

# **Budget Accommodation in Mildura Rural City Council**

- **The development of a local planning policy for budget accommodation premises**

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## Introduction

In early February 2000 Mildura Rural City Council commissioned the town planning consultant firms of *Keaney Planning and Research Pty Ltd* and *O'Neil Pollock and Associates Pty Ltd* to undertake an investigation of planning and siting issues related to *backpacker* premises.

The aim of the investigation was to prepare a planning scheme amendment which would articulate a new local planning policy framework to guide Council, and the development community, in decision making when considering future applications for the establishment of backpacker premises.

The study methodology adopted for the project included the following tasks:

### Stage 1. Background Research

- Desktop review of relevant VCAT decisions on backpackers premises.
- Desktop review of any other policies (if available) from other Councils (ie Port Phillip).
- Briefing from Council and consideration of particular issues relating to Mildura including industry pressures, tourist pressures, and typical resident/community concerns.
- Consultation / Interviews with relevant operators and agencies.
- Consultation with DOI.
- Identification of all relevant issues.

### Stage 2. Preparation of Planning Scheme Amendment Documentation

- Consideration of the Strategic Assessment Guidelines of DOI for a new amendment.
- Consideration of DOI Practice Note on preparing an amendment to a new format planning scheme.
- Preparation of modified Municipal Strategic Statement
- Preparation of new Local Planning Policy
- Council report and resolution
- Preparation of all necessary documentation for amendment
- Exhibit amendment

This report is presented in two sections in reflection of the project methodology.

Initially, in the first section of the report, national, state and regional backpacker overviews are presented in order to identify key trends and issues relating to the backpacker tourism market that may have implications for Mildura and the future supply of budget accommodation in the region. Secondly, trends in the supply of *budget accommodation* are reviewed at a national and regional level in order to identify possible planning considerations and responses. It is important to note that the study has been broadened beyond its original scope in order to enable the consideration of the wider array of accommodation premises (such as budget motels) which, upon investigation were found to have similar land use and development considerations for the municipality.

The second section of the report contains proposed planning scheme amendment documentation for the consideration and possible action by Council. The recommended amendment includes inserts into Council's Municipal Strategic Statement at Clause 21 of its Planning Scheme and the insert of a new Local Planning Policy at Clause 22 of the scheme.

# **Section 1**

## **Background Research**

## 1. BACKPACKER OVERVIEW

### 1.1 Backpackers Defined

The term 'backpacker', believed to have originated in Australia during the early 1980s, was coined to describe the many people touring the country with their luggage in a backpack. Backpacking is an approach to travelling and holidays, rather than a categorisation based on age or dollars spent.<sup>1</sup>

A criteria<sup>2</sup> for distinguishing backpackers from other travellers, which has now gained general acceptance, comprises five key elements as follows:

- 1 a preference for budget accommodation;
- 2 an emphasis on meeting other travellers;
- 3 an independently organised and flexible travel schedule;
- 4 longer rather than very brief holidays; and
- 5 an emphasis on informal and participatory holiday activities.

For statistical purposes, the *Bureau of Tourism Research*<sup>3</sup> defines backpackers as:

*“A short-term international visitor to Australia, 15 years of age or older, who stayed for at least one night of their trip in a backpacker hotel or youth hostel.”*

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<sup>1</sup> Tourism Product Development Section, Sport and Tourism Division, Department of Industry, Science and Resources, CANBERRA

<sup>2</sup> Presented in, *The Backpacker Phenomenon*, by Professor Philip Pearce

<sup>3</sup> Bureau of Tourism Research (BTR) *International Visitor Survey (Quarterly)*

## 1.2 National Backpacker Overview

Over the last decade or so, backpacking in Australia has grown rapidly in size and significance, and has become an important sector of Australia's tourism industry. Backpackers now account for approximately 10% of all tourists to Australia. Backpackers spend, on average, twice as much as any other international tourist.

The travel patterns of backpackers are typically wide-ranging with backpackers seeing more of Australia than other types of traveller. In 1995–96 two-thirds of backpackers visited between 1 and 5 States or Territories in Australia while the average for all international travellers was 2 States or Territories. Backpackers are particularly important to regional economies around Australia. In some parts of regional Australia they make up more than half of all international visitors and visitor nights. In 1995–96 backpackers visited anywhere between 1 and 52 regions compared with the average for all visitors which was 24.<sup>4</sup>

The *Bureau of Tourism Research*<sup>5</sup> reports that 354,300 international backpackers visited Australia in the 12 months to March 1999, with an average length of stay of 69 nights (compared with 23 nights for all visitors) – (refer table 1).

Because they stay for long periods, backpackers are high-spending visitors despite relatively low average daily expenditures.

According to the Bureau, backpackers' average expenditure was \$4532 in 1999. In total, to the 12 months to March 1999 backpackers spent in excess of \$1.6 billion in Australia (refer table 1).

The UK-Ireland and European countries such as Germany and Scandinavia continue to be the major sources of backpacker visitors to Australia along with USA-Canada.

**Table 1: Key National Backpacker Statistics**

	Dec-95	Dec-96	Dec-97	Mar-98	Sep-98	Dec-98	Mar-99
<b>Backpacker Total visitors</b>	227,300	248,000	306,100	314,800	344,100	336,300	354,300
<b>Backpacker Total Average expenditure</b>	3,886	4,150	3,909	3,934	3,882	4,579	4,532
<b>Backpacker \$A million Total Expenditure</b>	88.3	103.07	119.66	123.84	142.3	153.99	160.57
<b>Backpacker Average nights</b>		74	66	68	75	73	69

Source: Bureau of Tourism Research (BTR) *International Visitor Survey (Quarterly)*

Increasingly, Asian backpackers are being attracted to Australia, with 20 per cent of backpackers originating in Asia, especially Japan and Korea.

<sup>4</sup> Tourism Product Development Section, Sport and Tourism Division, Department of Industry, Science and Resources, CANBERRA

<sup>5</sup> Bureau of Tourism Research (BTR) *International Visitor Survey (Quarterly)*

Backpackers from the UK-Ireland and Japan stay longer, on average, than those from any other country (76 nights + 80 nights respectively).<sup>6</sup> The opportunity to spend time visiting family and friends (in the case of UK), as well as ease of access to the working holiday visa scheme, are considered important reasons for the longer visits by these backpackers. (Australia currently has reciprocal working holiday visa arrangements with seven countries - the UK, Ireland, the Netherlands, Canada, Japan, Korea and Malta.)

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<sup>6</sup> Bureau of Tourism Research (BTR) *International Visitor Survey (Quarterly)*

### 1.3 Victorian Backpacker Overview<sup>7</sup>

Almost half (43%) of all backpacker visitors to Australia visited Victoria during 1996. Backpacker visitors represent 11% of all international visitors to the state.

In total, 107,900 backpackers visited Victoria during 1996. Backpackers spent 2.9 million nights in Victoria, during 1996, representing 16% of all backpacker nights in Australia, up from 13% in 1993. (refer table 2)

Backpacker visitors stay considerably longer than the average international visitor. During 1996, backpackers spent 27 nights in Victoria on average, compared to the total average of 16 nights.

**Table 2: Backpacker Visitation to Victoria – 1996**

Country	Visitors	Nights (000)
New Zealand	2,870	179,000
Japan	5,650	139,000
Hong Kong	2,280	10,000
Singapore	1,370	6,000
Malaysia	1,670	18,000
Indonesia	830	100,000
Taiwan	700	15,000
Korea	3,680	17,000
USA	7,520	271,000
Canada	4,300	78,000
UK	25,050	989,000
Germany	13,900	339,000
<b>Total</b>	<b>107,920</b>	<b>2,931,000</b>

Source: Tourism Victoria (from Bureau of Tourism Research Statistics)

The largest source market was the UK with over 25,000 backpackers visiting the state. Other large markets included Germany (13,900), USA (7,500), Japan (5,600) and Canada (4,300). (refer figure 1)

UK visitors spend the longest time in the country staying almost 4 months. North America, New Zealand and European backpackers also have long length of stay.

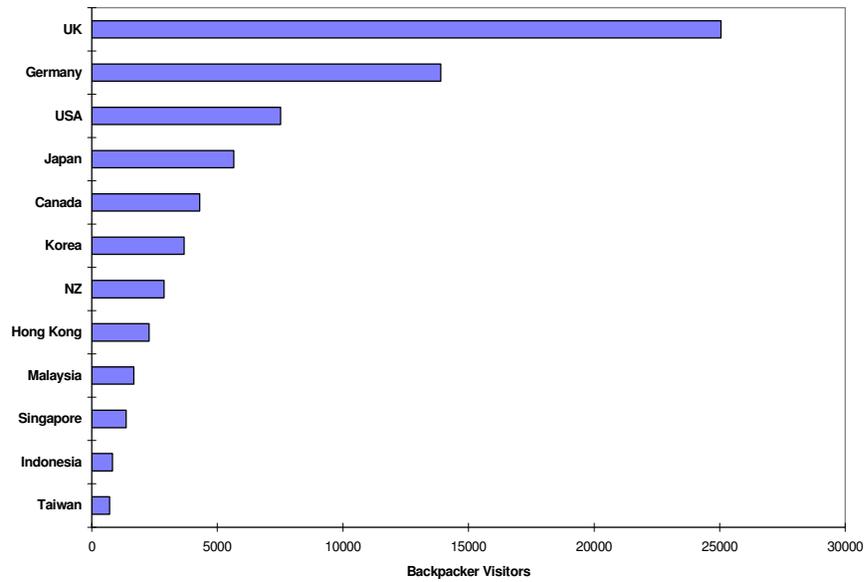
Almost half (43%) of all backpacker visitors to Australia visit Victoria during their stay. Over half (51%) of UK visitors visit Victoria and almost all (96%) Hong Kong backpackers visit the state. German (53%), Canadian (48%), Korean (43%) and USA (37%) backpackers are also likely to visit Victoria.

In 1996 backpacker visitors to Victoria spent \$1,520 on average during their stay in the state. Direct expenditure by backpackers in Victoria during this period totaled \$165.5 million.

UK backpackers spent the most in Victoria during 1996 (\$43.2m) followed by Germany, USA and New Zealand. Backpackers spent most money on food, drink, accommodation, shopping and transportation.

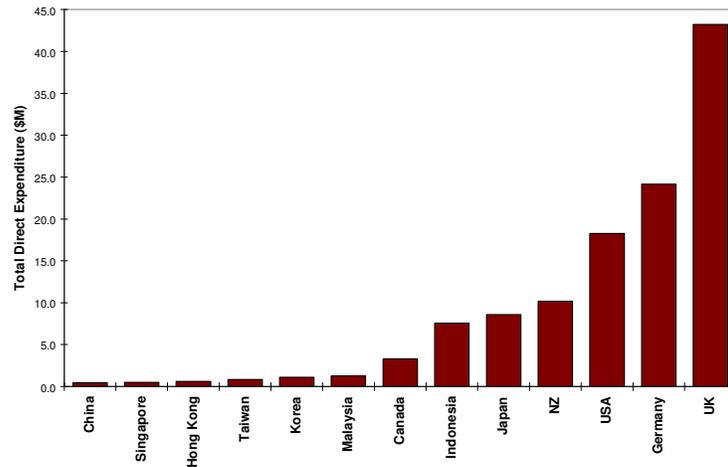
<sup>7</sup> All statistics in section 2.2 were sourced from the Bureau of Tourism Research Statistics supplied by Tourism Victoria

**Figure 1: Backpacker Visitors to Victoria 1996 – Country of Origin**



Source: Tourism Victoria (from Bureau of Tourism Research Statistics)

**Figure 2: Backpacker Expenditure in Victoria 1996 – (By Country of Origin)**



Source: Tourism Victoria (from Bureau of Tourism Research Statistics)

## 1.4 Mildura Region Backpacker Overview

As a key element of this investigation, a number of interviews were conducted in the region with budget accommodation owners/operators, and industry leaders of the horticultural industry. One of the reasons the interviews were conducted was to assist in the profiling of the regional backpacker industry in order to determine the importance of the sector to the region and to see if there are any different characteristics between Mildura and other regions. The following information was obtained through the interviews conducted.

### Estimated number and profile of backpacker visitors

- It is estimated that the backpacker population in the Sunraysia District fluctuates from 200 in the low work periods (May and September) to between 2,000 – 3,000 during the peak harvest time (February and March).
- 99.9% of backpackers are international visitors.
- It is estimated that approximately 95% of backpackers are in the region to work (only 5% are in the region exclusively as “tourists”).
- Backpackers visiting the district will by preference stay in budget accommodation (hostel, budget motel or caravan park) which is located close to the Central Business District and the amenities that such a location affords. A large percentage of backpackers will stay at a hostel, securing work through the contacts at the hostel. Many stay at the hostel until they can source free on farm accommodation in association with work. (*Refer section 2.3.1 for more detail on backpacker accommodation preferences*).
- It is estimated that backpackers represent between 10% and 15% of seasonal workers in the District. Importantly, the horticultural industry views backpackers as very reliable workers.
- The majority of backpackers (80%) are between 20 and 26 years old. The rest would be between 26 and 30 (very rarely are they older than 30).
- A large percentage of backpackers are overseas professionals or are students having a year off before returning to University courses.
- Opinions on the average length of stay of a backpacker in the region vary considerably. Some say 1 – 3 weeks other indicate 1 – 3 months.
- Many backpackers will leave following a stint of work and then return to the region to earn more money prior to continuing their journey. This often happens 2 / 3 times during their stay in Australia.
- The majority of backpackers earn between \$70 and \$120 per day while working on a horticultural property in the district (commencing at say 6am - 7am and finishing at say 3pm – 4pm).
- The majority of backpackers do not have a car (95%) and the majority expect backpacker hostels to arrange to pick them up upon arrival to the region and also to provide transport to work.
- A large % of money earned by backers is re-circulated in the local economy.

## 1.5 Summary - Key Considerations for Mildura Rural City Council

### Key Characteristics

- Backpacking in Australia and Victoria has grown, and continues to grow, rapidly. In 1999 the backpacking market represented approximately 10% of all tourists to Australia and 11% of all international tourists to Victoria.
- It is estimated that 95% of backpackers that visit the Mildura District do so to secure work, primarily in the horticultural industry. The horticultural industry widely consider backpackers as being hard workers and they consider backpackers as a very important source of contract labour.
- While regional visitation figures are unavailable, it is estimated that backpackers make up between 30% and 50% of all international visitors and visitor nights in the District.
- Because backpackers stay for long periods, they are high-spending visitors despite relatively low average daily spending.
- While backpackers on average stay approximately 70 nights in Australia (of which approximately 30 are spent in Victoria) those that are able to work in Australia stay a longer period (on average up to 80 nights). It is estimated that a large percentage of backpackers visiting the district stay for up to 3 months.
- Backpackers have a preference for budget accommodation close to the Central Business District and the amenities that such a location affords. A key focus of their travel experience is meeting other travellers.
- A large percentage of backpackers will seek jobs on properties that offer free on-site accommodation. At the conclusion of their work on such a property they are likely to secure budget accommodation in town for a couple of nights prior to departing the region.

### Implications for Region

- While statistics are unavailable, based on national and state trends, it is likely that the backpacker market in the Mildura region represents a significant, and increasing, segment of the visitor sector (between 30% and 50% of total international visitor nights).
- Due to the availability of short term employment, the Mildura region is a particularly attractive destination to those backpackers that are seeking, and that are eligible, to work. It is estimated that approximately 95% of backpackers visit the region to secure work.
- Due to the significant economic returns associated with the backpacker tourism sector, ongoing efforts to attract backpackers to the Mildura region should be strongly encouraged.
- As backpackers have a preference for budget accommodation, the demand for budget accommodation in the Sunraysia region is likely to increase proportionally with the increase in backpacker visitation. It is therefore important that the region provides for the development and operation of budget accommodation premises in appropriate locations throughout the region. In order to minimise potential land use conflicts, it is important that clear guidelines are established and incorporated into the Planning Scheme to guide decision making regarding the preferred location for such premises (refer section 2.3.1)

## 2. Budget Accommodation Overview

### 2.1 National Trends in the Provision of Accommodation

According to the Australian Bureau of Statistics<sup>8</sup>, the number of accommodation establishments in Australia increased over the 12 months to the end of 1998.

The number of visitor hostels in Australia<sup>9</sup> (which include backpacker premises) increased to 616, representing an increase of 23%, the largest proportional increase of any accommodation form.

While the capacity of all accommodation types increased, visitor hostels and serviced apartments showed the largest increases. Significant growth also occurred for holiday flats, units and houses.

### 2.2 National Overview - Visitor Hostels

According to the ABS<sup>10</sup>, at the end of 1998, there were 616 visitor hostels across Australia, with 38,294 bed spaces at an average of 62 beds per hostel. The establishments with 25 or more bed spaces comprised over three quarters (76%) of all visitor hostels and 94% of all bed spaces.

The growth in visitor hostel accommodation has been substantial, with the number of hostels increasing over the 12 months to the end of 1998 by 23%, and the number of bed spaces increasing by 18% (refer table 3). The largest proportional growth occurred in hostels with fewer than 25 bed spaces, where the number of establishments increased by 41% to 149, and bed spaces were up by 26% to 2,341. The hostels with 25 or more beds had more substantial growth in number terms, with the number of hostels increasing by 73 and the capacity up by 5,303 beds.

**Table 3: Visitor Hostel in Australia (Establishments / Beds 1997 & 1998)**

VISITOR HOSTELS		
	Establishments	Bed spaces
<b>Visitor hostels at end of 1997</b>		
With fewer than 25 bed spaces	106	1,854
With 25 or more bed spaces	394	30,650
<b>Total</b>	<b>500</b>	<b>32,504</b>
<b>Visitor hostels at end of 1998</b>		
With fewer than 25 bed spaces	149	2,341
With 25 or more bed spaces	467	35,953
<b>Total</b>	<b>616</b>	<b>38,294</b>
<b>% change 1997 to 1998</b>		
With fewer than 25 bed spaces	41 %	26 %
With 25 or more bed spaces	19 %	17 %
<b>Total</b>	<b>23</b>	<b>18</b>

<sup>8</sup> ABS Catalogue No 8634.0 Tourism Indicators Australia June Quarter 1999

<sup>9</sup> Visitor Hostel is defined by the ABS as those premises that provide bed spaces for predominately short term stay (less than 2 months) and that are available on a bed basis rather than a room basis.

<sup>10</sup> ABS Catalogue No 8634.0 Tourism Indicators Australia June Quarter 1999



## 2.3 Mildura Budget Accommodation Overview

Budget accommodation in the Sunraysia Region is utilised primarily by seasonal workers and visitors.

The focus of this report to date has been on the backpacker market segment (which, according to industry leaders, account for approximately 10% – 15% of seasonal workers in the region).

It is important not to lose sight of the fact that approximately 85% – 90% of transient workers are Australians (either professional fruit pickers or those previously unemployed that are visiting the region during peak times in the horticultural calendar). These workers are the key patrons of budget accommodation in the district. Typically these workers will attempt to secure free on-farm accommodation. If this is unavailable they will seek budget accommodation at Caravan Parks or through local Motels / Hotels. They are generally not patrons of backpacker hostels as these are usually reserved for international visitors. A small percentage will camp (free of charge) on Crown Land (typically on the shores of the Murray).

The key styles of budget accommodation premises for seasonal workers in the region are now profiled.

### 2.3.1 Backpacker Hostels

There are six backpacker hostels currently operating within Mildura Rural City Council (refer table 4).

**Table 4: Backpacker hostels within Mildura Rural City Council**

<i>'Worker' Hostels</i>	<i>'Visitor' Hostels</i>
<ul style="list-style-type: none"> <li>Mildura International Backpackers</li> </ul>	<ul style="list-style-type: none"> <li>Youth Hostels Australia (YHA) Mildura</li> </ul>
<ul style="list-style-type: none"> <li>Red Cliffs Backpackers</li> </ul>	
<ul style="list-style-type: none"> <li>Riverboat Bungalow</li> </ul>	
<ul style="list-style-type: none"> <li>Zippy Koala</li> </ul>	
<ul style="list-style-type: none"> <li>Apex Park (an annex to the Caravan Park operation)</li> </ul>	
<ul style="list-style-type: none"> <li>Urumba Backpackers Hostel (Wentworth, NSW)</li> </ul>	

Based on the interviews conducted in the region with budget accommodation owners/operators, and industry leaders of the horticultural industry the key features sought by backpackers in *backpacker hostels* include:

- A location that is in the Central Business District or that is within close walking distance to:
  - public transport (inter & intra regional)
  - shops (for consumable goods)
  - entertainment (movies, pubs, local attractions)

- Affordable price (in Mildura prices in hostels ranged from \$36 week for a tent at Apex Park – up to \$110 per week in a hostel near the centre of Mildura)
- There is a growing expectation that the hostel will arrange employment (including transport to the place of employment). [Note: this can work both ways – in some instances backpackers have been requested to leave the hostel when they have no further work.]
- Clean communal rooms
- Transport (car / bus) for occasional use after work
- Ideally, more than one cooking area (eg self contained or semi self contained rooms)
- On site management or the ability to contact and have problems rectified by a manager promptly.
- Often backpackers will stay at a hostel until they can find a job that has free on-site accommodation. Upon finishing working at a particular property, a backpacker is likely to re-stay at a hostel for a couple of nights of rest and recreation prior to continuing their work or travel plans.

Those interviewed considered that for an out of town hostel to be successful, it would need to provide transport and have significant recreational assets or a unique environment setting (eg river, activities, etc..).

All operators, and horticultural industry representatives interviewed, suggested that backpacker hostels would not be suited in agricultural or horticultural areas of the municipality (eg the rural zone) primarily due to the distance from shopping and entertainment. This view is supported by a recent study by *PPK Environment and Infrastructure* into housing needs in the rural areas of Mildura and Wentworth<sup>11</sup> which stated that:

*“the creation of large workers’ camps within the horticultural area should be avoided due to the social and servicing costs associated therewith. As such camps are more likely to resemble caravan parks they should be located within and or adjacent to existing urban areas where commercial and community facilities are available and existing infrastructure exist to accommodate worker needs.” (page 59)*

Another interesting issue identified during the interviews of the owners of backpacker accommodation in the region related to their motivation for owning / operating such establishments. It was revealed that some (but not all) of owners of backpacker or budget accommodation in the region were also (and primarily) involved in operating regionally significant horticultural enterprises. They viewed their backpacker premises as separate, although key, components of their horticultural business. They state that while the accommodation establishments are profitable in their own right, their main function is to provide a method of ensuring that a good contract labour pool is on hand all year round. One operator indicated, for example, that *“it would be hard for me to secure people for one days work at a days notice using the CES. With the backpacker hostel I have no problem”*.

The majority of owners/managers spoken with indicated that their operations would be unsustainable if they relied solely on “tourist backpackers”

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<sup>11</sup> *Rural Housing Diversity Study*, PPK Environment & Infrastructure Pty Ltd - June 1998: page 59

### 2.3.2 Budget Motels / Hotels

Whilst these are a large number of hotels and motels in the Mildura Region, the following premises promote themselves as providers of “budget accommodation”.

- 7<sup>th</sup> Street Motel
- North Haven Motel
- Hotel Mildura
- Merbein Hotel
- Irymple Hotel / Motel

All of these premises have been operating for many years although some have only recently marketed themselves for budget accommodation.

### 2.3.3 Caravan Parks

There are approximately 30 caravan parks in the Mildura District (refer table 5).

The *PPK Environment and Infrastructure* report into housing needs in the rural areas of Mildura and Wentworth<sup>12</sup> identified that caravan parks in the region are utilised by the majority of the region’s transient work force.

The PPK report states that:

*“in order to avoid social and servicing costs, caravan parks should be located within and or adjacent to existing urban areas where commercial and community facilities are available and existing infrastructure (eg roads, water and sewerage) exist to accommodate worker needs”*.<sup>13</sup>

**Table 5: Caravan Parks in the Mildura District**

• All Seasons	• Apex	• Big 4 Golden River Caravan Gardens	• B&L Scammell (Trentham Cliffs)
• Buronga Riverside Caravan Park	• Lake Hawthorn Caravan Park	• Noel’s Bottlebrush Caravan Park	• Sun City Caravan Park
• Wentworth Willow Bend Caravan Park	• Cullulleraine Bushmans Rest Caravan Park	• Calder Tourist Park	• Coachmans Touist Park
• Coomealla Memorial Sporting Club Caravan Park	• Cross Road Holiday Park	• Curlwaa Caravan Park	• Desert City Tourist and Holiday Park
• River Gardens Gol-Gol Caravan Park	• Lesiure Life Caravan Park	• Merbein Caravan Park	• Mildura and Deakin Holiday Park
• Nangiloc Caravan Park	• Orange Grove Caravan Park	• Ouyen Caravan Park	• Palms Caravan Park
• Red Cliffs Caravan Park	• River Road Caravan Park	• Sun City Caravan Park	• Sun Siesta Village Caravan Park
• Trentham Cliffs Caravan Village			

Source: 1999/2000 Yellow Pages Directory

<sup>12</sup> Rural Housing Diversity Study, PPK Environment & Infrastructure Pty Ltd - June 1998: page 59

<sup>13</sup> ibid

### 2.3.4 On-Farm Workers' Housing / Camping

The interviews conducted as part of this investigation highlighted that a large percentage of backpackers will stay at the property that they are working if suitable accommodation is provided free of charge.

Historically, the need to provide housing for temporary horticultural workers, particularly during the picking season, was provided through the provision of workers (pickers) huts.

It is estimated that now up to 40% of block owners will offer on-site accommodation be it a *caravan* or a *pickers hut*. This trend is in decline however due to the cost imposition on block owners associated with building regulation compliance and building maintenance. It was highlighted that there is now only a 2% tax depreciation provision for on farm workers accommodation. This is viewed by the industry as being insufficient to justify provision. It is interesting to note that the Sunraysia Daily<sup>14</sup> recently reported that:

*"Recommendations from the Australian Harvest Labor Trail will be released in April and Cr Crouch said one of its recommendations would be that fruit growers get tax incentives for supplying pickers' huts.*

*That might mean tax write-offs over a shorter amount of time .....*

*"...the harvest labour trail committee was recommending (in a strategy report to be presented to the Federal Government in April) tax incentives for providing harvest accommodation, currently amounted to 5% of the cost, be increased to 20%."*

While picker hut type accommodations in decline, almost all block owners will allow backpackers (and other workers) to pitch a tent on the property free of charge. This is primarily due to the fact that in most instances, block owners prefer valued workers (such as backpackers) to stay on site so they can be sure that the individuals will not be "lured away" to another property.

### 2.3.5 Other Forms of Accommodation

In addition to the above, accommodation is also provided by Guest Houses and Bed and Breakfast Premises (eg Riverview, Mirrabinda). Inquiries suggest that these establishments cater for a different niche than budget accommodation.

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<sup>14</sup> Sunraysia Daily Newspaper, March 1, 2000

## 2.4 Statutory Planning Framework

The Mildura Planning Scheme was gazetted on 22<sup>nd</sup> December 1999. The scheme is a “new format” planning scheme based on the Victoria Planning Provisions (“VPP’s”). The new scheme includes strategic and statutory planning provisions which are relevant to the discussion on “budget accommodation”.

### 2.4.1 Strategic Considerations

#### State Planning Policy Framework

Clause 13 of the new scheme has as a land use planning principle that “*planning is to anticipate and respond to the needs of existing and future communities through the provision of zoned and serviced land for housing...*”. Planning is required to foster diversity of choice and a high standard of urban design and amenity.

#### Municipal Strategic Statement (MSS)

Council’s MSS provides the planning vision for the Rural City. One of the identified key strategic issues for settlement in the municipality (Clause 21.04-2) is to facilitate the staged and orderly development of the urban communities within the Rural City. Another identified strategic issue is to “*accommodate the diverse housing and lifestyle preferences of a large and expanding population in an economic, environmental and socially responsible manner.*”

An expressed objective of the MSS is;

*“provide a diversity of housing styles and living opportunities throughout the municipality to ensure the attractiveness of the municipality as a place to live, work and invest is maintained.”*

Clause 21.04-9 identifies “Economic Development and Tourism” as a key issue and notes that the region’s future economic growth will depend largely on the expansion of horticultural and agricultural industries.

An expressed objective is to “*increase visitor numbers and length of stay in the Municipality*”. One identified strategy is to “*facilitate tourism enterprises such as bed and breakfasts in rural areas*”.

### 2.4.2 Definitions

Relevant definitions impacting on “budget accommodation” in the Mildura Planning Scheme are listed at Clause 74 of the Scheme and include;

#### **Accommodation**

*Land used to accommodate persons*

#### **Bed and Breakfast**

*A dwelling used, by a resident of the dwelling, to provide accommodation for persons away from their normal place of residence.*

#### **Camping and caravan park**

*Land used to allow accommodation in caravans, cabins, tents or the like.*

#### **Dwelling**

*A building used as a self contained residence which must include:*

- (a) a kitchen sink
- (b) food preparation facilities
- (c) a bath or shower and
- (d) a closet pan and wash basin.

It includes outbuildings and works normal to a dwelling.

**Group accommodation**

Land, in one ownership, containing a number of dwellings used to accommodate persons away from their normal place of residence.

**Host farm**

A farm used to provide accommodation for persons away from their normal place of residence, to experience farm living.

**Motel**

Land used to provide accommodation in serviced rooms for persons away from their normal place of residence, and where provision is made for parking guests vehicles convenient to the rooms.

**Residential building**

Land used to accommodate persons, but does not include camping and caravan park, corrective institution, dependent persons unit, dwelling, group accommodation, host farm or residential village.

**Residential hotel**

Land used to provide accommodation in serviced rooms for persons away from their normal place of residence. If it has at least 20 bedrooms, it may include the sale of liquor for consumption on, or off, the premises, function or conference rooms, entertainment, dancing, amusement machines, and gambling.

In addition to these, there are the following listed (but not defined) terms in the Mildura Planning Scheme which, according to Clause 74 are assumed to have their “ordinary meaning”.

- Backpacker’s lodge
- Boarding house
- Hostel
- Nurses home

*Under the Victoria Planning Provisions it is not open to any Council to introduce new definitions for any particular land use. It is therefore not an option for Council to amend their planning scheme to introduce a new definition of “Budget Accommodation”.*

**For the purposes of future decision making, Council will regard “budget accommodation” as being any form of higher density commercial accommodation which has a potential for adverse off-site impacts.**

*Council will regard “budget accommodation” as any of the following defined uses which, in the opinion of Council, are likely to be used for “higher density commercial accommodation which has a potential for adverse off-site impacts”:*

- Group accommodation
- Residential Building
- Backpacker’s Lodge
- Boarding House
- Hostel
- Residential Hotel
- Motel
- Bed and Breakfast

### 2.4.3 Permissible uses within various zones and their implications for Mildura Rural City Council

The main residential areas of Mildura are within a **Residential 1** zone. Within this zone, all of the above accommodation types can be approved. A "Bed and Breakfast" does not require a planning permit so long as no more than six persons are accommodated away from their normal place of residence and so long as at least one car parking space is provided for each two persons. If these conditions cannot be met, then a planning permit is required. In other words, it is possible, in a Residential 1 zone anywhere in Mildura for an application to be made for (say) a forty person bed and breakfast establishment.

A motel, residential building, backpackers hostel etc are all uses for which a permit can be granted under the **Residential 1** zone.

There are four **Business** zones in the Mildura Planning Scheme. Three of these zones (**Business 1, 2 and 5**) are located in and around the Mildura CBD. The Business 1 zone is also applied to the town centres of Irymple, Red Cliffs, Merbein and Ouyen. The **Business 4** zone applies to the highway commercial type areas along Fifteenth St. Within the Business zones a planning permit is required for any form of accommodation.

Therefore, it is open to any applicant to apply for a permit for (say) a motel or a backpackers hostel on any land zoned for business purposes within Mildura.

There are two **industrial** zones in the new planning scheme. In both of these zones (**Industrial 1 and Industrial 3**) accommodation of any type (other than a caretakers house) is a prohibited use. In other words, it is not even an option to apply for a permit for a (say) motel or backpackers hostel in any Industrial zone in Mildura.

## 2.5 Key Amenity Issues Associated with Budget Accommodation Premises

Experiences in Victoria over the last decade with budget accommodation have highlighted some amenity concerns which have led neighbours to vigorously oppose the operation of such premises. These concerns have typically involved:

- lack of on-site management
- litter / rubbish
- internal noise
- external noise
- lack of car parking
- traffic
- hours of operation
- commercial intrusion into residential areas
- early morning work starts
- anti-social behaviour

These concerns have been tested by Councils and, on appeal by the Victorian Civil and Administrative Tribunal (VCAT) and its predecessor, the Administrative Appeals Tribunal (AAT). Important decisions of the Tribunal (including one in Mildura) which reflect its concerns with the amenity impacts of budget accommodation are discussed below under the headings which have typically been addressed by Councils and the Tribunal.

### Location

Tribunal decisions (and at least one Council policy) have distinguished between the locational characteristics of a residential area and a business area. The Tribunal has, on at least two recent occasions, rejected backpackers premises in wholly residential areas because they were considered to be inappropriately located. In Biggs v. Port Phillip City Council 1998/66266 the Tribunal commented that:

*I consider the proposed use is at odds with the nature of residential accommodation in Fawkner and Havelock Streets. I consider this use, whilst a legitimate residential use in some circumstances is inappropriate in this location. I consider the concerns raised by objectors at the hearing are a genuine reflection of the conflict which occurs with the placement of a backpackers hostel in a residential street, and reflects the incongruous nature of the use in this locality*

In G.Costa vs. Rural City of Mildura; R.Penny and Ors (1999/38961) the Tribunal again addressed locational characteristics and noted:

*The plain facts of this matter are:-*

- the site is situated mid block in a high quality residential area with a number of residential interfaces;*
- the introduction of twenty persons on to the site is perhaps four times the population which might reasonably be expected on a residential allotment;*
- those persons are away from home and in holiday mode;*
- there is no permanent on site management presence which would guarantee a level of continuing supervision;*
- a number of the conditions put forward as appropriate mechanisms to guarantee the amenity of neighbouring properties are either impractical or unenforceable;*

The City of Melbourne, together with the City of Port Phillip, have had the most experience dealing with backpackers premises. Their draft policy (*A Guide to developing or extending Backpacker Accommodation in the City of Melbourne*) also distinguishes between residential and non-residential locations for backpackers premises;

*Generally proposals for backpacker accommodation within the CBD will encounter less planning constraints. This is because the planning framework in this area (ie the CBD) embraces the following broad characteristics (including) the fact that it allows a wide mix of uses reflecting the diversity and activity expected in a capital city area.*

*Particular caution should be exercised when considering a **residential zone** for backpacker accommodation. The City of Melbourne is committed to both encouraging permanent residential occupancy and protecting the amenity of existing residents. There may be circumstances where backpacker accommodation can be established in a residential zone: however, developer/operators should exercise great care before pursuing this option. In particular, the following issues will be important considerations:*

- *Potential impact on adjoining and near neighbours, particularly through increased noise, hours of operation, activity and overlooking.*
- *Potential impact on existing residents through increased car and bus vehicle movements and the demand for on-street car parking.*

### **Advertising**

The Tribunal has provided very clear guidance to the issue of advertising any proposal for a backpackers premises. In Costa (above) it was found that:

*The Tribunal turns next to the question of whether Notice (of application) should have been given.....Section 52 of the Planning and Environment Act requires that Notice be given if the Responsible Authority considers that the grant of a permit may cause "material detriment". In the Tribunal's view, no Responsible Authority, acting reasonably, could conclude that the introduction of 20 young people into one dwelling in a quiet residential area might not cause some material detriment. Such a conclusion would follow, the Tribunal believes, even if the persons involved were Trappist monks, let alone young itinerant travellers.*

### **Car Parking**

The Tribunal has often distinguished between the car parking needs of backpackers as opposed to other forms of accommodation. In VBI Properties v. City of St.Kilda and Ors (1990/33275) in relation to a premises with 28 bedrooms and over 100 bunks the Tribunal noted:

- *Very few backpackers have a need for a parking space.*
- *The trend has been, for some time now, for less and less demand for car parking on the part of hostellers;*
- *Over the last 1-2 months with 90-100 per cent occupancy, only one backpacker at the hostel has had a car;*
- *The maximum demand for car parking spaces on the part of hostellers has been extremely low – in the order of 2-3 (but possibly up to five as a maximum which is rarely achieved);*
- *In practice the parking needs of hostellers can be and is easily accommodated – no parking problem existed in fact.*

and in the Biggs case:

*I do not consider parking to be a major issue in this application. I consider the likely parking generation for a backpackers use of this size (13 beds) to be similar to the parking requirements from two flats.*

## Management

When granting approval the Tribunal has placed considerable weight on the management regime of the premises. In approving an application for a Motel (Tourist Hostel) in a Business zone in St.Kilda (*Novak vs. City of St.Kilda - 1991/21401*) the Tribunal imposed a considerable list of conditions which dealt with management. It commented:

*...The Tribunal believes that the management record is a good one and the conditions drafted by the Responsible Authority do provide a range of effective controls to ensure that current management practices are maintained in a way that will keep the use compatible with neighbouring occupation.*

In the Costa case in Walnut Avenue Mildura, the Tribunal commented that:

*Management needs to be firm internally and sensitive externally, that is to say, to the needs and reasonable aspirations of the neighbours who are entitled to a relatively peaceful and quiet existence as befits a residential neighbourhood of high standard.*

*It seems readily apparent however that the management of the subject premises has failed on both counts. It is clear from the evidence before the Tribunal that the Hostel has created a very real concern among neighbouring residents. ...the fact remains that this situation has been brought about by continual stream of problems which the Hostel has created over a period of many months. These problems have been compounded by the fact that the operators under the permit have made, at best, only tokenistic endeavours to consult with neighbours in an attempt to alleviate the various problems which have arisen along the way.*

*In essence, the situation places the residents in the position of being responsible for policing the conditions of permit.*

**Whilst it is acknowledged that every application must be considered on its merits, the evidence in Victoria generally, and in Mildura in particular, is that appropriate guidelines are needed to assist applicants, residents, Councillors and VCAT in their assessment of an application for budget accommodation**

## 2.6 Key Land Use Planning and Development Considerations and Recommended Actions.

The land use planning considerations for each form of budget accommodation profiled in section 2.4 is broadly similar, and as such will be addressed together in this section of the report.

The following table contains a list of the main land use planning and development considerations associated with the location and operation of budget accommodation premises. Each issue / consideration is accompanied by an objective and recommended implementation mechanism.

Issue / Consideration	Strategic Land Use and Development Objective	Recommended Action / Implementation Mechanism
<p>▪ <b>Definitions</b></p> <p>An application can be lodged for <u>any</u> accommodation type in the Residential 1 zone or a Business zone. A bed and breakfast premises for up to six persons does not require a permit in the Residential 1 zone. All types of accommodation are prohibited in the Industrial zones.</p>	<p>Accommodation premises which are “commercial” in nature need to be contained to areas where residential amenity will not be affected.</p>	<p>Develop local policy to guide decision making in the Residential 1, Business, 1, Business 2, Business 4 and Business 5 zone</p>
<p>▪ <b>Location</b></p> <p>The locational attributes of budget accommodation premises make them best suited to Business areas rather than residential areas. Some residential locations which have a history of similar use or are on main roads or abutted by non residential uses can be considered.</p>	<p>Locate budget accommodation in business zones where appropriate.</p>	<p>Develop a Local Planning Policy to:</p> <ul style="list-style-type: none"> <li>- Encouraging budget accommodation to locate in a Business 1, 2 or 5 zone</li> <li>- strongly discouraging budget accommodation in residential areas.</li> </ul>
<p>• <b>Amenity</b></p> <p>The transient occupiers of budget accommodation premises are often noisy and show little concern regarding the amenity of neighbouring properties. This is particularly of concern where budget accommodation premises are located in the midst of a residential neighbourhood.</p>	<p>Separate incompatible land uses</p>	<p>Develop a Local Planning Policy to:</p> <ul style="list-style-type: none"> <li>- Encouraging budget accommodation to locate in a Business 1, 2 or 5 zone</li> <li>- strongly discouraging budget accommodation in residential areas.</li> </ul>

<p>▪ <b>Car Parking</b></p> <p>Unlike many other accommodation types, users of budget accommodation do not typically require on site car parking as they rely on public transport or shared travel</p>	<p>Provide sufficient on site car parking for the likely demands of any budget accommodation premises. If it unclear whether the use is intended for “budget accommodation’ then the normal parking provisions would apply.</p>	<p>Develop local policy which specifies on site car parking requirements.</p>
<p>▪ <b>Management</b></p> <p>Acceptable standards of residential behaviour at budget accommodation premises are often related to the adequacy of on site management practices. In residential areas, a bed and breakfast requires there to be an on site resident. In commercial areas the need for such management is less obvious as there are not the same residential abuttals giving the potential for amenity concerns.</p>	<p>Provide a level of on-site management in residential areas consistent with the standards for bed and breakfast accommodation. No such level of control is required in commercial areas.</p>	<p>Develop a local planning policy which includes standards for an on-site resident manager in residential zones as well as standards for a management plan to address safety and security issues.</p>
<p>▪ <b>Advertising</b></p> <p>Given the wide variety of permissible accommodation uses in the Residential and Business zones, there is the potential for a negative amenity impact</p>	<p>Inform members of the community about applications for accommodation types.</p>	<p>Develop local policy to ensure that all applications for accommodation types are advertised pursuant to Section 52 of the Planning and Environment Act.</p>

## **Section 2**

# **Proposed Planning Scheme Amendment Documentation**

## **Council Report**

(to be reformatted by Council to suit)

### **PREPARATION AND EXHIBITION OF A LOCAL PLANNING POLICY TO ADDRESS BUDGET ACCOMMODATION.**

**FILE NUMBER:**

**DATE:**

**OFFICER:**

#### **1. INTRODUCTION:**

The following report responds to Council's request for an amendment to the Mildura Planning Scheme to address the issue of preferred locations for the establishment of "backpacker's hostels" within the municipality.

#### **2. BACKGROUND**

*Keaney Planning and Research Pty.Ltd.* and *O'Neil Pollock and Associates Pty.Ltd.* have been engaged by Council to carry out research into the budget accommodation market within Mildura and to devise a local policy for inclusion into the new Mildura Planning Scheme.

As part of the research, the consultants spoke with a number of parties who have an interest in this matter including hostel operators, residents, growers and labour suppliers. According to the research, it is estimated that the backpacker population in the Mildura District fluctuates from 200 in the low work periods (May and September) to between 2,000 – 3,000 during the peak harvest time (February and March). It is estimated that in this peak period there are up to 10,000 visitors in Mildura. 99.9% of backpackers are international visitors. It is estimated that approximately 95% of backpackers are in the region to work (only 5% are in the region as "tourists").

Backpackers visiting the district will by preference stay in budget accommodation (hostel, budget motel or caravan park) which is located as close as possible to the Central Business District and the amenities that such a location affords. A large percentage of backpackers will stay at a hostel, securing work through the contacts at the hostel. Many stay at the hostel until they can source free on-farm accommodation in association with work. It is estimated that backpackers represent between 10% and 15% of seasonal workers in the District. Importantly, the horticultural industry views backpackers as very reliable workers.

The majority of backpackers (80%) are between 20 and 26 years old. The rest would be between 26 and 30 (very rarely are they older than 30). A large percentage of backpackers are overseas professionals or are students having a year off before returning to University courses. Opinions on the average length of stay of a backpacker in the region varies considerably. Some say 1 – 3 weeks other indicate 1 – 3 months.

Many backpackers will leave following a stint of work and then return to the region to earn more money prior to continuing their journey. This often happens two or three times during their stay in Australia. The majority of backpackers earn between \$70 and \$120 per day while working on a horticultural property in the district (commencing at say 6am - 7am and finishing at say 3pm – 4pm). The majority of backpackers do not have a car (95%) and the majority expect backpacker hostels to arrange to pick them up upon arrival to the region and also to provide transport to work. A large percentage of money earned by backpackers is re-circulated in the local economy.

As backpackers have a preference for budget accommodation, the demand for budget accommodation in the Mildura region is likely to increase proportionally with the increase in

backpacker visitation. It is therefore important that the region provides for the development and operation of budget accommodation premises in appropriate locations throughout the region. In order to minimise potential land use conflicts, it is important that clear guidelines are established and incorporated into the Planning Scheme to guide decision making regarding the preferred location for such premises.

### **3. MILDURA PLANNING SCHEME**

The new Mildura Planning Scheme was gazetted on 22<sup>nd</sup> December 1999. The provision of a diversity of suitable accommodation choices is specified in the Mildura Planning Scheme at Clause 13 as a statewide principle of land use and development planning. The need for a variety of accommodation types for visitors to Mildura is specifically included in the MSS (at Clause 21.04-2) given the tourist opportunities available in the region and given the need to accommodate seasonal and long term workers for the thriving horticultural industries. The Municipal Strategic Statement encourages the provision of accommodation uses which provide a diverse range of housing choice to meet the changing needs of residents in Mildura however the MSS needs to be modified to more explicitly support budget accommodation in appropriate locations which reduce pressure for development in more sensitive areas, especially residential areas.

Recent experience in Mildura (37 Walnut Avenue) has suggested that some forms of budget accommodation, especially backpacker's premises, have had an impact on neighbouring properties and neighbouring amenity especially in wholly residential areas. Community concerns have been expressed, and upheld on appeal, regarding the location of such premises in wholly residential areas as well as:

- lack of on-site management
- litter / rubbish
- internal noise
- external noise
- lack of car parking
- traffic
- hours of operation
- commercial intrusion into residential areas
- early morning work starts
- anti social behaviour

These concerns have been tested by Councils and, on appeal by the Victorian Civil and Administrative Tribunal (VCAT) and its predecessor, the Administrative Appeals Tribunal (AAT). Important decisions of the Tribunal (including one in Mildura) have addressed concerns dealing with location, management, amenity, advertising of applications and car parking.

Under the new Mildura Planning Scheme, the main residential areas of Mildura are within a Residential 1 zone. Within this zone, all accommodation types can be approved. A "Bed and Breakfast" does not require a planning permit so long as no more than six persons are accommodated away from their normal place of residence and so long as at least one car parking space is provided for each two persons. If these conditions cannot be met then a planning permit is simply required. In other words, it is possible in a Residential 1 zone anywhere in Mildura for an application to be made for (say) a forty person bed and breakfast establishment. A motel, residential building, backpackers hostel etc are all uses for which a permit can be granted under the Residential 1 zone.

There are four Business zones in the Mildura Planning Scheme. Within the Business zones a planning permit is required for any form of accommodation. Therefore, it is open to any applicant to apply for a permit for (say) a motel or a backpackers hostel on any business land within Mildura.

There are two industrial uses in the new planning scheme. In both of these zones (Industrial 1 and Industrial 3) accommodation of any type (other than a caretakers house) is a prohibited use. In other

words it is not even an option to apply for a permit for a (say) motel or backpackers hostel in any Industrial zone in Mildura.

#### 4. PLANNING ISSUES

The following table contains a list of the main land use planning and development considerations associated with the location and operation of budget accommodation premises arising from the research and local considerations. Each issue / consideration is accompanied by an objective and recommended implementation mechanism.

Issue / Consideration	Strategic Land Use and Development Objective	Recommended Action / Implementation Mechanism
<p>▪ <b>Definitions</b></p> <p>An application can be lodged for <u>any</u> accommodation type in the Residential 1 zone or a Business zone. A bed and breakfast premises for up to six persons does not require a permit in the Residential 1 zone. All types of accommodation are prohibited in the Industrial zones.</p>	<p>Accommodation premises which are “commercial” in nature need to be contained to areas where residential amenity will not be affected.</p>	<p>Develop local policy to guide decision making in the Residential 1, Business, 1, Business 2, Business,4 and Business 5 zone</p>
<p>▪ <b>Location</b></p> <p>The locational attributes of budget accommodation premises make them best suited to Business areas rather than residential areas. Some residential locations which have a history of similar use or are on main roads or abutted by non residential uses can be considered.</p>	<p>Locate budget accommodation in business zones where appropriate.</p>	<p>Develop a Local Planning Policy to:</p> <ul style="list-style-type: none"> <li>- Encouraging budget accommodation to locate in a Business 1, 2 or 5 zone</li> <li>- strongly discouraging budget accommodation in residential areas.</li> </ul>
<p>• <b>Amenity</b></p> <p>The transient occupiers of budget accommodation premises are often noisy and show little concern regarding the amenity of neighbouring properties. This is particularly of concern where budget accommodation premises are located in the midst of a residential neighbourhood.</p>	<p>Separate incompatible land uses</p>	<p>Develop a Local Planning Policy to:</p> <ul style="list-style-type: none"> <li>- Encouraging budget accommodation to locate in a Business 1, 2 or 5 zone</li> <li>- strongly discouraging budget accommodation in residential areas.</li> </ul>

<p>▪ <b>Car Parking</b></p> <p>Unlike many other accommodation types, users of budget accommodation do not typically require on site car parking as they rely on public transport or shared travel</p>	<p>Provide sufficient on site car parking for the likely demands of any budget accommodation premises. If it is unclear whether the use is intended for “budget accommodation’ then the normal parking provisions would apply.</p>	<p>Develop local policy which specifies on site car parking requirements.</p>
<p>▪ <b>Management</b></p> <p>Acceptable standards of residential behaviour at budget accommodation premises are often related to the adequacy of on site management practices. In residential areas, a bed and breakfast requires there to be an on site resident. In commercial areas the need for such management is less obvious as there are not the same residential abuttals giving the potential for amenity concerns.</p>	<p>Provide a level of on-site management in residential areas consistent with the standards for bed and breakfast accommodation. No such level of control is required in commercial areas.</p>	<p>Develop a local planning policy which includes standards for an on-site resident manager in residential zones as well as standards for a management plan to address safety and security issues.</p>
<p>▪ <b>Advertising</b></p> <p>Given the wide variety of permissible accommodation uses in the Residential and Business zones, there is the potential for a negative amenity impact</p>	<p>Inform members of the community about applications for accommodation types.</p>	<p>Develop local policy to ensure that all applications for accommodation types are advertised pursuant to Section 52 of the Planning and Environment Act.</p>

## 5. PROPOSED LOCAL POLICY

In order to provide clear guidelines for operators, visitors, workers and residents about the location and likely approval conditions for budget accommodation a Council policy is needed in the new planning scheme.

The following policy therefore is recommended for inclusion in Clause 22 of the new Mildura Planning Scheme.

### **22.02-4 BUDGET ACCOMMODATION**

*This policy applies to all land within the municipality.*

*Council regards “budget accommodation” as being any form of higher density commercial accommodation which has a potential for adverse off-site impacts.*

*The policy particularly applies to applications for the following land uses as defined in the Planning Scheme which, in the opinion of the Responsible Authority propose some form of “budget accommodation”.*

- *Group Accommodation*
- *Residential Building*
- *Backpacker's Lodge*
- *Boarding House*
- *Hostel*
- *Residential Hotel*
- *Motel*
- *Bed & Breakfast*

### **Policy Basis**

*Budget worker accommodation is especially important to the economy of the region as they provide short to medium stay accommodation for horticultural workers. It is estimated that in the peak season, up to 10,000 visitors to Mildura are actively working in the harvest of horticultural produce of which between 2000 and 3000 are "backpackers". Existing accommodation types for these workers include camping on the farm site; on-site pickers huts; caravan parks, motels, hotels, bed and breakfast and, most recently "backpackers hostels". Hostels provide relatively cheap accommodation for young visitors who are attracted to the region for employment reasons. Typically, the occupants of these hostels are under thirty, they do not have cars and are travellers from overseas looking for seasonal employment of between two weeks and three months. They require accommodation facilities as close as possible to the central area of Mildura so that, after work, the occupants can avail themselves of nearby shopping and entertainment venues.*

*Recent experience in Mildura has suggested that some forms of budget accommodation, especially backpacker's premises, have had a negative impact on neighbouring properties and neighbouring amenity especially in wholly residential areas. Community concerns have been expressed, and upheld on appeal, regarding the location of such premises in wholly residential areas, their hours of operation, on site management, provision of car parking, the need for advertising and other amenity concerns especially noise.*

*Budget accommodation should be located, designed and operated to provide affordable, safe and pleasant environments for occupants while maintaining the amenity of the neighbourhood setting.*

### **Objectives**

- *To provide for a wide variety of accommodation types to meet the diverse needs of the regions' visitors and seasonal workers.*
- *To encourage a variety of budget accommodation in appropriate locations which meet acceptable standards in terms of management and amenity.*
- *To locate budget accommodation premises with convenient access to public transport, community and retail facilities.*
- *To provide clear guidelines for operators, visitors, workers and residents about the location and likely approval conditions for budget accommodation.*

### **Policy**

*It is policy that:*

#### **Location:**

- *The preferred location for budget accommodation is within the commercial areas of the Mildura CBD, Merbein Town Centre, Red Cliffs Town Centre, Irymple Town Centre and Ouyen Town Centre.*
- *Budget accommodation is encouraged to locate within the Business 1 zone; the Business 2 Zone and the Business 5 zone.*
- *Budget accommodation is be strongly discouraged in the Residential 1 zone.*

- *If an application for budget accommodation is to be favourably considered in the Residential 1 zone the following principles should be applied:*
  - *The site has frontage to a Road Zone 1*
  - *The site is abutted by non residential uses*
  - *The site already accommodates an existing non residential use*
  - *The site is already used for another form of accommodation (other than dwelling or bed and breakfast) such as a motel, hotel, residential building, caravan park, or group accommodation.*
  - *No more than ten persons are to be accommodated on the site at any one time.*

**Advertising**

- *Any application for a:*
  - Group Accommodation*
  - Residential Building*
  - Backpacker's Lodge*
  - Boarding House*
  - Hostel*
  - Residential Hotel*
  - Motel*
  - Bed & Breakfast*

*will be required to be notified, pursuant to Section 52 of the Planning and Environment Act 1987 to adjoining and nearby owners and occupiers and by a sign erected at the front of the property.*

**Amenity:**

- *In assessing any application for budget accommodation, applicants will need to demonstrate, and Council will need to be satisfied, that the proposal meets the following:*

Management

- *Where the premises are located outside a business zone, a resident on-site manager or supervisor is required at all times*
- *A Management Plan is to be prepared that addresses safety, security, emergency, fire prevention, alcohol limitations/ban; refuse disposal, and complaints mechanisms.*

Numbers of Persons

- *The density of accommodation and the provision of showers, toilets and basins must be in accordance with the Health (Prescribed Accommodation) Regulations 1990.*

Car Parking

- *One space for the manager*
- *One space for every ten beds*

Noise

- *Each premises is to be acoustically insulated to ensure that noise from within the building is not audible on an adjacent premises.*
- *No recorded music is to be played outside the building.*  
*(These provisions do not apply within the Business 1,2 or 5 zones if there is no residential use within 30 metres of the subject premises).*

**6. RECOMMENDATION**

That Amendment C1 to the Mildura Planning Scheme be exhibited for a period of one month.

## **Explanatory Memo**

### **Planning and Environment Act 1987**

#### **MILDURA PLANNING SCHEME**

#### **AMENDMENT C1**

#### **EXPLANATORY REPORT**

#### **Who is the planning authority?**

This amendment has been prepared by the Mildura Rural City Council. The Mildura Rural City Council is the Planning Authority for this amendment.

#### **What is the strategic justification for the amendment?**

Consultation conducted by Mildura Rural City Council with those associated with the accommodation market and with peak bodies involved in the horticultural industries suggest that budget worker accommodation is especially important to the economy of the region as it provides short to medium stay accommodation for horticultural workers. While the work is seasonal in nature there is an increasing overlap in seasons which suggests that budget accommodation is now required on an almost year-round basis in Mildura. The provision of a diversity of suitable accommodation choices is specified in the Mildura Planning Scheme at Clause 13 as a statewide principle of land use and development planning. The need for a variety of accommodation types for visitors to Mildura is specifically included in the MSS (at Clause 21.04-2) given the tourist opportunities available in the region and given the need to accommodate seasonal and long term workers for the thriving horticultural industries. The Municipal Strategic Statement encourages the provision of accommodation uses which provide a diverse range of housing choice to meet the changing needs of residents in Mildura. The MSS needs to more explicitly support budget accommodation in appropriate locations which reduce pressure for development in more sensitive areas, especially residential areas.

#### **What the amendment does.**

The amendment proposes to introduce a new local policy to address the locational requirements of “budget accommodation” within the Rural City. The purpose of the local policy will be to assist Council, applicants and the community in considering applications for “budget accommodation”. The policy acknowledges the importance of providing a variety of accommodation types for workers and tourists associated with the horticultural industry. The policy specifies that the preferred locations for budget accommodation is within business areas. Budget accommodation is to be strongly discouraged within residential areas. Amenity and management criteria are specified in the policy.

#### **Impact of the amendment.**

##### *Social and economic effects.*

The amendment will have positive social and economic impacts by acknowledging the importance of providing appropriate accommodation for workers in the horticultural industry and by identifying the preferred locations for such accommodation so as to have as little impact on amenity as is possible.

##### *Environment effects.*

The amendment will ensure that budget accommodation is located in areas which can best sustain them on amenity grounds.

*Minister's Directions*

The amendment is not affected by any Ministerial Direction.

**Where you may inspect the amendment.**

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

Mildura Rural City Council,  
108 Madden St,  
MILDURA

Department of Infrastructure,  
Western Regional Office,  
1315 Sturt Street,  
BALLARAT

Department of Infrastructure,  
Nauru House,  
80 Collins Street,  
MELBOURNE

**Notice of Amendment**

PLANNING AND ENVIRONMENT ACT 1987  
NOTICE OF AMENDMENT TO A PLANNING SCHEME  
MILDURA PLANNING SCHEME  
AMENDMENT C1

The Mildura Rural City Council has prepared Amendment C1 to the Mildura Planning Scheme.

The amendment proposes to introduce a new local policy to address the locational requirements of “budget accommodation” within the Rural City. The purpose of the local policy will be to assist Council, applicants and the community in considering applications for “budget accommodation”.

The policy acknowledges the importance of providing a variety of accommodation types for workers and tourists associated with the horticultural industry. The policy specifies that the preferred locations for budget accommodation is within business areas. Budget accommodation is to be strongly discouraged within residential areas. Amenity and management criteria are specified in the policy.

The Amendment can be inspected, free of charge, at any of the following locations:-

- Rural City of Mildura – Madden St, Mildura.
- Department of Infrastructure, Western Regional Office, 1315 Sturt Street Ballarat.
- Department of Infrastructure, Nauru House, 80 Collins Street, Melbourne.

Submissions about the amendment must be sent to the Chief Executive Officer, Mildura Rural City Council, P.O.Box 105, MILDURA Vic 3502, and will be accepted until 5.00pm on .....?. All submissions should clearly state all of the grounds on which you support or oppose the amendment and indicate whether you wish to be heard in respect of the submission at any subsequent panel hearing.

Leonie Burrows,  
Chief Executive Officer

***Planning and Environment Act 1987***

**MILDURA PLANNING SCHEME**

**AMENDMENT C1**

The Planning Authority for this Amendment is the Mildura Rural City Council.

The Mildura Planning Scheme is amended as follows:

1. In the Local Planning Policy Framework - Clause 21.04-2 substitute a new Clause 21.04-2 in the form of the attached document.
2. In the Local Planning Policy Framework - Clause 22.02, insert a new Clause 22.02-4 in the form of the attached document.
3. For the List of Amendments, substitute a new List of Amendments in the form of the attached document.

**End of Document**

**Proposed Insert to the Local Planning Policy Section of the Mildura Planning Scheme (Clause 22)**

Insert the following as Clause 22.02-4 Budget Accommodation, following Clause 22.02-3.

**22.02-4 BUDGET ACCOMMODATION**

This policy applies to all land within the municipality.

Council regards “budget accommodation” as being any form of higher density commercial accommodation which has a potential for adverse off-site impacts.

The policy particularly applies to applications for the following land uses as defined in the Planning Scheme which, in the opinion of the Responsible Authority propose some form of “budget accommodation”.

- Group Accommodation
- Residential Building
- Backpacker’s Lodge
- Boarding House
- Hostel
- Residential Hotel
- Motel
- Bed & Breakfast

**Policy Basis**

Budget worker accommodation is especially important to the economy of the region as they provide short to medium stay accommodation for horticultural workers. It is estimated that in the peak season, up to 10,000 visitors to Mildura are actively working in the harvest of horticultural produce. Existing accommodation types for these workers include camping on the farm site; on-site pickers huts; caravan parks, motels, hotels, bed and breakfast and, most recently “backpackers hostels”. Hostels provide relatively cheap accommodation for young visitors who are attracted to the region for employment reasons. Typically, the occupants of these hostels are under thirty, they do not have cars and are travellers from overseas looking for seasonal employment of between two weeks and three months. They require accommodation facilities as close as possible to the central area of Mildura so that, after work, the occupants can avail themselves of nearby shopping and entertainment venues.

Recent experience in Mildura has suggested that some forms of budget accommodation, especially backpacker’s premises, have had a negative impact on neighbouring properties and neighbouring amenity especially in wholly residential areas. Community concerns have been expressed, and upheld on appeal, regarding the location of such premises in wholly residential areas, their hours of operation, on site management, provision of car parking and other amenity concerns especially noise.

Budget accommodation should be located, designed and operated to provide affordable, safe and pleasant environments while maintaining the amenity of the neighbourhood setting.

**Objectives**

- To provide for a wide variety of accommodation types to meet the diverse needs of the regions visitors and seasonal workers.
- To encourage a variety of budget accommodation in appropriate locations which meet acceptable standards in terms management and amenity.
- To locate budget accommodation premises within convenient access to public transport, community and retail facilities.

- To provide clear guidelines for operators, visitors, workers and residents about the location and likely approval conditions for budget accommodation.

### **Policy**

It is policy that:

### **Location:**

- The preferred location for budget accommodation is within the commercial areas of the Mildura CBD, Merbein Town Centre, Red Cliffs Town Centre, Irymple Town Centre and Ouyen Town Centre.
- Budget accommodation is encouraged to locate within the Business 1 zone; the Business 2 Zone and the Business 5 zone.
- Budget accommodation is to be strongly discouraged in the Residential 1 zone.
- If an application for budget accommodation is to be favourably considered in the Residential 1 zone the following principles should be applied:
  - The site has frontage to a Road Zone 1
  - The site is abutted by non residential uses
  - The site already accommodates an existing non residential use
  - The site is already used for another form of accommodation (other than dwelling or bed and breakfast) such as a motel, hotel, residential building, caravan park, or group accommodation.
  - No more than ten persons are to be accommodated on the site at any one time.

### **Advertising**

- Any application for a:

Group Accommodation  
Residential Building  
Backpacker's Lodge  
Boarding House  
Hostel  
Residential Hotel  
Motel  
Bed & Breakfast

will be required to be notified, pursuant to Section 52 of the Planning and Environment Act 1987 to adjoining and nearby owners and occupiers and by a sign erected at the front of the property.

### **Amenity:**

- In assessing any application for budget accommodation, applicants will need to demonstrate, and Council will need to be satisfied, that the proposal meets the following:

#### Management

- Where the premises are located outside a business zone, a resident on-site manager or supervisor is required at all times
- A Management Plan is to be prepared that addresses safety, security, emergency, fire prevention, alcohol limitations/ban; refuse disposal, and complaints mechanisms.

#### Numbers of Persons

- The density of accommodation and the provision of showers, toilets and basins must be in accordance with the *Health (Prescribed Accommodation) Regulations 1990*.

Car Parking

- One space for the manager
- One space for every ten beds

Noise

- Each premises is to be acoustically insulated to ensure that noise from within the building is not audible on an adjacent premises.
- No recorded music is to be played outside the building.
- This does not apply within the Business 1,2 or 5 zones if there is no residential use within 30 metres of the subject premises

**Reference Documents**

- *Budget Accommodation In Mildura Rural City Council, The development of a local planning policy for budget accommodation premises, (KPR and OPA, March 2000)*

## Amendment C1 List of changes to the Mildura Planning Scheme

Clause No(s)	Change	Comment
Table of Contents		
<b>LOCAL PLANNING POLICY FRAMEWORK</b>		
21.04-2	Following the Strategies listed below Objective 3, insert the following new Strategy: “21.04.2 <ul style="list-style-type: none"> <li>• Provide opportunities for budget accommodation for workers and tourists in appropriate locations.</li> </ul>	<i>Provides strategic basis for the location of budget accommodation.</i>
21.04-2	Following the last dot point under the heading “Council will use local policy to:” insert the following: <ul style="list-style-type: none"> <li>▪ Encourage the establishment of budget accommodation in business areas (Budget Accommodation Policy)</li> <li>▪ Discourage the establishment of budget accommodation in residential areas (Budget Accommodation Policy)</li> </ul>	
22.02-4	Following Clause 22.02-3, insert the following:  <b>22.02-4 BUDGET ACCOMMODATION</b>  This policy applies to all land within the municipality. Council regards “budget accommodation” as being any form of higher density commercial accommodation which has a potential for adverse off-site impacts. The policy particularly applies to applications for the following land uses as defined in the Planning Scheme which, in the opinion of the Responsible Authority propose some form of “budget accommodation”. <ul style="list-style-type: none"> <li>• Group Accommodation</li> <li>• Residential Building</li> <li>• Backpacker’s Lodge</li> <li>• Boarding House</li> <li>• Hostel</li> <li>• Residential Hotel</li> <li>• Motel</li> <li>• Bed &amp; Breakfast</li> </ul>	<i>Amends the Settlement policies applying to the preferred location of budget accommodation.</i>

Clause No(s)	Change	Comment
	<p><b>Policy Basis</b></p> <p>Budget worker accommodation is especially important to the economy of the region as they provide short to medium stay accommodation for horticultural workers. It is estimated that in the peak season, up to 10,000 visitors to Mildura are actively working in the harvest of horticultural produce. Existing accommodation types for these workers include camping on the farm site; on-site pickers huts; caravan parks, motels, hotels, bed and breakfast and, most recently “backpackers hostels”. Hostels provide relatively cheap accommodation for young visitors who are attracted to the region for employment reasons. Typically, the occupants of these hostels are under thirty, they do not have cars and are travellers from overseas looking for seasonal employment of between two weeks and three months. They require accommodation facilities as close as possible to the central area of Mildura so that, after work, the occupants can avail themselves of nearby shopping and entertainment venues.</p> <p>Recent experience in Mildura has suggested that some forms of budget accommodation, especially backpacker’s premises, have had a negative impact on neighbouring properties and neighbouring amenity especially in wholly residential areas. Community concerns have been expressed, and upheld on appeal, regarding the location of such premises in wholly residential areas, their hours of operation, on site management, provision of car parking and other amenity concerns especially noise.</p> <p>Budget accommodation should be located, designed and operated to provide affordable, safe and pleasant environments while maintaining the amenity of the neighbourhood setting.</p> <p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• To provide for a wide variety of accommodation types to meet the diverse needs of the regions visitors and seasonal workers.</li> <li>• To encourage a variety of budget accommodation in appropriate locations which meet acceptable standards in terms management and amenity.</li> <li>• To locate budget accommodation premises within convenient access to public transport, community and retail facilities.</li> <li>• To provide clear guidelines for operators, visitors, workers and residents about the location and likely approval conditions for budget accommodation.</li> </ul>	

Clause No(s)	Change	Comment
	<p><b>Policy</b></p> <p>It is policy that:</p> <p><b>Location:</b></p> <p>The preferred location for budget accommodation is within the commercial areas of the Mildura CBD, Merbein Town Centre, Red Cliffs Town Centre, Irymple Town Centre and Ouyen Town Centre. Budget accommodation is encouraged to locate within the Business 1 zone; the Business 2 Zone and the Business 5 zone.</p> <p>Budget accommodation is be strongly discouraged in the Residential 1 zone.</p> <p>If an application for budget accommodation is to be favourably considered in the Residential 1 zone the following principles should be applied:</p> <p>The site has frontage to a Road Zone 1</p> <p>The site is abutted by non residential uses</p> <p>The site already accommodates an existing non residential use</p> <p>The site is already used for another form of accommodation (other than dwelling or bed and breakfast) such as a motel, hotel, residential building, caravan park, or group accommodation.</p> <p>No more than ten persons are to be accommodated on the site at any one time.</p> <p><b>Advertising</b></p> <p>Any application for a:</p> <ul style="list-style-type: none"> <li>• Group Accommodation</li> <li>• Residential Building</li> <li>• Backpacker’s Lodge</li> <li>• Boarding House</li> <li>• Hostel</li> <li>• Residential Hotel</li> <li>• Motel</li> <li>• Bed &amp; Breakfast</li> </ul>	

Clause No(s)	Change	Comment
	<p>will be required to be notified, pursuant to Section 52 of the Planning and Environment Act 1987 to adjoining and nearby owners and occupiers and by a sign erected at the front of the property.</p> <p><b>Amenity:</b></p> <p>In assessing any application for budget accommodation, applicants will need to demonstrate, and Council will need to be satisfied, that the proposal meets the following:</p> <p><i>Management</i></p> <p>Where the premises are located outside a business zone, a resident on-site manager or supervisor is required at all times                      A Management Plan that addresses safety, security, emergency, fire prevention, alcohol limitations/ban; refuse disposal, and complaints mechanisms.</p> <p><i>Numbers of Persons</i></p> <p>The density of accommodation and the provision of showers, toilets and basins must be in accordance with the <i>Health (Prescribed Accommodation) Regulations 1990</i>.</p> <p><i>Car Parking</i></p> <p>One space for the manager                      One space for every ten beds</p> <p><i>Noise</i></p> <p>Each premises is to be acoustically insulated to ensure that noise from within the building is not audible on an adjacent premises..                      No recorded music is to be played outside the building.                      This does not apply within the Business 1,2 or 5 zones if there is no residential use within 30 metres of the subject premises</p>	

Clause No(s)	Change	Comment
	<p><b>Reference Documents</b></p> <p><i>Budget Accommodation In Mildura Rural City Council, The development of a local planning policy for budget accommodation premises, (KPR and OPA, March 2000)</i></p>	
<b>LIST OF AMENDMENTS</b>		
List of Amendments	Insert: Amendment number, "C1", In operation from, DATE with the brief description, "Local Policy on Budget Accommodation".	Updates list of amendments to the planning scheme.



