

17 April 2019

Mr Iain More
Town Planner
City of Launceston
By Email: iain.more@launceston.tas.gov.au

Dear Iain,

DA0104/2019 - RESPONSE TO REPRESENTATIONS

Thank you for the opportunity to provide a response to matters raised within the representations submitted during the public exhibition period for DA0104/2019.

The land was purchased by the owner in 2016 with the sole intention of establishing a family owned and operated vineyard with a vision of growing high quality grapes suitable to produce premium cool climate Tasmanian wines.

To this effect, a business plan for the vineyard was prepared in 2017 and is currently being implemented.

The business plan sets out the strategic and operational direction for the vineyard over a 5 year period and is based on an initial area of 5ha. Long term goals of the vineyard are:

- to establish a profitable vineyard enterprise which has the ability for value adding;
- to develop a vineyard which enjoys a reputation of producing high quality wine grapes;
- build upon the knowledge of, and sustainably contribute to, the local wine industry and markets.

The business plan recognises that:

- the Tasmanian wine industry is a long term investment;
- it can be several years before profit and return on investment is realised on a vineyard; and
- the upfront capital expenditure to establish a vineyard are significant.

Accordingly, the decision to enter into the Tasmanian wine industry has not been taken lightly by the owner.

The following table illustrates the different stages that the vineyard will undergo before it becomes a full bearing vineyard. The data is based on a comprehensive financial plan which includes capital expenditure and profit and loss forecasting.

Stage	Timeframe	Operational Details	Capital Expenditure
Vineyard Development	2018 - 2020	Construction/installation of: <ul style="list-style-type: none"> – farm dam; – 5ha of vineyard trellis; – irrigation system; – electricity infrastructure; – access road; – gates and fencing; – vineyard netting 	\$550,000
Operational Vineyard - Not Yielding	2021 - 2020	Vineyard management and maintenance	Operating expense of \$110,000 per year. Depreciation loss of \$59,000 in 2021 and \$43,000 in 2022.
Operational Vineyard - Breakeven	2023	Vineyard management, maintenance and vintage harvest	Break even (before depreciation)
Operational Vineyard - Profitable	2024 onwards	Vineyard management, maintenance and vintage harvest	Expected profit before tax and depreciation of \$17,000 per hectare.

The vineyard development stage is nearing completion. All of the major infrastructure has been constructed and a 2.5ha vineyard block has been planted. All capital expenditure to date has been funded entirely by the owner (i.e. entirety of the Vineyard Development stage). Income will increase as the vineyard expands to approximately 12ha which is planned for future stages.

The owner currently lives interstate and works internationally. The owner intends to permanently move to Tasmania following the construction of the proposed dwelling where they will live on site and manage the vineyard. The owner is a registered member of Wine Tasmania and has an established Facebook page which documents and promotes the vineyard (<https://www.facebook.com/senvineyard/>). The owner is heavily invested in the vineyard and is committed to ensuring it becomes a sustainable and successful enterprise.

The proposed vineyard will not be a large-scale commercial vineyard operated by a large national or multi-national company. It therefore does not benefit from economies of scale that allows a large workforce to be employed to manage the vineyard. The small (spatial) scale of the vineyard relative to large commercial vineyards located nearby makes it necessary for the owner to live on site to manage the vineyard in terms of security and operational efficiency.

Vineyards of a similar size that have residences located on the same site include:

Vineyard	Address	Size (ha)
Jinglers Creek	288 Relbia Road, Relbia	1.7
Bundaleera	65 Correa Drive, Relbia	1.9
Glen Shian Estate	9 Glen Shian Lane, Relbia	0.8

Spikey Bridge	194 Relbia Road, Relbia	9.2
Kreglinger	9 Luxmore Place, Prospect	2.9

There are many more examples of small wine grape growers and wine producers within the Tamar Valley that live on site and manage the vineyard. It is a model that is synonymous with wine regions worldwide.

Clause 26.3.2 P1.1 of the planning scheme allows a dwelling to be constructed on Rural Resource zoned land where it is directly associated with and a subservient part of a Resource development use.

A vineyard is categorised as a Resource development use. The owner of the land will live in the dwelling and will be employed to manage the vineyard. The dwelling will therefore be directly associated with and a subservient part of a Resource development use.

Concerns raised within the representations relating to the establishment and operation of the vineyard are not relevant to the discretions being exercised. Accordingly, they do not hold any weight in the determination of the application as guided by clause 8.10.1 (b) of the planning scheme.

The initial application included information which addresses the concerns raised within the representations with respect to the proximity of the proposed residential dwelling to nearby agricultural uses. It is recognised that the development application is made on the basis that the residential use is required to support a Resource development use.

It is acknowledged that the introduction of a residential use can have the potential to constrain existing and future use of agricultural land. The inclusion of residential dwellings in rural areas can potentially restrict the ability to use the site for farming activities and can impact on the ability of adjoining rural land to carry out agricultural production activities without constraint. This is often due to different amenity expectations that residential uses have compared to agricultural uses.

Farming operations and activities involve noise, odour, dust and other intrusive impacts such as lights at night, irrigation pumps, spraying and the movement of animals and farm machinery which may affect the amenity of nearby residential use. Such intrusive impacts typically result in complaints from occupants of residential dwellings. However, these impacts are different to an occupant of a required dwelling which are assumed to accept the inconveniences associated with proximity to farming operations because they are inherently part of the operations, as is the case for the current application.

Please do not hesitate to contact me should you have any queries on this application.

Yours faithfully

6ty° Pty Ltd



George Walker
Planning Consultant