

Open Space Contributions Report

Mornington Peninsula Shire

May 2025



Independent
insight.



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Executive Summary

SGS Economics and Planning (SGS) has been engaged to provide an independent analysis of open space contribution requirements for Mornington Peninsula Shire (the Shire). In doing so, this report considers:

- **Current policy:** including state and local planning scheme provisions, municipal policy and plans, and open space contributions rates in other local government areas.
- **Population, housing capacity, and development capacity:** an analysis of forecast population, dwellings, employment, and available developable land.
- **Current state of open space:** an analysis of the existing open space network and considerations of future focus areas.
- **Contribution rate:** based on the above data, development of a contribution rate for the municipality.
- **Implementation:** recommendations for how this contribution rate should be applied.

Councils in Victoria can charge development contributions for the provision of municipal open space through various methods. This project focuses on the levying ability of the Subdivision Act by incorporating municipal-wide or district/area-specific contribution rate in the Planning Scheme through amending the Schedule to Clause 53.01.

The Schedule to Clause 53.01 in the Mornington Peninsula Planning Scheme includes a 5 per cent municipal wide contribution rate which is applied across all residential, commercial and industrial land – except in specific locations which are subject to an alternative (often higher) rate.

SGS has applied an inclusionary provision methodology to assess if the current municipal wide open space contribution rate is appropriate into the future. This approach adopts the principles of treating the Shire as one catchment, that all development contributes regardless of the development life cycle, all land use types contribute, and the network considers quantity, accessibility, quality, and ongoing reliability of land.

When considering the forecast population growth, net developable land across residential and employment land, and the application of the open space standard of 30sqm per capita, the open space contribution rate of **5.5 per cent** across all future residential and commercial developments in Mornington Peninsula Shire is recommended.

For comparison, not benchmark, this report includes a selection of recently adopted open space contribution rates. The recommended rate for Mornington Peninsula Shire is one of the lowest rates over the last three years. This is largely due to the lower density across the Shire and the large amount of developable land available. While the SGS methodology has aimed to capture the ‘capacity of the Shire’, if there is a significant change in residential develop capacity planned in the Shire beyond what has been modelled in this analysis, then the open space contribution should be reassessed.

1. Introduction

1.1 Background

Mornington Peninsula Shire is located just over 40 kilometres southeast of the Melbourne CBD. Covering an area of 724 square kilometres, the Shire is renowned for its distinctive townships, highly valued green wedge land, areas of national and international conservation significance, and access to both the Victorian coastline and bay.¹

In 2003, Council adopted the Mornington Peninsula Shire Open Space Strategy, which provided a planned approach for the provision of open space across the Shire. It has been some time since the development of this Strategy. As such, Council is undertaking the development of a refreshed Open Space Strategy along with an updated analysis of appropriate open space contribution rates.

Councils in Victoria can charge development contributions for the provision of municipal open space via three mechanisms:

1. Embed levies in a Development Contribution Plan (DCP) or Infrastructure Contribution Plan (ICP) made under Part 3A of the Planning and Environment Act 1987.
2. Rely on the general power to levy development upon the creation of separate allotments under the Subdivision Act 1988.
3. Codify the levy power under the Subdivision Act by incorporating municipal-wide or district/area-specific contribution rates in the Planning Scheme by amending the Schedule to Clause 53.01.

Currently, Council is collecting open space contributions via the third option.

Within the Mornington Peninsula Planning Scheme, the Schedule to Clause 53.01 requires specific land areas to provide a contribution rate between 7.5 per cent and 12 per cent. All land (residential, commercial, industrial) that is outside of a specific rate is subject to a 5 per cent contribution rate. This is further outlined in Table 1.

¹ Mornington Peninsula Shire Council (2024) Annual Report 2023-24, accessed 8 April 2025.
https://www.mornpen.vic.gov.au/files/assets/public/v/3/new-website-documents/about-us/strategies-amp-plans/annual-reports-etc/mps_annualreport_2024_final_website_publish.pdf

Table 1. Schedule to Clause 53.01 Public Open Space Contributions and Subdivision

Type or location of subdivision	Amount of contribution for public open space
Land bounded by Mornington-Tyabb Road; the boundary of the Residential 1 Zone between Mornington-Tyabb Road and Craigie Road; Craigie Road and Nepean Highway, Mornington.	Land contribution: Nine percent (9%) of the land to be subdivided, or Cash-in-lieu contribution: Twelve percent (12%) of the site value of the land to be subdivided, or Combination contribution: A land contribution equal to nine percent (9%) of a portion of the land to be subdivided plus a cash-in-lieu contribution equal to twelve percent (12%) of the site value of the remaining portion of the land to be subdivided.
Land affected by schedule 11 to Clause 43.02, being Design and Development Overlay Schedule 11 – Mt Eliza (North Of Tower Road) Development Design (DDO11).	Five percent (5%) of the site area or five percent (5%) of the site value of the land to be subdivided; and a further five percent (5%) of the site area or five percent (5%) of the site value of the land to be subdivided; with any cash in lieu contribution to be applied towards environmental improvement (including conservation land acquisition) in the Mt Eliza area generally The calculation of this further five percent (5%) may be discounted by the area or site value of any lot that contains a dwelling that existed at 19 May 2005; provided that the total public open space contribution is equivalent to no less than \$10,000, indexed in accordance with the CPI, for every new lot created.
1440 Frankston-Flinders Road Tyabb (Lot 2, LP 91280, Vol 8877 Fol 905).	Land contribution seven and a half percent (7.5%)
Other Residential subdivision	5 per cent
Commercial	5 per cent
Industrial	5 per cent

1.2 Defining Open Space

The Subdivision Act 1988 only allows Council to spend Public Open Space Contributions (collected under Clause 53.01 and any Schedules to it) on acquiring or enhancing public open space as defined by the Act.

Public Open Space is defined in Section 18A of the Subdivision Act of 1988 as:

Public open space means land set aside in a plan or land in a plan zoned or reserved under a planning scheme –

- a) *For public recreation or public resort, or*
- b) *As parklands*
- c) *For similar purposes*

This definition must be applied when determining how and where open space contributions are expended. For the purposes of this report, when discussing open space, the report refers to land in which the primary purpose is open space and is zoned as per the planning scheme definition outlined above.

1.3 Open space contribution principles

The open space contribution methodology applied in this report is based on an inclusionary provision approach and the application of an open space standard.

In doing so, the method adopts the following principles:

- The municipality in question should be treated as one planning unit featuring one open space network
- The local government area's (LGA's) open space network should be established and maintained with reference to adequate:
 - quantity
 - accessibility/distribution
 - quality/level of service, and
 - reliability of ongoing service provision
- All development should contribute its fair share towards an adequate open space network for the municipality, regardless of the development life cycle of the local government area, and
- All development that benefits directly or indirectly from the open space network should contribute regardless of land use type.

2. Policy context

The following section highlights key policies and or directions that are important when considering the open space contributions.

2.1 Victorian State Government

There is no adopted state government approach for calculating open space contributions. The State has a metropolitan strategy, as outlined below, and several guidance documents to support councils in the development of an open space strategy, however these do not extend to advice, rules or direction on open space contributions.

Open Space for Everyone - Open Space Strategy for Metropolitan Melbourne 2021

Open Space for Everyone understands that open space is integral to the continuation of Melbourne as one of the world's most liveable cities. The strategy notes a range of benefits of open space, including:

- Improved community health and wellbeing
- Healthier Biodiversity
- Enhanced Climate Change Resilience
- Maximised Economic Benefits

Open Space for Everyone does not specify set locations of open space but understands the interconnected nature of a successful open space network. It is based on a range of principles, including *fairness and equity*, ensuring that everyone has “appropriate access to and use of a wide range of high-quality open spaces” (p.31).

2.2 Mornington Peninsula Shire

The key policy considerations for open space contributions are Council's long-term vision for public open space, including its financial capacity to achieve this vision, and specific directions and actions that are outlined in Councils Open Space Strategy and subsequent capital works programs.

Mornington Peninsula Shire 2040 Community Vision

The Mornington Peninsula Shire Community Vision, developed in 2021 through extensive community engagement, outlines a shared vision for the Peninsula through to 2040. The Vision acknowledges the Traditional Owners of the land the values of the region including the diverse community, environment

and townships. The Vision calls for a collective effort to create a sustainable, vibrant, and prosperous future that values innovation and shared compassion.²

The vision is guided by seven principles. In relation to open space the key principles include:

Principle 5: Encourage and expand education, sports and arts opportunities – focusing on increased investment in sport.

Principle 6: Protect and enhance all elements of our natural land, sea and biodiverse environments – with the key open space components focusing to:

- protect and improve green spaces, bushland, native flora and fauna, foreshore and wetlands.
- preserve or increase the current amount and quality of green space.

Principle 7: Plan and regulate responsible and innovative housing development – this includes maintaining and developing supporting infrastructure.

Open Space Strategy 2003 (currently under review)

The 2003 Open Space Strategy for the Mornington Peninsula Shire aimed to provide a clear overview of the existing open space provisions. It sought to address the diverse and competing demands for open space, identify relevant planning and development issues, future development of a sustainable open space network, and improve the quality and accessibility of open space for all community members. The vision was to create a unique, well-planned, and integrated open space environment.³

The strategy outlined key challenges for managing open spaces in a sustainable manner, including:

- Balancing environmental preservation with increased visitation and population growth.
- Fostering community and agency partnerships for the development and maintenance of open areas.
- Providing infrastructure for local communities, the Peninsula region, and visitors.
- Promoting coordinated efforts among various departments to manage open spaces effectively.
- Ensuring equitable access to open space and key destinations.
- Upgrading sporting reserves to meet community needs and trends.
- Collaborating with various stakeholders to allocate resources for future open spaces' sustainability.

² Mornington Peninsula Shire Council (2021) Peninsula 2040 - Our Shared Community Vision, accessed 9 April 2025.
<https://www.mornpen.vic.gov.au/files/assets/public/v/3/new-website-documents/about-us/strategies-amp-plans/docs/community-vision-peninsula-2040.pdf>

³ Mornington Peninsula Shire Council (2003) Open Space Strategy 2003 - Volume 1,2, and 3, accessed 9 April 2025.
https://www.mornpen.vic.gov.au/files/assets/public/v/1/new-website-documents/about-us/strategies-amp-plans/docs/open_space_reportvol1_final_june_03_pdf.pdf

Financial Plan 2022-2032

The purpose of this Financial Plan is to provide a sustainable financial projection over the next 10 years. This Plan is developed in regard to the directions within the Council Plan and key strategic documents across Council. For public open space, this plan also draws on asset management plans, the open space strategy, and site-specific plans.

One of the key outcomes of the Financial Plan is the Council's intent to invest \$500 million in capital works over the next decade. As noted in the Plan, a significant portion of this investment will focus on increasing open space and ensuring the ongoing renewal and maintenance of existing assets.⁴

The Financial Plan indicates an annual parks, open space and streetscapes program ranging between \$3.4 million in 2022-23 and increasing to \$4.4 million in 2031-32.

2.3 Contribution rates in other local government areas

Table 2 provides an overview of open space contribution rates in council areas across metropolitan Melbourne. The purpose of this inclusion is not to use these rates as a benchmark but rather to consider the proposed Mornington Peninsula Shire rate against other rates to understand whether it is generally in alignment or considerably more or less.

While the contribution rates vary across councils, the municipal contribution rates gazetted over the last three years (Glen Eira, Monash, Yarra, Dandenong) range between 6.3 per cent and 8.65 per cent. The Baw Baw Planning Scheme is currently seeking an amendment with the Gazettal pending at the time of writing this report.

The Darebin Planning Scheme was also updated over the last three years however, this change was limited to the inclusion of the Preston Market Precinct open space contribution rate. In 2022, the Merri-bek Planning Scheme was also revised; however, this update focused solely on the Development Contribution Plan (DCP) projects and did not seek to change the existing rates.

⁴ Mornington Peninsula Shire Council (2021) Financial Plan 2022-2032, accessed 9 April 2025.
https://www.mornpen.vic.gov.au/files/assets/public/v/1/new-website-documents/about-us/strategies-amp-plans/docs/financial_plan-2022-2032.pdf

Table 2. Schedule to Clause 53.01 in other local government areas (as of May 2025)

Planning Scheme	Public open space contribution rate via Clause 53.01	
Baw Baw (2025)	<i>Outcome yet to be Gazetted</i> Land shown as a Residential Zone, Commercial Zone or Industrial Zone in Drouin, Longwarry, Trafalgar, Warragul and Yarragon	7.4%
	<i>Outcome yet to be Gazetted</i> All other land	2.3%
Yarra (2024)	All other land <i>* This does not apply to land in DPO5, DPO11 or DPO16</i>	8.65%
Glen Eira (2023)	All subdivisions with the exception of Caulfield Village and the area generally south of Griffith Avenue and south of the existing electricity substation	8.3%
Monash (2023)	All other land <i>*This does not apply to Land shown as CDZ2 on the planning scheme maps (PMP Printing Precinct Comprehensive Development Plan, June 2021)</i>	7.61%
Darebin (2023)	The subdivision of land that creates 2-5 additional lots	2-5%
	Preston Market Precinct (excluding 30A Cramer Street Preston, and 102 St Georges Road Preston)	10%
Greater Dandenong (2023)	Any subdivision of land or building intended to be used for residential purpose, except in areas specified in PS	6.3%
	Any subdivision of land or building intended to be used for industrial and/or commercial purpose, except in areas specified in PS	2%
Merri-bek (2022)	Various rates across suburbs	2.5% to 6.5%
Port Phillip (2018)	All land in the municipality	5%
	Fishermans Bend Urban Renewal Area	8%
Maribyrnong (2018)	Subdivisions of 10 lots or greater	5.7% where provided as a percentage of the site value of the land 5.7% or greater to the satisfaction of Council where provided as land
	All other land	5.7%
Moonee Valley (2018)	Subdivisions of 10 lots or greater	5% where provided as a percentage of the site value of the land 5% or greater to the satisfaction of Council where provided as land
	All other land	5%
Stonnington (2018)	Any subdivision in the suburb of Glen Iris, Malvern, Malvern East, Toorak and Kooyong	5%
	Any subdivision in the suburb of Armadale, Prahran, Windsor and South Yarra	8%

Planning Scheme	Public open space contribution rate via Clause 53.01	
	Any subdivision of land situated at 590 Orrong Road & 4 Osment Street, Armadale (being Lot 1 TP 85387F, Vol 10279, Folio 503, Lot 1 TP079481Y, Vol 10279, Folio 505, Lot 1 TP079463B, Folio 500, Lot 1 TP085381T, Vol 10279, Folio 504, Lot 1 TP085377J, Vol 10279, Folio 497, Lot 1 TP079479K, Vol 10279, Folio 501 and Lot 1 TP805167, Vol 9917, Folio 065("the Land")	8%

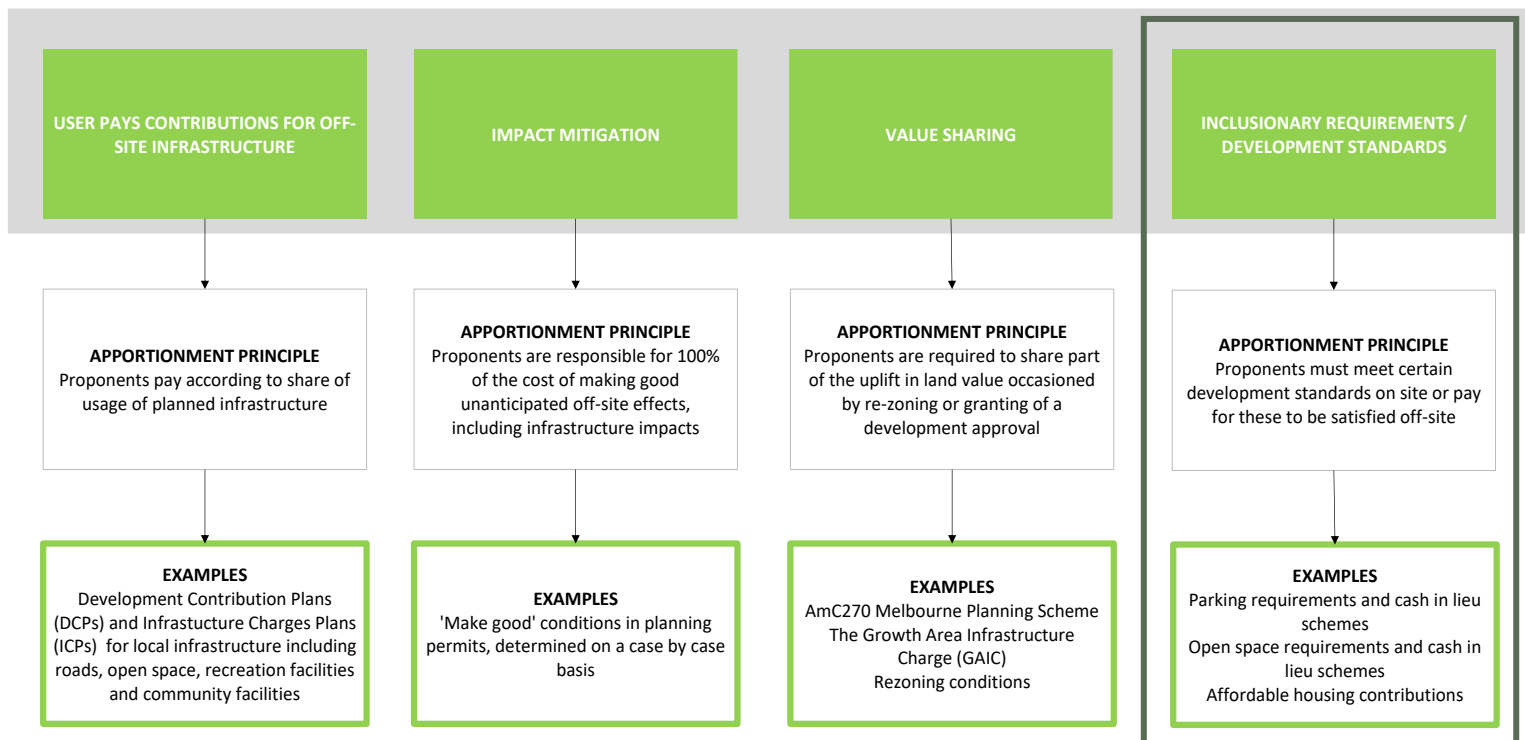
3. Open space contributions method

3.1 Public Open Space Contributions

In the absence of State Government guidance, a variety of methods for apportioning open space network costs across development have been applied by Victorian municipalities. These methodologies can be distinguished as four development contribution types, as summarised in Figure 1. Each development contribution type has its own justification and principles for fair apportionment.

The ‘inclusionary requirements’ approach, where development is expected to incorporate on site, or pay for equivalent off-site provision of certain amenities or features (such as car parking, water sensitive urban design, renewable power generation etc), is identified as the most suitable contribution framework for collecting open space contributions in Mornington Peninsula Shire.

Figure 1. Types of development contributions



Source: SGS Economics and Planning

Inclusionary provisions

Inclusionary provisions are based on minimum acceptable development standards. The acceptable standard (whether it be open space or other amenities, as noted) may be provided off-site through a cash or in-kind contribution. By way of example, cash-in-lieu schemes have been operating for decades to fulfil car parking requirements and are now formalised in the Victoria Planning Provisions (VPP).

Cash payments in lieu of provision of 5 per cent (or more) of land for public open space upon subdivision approval is another example of the 'inclusionary standards' premise for requiring cash or in-kind contributions from a development proponent.

Under the inclusionary provisions approach, development is expected to supply itself with sufficient open space to meet the demand generated from that development. In this way, successive developments will ultimately generate sufficient open space to meet the needs of the planned community. This differs from a User Pays model, such as a DCP, where contributions from successive developments are linked to the share of usage of *new* open space assets. This could mean that development occurring relatively late in the build-out cycle will make a lesser contribution per dwelling or equivalent compared to earlier development.

3.2 Appropriateness of the inclusionary provisions framework

The inclusionary requirements approach is founded on the principle that all development must provide open space. It is intended to ensure equitable access to open space across the whole municipality over time. Expressed another way, each successive unit of development should bring with it the resources required to supply the open space services it requires.

The inclusionary requirements approach itself may be applied in a variety of ways. The public open space contribution may be fixed having regard to a planned program of acquisition and works, or it can be determined by reference to a provisioning standard, which is a rate of public open space availability per capita.

In the application of the inclusionary approach, it does not burden future development with the responsibility of overcoming pre-existing undersupplies in open space – it is not a means of catching up on inadequate open space provision that may have happened previously.

Instead, it focuses on ensuring that all future development contributes to open space provisions and meets a designated standard or service level of open space. This means that future cumulative development will meet its open space requirement and will not exacerbate any pre-existing shortage of open space services into the long term. If development does not contribute to a designated provision standard, the municipality can be expected to be underserved in the future.

To reiterate, cost apportionment under the inclusionary provision framework is fundamentally different from the user-pays framework. This is because each development project must equip itself with its required quantum of open space according to the adopted planning standard rather than make a contribution based on share of usage of planned assets.

The preferred approach

As noted above, there are variety of ways that inclusionary provisions can be applied, either through a fixed program of works or a standards-based approach.

A standards-based approach is the SGS preferred approach as it avoids the fraught issue of determining a long-term public open space acquisition and capital works program in the absence of funding certainty and changing community needs.

In the development of a standards-based approach, the open space contribution expected of each successive unit of development is calculated on a whole of planning unit basis, in this case, the whole of Mornington Peninsula Shire, rather than on a project by project or precinct by precinct basis. That is, the aggregate open space requirement across the planning unit (whole of Mornington Peninsula Shire) at nominal 'build out' calculated by reference to a provisioning standard is expressed as a percentage of the net developable area of the planning unit.

The net developable area is all the land that already is or will accommodate all land uses that will be serviced by the planning unit's open space network. This is akin to the net developable area (NDA) cited in the greenfield growth area Precinct Structure Plans (PSPs).

The standards-based approach follows the below methodology. This is further discussed throughout the report.

Method in the delivery of a standards-based approach

1. Treat the whole municipality as a single planning unit
2. Estimate the total amount of open space services required to meet the needs of the whole municipality at the adopted horizon year with reference to a provision standard for this infrastructure (30sqm per capita)
3. Express the quantum of open space indicated at step (2) as a percentage of the aggregate area of all notionally developable lots in the municipality, including:
 - all lots that are likely to be developed in the period to the horizon year, and
 - the quantum of existing POS (this honours the principle that the future POS requirement should be taken from the full pool of land available for development before the deduction of parkland and related requirements).
4. Manually scale back the ratio given by step (3) *if warranted*, and having regard to other planning considerations, for example, impact on development feasibility, availability and accessibility of restricted open space that is deemed viable.

3.3 Open space provision standards – 30sqm

The setting of provision standards is a crucial step in the inclusionary requirements approach. Open space planning standards help identify the designated standard of open space services required in an area. Sufficiency standards are commonly used to assess the required provision of a range of community infrastructure such as childcare centres, hospitals, schools and libraries. Standards typically use a per capita or per household rate of provision.

Open space is no different from other community infrastructure in that its provision should be determined based on a sufficiency standard.

In relation to open space planning, open space provision and service levels are a combination of the quantity, proximity, and quality of open space. For the purposes of a public open space contributions policy, the quantum of open space per capita (30sqm per capita) is used as a standard for the quantum

of open space services required by the households in question. The type of open space and its location should then be determined through further open space planning.

There are no adopted state government open space provision standards. The Precinct Structure Plan (PSP) Guidelines call for 10 per cent of net developable area for active and passive open space in growth areas. The 10 per cent rate has not changed for some time. At an average greenfield density of 15 dwellings per hectare, as was common at the time of standard development, the 10 per cent public open space requirement translated to approximately 27sqm per capita. While the standard has not changed, the density of PSPs has increased, with a current average density of 20 dwellings per hectare. At this level, public open space provision would reduce to 20sqm per capita, assuming the same average household size.

Historically, the Melbourne and Metropolitan Board of Works (MMBW) proposed a planning standard of 7.5 acres of open space for every 1,000 people, which translates to 30sqm per capita. This standard was incorporated into the Melbourne Metropolitan Planning Scheme in 1954.⁵

Recently the open space provision in metropolitan Melbourne aligned with a 30sqm per capita standard. The VPA Metropolitan Open Space Network⁶ report states that in 2017, the total metropolitan stock of open space was 23,723ha. This included Crown land, State land, Local Government land, and Public Authority land. It further states that local government-owned some 12,719 ha, or 54 per cent, of this total pool of open space across the whole metropolis. Local government-owned land is the best proxy for local parkland and playing fields in the VPA data. The VPA report also notes that the total open space provision per capita across the metropolitan area was 57.7 sqm. Fifty-four per cent of this, or 30.9 sqm per capita, can therefore be taken as an estimate of Council POS provision.

Furthermore, several metropolitan Melbourne councils have adopted provision standards that align with 30sqm per capita in the development of open space strategies.⁷ This includes Mornington Peninsula Shire Council through the Draft Open Space Strategy 2025-40 which includes the service standard of 30sqm per capita.

Feedback from Planning Panels Victoria through Amendment C148 indicates a 30sqm standard should be supported by an implementation plan or program of works. SGS agrees with this. The open space standard of 30sqm identifies the quantity of open space that should be provided to calculate the financial contributions. The deployment of the funds, however, should be guided by an open space strategy and supporting capital works plan.

In some cases, acquisition of land may not be possible, and a municipality may not be able to reach the 30sqm standard of provision. In this case, funds will need to be spent on improving access and the carrying capacity of existing open space to enable increased utilisation (e.g. hours of operation through lighting/alternative surfaces, improving quality of infrastructure).

5 Spiller M and Noesgaard J (2024) Public open space contributions in Victoria: A preferred approach, SGS Economics and Planning, accessed 3 April 2025. https://sgsep.com.au/assets/main/Public-Open-Space-in-Victoria_A-preferred-approach.pdf

6 VPA, 2017, Metropolitan Open Space Network: Provision and Distribution

7 Monash Open Space Strategy 2018 (30sqm moderate supply), Cardinia Open Space Strategy 2023-33 (50sqm), Frankston City Open Space Strategy 2016-36 (30.3sqm), Darebin Open Space Strategy 2019 (30sqm), Draft Mornington Peninsular Open Space Strategy 2025-40 (30sqm)

4. Population and housing capacity

The following section provides an overview of the population and housing capacity for Mornington Peninsula Shire.

4.1 Population and dwelling forecasts

To understand the future requirements for open space, the forecast population and housing capacity of the municipality are required.

The Victorian Government has set housing targets for Mornington Peninsula Shire of an additional 24,000 new dwellings by 2051. As shown in Table 3 this will result in approximately 120,833 dwellings in 2051.

Table 3. Dwelling and population forecasts

	2026*	2051 (including Housing Targets)
Dwellings	96,833	120,833
Population	174,650	277,916 [#]

Source: SGS Economics and Planning, *VIF23 2026 population and dwellings [#]based on forecast dwellings and ultimate build out.

The forecast population considers potential total capacity of the Shire. That is, based on the number of dwellings what is the number of people that could be accommodated in the Shire if it was at capacity or ultimate build out. This is important to note for Mornington Peninsula Shire as a proportion of the current housing stock, and a likely a proportion of the new dwellings, are listed as unoccupied. The proportion of dwellings listed as unoccupied over the next 25 years will vary. As all dwellings have the capacity to be occupied, all should contribute to open space.

Given this, a household size of 2.3 has been adopted for the forecast population. This is based on the forecast average household size of occupied dwellings in Mornington Peninsula Shire in 2051. As noted in Table 4, this is below the Greater Melbourne average of 2.53. This is likely due to the increased ageing population in the Shire compared to Greater Melbourne (see demographics section).

Based on the forecast dwellings and the population capacity, the build out population adopted in this analysis is 277,916.

Table 4. Average household size in Mornington Peninsula Shire and Greater Melbourne

Average Household Size	2026	2051
Mornington Peninsula Shire	2.34	2.3
Greater Melbourne	2.6	2.53

Source: SGS Economics and Planning, SAM24 occupied dwellings

Demographics

In 2021, the Mornington Peninsula Shire had a median age of 48 years. The area of Portsea - Sorrento - Blairgowrie recorded the highest median age at 62 years. This median age is significantly higher than the Greater Melbourne median age of 37 years.⁸ Furthermore, it is estimated that individuals aged 65 and older will account for 28.6 per cent of the total population in the Mornington Peninsula Shire, compared to 15.5 per cent in Metropolitan Melbourne in 2026.

The ageing population is expected to grow, leading to a higher percentage of older residents in the Mornington Peninsula Shire compared to the metropolitan average. By 2051, it is projected that individuals aged 65 years and older will account for one-third of the municipal population, while this age group is anticipated to represent only 18 per cent of metropolitan Melbourne's population.

Table 5. Population distribution by age group for 2026 and 2051

	Mornington Peninsula Shire			Metropolitan Melbourne		
	2026	2051	Change	2026	2051	Change
School-age (0-17)	18.4%	16.4%	-2.0%	21.3%	19.3%	-2.0%
Working age (18-65)	51.8%	49.3%	-2.6%	63.2%	62.6%	-0.6%
Retirees (65+)	28.6%	33.4%	+4.7%	15.5%	18.0%	+2.6%

Source: SGS Small Area Model (SAM), 2024

4.2 Mornington Peninsula Shire workforce

Table 6 outlines the current and projected job market for the Mornington Peninsula Shire across four Broad Industry Categories.

In 2026 it is estimated that the leading employment sector will be Population Services, accounting for 41 per cent of total employment. Despite an anticipated growth of approximately 3,927 employees by 2051, while Population Services will continue to be the largest sector in the Shire, its share of total employment is forecast to decline to 38 per cent.

In contrast, the Health and Education sector, which is estimated to be the second largest sector with a 25 per cent market share, is expected to increase its market share to 28 per cent by 2051. This will result in an additional 8,234 job opportunities in Health and Education.

Knowledge Services and Traditional Industrial sectors, while forecast to grow, will maintain a similar market share.

⁸ forecast.id, Mornington Peninsula Shire Council (2021) *Mornington Peninsula Shire - Median age*, accessed 11 April 2025.
<https://atlas.id.com.au/mornington-peninsula/median-age>

Table 6. Employment Forecast in Mornington Peninsula Shire by the Broad Industry Category by 2051

Industry category	2026	2026 Market Share	2051	2051 Market Share	Job Increase 26-51	Job Growth 26-51	AAGR 26-51
Health and Education	17,589	25%	25,832	28%	+8,243	47%	1.5%
Knowledge Services	14,777	21%	18,704	20%	+3,927	27%	0.9%
Population Services	29,159	41%	36,016	38%	+6,857	24%	0.8%
Traditional Industrial	9,877	14%	13,317	14%	+3,439	35%	1.2%
Total	71,402	100%	93,868	100%	+22,466	31%	1.1%

Source: SGS Small Area Model (SAM), 2024

4.3 Summary and implications for open space contributions

The growing number of dwellings in Mornington Peninsula Shire will continue to increase the demand for high-quality public open spaces that cater to diverse demographics and uses. This includes new public open spaces along with improvements to the quality and functionality of existing assets to ensure they can respond to the increased demand.

With the increase in the number of older adults, it will be critical that these spaces are accessible and located within a walkable catchment for residential dwellings.

Workers are also a key component of the Mornington Peninsula Shire community. Employment is forecast to steadily increase across the Shire. Integrating open spaces within employment areas ensures that workers can enjoy the benefits of open space. Additionally, this integration allows employment precincts to take advantage of the economic and environmental advantages that open spaces offer.

5. Current state of open space in Mornington Peninsula Shire

The following section provides an overview of the current state of open space in Mornington Peninsula Shire. This considers quantity, quality and accessibility of open space. This is important in the consideration of where new and improved open space should be prioritised.

5.1 Quantity

Based on the findings of the Draft Mornington Peninsula Shire Open Space Strategy 2025-40, across the Shire there is 2,751.4ha of Council owned open space. This includes:

- Conservation land: 2,135.7ha
- Sport and active recreation: 238.7ha
- Recreation and leisure: 192.6ha
- Other connecting functions: 184.4ha⁹

As noted above, majority (77.6%) of this land is reserved for conservation purposes. While conservation land provides key biodiversity elements along with opportunities for walking, cycling, and relaxing in nature, it is limited in its broader open space uses. Similarly, other connecting functions, elements such as walking paths and linkages provide amenity and the integration of green infrastructure, however have limited broader open space uses.

Based on the current quantity of all Council owned open space, there is a sufficient amount of open space in the Shire for the current and future forecast population. This however is largely due to the significant conservation components. If only considering the sport, recreation and leisure spaces, by 2051 there will be a shortfall in open space (Table 7).

Conservation land does have a role in supporting the broader open space network therefore this should be considered in relation to quantity. For Mornington Peninsular Shire residents however if no additional sport, recreation and leisure spaces are added to the network the increasing reliance on access to conservation land to use open space will increase. This balance of open space types is further considered in the quality assessment.

⁹ Mornington Peninsular Shire Council, 2025, Draft Open Space Strategy 2025-40

Table 7. Quantity of open space across Mornington Peninsula Shire Council

Type of open space	Quantity of open space	Population		Open space sqm per capita	
		2026	2051	2026	2051
All Council owned open space	2751.4ha	174,650	277,916	157.5sqm	99sqm
All Council owned sport and active recreation and recreation and leisure open space	431.3ha	174,650	277,916	24.7sqm	15.5sqm

Source: SGS Economics and Planning & Draft Open Space Strategy 2025-40

5.2 Accessibility

Proximity-based measures are designed to help understand the distribution of, and access to, open space that households experience. It is generally expressed as the percentage of dwellings within walking distance of open space.

The Victoria Planning Provisions provide guidelines for proximity-based public open space provision. Clause 56.05-2 Public Open Space Provision seeks to provide a network of quality, well-distributed, multi-functional, and cost-effective public open space that includes local parks, active open space, linear parks and trails, and links to regional open space. Standard C13 identifies the following proximity standards:

- Local parks within 400 metres safe walking distance of at least 95 percent of all dwellings
- Active open space of a least 8 hectares in area within 1 kilometre of 95 percent of all dwellings
- Linear parks and trails along waterways, vegetation corridors and road reserves within 1 kilometre of 95 percent of all dwellings.

Data from the Draft Mornington Peninsula Shire Open Space Strategy 2025 indicates that across the Shire majority of dwellings are within 400m walking distance to open space. As the Shire continues to grow, it will be important that any new residential zoned land also considers access to open space.

Table 8. Proximity to public open space across Mornington Peninsula Shire Council

Location	% dwellings that are within 400m walking distance to open space
Mornington Peninsular Shire Council Shire (properties zoned residential)	94%

Source: Draft Open Space Strategy 2025-40

5.3 Quality

In order to meet the needs of a diverse and growing community, measures that reflect the quality of open space need to be taken into consideration. Furthermore, higher quality open spaces can provide an increased carrying and utilisation rate, improving access to open space. For example, a local level park with high quality, and in some cases additional infrastructure, can service a greater population than a low-quality open space of the same size.

Through the development of the Draft Open Space Strategy 2025-40 a performance audit of 200 open space sites was undertaken to evaluate the quality and safety of open spaces and identifying future priorities for development.

The audit identified that the overall park performance score for Mornington Peninsula Shire was 62%. This score was largely due to:

- Undeveloped or poorly maintained park areas
- Poor sight lines and a lack of pathways
- A lack of play elements

Findings from this audit will inform Councils future open space capital works program.

Quality also relates to the diversity (types) of open space available across the Shire. As noted in Section 5.1, majority of open space available in the Shire is conservation land. As the municipality continues to grow Council will need to monitor how the current open space is meeting community needs, changes in uses and utilisation, and if additional active or passive open space is required.

5.4 Summary and implications for open space contributions

Mornington Peninsula Shire Council currently has enough open space, however majority of this space is dedicated to conversation uses. As the community continues to grow, the types of open space available will need to be reviewed in alignment with community needs and utilisation rates.

Generally, the community have good access to public open space, however the quality of this open space varies across the municipality. Future contributions should consider closing any network accessibility gaps, ensuring existing open space is meeting service standards, and the type of open space is meeting community needs. This should be driven by Councils Open Space Strategy, asset management plans, and future capital works programs.

6. Net Developable Area

6.1 Calculating the Net Developable Area

The Net Developable Area (NDA) is the land available for development. NDA is a commonly used metric throughout planning, including in developing Precinct Structure Plans (PSPs) when considering community infrastructure and open space.

When calculating NDA land, it should exclude the following: encumbered land (waterways, conservation land, flood-prone land), arterial roads, railway corridors, significant heritage, schools and community facilities, and public open space.

For the purposes of this assessment, the NDA of the Mornington Peninsula Shire has been calculated through an analysis of land use zones. As per the above definition, relevant land zoned for residential and employment purposes has been included. In addition, the road network comprising of local roads, principal roads and significant municipal roads have all been included in the NDA calculation. Lastly the existing public open space land has been included in the assessment. This ensures that the future open space contribution rate is not influenced by past contribution shortfalls (if they have occurred). Rather the NDA considers the municipality as if it was 'blank' with no development.

This approach provides a robust understanding of the total amount of land across the municipality that is available for the development of future residential or employment uses across the life of the municipality.

6.2 Net Developable Area for Mornington Peninsula Shire

Based on the above methodology, Table 9 lists the zones included in the NDA, and Table 10 lists the zones that were excluded. In the case of Mornington Peninsula Shire, this also excludes Mount Martha Public Golf Course, Devilbend Golf Club and the Moonah Links Golf Club.

Table 9. Zones included in the Net Developable Area calculation

Zone Code	Zone Description
C1Z	Commercial 1 Zone
C2Z	Commercial 2 Zone
CDZ1	Comprehensive Development Zone - Schedule 1
GRZ1	General Residential Zone - Schedule 1
GRZ3	General Residential Zone - Schedule 3
IN3Z	Industrial 3 Zone
LDRZ	Low Density Residential Zone
MUZ	Mixed Use Zone
NRZ1	Neighbourhood Residential Zone - Schedule 1
PPRZ	Public Park and Recreation Zone

Table 10. Zones Excluded from the Net Developable Area Calculation

Zone Code	Zone Description
CA	Commonwealth Land Not Controlled By Planning Scheme
FZ	Farming Zone
GWZ	Green Wedge Zone
GWZ1	Green Wedge Zone - Schedule 1
GWZ2	Green Wedge Zone - Schedule 2
GWZ3	Green Wedge Zone - Schedule 3
GWZ4	Green Wedge Zone - Schedule 4
PCRZ	Public Conservation and Resource Zone
PUZ1	Public Use Zone - Service and Utility
PUZ2	Public Use Zone - Education
PUZ3	Public Use Zone - Health and Community
PUZ5	Public Use Zone - Cemetery/Crematorium
PUZ6	Public Use Zone - Local Government
PUZ7	Public Use Zone - Other Public Use
PZ	Port Zone
SUZ1	Special Use Zone - Schedule 1
SUZ2	Special Use Zone - Schedule 2
SUZ3	Special Use Zone - Schedule 3
SUZ4	Special Use Zone - Schedule 4
SUZ7	Special Use Zone - Schedule 7
SUZ8	Special Use Zone - Schedule 8
SUZ9	Special Use Zone - Schedule 9
TRZ1	Transport Zone 1 - State Transport Infrastructure
TRZ2	Transport Zone 2 - Principal Road Network
TRZ3	Transport Zone 3 - Significant Municipal Road

7. Open space contribution

7.1 Contribution for Mornington Peninsula Shire

The open space contribution has been developed through the steps outlined in Table 11. These are further expressed in the following sections.

Through the application of this method, there is strong justification for an open space contribution rate of **5.5 per cent** across all future residential and commercial developments in Mornington Peninsula Shire.

Table 11. Open space contribution steps

Step	Metric	Mornington Peninsula Shire
1	Open space standard	30 sqm per capita
2	Forecast population by 2051 (under Govt. Targets)	277,916 people
3	Open space required for future population (forecast population x 30sqm)	8,337,480 sqm
4	Net Developable Area (all lots likely to be developed in the period to the horizon year plus existing public open space)	151,137,743 sqm
5	Open space contribution requirement from NDA (step 3/ step 4)	5.5%

Source: SGS Economics and Planning, 2025

Step 1: Adoption of an appropriate open space standard.

As noted in Section 3.3 a standard of 30sqm per capita has been adopted.

Step 2: Forecast population

The forecast population of Mornington Peninsula Shire is based on the number of dwellings and the number of people that could be accommodated in the Shire if it was at capacity or ultimate build out. Based on the Victorian State Government Housing Targets and the population capacity, the build out population adopted in this analysis is 277,916.

Table 12. Population forecast

	2026	2051
Population	174,600	277,916

Source: SGS Small Area Model (SAM), 2024

Step 3: Open space required for future population

The open space required to accommodate the needs of the future population is calculated by multiplying the forecast population by the open space provision standard. This results in a total of 8,337,480sqm (833ha) of open space required across Mornington Peninsula Shire by 2051.

The provision of 833ha of land in Mornington Peninsula Shire may not be viable, namely this amount of land may not be possible to acquire. This figure does not suggest that this amount of land must be provided, rather it is used to understand the contribution rate, which can then be used for additional land and/or cash to improve service standards/embellishments of existing land to increase carrying capacity.

Population 2051	Open Space Benchmark (sqm per capita)	Open Space requirement (sqm)
277,916	30	8,337,480

Source: SGS Economics and Planning

Step 4: Net Developable Area

As noted in Section 5 the NDA for Mornington Peninsula Shire is 151,137,743sqm (15,113ha). This includes relevant residentially zoned land, employment land, local road network, and public parks and recreation.

Developable land (sqm)
151,137,743

Source: SGS Economics and Planning

Step 5: Open space requirement from Net Developable Area

The contribution rate is calculated as a ratio of the open space benchmark (30sqm per capita) from the municipal net developable area. This ensures that all future developments contribute to improving existing open space and acquiring new open spaces that will serve these new communities.

In the case of Mornington Peninsula Shire, the contribution rate should be **5.5 per cent** for all new development.

Developable land (sqm)	Population 2051	Open Space Benchmark (sqm per capita)	Open Space requirement	Contribution Rate
151,137,743	277,916	30	8,337,480	5.5%

Source: SGS Economics and Planning

7.2 Application of contribution rate

Existing contribution rates

The contribution rate recommended in this Report has taken a whole of Shire approach, identifying a municipal contribution rate. It is noted that within the Mornington Peninsula Planning Scheme there are various site-specific open space contribution rates. These sites have undergone specific analysis to identify a rate that is applicable to individual sites. Given this, the municipal rate should not replace the specific site-based contribution rates.

It is recommended that this contribution rate replace the 'other' residential subdivision, commercial and industrial rate of 5 per cent to 5.5 per cent within the Mornington Peninsula Planning Scheme.

Types of land

It is appropriate to apply the open space contribution rate across all commercial, industrial, and residential subdivisions. While residential land may drive a higher use of open space, employment land and employees should also have adequate access to quality open space to enjoy before, during, and after work hours.

Furthermore, non-residential uses form part of the wider Shire community and should contribute to the infrastructure that supports that community. Industrial, commercial, and retail uses benefit directly and indirectly from quality open space provision.

Given this, the open space contribution rate should be applied across all land uses.

Collection and distribution of funds

Council will have opportunities over the next 25 years to obtain sites for new open space as well as funds to improve the quality and accessibility of existing open space. Council should develop an Open Space Acquisition Plan to support with this. Where land cannot be acquired, existing open space should be reviewed to identify opportunities to improve the quality and utilisation of this infrastructure. This could include elements such as lighting, surface improvements, and additional infrastructure beyond the set park service hierarchy.

Funds collected through the open space contribution should be kept in a separate account. Funds should be spent in alignment with strategic directions from the Open Space Strategy, Open Space Acquisition Program, Asset Management Plans, and Capital Works Programs. The open space projects will vary over time, responding to changing community demands for open space and strategic opportunities. Given this, the program of works should be regularly reviewed and evaluated.

Value of updating the Planning Scheme

As noted earlier, Council is currently receiving a 5 per cent open space contribution rate from 'other' residential, commercial and industrial land. It is recommended that Council undertake a Planning Scheme Amendment to increase this to a 5.5 per cent contribution rate. This would result in Council receiving a 10 per cent increase in contribution rates e.g. if \$1.5 million was received through the 5 per cent contribution rate, this would increase to \$1.65 million contribution rate under a 5.5 per cent contribution rate.

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