



24 May 2018

The Director
Employment Policy and Systems
NSW Department of Planning
GPO Box 39
Sydney NSW 2000

By online submission: <http://www.planning.nsw.gov.au/Have-your-say>

This letter is a submission from the Inner-West Brewery Association in response to the "Better planning for the NSW retail sector" document dated April 2018.

The Microbrewery Industry

Microbreweries are an important and growing feature of Inner-West Sydney, with 10 breweries already in existence and several others in planning. Small breweries employ over 200 people in full-time positions and provide work for hundreds more through secondary employment. What's more, these are low-impact businesses that are retaining industrial uses within dwindling industrial pockets of inner-city suburbs. They are strongly supported by their local community, providing amenity for residents and bringing valuable tourist dollars to local business.

These local microbreweries founded the Inner-West Brewery Association to collectively represent the needs of these businesses and to work with Government at the local, state and federal level.

The existing planning instruments deal with large brewery operations that have an industrial focus and fail to recognise the changing nature of the few remaining industrial areas of inner Sydney and the unique business model of a microbrewery.

A microbrewery is an integrated business model that relies on combining an industrial production facility along with a retail-focused cellar door bar. A microbrewery will also have an on-premises consumption area often with a food service. The existing planning instruments do not deal clearly with this business model and as a result, local council officers are required to interpret how these businesses fit into the existing planning regulations. This will often mean that a microbrewery business will require multiple approvals for its operations, such an approval for its industrial brewery function, its retail and food service function and then a liquor license.

It would be ideal if a microbrewery could establish with a single land use approval, ideally a complying development certificate (CDC) or a development application (DA) and then gain the appropriate liquor license.

The amount of floor space available to operate an onsite taproom / cellar door is one of the primary limitations placed on these businesses. Whether established under a DA or through Complying Development, the allowable size, at any time, appears to be governed by the Miscellaneous Use Provisions under the Clause 5.4(4) of the Standard Instrument LEP with these tasting bars being categorised as Industrial Retail Outlets.

These provisions fail to recognise that floor space can have multiple uses that change at different times of the day. In addition, various councils have adopted a variety of maximum floor area requirements for Industrial Retail Outlets and have made these decisions with traditional Light Industry in mind. With the resurgence of microbreweries across the country, local council planners have been challenged to manage the development of Microbreweries within their Local Government Area and have been reluctant to increase the floor area available to Industrial Retail Outlets for fear of unintended consequences for all Industrial Land. We do not wish to challenge the status quo in terms of how industrial development is managed; rather, we wish to see a definition of our land use that is appropriate and gives due flexibility to the operation of a microbrewery.

The long-term viability of this industry in the Inner-West and across NSW depends on agreeing an operating definition of microbrewery that recognises the importance of the retail service element of these businesses, including being allowed to serve food and to leverage the Drink on Premise Authorisation which is available to Beer Producers under NSW Liquor Laws. That definition then needs an approval process that is comparable to other commercial/light industrial uses.

The Inner-West Brewery Association supports the adoption of the Artisan Premises Use to the Standard Instrument LEP. This instrument will allow Councils to make adequate provisions for Microbreweries without impacting wider Light Industrial Use within their LGA.

Our Submission

In terms of the proposed definition of Artisan Premises we seek the following changes (**bolded**).

Artisan Premises

A building or place use to produce and/or process food and beverages on site, without being fully automated.

It can include:

- a) *a restaurant or café;*
- b) ***a bar;***
- c) *tours;*
- d) *sales;*
- e) ***a microbrewery; and***
- f) *workshops.*

We also seek a separate definition of 'microbrewery' as follows.

Microbrewery is a premises where brewed products are manufactured and where products produced onsite may be wholesaled or retailed directly from the premises (to be consumed on site or taken away) and may include an on site food and general liquor service.

We suggest that a 'microbrewery' should be permissible in the same zones as suggested for Artisan Premises and in these zones able to be set up under a CDC (Complying Development) or Exempt/Construction Certificate process.

To make microbreweries able to be set up under a CDC (Complying Development) or a Exempt/Construction Certificate process we request the following changes to the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (the Codes SEPP).

In terms Exempt Development, Subdivision 10A Change of use of premises of the Codes SEPP be amended to insert the definitions of Artisan Premises and Microbrewery to the 'Column 2 new use' table. Our view is that if there is a suitable commercial premises with a suitable consent a microbrewery should be able to be established.

In terms of Complying Development, the Artisan Premises and Microbrewery definitions are added to the Part 5 Commercial and Industrial Alterations Code Subdivision 2 Change of use of premises 'Column 2 New use' table and included in the first use of premises provisions.

Outside of the above provisions, microbrewery should also be a permissible use in all zones where food and drink premises are permissible. However, as there may be residential neighbours in these zones we accept that community consultation via a DA process is reasonable for establishment of new microbreweries not able to be established under Exempt and Complying Development.

Our submission is that new definitions are a great improvement but that they also need to be integrated into existing approval process to be effective.

We believe that these amendments could make it easier for Council to assess the appropriateness of new microbrewery applications, provide a consistent set of rules to existing microbrewery operators and create greater integration between local consents and NSW liquor licensing regulations.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Philip', written in a cursive style.

Peter Philip
President
Inner-West Brewery Association