



PLANNING PROPOSAL

SP3 TOURIST ZONE

**MOPPITY VINEYARDS
LOT 1 DP1005478**

Prepared by Harden Shire Council and
Moppity Vineyards

June 2015

PART 1 – STATEMENT OF THE OBJECTIVES OF INTENDED OUTCOMES

This planning proposal has been prepared in response to a request from a property owner to permit tourist development on a site. Under the current provisions of Harden Local Environmental Plan 2011 there is no zone that permits all of the activities that are normally associated with a tourist development.

The intent of the planning proposal is to insert a SP3 Tourist Zone into Harden Local Environmental Plan 2011 and to rezone part of Lot 1 DP1005478 (being 2ha as shown on the drawing) to SP3 Tourist Zone.

PART 2 – EXPLANATION OF PROVISIONS

Harden Local Environmental Plan 2011 was implemented in the Standard Instrument - Local Environmental Plans format by a conversion process that converted the controls of the previous 1979 environmental planning instrument, Harden Interim Development Order No 1 (IDO), into the most appropriate zones and land uses contained within the Standard Instrument - Local Environmental Plans. There was no provision for tourist zone in the IDO nor were there any developments in place that warranted the insertion of such a zone. Those developments in existence that fulfilled a tourist role, such as the St Clement's retreat centre, were included in Schedule 1 of Harden Local Environmental Plan.

The proposal will insert a SP3 Tourist Zone into Harden Local Environmental Plan 2011, and rezone the north western portion of approximately 2ha of Lot 1 DP1005478 to SP3 Tourist Zone to permit tourist related activities and facilities to be erected on the site.

PART 3 – JUSTIFICATION

SECTION A – NEED FOR THE PLANNING PROPOSAL

1. *Is the planning proposal a result of any strategic study or report?*

This planning proposal is consistent with the strategic direction of Harden Shire Council to support economic development and tourism in the local area. This commitment is evidenced by Council's recent endorsement and membership of the Canberra Region Joint Organisation which provides the branding and marketing platform for tourism in the region.

Council has recently engaged a consultant to undertake a rural and residential lands study. It is anticipated that this study will be completed in late 2015. Whilst the study is in its infancy with background information and data collection complete there does appear to be some emerging factors in relation to opportunities for the Shire. Tourism is one of the opportunities identified in this study along with opportunities for value adding and niche marketing of rural produce.

The Team Harden Community Vision Strategic Plan of 2010 goes further in its aims to establish harvest/produce trails linking orchards, cellar doors, fresh produce outlets and eateries that specialise the use of fresh local produce. This trail is still in its infancy but is gaining momentum more broadly in the region. Strategy 3 under this plan to achieve this objective is *"To continue to develop the attraction, activity, product and infrastructure base of the Shire by building on the Shire's raw assets to grow visitation"*. The establishment of a specific tourist zone will go a long way to

promote Council's willingness to support the development and growth of a burgeoning tourist industry for this region.

2. *Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?*

There are no applicable regional strategies prepared or endorsed by the Department of Planning and Infrastructure that encompass the Harden Shire Area. However during the consultation process for the regional growth strategy for the south east area tourism was raised as a factor that required consideration and support.

There is no tourist zone within the Harden Local Environmental Plan 2011 due to it being a conversion of the provisions of the previous 1979 planning control document. To date existing tourism type developments have been included in Schedule 1. However with tourism now becoming more prominent in the local region and with Council having made the commitment to this burgeoning regional industry it is more appropriate to include a tourist zone within the Harden Local Environmental Plan to permit tourism development to proceed in a planned strategic manner.

This is a site specific rezoning to enable tourism activities and facilities in conjunction with an existing productive vineyard. In examining the most appropriate means of achieving the outcome to permit tourist facilities on site Council examined alternatives to site specific rezoning, including amending Schedule 1 of the LEP to permit tourist facilities on this site and amending the RU1 Primary Production land use table; RU1 Primary Production being the current zone applicable to the site.

Schedule 1 was considered inappropriate as it did not reflect Council's commitment to supporting the burgeoning tourism industry in the Shire and could possibly be perceived as a favourable outcome for an individual in the absence of a more strategic approach to tourism within the Shire.

Amending the RU1 Primary Production Land Use to permit tourist facilities on a broad scale basis in this zone was considered to be inconsistent with the objectives of the zone. Council recognises the importance of the agricultural section to the regional economy. Accordingly it is important that the protection afforded to RU1 Primary Production Zone land by the zone objectives is maintained by the restriction of potentially incompatible land uses.

SECTION B - RELATIONSHIP TO STRATEGIC PLANNING FRAMEWORK

3. *Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?*

There is no regional or sub regional strategy for the Harden Shire Local Government Area.

4. *Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?*

Council undertook a conversion of the controls contained in the 1979 environmental planning instrument into the standard instrument format in 2011, resulting in the Harden Local Environmental Plan 2011. At that time, as the controls were simply a

conversion into a new format there was no opportunity to undertake site specific rezoning or local environmental studies completed.

The proposal for a tourist facility on the identified site is prohibited by the current planning controls and site zoning. However the planning proposal is consistent with the recommendations contained within Council's Community Strategic Plan Outcome 2.8 *"A visitor experience based on a strong customer service culture and products that celebrate and protect the culture, heritage and outstanding natural environment of the Harden area"*. The opportunity for the region to build upon and improve food and wine tourism was recognised as part of the Community Consultation Report of Regional Development Australia Southern Inland as far back as 2010 Similarly Team Harden. This document also recognises the need for additional accommodation and upgrade of existing accommodation to cater to the changing needs of visitors. This need has been recognised by the private sector in Harden Shire with the local motel undergoing improvements and expansion.

Furthermore Council has identified that maintaining a planning regime that supports the economy, utility and ambience of the Shire, while maintaining a sustainable environment is equally important. This planning proposal recognises that the use of the land for tourist operations in conjunction with an existing successful vineyard brings additional tourism opportunities for the wider region and is a sustainable enterprise and use of the site.

5. *Is the planning proposal consistent with applicable state environmental planning policies?*

The planning proposal is consistent with the applicable state environmental planning policies as outlined in **Appendix 1**.

6. *Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?*

The proposal is consistent with applicable Section 117 Directions as outlined in **Appendix 2**.

SECTION C – ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

7. *Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?*

It is unlikely that critical habitat or threatened species, populations or ecological communities or their habitats, will be subject to any additional adverse impacts as a result of the planning proposal proceeding. The site consists of modified vegetation, being grapevines used for the production of wine. Similarly the site has a history of extensive agricultural and viticultural use.

There is a partially intact EEC in the road corridor to the north of the site; however this proposal does not propose any additions, modifications or alterations to the functioning of this corridor. There are no critical or endangered habitats existing on site.

8. *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

The likely environmental effects resulting from this planning proposal are in relation to water use. Water use for a tourist facility will be of a higher quality (ie potable) than that required for the operation of a vineyard. There is no reticulated water supply to the site and the provision and treatment of onsite water storage will be a factor that will require additional consideration on the submission of an application for the construction of a tourist facility.

The site is not subject to any known items of European or Aboriginal heritage, nor is it within a mapped bushfire prone area. Similarly the site is not subject to flooding.

9. *How has the planning proposal adequately addressed any social and economic impacts?*

It has been recognised through a variety of plans and studies that there is a growing interest in the Shire as a food and wine producer. Following on from that interest it is not unreasonable to expect that people will want to experience for themselves the growing, value adding and production of the food and wine for which the region is becoming renowned. At present, whilst the Shire produces some award winning wines and high quality agricultural products, many of which have been subject to value adding through a variety of home and small businesses there is no one local place for visitors to experience this for themselves.

This proposal capitalises on the burgeoning industry to create a specific facility catering to the needs and desires of tourists. In creating such a facility the flow on benefits to the region in terms of demand for additional products and services creates additional business opportunities. Such opportunities include the ability for producers and stakeholders to showcase and market their products directly to the public. Such a facility and flow on business opportunities will have a positive economic benefit for not only the Shire but benefits to the wider region.

The burgeoning tourist industry not only has economic benefits for those directly involved but also has flow on benefits to the broader local community through employment, upskilling, accommodation and community pride. A specific tourist zone permits social and enjoyment of experiencing the production and consumption of products and localities.

A survey conducted in support of the establishment of additional tourist facilities within the region indicate that there is a definite lack of tourist activities and the region is heavily reliant on festivals and events to attract tourism movement. The results of the survey indicate that there is a desire for more tourist related activities and attractions to attract and retain the tourist dollar.

SECTION D – STATE AND COMMONWEALTH INTERESTS

10. *Is there adequate public infrastructure for the planning proposal?*

The planning proposal will not have an impact on public infrastructure.

11. *What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?*

A gateway determination has yet to be issued. Council has not made any formal approaches to State or Commonwealth public authorities in relation to this proposal.

PART 4 – MAPPING

The attached map is indicative only, however maps prepared in accordance with the Department of Planning and Environment guidelines will be produced should a positive Gateway determination be issued.

PART 5 - COMMUNITY CONSULTATION

Council plans to exhibit the draft plan for a minimum of thirty (30) days.

It is proposed to exhibit the planning proposal with notice of the public exhibition to be given as follows:

- each of the newspapers that circulate in the area affected by the Planning Proposal – “Twin Town Times” and “Harden Express” newspapers, and
- on Council’s website at www.harden.nsw.gov.au

PART 6 – TIMELINE

The following timeline is anticipated for this planning proposal:

ITEM	DATE
• Anticipated commencement date (Gateway Determination)	17 July 2015
• Anticipated timeline for completion of required technical information (<i>No additional technical information required</i>)	31 July 2015
• Timeframe for government agency consultation (pre and post exhibition as required by Gateway determination)	1 – 28 August 2015
• Commencement and completion dates for public exhibition period	2 Sept – 2 Oct 2015
• Dates for public hearing (if required)	14 Oct 2015
• Timeframe for consideration of submissions	19 – 30 Oct 2015
• Date of submission to the department to finalise the LEP	20 Novt 2015
• Anticipated date RPA will make the plan (if delegated)	
• Anticipated date RPA will forward to the department for notification	

AMENDMENT DOCUMENT

The planning proposal involves the insertion of the following into Harden Local Environmental Plan 2011 in the Land Use Table after Zone SP2 Infrastructure:

Zone SP3 Tourist

1 Objectives of zone

To provide for a variety of tourist-oriented development and related uses.

2 Permitted without consent

Nil

3 Permitted with consent

Dwelling house; Food and drink premises; Home industry; Tourist and visitor accommodation; Roads; Secondary dwelling; Any other development not specified in item 2 or 4.

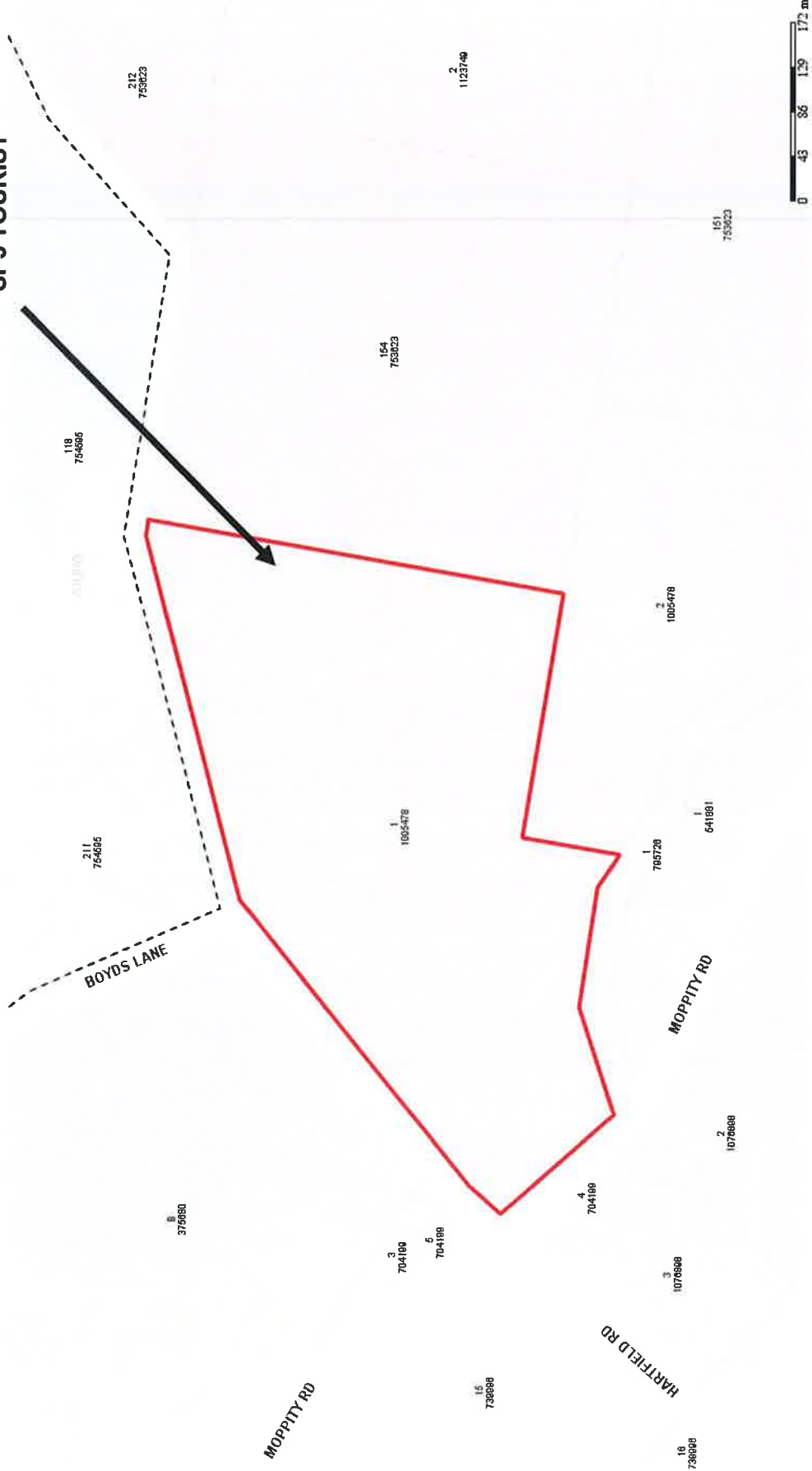
4 Prohibited

Animal boarding and breeding establishment; biosolids treatment facility; brothel; bulky goods premises; business premises; child care centres; composting facilities and works; correctional centre; crematorium; dairy (pasture-based); dairy (restricted); depot; educational establishment; electricity generating works; exhibition home; exhibition village; extractive industry; feedlot; freight transport facility; funeral home; hardware and building supplies; hazardous storage establishment; health consulting rooms; health services facility; heavy industrial storage establishment; high technology industry; home occupation (sex service); hospital; hostel; industry; intensive livestock agriculture; landscaping material supplies; liquid fuel depot; livestock processing industry; medical centre; mortuary; office premises; place of public worship; public administration building; residential accommodation; residential care facility; respite day care centre; restricted premises; restriction facilities; rural supplies; sawmill or log processing works; stock and sale yard; storage premises; timber yard; vehicle body repair workshop; vehicle repair station; vehicle sales or hire premises; veterinary hospital; warehouse or distribution centre; waste or resource management facility.

MAPPING AMENDMENT

SP3 TOURIST ZONE

SITE SUBJECT TO PLANNING
PROPOSAL TO REZONE TO
SP3 TOURIST



APPENDIX 1**STATE ENVIRONMENTAL PLANNING POLICIES**

STATE ENVIRONMENTAL PLANNING POLICY	COMPLIANCE	COMMENTS
SEPP 1 — Development Standards	N/A	N/A as per Clause 1.9 Harden LEP 2011
SEPP 4 — Development Without Consent and Miscellaneous Exempt and Complying Development	N/A	N/A as per Clause 1.9 Harden LEP 2011
SEPP 6 — Number of Storeys in a Building	Consistent	Proposal will be consistent with the formula for calculating max number of storeys in a building calculat
SEPP 14 — Coastal Wetlands	N/A	Does not apply to Harden Shire
SEPP 15 — Rural Landsharing Communities	N/A	Proposal will be consistent with the formula for calculating max number of storeys in a building
SEPP 19 — Bushland in Urban Areas	N/A	Does not apply to Harden Shire
SEPP 21 — Caravan Parks	Consistent	No specific proposals are proposed with the development of this site
SEPP 22 — Shops and Commercial Premises	N/A	No specific proposals
SEPP 26 — Littoral Rainforests	N/A	Does not apply to Harden Shire
SEPP 29 — Western Sydney Recreation Area	N/A	Does not apply to Harden Shire
SEPP 30 — Intensive Agriculture	N/A	No specific proposal
SEPP 32 — Urban Consolidation (Redevelopment of Urban Land)	N/A	No specific proposal
SEPP 33 — Hazardous and Offensive Development	N/A	No specific proposal
SEPP 36 — Manufactured Home Estates	Consistent	No specific proposals are proposed with the development of this site
SEPP 39 — Spit Island Bird Habitat	N/A	Does not apply to Harden Shire
SEPP 41 — Casino Entertainment Complex	N/A	Does not apply to Harden Shire
SEPP 44 — Koala Habitat Protection	N/A	Does not apply to Harden Shire
SEPP 47 - Moore Park Showground	N/A	Does not apply to Harden Shire
SEPP 50 — Canal Estate Development	N/A	Does not apply to Harden Shire

SEPP 52 — Farm Dams and Other Works in Land and Water Management Plan Areas	N/A	Does not apply to Harden Shire
SEPP 55 — Remediation of Land	Consistent	History of the site is well known as vineyard and agricultural site so not considered to be subject to contamination issues from past use.
SEPP 59 - Central Western Sydney Economic & Employment Area.	N/A	Does not apply to Harden Shire
SEPP 60 — Exempt and Complying Development	N/A	N/A as per Clause 1.9 Harden LEP 2011
SEPP 62 — Sustainable Aquaculture	N/A	No specific proposals
SEPP 64 — Advertising and Signage	Consistent	There will be no signage erected on site without Council consent. All signage will be drafted in accordance with the provisions of this SEPP and meet the applicable guidelines.
SEPP 65 — Design Quality of Residential Flat Buildings	N/A	No specific proposals
SEPP 70 — Affordable Rental Housing (Revised Schemes)	N/A	No specific proposals
SEPP 71 - Coastal Protection	N/A	Not applicable to Harden Shire
SEPP (Affordable Housing) 2009	N/A	No specific proposals
SEPP (Building Sustainability Index: BASIX) 2004	Applicable	Any buildings will be designed in accordance with BASIX provisions.
SEPP (Exempt and Complying Development Codes) 2008	N/A	There are no Exempt or Complying Development Codes within the SP3 Zone
SEPP (Housing for Seniors or People with a Disability) 2004	N/A	No specific proposals
SEPP (Infrastructure) 2007	N/A	No land suitable for infrastructure development is included within this proposal
SEPP (Kosciuszko National Park — Alpine Resorts) 2007	N/A	Not applicable to Harden Shire
SEPP (Kurnell Peninsula) 1989	N/A	Not applicable to Harden Shire
SEPP (Major Development) 2005	N/A	The land is not within the State significant sites as listed within Schedule 3 of this SEPP
SEPP (Mining, Petroleum Production and Extractive Industries) 2007	Applicable	No development of this type is proposed on this land
SEPP (Penrith Lakes Scheme) 1989	N/A	Does not apply to Harden Shire

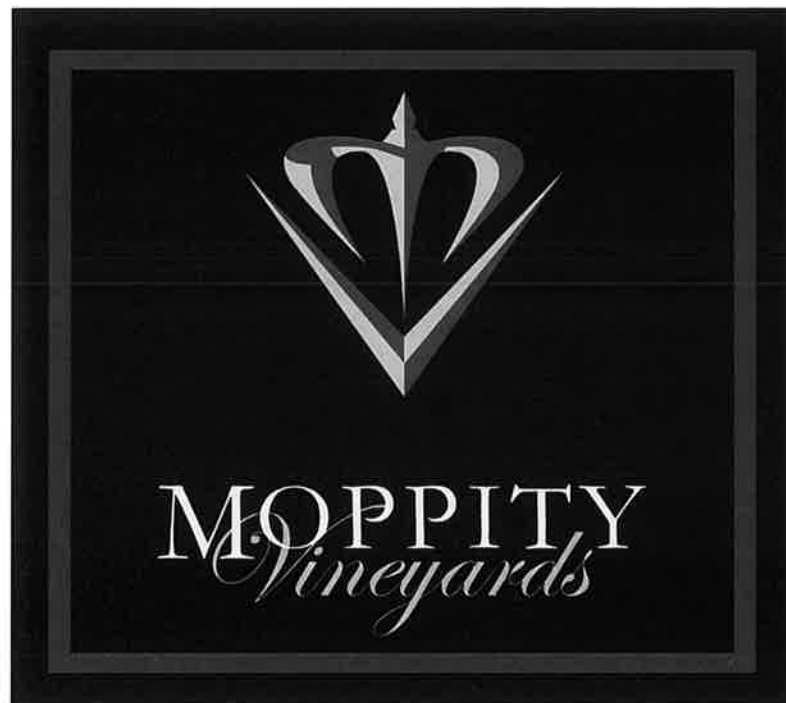
SEPP (Rural Lands) 2008	Consistent	Consistent with rural use. This site has been identified as Class 4 Agricultural land – suitable for occasional cultivation. The remaining land on the site is used for vineyards, the highest and best use of this site is not adversely impacted by the proposal. Rather, the viticultural use is enhanced by the proposal as it creates a demand and end use for the vineyard's output. Impacts of the development will not migrate offsite and affect the potential of other surrounding agricultural land.
SEPP (SEPP53 Transitional Arrangements) 2011	N/A	No specific proposals
SEPP (State and Regional Development) 2011	Consistent	This proposal is not inconsistent with the provisions of the Act.
SEPP (Sydney Drinking Water Catchment) 2011	N/A	Does not apply to Harden Shire
SEPP (Sydney Region Growth Centres) 2006	N/A	Not applicable to Harden Shire
SEPP (Three Ports)	N/A	Not applicable to Harden
SEPP (Urban Renewal) 2010	N/A	Not applicable to Harden Shire
SEPP (Western Sydney Employment Area) 2009	N/A	Does not apply to Harden Shire
SEPP (Western Sydney Parklands) 2009	N/A	Does not apply to Harden Shire

APPENDIX 2
SECTION 117 DIRECTIONS

SECTION 117 DIRECTION	COMPLIANCE	COMMENTS
1 EMPLOYMENT AND RESOURCES		
1.1 Business and Industrial Zones	Not applicable	No changes proposed to these zones
1.2 Rural Zones	Consistent	This regulation recommends that the land not be rezoned unless it is of minor significance. This site represents merely 2Ha in the context of the total Shire area of 186,121. This represents only 0.00001% of the Shire area and therefore immaterial such that it should not warrant strict compliance with this regulation.
1.3 Mining, Petroleum Production & Extractive Industries	Not applicable	The proposal does not limit mining petroleum production or extractive industries
1.4 Oyster Aquaculture	Not applicable	Does not apply to Harden Shire
1.5 Rural Lands	Consistent	Consistent with rural use Suitable for occasional cultivation Site has been identified as Class 4 Ag land – occasional cultivation. Remaining land on of the site is used for vineyards, the highest and best use of this site is not impacted by the proposal. Viticulture use is enhanced by the proposal Impacts of the development will not migrate offsite and affect the potential of other surrounding agricultural land. Council is in the process of undertaking a rural and residential lands study. That study recognizes the importance of Tourism in the development of rural areas to support the Shire's future economic growth, capitalizing on the potential of the Tourism sector.
2 ENVIRONMENT AND HERITAGE		
2.1 Environment Protection Zones	Not applicable	The proposal does not create or alter an Environmental protection zone. No environmentally sensitive areas are included in this proposal
2.2 Coastal Protection	Not applicable	Does not apply to Harden Shire

2.3 Heritage Conservation	Not applicable	This planning proposal does not contain any alterations to heritage conservation areas or items of cultural/environmental heritage. Constant cultivation indicates there are no items of Aboriginal or historical significance on the site.
2.4 Recreation Vehicle Areas	Not applicable	No provision made in this proposal for recreation vehicle areas. Land is not in or adjacent to an environmental protection zone, beach or dune.
3 HOUSING, INFRASTRUCTURE AND URBAN DEVELOPMENT		
3.1 Residential Zones	Not applicable	No changes proposed to zone boundaries or dwelling density controls
3.2 Caravan Parks and Manufactured Home Estates	Consistent	This proposal retains the permissibility of caravan parks in this zone. No changes to land use
3.3 Home Occupations	Consistent	Proposal is consistent with this direction
3.4 Integrated Land Use and Transport	Not applicable	There are no public transport options servicing this site and therefore there is no impact. This proposal does not include any proposal for public transport, It does not rely on public transport for its operation. May decrease dependency on cars by providing for bus tours.
3.5 Development Near Licensed Aerodromes	Not applicable	No licensed aerodromes impacted by this proposal
3.6 Shooting Ranges	Not applicable	No change in zoning to occur
4 HAZARD AND RISK		
4.1 Acid Sulfate Soils	Not applicable	No acid sulphate soils in Harden Shire
4.2 Mine Subsidence and Unstable Land	Not applicable	No mine subsidence areas within Harden Shire
4.3 Flood Prone Land	No applicable	Not a flood prone area
4.4 Planning for Bushfire Protection	Not applicable	No zoning changes to occur. Not inconsistent with this direction. The site is not bushfire prone, as mapped by Bushfire prone land map. The area's downslope is managed viticulture land that is unlikely to support an uncontrolled bushfire. Additionally, the local Barwang Bush Fire Brigade shed is situated on adjoining land.
5 REGIONAL PLANNING		
5.1 Implementation of Regional Strategies	Not applicable	No regional strategy for Harden Shire
5.2 Sydney Drinking Water Catchment	Not applicable	Does not apply to Harden Shire
5.3 Farmland of State and Regional Significance NSW Far North Coast	Not applicable	Does not apply to Harden Shire

5.4 Commercial and Retail Development along the Pacific Highway North Coast	Not applicable	Does not apply to Harden Shire
5.8 Second Sydney Airport: Badgerys Creek	Not applicable	Does not apply to Harden Shire
6 LOCAL PLAN MAKING		
6.1 Approval and Referral Requirements	Not applicable	This proposal does not include any referral or concurrence provisions nor does it include any designated development provisions
6.2 Reserving Land for Public Purposes	Not applicable	This proposal does not contain any provisions for land acquisition
6.3 Site Specific Provisions	Not applicable	There are no site specific provisions contained in this proposal.
7 METROPOLITAN PLANNING		
7.1 Implementation of Metropolitan Plan for Sydney 2036	Not applicable	Does not apply to Harden Shire



Moppity Vineyards Wine Tourism Complex
Gateway Planning Proposal
May 2015

1. Introduction

This proposal has been prepared in support of Moppity Vineyards planned Wine Tourism Complex development at Lot 1 DP1005478.

The purpose of the Gateway Planning Proposal is to seek Council's support to permit under Schedule 1 of the Harden Local Environmental Plan 2011 the use of the premises (subject to development consent from Council) as "Restaurant, Winery, Function Centre, Entertainment venue, Accommodation, Conference Centre, Retail, Training Facility".

2. Hilltops Region

2.1. Regional snapshot

The Hilltops region (incorporating Harden, Young and Boorowa Shires) is a picturesque, idyllic rural area well located near Canberra.

The region's economic base is driven largely by agriculture and ancillary service provision. The agricultural sector has been under increasing pressure in the last few decades and the trend is for this to continue. This has placed downward pressure on employment and population growth. The region's future growth and prosperity is dependent on attracting investment in the development of new industries such as manufacturing and tourism. It is vital that we identify and exploit the region's strengths by encouraging investment and development in these areas.

2.2. Tourism Potential

The region's tourism is driven by major events such as the Picnic Races, National Cherry Festival and Irish Woolfest. Despite the region's strategic advantage being its close proximity to the major tourism source market of Canberra, there are limited tourism attractions of note outside of major events.

According to Capital Country tourism statistics, visitation to the region for the purpose of holiday/leisure declined by 11% from 2011 to 2012. This contrasts with ACT tourism stats, reporting an increase of 31% in overnight visitation in the last 12 months. Clearly, this region's tourism industry is not doing enough to entice and satisfy interstate and international visitors, who are only making it as far as Canberra. New, exciting and professional product, such as this development, is needed to reverse this trend.

The overwhelming feedback from our surveys (Attachment 1) is that for most of the year, there are insufficient quality attractions/activities to adequately entertain/occupy visitors for an overnight or extended stay. Of visitors surveyed, 85% are unsatisfied with the range and quality of the region's tourism product.

2.3. Case study - Mudgee wine region

Comparing the Hilltops region with Mudgee indicates that the development of the wine tourism sector in this region could bring significant benefits:

	Mudgee	
Hilltops		
Population	10,000	19,000
Distance from major population Canberra	3.5hrs to Sydney	1.5hrs to
Sydney		3.5hrs to
Overnight visitors	258,000	75,000
Wine producers	37	14
Full time cellar doors	37	1
Quality of wine tourism offering	Mature, sophisticated	Basic
Cellar door revenue p.a.	\$7.6m	\$0.2m
Sector multiplying effect	6.1	
Economic benefit (tourism yield) p.a. ~\$1.2m	\$46.3m	

Source: Mid-Western Regional Council Input Output Model, 2005

The table above illustrates that Mudgee's wine tourism sector has made a significant contribution to the local economy. The two regions share many parallels, whilst Hilltops boasts strategic advantages in relation to base population, proximity to source markets and passing traffic. The Hilltops region could expect similar (if not greater) benefits once the quality of the product and experience offering improves.

2.4. Survey results

Our surveys (Attachment 1) confirm the following:

- The area needs another tourism attraction 97%
- Would be more likely to stay an extra night or visit again if this facility was available 83%
- Satisfied with the range and quality of attractions/experiences 15%
- More likely to visit Hilltops if there are good cellar doors 77%

3. Moppity Vineyards

3.1. The Moppity Vineyards Story

From humble beginnings in 2004 Moppity Vineyards is rapidly becoming one of Australia's most successful wine companies. Our first release – the 2006 Reserve Shiraz – took out Top Gold at the 2008 London International Wine & Spirit Competition. Since then, Moppity Vineyards has enjoyed incredible show success, winning over 500 trophies and medals at Australian and International wine shows, picking up some of the world's most coveted wine prizes along the way. The flagship Reserve Shiraz has been rated equal best shiraz in Australia by leading critic James Halliday and in 2014 took out the coveted title of Australia's Best Shiraz at the Great Australian Shiraz Challenge.

Moppity Vineyards is one of Australia's best wine producers. We have strong and growing sales in external (domestic and export) markets but lack a local presence for our brand; a "spiritual home". We are developing a high-quality, multi-faceted wine tourism complex; an icon for our region, bringing together complementary product and service offerings to provide a comprehensive tourism experience, set amidst breathtaking scenery.

3.2. A business on the rise:

2004 - Commenced trading as Moppity Vineyards with the acquisition of the established 170 acre "Moppity Park Vineyard", which had been trading under receivership for the previous two years

2006 - Released first wines under the Moppity Vineyards, to critical acclaim

2008 - Moppity Reserve Shiraz wins Top Gold at London International Wine and Spirit Competition (one of the most coveted awards in the wine world).

2009 - Expanded production from 1,000 dozen per year to 30,000 dozen per year with the launch of "Lock & Key" range. This range was awarded "Best New Brand Of The Year" (Peter Forrestal, *Quaff*)

2011 - Doubled viticultural output with the acquisition of the 175 acre icon "Trallee" Vineyard in Tumbarumba

2013 - Expanded bottled wine business with the acquisition of Western Australian wine company, Chalice Bridge (Margaret River). Increased production from Southern NSW vineyards to 50,000 dozen per year.

2014 - Among the most highly awarded wineries in Australia for the year, winning:

- Australia's Best Shiraz", Great Australian Shiraz Challenge (first ever win by a NSW wine in the competition's 20 year history)
- Australia's Best Cabernet Sauvignon (2012/2013 vintages), National Wine Show, Canberra
- NSW Best Cabernet Sauvignon, NSW Wine Awards
- Best NSW Winery, Melbourne International Wine Challenge
- Best Exhibitor, Canberra Regional Wine Show (2nd consecutive year)
- Best Exhibitor, NSW Small Winemakers Show
- Total medal tally: 9 trophies; 38 gold medals

2015 - Expanded bottled wine production to 70,000 dozen per year, placing Moppity in the top 10% of Australian wine producers by output volume and value.



Australia.

Jason and Alecia Brown collecting the award for "Australia's Best Shiraz" at the 2014 Great Australian Shiraz Challenge; the first ever win by a NSW winery. There were 600 entries from 60 regions around

4. Moppity Vineyards Tourism Complex

4.1. Project outline

This development is positioned to be the local tourism industry's "regional hero"; a multi-faceted flagship tourism product. It aims to provide a reason for visitors to visit the region, providing a foundation for the building of a sustainable tourism industry in this region. It is important to note that there is not already an existing tourism traffic flow from which to generate business. We need to create that traffic flow; hence the for this development to be a standalone tourism destination. In short, this is an exercise in market creation/development. Once the market is created, investment in other tourism-based product and infrastructure will follow and over time the region will develop a strong tourism industry.

The project consists of:

Phase 1 (2015):

Architecturally striking cellar door facility (refer Attachment 2)

- Locally quarried stone
- 5m high glass walls
- Sited on one of the highest points in the district, surrounded by 170 acres of rolling vineyard
- Entertaining and observation decks to capture the stunning vistas
- 150 seat restaurant and function centre
 - Strong focus on local produce matched to the region's largest range of Hilltops wines
- Regional Produce Centre
 - Showcasing jams, olive oils, chutneys, mustards etc from around the Hilltops region
- Art gallery
 - Displaying works from artists around the region and incorporating monthly exhibitions
- Consumer-focused courses in wine appreciation and cooking

Phase 2:

In the longer term we will look to build:

- B & B style cabins to provide overnight accommodation
- 3,000 tonne winery to process both our own fruit as well as providing contract processing services for the region's other producers.

Certainly this project presents as a vital facet of our business. More importantly however, it satisfies a gap in the tourism sector and capitalises on the region's close proximity to major source markets. It's set to ignite private sector tourism investment and lay the foundations for the development of a strong tourism industry in the region.

4.2. Market research

Currently we take our product to the market via the distribution arm of our business, Renegade Wines Pty Ltd and its team of 11 sales executives on the Eastern seaboard servicing some 1,000+ retail and restaurant accounts. This development will see us bring the market to our product. Whilst we receive interest from potential visitors from all over Australia and overseas, we believe our key source markets will be Canberra, Sydney, regional NSW as well as international visitors (especially S.E. Asia). The continuing development of the Canberra International airport is seeing a surge in visitation from Interstate and International travellers to the A.C.T. (2m+ /year) and we intend to lure these visitors to our region.

Attracting visitors:

We will be building on our existing marketing strategies in the following ways:

- Comprehensive marketing campaign via:

 - Social media (Moppity Vineyards is among the most followed/liked wineries in Australia)

 - Direct marketing via our 3,000 member database.

 - Print, radio and TV campaign in Regional NSW and ACT.

- Partnering with accommodation providers and tour companies in offering package deals

- Building International awareness via our export distribution partners (Hong Kong, Singapore, Malaysia and the UK).

- Utilising QR codes on all bottles to provide an "invitation to visit"

4.3. Brand awareness

We have two full time salaried sales executives based in Canberra; our primary tourism source market. This investment has yielded excellent results in terms of market penetration and brand awareness. Our range is stocked by most independent retailers in Canberra and nearly all have prominent floor displays. This heightened awareness of our product provides a perfect platform from which to market visitation to the cellar door,

restaurant and function centre. This is an example of the level of in-store support we now enjoy in the Canberra retail sector (IGA Kingston). All of the wines pictured are from the Moppity portfolio. We enjoy a greater share of floor space in retail in Canberra than any other NSW winery.



5. Zoning impediment to progress

Nearly every successful wine region in Australia has a strong wine tourism sector, significantly contributing to the region's economy. It is broadly accepted in the industry that a successful wine tourism region needs to offer more than simply cellar doors. The success of all wine tourism regions is underpinned by the operation of a handful of "regional hero" cellar door businesses, that provide a broad range of product and service offerings, working in tandem with the cellar door. These include:

- Restaurant
- Cafe
- Deli
- Art Gallery
- Wedding venue
- Winery tours
- Function rooms

Hilltops is one of few exceptions. The few cellar doors that are in operation offer tasting and sales only. They don't provide broad market appeal, hence struggle to draw enough traffic to remain viable.

The zoning for the block in question limits our operation to cellar door only. A cellar door in this area as a stand-alone, independent tourism offering is simply unviable. Multi-faceted cellar door businesses offering a range or variety of visitor experiences are far more successful at generating visitor interest and repeat custom.

5.1. Changes required

We require that the zone for the site be amended to include the following:

- Winery
- Function Centre
- Conference Centre
- Restaurant
- Retail
- Entertainment
- Accommodation (short stay, cabin style B & B accommodation)

6. Outcomes

The Hilltops' tourism market is principally events driven, led by the National Cherry Festival. These events put undue pressure on the region's limited accommodation. The lack of consistent visitation also places pressure on the viability of accommodation providers outside peak times. A more sustainable long term approach to tourism in the region would be to foster and develop tourism products that are consistent year round, lifting the seasonal "lows" in visitor numbers, such as this development.

The quality and delivery of this product will, by necessity, reflect the quality of our brand. We produce an ultra-premium product and will showcase it in an ultra-premium setting. This project aims to improve the quality and increasing the range of visitor experiences in this area. There are a limited number of areas in regional NSW with mature tourism sectors (e.g. Mudgee, Orange, Blue Mountains and the Hunter Valley). There is a danger of exhausting the consumer's interest in the traditional areas; "been there, done that". We need to develop new tourism experiences to satisfy the consumer's desire for fresh product. The emergence of the Southern NSW wine sector is rapidly redefining the consumer's perception of NSW wine. There is a huge opportunity to capitalise on this surge in interest by developing the tourism sector in these areas.

Once eligible, we will immediately seek T-QUAL accreditation to:

- a) Ensure our continual alignment with National Tourism strategies;
- b) Underpin our commitment to quality tourism product delivery; and
- c) Operate under an internationally recognised quality trademark.

We believe this development will be the icon tourism product that the region so badly needs.

As a result of this development, we expect the following outcomes in the first year:

- Overnight visitation: 7,500 (10% increase)
- Increase in tourism yield of \$4m
- Visitation from S.E. Asia up 10%
- Catalyst for additional investment in tourism infrastructure in the region (estimated \$5m within five years).

Further, tourism yield could reach \$20m within five years.

6.1. Improve the region's attractiveness

Our development will improve the attractiveness of the region in the following ways:

a) Improves quality, broadens appeal

Our development integrates fine architecture, wine, art, local produce and dining; a high-quality, multi-faceted business providing broad market appeal, in turn improving the richness and diversity of the visitor experience in the region while providing much-needed critical mass in attractions; increasing the likelihood visitors will choose to visit the Hilltops than another area.

With the continuing development of the Canberra airport, Southern NSW is increasingly becoming a tourism hub for interstate and International visitors, providing a broader range of attractions within a short drive of Canberra, leading to longer stays in the region. This project, being only 1.5hrs drive from Canberra, is well poised to lure visitors to Capital Country.

b) Stabilises seasonality

Hilltops tourism is driven by major events such as the National Cherry Festival, attracting crowds of up to 10,000. Visitors to these events are frustrated by the lack of accommodation. Visitors at other times are frustrated by lack of genuine attractions. The foundations of a strong tourism industry are in place; we need to develop tourism product to provide critical mass – turning day visits into overnight; one night into two.

6.2. Catalyst for investment

This development should initiate a domino effect in the region, as other operators follow suit to leverage from Moppity Vineyards' success and invest in tourism infrastructure developments. The investment in the tourism sector resulting from this development could well be in the order of \$5m in the next five years, generating additional tourism yield of \$21m p.a..

The development of the Canberra District wine region provides an excellent example of this domino effect. The region had been stagnant for 10 years until 1998, when the Kamberra winery and tourism complex was built:

- 1997 – 14 wineries, 5 cellar doors
- 1998 – Kamberra Winery built (state of the art winery with restaurant, function centre and cellar door), subsidised by ACT government with the intention of luring additional investment to the region's wine tourism sector
- 2010 – 46 wineries (354% increase)

The Hilltops region currently has 13 wine producers but only one with a full-time cellar door. It is likely that this region's tourism growth will mirror that of Canberra's, given a similar catalyst. Several wine producers in the region have previously considered investing in sophisticated wine tourism developments, including Grove Estate and Chalkers Crossing. Chalkers Crossing has an approved D.A. that's been "shelved" for several years due to commercial uncertainty. Both companies have expressed a willingness to invest in tourism if we can demonstrate success.

As with Kamberra, we believe this development will be the region's "icon" tourism product; laying the foundations for future investment in the sector. It is also likely to be the principal reason many people will choose to visit. Once here, they will of course seek out other experiences, delivering benefits across the region.

6.3. Multiplier effect

It has been well demonstrated in other regions that wine tourism visitors stay longer and spend more. Market research from Mudgee indicates a tourism yield multiplier of 6.1. This is because wine tourists generally have higher disposable income and buy wine when on tour; generally considered a luxury commodity. They are also more likely to stay overnight and dine out in a good restaurant. Tourism yield is forecast at \$4m p.a. and overnight visitation up 7,500 (10%).

The Hilltops region's economy is highly geared to primary industry; a sector that is under increasing pressure. The cherry/stone-fruit industry is in collapse, broad-acre farming margins are being squeezed, non-value-add wine grape growers are struggling. The economic and industry base must be broadened in order to secure a sustainable and

prosperous future for this region's community. We believe the development of the tourism industry in the region is fundamental to this goal. The Hilltops region needs this development, as a catalyst for additional private sector investment in new tourism product. This is well evidenced by the overwhelming support provided by the region's three Shire Councils; Young, Boorowa and Harden (Attachment G2).

6.4. Adding value to the wine sector

This region's economy is largely dependent on primary production. In the case of the wine industry, grapes that are surplus to the needs of local winemakers are sold to wineries outside the region. This accounts for 80% of the region's production. Growers receive \$500-\$1,000 per tonne. Those same grapes sold in a bottled wine product have an implied value in excess of \$7,000 per tonne. Clearly there is a significant opportunity for winemakers and growers to value-add surplus grapes. However, the absence of a route to market for small producers creates a barrier.

Developing a local wine tourism industry will create an immediate, ready and accessible route to market and increase the demand for grapes by local wine producers. This also has the effect of broadening the region's economic base from primary production into tertiary production and tourism. These higher value industries also create demand for skilled labour and professional services.

Surveyed when there was no major event on**Surveyed during a major event ***

Number of people surveyed	216	322
Length of stay		
Day	39%	71%
1 night	49%	27%
2 or more nights	1%	2%
Reason for visiting		
Visit friends	52%	15%
Business	32%	4%
Event	0%	78%
Passing through	13%	7%
Other attraction	3%	3%
Satisfied with the range and quality of attractions/experiences	15%	77%
Would stay longer if there was more to do	75%	55%
Interested in wine	67%	65%
Aware of the Hilltops region's reputation for fine wine	86%	72%
Have holidayed in a major wine region before	42%	45%
Have visited a cellar door this trip	2%	4%
Quality of the cellar door experience	11%	23%
The area needs another tourism attraction	97%	94%
Would visit a professional, high quality cellar door with café, art, local produce	91%	79%
Generally buy wine when visiting a cellar door (if tasting is free)	77%	72%
Would be more likely to stay an extra night or visit again if this facility was available	83%	72%
Would come back for a holiday	8%	14%
Would come back if there was more to see/do	78%	82%
Satisfied with the range and availability of accommodation	78%	23%
Would have spent more money if there was more to see/do	67%	42%

** Surveys conducted during National Cherry Festival and Lambing Flat Festival*

Surveyed at wine events in external markets*

Number of people surveyed	1786
Have explored a wine region before	91%
Have explored the Hilltops region	4%
More likely to visit Hilltops if there are good cellar doors	77%

** Surveys conducted at*

Good Food & Wine Show, Sydney

Good Food & Wine Show, Melbourne

Good Food & Wine Show, Brisbane

NSW Wine Festival

Sydney Cellar Door, Hyde Park

Taste Melbourne