

DATE 1 July 2020

FIL REFERENCE FIL20/01866

CONFIDENTIAL No

FURTHER ENQUIRIES David Christy
City Development

PHONE 6023 8111

AUTHOR Shona Cameron

Purpose of Report

This report is prepared with the purpose of requesting Council's support for a Planning Proposal to include **artisan food and drink industry** as a permissible land use with consent within the B1 - B4 *Business Zones* and RU5 *Village Zone* of the *Albury Local Environmental Plan 2010* (ALEP 2010).

Background

On 31 August 2018 (replaced version issued 27 July 2018), the Department of Planning, Industry and Environment made the following amendment to the Standard Instrument Local Environmental Plan (SILEP) by introducing a new land use definition:

artisan food and drink industry means a building or place the principal purpose of which is the making or manufacture of boutique, artisan or craft food or drink products only. It must also include at least one of the following:

- (a) a retail area for the sale of the products;
- (b) a restaurant or café;
- (c) facilities for holding tastings, tours or workshops.

This new definition was introduced to provide clarity for the growing artisan and craft food and drink industry. The new land use term requires that as well as the manufacture of boutique, artisan or craft food or drink, at least one of the following services must be included – retail sales, a café or restaurant, tours, workshops and tastings.

'Artisan food and drink industry' is a subset of the 'light industry' land use and is permissible wherever 'light industry' is permissible in local environmental plans and certain other environmental planning instruments. Currently, the ALEP 2010 prohibits light industry in the B1 - B4 *Business Zones* and RU5 *Village Zone*, and therefore artisan food and drink industries are also prohibited. In recent years, Council have had several enquiries, particularly around microbreweries wanting to enter the Albury CBD rather than industrial zones.

Artisan food and drink industries are likely to be varied in nature:

- more industrial variants can be guided toward industrial estates; whereas
- more tourist oriented variants can be accommodated within say the CBD area which is likely to boost trading performance generally. Restaurant focussed variants are unlikely to seek an industrial zone as the environs would generally deter patronage.

Demand for the new land use definition is linked to the emergence of changes in community expectations where customers are knowledgeable and passionate about products and seek a unique experience linked to the producer. In the same way that customers travel to wine regions to taste wine, artisan producers require areas where they can make and sell their products and offer customers an experience while tasting or testing the product.

This Planning Proposal seeks to amend the land use table for the following zones, including **artisan food and drink industry** as a permissible with consent land use:

- *B1 Neighbourhood Centre;*
- *B2 Local Centre;*
- *B3 Commercial Core;*
- *B4 Mixed Use; and*
- *RU5 Village.*

Issues

Standard Instrument LEP

The Standard Instrument LEP has inserted **artisan food and drink industry** as a subcategory of 'light industry', resulting in that new use as being permissible with consent in the following zones of the Albury LGA:

- *B5 Business Development;*
- *B6 Enterprise Corridor;*
- *B7 Business Park;*
- *IN1 General Industry; and*
- *IN2 Light Industry.*

Given these zones do not exist in the Albury and Lavington CBDs and other locations potentially suitable for such a land use, Council must amend ALEP 2010 to insert the new use as a permissible use in other land zones. If the use is to be permitted in the Albury and Lavington CBD, market forces are likely to drive such operators to seek a more central location so amenity protection conditions can be imposed as needed.

An alternative approach was considered by amending Schedule 1 of the ALEP 2010 to provide additional permitted uses on sites that are nominated by developers on an ad hoc basis. This alternative was considered inappropriate and inherently short sighted. It is more efficient and orderly to amend the land use tables of the nominated B1 - B4 *Business Zones* and RU5 *Village Zone*, to include artisan uses as permissible with consent. Thus, the Planning Proposal will create the ability to guide development in a consistent manner, in line with community expectations for planning, growth and governance.

Albury 2030

Relevant themes and outcomes identified in Albury 2030 include:

A Growing Economy

Outcome 1.1 – Increase visitors to Albury and the surrounding region:

- *1.1.1 – Promote tourism and enhance the Albury Wodonga region as a destination of choice – through a collaborative approach between all stakeholders and interest groups.*
- *1.1.3 – Further develop and strengthen the City's visitor product and infrastructure. Ensure its effective marketing and promotion.*
- *1.1.5 – Understand the benefits of the visitor economy to the region.*
- *1.1.6 – Increase focus on regional promotion of our tourism offer.*
- *1.1.7 – Enhance the capacity of businesses to support the delivery of quality tourism, sport and business events, experiences and outcomes.*

Outcome 1.2 – Improve visitor and residents' experiences:

- *1.2.4 – Continue to enhance Albury and Lavington CBDs.*
- *1.2.6 – Promote and provide high quality visitor information and services across Albury's public access facilities.*
- *1.2.8 – Ensure venues and facilities attract visitation and improve the lifestyle offer of the City.*

Outcome 1.5 – Promote Albury for industry and business:

- *1.5.1 – Promote Albury as a major regional economy and the regional city of choice for lifestyle, career and investment opportunities.*
- *1.5.5 – Support and promote business and business opportunities across all sectors to continue to foster economic diversity.*

Two Cities One Community Strategic Plan 2017-2021

The relevant goals and actions identified in the Two Cities One Community Strategic Plan include:

Our Economy

- *1.2 – We are a destination that offers a variety of experiences, attractions and events.*
- *1.3 – We promote business, investment and jobs.*

Strategies and Legislation

A Planning Proposal is overseen by the provisions of the following:

- *Albury Land Use Strategy 2004;*
- *Albury Local Environmental Plan 2010;*
- *Albury Development Control Plan 2010; and*
- *Environmental Planning and Assessment Act 1979.*

Gateway Process

Once the Planning Proposal is considered satisfactory, it shall be forwarded to Council for endorsement, before being forwarded (including any supporting information, GIS data, or request for delegation) to the NSW Department of Planning, Industry and Environment requesting a 'Gateway Determination' be issued (including any delegated plan-making powers).

A Stakeholder Engagement Plan has been prepared by Council staff in support of the Planning Proposal.

The Minister for Planning (or delegate) then decides whether the Planning Proposal can proceed (with or without variation), and subject to other matters including further studies being undertaken, public consultation, public hearings, agency consultation and time frames.

Risk

- **Business Risk** – The Planning Proposal seeks to support redevelopment and activation of existing buildings within Albury and Lavington CBDs. This will serve to provide further opportunities for potential new businesses and deliver on objectives of Albury 2030 and Two Cities One Community Strategic Plan 2017-2021.
- **Corporate Risk** – The current land use zones where *artisan food and drink industry* is permissible is limited. Expansion of these land use zones will encourage reinvestment and commercial interest. Failure to support and promote redevelopment opportunities in the Albury and Lavington CBD may lead to community dissatisfaction and potential new businesses locating elsewhere.
- **WHS and Public Risk** – None identified.
- **Environmental Risk** – None identified.
- **Delivery Program Risk** – None identified.

Community Engagement

This Planning Proposal will be exhibited in accordance with the requirements of Schedule 1, Clause 4 of the EP&A Act 1979, the NSW Department of Planning and Environment: A Guide to Preparing Local Environmental Plans (December 2018), and any conditions of the Gateway Determination (to be issued).

The formal public exhibition process will be based on the Stakeholder Engagement Plan which has been included with this report and is provided as attachment 2 for the reference and information of Councillors.

The Stakeholder Engagement Plan includes provision for the following activities:

- notification letters dispatched to landowners and other key stakeholders identified as being directly affected by the Planning Proposal prior to exhibition commencement;
- public notice published in the Border Mail;
- static displays containing all exhibition material for viewing purposes in the foyer of the Council Administration Building, LibraryMuseum, and Lavington Library;

- all exhibition material being made available on the AlburyCity website as well as the ability to lodge online enquiries and/or submissions by email;
- community information session;
- consultation and discussion with relevant Government Agency representatives; and
- Strategic Planning staff available (on demand or by appointment) to assist with any enquiries relating to the Planning Proposal.

Options

1. Endorse the Planning Proposal to include **artisan food and drink industry** as a permissible land use with consent within the B1 - B4 *Business Zones* and RU5 *Village Zone* and forward this Planning Proposal to the NSW Department of Planning, Industry and Environment seeking a Gateway Determination; or
2. Take no further action with regards to the Planning Proposal and the proposed amendment.

Conclusion

Boutique, craft or artisan food and drink products are increasingly popular among consumers who want an alternative to mass-manufactured offerings. Craft and locally produced goods command a price premium and support industries such as tourism and hospitality and provide local employment.

The new land use term will provide clarity for the growing artisan and craft food and drink industry such as microbreweries or cheese makers by establishing a new definition that reflects the nature of these uses. There are numerous examples in Wagga and other regional cities where microbreweries and the like coexist in CBD and mixed use locations. If Albury is to continue to grow as a food and drink destination then these uses need to have the opportunity to be centrally located.

By default, the use was enabled in zones where light industry is permissible so enabling this use in the B1 - B4 *Business Zones* and RU5 *Village Zone* will further encourage a range of boutique and niche providers to seek a more central or village location. This will in turn see a tourism benefit that many artisan establishments seek to capitalise on.

To include **artisan food and drink industry** as a permissible land use within the B1 - B4 *Business Zones* and RU5 *Village Zone* has substantial planning merit and is considered appropriate for Council support in this instance.

Accordingly, it is recommended that Council endorse the tabled Planning Proposal and seek NSW Department of Planning, Industry and Environment authority to progress the proposal as an amendment to ALEP 2010, pursuant to Part 3 of the EP&A Act 1979 as a 'delegated planning proposal'.

Recommendation

That Council:

- a. endorses the Planning Proposal and forwards it to the Minister for Planning seeking an Amendment to the ALEP 2010 and requests that a Gateway Determination be issued, including the delegation of Plan making powers, so as to enable the public exhibition of the Planning Proposal pursuant to the EP&A Act 1979;
- b. upon receipt of a Gateway Determination under Section 3.34 of the EP&A Act 1979, Council places the Planning Proposal and any supporting material on public exhibition pursuant to any requirements of the Gateway Determination and Schedule 1, clause 4 of the EP&A Act 1979; and
- c. should no objections be received, furnishes a copy of this report and other relevant information to the NSW Department of Planning, Industry and Environment and/or NSW Parliamentary Counsels Office, in accordance with the EP&A Act 1979, and requests the Minister for Planning (or a delegate on their behalf) undertake the appropriate actions to secure the making of the amendment to the ALEP 2010.

Attachments

1. Planning Proposal - Amendment to ALEP 2010 - Artisan Food and Drink Industry (DOC20/107012)
2. AlburyCity Stakeholder Engagement Plan - Artisan Food and Drink Industry Planning Proposal (DOC20/108279)