



KNOX CITY COUNCIL AGENDA

STRATEGIC PLANNING COMMITTEE

Meeting of the
Strategic Planning Committee of Council

To be held at the Civic Centre,
511 Burwood Highway, Wantirna South
on Monday 14 August, 2017 at 7.00pm

Under Section 89 of the Local Government Act 1989, Council may resolve that the Meeting be closed to members of the public if the Meeting is discussing any of the following issues Personnel Matters, Personal Hardship of any resident or ratepayer, Industrial Matters, Contractual Matters, Proposed Developments, Legal Advice, Matters affecting security of Council property, any other matter which the Council or Special Committee considers would prejudice the Council or any person

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Tony Doyle
Chief Executive Officer

ALL WARDS**1. ANNUAL HOUSING MONITORING AND REVIEW PROGRAM**

SUMMARY: *Senior Program Manager – City Research & Mapping
(Jonathan Wright)*

This report summarises the findings of Council's ninth annual Housing Monitoring and Review Program for 2016. The structure of the Annual Report has changed to reflect the recently adopted Knox Community and Council Plan 2017-2021 and the Knox Housing Strategy 2015 which took effect in the planning scheme earlier this year. The list of indicators and data sources has also been expanded from previous years to provide insight on issues such as housing affordability and walkability. Additional future indicators are under development, and the annual report will continue to be updated and refined in future years as new data becomes available.

The number of approved planning applications and potential new dwellings in 2016 decreased from the previous year. The approval of new apartments, townhouses, and other smaller dwellings continues to make a positive contribution to dwelling diversity and affordability in areas that have the best access to services and transport. In general, the types and size of dwellings approved reflects the preferred outcomes in the Housing Policy Areas defined in the Knox Housing Strategy 2015. There was some development outside the preferred types that is likely attributable to site-specific conditions and the transitional nature of the controls in place during the 2016 calendar year. Housing costs, the availability of affordable rental options, and an identified shortfall in social housing remain key policy concerns in 2016.

RECOMMENDATION

That Council note the ninth Housing Monitoring and Review Program Annual Report for 2016 (Appendix A).

1. INTRODUCTION

The Housing Monitoring and Review Program was developed to assess the effectiveness of housing planning policies and controls in the Knox Planning Scheme in delivering the previous Council Housing Strategy, the *Knox Housing Statement 2005 (updated 2007)*. The Program has been significantly updated this year to reflect the *Knox Housing Strategy 2015*, which was adopted by Council on 27 January 2015 and implemented in the Knox Planning Scheme through Amendment C131 in March 2016.

1. Annual Housing Monitoring and Review Program (cont'd)

This report outlines the findings from 1 January to 31 December 2016, which was the first year that the new residential zones and planning controls related to the *Knox Housing Strategy 2015* were part of the Knox Planning Scheme. This report also reflects the structure and intent of the *Knox Community and Council Plan 2017-2021*, which was adopted by Council in June 2016 to provide overarching strategic direction to the initiatives and decisions by Council and community stakeholders.

2. DISCUSSION

2.1 Program Purpose and Structure

This report seeks to measure progress against the six objectives in the *Housing Strategy* and their counterpart strategies from the *Community and Council Plan* by examining data related planning approvals, housing construction, and population demographics. This analysis is framed around a set of indicators that seeks to measure different aspects of housing in Knox, particularly new dwellings that have been approved through the planning system in 2016.

The list of indicators has been expanded from previous years to encompass new aspects of Council's approach to housing and the new residential zones and planning controls introduced by the *Housing Strategy* in 2016. New indicators include measures of housing affordability and walkability of neighbourhoods and suburbs. There are also a number of potential future indicators under development for future reporting years, including ways to compare planning approvals to actual construction and new ways to measure tree canopy across the city.

Housing Indicators for 2016

- Aspirational Housing Targets
- Alignment with Housing Policy Areas
- Dwelling Typology
- Dwelling Size
- Rental Options
- Housing Affordability
- Social Housing
- Walkability
- Alignment with VCAT Decisions
- Integrated Place-Based Plans

1. Annual Housing Monitoring and Review Program (cont'd)

The Knox Housing Strategy 2015 sets out four Housing Policy Areas and provides guidance on the different housing typologies that are preferred and permitted in each area. Table 1 overlays the number of net new dwellings of each type approved in each of the four Housing Policy Areas in 2016, providing a quick summary of how planning decisions based on the Knox Planning Scheme are delivering the intended outcomes. The rest of the indicators used to assess the performance of Council's housing policies are discussed below.



















RESIDENTIAL AREA TYPES		TOTAL NET NEW DWELLINGS	Detached Dwellings	Dual Occupancy	Villa Units	Townhouses	Apartments / Mixed Use	
Outside the Urban Growth Boundary	ALL LOTS (Includes rural and other non-residential zones)	15	15	0	0	0	0	
Bush Suburban	ALL LOTS (Minimum subdivision requirements apply)	54			17	0	0	
Knox Neighbourhood	SMALL LOTS (Under 1,000sqm)	172			43	62	0	
	LARGE LOTS (Over 1,000 sqm)	111				37	0	
Local Living	ALL LOTS (Additional controls from local plans may apply)	233					48	
Activity Areas	ALL LOTS (Additional controls from local plans may apply)	65						
Commercial Areas	ALL LOTS (Additional controls from local plans may apply)	54	0	0	0	10	44	
			 PREFERRED HOUSING TYPE	 PERMISSIBLE BUT NOT PREFERRED				

Table 1: Number of net new dwellings by typology and policy area in the Knox Housing Strategy

2.2 Key Findings

In 2016 there were 249 planning and subdivision applications and 16 subdivision applications approved that, if enacted, would result in 867 new dwellings in Knox. Accounting for demolition on some sites, these approved developments have the potential to add 704 net new dwellings. This represents a decrease from the numbers from the previous two years, breaking a trend of rising approvals volume since 2013. It is too early to say whether this is a new trend in development activity or a temporary change.

1. Annual Housing Monitoring and Review Program (cont'd)

Housing that Provides Choice through Diversity

The findings show that the Knox Housing Strategy is mostly succeeding in delivering appropriate development in the lowest-density areas (Outside the Urban Growth Boundary) and the highest-density areas (Activity Areas and Commercial Areas).

However, there was some development classified as “not preferred” in other areas of Knox, as shown in Table 1. Most of these were borderline cases of overdevelopment, including a few villa units in Bush Suburban Areas and townhouse developments on large lots in Knox Neighbourhood areas. Where these lots are large enough, they may still deliver outcomes related to open space and vegetation that these policy areas are set up to deliver.

The size of approved dwellings are similar to recent years. Most new dwellings approved (64%) had three bedrooms or more. Since most of the existing housing stock in Knox is larger dwellings, one of the goals of the *Knox Housing Strategy 2015* is to encourage smaller dwellings in appropriate locations. The findings for 2016 show that most of the smaller dwellings that were approved are indeed in Local Living and Activity Areas, but that there were still many larger dwellings approved in these areas in 2016.

Housing that Responds to Current and Future Needs

Previous Housing Monitoring Reports have included measures related to social housing, and the structure for 2016 expands to cover the important issue of housing affordability more broadly. Housing prices and rental costs continue to rise across the metropolitan area, and Knox is no exception. However, the growth in median household income has failed to match the pace of rising house prices, making Knox a less affordable place to live.

Research firm Demographia publishes a series of annual reports that compare housing affordability across the world. One measure these reports use is “median multiple incomes,” which compares local housing prices with local income levels. Areas where median housing prices are less than three times median incomes are considered ‘affordable’ by this measure. The ratio for Knox, however, has steadily increased from 5.2 in 2006 to 6.5 in 2011 and 8.0 in 2016. This is much higher than the affordability benchmark of 3.0, which rates Knox as ‘severely unaffordable’. In addition, the percentage of private rentals in Knox considered affordable has fallen from around 40-50% from 2002-2006 to 4-6% in 2010-2015.

While housing affordability is an issue that affects the entire community, it can be particularly challenging for lower income and vulnerable populations. Housing stress is a measure that compares the rental or mortgage costs to annual income, usually with respect to households in the lowest 40% of the national income distribution. For these households in Knox, 24% of rented households and 11% of mortgaged households were experiencing housing stress in 2011, meaning they spent more than 30% of their annual income on housing. For the fifth year in a row, no new social housing was built in Knox.

1. **Annual Housing Monitoring and Review Program (cont'd)**

However there has been progress in negotiating new social housing on some of the 'Strategic Investigation Sites' identified in the *Knox Housing Strategy 2015*.

Housing that Contributes to a Strong Sense of Place

One of the new areas of reporting in this version of the Housing Monitoring Program relates to the 'walkability' of new development. One of the key aims of the *Knox Housing Strategy 2015* is to provide opportunities for living locally, with convenient access to transport options and daily services. Creating a "city of 20-minute neighbourhoods," underpins the idea of Activity Centres defined in *Plan Melbourne*. Plan Melbourne defines these neighbourhoods as "places where people have the ability to meet most of their everyday needs within a 20-minute walk, cycle, or public transport trip of their home." This concept of "living locally" is also reflected in structure plans and local area plans in Knox.

Walkscore is an index developed to estimate the 'walkability' of a place that has informed public policy and the real estate industry in the US, UK, Canada, and Australia. It examines the proximity of local shops, services, schools, entertainment, and jobs to develop a walkability score on a scale from 1 to 100. Areas that score under 50 are classed as "Car Dependent" while places that score over 90 are deemed a "Walker's Paradise."

The average walkscores of Knox's suburbs range from 44 in The Basin ("Car-Dependent") to 63 in Wantirna ("Somewhat Walkable"). Within each suburb however there is a wide range of walkscores, and the new dwellings approved in 2016 reflect this. The walkscores of new approvals ranged from a low 3 in the foothills of Lysterfield to a high of 91 in the heart of the Boronia Activity Centre. In general, approvals in Rowville, Bayswater, and Ferntree Gully were in locations that were considered more walkable than the rest of their suburb while approvals in Upper Ferntree Gully, The Basin, and Lysterfield were in less walkable areas of those suburbs.

Housing that is Delivered by Sound, Integrated Decision-Making

As in past years, the 2016 Housing Monitoring report examines number of cases that go to VCAT and the percentage of decisions that are overturned as indicators of the degree of consistency between Council policy, the Knox Planning Scheme, and Council decision-making process. These might be land owners appealing Council's refusal of a permit, neighbours objecting to Council's approval of a permit, or either party seeking variations to the original permit conditions.

1. Annual Housing Monitoring and Review Program (cont'd)

There were 24 planning applications related to new dwellings that were referred to VCAT in 2016. Overall, 21 referrals were applications that were initially refused by Council, and 14 of these refusals (67%) were overturned by VCAT. The other 3 referrals were applications that were initially approved by Council, and all of these were upheld by VCAT. These numbers are similar to past years, which suggests that the shift to the new *Knox Housing Strategy 2015* has not yet had a large impact on referrals.

The 2016 Housing Monitoring Report also tracks the status and progress of the integrated planning processes that Council has undertaken in activity centres. These structure plans and local strategic plans are developed with extensive community consultation and stakeholder input to help identify aspirations and give guidance balance competing priorities for future decisions by Council, residents, businesses and community organisations. This year saw the adoption of the Upper Gully Strategic Plan and significant progress on the Knox Central Structure Plan.

2.3 Future Program Development

The Housing Monitoring Report will continue to be published annually as the program is further refined to align with the *Knox Community and Council Plan 2017-2021* and the *Knox Housing Strategy 2015*. The program will also have an important relationship to future State of Knox Reports, which seeks to report on a broad set of indicators related to the *Knox Community and Council Plan*, and list of indicators in the 2016 Housing Monitoring Program will continue to be refined over time. Council is also continuing to develop new indicators that will be integrated into the monitoring program as new data sources become available.

Future Indicators Under Development

- Residential Construction Activity
- Residential Aged Care Facilities
- Household Water and Energy Use
- Household Waste and Carbon Emissions
- Tree Canopy Cover
- Areas of Natural Significance
- Neighbourhood Character and Urban Design

Council is developing a 'Housing Scorecard' as a supplement to the Annual Report in order to present some of the key insights in a format that can be distributed widely and shared easily. The Scorecard is being designed to be visually engaging and easily understood by a wide range of audiences, from politicians and policy makers to developers and residents of the Knox community.

1. Annual Housing Monitoring and Review Program (cont'd)**3. CONSULTATION**

This report has been prepared by the City Research and Mapping team in consultation with the Strategic Planning, City Planning, Social Policy & Planning, Transport and Information Management teams in Council to collate the required data and prepare the maps and tables.

4. ENVIRONMENTAL/AMENITY ISSUES

The *Knox Housing Strategy 2015* seeks in part to address residents' concerns about the impact of residential development on neighbourhood amenity and character. It will strengthen Council's approach to striking a balance between residential development that meets the diverse needs of the community, and protecting environmental and neighbourhood character values. The *Knox Community and Council Plan 2017-2021* also seeks to encourage environmentally sustainable design outcomes that deliver more efficient use of resources and reductions in waste.

5. FINANCIAL & ECONOMIC IMPLICATIONS

The Housing Monitoring and Review Program annual report for 2016 was completed within the existing City Futures 2016/17 budget, and it is anticipated that the Housing Monitoring and Review Program will continue to be completed within proposed budgets in future years.

6. SOCIAL IMPLICATIONS

There are no direct social implications of this report. The *Knox Housing Strategy 2015* seek to, where possible, address residents' concerns about social issues such as the availability of affordable and accessible housing.

The *Knox Community and Council Plan 2017-2021* also seeks to ensure that planning decisions made by Council are informed by and have the confidence of the Knox community.

1. Annual Housing Monitoring and Review Program (cont'd)

7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021

The structure of the Knox Housing Monitoring and Review Program responds to specific strategies in the Knox Community and Council Plan.

Knox Community & Council Plan Strategies	Housing Monitoring Indicators
Strategy 1.2: Create a greener city with more large trees, indigenous flora and fauna	<ul style="list-style-type: none"> • Tree Canopy Cover* • Areas of Natural Significance*
Strategy 1.3: Ensure the Knox local character is protected and enhanced through the design and location of urban development and infrastructure	<ul style="list-style-type: none"> • Walkability • Neighbourhood Character* • Urban Design*
Strategy 2.1: Plan for a diversity of housing in appropriate locations	<ul style="list-style-type: none"> • Alignment with Housing Policy Areas • Dwelling Typology • Dwelling Size • Rental Options
Strategy 2.2: Encourage high-quality sustainable design	<ul style="list-style-type: none"> • Household Water & Water Use* • Household Waste & Carbon Emissions*
Strategy 2.3: Support the delivery of a range of housing that addresses housing and living affordability needs	<ul style="list-style-type: none"> • Aspirational Housing Targets • Housing Affordability • Social Housing • Residential Aged Care Facilities*
Strategy 8.1: Build, strengthen and promote good governance practices across government and community organisations.	<ul style="list-style-type: none"> • Alignment with VCAT Decisions • Integrated Place-Based Planning
*Denotes future indicators under development	

1. Annual Housing Monitoring and Review Program (cont'd)**8. CONCLUSION**

The findings of the Annual Report for 2016 are generally positive, as the potential new dwellings approved through the planning system represent increased diversity of size and topology compared to the current housing stock across the city. There were fewer new dwellings approved in 2016 than in recent years, breaking a three-year streak of increasing numbers.

Higher density developments such as apartments and townhouses continue to be approved mostly in activity centres. However there were still some cases of overdevelopment in lower density areas in 2016, mostly consisting of townhouses and villa unit developments in Knox Neighbourhood areas.

Housing affordability once again continues to be a challenging issue in Knox, with complex causes and influences. Housing costs are rising more quickly than incomes, and affordable rental options remain a small portion of the overall housing stock in Knox. For the fifth year in a row, no new social housing was built in Knox, though progress was made in negotiations with the owners of larger sites for social housing in future years.

The Housing Monitoring Report will continue to be refined in future years as new indicators and data sources are incorporated. Council is currently investigating new ways to measure tree canopy cover across the city to help assess the effectiveness of new planning controls related to canopy trees introduced into the Knox Planning Scheme in 2016.

9. CONFIDENTIALITY

There are no confidentiality issues associated with this report.

Report Prepared By: Senior Program Manager – Research & Mapping (Jonathan Wright)

Report Authorised By: Director – City Development (Angelo Kourambas)

**APPENDIX A – HOUSING MONITORING AND REVIEW PROGRAM
2016 ANNUAL REPORT**

**Knox Housing Monitoring
and Review Program**



Annual Report for 2016

Prepared August 2017

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How to Read this Document

Sections 1 and 2 of this document set out the purpose of the Knox Policy Housing Monitoring and Review Program and how it fits with the other documents and reports that define housing policy at the State and local level.

Section 3 provides a brief summary of the factors that define the current state of housing in Knox and the issues that are driving future changes.

Section 4 gives an overview of the indicators that are used to assess the performance of housing policy in Knox and how they relate to the *Knox Community and Council Plan 2017-2021*, which sets out the overall vision, shared goals, and targets for measuring progress toward those goals.

Section 5 steps through each of the housing indicators, providing a summary of the data used to measure progress and an interpretation of the findings for each.

Section 6 provides future directions for the Knox Housing Monitoring Program, including a description of potential future indicators and the Knox Housing Scorecard currently under development.

1. The Housing Policy Monitoring and Review Program

This report provides information from the ninth annual Housing Policy Monitoring and Review Program. This Program was developed in 2007 to measure the effectiveness of the Knox Housing Policy in assisting in the delivery of the *Knox Housing Statement 2005*, Council's initial strategic plan for housing and residential development in Knox. It has been updated for this calendar year to reflect the *Knox Housing Strategy 2015*, which was adopted by Council in January 2015. Subsequent changes to the Knox Planning Scheme were approved in March 2016 approved via Amendment C131.

2. Current Policy Framework

The *Knox Housing Strategy 2015* was supported by the Knox@50 community engagement program and developed within the State Government's regional planning framework of *Plan Melbourne*. The underlying strategy for housing across Melbourne is to direct most new development toward Activity Centres, those areas near existing shopping centres and transportation. This has two key effects on housing in Knox. One is to deliver housing efficiently, where the infrastructure and services can best support it. The other is to protect existing neighbourhoods and areas with particular significance – like the Dandenong Foothills – from overdevelopment.

The *Knox Housing Strategy 2015* builds on that idea by setting out a scaled approach to housing in Knox. The *Housing Strategy* divides the city into four policy areas – Bush Suburban, Knox Neighbourhood, Local Living, and Activity Areas – and provides guidance on what types of dwellings are preferred and permissible in each area (see Figure 1). Parts of the city designated as Activity Areas and Local Living areas are expected to experience the most change, accommodating medium and higher density development over time. Bush Suburban and Knox Neighbourhood areas are expected to experience less change in order to preserve existing areas of environmental significance and neighbourhood character.

The previous regional planning framework, *Melbourne 2030*, set out a series of aspirational housing targets that each city would need to meet to cater to expected levels of population growth through the year 2030 (see Table 1). While the first version of *Plan Melbourne* did not include housing targets, the current state government is working to re-establish a new set of targets that will help guide growth across the metropolitan region. The previous targets have been used as a benchmark in every Housing Monitoring Program report since 2008, and still provide the most current guide for understanding how well Knox will be able to meet the need for future housing.

The Housing Policy Monitoring and Review Program also works in concert with the annual State of Knox report to provide guidance on the *Knox Community and Council Plan*, the city's overarching strategic document that provides a vision statement for the Knox community, shared goals and strategies to achieve the vision, an outline of the role and focus of Council, and the targets and initiatives that Council has set to help achieve those shared goals. Section 4 of this report sets up how housing indicators examined here relate to the overall goals of the latest Community and Council Plan.



Table 1: Aspirational housing distribution for Knox, 2001-2030

Potential number and percentage of new dwellings in Knox							
Location	2001-05	2006-10	2011-15	2016-20	2021-25	2026-30	TOTAL
Greenfield sites	2377 92%	200 8%	0 0%	0 0%	0 0%	0 0%	2,577 (17% of 2001-2030 total)
Activity Centres	30 0%	578 8%	910 12%	1895 25%	1895 25%	2269 30%	7,577 (50% of 2001-2030 total)
Strategic Redevelopment Sites and along the PPTN	88 5%	425 23%	500 28%	500 28%	175 10%	107 6%	1,795 (12% of 2001-2030 total)
Dispersed Development (including the Dandenong Foothills)	855 27%	700 22%	456 15%	380 12%	380 12%	380 12%	3,151 (21% of 2001-2030 total)
TOTAL	3,350	1,903	1,866	2,775	2,450	2,756	15,100

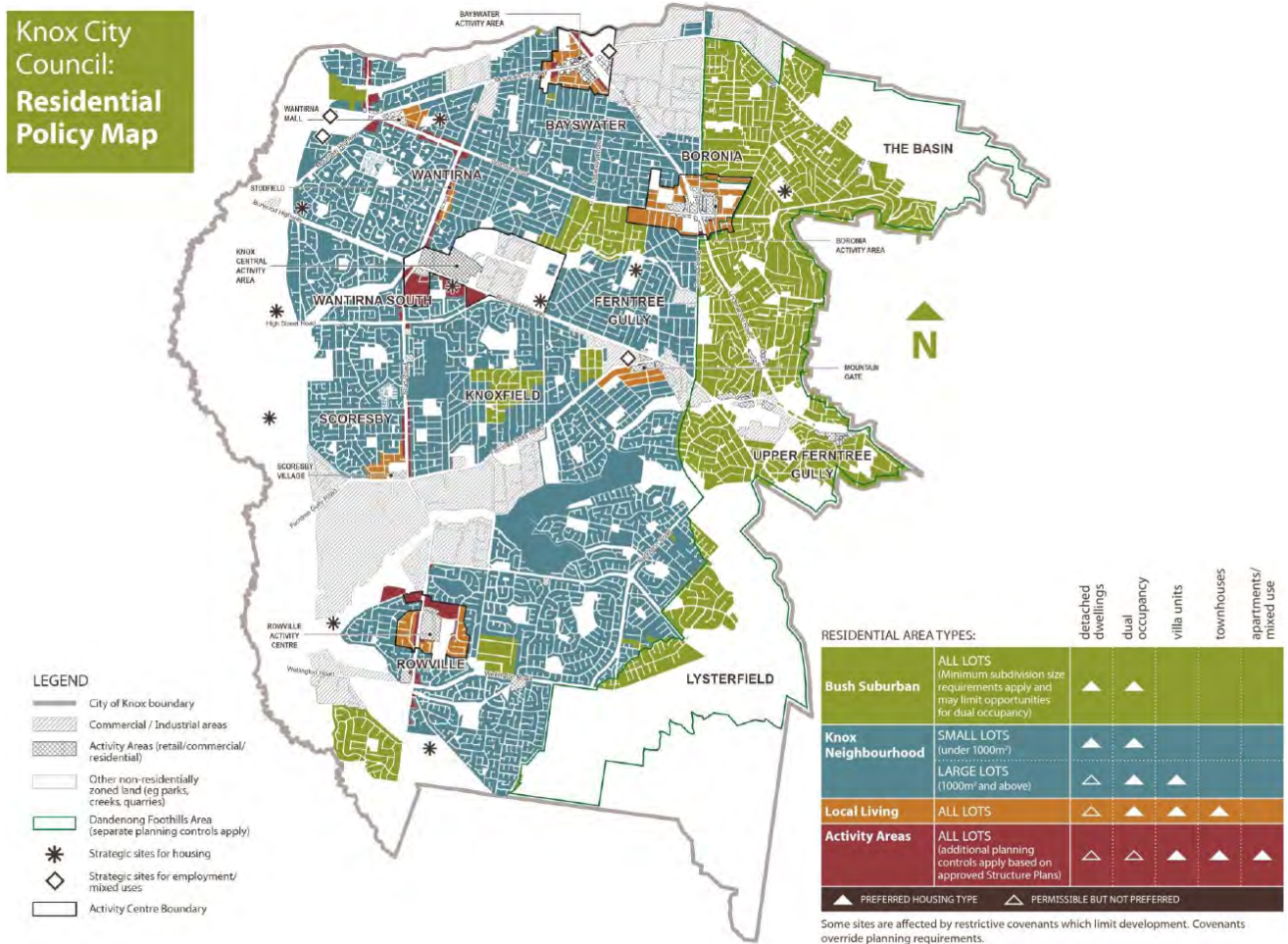


Figure 1: Housing Policy Areas as defined in the Knox Housing Strategy 2015

3. Key Challenges and Opportunities

An Ageing Population

Knox's population is ageing in line with national trends. According to current projections, one in three people living in Knox will over 55 years old by 2036, which would result in almost as many people of retirement age (65 years or older) as young people under 18 years. This would mean an increasing demand for housing for older people, including retirement villages and aged care facilities as well as flexible, accessible dwellings located in places where people looking to downsize want to live.

Declining Household Size

The average household size has been steadily declining over the last 20 years, from a peak of 3.17 people per household in 1991 to 2.70 people per household in 2016. This reflects broader regional trends towards greater numbers of couple-only and single-person households. By 2036, it is projected that there will be more one and two-person households in Knox (36,000) than families with children (31,400). These projections estimate this decline will continue to 2.58 people per household in Knox by 2036, which would likely mean further increases in the demand for smaller dwellings.

Increasing Number of Vulnerable Households

The number of vulnerable households on a very low income¹ in Knox has increased from 1,668 households in 2006 (3.3%) to 2,146 households in 2011 (4.1%). Significant numbers of lower income households are experiencing housing stress² as mortgage payments consume an increasing share of household incomes as the availability of affordable private rentals is decreasing. One in ten lower income mortgage holders and one in four low-income renter households in Knox is under financial stress from mortgage or rent (2011 Census), though this varies across Knox. Directing a significant proportion of income towards a housing costs places pressure on meeting other household expenses such as transport, health, education and food, leaving people more vulnerable to changes in circumstances and further disadvantaging those already facing hardship including the unemployed and single parent families.

Pressure on Climate and Resources

According to CSIRO, "the duration, frequency and intensity of heatwaves have increased across large parts of Australia since 1950. There has been an increase in extreme fire weather, and a longer fire season, across large parts of Australia since the 1970s."³ Future rainfall events are predicted to be more frequent and more intense, even if average rainfall levels decrease overall. With energy and water prices increasing along with landfill fees, measures to address the efficient use of these resources will be needed to help mitigate pressures of everyday costs of living.

¹ Lowest 10% of equivalised household incomes, nationally

² Households in the lowest 40% of incomes, nationally that are paying more than 30% of their usual gross weekly income on housing costs.

³CSIRO, <https://www.climatechangeinaustralia.gov.au/en/climate-campus/australian-climate-change/australian-trends/>, accessed July 2017.

Declining Affordability

Knox is becoming a less affordable place to live. The Knox median house price passed the metropolitan Melbourne average for the first time in 2014 and remains higher. In Knox half of all houses in Knox cost \$653,000 or more, compared to level of \$527,450 across Melbourne overall. In fact, Knox experienced the fourth largest percentage increase in median house price of all metropolitan municipalities over the five years to 2014.⁴

However, the growth in median household income has failed to match the pace of rising house prices. The median house price in Knox increased by 52% from 2006-2011, but median household income only rose by 20% over the same period. Figure 2 shows that these figures represents the continuation of trend that has been accelerating over the last 20 years. The cost of a dwelling affordable for the 'typical' Knox household⁵ was calculated at \$380,000 in 2014, compared with a median house price locally of \$540,000. This represents an 'affordability gap' of 30%. As is true across Melbourne generally, average household income is no longer high enough to comfortably service the mortgage on an average house in Knox.

The rent burden is also increasing. The median rent increase in Knox of 50% between 2006 and 2011 is more than double the increase in average wages in that time, while the amount of social housing and affordable private rentals is insufficient to meet the housing needs of the most vulnerable in the Knox community.

An Identified Shortage of Social Housing

In 2011, social housing comprised 2.1% of the total housing stock in Knox, compared with a metropolitan average, 2.9%. Knox has an identified shortage of social housing relative to current and projected future demand. The shortfall was estimated at 460 dwellings in 2016 and is projected to increase to 860 dwellings by 2036 if no action is taken to increase supply. The percentage of affordable housing need that can be met by social housing and affordable private rental housing in Knox declined from 85% in 2011 to 83% by 2014, and is projected to decline further to 70% by 2036 if supply is not increased.⁶ Knox City Council has estimated that between 35 and 95 new social housing dwellings would be needed each year in order to meet future demand.⁷

⁴ These figures are currently being updated with data to 2016 and will be included in future versions of the Housing Monitoring Reports as they become available.

⁵ Price that would allow a Knox household on the median income to service a new mortgage without falling into housing stress, benchmarked at not more than 30% of gross household income.

⁶ Knox City Council, *Minimum Supply of Social Housing, Eastern Metropolitan Region (2014-2036)*.

⁷ Knox City Council, *Defining Affordable Housing and a Minimum Supply of social Housing for Knox*, 2011.

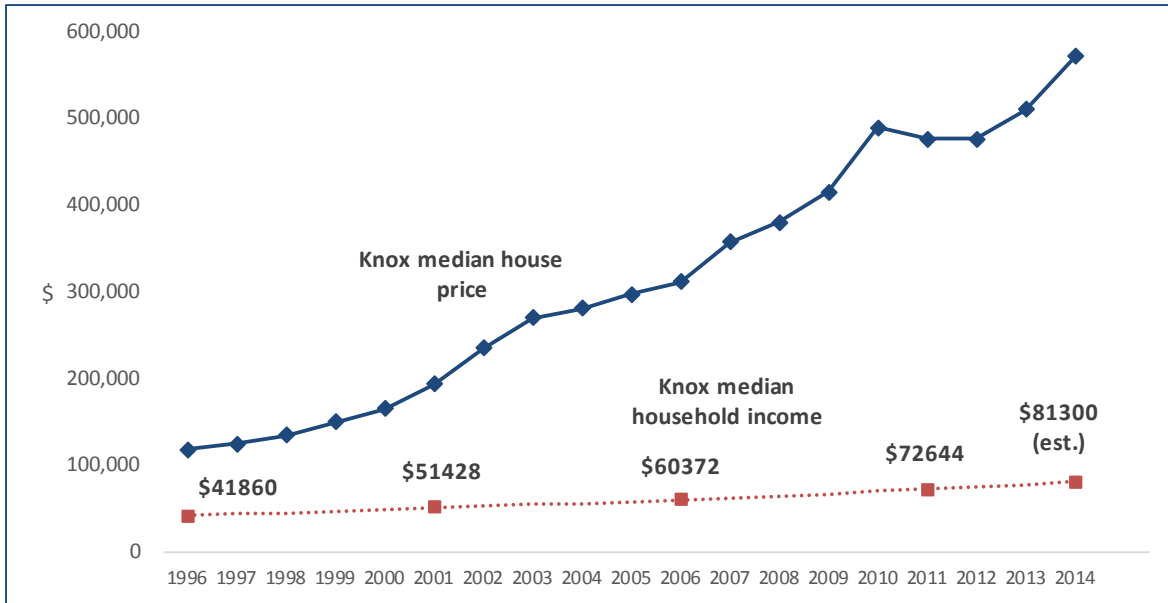


Figure 2: Increase in median house prices and median household income for Knox, 1996-2014⁸

⁸ These figures are currently being updated with data to 2016 and will be included in future versions of the Housing Monitoring Reports as they become available.

4. Housing Policy Directions, Tools, and Measures

Housing that Provides Choice through Diversity

For many of us our lifestyles and family structures are changing, and with this comes a change in housing needs.

– Knox Community and Council Plan, 2017-2021

Overall, 85% of the dwellings in Knox are separate houses, most of which have three bedrooms or more.⁹ Medium and higher density housing, which tends to also be smaller, only comprises 13% of Knox's housing stock – less than half the Melbourne average of 28% in 2011. This limits housing choice and the ability to accommodate a wider variety of household types, or respond to the changes in household size and structure Knox is experiencing.

The mismatch between supply and demand of smaller housing is already evident: between 2006 and 2011, the increase in smaller households was three times as large as the increase in smaller dwellings. This may constrain the ability of younger locals to move out of their parents' home and start their own household in Knox. It may also make it difficult for older residents wishing to downsize to a smaller dwelling within their neighbourhood.

While Knox with its supply of larger, family sized homes will continue to attract new families with children in the ongoing process of household lifecycle and regeneration, steady increase in smaller household formation will generate demand for smaller housing choices. As Knox becomes more age and household diverse, a wider choice of housing stock will be needed. This includes accessible housing that can accommodate the needs of aged residents.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
Strategy 2.1: <i>Plan for a diversity of housing in appropriate locations</i>	Objective 1: <i>A diversity of housing is provided in appropriate locations</i>

Existing Policy Tools

- The Knox Planning Scheme (Residential Zones and Schedules)
- Knox Housing Strategy 2015
- Structure Plans and Local Area Strategic Plans

2016 Housing Monitoring Indicators

- Alignment with Housing Policy Areas
- Dwelling Typology
- Dwelling Size
- Rental Options

Housing that Responds to Current and Future Needs

When people have secure and affordable housing that is appropriate to their life circumstances, other needs can be met, such as employment, education and life opportunities.

– Knox Community and Council Plan, 2017-2021

Knox will need more housing options for older people, in the future, as people's health care needs increase. This includes smaller dwellings for those wishing to or needing to downsize for health or financial reasons. Much of the housing stock in Knox is large family homes with larger garden areas and higher utility and maintenance costs, which are often not preferred option for older residents. An aging population will also need more flexible housing, including single-story housing that can accommodate wheelchairs and other mobility aides, and dwellings that have or can be fitted with facilities to help those with specific health needs.

In addition, declining affordability of housing means reduced options and flexibility for people who need to change housing unexpectedly, including those who have lost or changed jobs, experienced a sudden medical condition, or have had a change in family circumstance. This may lead to additional difficulty for families who wish to keep kids in school or for those who wish to stay close to work. Young people, particularly young couples and families, may find that they need to leave Knox to find housing they can afford. This displacement can be into homelessness, into inadequate housing, or out of Knox altogether. When people need to leave Knox to find affordable housing, it can disrupt social networks and increase travel time required for jobs, education, and day-to-day needs.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
Strategy 2.3: <i>Support the delivery of a range of housing that addresses housing and living affordability needs</i>	Objective 2: <i>Residential development better responds to the community's current and future needs, and allows people to 'age-in-place.'</i>

Existing Policy Tools

- Knox Planning Scheme (Residential Zones Schedules – Accessibility Triggers)
- Knox Housing Strategy 2015
- Rezoning Opportunities for Strategic Investigation Sites
- Use of Council Land and Assets

2016 Housing Monitoring Indicators

- Aspirational Housing Targets
- Housing Affordability
- Social Housing

Future Indicators Under Development

- Residential Aged Care Facilities

Housing that Delivers Environmentally Sustainable Design

Knox residents recognise the importance of achieving sustainability and quality in building design that contributes positively to neighbourhoods. With energy and water prices increasing and the cost of landfill disposal increasing every year, measures to address the efficient use of these resources will help with cost of living pressures.”

– Knox Community and Council Plan, 2017-2021

The Knox community recognises the close relationship between our built environment, our health, and our social wellbeing. Our homes are major contributors to the resources we consume and the impact we have on the wider environment. Prices for electricity and gas have risen in recent years, placing a strain on the ability of many to keep up. Knox households produce more garbage and divert more waste to recycling than the metropolitan average. Shifting weather patterns have produced extended heat waves and larger and more frequent rain events have altered the way we mitigate bushfire risk and approach water management.

Development that better responds to environmental issues can lead to more sustainable outcomes. Managing water, energy and gas in a more efficient way is an important goal for future housing development in Knox. Smaller dwellings generally require fewer resources to heat and cool, leading to lower operating costs and a smaller environmental footprint, and new development typologies are starting to provide greater choices for people interested in smaller homes. Water Sensitive Urban Design (WSUD) techniques can reduce demand for mains water by making better use of rainwater for uses inside and outside our homes. Finding ways to be more responsible about the amount of waste we produce and how we dispose of it is another key area of focus for the Knox community, and building houses that are more resource-efficient can help.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
Strategy 2.2: <i>Encourage high-quality sustainable design</i>	Objective 3: <i>Energy, water, and waste efficient design are increased in residential dwellings</i>

Existing Policy Tools

- Knox Planning Scheme
 - Clause 22.04 – Environmentally Sustainable Design Policy (pending approval of C150)
 - Requirements Sustainable Design Assessments (SDA) for multi-dwelling developments in Residential Zone Schedules and some Design and Development Overlays (DDOs)

Future Indicators Under Development

- Household Water Use
- Household Energy Use
- Household Waste Generation
- Household Carbon Emissions

Housing that Contributes to a Strong Sense of Place

Our physical environment contributes to our individual and collective sense of place and community. We identify and strongly value Knox being made up of a network of villages with good access to urban facilities and services.

– Knox Community and Council Plan, 2017-2021

Knox is known for green and leafy neighbourhoods, quiet streets, and a mix of city and country feel. The low density pattern of residential development of Knox has provided the quiet streets and natural feel that have attracted people to the area for decades. However, this form of development has also led to a dependence on cars to get around, which in turn has resulted in increasing use of resources, air pollution and reduced amenity for Knox residents. As land values have increased over time, redevelopment has introduced new types and styles of housing into Knox's neighbourhoods that are changing the look and feel of the city and placing additional strain on infrastructure networks.

Residents of Knox are concerned about the changes that occurring in their neighbourhoods when medium and higher-density development replaces existing single houses. Some neighbourhoods have lost trees and open space as single-house lots are redeveloped with dual occupancies, villa units, townhouses, and in some cases apartments. The resulting increase in residential density is placing additional strain on physical infrastructure that was designed for lower-density neighbourhoods, including stormwater pipes and drains, roads, and on-street parking.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
<p>Strategy 1.3: <i>Ensure the Knox local character is protected and enhanced through the design and location of urban development and infrastructure</i></p>	<p>Objective 4: <i>Quality housing design in Knox is improved to better respond to neighbourhood identity and create a stronger sense of place.</i></p>

Existing Policy Tools

- Knox Planning Scheme
 - Residential Zone Schedules – Canopy Tree Controls
 - Design and Development Overlays (DDO)
 - Landscape Significance Overlays (LSO)
- Structure Plans and Local Area Strategic Plans

2016 Housing Monitoring Indicators

- Walkability

Future Indicators Under Development

- Neighbourhood Character
- Urban Design

Housing that Protects Areas of Natural Significance

Trees and green spaces provide numerous economic, environmental, and social benefits, including habitat for flora and fauna, enhancing neighbourhood aesthetics, providing shade, and lowering ambient temperature, which can contribute to reducing the effects of heatwaves.

– Knox Community and Council Plan, 2017-2021

The City of Knox enjoys a unique natural setting, located at the foot of the Dandenong Ranges. The City is crisscrossed by creeks and wetlands that provide a habitat for native animals and peaceful respite to local residents. These characteristics bring the feel of bushland and natural spaces into Knox's neighbourhoods and key places.

The Dandenong Foothills enjoy particular significance in Knox, providing a unique bushland setting characterised by significant tree canopy and a rolling landscape. Council has well-established policy and planning controls that aim to protect and preserve the significant landscape and environmental values of the area through controls on vegetation and residential design. There are 118 'Sites of Biological Significance' identified across the city that serve to protect areas of remnant and indigenous vegetation. These areas also have specific planning controls that restrict the removal of vegetation and residential design guidelines that include higher requirements for new canopy trees.

While Knox enjoys a spectacular natural setting, over half of the indigenous plant species found in Knox today are at risk of disappearing within 10-20 years. It will be increasingly important to ensure that new development does not erode Knox's unique and significant sources of environmental value.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
Strategy 1.2: <i>Create a greener city with more large trees, indigenous flora and fauna</i>	Objective 5: <i>Protect and enhance landscape and environmental values of natural areas of significance within the municipality.</i>

Existing Policy Tools

- Knox Planning Scheme
 - Residential Zone Schedules – Canopy Tree Controls
 - Clause 22.01 – Dandenong Foothills Policy
 - Environmental Significance Overlays (ESO)
 - Vegetation Protection Overlays (VPO)
 - Design and Development Overlays (DDO)
- Sites of Biological Significance

Future Indicators Under Development

- Tree Canopy Cover
- Areas of Natural Significance

Housing that is Delivered by Sound, Integrated Decision-Making

We look to the leaders in our community to make informed, evidence-based decisions. This requires a level of trust in all levels of government and within the city.

– Knox Community and Council Plan, 2017-2021

Planning for the future housing needs of the city is a complicated and important job that requires input from community members, policy experts, design professionals, and local landowners. When making decisions related to planning and development, Councillors must weigh up a wide range of competing priorities.

The *Knox Community and Council Plan* provides overarching guidance on what the needs of the city are and Council's role in addressing them. That document supports a whole range of Council policies and strategies on issues ranging from infrastructure and open space to social and environmental issues. The Knox Planning Scheme spells out Council's specific goals and policies for the planning and development of the city. It is the official reference for all decisions related to planning made by Council, planning officers, and VCAT.

Knox Council undertakes place-based planning initiatives in activity centres and other key places around the city. These include structure plans and other strategic plans developed through extensive consultation with the local to provide specific directions and guidance for future decisions.

Council Policy Directions

Knox Community and Council Plan 2017:	Knox Housing Strategy 2015:
Strategy 8.1: <i>Build, strengthen and promote good governance practices across government and community organisations.</i>	Objective 6: <i>Development responds to neighbourhoods in an integrated and balanced manner.</i>

Council Policy Tools

- Knox Planning Scheme
- Structure Plans and Local Area Strategic Plans

2016 Housing Monitoring Indicators

- Alignment with VCAT Decisions
- Integrated Place-Based Planning

5. Findings

Summary of Planning Application Approvals

Planning and Subdivision Permits Approved in 2016:	265
Total Number of New Dwellings Possible from Approved Permits:	867
Number of Proposed Demolitions Possible from Approved Permits:	163
Potential Net Increase in Dwellings Possible if All Approved Permits are Built:	704
Aspirational Dwellings Target for 2017 (from <i>Melbourne 2030</i>)	555

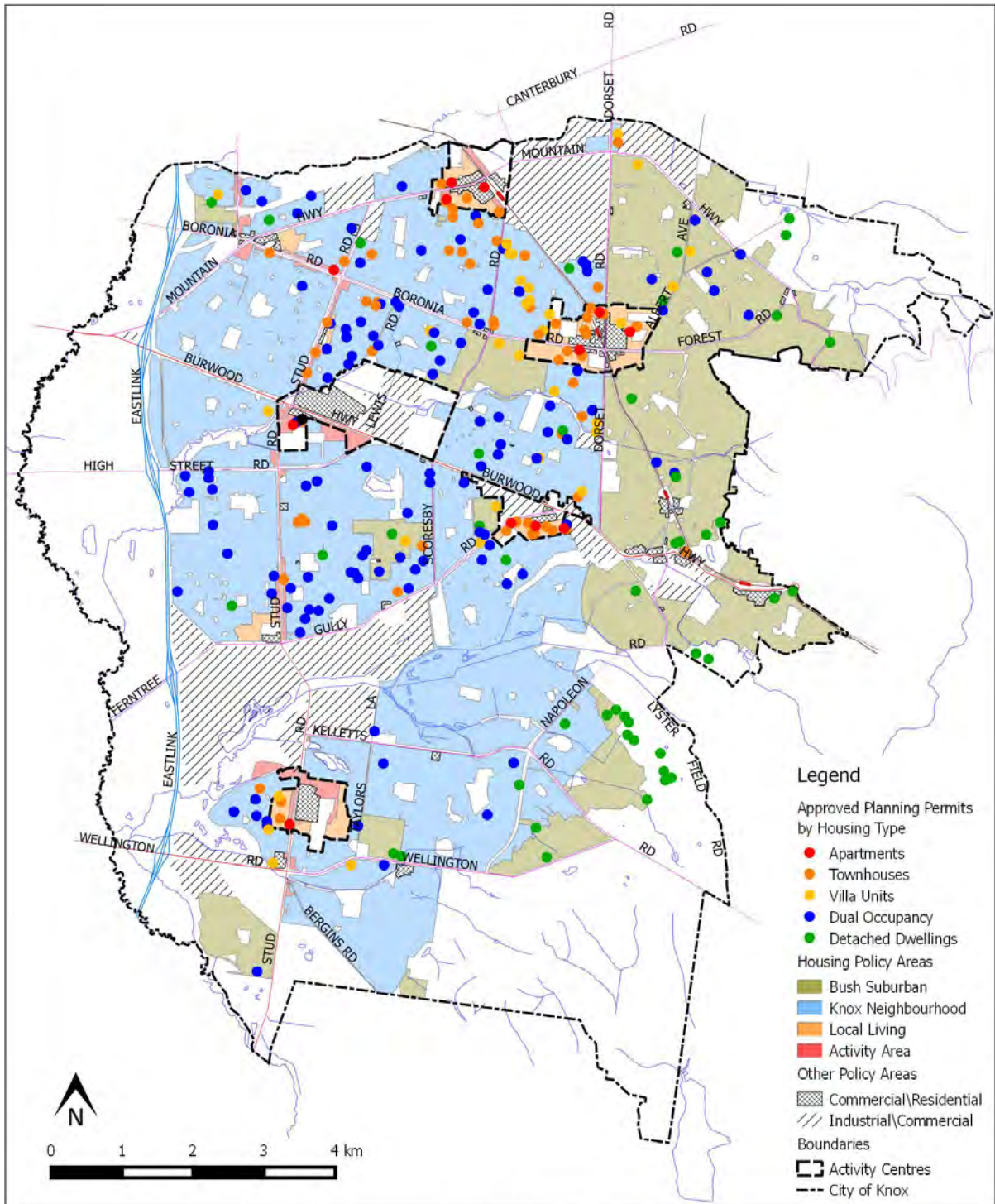


Figure 3: Approved Planning Applications by Dwelling Typology and Housing Policy Area, 2017

Aspirational Housing Targets

The number of new dwellings approved through the planning process each year are co in the context of a set of targets set in the Knox Housing Statement. The targets were set in five yearly periods from 2001 to 2030, and include figures for total numbers of new dwellings (Figure 4) and their locations across the city (Figure 5). The preferred locations described in the *Knox Housing Statement 2005* (Greenfield Sites, Activity Centres, Strategic Redevelopment Sites and along the PPTN, and Dispersed Development including the Dandenong Foothills) have been refined and replaced in the Knox Housing Strategy 2015 with the four housing policy areas (Activity Areas, Local Living, Knox Neighbourhood, and Bush Suburban). New dwelling approvals are compared against the current Housing Policy Areas in Table 2: Number of net new dwellings by typology and policy area as defined in the Knox Housing StrategyTable 2, but they are also compared against the previous location categories to show changes over time.

Current Snapshot

Key Statistics
704 new dwellings possible from 2016 approvals is 126% of the aspirational target for Knox
317 new dwellings possible in Activity Areas is 84% of the estimated target for these areas
24 new dwellings possible in Strategic Sites and the PPTN is 24% of the estimated target
363 new dwellings possible in Dispersed Areas is 478% of the estimated target for these areas

Analysis

The overall new dwelling target for 2016-2020 is higher than the previous five-year period, reflecting an expectation of greater demand for housing over the next five years. While the number of net new dwellings approved in 2017 is lower than in three of the past four years, it still is above the aspirational target needed to meet estimated demand (see Figure 4). This decline in dwelling approvals is a departure from recent trends, but it is not yet clear whether this change represents a new trend in development activity or a temporary change.

The most relevant assessment of where new dwellings are being approved is the comparison to current Housing Policy Areas as defined in the *Knox Housing Strategy 2015* (Table 2). However it is useful to consider distribution of new dwelling approvals by the previous location definitions as well. The 2016 data shows that the percentage of dwellings approved in Activity Centres remains high, which is consistent with past and current policy. But the 2016 data also reveals more dwelling approvals in dispersed areas than is desirable.

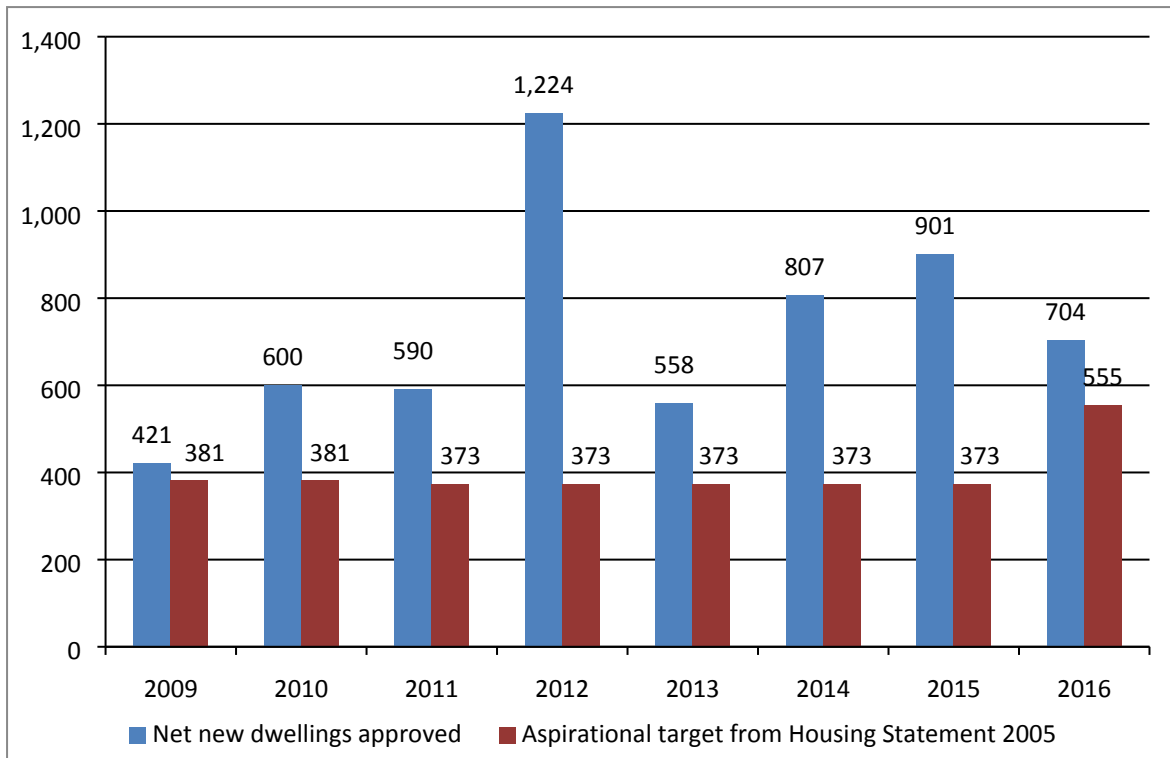


Figure 4: Number of net new dwellings from approvals and aspirational targets, 2009-2016

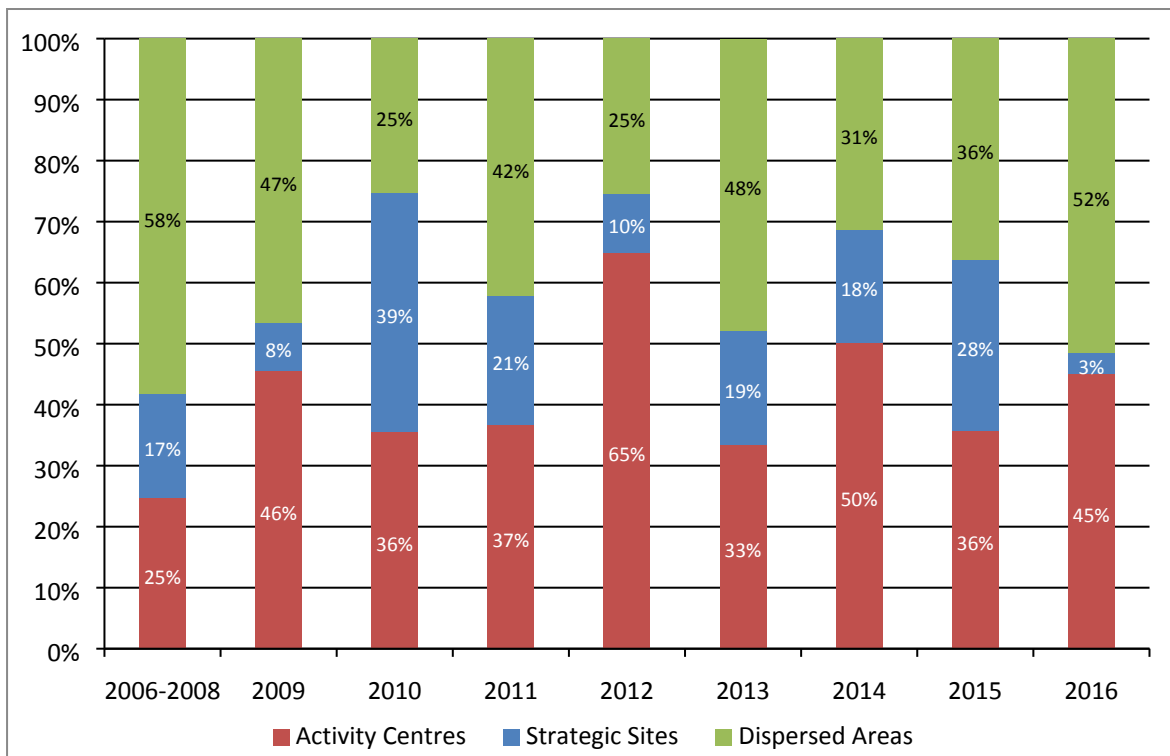


Figure 5: Percentage of net new dwellings approved by location category, 2006-2016

Alignment with Housing Policy Areas

The map and table on Page 19 of the *Knox Housing Strategy 2015* defines a scaled approach to delivering future housing in Knox. The residential areas of the city are divided into four policy areas, each with its own set of preferred housing types. Approvals for denser development like apartments and townhouses should be concentrated in Local Living and Activity Areas, while those for single houses and dual occupancies should fall mainly in Knox Neighbourhood and Bush Suburban Areas.

It is worth noting here that these typology definitions and areas of preferred development are broad policy guides only. The true determination of whether or not a development is “appropriate” is made according to the detailed controls in the planning scheme. The comparison below illustrates how well the outcomes delivered by the specific planning controls match the policy intent of the Knox Housing Strategy.

Current Snapshot

Key Statistics
68.2% of new approvals were for dwelling types consistent with their Housing Policy Area
29.4% of new approvals could be considered overdevelopment for their Housing Policy Area
2.4% of new approvals could be considered underdevelopment for their Housing Policy Area
50% of dwelling approvals were in higher-density areas: Local Living, Activity Areas, Commercial

Analysis

The figures in Table 2 suggest that the Knox Housing Strategy is mostly succeeding in delivering appropriate development in the lowest-density areas (Outside the Urban Growth Boundary) and the highest-density areas (Activity Areas and Commercial Areas). However, there was some development classified as “not preferred,” based on the Housing Strategy, which is worth considering here.

Most of the approvals classified as “overdevelopment” in the table below are borderline cases, including villa unit developments in Bush Suburban Areas and townhouse developments on large lots in Knox Neighbourhood areas. Where these lots are large enough, they may still deliver outcomes related to open space and vegetation that these policy areas are set up to deliver. However, there were 18 townhouse developments approved on small lots in Knox Neighbourhood areas and seven apartment buildings approved in Local Living areas. These cases make up about 9% of applications and about 16% of approved dwellings overall.

Some of this activity may diminish over time, as the new Housing Strategy and Residential Zones become more engrained in the development and assessment process. However, these results suggest that there may also be improvements to the planning controls or assessment and decision-making process that could reduce these cases in the future.

Table 2: Number of net new dwellings by typology and policy area as defined in the Knox Housing Strategy

DWELLINGS		TOTAL	Detached Dwellings	Dual Occupancy	Villa Units	Townhouses	Apartments / Mixed Use
Outside UGB	ALL LOTS	15	15	0	0	0	0
Bush Suburban	ALL LOTS	54	24	13	17	0	0
Knox Neighbourhood	SMALL LOTS	172	7	60	43	62	0
Knox Neighbourhood	LARGE LOTS	111	6	42	26	37	0
Local Living	ALL LOTS	233	0	2	10	173	48
Activity Areas	ALL LOTS	65	0	1	0	20	44
Commercial Areas	ALL LOTS	54	0	0	0	10	44

Table 3: Classification of planning approvals based on preferred typologies in the Knox Housing Strategy

	Underdevelopment (Permissible)	Preferred Typology	Overdevelopment (Not Preferred)
Outside UGB	*	100%	0%
Bush Suburban	*	69%	31%
Knox Neighbourhood (Lots under 1,000 sqm)	*	61%	39%
Knox Neighbourhood (Lots over 1,000 sqm)	5%	61%	33%
Local Living	0%	79%	21%
Activity Areas	2%	98%	**
Commercial Areas	0%	100%	**
Overall	2%	68%	29%

*Underdevelopment not possible in these areas as lower-density typologies are preferred

**Overdevelopment not possible in these areas as higher-density typologies are preferred

Dwelling Typology

One of the key aims of the Housing Strategy is to help address the growing imbalance between the type of dwellings available and the type of dwellings that are likely to be needed in the future. While the number and share of small households (two people or fewer) continues to increase, most of the housing stock across Knox remains large single-family homes.

There is a general trend toward denser housing types across metropolitan Melbourne, particularly in the inner suburbs but also near activity centres in the outer eastern region. Apartments and townhouses are increasingly attractive to younger and older residents in particular seeking out lower-cost and lower-maintenance housing options. For some this represents a conscious choice to lower their carbon footprint or trade time and money on maintaining a garden for spending in other areas. And for others it is a practical matter of affordability.

The Knox Housing Strategy seeks to encourage denser forms of development in appropriate areas, including townhouses in Local Living areas and new apartments in Activity Areas and Commercial Areas, in order to provide more choice for residents seeking alternatives to large houses.

Current Snapshot

Key Statistic

62% of net new dwelling approved in 2016 were townhouses or apartment units

Analysis

For the second year in a row, more townhouse dwellings were approved than any other type, and by almost a two-to-one margin. While most of these townhouse approvals were in the five activity centres, there were over 110 new townhouse units approved in dispersed areas. This continuing trend toward townhouses may represent continued demand for smaller products. Overall these figures represent a continuing diversification of the local housing market, albeit at very slow growth rates.

There were relatively few apartments approved in 2016, with only 157 total units from 13 approvals. Most of these were small-scale developments, with one 33-unit development in Boronia and only two other developments of more than 20 dwellings. This may represent a market where many of the easy apartment sites have already received permits, with a continuing cooling-off period following the large number of apartments approved in 2012. In addition, there is anecdotal evidence that developers that were previously interested in small-scale apartment buildings of 10-20 units may be shifting to townhouses that allow them to sell fewer dwellings at similar overall profit levels and less risk, without the additional design requirements and issues related to body corporates for apartments.

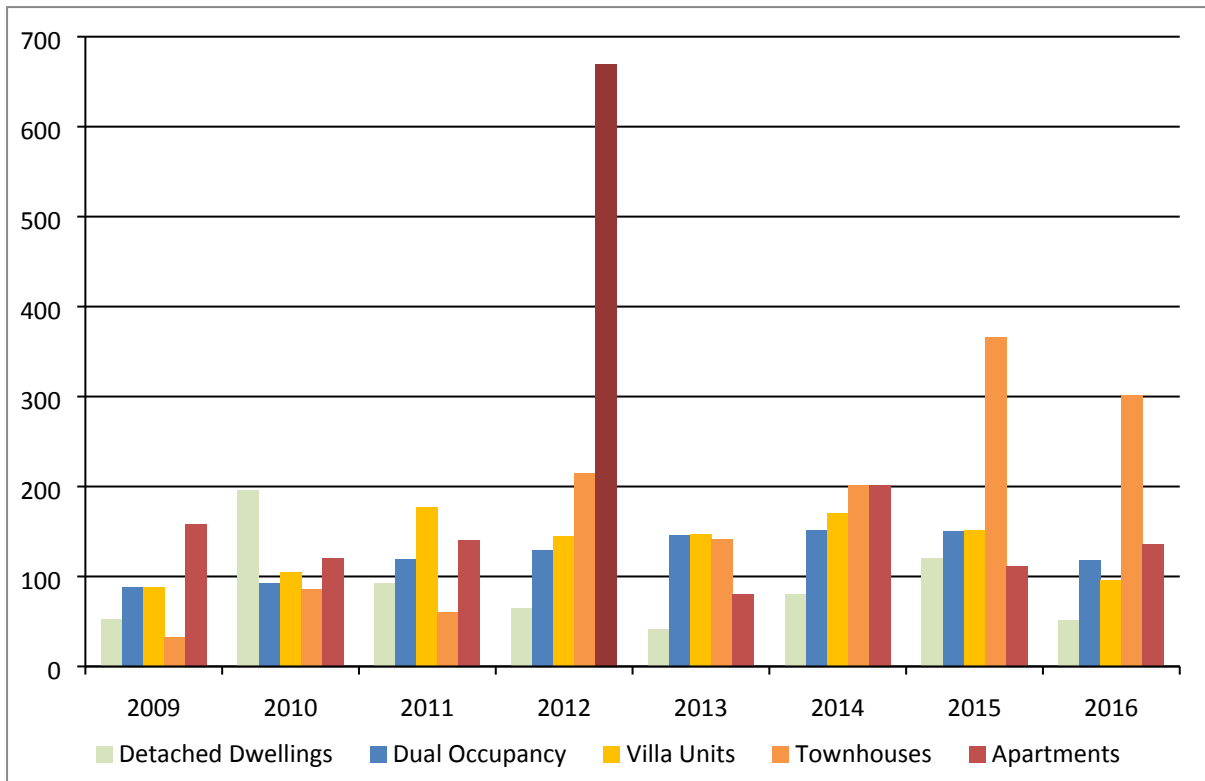
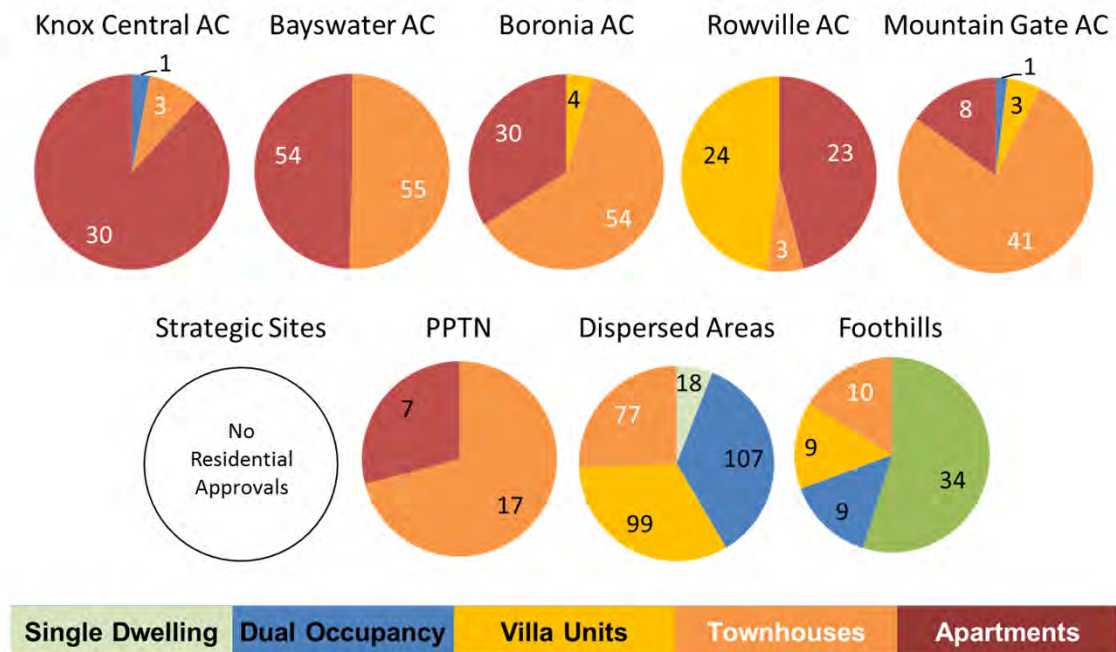


Figure 6: Number of net new dwellings approved by dwelling typology, 2016

Typology by Location 2016



NOTE: Numbers on chart indicate net new dwellings for each typology

Figure 7: Mix of dwelling typologies across different location categories, 2016

Dwelling Size

Knox will need more small dwellings in the future to accommodate an increasing number of smaller households. This is particularly important in the context of increasing housing prices and decreasing affordability, as larger detached houses are becoming increasingly out of reach for a large percentage of new homebuyers. Smaller dwellings tend to be less expensive to buy and maintain, which provides more choices for young people looking to enter the housing market, ageing residents looking to downsize, and anyone else looking to reduce their cost of living.

Current Snapshot

Key Statistic
37% of net new dwellings approved in 2016 were for smaller dwellings (2 bedrooms or less)
67% of approvals in higher density areas were for smaller dwellings (2 bedrooms or less)
91% of approvals in lower density areas were for larger dwellings (3 bedrooms or more)

Analysis

Only 37% of net new dwellings approved in 2016 had two bedrooms or less. This is up from 29% in 2015, but is still less than every other year since the Housing Monitoring Program began in 2008. Since the overall growth rate of Knox is relatively low, smaller dwellings may need to represent a greater percentage of new approvals in future years to keep up with the growth rate of smaller households.

While the overall percentage of new smaller dwellings is low, those that are being approved are in higher-density areas of Local Living, Activity Areas, and Commercial Areas where they are preferred by the *Knox Housing Strategy*. This suggests that continuing to direct a greater share of new development to Activity Centres could also help deliver more small dwellings in the future.

Table 4: Percentage of smaller and larger dwellings approved by Housing Policy Area, 2016

	Smaller Dwellings (2 BR or less)	Larger Dwellings (3 BR or more)
Outside the UGB	0%	100%
Bush Suburban	3%	97%
Knox Neighbourhood	10%	90%
Local Living	63%	21%
Activity Areas	69%	31%
Commercial Areas	84%	16%
Overall	37%	64%

Table 5: Number of net new dwellings by size and typology as defined in the Knox Housing Strategy

RESIDENTIAL AREA TYPES	TOTAL NEW DWELLINGS POSSIBLE	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Outside the Urban Growth Boundary	14	0	0	1	13	0	1
Bush Suburban	68	0	2	24	41	1	0
Knox Neighbourhood	370	0	37	207	126	0	0
Local Living	280	6	171	89	14	0	0
Activity Areas	78	11	43	14	10	0	0
Commercial Areas	56	0	47	9	0	0	0

☐ PREFERRED HOUSING SIZE (NUMBER OF BEDROOMS)

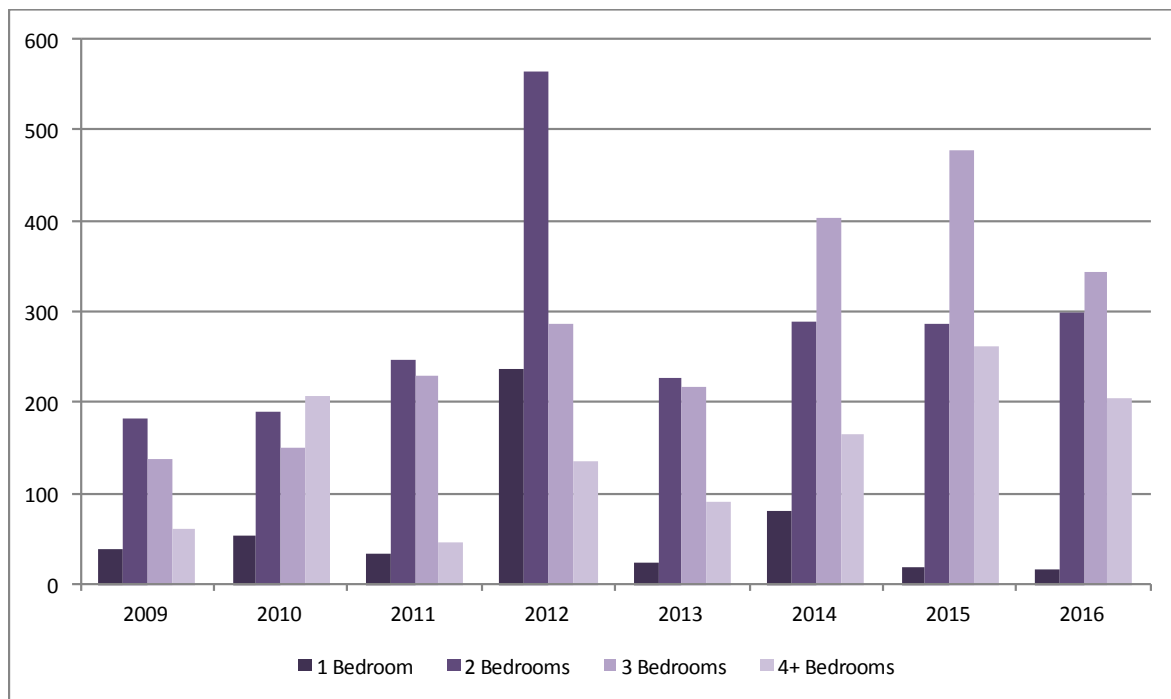


Figure 8: Number of net new dwellings approved by dwelling size (number of bedrooms), 2009-2016

Rental Options

While owning a home is an aspiration for many households, rental housing provides serves several important functions in the local housing market. Rental housing provides flexibility and affordability for people looking to enter the local market, including first-time homebuyers and new residents looking to establish to the area. It provides an important option for people with changing life circumstances who would like to stay in the area, including young families looking to upsize and older residents looking to downsize. And it can even serve as a safety net to help people experiencing hardship maintain local ties to their community. The Knox Housing Strategy seeks to increase rental options by encouraging smaller dwellings and apartments in appropriate areas.

Current Snapshot

Key Statistic
19.7% of Knox households rented their homes in 2016, compared to 30% of Greater Melbourne
4.6% of rental housing available in Knox was affordable for families in receipt of Centrelink in 2011

Analysis

Between 1996 and 2011, the number of households renting in Knox increased from 6,478 (15%) to 9,150 (17%). However rental options are not distributed evenly across Knox. Bayswater and Boronia together make up 24% of Knox's households but are home to 34% of renters. These two denser suburbs have seen a number of new apartment developments in the last few years that have helped add rental options. At the same time, Rowville (12.6%), The Basin (11.1%), and Lysterfield (6.9%) were all underserved by rental options as of 2011.

The availability of affordable private rental housing has declined from 4.9% in 2011 to 4.6% of rental stock in 2016. However these figures are down from levels between 45% and 50% 10-15 years ago. While the most recent statistics on housing tenure from the ABS are from 2011, the 2016 figures will be released later this year and included in future Housing Monitoring Program reports.

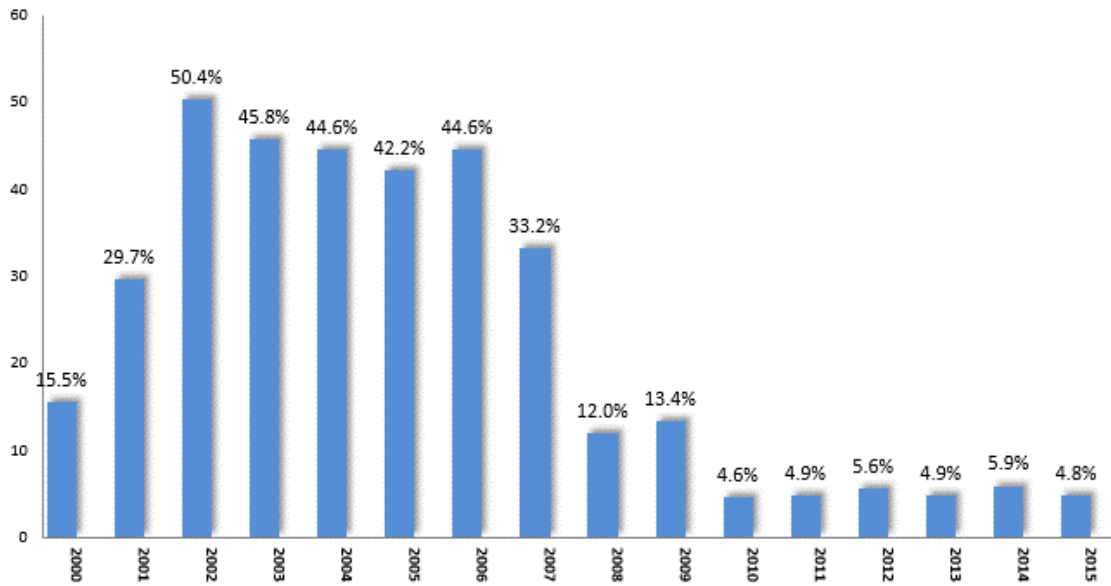


Figure 9: Percentage of private rentals in Knox considered affordable, 2000-2015

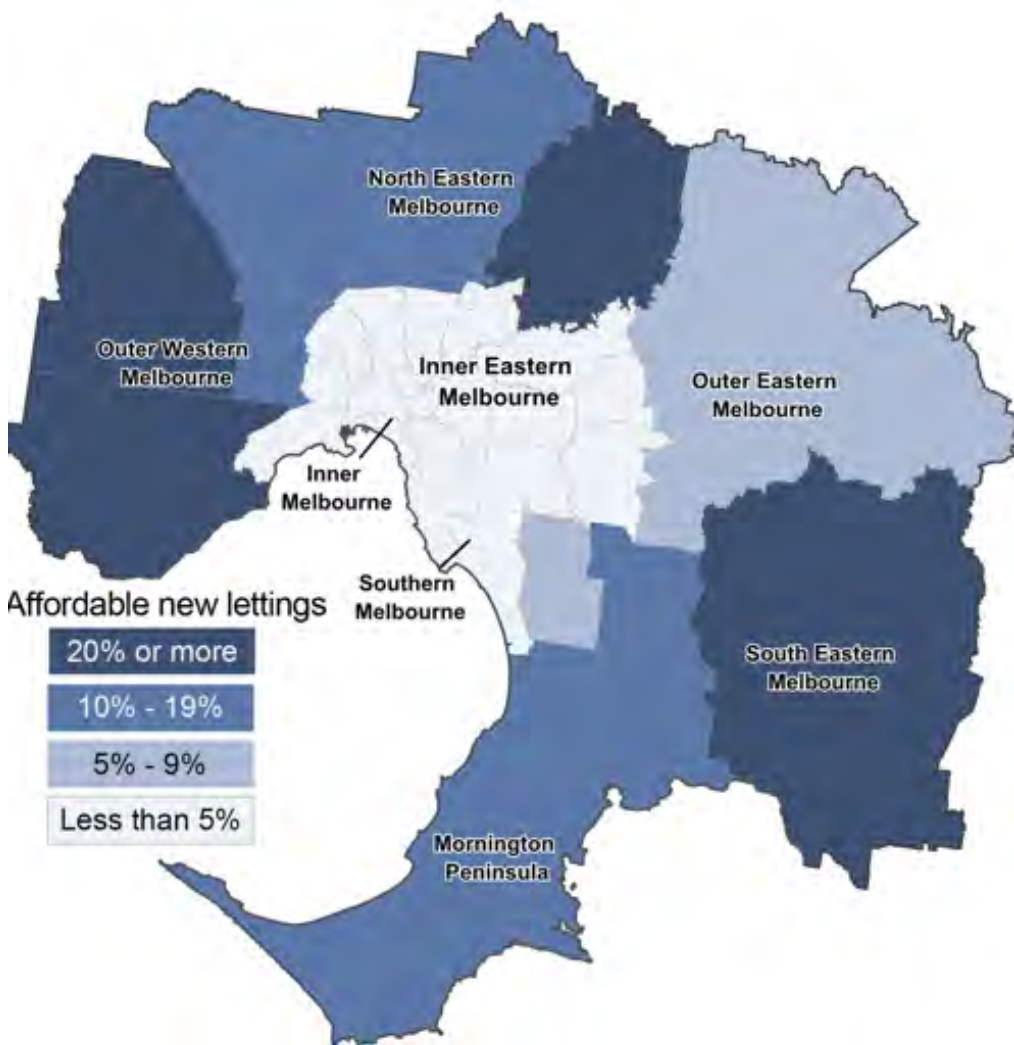


Figure 10: Affordable private rentals (December quarter, 2016)

Housing Affordability

Housing represents the largest share of household budgets, so housing affordability is a major determinant of both the cost of living and the standard of living.

Housing affordability can be expressed more generally as a multiple of household incomes – how many median household incomes are needed to buy a median priced house in an area? This is a simple means of exploring shifts in housing affordability by relating change in house prices to change in people’s income. Higher median multiple incomes represent less affordable housing markets, with 3 median multiple incomes broadly defining the outer bounds of affordability¹⁰.

Housing affordability can also be framed in terms of ‘housing stress’ usually in relation to lower income households (lowest 40% of the income distribution nationally) where housing costs (mortgage or rent) exceed 30% of household income. Focus is on this cohort since housing stress is most likely to have major effect on lower income households. In this case, lower rates of housing stress are indicative of better housing affordability.

Current Snapshot

Key Statistics
A typical home-buying household in Knox needed 8 times its annual income to purchase a median-price home in 2016
10.8% of mortgaged households in Knox (2,500) were experiencing ‘mortgage stress’ in 2011
24.4% of rented households in Knox (2,200) were experiencing ‘rental stress’ in 2011
9% of all households (4,700) were in financial stress from either mortgage or rental costs in 2011
28.7% of all low-income households in Knox (4,700) were experiencing ‘housing stress’ in 2011

Analysis

US-based research firm Demographia publishes a series of annual reports that compare housing affordability across the world. One measure these reports use is “median multiple incomes,” which compares local housing prices with local income levels. Areas where median housing prices are less than three times median incomes are considered ‘affordable’ by this measure. The number of median multiple incomes needed to purchase a median price home in Knox has steadily increased from 5.2 in 2006, to 6.5 in 2011, to 8.0 in 2016, rating Knox as ‘severely unaffordable’ by this measure.

Whilst rates of mortgage and rental stress were slightly below metropolitan averages (2011), this varies across the municipality with highest rates of housing stress overall (mortgage and rent) in Bayswater and Boronia. Knox’s relatively large household base results in a significant number of stressed households (4,600) overall. Nearly 30% of all lower income households in Knox, were experiencing financial stress from either mortgage or rent in 2011. Data on mortgage and rental stress will be updated with pending release of further 2016 Census data.

¹⁰ Methodology taken from annual Demographia International Housing Survey

Figure 11: Percentage of households experiencing mortgage stress in Knox's suburbs, 2011

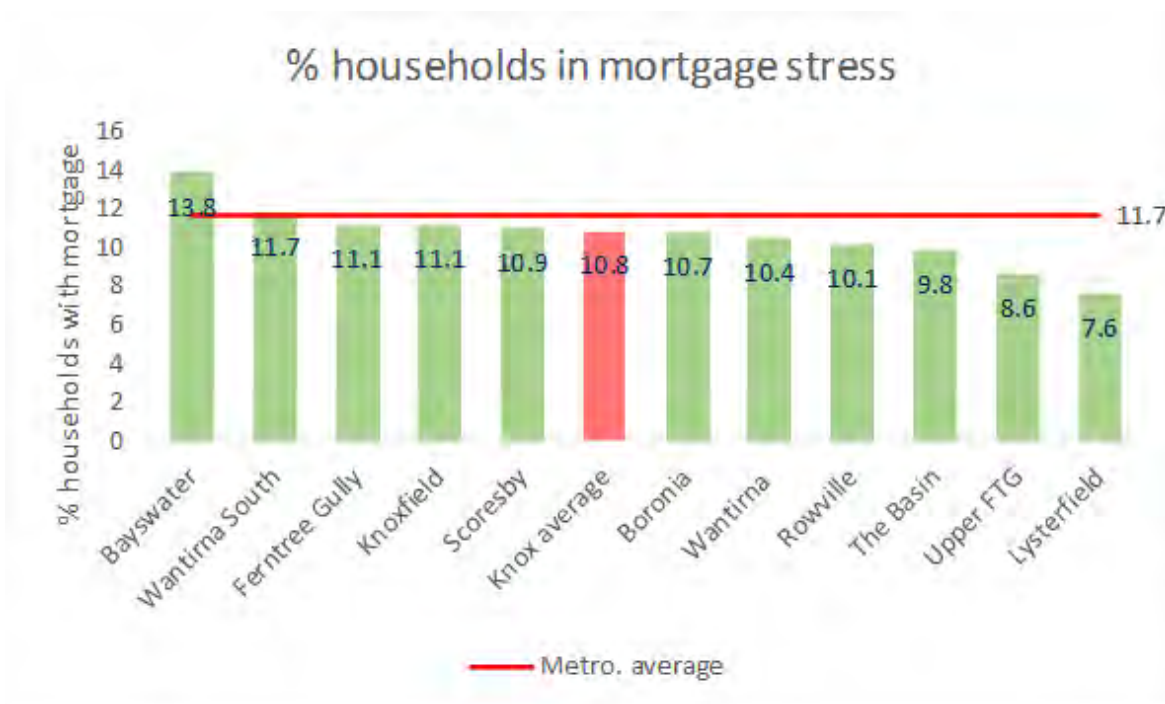
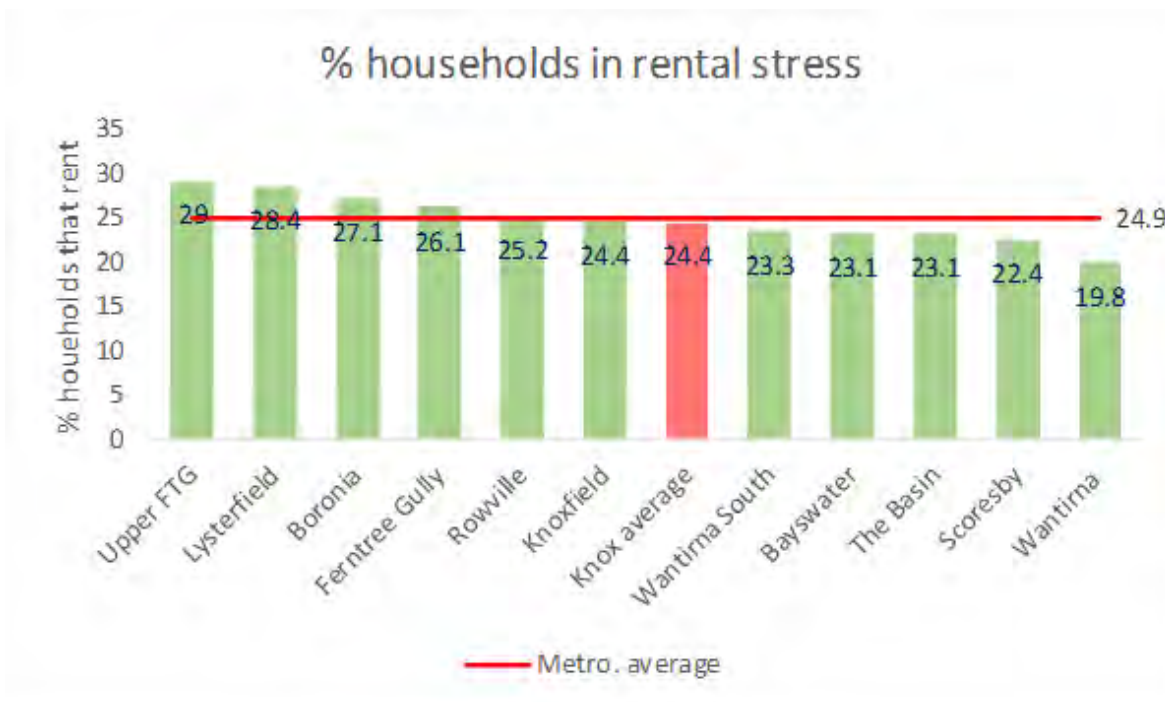


Figure 12: Percentage of households experiencing rental stress in Knox's suburbs, 2011



Social Housing

It is the policy of Knox City council that shelter is a basic human right, as enshrined in international covenants and treaties¹¹. Social housing, in the form of community housing and public housing, plays an important role for providing shelter for those most in need. The *Knox Affordable Housing Action Plan*, first developed in 2007 and renewed in 2015, was developed to help increase the supply of social housing in Knox. Council has estimated that an additional 860 social housing dwellings will be needed in Knox by 2036 to accommodate forecasted demand¹².

Current Snapshot

Key Statistic

No new social housing developments were built in 2016, for the third consecutive year.

Analysis

For the third year in a row, there were no social housing developments built in Knox in 2016. However, there were two sites where requirements to deliver social housing as part of any future development were included in the planning scheme, Stamford Park in Rowville and Jenkins Orchard in Wantirna South.

- **Jenkins Orchard in Wantirna** – This site was rezoned for a mix of residential and commercial development in December 2015. The Development Plan Overlay approved for the site requires a future agreement to contribute land to accommodate 5% of future dwellings as social Housing.
- **Stamford Park Residential Estate in Rowville**– This former Council land was rezoned in 2016 and recently sold for the purpose of redevelopment as a sustainable residential precinct. The contract of sale required the inclusion of 5% of the new dwellings within the future residential estate to be social housing. A Development Plan has been approved and construction has commenced, though no agreements for the delivery of social housing on site have yet been finalised.

In addition, Council has been reviewing a rezoning and redevelopment proposal for the **Kingston Links Golf Course in Rowville**, which includes a proposal to deliver new social housing on site.

Another Strategic Investigation Sites is in the early stages of development feasibility studies. It is Council's intention to advocate for contributions related to social housing in future coordination related to possible redevelopment of the Norvel Road Quarry in Ferntree Gully.

¹¹ International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights, Convention on the Rights of the Child etc.

¹² Knox City Council, *Defining Affordable Housing and a Minimum Supply of Social Housing for Knox*, 2011.

Walkability

Knox@50 was a large-scale community engagement project run by Knox Council in 2012, which was a key input into both the *Knox City Plan 2013-2017* and *Knox Housing Strategy 2015*. One of the main themes that emerged in conversations with residents, businesses, community groups, and other stakeholders was as desire for convenient access to services for day-to-day needs. This idea of ‘living locally’ aligns with the state government’s framework of Activity Centres as well as the scaled approach to housing in the *Knox Housing Strategy 2015*.

Walkscore is an index developed to estimate the ‘walkability’ of a place that has informed public policy and the real estate industry in the US, UK, Canada, and Australia. It examines the proximity of local shops, services, schools, entertainment, and jobs to develop a walkability score on a scale from 1 to 100. Areas that score under 50 are classed as “Car Dependent” while places that score over 90 are deemed a “Walker’s Paradise.” The Walkscore website is searchable by individual address and provides scores for entire neighbourhoods and suburbs.

The Housing Monitoring Program looks at individual Walkscores for each planning permit approved in 2016, as well as how they stack up against the average for their suburb. High Walkscores are considered desirable, but so are new developments that are in the more walkable parts of Knox.

Current Snapshot

Key Statistics
48% of net new dwellings approved are classified as “Very Walkable” or “Walker’s Paradise”
65% of net new dwellings approved had a higher than average Walkscore for their suburb

Analysis

Although the activity centres of Bayswater, Boronia, and Ferntree Gully grew up around train stations and main streets lined with shops, much of Knox was built out during the 1970s, 1980s, and 1990s when suburbs were being designed for cars and driving. Much of Rowville, Lysterfield, and the upper Dandenong Foothills in particular are classified as “Car Dependent” overall by Walkscore.

Just under half of net new dwellings approved in 2016 were in areas with Walkscores of 70 or above, and nearly two-thirds were in areas that were considered more walkable than the average score for their suburb. This suggests that there is indeed a market for walkable neighbourhoods in Knox, and the *Knox Housing Strategy 2015* may be helping to deliver new development to those areas. For example, Rowville has an average Walkscore of 47, which is classified as “Car Dependent.” However, 86% of the net new dwellings approved this year in Rowville had a Walkscore greater than 47, suggesting that most approvals in Rowville are occurring in the most walkable parts of the suburb.

Overall there is still room for improvement in delivering on the goal of ‘local living,’ as 22% of net new dwellings were approved in areas of Knox considered “Car Dependent.”

Table 6: Percentage of net new dwellings whose Walkscore is above the average Walkscore for the suburb

Suburb	Suburb Average Walkscore	% of Net New Dwellings whose Walkscore is above the Suburb Average
Rowville	47	86%
Bayswater	61	84%
Ferntree Gully	56	75%
Wantirna	63	58%
Wantirna South	57	58%
Boronia	61	57%
Knoxfield	57	43%
Scoresby	59	40%
Upper Ferntree Gully	48	25%
The Basin	44	0%
Lysterfield	30	0%
Overall		65%

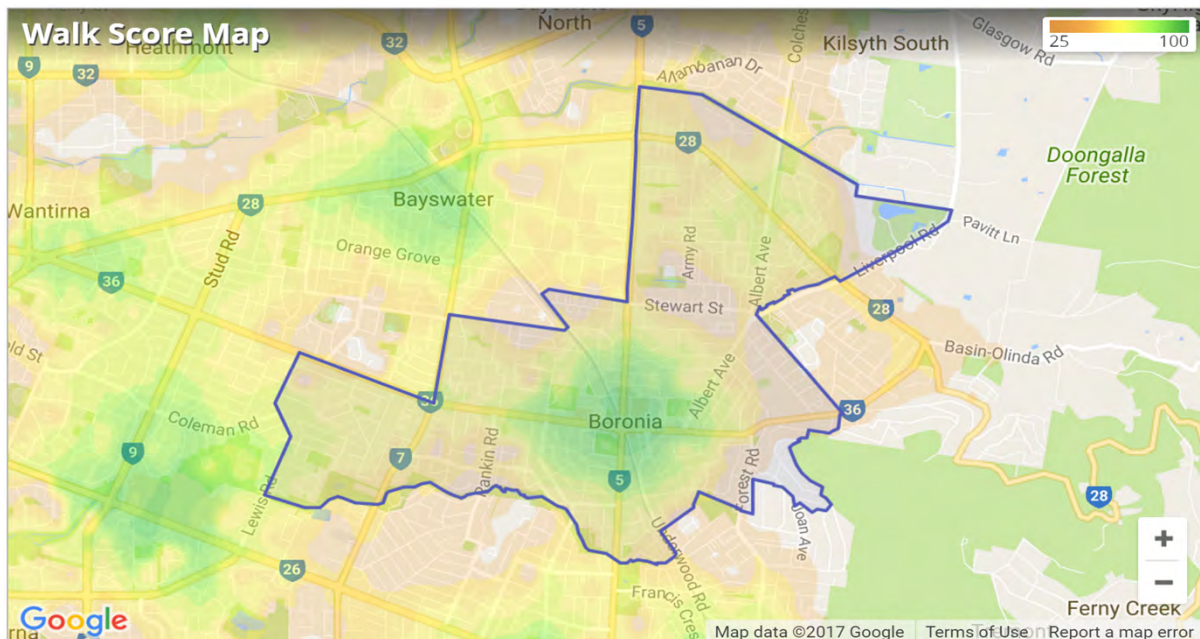


Figure 13: Example Walkscore 'heat map' of Boronia and surrounding areas, 2016¹³ (walkscore.com)

¹³ Walkscore, <https://www.walkscore.com/AU-VIC/Melbourne/Boronia>, accessed January 2017.

Alignment with VCAT Decisions

Planning applications that are decided by Council can be appealed to VCAT, which hears the case and makes a final ruling on whether or not to issue a permit. These might be land owners appealing Council's refusal of a permit, neighbours objecting to Council's approval of a permit, or either party seeking variations to the original permit conditions. When making this determination, VCAT can only consider the text of the Knox Planning Scheme. The number of cases that go to VCAT and the percentage of decisions that are overturned are a good indicator of the degree of consistency between Council policy, the Knox Planning Scheme, and Council decision-making process.

Current Snapshot

Key Statistics
24 planning applications related to new dwellings were referred to VCAT in 2016
67% of the Council refusals that went to VCAT resulted in a permit being granted (overturned)
100% of the Council approvals that went to VCAT resulted in a permit being granted (upheld)

Analysis

The 24 residential planning applications referred to VCAT in 2016 was similar to the 26 applications that were referred to VCAT in 2015 and the 19 referrals in 2014.

There were 21 VCAT referrals for planning applications that were initially refused by Council Officers under delegation in 2016. This type of refusal is often the result of an appeal by the applicant (the developer). VCAT set aside the Council decision in 14 of these cases (67%), approving permits for a total of 78 new dwellings. This included a six-storey mixed use building with 33 dwellings at 16 Station Street, Bayswater. The rate at which Council refusals were overturned at VCAT is similar to that of previous years: 61% in 2015 and 55% in 2014.

There were also three VCAT referrals for applications that were initially given a Notice of Decision to issue a permit by Council or Council officers through delegation in 2016. This type of referral is often the result of an appeal by neighbouring residents or other stakeholders opposed to a proposed development. VCAT affirmed the Council decision in all three of these cases (100%), upholding permits for a total of 11 new dwellings. This included a three-storey apartment building with 10 dwellings at 1 Jackson Road, Wantirna South. The rate at which Council approvals were upheld at VCAT is similar to that of previous years: 100% in both 2015 and 2014.

These figures suggest that the shift in housing policy from the previous *Knox Housing Statement 2005* to the *Knox Housing Strategy 2015* has not yet resulted in a noticeable change in the number or results of VCAT referrals. This may be due to the fact that many of the planning applications decided in 2016 were developed or filed before the *Knox Housing Strategy 2015* took effect in the Planning Scheme in March 2016. It will be important to track whether there is a noticeable change in VCAT referrals once the *Knox Housing Strategy 2016* has been in effect for a few years.

Table 7: Outcomes of Planning Applications Referred to VCAT, 2016

VCAT Outcome	Number of 2016 VCAT Cases	Percentage of 2016 VCAT Cases
VCAT Upheld Council Refusal, No Permit Issued	7	29%
VCAT Upheld Council Approval, Permit Granted	3	13%
VCAT Overturned Council Refusal, Permit Granted	14	58%

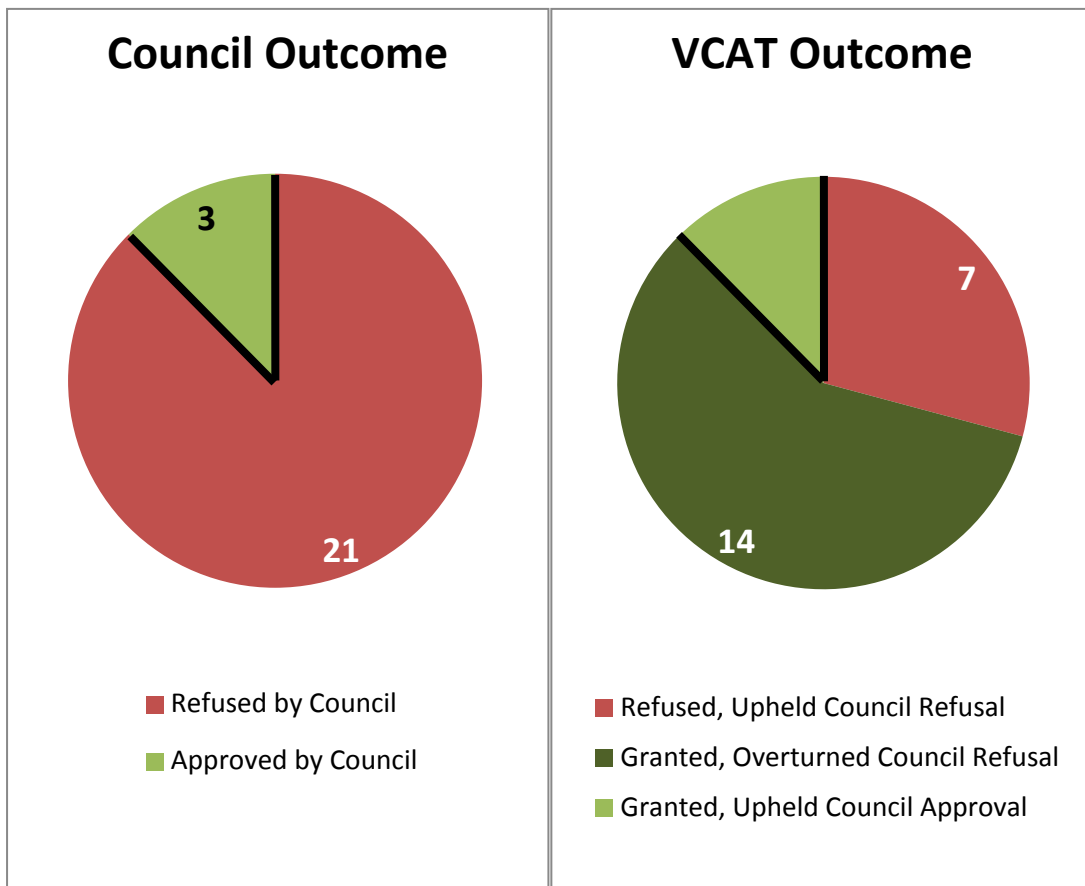


Figure 14: Summary of Planning Applications Referred to VCAT in 2016

Integrated Place-Based Plans

The previous State Government Planning framework *Melbourne 2030* set up an approach to planning across the metropolitan area that focused on ‘activity centres,’ areas with good access a wide range of shopping, schools, open space, and community facilities. The current Victorian Planning framework document *Plan Melbourne* continues this focus on activity centres through its emphasis on ‘20-minute cities.’ Knox Council has developed a series of ‘structure plans’ and other strategic plans that have supported place-specific planning controls and rezoning and provide guidance for decisions on infrastructure and community services. These documents are developed with extensive community consultation and stakeholder input to help identify aspirations and give guidance balance competing priorities for future decisions by Council, residents, businesses and community organisations.

Current Snapshot

Knox Activity Centres	Strategy Document	Status	Implementation Plan	Current Stage
Knox Central	Knox Central Structure Plan	Draft Under Consideration	Draft Under Development	Plan Development
Bayswater	Bayswater Activity Centre Structure Plan: “Bayswater 2020”	Adopted 2005	Yes	Implementation
Boronia	Boronia Structure Plan: “Your Life, Your Place, Our Future”	Adopted 2006, Amended 2012	Yes	Review Commencing 2017-2018
Rowville	Rowville Plan 2015: “Rowville: NEXT”	Adopted 2015	Draft	Implementation
Ferntree Gully Village	Ferntree Gully Village Structure Plan: “The Future of our Village”	Adopted 2014	Yes	Implementation
Upper Ferntree Gully	Upper Gully Strategic Plan: “A Bright Future for Upper Gully”	Adopted 2016	Yes	Implementation

2016 Activity

Knox Council progressed two important strategic documents and related planning controls in 2016:

- **Knox Central** – the Knox Central Structure Plan is currently under development. This documents sets directions for the large precinct that includes the Westfield Shopping Centre, Knox Civic Centre, Lewis Reserve, and the highest levels of residential density in Knox.
- **Upper Ferntree Gully** – the Upper Gully Strategic Plan was adopted by Council in 2016, providing guidance for the area that includes height controls for commercial areas that seek to preserve views to the Dandenong Ranges while enabling future development of commercial areas.

6. Future Program Development

The Housing Monitoring Report will continue to be published annually as the program is further refined to align with the *Knox Housing Strategy 2015* as well as the *Knox Community and Council Plan* and *State of Knox Report*. The future indicators mentioned in this report and others will be developed and refined as new data sources become available and are integrated into the monitoring program.

In addition to the main report, Council is developing a 'Housing Scorecard' to present some of the key insights in a format that can be distributed widely and shared easily. The scorecard is being designed to be visually engaging and easily understood by a wide range of audiences, from Councillors and policy makers to developers and Knox residents. This may be in the form of printed document, an interactive website, or a combination of formats. The shape and content of the Housing Scorecard will be tested with key stakeholders and is expected to evolve along with the main Housing Monitoring Report to reflect key issues and housing priorities from year to year.

The following is a list of potential future indicators that are under development as part of the Knox Housing Monitoring and Review Program. These indicators seek to introduce new data sources, including new

Residential Construction Activity

One of the longstanding goals of the Knox Housing Monitoring Program has been to monitor new building construction in addition to new planning permit approvals. Planning permits are important milestones in the process of delivering new housing, and can provide important information about the type, size, and location of future housing in Knox. Residential planning permits are valid for two years and can be extended to four. But the decision to build under a permit is completely up to the landowner and developer, and is subject to market forces beyond the control of Council and the local planning scheme. This means that not all planning permits result in new housing. Looking at planning approvals tells us what might be built, not what has been built or even what is likely to be built.

The State Government of Victoria has been developing information about new constructions in the Housing Development Data (HDD) program that is helping to close that gap. The HDD uses automated analysis of aerial photography to determine where new construction and demolitions of existing housing is happening across the Melbourne metropolitan area. So far, the HDD includes data from 2004-2014, with additional years of analysis under development now. While it is not as up to date as planning approvals, Knox Council has compared HDD data with recent planning approvals data to learn more about which permits are likely to lead to new construction and which are more likely to be speculative in nature.

This examination is ongoing, but early analysis indicates that from 2008-2014 roughly 75% of planning permits led to new construction within the four-year permit window. If that percentage holds for permits issued in 2016, the 704 possible new dwellings would lead to 528 new dwellings – just under the aspirational target of 555 from *Melbourne 2030*. This is an area of analysis that will continue to be developed as part of the Housing Monitoring Program as more HDD estimates become available.

Residential Aged Care Facilities

Demographic factors and increases in life expectancy have led to increasing numbers of older residents in Knox recently, a trend which is expected to continue over the next few decades. This population has different housing and health care needs from the rest of the population, and Knox will need an increasingly diverse range of housing and care facilities to meet the needs these residents in the future. This ranges from smaller and more accessible dwellings to retirement villages and assisted living facilities to aged care facilities offering hospital-grade services for specific health care needs.

The sector is also undergoing rapid innovation in the areas of home-based care and mixed models of residential care that promise new ways to address the needs of a population that is ageing across the country. The Housing Monitoring Program is developing ways to measure the range of aged care offerings across the city to track changes over time that can help adjust policy for housing.

Household Water and Energy Use, Household Waste and Carbon Emissions

Knox City Council uses the Sustainable Design Assessment in the Planning Process (SDAPP) developed by Victorian councils with the Municipal Association of Victoria (MAV) to provide “a streamlined and consistent methodology for requesting build environment sustainability outcomes through the planning process.¹⁴ The *Knox Planning Scheme* requires that proposed residential developments of three or more dwellings in Activity Areas and Local Living Areas submit an environmental sustainable design assessment (SDA) as part of the planning application process. This SDA must demonstrate “how a development includes design features to respond to issues such as energy use and peak energy demand, water use, stormwater and waste management, transport and responsible use of building materials.”¹⁵

In previous years, Council has used an interactive web-based tool based on the Sustainable Tools for Environmental Performance Strategy (STEPS) project developed by Moreland City Council. The STEPS tool results from individual applications in Knox were compiled in a report called *Environmentally Sustainable Design in the City Planning Department* produced for Council by Organica Engineering, which has been used as the basis for assessing water and carbon dioxide savings in previous versions of the *Knox Housing Monitoring Report*.

Knox Council is currently transitioning to a new SDA tool developed by the Municipal Association of Victoria (MAV) as a replacement STEPS and other SDA tools used by individual Councils. The Built Environment Sustainability Scorecard (BESS) assesses the energy and water efficiency, thermal comfort, and overall environmental sustainable performance of new buildings.¹⁶ New indicators will be developed in future versions of the *Knox Housing Monitoring Report* to report on the estimates savings in water and energy use as well as estimated reductions in household waste and carbon emissions from new residential planning approvals.

¹⁴ Municipal Association of Victoria, www.mav.asn.au/policy-services/planning-building/sustainable-buildings/, accessed July 2017.

¹⁵ Knox City Council, *Knox Housing Strategy 2015*, page 41

¹⁶ Municipal Association of Victoria, bess.net.au/about/, Version 1.5.0, accessed July 2017.

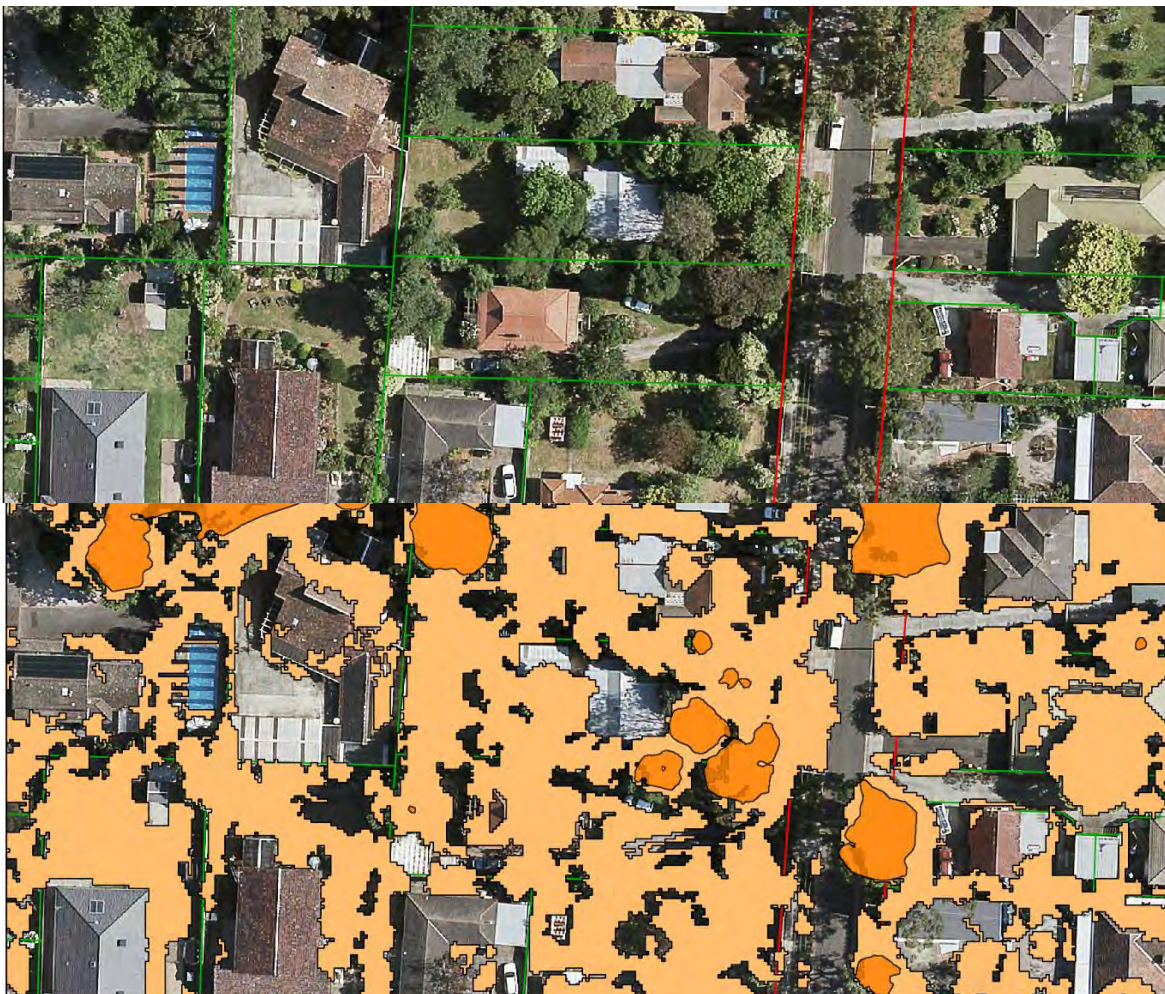
Tree Canopy Cover

One key outcome of the Knox@50 community engagement project from 2012 was a confirmation of the community's appreciation of Knox's natural character, with trees representing an important characteristic of the identity of local neighbourhoods. The state government's new residential zones provided an opportunity to create customised planning controls, and the *Knox Housing Strategy 2015* introduced new requirements for canopy trees into the planning scheme in 2016.

While Council maintains detailed records of street trees in its asset database, there has not been a way to measure tree cover in front and back gardens. Council is currently working with the state government to develop a new tool for measuring levels of tree cover across the entire city. This new tool uses aerial photography and automated analysis to classify Knox into areas of vegetation, trees, buildings, roads, and other open areas. This technology, known as 'remote sensing' will allow Knox to measure the amount of the city covered by trees for the first time.

Comparing how areas of tree cover changes from year to year will help identify areas where the city is losing trees as single houses are replaced by denser forms of development. It will also help measure the effectiveness of planning controls that require new trees to be planted along the street and in the back gardens of new residential development. Understanding where the controls are working and where they are not will help Council adjust its planning controls to ensure they deliver the right outcomes for the Knox community.

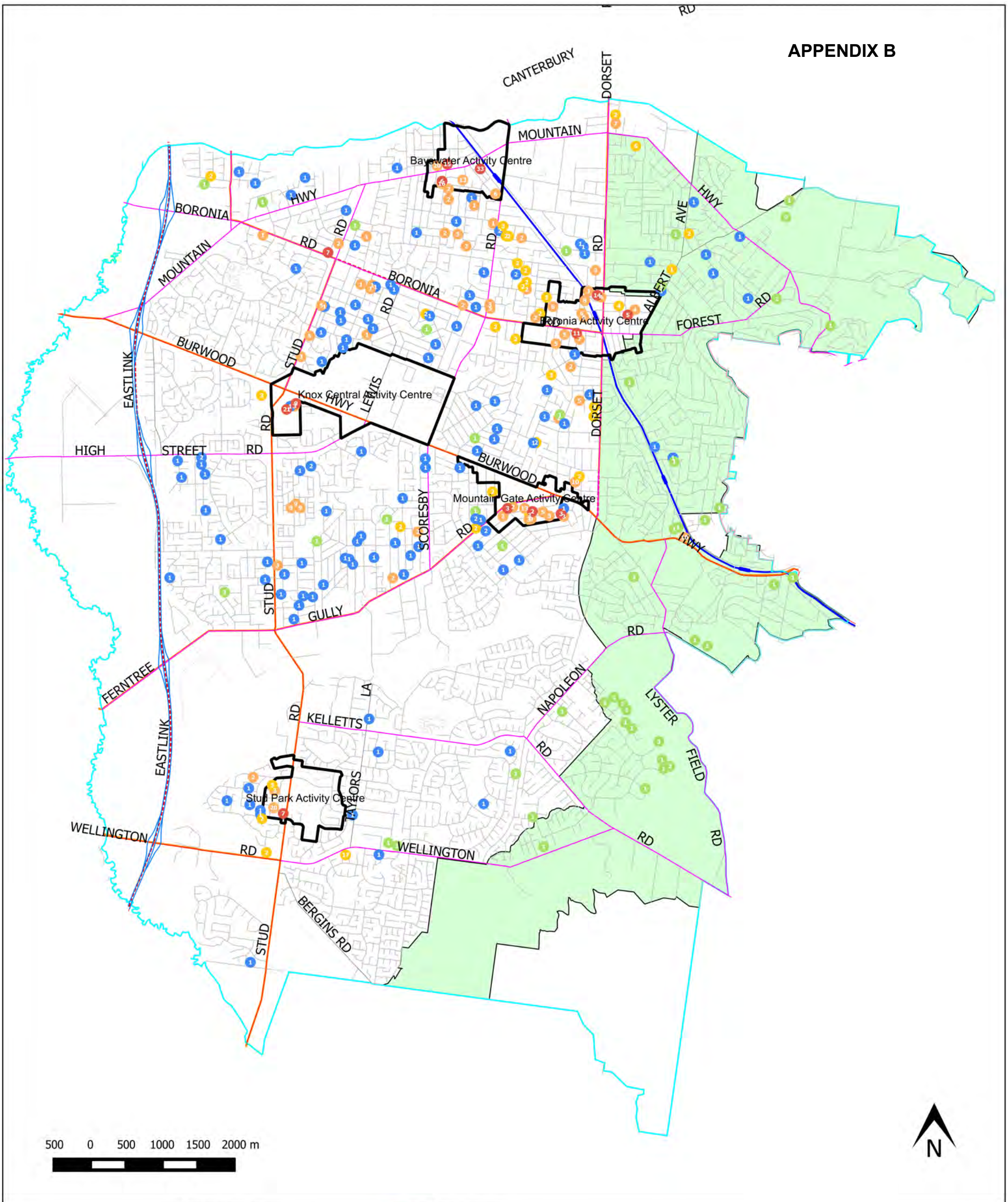
Figure 15: Test images for Knox Tree Canopy Remote Sensing Tool, currently under development



Neighbourhood Character and Urban Design

Neighbourhood character is an important part of community identity in Knox and represented a strong theme represented the local community processes during the engagement for *Knox@50*, the *Knox Housing Strategy 2015*, and the *Knox Community and Council Plan 2017-2021*. Each of these engagement efforts highlighted a level of concern in some parts of Knox that changes the city is at risk of losing its identity due to rapid changes in the look and feel of neighbourhoods. The quality of urban design and the look and feel of streets are difficult to quantify, since they are aesthetic judgements that differ widely within every community. Not everyone has the same tastes and sensibilities. Where a new house with a modern design aesthetic maybe viewed as exciting and fresh by some people, while at the same time seeming undesirable and out of place and by others. Knox Council seeks out professional urban design advice for some large and important planning applications, but even the option of third-party experts is ultimately subjective.

One of the ways the Knox Housing Monitoring Program is exploring as a way to measure these issues related to identity and changes is to measure the perceptions and preferences related to neighbourhood character and urban design. The *Knox Community and Council Plan* was informed by a broad survey of community sentiment and focused engagement with residents and stakeholders to understand and unpack the range of opinions held by the community. Future surveys related to specific issues, such as housing and development, could help address questions about how people view the changes happening across Knox and help understand how well Council's housing policy is with community identity and perceptions.





Knox City Council

<p>Road Centrelines</p> <ul style="list-style-type: none"> Local Streets/Rds Main Roads Highways Collector Roads Private Roads Tollways Train Stations Principal Public Transport Network (PPTN) Bus Routes (existing) Bus Routes (proposed) Existing Rail network Existing tram network 	<p>Residential Planning Permits</p> <ul style="list-style-type: none"> Detached Dwellings Dual Occupancy Villa Units Townhouses Apartments Major Activity Centres Dandenong Foothills - Policy Area 	<p>City Boundary</p> <ul style="list-style-type: none"> City Boundary
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19 Number of new dwellings

Disclaimer:
 Roads and Title Boundaries - State of Victoria, Knox City Council
 Planning Scheme Information - DELWP, Knox City Council

1. Whilst every endeavour has been made to ensure that the mapping information is current and accurate, no responsibility or liability is taken by Knox City Council or any of the above organizations in respect to inaccuracy, errors, omissions or for actions based on this information.
2. Planning information should be used only as a means of preliminary investigation. For accurate overlay information please obtain a Planning Certificate from the Department of Infrastructure.
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4. Drainage and flood extent information has been provided to Council on a yearly basis by Melbourne Water for indicative purposes only. Where the latest Melbourne Water drainage and flood extent mapping is critical, please contact Melbourne Water.

CHANDLER WARD**2. PLANNING SCHEME AMENDMENT C156 – PROPOSED REZONING OF 23 STEWART STREET, BORONIA AND OLD JOES CREEK BUSHLAND – CONSIDERATION OF SUBMISSIONS AND ADOPTION OF AMENDMENT**

SUMMARY: *Senior Strategic Planner – (Monique Reinehr)*

Amendment C156 to the Knox Planning Scheme proposes to rezone Council owned land that makes up part of the Old Joes Creek bushland in Boronia. The Amendment seeks to rezone this land from a Neighbourhood Residential Zone – Schedule 1 (NRZ1) and a Public Park and Recreation Zone (PPRZ) to a Public Conservation and Resource Zone (PCRZ). It includes the property at 23 Stewart Street Boronia, which was gifted to Council by the late Mr Ramon Cowling.

The Amendment was exhibited from 4 May to 5 June 2017. Three submissions were received to the amendment, one from a neighbour requesting a written annual vegetation maintenance/fuel management plan for a section of the reserve and two from referral authorities.

This report recommends that Council consider all the submissions received and adopt the Amendment and submit the Amendment to the Minister for Planning for approval.

RECOMMENDATION

That Council:

1. Consider the submissions received in response to Amendment C156 to the Knox Planning Scheme;
2. Adopt the recommendations detailed in the Amendment C156 Summary of Submissions and Responses document (Appendix A);
3. Adopt Amendment C156 to the Knox Planning Scheme, as exhibited (Appendix B);
4. Submit the adopted Amendment C156 to the Minister for Planning for approval;
5. Authorise the Director – City Development to make minor changes required for approval of Amendment C156 by the Minister for Planning, provided the changes do not affect the purpose or intent of the Amendment;
6. Advise submitters of Council's decision.

2. Planning Scheme Amendment C156 – Consideration of Submissions and Adoption of Amendment (cont'd)

1. INTRODUCTION

The property at 23 Stewart Street, Boronia is vacant and encompasses an area of 1.54 acres (6,086m²). This property abuts the Old Joes Creek Bushland reserve and consists of significant vegetation and habitat for local fauna.

On 22 November 2016, Council resolved to commence the Planning Scheme Amendment process, including seeking authorisation from the Planning Minister, to rezone 23 Stewart Street, Boronia and Council's other land holdings (Lot 1 Army Road and 8 Lucas Close, Boronia) that make up Old Joes Creek Bushland to a Public Conservation and Resource Zone.

The amendment was exhibited for four weeks from 4 May to 5 June 2017. Three submissions were received, including two submissions from referral agencies and one from a resident.

2. DISCUSSION

2.1 The subject site

The late Mr Ramon Cowling was an active member of the Gardens for Wildlife Program, Knox Environment Society, Friends of Old Joes Creek and Friends of Chandler Hill. Mr Cowling was committed to protecting and conserving the local native vegetation on his property and had ongoing discussions with Council's Biodiversity unit over the years indicating his desire to bequest his property at 23 Stewart Street, Boronia to Council on his death.

The property at 23 Stewart Street, Boronia abuts Old Joes Creek and contains high quality remnant vegetation, which has been identified in the top fifteen sites of biological significance in the municipality.

Under the terms of Mr Cowling's Will, the existing dwelling was to be removed and the land added to the 'Old Joes Creek Reserve' and rezoned to a Conservation Zone. The most appropriate zone to apply to this biologically significant land which will be in Council ownership is the Public Conservation and Resource Zone (PCRZ) which has the purpose: "to protect and conserve the natural environment and natural processes for their historic, scientific, landscape, habitat or cultural values".

In rezoning the Cowling land, it is appropriate to also rezone Council's other land which makes up Old Joes Creek Bushland to the same zone. This other land is in two parts. Lot 1 Army Road is zoned Public Park and Recreation Zone and has an area of 17,272m², while 8 Lucas Close is zoned Neighbourhood Residential Zone 1 and has an area 4,125m².

8 Lucas Close, which is north of the Melbourne Water section of Old Joes Creek Bushland, was purchased for conservation purposes by Council in 2003. A plan is included as part of Appendix B.

2. Planning Scheme Amendment C156 – Consideration of Submissions and Adoption of Amendment (cont'd)

2.2 Summary of submissions

Following the consultation process (outlined in Section 3 of this report) three submissions were received:

- The Department of Environment, Land, Water and Planning (DELWP), offered no objection to the amendment;
- The Country Fire Authority (CFA), supported the amendment and provided advice on bushfire hazard, including stating that they are happy to assist in any audits and reviews of the site associated with fuel management treatments; and
- A resident, who advised that they have lodged numerous customer requests for maintenance work at 8 Lucas Close over the last ten years. In Council rezoning 8 Lucas Close they request the following scheduled works be carried out:
 - An annual written ongoing boundary maintenance program to ensure the entire boundary line is kept clear;
 - An annual written ongoing fuel reduction schedule to reduce grass level, high density ground vegetation and fallen debris; and
 - Works activated in accordance with these annual plans.

2.3 Vegetation and Fire Management of Old Joes Creek Bushland

Council's Municipal Fire Prevention Officer (MFPO) has inspected 8 Lucas Close in response to Amendment C156 and the correspondence received from the neighbour and advised the following:

- No objection to the rezoning based on the site's findings
- It is the MFPO's role to inspect all land within the municipality that is identified as having a potential bushfire risk
- Given the CFA's offer of advice and assistance in fire management at this site and the existence of rare species of plant within the proposal area, the MFPO will organise a joint meeting between the Country Fire Authority, Council's Biodiversity – Bushlands team and Council's MFPO to ensure achievement of mutually beneficial fire prevention and biodiversity/rejuvenation outcomes.

Council's Biodiversity - Bushlands team manage Council's land in Old Joes Creek Bushland as a Significant Conservation Area for the purposes of preserving and enhancing the State Significance Flora and Fauna Communities present of the site. In undertaking this, the team visit and work on the site on at least a monthly rotation, and includes the maintenance of:

- Permanent firebreaks throughout the year;
- Mosaic slashing to support firebreaks where required; and

2. **Planning Scheme Amendment C156 – Consideration of Submissions and Adoption of Amendment (cont'd)**

- Other work as required (i.e. assessing trees adjacent to reserve boundaries; brushcutting of introduced grass species).

In response to previous discussions with the neighbour, the maintenance level for the site was revised about eighteen months ago in relation to fuel management. All works undertaken on the site are recorded.

Fuel management is a component of the Reserve's annual 12-month action plan.

It is considered that the documented ongoing works sought by the neighbour can be achieved through the Reserve's annual 12-month action plan which includes a fire management plan component. The approach proposed above by the MFPO where the MFPO, Biodiversity - Bushland team and CFA work together in coming months to achieve mutually beneficially fire prevention and biodiversity/rejuvenation outcomes for the site and which is documented and scheduled in the action plan should address the request of both the neighbour and CFA.

2.4 **Next steps**

In accordance with the *Planning & Environment Act 1987*, Council must consider all submissions received.

As detailed in this report and submissions and responses document (Appendix A) there are some requests raised in submissions (resident submitter and CFA) which can be addressed by Council outside of the planning scheme amendment process.

3. CONSULTATION

The *Planning & Environment Act 1987* requires that a Planning Scheme Amendment undergo a formal one month exhibition process prior to being submitted to the Minister for Planning for approval.

Key elements of the exhibition included:

- Amendment notices being sent to land owners and occupiers adjoining and surrounding the subject site (44 letters);
- Amendment notices being published in the Government Gazette on 4 May 2017 and in the Knox Leader newspaper on 2 May 2017; and
- Amendment notices sent to specified government departments/ authorities.

The Amendment was exhibited from 4 May to 5 June 2017. Further details on the submissions and recommendations in relation to these are detailed in Appendix A, while a copy of all submissions have been placed in the Councillor Suite.

2. Planning Scheme Amendment C156 – Consideration of Submissions and Adoption of Amendment (cont'd)

4. ENVIRONMENTAL/AMENITY ISSUES

The amendment will deliver positive environmental and social outcomes through ensuring the appropriate planning controls are in place for the land. The inclusion of the land at 23 Stewart Street Boronia, and other Council owned land in Old Joes Creek Bushland in the PCRZ, will ensure that a site which contains high quality remnant vegetation and has been identified in the top fifteen sites of biological significance in the municipality, will be protected.

The site contains one of the only known white star bush (*Asterolasia asteriscophora*) plants in Knox. This species is rare in Victoria.

The CFA have been consulted throughout the preparation and exhibition of the amendment in relation to the fire management of the subject site. They have commented that they have no objection to the proposed rezoning as the amendment will not increase the risk of bushfire, particularly as the amendment does not increase population size in the location. They also requested ongoing fuel management and that the subject sites are included in Council's annual inspection and fire management treatment program. CFA's Vegetation Management Team have offered to assist in any audits and reviews of the land in relation to proposed fuel management treatments.

CFA's offer for assistance is supported.

5. FINANCIAL & ECONOMIC IMPLICATIONS

The rezoning of land can be accommodated within the existing budget of City Futures, while the change in zone will have no ongoing economic implications for Council. The costs associated with this amendment is in the form of a statutory fee for Stage 4 - Minister Approval of Amendment. This will be \$231.10 if submitted before 13 October 2017.

6. SOCIAL IMPLICATIONS

The rezoning of the land will provide positive social benefit through providing clarity as to the long term purpose of the land.

7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021

The most relevant goal and strategy of the Community and Council Plan is:

Goal 1: We value our natural and built environment

Strategy 1.1 Protect and enhance our natural environment

The rezoning is consistent with both the goal and strategy.

2. Planning Scheme Amendment C156 – Consideration of Submissions and Adoption of Amendment (cont'd)

8. CONCLUSION

Amendment C156 proposes to rezone 23 Stewart Street, Boronia and Council's other land holdings that make up Old Joes Creek Bushland to a Public Conservation and Resource Zone. The rezoning will protect an important environmental area and recognise the bequest of Mr Ramon Cowling.

This report recommends that Council consider all the submissions received, adopt the Amendment and forward it to the Minister for Planning for approval.

In relation to vegetation and fuel management of Council's bushland reserve, this is considered a separate issue and will continue regardless of which planning zone applies to the land. As outlined by Council's MFPO 'mutually beneficial fire prevention and biodiversity /rejuvenation outcomes can be achieved' for the Reserve. With CFA input, fire management for the site will be reviewed in the coming months. The recommendations of this will be incorporated into the Reserve's action plan.

9. CONFIDENTIALITY

There are no confidentiality issues associated with this report.

**Report Prepared By: Senior Strategic Planner
(Monique Reinehr)**

**Report Authorised By: Director – City Development
(Angelo Kourambas)**

APPENDIX A - Amendment C156 – 23 Stewart Street and Old Joes Creek Bushland, Boronia Rezoning (Submissions and Responses)

Submission No.	Submission Source	Submission Summary	Submission Discussion and Recommendation
001	Department of Environment, Land, Water and Planning	Submission on behalf of the Minister for Environment. No objections to the proposed changes.	Noted. No further action required.
002	Adjoining landowner	<ol style="list-style-type: none"> 1. Concerned with ongoing vegetation maintenance/ fuel management of 8 Lucas Close, Boronia. Would like action on the site to be in response to a written annual plan, rather than reactive to Customer Requests. 2. Requests that Council have for 8 Lucas Close an ongoing written annual boundary maintenance plan and an ongoing written annual fuel reduction schedule to reduce grass level, high density ground vegetation and fallen debris. 	<ol style="list-style-type: none"> 1. Noted. 8 Lucas Close was purchased by Council some years back (2003) and has been managed as a Significant Conservation Area. Maintenance works include permanent firebreaks, mosaic slashing, and other works as required. All actions, inspections and maintenance associated with the site are recorded as part of the Reserve's 12-month Action Plan. In response to previous discussions with the submitter, maintenance levels on the site were revised in relation to fuel management around eighteen months ago. 2. It is considered that the outcomes sought by the submitter best sit with Council's Biodiversity – Bushland and Fire Prevention functions. It is considered that the Annual 12-month Action Plan for the Reserve, which is recorded online, is an appropriate place to record the vegetation maintenance and fuel management plan requirements for the reserve and the actions undertaken. In response to being notified of Amendment C156, both the CFA and Council's Municipal Fire Prevention Officer (MFPO) have advised that they can assist with development of the plan in relation to fire prevention. Further, the MFPO also advises that all land identified as having a potential bushfire risk are inspected as part of the Fire Prevention annual inspections at the beginning of the fire danger period (and at other times as required) to assist in preparing land for the upcoming fire danger period.
003	Country Fire Authority (CFA)	<ol style="list-style-type: none"> 1. Confirms that the site is in the bushfire prone area and that the amendments will not increase the risk of bushfire, specifically as the amendment is not increasing population size in the location. 	<ol style="list-style-type: none"> 1. Noted. 2. There is an existing fuel management for the site through the Reserve's 12-month action plan, except 23 Stewart Street. Council welcomes CFA offer to assist in relation to reviewing and updating the fuel management plan/approach for the site 3. Council's MFPO has advised that all land identified as having a potential bushfire risk are part of Council's annual inspection program.

		<ol style="list-style-type: none"> 2. Requests that fuel management plans are developed for the sites to ensure that vegetation within the area does not increase to a level that will create a bushfire risk to the surrounding residents 3. Also requests that the subject sites are included in the Council's annual inspection and fire management treatment program. 4. Notes that the CFA's Vegetation Management Team are more than happy to assist in any audits and reviews of these sites to ensure all proposed fuel management treatments, appropriately address the current and future risks. 	<ol style="list-style-type: none"> 4. The offer of CFA's Vegetation Management Team to assist in any audits and reviews is appreciated and a meeting will be arranged for the subject site.
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Planning and Environment Act 1987

KNOX PLANNING SCHEME

AMENDMENT C156

EXPLANATORY REPORT

Who is the planning authority?

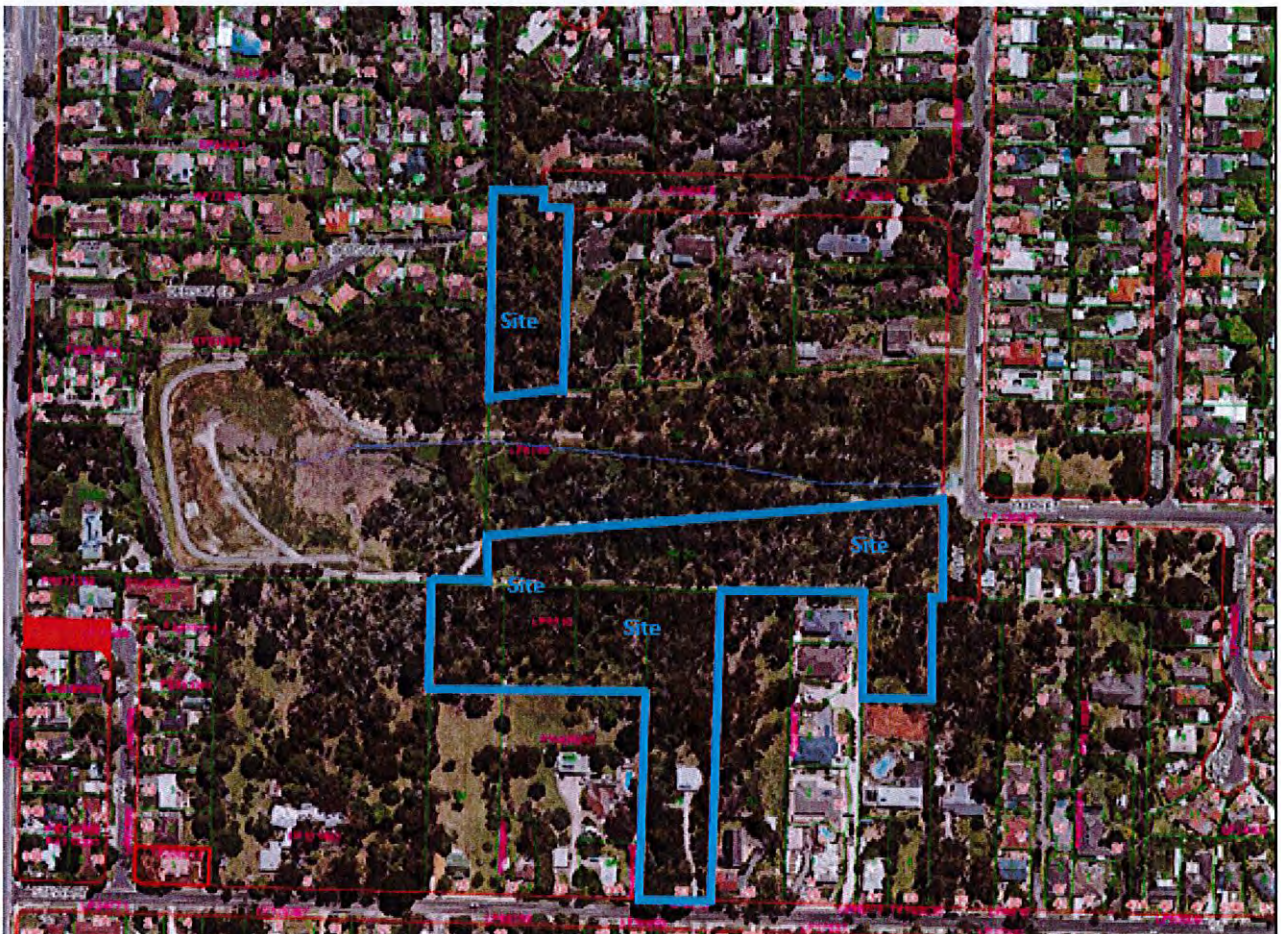
This amendment has been prepared by the Knox City Council, which is the planning authority for this amendment.

The Amendment has been made at the request of Knox City Council.

Land affected by the Amendment

The Amendment applies to land owned by Knox City Council which makes up part of the Old Joes Creek Bushland as indicated on the map below. It includes:

- 23 Stewart Street, Boronia (Lot 19 LP6510).
- Lot 1 Army Road, Boronia (Lot 1 TP 185449, Lot 1 TP 187839, Lot 1 TP 181606, Lot 1 TP144608 Lot 1 TP 183687)
- 8 Lucas Close, Boronia (Lot 9 LP 206873)



What the amendment does

The Amendment proposes to rezone Council owned land at Old Joes Creek Bushland from a Neighbourhood Residential Zone – Schedule 1 (NRZ1) and a Public Park and Recreation Zone (PPRZ) to a Public Conservation and Resource Zone (PCRZ).

Strategic assessment of the Amendment

Why is the Amendment required?

The land at 23 Stewart Street Boronia has been gifted to Knox City Council for environmental conservation purposes.

The most appropriate zoning for this biologically significant land and Council owned property, is the PCRZ, which will support its intended ongoing and primary purpose of environmental conservation.

In rezoning 23 Stewart Street, it appropriate to rezone the surrounding land in Council's ownership forming Old Joes Creek Bushland from the NRZ1 to the PCRZ for consistency.

How does the Amendment implement the objectives of planning in Victoria?

The amendment implements the objectives of planning in Victoria by ensuring that the Knox Planning Scheme is able to facilitate appropriate development and use in accordance with Section 4(1) of the *Planning and Environment Act 1987*. It does this by:

- S4(1)(a) - Providing for the fair, orderly, economic and sustainable use, and development of land.
- S4(1)(b) - Providing for the protection of natural and made-made resources and the maintenance of ecological processes and genetic diversity
- S4(1)(g) - Balancing the present and future interests of all Victorians.

How does the Amendment address any environmental, social and economic effects?

The amendment will deliver positive environmental and social outcomes through ensuring the appropriate planning controls are in place for the land. The inclusion of the land at 23 Stewart Street Boronia, and other Council owned land in Old Joes Creek Bushland, in the PCRZ, will ensure that a site which contains high quality remnant vegetation and has been identified in the top fifteen (15) sites of biological significance in the municipality, will be protected.

Further, it is expected that the amendment will provide positive social and economic effects through providing clarity as to the long term purpose of the land.

Does the Amendment address relevant bushfire risk?

The amendment does not have the affect of bringing more people to the site.

Preliminary advice has been received from the Country Fire Authority who state that they support the proposed rezoning.

Does the Amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The Amendment is consistent with Minister's Direction No.9 – Metropolitan Strategy (as amended 30 May 2014) pursuant to Section 12 of the Planning and Environment Act 1987 – that requires planning authorities to have regard to the Metropolitan Planning Strategy (Plan Melbourne: Metropolitan Planning Strategy).

It is considered that the amendment is consistent with and supports policy 6.5.1 as the rezoning of the subject land to the PCRZ will *"Create a network of green spaces that support biodiversity conservation and opportunities to connect with nature"*

The Amendment is also consistent with the Ministerial Direction of the Form and Content of Planning Schemes under Section 7(5) of the Act.

How does the Amendment support or implement the State Planning Policy Framework and any adopted State policy?

The State Planning Policy Framework (SPPF) seeks to ensure the objectives of planning in Victoria, as set out in the Planning and Environment Act 1987, are fostered through appropriate planning policies and practices that integrate relevant environmental, social and economic factors in the interest of net community benefit and sustainable development.

Relevant strategies of the SPPF include:

Clause 11.03 – Open Space

Clause 12.01 - Biodiversity

The amendment is consistent with these strategies by ensuring that the land is zoned appropriately, which will accordingly ensure its long term protection for environmental conservation purposes.

How does the Amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?

The amendment is consistent with and supports the direction of Knox's Local Planning Policy Framework, and specifically the Municipal Strategic Statement. Clause 21.06- Environment is particularly relevant to this amendment as the rezoning will give support to the ongoing conservation to a recognised site of biological significance which is affected by the Environmental Significance Overlay – Schedule 2 by ensuring land is zoned appropriately.

Proposed Amendment C150 to the Knox Planning Scheme proposes a major rewrite to the Local Planning Policy Framework. Clause 21.03 Environmental and Landscape Values proposed under Amendment C150 specifically details that the Public Conservation and Resource Zone (PCRZ) should be applied to public conservation and recreation areas, whereas the Public Park and Recreation Zone (PPRZ) should be applied to public open space areas.

Does the Amendment make proper use of the Victoria Planning Provisions?

Clause 21.03 Environmental and Landscape Values proposed under Amendment C150 specifically details that the Public Conservation and Resource Zone (PCRZ) should be applied to public conservation and recreation areas, whereas the Public Park and Recreation Zone (PPRZ) should be applied to public open space areas. Accordingly, the most appropriate zone for the subject site is PCRZ, therefore appropriate zone for the subject site is the PCRZ.

How does the Amendment address the views of any relevant agency?

Consultation on the Amendment has been undertaken with the Country Fire Authority which has advised that they support the proposed amendment.

Does the Amendment address relevant requirements of the Transport Integration Act 2010?

The *Transport Integration Act 2010* has no requirements that are relevant to this amendment.

Resource and administrative costs

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The amendment will not place any unreasonable resource or administrative costs on the Knox City Council.

Where you may inspect this Amendment

The Amendment is available for public inspection, free of charge, during office hours at the following places:

Knox City Council, Civic Centre
511 Burwood Highway, Wantirna South
Operating hours: Monday, Wednesday, Thursday and Friday: 8.30am-5:00pm; Tuesday:
8.30am-8:00pm

The Amendment can also be inspected free of charge at the Department of Environment, Land, Water and Planning website at www.delwp.vic.gov.au/public-inspection.

[The following sections of the Explanatory Report are only applicable to exhibited amendments and should be removed at the adoption stage]

Submissions

Any person who may be affected by the Amendment may make a submission to the planning authority. Submissions about the Amendment must be sent to Knox City Council by **5pm, Monday 5 June 2017**.

Email: psamendments@knox.vic.gov.au

Attention: Submission to Amendment C156

OR by post (no stamp required):

City Futures, Knox City Council
Reply Paid 70243
WANTIRNA SOUTH VIC 3152

Panel hearing dates

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

- Directions hearing: to commence in the week of 28 August 2017
- Panel hearing: to commence in the week of 25 September 2017

Planning and Environment Act 1987

KNOX PLANNING SCHEME

AMENDMENT C156

INSTRUCTION SHEET

The planning authority for this amendment is the Knox City Council.

The Knox Planning Scheme is amended as follows:

Planning Scheme Maps

The Planning Scheme Maps are amended by a total of one (1) attached map sheet.

Zoning Maps

Amend Planning Scheme Map No. 3 in the manner shown on the one (1) attached map marked "Knox Planning Scheme, Amendment C156."

End of document

KNOX PLANNING SCHEME



LEGEND

 PCRZ PUBLIC CONSERVATION AND RESOURCE ZONE

Part of Planning Scheme Map 3

AMENDMENT C156

| Planning Mapping Services |
 | Planning Information Services |
 | Planning |



VICTORIA
 State Government

Environment,
 Land, Water
 and Planning

ALL WARDS**3. CONTRACT NO. 2000 – WASTE COLLECTION SERVICES, NON BIN BASED HARD AND GREEN WASTE SERVICES**

SUMMARY: *Co-ordinator Waste Management (Geoff McMeeken)*

This report considers the options available to Council in providing non bin based hard and green waste services and recommends the existing contract be extended with service improvements.

RECOMMENDATION

That Council

1. **Extend Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services for a three-year period from 1 July 2018 to 30 June 2021.**
2. **Require the collection contractor for this Contract to manage the removal and safe disposal of syringes found in the hard and green waste piles.**
3. **Advise Council's Non Bin Based Hard and Green Waste Services Contractor, WM Waste Management Services Pty Ltd, of the above.**

1. INTRODUCTION

Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services was awarded to WM Waste Management Services Pty. Ltd. (W.M.) by Council at its meeting on 25 March 2014. The contract was awarded for an initial four year term from 1 July 2014 to 30 June 2018 with the option of three 12 month extensions at Council's discretion.

A report on the effectiveness of the hard waste service was presented to Council at its meeting on 23 August, 2016, where it resolved in part that Council receive a report at the December 2017 Council meeting that;

- Assesses the effectiveness of the hard waste collection service; and
- Considers either extending Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services through take up of the first twelve month extension option or proposes an alternate hard waste service requiring re-tendering of the non bin based hard and green waste service.

3. Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)

The report proposed for December 2017 has been brought forward to the August 2017 Strategic Planning Committee meeting in order to meet the following requirements.

- a) Confirmation of hard waste collection details for the 2018 and 2019 waste collection calendar. Production deadlines for the calendar require that details are confirmed by late August 2017 to enable distribution to residents by November 2017.
- b) Group procurement opportunities for hard waste are currently being canvassed with Metropolitan Councils in Melbourne's east, which includes Knox. Council's possible involvement is dependent on clarifying the type of service that will be offered beyond June 2018.
- c) If the current hard and bundled green waste collection service is to be re-tendered (rather than the current contract extended) a lead time greater than six months is recommended.

This report will provide Council with an overview of the performance of this contract for both hard waste and green waste. The report also outlines a proposal to extend the contract for a three (3) year period. This will provide certainty of the service for the community and will place Council in a strong position to negotiate rates for the contract extension.

2. DISCUSSION

2.1 Services Performed

Contract No. 2000 includes services for the collection and disposal of both hard and green waste. At the time of contract award, the hard waste service offering changed from a twice yearly area based scheduled collection to a twice yearly "at call" booked collection.

2.1.1 Hard Waste Service

The hard waste services comprises an at-call booked collection service of up to two collections of an unlimited quantity per financial year per household. Bookings are made either on-line or via Council's Customer Service Team.

Under the contract, the service provider is responsible for the collation and scheduling of bookings taken by Council, collection of waste and recyclable materials, transportation of waste and recyclable materials to the nominated recycling and disposal facilities and the payment of all recycling and disposal costs.

All hard waste materials collected are transported to the Knox Transfer Station, 251 George Street, Wantirna South, where the items are sorted and separated, with metals, mattresses, timber and plastics recovered while the remainder of materials are shredded and sent to landfill.

3. **Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)**

A separate collection is undertaken for televisions, computers, fridges, air conditioners and salvageable goods to avoid them being crushed, which improves recovery. Other salvageable goods are sold in the transfer station re-use shop.

24.4% by weight of the hard waste material collected is recovered and reused.

2.1.2 **Green Waste Service**

The fortnightly green waste service currently allows for collection of an unlimited quantity of green waste presented as bundled prunings and/or in residents own containers.

The service provider is responsible for collection and transportation of material to nominated processing facilities where the service provider pays all processing and contamination management costs.

100% of the green waste material collected is transported to the Yarra Ranges Recycling Services facility at Ingram Road, Coldstream, where it is shredded and sold as garden mulch.

2.2 **Standard of Service**

2.2.1 **Hard Waste Service**

In view of the significant change to the hard waste service on initiation of Contract No. 2000 and in response to community feedback, Council has sought updates on the effectiveness of the hard waste service. Reports have previously been presented to Council at their meetings on 23 June 2015 and 23 August 2016. Copies of these reports are attached as Appendix A. The following is an updated review of the service.

2.2.1.1 **Comparison of Bookings Taken and Expenditure**

The at call hard waste service had a 35% increase in bookings between 2014/15 and 2015/16. The number of bookings and cost increased by 4.7% and 5.1% respectively between 2015/16 and 2016/17. Customer complaints have continued to decrease since the change of service was established.

	<u>Bookings</u>	<u>Expenditure</u>	<u>Service Complaints</u>
2014/15	20,584	\$815,481	800
2015/16	27,783	\$1,159,492	562
2016/17	29,081	\$1,219,165	527

3. Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)

A breakdown of the service complaints for 2016/17 in terms of type and quantity is as follows:

General complaints hard waste (59 received) – In summary, this covers complaints about hard waste being spread on footpath, road, where resident did not receive the “booked” stickers and letter so did not have hard waste out when contractor called and non-compliant items left on nature strip.

Hard waste out – not booked (454 received) – In summary, this covers complaints about hard waste out for several weeks, hard waste out without a “booked” sticker, hard waste dumped. Of note, these complaints are inspected and photos taken and, in the majority of cases, a booking for a hard waste collection is made against the property and the hard waste is removed the following week. Council discontinued the use of the “booked” stickers as from April 2017.

Booked hard waste – out too early (14 received) – In summary, this covers complaints about hard waste out too early. Investigation however, shows it has been booked so the resident has placed it out over two or three weekends and then made a booking.

2.2.1.2 Discussion – Service Improvements

Over recent years since Contract No. 2000 came into effect, a number of service improvements have been implemented in response to Council and Community concerns. These are outlined as follows.

Better management of hard waste placed out without a booking

Residents placing hard waste out without a booking can result in hard waste being out for several weeks. In response, Council initiated an inspection, reporting and collection service which has resulted in piles now being cleared within two weeks of notification with the collection counting as a booking against the property. This service improvement involves inspections by the collection contractor, Council staff and notifications from residents.

Promotion of Council’s hard waste service to new property owners and new tenants in rental properties.

These residents were identified as not being in receipt of Council’s waste calendar. This improvement has resulted in updated information being developed for the New Resident kit and also brochures being developed for distribution to Real Estate Agents in Knox for inclusions in information packs provided to new tenants.

Provision of a Group Booking for Residents of Retirement Villages and Multi Unit Developments.

Collections for retirement villages and multi-unit developments have been capped at twice a year to limit multiple collections on these premises and minimise overall impact on residents.

3. **Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)**

Extension of Collection Period

Collections changed to have the service ongoing for 52 weeks of the year in lieu of stopping over the two week Christmas/New Year break.

Improved Management of Non-Compliant Properties

Management of properties that are repeat offenders for placing hard waste out without a booking, exceeding the allocation of two collections in a financial year, placing out non-compliant items or being ineligible for the service have been improved, based on experience in managing these situations. This has also included improvement in processes used by Customer Service, Operations, Community Laws and Information Technology Departments.

Not Issuing Booked Sticker

Residents booking a hard waste service, either over the phone or online, receive a letter confirming the booking plus a “booked” sticker to place on the hard waste. The placement of the booked sticker was designed to act as a deterrent for people placing waste out without a booking.

In 2016, Australia Post changed the rates for postal services and also extended the time taken to have mail received.

In relation to the hard waste service this resulted in an annual increase in expenditure of \$50,000 for postage costs and frequent complaints that the booking sticker was received after the hard waste was collected.

A trial was held in April-June 2017, where the confirmation letter was sent out online to those providing an email address and no booked sticker was provided. Following the success of the trial, which resulted in minimal negative feedback, this has now been implemented on a permanent basis.

2.2.2 Green Waste Service

The fortnightly collection service for bundled green waste and green waste in a residents own container is a continuation of the service provided under the previous hard and green waste collection contract.

The service has been consistent over recent years in terms of the quantity of material collected, noting that the number of complaints has continued to decrease.

	<u>Quantity Collected</u>	<u>Complaints Received</u>
2014/15	3,292 tonnes	86
2015/16	2,950. Tonnes	54
2016/17	3,167 tonnes	49

3. Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)

The main issue with the service relates to the requirement that residents use a container that is rigid so that it contains the green waste which is manually collected, due to Council's OH&S obligations to our collection contractor. Some residents have been using a flexible type bag available from a major retail outlet as the green waste container, which has resulted in the material not being collected. Residents continue to question why flexible bags are not collected. The use of flexible bags can increase the chances of sharp objects piercing the bag and then impacting on the collection contractor as the contents are manually emptied into the rear hopper of the collection vehicle.

2.3 Contractor Performance

WM Waste Management Services Pty Ltd (W.M.) have been contracted to provide this service, which commenced in July 2014.

W.M. have performed satisfactorily during this period. They are required to collect all booked hard waste services within the specified week, which has been completed, with some weeks extending to a Saturday collection.

The green waste collections have all been completed within the fortnightly schedule.

W.M. have undertaken additional tasks for Council relating to inspections for hard waste out that is not booked and also providing group collections for retirement village and multi-unit developments.

They have also been proactive in proposing options to manage issues that Council has experienced with both the hard and green waste service as they provide this service to sixteen other Melbourne Metropolitan Councils, so have the knowledge and experience of what is "best practice".

2.4 Proposed Service Improvement

Should a contract extension be awarded, the following has been identified as a service improvement for the hard and bundled green waste service.

2.4.1 Contractor to Manage the Safe Disposal of Syringes

W.M. are occasionally presented with syringes in the hard waste and bundled green waste.

The current process is for W.M. to leave the pile and report the incident to Council. Council's Health Services Team is requested to attend the pile and remove syringes that are evident in the pile. W.M. are then requested to return and remove the hard waste pile so are attending the site twice.

It is proposed that W.M. will be responsible for the safe collection and disposal of syringes found in the hard and bundled green. W.M. have advised that they are prepared to have their crew trained to provide this service and will provide a rate for the collection and disposal of syringes.

3. Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)

2.5 Proposal to Extend Contract

Council has the option to either extend the contract, thereby continuing with the at call hard waste and fortnightly bundled green waste services, or finalise the contract and re-tender the service.

A third option, albeit one which is as yet unformed, is the opportunity to enter into a group procurement option for the provision of hard waste collection services. Currently being led by Manningham City Council and facilitated through the Metropolitan Waste and Resource Recovery Group, an early working group is being established to assess the viability group procurement for this service within eastern suburbs Councils. It is likely that such a procurement arrangement would have a considerable lead time, noting that many Councils have existing contracts with multiple years to run. Council officers will continue to engage on the potential for group procurement for hard waste, however it is unlikely that discussions will be progressed to a point which informs current deliberations on this contract extension.

The recommendation proposed is that the contract be extended for a three year period from 1 July 2018 to 30 June 2021. Council's original recommendation in awarding the contract was to provide the option of three 12 month extensions at Council's discretion.

This was proposed at the time due to the uncertainty with the outcome of changing the hard waste service from scheduled to 'At Call'. Having undertaken this service for three years, and based on the service improvements undertaken and the stakeholder feedback, there is now general acceptance of this service.

Extending the contract for three years also places Council in a stronger position for negotiating rates for the contract extension. It also provides the clarity on the service for the next waste calendar which will extend over 2018 and 2019.

3. CONSULTATION

Consultation has been undertaken with Council's Hard and Bundled Green Waste Collection Contractor (WM Waste Management Services Pty Ltd), Council's Waste Management, Customer Service, Community Laws, Marketing, Communications, Health Compliance and Operations Departments, Metropolitan Waste and Resource Recovery Group, and other Councils in Melbourne's eastern suburbs.

4. ENVIRONMENTAL/AMENITY ISSUES

The methodology associated with the collection, transport, recycling and/or disposal of non-bin based hard and green waste from within the municipality has significant environmental and amenity issues, particularly in relation to the disposal of residual waste to landfill and the generation of greenhouse gases.

3. **Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)**

In opting for the service model whereby the contractor pays for the disposal of waste when managing both the hard and green waste collections, there exists greater incentives for contractors to recover/recycle waste stream materials due to the fact that they will be obliged to pay residual disposal costs. This will minimise the amount of waste material going to landfill.

5. FINANCIAL & ECONOMIC IMPLICATIONS

	2014/15		2015/16		2016/17		2017/18	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Hard Waste Collection & Disposal	\$1,089,100	\$815,490	\$950,000	\$1,159,492	\$1,278,000	\$1,219,165	\$1,340,700	
Green Waste Collection & Disposal	\$766,925	\$744,970	\$785,500	\$725,660	\$755,970	\$721,600	\$757,890	

Note: Hard Waste Collection and Disposal excludes Landfill Levy

Sufficient funding is available in the 2017/18 Operating Budget to provide for the services under the contract.

6. SOCIAL IMPLICATIONS

The waste management service, including non-bin based hard and green waste collections provided by Council to the Knox community is viewed as very positive as is evidenced by the high community satisfaction levels achieved in the Local Government Community Satisfaction Survey prepared by the Department of Environment, Land, Water and Planning (DELWP) and in the survey of residents conducted in the development of the Knox Waste Management Plan 2014-2021.

7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021

Council's waste management service supports the attainment of Goal 1 – We value our natural and built environment.

The relevant strategy under the Plan is 1.1 – Protect and enhance our natural environment. The key challenge is the ongoing management of waste – organic, hard and digital.

This challenge will be met by providing innovative ways to reduce environmental impacts such as Council's waste and recycling education program.

3. Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services (cont'd)

The hard and green waste service provided by Council, through the recovery and reuse of items collected is providing innovative ways to reduce the environmental impact of waste that would otherwise go to landfill.

8. CONCLUSION

In March 2014, Council awarded Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services, for an initial four year period from 1 July 2014 to 30 June 2018, with the option of three 12 month extensions at Council's discretion.

As part of the service, Council changed from a twice yearly scheduled collection service to a twice yearly booked collection service for hard waste. The bundled green waste (and green waste in the residents own container) remained unchanged as a fortnightly collection service.

In view of the significant change to the hard waste service and in response to community feedback, reports have been provided to Council in June 2015, August 2016, and now this report on the effectiveness of the hard waste service.

Over the previous three years improvements have been made in the management of the at call hard waste service and this has seen a reduction in complaints and a stabilisation in booking numbers and expenditure.

The recommendation is to extend the contract for a three year period from 1 July 2018 to 30 June 2021.

9. CONFIDENTIALITY

There are no issues of confidentiality associated with this report.

**Report Prepared By: Co-ordinator Waste Management
(Geoff McMeeken)**

**Report Authorised By: Director – Engineering & Infrastructure
(Ian Bell)**

APPENDIX A**ALL WARDS****8.3 REVIEW OF AT CALL HARD WASTE SERVICE**

SUMMARY: *Waste Management Coordinator (Geoff McMeeken)*

This report assesses the effectiveness of the At Call Hard Waste Collection Service introduced in July 2014 and recommends continuation of the service, including the improvements introduced over the last twelve months.

RECOMMENDATION

That Council

1. receives and notes this report presented, as resolved by Council on 23 June 2015;
2. continue the at call hard waste collection service, including the service improvements implemented over the last twelve months as detailed in this report, for the balance of the initial contract term to 30 June 2018; and
3. receives a report at the December 2017 Council meeting that:
 - assesses the effectiveness of the at call hard waste collection service; and
 - considers either extending Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services through take up of the first twelve month extension option or proposes an alternate hard waste service requiring re-tendering of the non bin based hard and green waste service.

1. INTRODUCTION

Council introduced an at call hard waste collection service effective from 1 July, 2014, under contract for a four year term with the option of 3 No. twelve month extensions at Council's discretion. Prior to this, a twice yearly scheduled hard waste service was provided.

At Council's request, a Call Up Item report was presented to the June 2015 Ordinary Meeting of Council that assessed the effectiveness of the at call hard waste service. A copy of this report is attached as Appendix A.

In considering this report the following was resolved:

That Council:

1. receives and notes this Call Up Item report as resolved by Council on 24 March, 2015, in relation to Council's Hard Waste Service;

8.3 Review of At Call Hard Waste Service (cont'd)

2. *implement the service changes and process improvements identified in this report in relation to the management of hard waste;*
3. *continue to promote Council's Hard Waste Collection Service to new property owners and occupiers by providing information in the Council's New Resident's Kit and to provide relevant information to new tenants through the provision of information to local real estate agents;*
4. *provide the option of providing for a group booking and collection service for retirement villages and multi-unit developments where a Centre Management, Body Corporate or Owners Corporation is in place; and*
5. *receive a further report in August 2016 that assesses the effectiveness of the At Call Hard Waste Collection Service introduced in July 2014, including any recommendations for further service enhancement.*

This report addresses the resolution of the June 2015 Ordinary Council Meeting in relation to the At Call Hard Waste Collection Service.

2. DISCUSSION

2.1 Overview of the At Call Hard Waste Collection Service

The at call service has been in place since 1 July, 2014. In view of the significant increase in patronage over the two years of the service, the table below is separated into each year of the service.

	2014-15	2015-16	% change
Number of hard waste bookings	20,584	27,783	35%
% received by phone or contact centre	59.9	55.0	-8.2%
% received online	40.1	45.0	12.2%
Hard waste collected (tonnes)	4,337.5	6,609.3	52.4%
Mattresses collected (number)	6,248	8,762	40.4%
e-waste collected (tonnes)	84.3	117.1	38.9%
Fridges collected (tonnes)	29.3	103.9	254.6%
Salvageable goods collected (tonnes)	12.9	16.9	31.0%
Customer requests/complaints received	800	562	-29.7%
Cost to provide the service (including landfill levy)	\$1,075,986	\$1,614,609	50.1%

A more detailed review of the hard waste bookings by month and suburb is provided as Appendix B.

8.3 Review of At Call Hard Waste Service (cont'd)

The at call hard waste collection service had a 35% increase in bookings and associated cost between 2014/15 and 2015/16 which also resulted in significant increases in the quantities of various materials collected and either disposed to landfill or recycled.

There has been no cost increase in the administrative tasks of registering the bookings, sending out booking confirmations and general enquiries which are handled through Council's Customer Service Department.

Despite the significant increase in use of the service the number of complaints received has not increased. The number of complaints and compliments received relating to the at call service is provided in Appendix C.

2.2 Overview of Service Changes and Process Improvements

The report presented to the June 2015 Council Meeting proposed the following service improvements to the at call hard waste collection service. Council resolved at the meeting that they be implemented.

- 2.2.1 Maintain collection for 52 weeks of the year in lieu of stopping for two weeks between Christmas and New Year, as was done in 2014/15.

Officer comment: The collection service was available to residents for the entire 52 weeks of the 2015/16 year and this will continue for the remainder of the contract.

- 2.2.2 Collection contractor to note properties that have hard waste out. Council to generate booking for that property and if not already booked will be added to the bookings list. Letter to be sent to property advising that the hard waste will be cleared and will count as a booking against that property. For unit developments the booking may count against all properties unless the offending unit is identified.

Officer Comment: Council's hard waste collection contractor was engaged under a contract variation to provide a weekly inspection of Council's Main, Link and Collector roads (being high profile roads) to record properties that had hard waste out without a "booked" sticker.

Those properties identified as not having a booking were sent a letter advising that the material would be collected the following week and it would count as a booking against the property. This service commenced on 3 August, 2015 and the following results were obtained.

- i) Council received 26,137 hard waste bookings during this period.
- ii) 528 properties were identified as having hard waste out that had not been booked.
- iii) The cost to provide the hard waste service during this period was \$1,497,745.

8.3 Review of At Call Hard Waste Service (cont'd)

- iv) The cost to provide the hard waste service during this period was \$1,497,745.
- v) The cost to provide the additional inspection service was \$26,800 being \$17,100 contractor costs and \$9,700 Council administration costs which represents 1.8 % of the scheduled cost.

- 2.2.3 Council to generate booking against property if complaint received of hard waste being out for longer than two weeks and no booking has been made. Letter to be sent to property as listed above.

Refine procedure for dealing with residents who place hard waste out with a booking or leave non acceptable material out.

Officer Comment: The process described at 2.2.2 has also been applied to complaints received from the Knox Community for hard waste that has been placed out without a booking.

This has also resulted in an enhancement of Council's procedure for dealing with residents who placed hard waste out without a booking changing. Previously Council wrote to the resident to require the hard waste be removed within seven days. Failure to do this would then involve an Infringement Notice process being initiated through the Local Laws team. This often resulted in hard waste being out for several weeks.

The revised procedure is now to write to the resident to advise that the hard waste will be removed within the next two weeks and will count as a booking against the property. This ensures that the material is removed within two weeks of Council being notified and also does not involve the resources of the Local Laws team.

- 2.2.4 Booking confirmation letter to be amended to advise resident; if this is the first or second hard waste booking for the property for the financial year; confirm the booking week begins on a Monday and that material must not be placed out more than two days prior to that date; and indicate that booked collections cannot be cancelled.

Officer comment: A copy of the booking confirmation letter, that is sent to residents once a hard waste booking is made, is attached as Appendix D which confirms the above amendments.

- 2.2.5 Continue to promote Council's Hard Waste Collection Service to new property owners and occupiers by providing information in the Council's New Resident's kit and to provide relevant information to new tenants through the provision of information to local real estate agents.

Officer Comment: Council's Communication Team is currently preparing an updated "New Resident's Kit" which will provide an overview of the Council services available to Knox residents.

8.3 Review of At Call Hard Waste Service (cont'd)

In view of delays in completing this project the Communications Team are producing a brochure that relates to Council's Waste Services only, in particular the hard waste service, which will be provided by Council to local real estate agents for inclusion in advice to new tenants.

This is proposed to be implemented in October/ November 2016. This will assist residents in rental properties who may not be aware of or familiar with Council's hard waste service or have not received Council's waste guide.

- 2.2.6 Provide the option of providing for a group booking and collection service for retirement villages and multi-unit developments where a Centre Management, Body Corporate or Owners Corporation is in place.

Officer comment: The option of having two collections where all residents place their items out for a specific collection date has been made available to retirement villages and multi unit developments. This has the advantage of limiting the waste vehicle access within the complex to twice per year. To date nineteen complexes have taken up this option.

3. CONSULTATION

Consultation was undertaken with the Waste Management, Customer Service and Communications Departments at Knox Council and WM Waste Management Pty Ltd, who are contracted to provide the hard waste service at Knox Council.

4. ENVIRONMENTAL/AMENITY ISSUES

The collection, transport, recycling and/or disposal of hard waste from within the municipality has significant environmental and amenity issues, particularly in relation to the disposal of residual waste to landfill. Under the current contract the contractor pays for the disposal of waste when managing both the hard and green waste collections so there exists incentives for the contractor to recover/recycle waste stream materials.

5. FINANCIAL & ECONOMIC IMPLICATIONS

The budget for the first year of the new service (2014/15) was \$1.091m plus \$328,000 for the Landfill Levy for a total of \$1.419m. The actual expenditure for 2014/15 was \$807,425 plus \$260,497 for the Landfill Levy, for a total of \$1,068m. This represented a saving of \$351K. Based on the saving for year one, it was determined to set the budget for 2015/16 for the hard waste service (including the landfill levy component) at \$1,287,000.

8.3 Review of At Call Hard Waste Service (cont'd)

The hard waste service expenditure from 1 July, 2015, to 30 June, 2016, is \$1,614,609. (This consists of \$1,159,492 for the collection and disposal component and \$455,117 for the landfill levy component). It is anticipated that the increase is in part due to the high level of community interest in the service, including through the local media, in mid 2015 and mid 2016.

The budget allowed for in 2016/17 is \$1,278,000 plus the landfill levy component of \$370,100 for a total of \$1,648,100.

An amount of \$18,500 for the additional hard waste inspection service has been included in the 2016/17 budget.

6. SOCIAL IMPLICATIONS

The waste management service, including the hard waste collections provided by Council to the Knox community is viewed as very positive as is evidenced by the high community satisfaction levels achieved in the Local Government Community Satisfaction Survey prepared by the Department of Environment, Land, Water and Planning and in the survey of residents conducted in the development of the Knox Waste Management Plan 2014-2021.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The relevant City Plan objective falls within the theme of Vibrant and Sustainable Built and Natural Environments with the objective being *'The changing needs of a diverse community are supported through planned growth and change in housing and infrastructure that respects both built form and natural systems, as well as resource availability'*.

The indicators for this objective relate to household waste management, in particular household waste generation and household waste recycling.

The provision of Council's hard waste service has the objective of reducing waste being disposed to landfill through the recovery and re-use of waste items.

8. CONCLUSION

Council introduced an at call hard waste collection service effective from 1 July, 2014, for a four year term with the option of 3 No. twelve month extensions at Council's discretion.

Following community feedback a report was presented to the June 2015 Council meeting which assessed the effectiveness of the twice yearly at call hard waste service in comparison to the previous twice yearly scheduled service.

8.3 Review of At Call Hard Waste Service (cont'd)

In response to this report a number of service changes and process improvements were implemented for the hard waste collection service.

The improvements to the service were aimed at better management of hard waste that is placed out without a booking which has been achieved by reducing the amount of time that the material is on the naturestrip. Hard waste out for several weeks generates the highest number of complaints for the service. Council is now actively inspecting for hard waste piles that are not booked and is then arranging collection within two weeks of being made aware, either through the inspection service or resident complaints.

Improvements in informing residents on the appropriate use of the service have also been made in the correspondence sent in response to booking a collection.

Further improvements are proposed in informing residents in rental properties about Council's hard waste service as they have a frequent need for the service but may not receive Council's waste guide which explains the booking process.

The at call hard waste collection contract has completed two years of the four year initial contract term and in that time the service has proven very popular with residents with a 35 % increase in bookings between the first and second years of the service. Complaints are still being received about the service, mainly concerning the appearance of hard waste across the municipality for the whole year rather than being out for a set period as was the case with the scheduled service.

These complaints are reducing in frequency which can be attributed in part to the service improvement measures introduced in relation to unbooked hard waste and also more of an awareness and acceptance by the community of the service. This reflects the experiences of other Councils that have changed from a scheduled to an at call service.

Council is obligated to continue the at call hard waste service contract to the expiry of the initial contract term being to 30 June, 2018. By 31 December, 2017 (six months prior to expiry of the initial term) Council is required to advise the contractor if the first of the twelve month extensions will be offered.

It is recommended that a report be presented to the December 2017 Council meeting that assesses the effectiveness of the at call hard waste collection service. The report would also consider either extending Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services through take up of the first of the twelve month extension options or proposes an amended hard waste service which would require re- tendering of the non bin based hard and green waste service.

It is also recommended that the service improvements introduced be continued until the expiry of the initial contract term being 30 June 2018.

8.3 Review of At Call Hard Waste Service (cont'd)**9. CONFIDENTIALITY**

There are no confidential issues associated with this report.

COUNCIL RESOLUTION

MOVED: CR. MORTIMORE

SECONDED: CR. PEARCE

That Council

1. receives and notes this report presented, as resolved by Council on 23 June 2015;
2. continue the at call hard waste collection service, including the service improvements implemented over the last twelve months as detailed in this report, for the balance of the initial contract term to 30 June 2018; and
3. receives a report at the December 2017 Council meeting that:
 - assesses the effectiveness of the at call hard waste collection service; and
 - considers either extending Contract No. 2000 – Waste Collection Services, Non Bin Based Hard and Green Waste Services through take up of the first twelve month extension option or proposes an alternate hard waste service requiring re- tendering of the non bin based hard and green waste service.

CARRIED

8.3 Review of At Call Hard Waste Service (cont'd)

The following appendices are circulated under separate cover:

Appendix A - Council Report 23 June 2015

Appendix B.1 - Hard Waste Bookings 2014-2015

Appendix B.2 - Hard Waste Bookings 2015-2016

Appendix C - Customer Response Requests for Hard Waste Service

Appendix D - Residential Hard Waste Collection Booking Confirmation

ALL WARDS**8.5 REVIEW OF AT CALL HARD WASTE SERVICE**

SUMMARY: *Coordinator Waste Management (Geoff McMeeken)*

This report has been prepared in response to a Call Up Item raised at Council's meeting of 24 March 2015 requesting that a report be prepared for the June 2015 Ordinary Meeting of Council that assesses the effectiveness of the at call hard waste service introduced by Council in July 2014, makes comparison with similar services in other Councils, and recommends service enhancements in-line with external and internal feedback received regarding the service.

RECOMMENDATION

That Council:

- 1. receives and notes this Call Up Item report as resolved by Council on 24 March 2015 in relation to Council's hard waste service; and**
- 2. implement service and process improvements identified in this report in relation to the management of hard waste that does not comply with Council requirements.**

1. INTRODUCTION

A Call Up motion was endorsed by Council at the 24 March 2015 Council Meeting requesting that a report be prepared for the June 2015 Ordinary Meeting of Council, that assesses the effectiveness of the at call hard waste service introduced in July 2014. The assessment includes a quantitative analysis of resident feedback, comparison to the previous biannual scheduled hard waste service and potential service enhancements.

As a part of undertaking the work required for this Call Up Item, officers have had regard to Council's Call Up Items at Council Meetings Policy, and in particular, Item 6.5 which states:

'Where preparing a report responding to a Call Up Item which will require more than 3 person days or \$5,000 in costs, then the matter which is subject to the Call Up Item should be referred by Council to the next budget considerations with a supporting business case for consideration along with other competing priorities.'

2. DISCUSSION**2.1 Overview of the at call hard waste service**

At its meeting of 22 October 2013, Council resolved to adopt the Waste Management Plan 2014-2021 (WMP), which identified potential service changes from 1 July 2014 for the non-bin based waste collection service.

8.5 Review of at Call Hard Waste Service (cont'd)

The development of the WMP involved extensive community and stakeholder consultation, including resident surveys, internal and external focus groups and workshops, direct feedback via online and paper-based submissions, discussions within Council, and liaison with government and non-government waste industry groups and waste service providers.

As part of this process it was identified that approximately 73.72% of Knox residents were supportive of a change from the biannual scheduled hard waste collection service to an at call system which included strong support from 57.6% of residents. Whilst it was recognised that there may be issues with the introduction of the new service, on balance it was considered that the at call hard waste service was seen to provide a much more convenient, flexible and cost effective service overall.

On the basis of the service changes identified in the WMP, a tender for the non bin based services was advertised and Council, at its meeting on 25 March 2014, resolved to accept the Schedule of Rates tender submitted by WM Waste Management Pty Ltd for Contract No.2000 - Waste Collection Services – Non Bin Based Hard and Green Waste Service from 1 July 2014 to 30 June 2018 with the option of 3 x 12 month extensions at Council's discretion.

This contract included changing the current bi-annual area based scheduled hard waste service of unlimited quantity per household to an "at call" booked hard waste collection service of up to two collections per financial year per household, also of unlimited quantity of material. As at 30 April 2015, the at call service had successfully actioned 16,374 bookings for hard waste. Appendix A provides a monthly history of bookings actioned.

The service allows for bookings to be received either by phone, in person at the Customer Service Centre, electronically through "Online Services" or directly to Council's generic email address. As at 30 April 2015, 56% of bookings were received by telephone and 40% were booked online.

The administrative task of registering the bookings in Council's Pathways Customer Request System (Pathways CRS) and sending out the confirmation of the bookings, including the blue "booked" sticker, along with general enquiries is handled through Council's Customer Service Department.

The service provider generates a weekly list of bookings received through the exportation of data from the Pathways CRS on Thursday mornings. The contractor then programs the collections from the list which must be completed between Monday to Friday of the following week.

This results in bookings received on a Monday, Tuesday or Wednesday being cleared in the following week and bookings received on a Thursday, Friday, Saturday or Sunday being cleared in the week after.

Under this system a booked hard waste pile, if placed out on the weekend before collection as is stipulated, would be on the naturestrip for between three to seven days.

8.5 Review of at Call Hard Waste Service (cont'd)

Some residents have placed their hard waste out before making the booking, which has resulted in the material being on the naturestrip for a longer period, sometimes for a few weeks.

The at call service was introduced in July 2014 and extensive promotion was undertaken to advise of the change to the hard waste service. This included;

- The annual waste calendar/guide that was delivered to every household in June 2014. The guide included two pages dedicated to the new at call service along with a covering letter that highlighted the change.
- Newspaper advertisements in the Leader Newspaper in June 2014 advertising the change to the hard waste service.
- A main feature article in all Council's Ward Newsletters in the Winter 2014 edition
- Council's website which highlighted the change in the hard waste service on the Home Page.

The cost to provide the hard waste service for the ten months to 30 April 2015 is \$794,202 (including \$213,577 landfill levy). This equates to an estimated annual expenditure of \$1,128,388, including \$258,000 for the landfill levy.

The quantity of hard waste collected to 30 April 2015 is 3,558 tonnes and 4,941 mattresses which corresponds to an annual projected quantity of 4,270 tonnes and 5,930 mattresses.

The number of complaints and compliments received relating to the at call service to 30 April 2015 is provided in Appendix B. This includes data from the peak booking period in late December 2014 – mid January 2015, which equates to the highest period of service usage since the new system was introduced.

The complaints are broken down into various categories including "Waste - Hard Waste out not booked" which relates to a resident complaint that hard waste has been placed on the naturestrip without being booked. Investigation subsequently has found that in many instances the hard waste was booked after it was placed out for collection or that the identifying blue booked sticker had not yet been received in the mail so not placed on the pile.

2.2 Overview of scheduled hard waste service

The previous twice yearly scheduled hard waste service had been in operation since October 2004, with a four times a year scheduled service operating before this.

The service was provided annually over two periods each of thirteen weeks, with the municipality divided into thirteen areas. The collection contractor was given one week to clear each area. The collections were scheduled between April-June and September-December.

8.5 Review of at Call Hard Waste Service (cont'd)

The administrative task for this service related to responding to general inquiries and complaints which was provided through Council's Customer Service Department.

Under this service a hard waste pile, if placed out on the weekend before collection, as was stipulated, would normally be on the naturestrip for between three to seven days.

Residents were in some instances placing hard waste out on the weekends leading up to the collection week which resulted in the material being on the naturestrip for periods of four to five weeks. This was very difficult to control, as residents would often 'copy' their neighbours and place their hard waste out.

The cost to provide the hard waste service in 2013/14 was \$1,265,740 (including \$312,227 landfill levy). The quantity of hard waste collected in 2013/14 was 6,135 tonnes and 9,414 mattresses.

The number of complaints received relating to the scheduled service from 1 July 2013 to 30 June 2014 is provided in Appendix B.

2.3 Comparison of at call service with scheduled service

The following comparison is provided between the at call and scheduled service in relation to the key criteria for the service.

- **Scavenging.** Decrease in extent with at call service as the quantity of suitable material is not as abundant or predictable as to its location. This has been reflected in the number of reports received which are now zero officially recorded from the community since 1 July 2014.
- **Cost to provide the service.** Significant reduction in disposal costs (including landfill levy) for at call service due to less material being placed out for collection and improved collection methodology resulting in more being recycled.
- **OH&S considerations of service.** Reduced risk of injury to service provider's work crews with at call service as there are not continuous repetitive pick-ups from house to house as with the scheduled service. Also the ability to be more flexible with the placement location of material on-site for multi-unit developments, retirement villages, difficult access locations and properties with little or no naturestrip as can be individually identified when the booking is lodged.
- **Time that hard waste is out on the naturestrip.** In general terms hard waste that is placed out at the time of booking should be on the naturestrip for a maximum of 12-16 days (depending on collection day). Hard waste placed out under the scheduled service was often experienced to be out for up to four to five weeks before collection as residents prepare for the scheduled collection.

8.5 Review of at Call Hard Waste Service (cont'd)

- **Hard waste being added to existing piles.** It was predicted that this could be higher for at call service as a street may have one or two piles at any time compared to the majority of premises participating in a scheduled collection. As Customer Service complaints are rolled up into a single category for 'waste out too early or too late', it is difficult to determine whether this activity represents an ongoing concern for residents. Anecdotally, direct complaints relating to this specific activity have reduced by approximately 50%.
- **Hard waste missed service reports/claims.** Could be from a resident not placing material out on time. Has decreased with at call service due to individual and specific communications provided when booking.
- **Hard waste out at all times in the street.** There is an increased awareness of this with at call service as a neighbourhood may have small numbers of hard waste piles at any time compared with substantial quantities of hard waste with the scheduled service twice a year across the municipality.
- **Hard waste placed out that is not collected.** Applies to both services ie. hard waste placed outside scheduled collection time frame and hard waste placed out without a booking under the at call service. The at call service has the advantage that the collection contractor is available 52 weeks of the year to clear hard waste if required, rather than utilising Council resources (Operations Centre staff & fleet) to do so. Collection contractor is only available for 26 weeks of the year under the scheduled service.
- **Level of contamination/items not collected.** This is less for the at call service as residents are provided with advice on what can/cannot be placed out when booking the service. With scheduled collections the resident can refer to the calendar delivered on an annual basis for advice but this is at the residents' discretion.
- **Collection of hard waste within required timeframe.** The scheduled service had the municipality divided into thirteen areas with one week intended for each area. In some of the hard waste areas, the collection contractor completed collections on a Saturday to complete these areas, and on occasions collections continued into the following week. At call collections have been completed within the allocated week, with the exception of the December-January period (where number of bookings was unexpectedly very high) and where errors were made in bookings.
- **Increase in resource recovery (due to new methodology).** There is higher re-use and recycling of items and decrease in tonnage to landfill with at call service. This can be attributed to the recovery methods used by the collection contractor whose methods include greater collection of separate recyclable items combined with on-site sorting of materials via Council's Transfer Station.

8.5 Review of at Call Hard Waste Service (cont'd)

- **Complaints received.** The number of complaints relating to the at call service in its first year, if projected for the twelve months, is approximately 16% higher than for the equivalent period under the scheduled service. The increase is attributed to both residents contacting Council to advise of hard waste that they believe has not been booked and recent media attention.
- **Compliments received.** Number of compliments relating to the at call service in its first year, if projected for the twelve months, is approximately 300% higher than for the equivalent period under the scheduled service (ie. from 6 to 19). Some of this may be attributed to the service type being new and therefore front of mind.

2.4 Comments from Stakeholders

Advice was sought from the following stakeholders on the effectiveness of the at call hard waste service;

- Waste Management, Customer Service, Local Laws and Operations Departments at Knox City Council.
- WM Waste Management Services Pty Ltd as the collection contractor.

Advice was also sought from Casey, Maroondah and Whitehorse City Councils as they have all changed from a scheduled to an at call hard waste service in the last five years. Detailed comments are provided in the attached Confidential Report. A summary of the comments is provided below.

- The Knox at call service has been in place for ten months and the processes implemented for taking bookings and arranging collections is operating well.
- The service offered by Council is consistent with that offered by other Councils with the exception of the unlimited quantity allowed to be placed out. All other Councils impose a quantity limit of 2-3 cubic metres.
- Improvements are required in the management of hard waste that is put out without a booking as this is negatively impacting on the community perception of the service. Initiatives such as having the collection contractor pick-up this material immediately and/or Local Law Officers issuing a formal 'Notice to Comply' are being considered.
- Other Councils that have changed from a scheduled to an at call hard waste service have experienced resident reaction in the first one to two years with the main criticism being the perception that now hard waste is out all the time compared to a short time under the scheduled service.
- Councils have, in association with the collection contractor, introduced improvements to their at call services post-tendering, many of which Knox is already providing through incorporation into the contract specification.

8.5 Review of at Call Hard Waste Service (cont'd)

- Complaints received by Knox in relation to the at call service have increased in comparison with the scheduled service. This was anticipated and based on the experience of other Councils, and is expected to decrease as the service settles in and becomes accepted as a normal part of Council's Waste Service.

2.5 Leading Practice for Hard Waste Collecting in Metropolitan Melbourne

The Metropolitan Waste and Resource Recovery Group (MWRRG) are developing a leading practice guideline for hard waste collection and processing for Metropolitan Melbourne Councils.

As part of this a survey of the thirty one Melbourne Councils was commissioned in December 2014. The following was found from the survey;

- 65% of Councils provide an at call service, 26% provide a schedule service and 9% provide a combination.
- 68% of Councils collect hard waste from the naturestrip, 19% collect from inside the property and 13% allow either location.
- 81% of Councils engage contractors to undertake the collection whilst 19% utilise in house services.
- Most Councils have a hard waste quantity limit of between 2-3 cubic metres per property per collection, whether scheduled or at call service
- Most Councils collect white goods, green waste, timber, furniture, mattresses, metals, glass, e-waste and general household goods but generally do not collect building waste, gas bottles, paints and car parts/tyres.
- There is variability in the extent of material that is recycled with most Councils recycling white goods, furniture, mattresses, metals and e-waste.
- The most common difficulties experienced relate to;
 - Coping with demand at peak times.
 - Compliance with quantity limits and acceptance criteria.
 - The change from an area wide to an at call service results in initial reduced satisfaction.
 - Other residents adding to booked collections.
 - Recovery from collected material limited by the available processing facilities ability to separate the product and also by available markets.
 - Compliance monitoring and enforcement where material has been put out inappropriately.
 - Scheduled collections create a culture of putting anything out.
 - Scavenging/pile tampering.
 - Dumped rubbish or inappropriately placed hard rubbish.

8.5 Review of at Call Hard Waste Service (cont'd)

2.6 Other Councils' experience – non-metropolitan municipalities

Feedback was also sought from Latrobe City Council in response to a Knox resident's request for further information regarding their hard waste service. Advice received is that there are two components to their service, being:

- Two booked collections undertaken in May and December each year at a fee of \$20 per collection (\$10 for pensioners). The take-up for this service is approximately 400-500 bookings, allowing one to two weeks to collect.
- Two drop-off weekends at the Council-operated transfer station in March and October each year. This service is provided at no additional fee or rates cost and attracts approximately 2,000 patrons per weekend.

Research of other non-metropolitan Councils' hard waste services indicates a diverse range of models, including;

- No hard waste collection service, ie residents responsible for disposal of their own hard waste
- Provision of transfer station vouchers, included with the annual rates notice
- Area-wide scheduled hard waste service, either once or twice a year
- Booked services (at call), with the servicing cost either included in the General Residential Rate or at an additional user-pays fee, or both
- Combination of the above services

The non-provision of a dedicated hard waste service can lead to an increase in the illegal dumping of household items on Council land, and may also result in unwanted material being stored, buried or burned on private property. This model would constitute a withdrawal of service for Knox residents if pursued.

The issuing of transfer station vouchers for the disposal of hard waste involves additional administrative tasks not currently resourced within Council. Free drop-off weekends at the transfer station would require significant additional staff resources of the facility operator, and both services create access difficulties for elderly, frail and mobility-impaired residents and those without access to private transport, trailers or utility vehicles for larger items.

Booked hard waste services provided on a fee for service basis (user-pays) also requires additional resourcing currently not within Council. This model may also create a perception that Council is charging its residents additional costs for a previously included part of the waste service, even if the General Residential Rate was reduced as a result.

The experience of other municipalities is generally that single-method uncomplicated hard waste services provide residents with a more user-friendly service, with fewer issues experienced by the Council collection crew or service provider. Some of the Councils indicated that they were aiming to transition to a more simplified model for their hard waste service in the next few years.

8.5 Review of at Call Hard Waste Service (cont'd)

2.7 Possible improvements to the at call hard waste service

Based on stakeholder feedback and in an effort to continually improve Council's waste services in line with the intent of the contract, the following enhancements are proposed for the hard waste service:

- Maintain collection for 52 weeks of the year in lieu of stopping for two weeks between Christmas and New Year, as was done in 2014/15.
- Collection contractor to note properties that have hard waste out. Council to generate booking for that property and if not already booked will be added to the bookings list. Letter to be sent to property advising that the hard waste will be cleared and will count as a booking against that property. For unit developments the booking may count against all properties unless the offending unit is identified.
- Council to generate booking against property if complaint received of hard waste being out for longer than two weeks and no booking has been made. Letter to be sent to property as listed above.
- Refine procedure for dealing with residents who place hard waste out without a booking, or leave non acceptable material out.
- Booking confirmation letter to be amended to advise resident; if this is the first or second hard waste booking for the property for the financial year; confirm the booking week begins on a Monday and that material must not be placed out more than two days prior to that date; and indicate that booked collections cannot be cancelled.

3. CONSULTATION

Consultation was undertaken with the Waste Management, Customer Service, Local Laws and Operations Departments at Knox City Council, Waste Officers at Casey, Latrobe, Maroondah and Whitehorse City Councils and WM Waste Management Pty Ltd, who are contracted to provide the hard waste service at Knox Council.

4. ENVIRONMENTAL/AMENITY ISSUES

The collection, transport, recycling and/or disposal of hard waste from within the municipality has significant environmental and amenity issues, particularly in relation to the disposal of residual waste to landfill. Under the current contract the contractor pays for the disposal of waste when managing both the hard and green waste collections so there exists great incentives for the contractor to recover/recycle waste stream materials due to the fact that they will be obliged to pay residual disposal costs. This will result in an overall reduction in waste material going to landfill.

8.5 Review of at Call Hard Waste Service (cont'd)

5. FINANCIAL & ECONOMIC IMPLICATIONS

The hard waste service expenditure from 1 July 2014 to 30 April 2015 is \$794,202. (This consists of \$580,625 for the collection and disposal component and \$213,577 for the landfill levy component).

This equates to an estimated annual expenditure of \$1,128,388, including \$258,000 for the landfill levy. The 2014/15 budget for the hard waste service (including the landfill levy component) is \$1,417,120.

The budget allowed for in 2015/16 is \$1,287,000, which includes the landfill levy component of \$337,000. The proposed amendments to the service are not expected to have a financial impact.

The cost of the hard waste service (scheduled) in 2013/14 was \$1,256,740 including the \$312,227 landfill levy. It is expected that the cost of reintroducing a scheduled hard waste service would be substantially higher than the previous contract and the current contract for the at call hard waste collection.

6. SOCIAL IMPLICATIONS

The waste management service, including the hard waste collections provided by Council to the Knox community is viewed as very positive as is evidenced by the high community satisfaction levels achieved in the Local Government Community Satisfaction Survey prepared by the Department of Planning and Community Development and in the survey of residents conducted in the development of the Knox Waste Management Plan 2014-2021.

7. RELEVANCE TO CITY PLAN 2013-17 (INCORPORATING THE COUNCIL PLAN)

The relevant City Plan objective falls within the theme of Vibrant and Sustainable Built and Natural Environments with the objective being *'The changing needs of a diverse community are supported through planned growth and change in housing and infrastructure that respects both built form and natural systems, as well as resource availability'*.

The indicators for this objective relate to household waste management, in particular household waste generation and household waste recycling.

The provision of Council's hard waste service, has the objective of reducing waste being disposed to landfill through the recovery and re-use of waste items.

8.5 Review of at Call Hard Waste Service (cont'd)

8. CONCLUSION

Council adopted the current Waste Management Plan 2014-2021 in October 2013, which identified service changes to the non-bin based waste collection service including the change to an at call hard waste service.

A tender was subsequently awarded by Council in March 2014 to WM Waste Management Services Pty Ltd for the Non Bin Based Hard (at call) and Green Waste Service from 1 July 2014 to 30 June 2015 with the option of 3 x 12 month extensions at Council's discretion.

An assessment has been undertaken of the effectiveness of the at call hard waste service through consultation with the stakeholders involved in provision of the service, other Councils that have changed from a scheduled to at call service and from the feedback received through Council's Pathways CRS.

The booking and collection service has been in operation for ten months and is performing very well based on advice from the various Council Departments involved in providing the service and Council's hard waste collection contractor.

An extensive education campaign was undertaken to inform residents of the change. Despite this, Council is experiencing occurrences of hard waste being placed out without a booking being made and improvements to the service in dealing with such occurrences are proposed.

The experience of other Councils that have changed from a scheduled to an at call service is that there was an increase in complaints within the first twelve to twenty four months mainly relating to the perception that hard waste is out all the time.

Both the previous scheduled service and the at call service have issues. With the scheduled service there was inflexibility with collections to suit residents and this resulted in frequent instances of early placed material sitting on naturestrips for more than the 26 weeks the service was operating.

Commercial scavengers knew the schedule and operated in concentrated areas picking-up metals for profit to the detriment of the service provider and the community who were often disturbed at night and on weekends when they took materials. This also had the effect of messing-up neat piles, making whole neighbourhoods look unattractive.

As a contrast, the at call service provides Knox residents an opportunity to dispose of their hard waste when it suits them, however this means that at any given time there may be hard waste legitimately placed out awaiting collection.

Various service and process enhancements have been identified to assist in the management of unbooked hard waste and appropriate use of the new service by residents, and it is anticipated that these can be incorporated into normal business without additional Council expenditure.

8.5 Review of at Call Hard Waste Service (cont'd)**9. CONFIDENTIALITY**

There are no confidential issues associated with this report.

COUNCIL RESOLUTION

MOVED: CR. ORPEN

SECONDED: CR. MORTIMORE

That Council:

1. Receives and notes this Call Up Item report as resolved by Council on 24 March 2015 in relation to Council's Hard Waste Service;
2. Implement the service changes and process improvements identified in this report in relation to the management of hard waste;
3. Continue to promote Council's Hard Waste Collection Service to new property owners and occupiers by providing information in the Council's New Resident's Kit and to provide relevant information to new tenants through the provision of information to local real estate agents;
4. Provide the option of providing for a group booking and collection service for retirement villages and multi-unit developments where a Centre Management, Body Corporate or Owners Corporation is in place; and
5. Receive a further report in August 2016 that assesses the effectiveness of the At Call Hard Waste Collection Service introduced in July 2014, including any recommendations for further service enhancement.

CARRIED

Hard Waste Bookings

2014 - 2015

As of the 1st July 2014, Council adopted a 'Booked Hard Waste Service'.

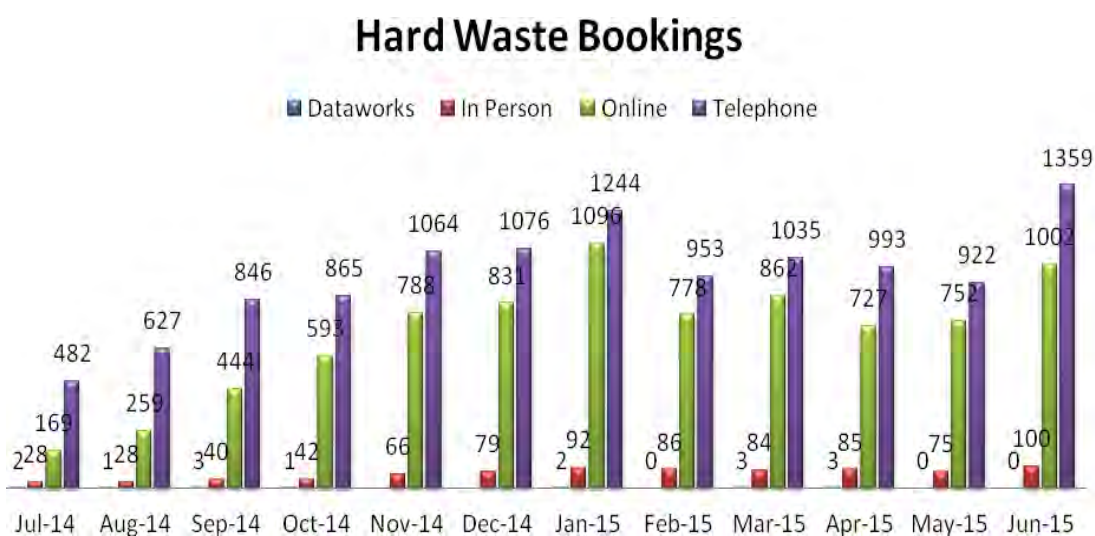
Customers can now request a 'Booked Hard Waste Service', either by phone into our 'Contact Centre', in person at our 'Service Centres', electronically through our 'Online Services' or emailed directly to our generic email address.

During 1st July 2014 – 30th June 15, Customer Service has actioned **20,584** Hard Waste Booking Requests.

How are we receiving these Requests?

Customers are choosing to proceed with their bookings in the following ways:

- Phone into our Contact Centre: 56%
- Lodge a request online – 40%
- In Person at our Service Centres: 3.9%
- Email or write in: 0.1%



Hard Waste Bookings

2014 - 2015

Which Suburbs have utilised the Service?

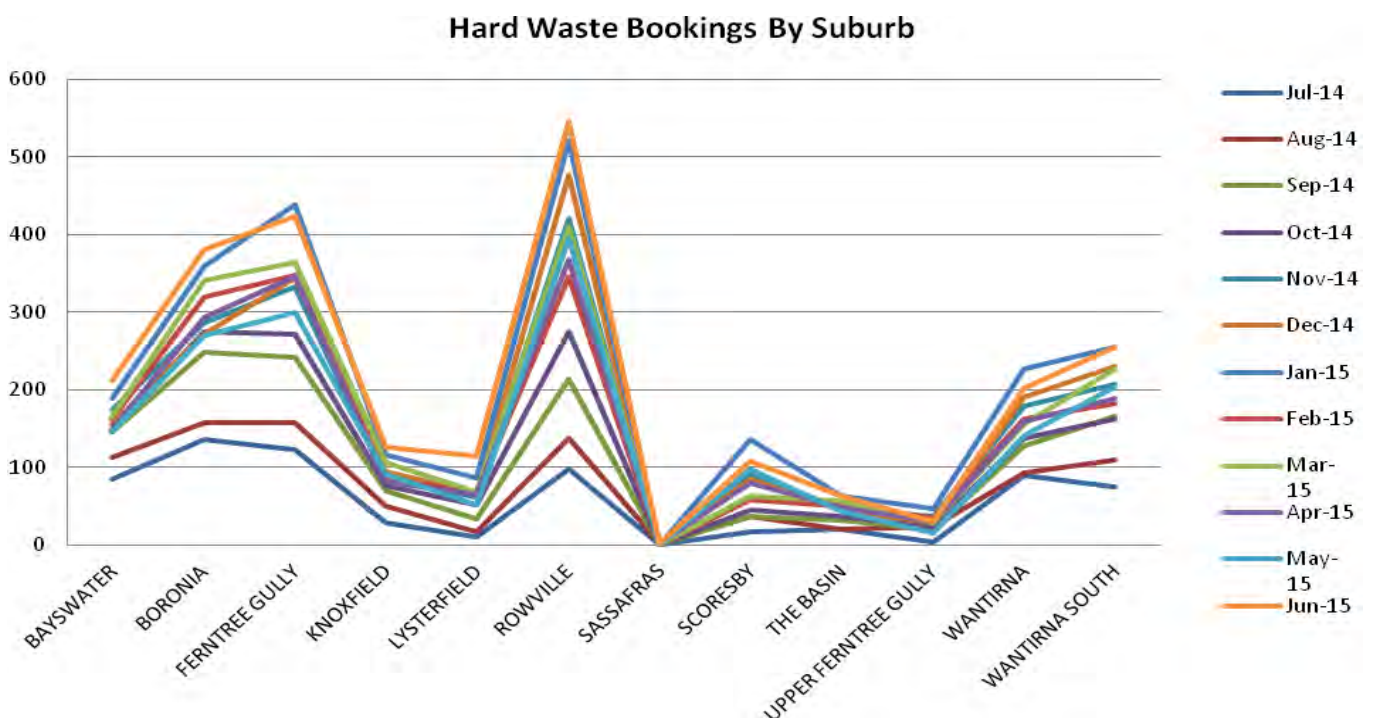
Bookings have been lodged across all Suburbs in Knox. The top 3 suburbs are:

- Rowville – 20.4%
- Ferntree Gully – 17.9%
- Boronia – 16.2%

The Suburbs that have lodged the least amount of bookings are:

- Sassafras – 00.1%*
- Upper Ferntree Gully – 1.5%
- The Basin – 2.5%
- Lysterfield – 3.4%

**This may be proportional to the size of the Suburb.*



Hard Waste Bookings

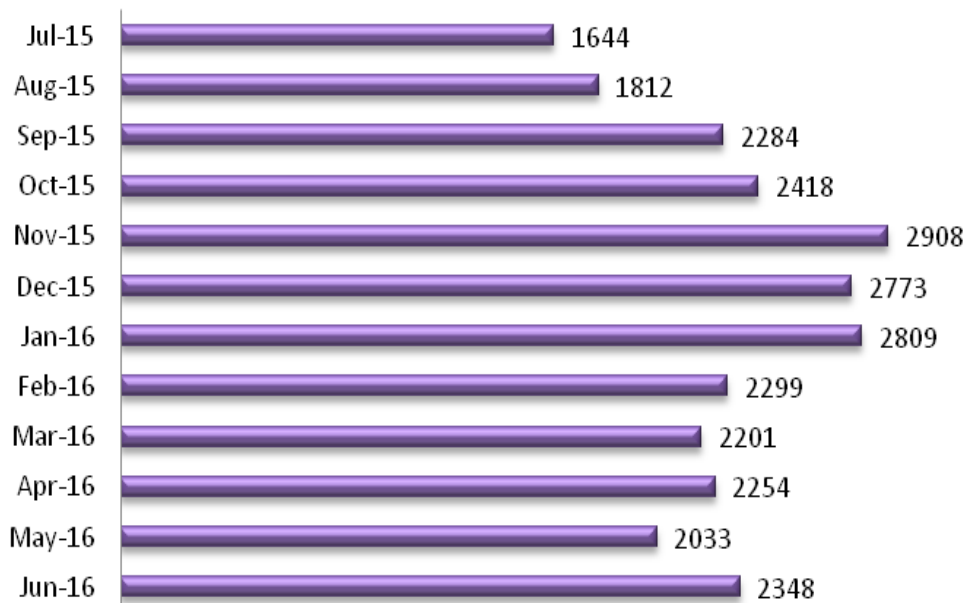
2015 - 2016

As of the 1st July 2014, Council adopted an 'At Call - Booked Hard Waste Service'.

Customers can now request a 'Hard Waste Service', either by phone into our 'Contact Centre', in person at our 'Service Centre', electronically through our 'Online Services' or emailed directly to our generic email address.

In the 2015 – 2016 Financial Year, Customer Service has actioned **27,783** Hard Waste Booking Requests. November, December and January were the peak times for Hard Waste Bookings.

Hard Waste Bookings By Month 2015 - 2016



Hard Waste Bookings

2015 - 2016

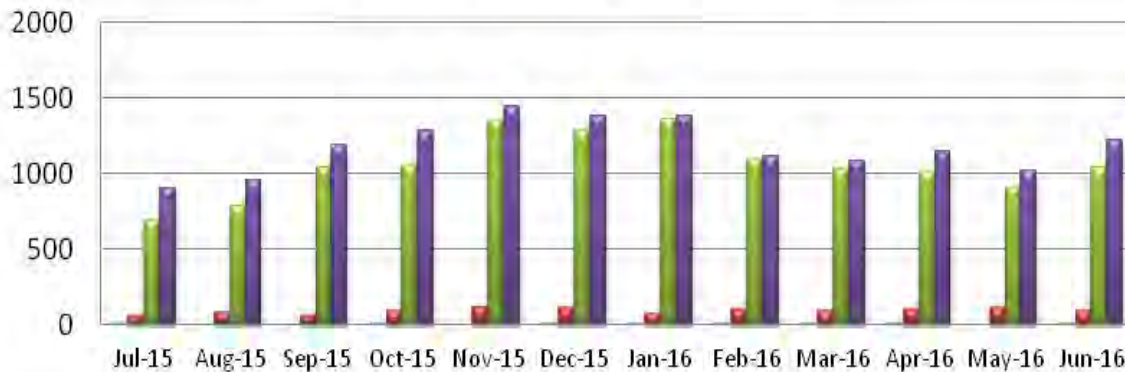
How are we receiving these Requests?

Customers are choosing to proceed with their bookings in the following ways:

- Phone into our Contact Centre: 51%
- Lodge a request online – 45%
- In Person at our Service Centres: 4%
- Email or write in: 0.1%

We are pleased with the up-take of the online booking option. These requests are processed by the Customer Service Team.

Hard Waste Bookings By Contact



	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Dataworks	1			1		1	2	1	1	3	0	4
In Person	65	77	63	90	118	112	72	102	89	103	113	96
Online	683	785	1034	1049	1347	1281	1362	1086	1026	1006	903	1034
Telephone	895	950	1187	1278	1443	1379	1373	1110	1085	1142	1017	1214

Hard Waste Bookings

2015 - 2016

Which Suburbs have utilised the Service?

Bookings have been lodged across all Suburbs in Knox. The top 3 suburbs are:

- Rowville – 21%
- Ferntree Gully – 18%
- Boronia – 15%

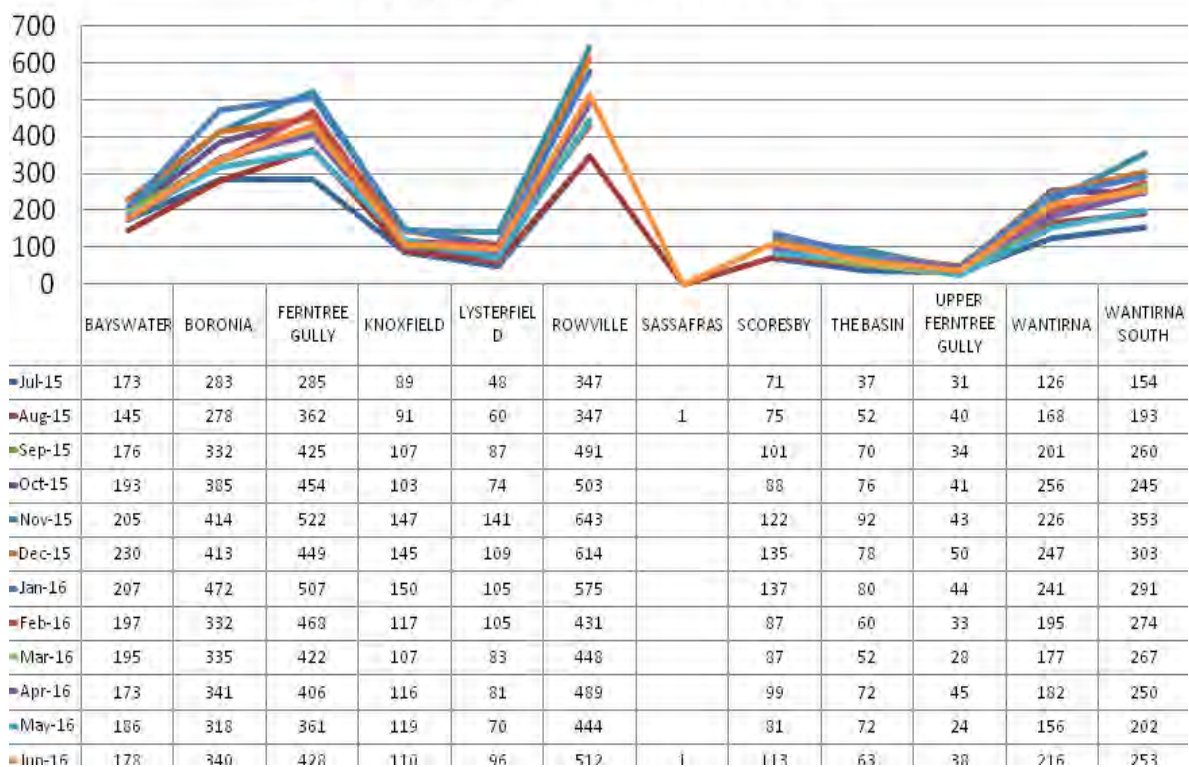
The Suburbs that have lodged the least amount of bookings are:

- Sassafras – 00.1%*
- Upper Ferntree Gully – 2%
- The Basin – 3%
- Lysterfield –4%

**This may be proportional to the size of the Suburb.*

These figures show very minimal percentage change within the same suburbs as the 14/15 Financial Year.

Hard Waste Bookings By Suburb



Review Of At Call Hard Waste Service

CUSTOMER RESPONSE REQUESTS FOR HARD WASTE SERVICE

2014/2015														
Request Type Code	Request Type Description	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
COM004	Waste - Complaints Hard Waste	2	2	4	3	2	16	13	13	8	18	17	7	105
COM010	Waste - Hard Waste out too early or too late	18	24	36	49	34	48	34	48	48	54	62	35	490
MSS005	Missed Hard Waste	1	1	4	7	16	14	35	35	55	18	17	2	205
COM016	Waste Compliments - WM Waste Management	2	1	1	1	3	1	4	2	1	3	4	5	28

2015/2016														
Request Type Code	Request Type Description	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
COM004	Waste - Complaints Hard Waste	3	1	13	3	5	3	1	2	3	8	5	4	51
COM010	Waste - Hard Waste out too early or too late	43	36	28	53	29	40	43	43	35	30	38	46	464
MSS005	Missed Hard Waste	6	2	5	6	3	6	3	5	1	2	1	7	47
COM016	Waste Compliments - WM Waste Management	5	3	1	2	3	2	0	2	0	0	1	2	21



Residential Hard Waste Collection Booking Confirmation

Your collection week begins Monday:

Booking reference number:

- This is the first second hard waste booking for this property in the current financial year, (max 2 bookings per financial year)
- Hard waste **MUST NOT** be placed out more than 2 days prior to the above date and will be collected within 5 days, possibly using different collection trucks
- Please place the enclosed sticker in a prominent position on your pile facing the street to identify it is booked
- Missed collections must be reported to Council by the Friday following your collection week
- If items are not out in time the booking will be forfeited
- Booked collections cannot be cancelled



YES ITEMS ✓



Household furniture



Carpet (rolled up)



Metal tools and equipment



Washing machines, stoves and fridges with doors removed



Scrap iron, other waste metals and old empty tins with lids removed



Mattresses (base counts as a mattress) – **limit of 2**

- Timber (max 10 pieces)
- Tree stumps (max 1.5 metres long and 30kg in weight)
- Pottery and ceramics
- Sheet glass and mirrors (securely wrapped and labelled as glass)

- All household appliances
- Empty paint tins, drums and metal tanks with lids removed
- Roofing iron and guttering (max 1.5 metres long)

NO ITEMS ✗



NO asbestos, oil, paint, batteries, liquid waste, chemical or hazardous waste



NO car, truck, tractor or motorbike tyres, batteries or parts



NO green waste, except tree stumps (max 1.5 metres long and 30kg in weight)



NO building, renovation or demolition material

- **NO** household garbage or recyclables
- **NO** gates, fencing or pallets
- **NO** bricks, concrete, sand, rubble, excavation material, roof or ceramic tiles
- **NO** gas bottles, fuel containers, gyprock, plaster or cement sheets

Items must not exceed 30kg each and must not be longer than 1.5 metres (except for mattresses and whitegoods). Items must be able to be lifted to shoulder height by two people and must fit into the collection truck. **NO industrial, business or commercial quantities accepted.**

For further information, please call Council on 9298 8000 and quote your booking reference number.

ALL WARDS**4. KNOX BASKETBALL COST BENEFIT REPORT**

SUMMARY: *Manager Youth Leisure & Cultural Services
(Peter Gore)
Manager – Financial Services (Dale Monk)*

This report is re-presented following the resolution from the 24 July 2017 Council meeting to defer this matter to the Strategic Planning Committee meeting on 14 August 2017.

This report is in response to Notice of Motion number 63 tabled at the 22 May 2017 Council meeting. The Notice of Motion requested a cost benefit report for the July Ordinary meeting detailing the actual cost to Council for providing both the State Basketball Centre and the Boronia Stadium to the Knox community. This same report should detail the balance in the Capital Improvement Funds (sinking funds) for both Boronia and the State Basketball Centre, the amount of money collected from Knox Basketball Inc on an annual basis for the last 3 years, and where this money was used; whether it was reinvested back into basketball, reallocated to benefit recreational sport in Knox more generally, or whether basketball revenue has been consolidated into “general revenue”.

RECOMMENDATION

That Council notes the current role of Basketball in Knox and its cost benefit to the Knox community.

1. INTRODUCTION

At Council meeting 22 May 2017 Council resolved the following, that Council:

- A) Acknowledges the contribution local basketball makes to the physical, social and emotional wellbeing of the Knox community and to job creation for youth of Knox;
- B) Acknowledges basketball as a principal recreational sport in the Knox Municipality with a strong domestic competition at both junior and senior levels, a strong representative basketball participation and the fact that the State Basketball Centre located in Knox is home to Basketball Australia, Basketball Victoria and the WNBL Melbourne Boomers;
- C) Acknowledges that the State Basketball Centre at the Knox Regional Sports Park is the premier basketball venue in Victoria and is the home of basketball in Australia;

4. Knox Basketball Cost Benefit Report (cont'd)

- D) Commits to supporting the continued growth of the basketball at all levels, prioritising grassroots participation and inclusion through the provision of contemporary facilities that meet community needs;**
- E) Acknowledges ageing infrastructure at the Boronia Stadium and whilst a review is undertaken as to the future of existing facilities allows Knox Basketball Inc to use the funds from the 2016-17 contribution to the Boronia Capital Improvement Fund (approximately \$27,000) to make minor functional &/or aesthetic improvements to Boronia Basketball Stadium;**
- F) Note it owns outright the Boronia Stadium and State Basketball Centre facilities, specifically noting the original loan for the State Basketball Centre has been repaid in full and the facility is unencumbered;**
- G) Receives a cost benefit report for the July Ordinary meeting detailing the actual cost to Council for providing both the State Basketball Centre and the Boronia stadium to the Knox community. This same report should detail the balance in the Capital Improvement Funds (sinking funds) for both Boronia and the State Basketball Centre, the amount of money collected from Knox Basketball Inc on an annual basis for the last 3 years, and where this money was used; whether it was reinvested back into basketball, reallocated to benefit recreational sport in Knox more generally, or whether basketball revenue has been consolidated into "general revenue";**
- H) Reaffirms its fundamental belief in a quadruple bottom line approach to the provision of sport and recreation infrastructure in Knox, where primary use of facilities supports grassroots participation through localised domestic competition that is age, gender and ability inclusive and adds significant value to the wellbeing of Knox residents.**

This report is provided in response to this Council decision.

Basketball in Victoria represents over half of Australia's playing population (200,000 participants) with 50% of those based in Melbourne's eastern suburbs. Basketball Victoria have recorded a 4% annual growth in participation since 2001.

Basketball is the fifth most popular sport (Roy Morgan Australian Sports Participation Rates in 2014) in terms of activities by regular participation rates.

4. **Knox Basketball Cost Benefit Report (cont'd)**

Currently Knox City Council is the primary provider of basketball infrastructure for the Knox community through the State Basketball Centre (6 courts), Boronia Basketball Stadium (6 courts) and the Rowville Community Centre (2 multipurpose courts). The State Basketball Centre is considered a pivotal centre for basketball in Australia as it is home to both Basketball Australia and Basketball Victoria as well as the WNBL Melbourne Boomers.

As reported by Knox Basketball Inc. they currently have over 10,000 domestic players and support 16 domestic clubs with over 1,000 domestic teams. The basketball infrastructure in Knox experiences over 750,000 visitations per year.

Council is currently undertaking the development of a Basketball Plan to assist with strategic planning for basketball in Knox and its anticipated growth.

2. DISCUSSION

Knox Basketball Inc. currently has three Agreements with Council for occupancy of Council facilities:

- State Basketball Centre (stadium and office space); and
- Knox Basketball Stadium (Boronia).

The Licence for the **State Basketball Centre (Stadium)** has the following key terms:

- Commenced in June 2012;
- Licence term is for 15 years, an initial term of 5 years with two further term options of 5 years each (currently year 6);
- Rental fee of \$254,000 (plus GST) per year for the first year indexed by CPI each year thereafter (currently \$274,409.73 plus GST); and
- A financial contribution to an asset improvement fund of \$75,000 per year for the first two years, \$100,000 per year for the next two years. From year 5, the contribution to the asset renewal fund is \$100,000 indexed annually by CPI.

The Lease for the **State Basketball Centre (office space)** has the following key terms:

- Commenced in June 2012;
- Lease term is for 15 years, an initial term of 5 years with two further term options of 5 years each (currently year 6); and
- Rental fee of \$22,000 (plus GST) per year.

4. Knox Basketball Cost Benefit Report (cont'd)

The Lease Agreement for **Knox Basketball Stadium (Boronia)** has the following key terms:

- Commenced in January 2007;
- Lease term was for 15 years, an initial term of 5 year with two further options of 5 years each (currently in year 11);
- Rental fee of \$72,000 (plus GST) per year indexed by CPI each year (currently \$86,703.12 plus GST and this includes a discount of 5% to reflect compensation for building condition).
- A financial contribution to an asset improvement fund of \$20,000 (plus GST) per year, indexed by CPI (currently \$24,361.58 plus GST).

3. CONSULTATION

Consultation has occurred with key Council Services that provide support to the State Basketball Centre and Knox Basketball Stadium. Furthermore, consultation was carried out with Knox Basketball Inc. to discuss the community benefit of Knox Basketball Inc's operations and the current cost of the stadiums to Council.

4. ENVIRONMENTAL/AMENITY ISSUES

There are ongoing capital works programs to renew and improve infrastructure at both the State Basketball Centre and Boronia Stadium. Examples of this work includes drainage upgrades and improved fixtures and fittings for facilities.

The Basketball Plan will identify further needs and opportunities for basketball infrastructure within the City.

5. FINANCIAL & ECONOMIC IMPLICATIONS

Council's operational costs, inclusive of depreciation, labour costs and interest paid on borrowings associated with significant capital works, as well as rental income (excluding financial contributions to asset improvement funds) for the last three years for the two stadiums are as follows:

4. Knox Basketball Cost Benefit Report (cont'd)

Table 1

	<u>State Basketball Centre</u>			<u>Boronia Basketball Stadium</u>		
	2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
Rental Income	\$315,834	\$319,950	\$329,653	\$93,320	\$94,719	\$43,158
Operational Costs	\$1,192,372	\$1,157,241	\$2,256,104	\$226,519	\$246,382	\$239,734
Council Contribution	\$876,538*	\$837,291*	\$1,926,451*	\$133,199	\$151,662	\$196,576

*includes interest payments

Detailed financial summary is provided in Appendix A and B for each stadium.

The balance of Asset Renewal (Boronia) and Capital Improvement (SBC) funds (Sinking Funds) as at 30 June 2017 are:

- Boronia Basketball Stadium Improvement Fund \$99,798 (reflects return of 2016-17 contribution as per Council notice of Motion 63 section E); and
- State Basketball Centre Improvement Fund \$288,826. The Fund has received contributions of \$325,000 with \$36,167 invested in air-conditioning works in 2015-16. A financial contribution has not been received for 2016-17.

To fund significant capital works at the Knox Regional Sports Park, two loans were taken out totalling \$12.804M. 87% of these works relate to the State Basketball Centre and therefore borrowings have been apportioned accordingly:

- \$10.200M: 15 year loan commencing 3 June 2011; and
- \$2.604M: 15 year loan commencing 18 June 2012.

Council made the strategic decision to repay these loans in September 2016, given the low rate of return on cash holdings and the interest rate on loan borrowings.

4. Knox Basketball Cost Benefit Report (cont'd)

All financial proceeds from Knox Basketball Inc.'s tenancy agreements are 100% invested into Basketball including rental income and capital contributions. As indicated in the detailed financial breakdown in Appendix A and B, all income received by Council from the tenancy agreements for both basketball stadiums is directed toward recovering the costs associated with Council's operational activities in managing the agreements for the basketball stadiums. In addition, Council makes a financial contribution to both stadiums on an annual basis as outlined in Table 1 on page 3 of this report. This supports proactive and reactive maintenance, strategic planning, compliance of essential safety measures, insurance, infrastructure depreciation, contract administration and, up until 2016-17, interest on loan repayments for the initial capital cost of constructing the State Basketball Centre.

6. SOCIAL IMPLICATIONS

While Council has run at an operating deficit to support basketball infrastructure in Knox, there is a significant community benefit in providing courts for approximately 10,000 participants to take part in Knox basketball competitions. This includes improvement to the health and wellbeing of our community and the provision of opportunity for social interaction and community development. Participation in sports develops healthy living habits, and provides physical benefits such as developing coordination, physical fitness and strength.

7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021

The Knox Community and Council Plan 2017-2021 identifies a number of goals and strategies relevant to the role of Basketball in Knox, as outlined below:

- **Goal 6. We are healthy, happy and well**

Strategy 6.2 Support the community to enable positive physical and mental health.

- **Goal 7. We are inclusive, feel a sense of belonging and value our identity**

Strategy 7.3 Strengthen community connections.

- **Goal 8. We have confidence in decision making**

Strategy 8.1 Build, strengthen and promote good governance practices across government and community organisations.

Strategy 8.2 Enable the community to participate in a wide range of engagement activities.

4. Knox Basketball Cost Benefit Report (cont'd)

Council's ongoing support for basketball infrastructure in Knox supports Knox Basketball Inc's operations to provide a viable basketball competition training and social opportunities and improve health and wellbeing outcomes for the community.

8. CONCLUSION

In response to the Notice of Motion 63 officers have undertaken a review of the financial impact of the stadiums and have identified that Council provides significant financial contribution to Knox Basketball Inc.

This contribution enables proactive and reactive maintenance, strategic planning, compliance with essential safety measures, infrastructure depreciation and contract administration and up until 2016-17, interest on loan repayments for the initial capital cost of constructing the State Basketball Centre.

While Council subsidises the infrastructure at the State Basketball Centre and Knox Basketball Stadium (Boronia), the community benefits of promoting and enabling active sport are significant and support people of all ages and abilities.

9. CONFIDENTIALITY

There are no confidential matters associated with this report.

Report Prepared By: *Manager Youth Leisure & Cultural Services (Peter Gore) and Manager Financial Services (Dale Monk)*

Report Authorised By: *Acting Director – Community Services (Kathy Parton)
Acting Director – Corporate Development (Kim Rawlings)*

Knox City Council*
3 - COMMUNITY SERVICES
16 - MGR YOUTH, LEISURE & CULT. SERV
99. LEISURE SERVICES
STATE BASKETBALL STADIUM
Income/Expense Account Details

Income/Expense Account	2014/15 Annual Actual	2015/16 Annual Actual	2016/17 Annual Actual
Income			
0412. EXTERNAL CONTRACT INCOME - TAXABLE	(314,371)	(319,080)	(326,591)
0901. REIMBURSEMENTS - GST FREE	(1,462)	(870)	(3,062)
Total Income	(315,834)	(319,950)	(329,653)
Expenditure			
3028. FIRE SERVICES	15,434	13,291	12,858
3031. CATERING	647	594	82
4006. CONTRACTS	4,925	4,387	9,296
4143. P/L & P/I INSURANCE OVERHEAD	36,096	32,530	32,530
4151. FINANCE/ACCOUNTING SERVICE OVERHEAD	312	658	81
4801. ROUTINE MAINTENANCE	772	501	1,243
4802. VANDALISM	93	0	1,969
4803. UNSCHEDULED REPAIRS	24,813	40,788	25,893
5302. WATER	2,497	1,812	3,148
5304. GAS	0	0	7,104
5305. SEWERAGE	6,896	2,717	0
DEPRECIATION - State Basketball Stadium	340,254	340,254	340,254
LABOUR COSTS	31,992	31,992	31,992
INTEREST PAID - ANZ (87.9%)	120,928	114,247	225,105
INTEREST PAID - WESTPAC (87.9%)	606,712	573,471	1,564,550
Total Expenditure	1,192,372	1,157,241	2,256,104
Grand Total	876,538	837,291	1,926,451
SBC Asset Renewal Reserve - Balance @ 1-7-14	(75,000)		
1411. LOCAL CONTRIBUTIONS - GST	(150,000)	(100,000)	0
5506. OPERATIONAL GRANTS	0	36,174	0
Grand Total	(150,000)	(63,826)	0
SBC Asset Renewal Reserve - Balance @ 30-6-17			(288,826)

Knox City Council*
3 - COMMUNITY SERVICES
16 - MGR YOUTH, LEISURE & CULT. SERV
99. LEISURE SERVICES
BORONIA BASKETBALL STADIUM
Income/Expense Account Details

Income/Expense Account	2014/15 Annual Actual	2015/16 Annual Actual	2016/17 Annual Actual
Income			
0601. PROPERTY RENTAL INCOME - TAXABLE	(93,320)	(94,719)	(43,158)
Total Income	(93,320)	(94,719)	(43,158)
Expenditure			
3028. FIRE SERVICES	1,023	483	371
4006. CONTRACTS	250	0	0
4143. P/L & P/I INSURANCE OVERHEAD	19,476	17,550	17,550
4151. FINANCE/ACCOUNTING SERVICE OVERHEAD	0	59	70
4801. ROUTINE MAINTENANCE	3,063	2,483	2,285
4802. VANDALISM	336	1,073	264
4803. UNSCHEDULED REPAIRS	14,037	36,400	30,860
DEPRECIATION - Knox Basketball Stadium	153,299	153,299	153,299
DEPRECIATION - Water Tank	3,042	3,042	3,042
LABOUR COSTS	31,992	31,992	31,992
Total Expenditure	226,519	246,382	239,734
Grand Total	133,199	151,662	196,576
Basketball Stadium Reserve - Balance @ 1-7-14	(52,905)		
1411. LOCAL CONTRIBUTIONS - GST	(23,096)	(23,797)	0
Basketball Stadium Reserve - Balance @ 30-6-17			(99,798)

5. MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN**6. SUPPLEMENTARY ITEMS****7. URGENT BUSINESS****7.1 URGENT BUSINESS****7.2 CALL UP ITEMS**