \$4 million.
25. Purchasing the site at its highest and best use value is estimated at \$2.8 million. The land is undevelopable and serves essential functions such as flood management, riparian corridor, and electricity transmission. It is classified as encumbered open space, meaning it can support open space purposes but has primary roles like drainage or service easements.
26. Given the cost and implications, Council pursuing land purchase is not recommended.
27. An application for a community lease from VicTrack for all of Lot 110 and the unleased portion of Lot 72 has been progressed. This would provide short-term control while negotiations take place for a long-term tenure arrangement that reflects the land's value and VicTrack's reduced liability if Council assumes responsibility.
28. The linear reserve along the western bank of the Moonee Ponds Creek between Arden Street and Macaulay Road is currently the only section in Kensington with public access to the creek. The access is informal, either along maintenance access tracks and 'goat tracks' or up and over the levee on a dirt path with makeshift earthen steps (see Attachment 2). Formalising access can be progressed in the short-term subject to the community lease being approved by VicTrack. Should the community lease application not be successful, advocacy to improve safety and access for community will be included in broader Moonee Ponds Creek advocacy.

#### Moonee Ponds Creek linear park concept plan

29. Melbourne Water is working on an updated drainage strategy to confirm infrastructure needs and costings, which will inform a new Drainage DCP led by the Department of Transport and Planning (DTP). This strategy is likely to have implications for the design of the linear park and future open space on the western side of the Moonee Ponds Creek between Arden Street and Racecourse Road.
30. It is recommended that the linear park concept plan is developed once Amendment C417 is resolved and flood modelling and drainage infrastructure work led by the Department of Transport and Planning and Melbourne is completed for this land.
31. The concept plan will establish the design direction and scope for future works. It will enable more accurate cost estimates, strengthen the case for state government funding, and ensure future upgrades align with strategic objectives, community needs, and site constraints.
32. The proposed study area for the future concept plan will include Lots 72 and 110, the Bent Street road reserve, setback land and the future 'Drainage Land' known as the Macaulay Terraces immediately north of Macaulay Road. It may also include the western side of Moonee Ponds Creek north of Macaulay Road, extending to Racecourse Road.

### **Legal**

33. Legal advice will be provided on the subject matter of the report including any proposed lease.

### **Finance**

34. There will be ongoing lease fees associated with the community lease/s. VicTrack has not yet advised what the cost will be. Other community leases between VicTrack and City of Melbourne are less than \$1000 per year.
35. Formalisation of community access, including over the levee from Bent Street, are minor works below \$100,000 and would be prioritised and/or resourced from existing approved capital budgets.

### **Conflict of interest**

36. No member of council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

### **Charter of Human Rights and Responsibilities**

37. The recommendation contained in this report is compatible with the *Charter of Human Rights and Responsibilities Act 2006* as it does not raise any human rights issues.

### **Health and Safety**

38. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

### **Consultation**

39. No consultation has been undertaken in the development of this report.
40. Community and stakeholder engagement will be undertaken to inform the development of the future linear park concept plan. Resident and community environment organisations, including but not limited to the Kensington Association and the Friends of Moonee Ponds Creek will be engaged with.

### **Relevance to Council Plan and Council Policies**

41. The matters considered in this report align with the council endorsed Moonee Ponds Creek Strategic Opportunities Plan (2019), Macaulay Structure Plan 2021 and Open Space Strategy.

## **Social and environmental impacts**

### Social impacts

42. The site is an important location for revitalisation so that it can connect and support the growing community west of the creek as it transforms from a semi-industrial area to a mixed-use neighbourhood.
43. City of Melbourne is a member of the Chain of Ponds Collaboration Group, which includes representation from local government, state government, water authorities, research organisations, community groups and not-for-profits, who are committed to improving the Moonee Ponds Creek.
44. Community advocacy for improvements to the Moonee Ponds Creek has been active for years. A number of community groups and not-for-profit organisations issued a Joint Statement 'Breathing life back into Moonee Ponds Creek' in September 2024 calling for action by the Victorian government to support progress on a number of projects. In the absence of a response from the Victorian government, the recommendations in this report will signal council's willingness to support action and ultimately take responsibility for this section of the creek side.

### Environmental impacts

45. The environmental performance of the lower reaches of the Moonee Ponds Creek is limited by the current conditions. Securing the site will allow revitalisation of the western bank, improving biodiversity and contributing to a thriving habitat for native flora and fauna in this section.

### Gender Impact Assessment

46. A gender impact assessment was not required as the report does not involve implications under the *Gender Equality Act 2020*. A gender impact assessment will be undertaken to inform the linear park concept plan.

## **Attachment List**

1. Moonee Ponds Creek context plan - Lots 72 and 110 [6.7.1 - 1 page]
2. Moonee Ponds Creek linear park context photographs [6.7.2 - 2 pages]



### Moonee Ponds Creek linear park context photographs



Figure 1. View from Macaulay Road towards Arden Street and beyond to the city skyline



Figure 2. View north along Bent Street. The vegetated levee embankment is at right



Figure 3. View north along Moonee Ponds creek near informal access from the corner of Bent and Chelmsford Streets



Figure 4. Informal track and earthen steps over the levee from the corner of Bent and Chelmsford Streets, facing east



Figure 5. Informal track over the levee from the corner of Bent and Chelmsford Streets, facing northwest through biodiversity plantings to Bent Street, beyond