



Agenda Report for Decision

Meeting Date: 29 June 2023

Item Name	Decision Ratification: Rural Living Principles
Presenters	Brett Steiner, Jessica Porter, Dean Fisher
Purpose of Report	Decision
Item Number	5.2
Strategic Plan Reference	N/A
Work Plan Reference	N/A
Confidentiality	Not Confidential (Release Immediately)
Related Decisions	<p>3 March 2022 – SPC Agenda Report – Item 5.1 – Scope for Regional Plans</p> <p>4 August 2022 - Item 5.3 - Regional Plans – Productive Economy & Natural Resources, Environment and Landscapes</p> <p>13 October 2022 Item 5.1 - Regional Plans – Heritage, Character and Growth Planning for Country Plans Item 5.2 - Six Country Regional Plans – Section 73 Initiation Documents for Approval Item 5.3 - Six Country Regional Plans – Engagement Plans for Approval</p> <p>24 November 2022 - Workshop Item No. 1 - Regional Planning – Complying Changes to the Planning and Design Code</p> <p>15 December 2022 – Item 5.2 - Regional Planning – Complying Changes to the Planning and Design Code</p> <p>16 March 2023 - Workshop Item No. 2 - Regional Planning – Structure and Content for country Regional Plans</p>

Recommendation

It is recommended that the State Planning Commission (the Commission) resolves to:

1. Approve the designation of this item as Not Confidential (Release Immediately).
2. Approve the principles in **Appendix A** that expand on the relevant State Planning Policies (SPPs) to guide the circumstances in which the Commission will support rural living (in both Code Amendments and Regional Plans), and the investigations required to demonstrate strategic alignment.
3. Note that the principles in **Appendix A** will be communicated to practitioners in relation to Code Amendment Proposals and the Regional Planning Program via direct letter from the Commission to councils and planning practitioners.

Background

On 18 August 2022, a workshop was held with the State Planning Commission (the Commission) to discuss the principles to guide the development of rural living development surrounding regional townships. The aim of this workshop was for the Commission to consider clear and consistent messaging across the State about what considerations must be given for identifying suitable land for rural living purposes.

The Commission considered four principles, which are consistent with the overarching strategic directions of relevant State Planning Policies (SPPs). These are summarised below and expanded on in **Appendix A**.

The summarised principles state that rural living development should be limited to areas where it does not:

1. Impact the future expansion of the urban area/township (SPP 6).
2. Result in the inefficient delivery of infrastructure and social services (SPP 1 & 6).
3. Result in fragmentation of valuable productive land (SPP 6 & 8).
4. Create land use conflicts that affect the productivity of nearby lawfully operating land uses (SPP 1, 8, 10 & 16).

It is important to note that these principles are not the only criteria relevant to rural living development – all future rural living proposals will still need to respond to other SPPs relevant to the proposal, such as impacts on environmental, landscape and/or cultural assets and vulnerability to natural hazards.

In September 2022, the Commission wrote to the Minister for Planning (the Minister) advising of the Commission's concerns regarding the environmental, social and economic costs that can arise from rural living development. The letter also advised of the formation of the above principles to guide the circumstances in which the Commission will support rural living Code Amendments and will, in turn, frame the advice provided to the Minister.

In October 2022, the Minister responded to the Commission advising that he shares the Commission's concerns with rural living development. The Minister resolved not to support any Code Amendments seeking to facilitate rural living development at this time. Instead, the Minister requested consideration be given to the identification of appropriate locations for rural living as part of the Regional Planning process.

The Minister also advised that he would only be willing to consider a Rural Living proposal where it has been identified in a Regional Plan and where the Code Amendment is to be led by the Council,

requesting that the Commission formally communicate this position to all Councils and planning practitioners. In November 2022, the Commission wrote to councils and planning practitioners advising the above.

Several regional councils have raised concerns with this approach with the Local Government Association (LGA). In response to the correspondence and the concerns raised by councils, the South Australian Regional Organisation of Councils (SAROC), a committee of the LGA, engaged URPS to prepare a set of guidelines to assist in the evaluation of rural living proposals.

In April 2023, the LGA wrote to the Commission attaching the Rural Living Guidelines prepared by URPS (see criteria in **Appendix B**), suggesting that the Commission adopts these Rural Living Guidelines as a Practice Guideline under Section 43 of *the Planning, Development and Infrastructure Act 2016* (the Act). It was suggested that this will enable councils to use the guidelines in preparing Rural Living Code Amendments that identify suitable locations for rural living allotments either in conjunction with, or prior to the completion of regional plans.

Purpose

The purpose of this report is to gain the endorsement of the Commission for the formal adoption of its Rural Living principles to guide its decision making of future requests through the Regional Planning program and/or future Code Amendment proposals.

This report also prompts the consideration of the LGA's suggestion for the Commission to formally adopt its Rural Living Guideline as a Practice Guideline under the Act.

Discussion

Growth investigations associated with five of the six country regional plans is underway. Part of these investigations will include consideration of township growth and change, and the resulting demand for differing forms of residential development. It is acknowledged that rural living is a legitimate lifestyle and housing choice, and councils often support rural living rezonings as a strategy to increase population and economic activity in regional communities.

However, rural living development can have environmental, social and economic costs that are significantly higher than those of standard residential development. These areas can result in the inefficient delivery of services, removal or fragmentation of viable primary production land, as well as lead to conflict with more intense surrounding farming operations.

Anecdotally, there is often an expectation for a high level of residential amenity and convenient access to services and facilities. This can result in the restriction of nearby farming operations and increased service delivery costs.

Rural living can also restrict the ability of a city or township to expand in an orderly manner. The SPPs provide strong directions in relation to rezoning land for rural living development. In essence, the SPPs direct where rural living should not occur.

The four Rural Living Principles previously workshopped by the Commission are essentially a consolidation of the SPPs that speak directly to rural living development. These have been expanded to include guidance to proponents as to what the Commission expects to see as part of future rural living proposals (see **Appendix A**).

The Rural Living Principles, once ratified by the Commission, will also inform investigations in the People, Housing and Liveability theme of the Regional Plans, guiding the Regional Planning team in their conversations with stakeholders and investigations in preparing the regional plans.

LGA Rural Living Guidelines

URPS, on behalf of the LGA, examined the implications of rural living development, suggesting that rural living development meets a market demand for larger allotments in proximity to existing townships. The report also acknowledged that this form of land use, if not planned properly, has the potential to impact the agricultural economy, orderly growth of townships and higher costs to councils in the provision of infrastructure, community and social services.

The outcome of the report largely aligns with the Commission's four principles for rural living development. Key fundamentals are identified, including proposed rural living development/code amendments must be evaluated against SPPs, the relevant Regional Plan and any local strategic settlement strategies developed by Council or local government area.

Furthermore, rural living should be considered holistically within the context of the growth of existing townships. Servicing arrangements must also be taken into consideration within the context of an overarching settlement strategy, based on the long-term population projections.

To further ensure the orderly planning for rural residential development the URPS report has developed a checklist (**Appendix B**) for the evaluation of potential rural living development. The checklist mirrors the four principles developed by the Commission and as such provides landowners, developers and Council, with clear tools to evaluate and plan for rural living expansion in an orderly and strategic manner.

Suggested Practice Guideline

The LGA has suggested that the Commission adopts the checklist in **Appendix B** as a Practice Guideline. Section 43 of the PDI Act enables the Commission, with the approval of the Minister, to make Practice Guidelines with respect to the interpretation, use or application of the Planning Rules.

Planning Rules refer to instruments against which development applications are assessed (i.e., the Planning and Design Code and Design Standards). A Practice Guideline is not considered an appropriate tool to communicate the application and interpretation of SPPs (or a set of Commission principles derived from the SPPs) and should also not be used to circumvent the statutory process for amendment of the SPPs. Similarly, the intent of Practice Guidelines under section 43 is not to guide the spatial application of the Code, or where zone policy should or shouldn't be spatially applied – this is instead the role of the Code Amendment process. While some of the underlying requirements supporting each principle could be developed into a Practice Direction if required in the future, this is not the preferred approach in the short term. Rather, the preferred approach is to publish this as a broader non-statutory policy document and monitor its implementation and uptake. If compliance with the principles and underlying requirements is low, then the Commission might consider publishing a formal Practice Direction to provide more weight to the requirements as needed.

Communication of the Commission's Rural Living principles, once adopted, via direct letter to councils is considered sufficient in communicating the Commission's expectations relating to rural living proposals. This is largely because the Commission's Rural Living principles are simply a consolidation of rural living directions in the SPPs, and all future rural living rezoning proposals would have to address these SPPs in any case. The LGA Rural Living Guidelines align with these principles and other SPPs, so the LGA checklist would still be a useful tool for councils to utilise.

It is recommended that the Chair of the Commission write to the LGA providing the Commission's endorsed Rural Living Principles (**Attachment 1**). The draft letter also suggests that the LGA publishes a guide for councils that includes the checklist developed to provide guidance about considering the full impacts and opportunities that rural living development presents when considering growth investigations through the regional planning process.

This approach does not change the Minister's direction that rural living code amendments will not be considered under after the relevant regional plans are completed. This should be made explicit in any correspondence to the LGA and publicly.

Recommendation

That the Commission formally endorses the principles in **Appendix A** that expand on the relevant State Planning Policies (SPPs) to guide the circumstances in which the Commission will support rural living (firstly in Regional Plans and subsequently code amendments where appropriately identified), and the investigations required to demonstrate strategic alignment. These Principles will be communicated to all councils, as well as planning practitioners.

Attachments:

1. Draft letter from the Commission to LGA (#20261600)

Appendices:

- A. The Commission's Principles for Rural Living Development (#20209430).
- B. URPS – Checklist for the preparation of Regional Plans, Code Amendments and land Division for Rural Living Proposals (#20212238).

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Date: 14 June 2023

20261600

16 October 2023

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Mayor Dean Johnson
President
Local Government Association of South Australia

By email: [REDACTED]

Mr Clinton Jury
Chief Executive Officer
Local Government Association of South Australia

By email: [REDACTED]

Dear Mayor Johnson & Mr Jury

Regional Plans – Country Regional Plans – Rural Living Principles

In November 2022, I wrote to you outlining the concerns regarding the environmental, social and economic costs that can arise from rural living development shared by the State Planning Commission (the Commission) and the Minister for Planning (the Minister).

On this basis, the Minister resolved not to support any Code Amendment seeking to facilitate rural living development at this time. Instead, it was requested that consideration be given to the identification of appropriate locations for rural living as part of the Regional Planning process to ensure that due consideration is given to future growth and servicing of our regional centres.

On 29 June 2023, the Commission considered principles to guide the development of rural living development and to offer clear and consistent messaging across the State about what considerations must be given for identifying suitable land for rural living purposes.

The Commission has endorsed four principles, which are consistent with the overarching strategic directions of relevant State Planning Policies (SPPs). These have been expanded to include guidance to proponents as to what the Commission expects to see as part of future rural living proposals (see enclosed).

The summarised principles state that rural living development should be limited to areas where it does not:

1. Impact the future expansion of the urban area/township (SPP 6).
2. Result in the inefficient delivery of infrastructure and social services (SPP 1 & 6).
3. Result in fragmentation of valuable productive land (SPP 6 & 8).

4. Create land use conflicts that affect the productivity of nearby lawfully operating land uses (SPP 1, 8, 10 & 16).

Furthermore, the Minister has indicated that rural living style developments will only be supported where they have been identified within the regional planning program and where a code amendment are led by Council.

It is also noted that the above principles are not the only criteria to be addressed in determining the suitability of Rural Living development, with responses to relevant SPPs also required.

Suggested Practice Guideline

I acknowledge correspondence received from Mayor Leon Stephens on 3 April 2023 enclosing the Rural Living Guidelines and checklist prepared by URPS on behalf of the Local Government Association (LGA), and the suggested formation and adoption of a Practice Guideline to assist in the assessment of rural living proposals.

The Commission notes that Section 43 of the *Planning Development and Infrastructure Act 2016* enables the preparation of practice guidelines with respect to the interpretation, use or application of the Planning Rules.

Planning Rules refer to instruments against which development applications are assessed (i.e. the Planning and Design Code and Design Standards), therefore a practice guideline is not considered to be an appropriate tool to communicate the application and interpretation of SPPs, or a set of Commission principles derived from the SPPs.

It is also because the Commission's Rural Living principles are simply a consolidation of rural living directions in the SPPs and all future rural living rezoning proposals would have to address these SPPs in any case. The LGA Rural Living Guidelines align with these principles and other SPPs, so the LGA checklist would still be a useful tool for councils to utilise.

It is therefore suggested that the LGA publishes a guide for councils that includes the checklist developed to provide guidance about considering the full impacts and opportunities that rural living development presents when considering growth investigations through the regional planning process.

Yours sincerely



Stephanie Johnston
Acting Chair

Enc: The Commission's Principles for Rural Living Development (20209430)

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16 October 2023

By email: [REDACTED]

Dear [REDACTED]

Rural Living Code Amendments

The State Planning Commission (the Commission) and the Minister for Planning (the Minister), the Hon Nick Champion MP (the Minister), have been involved in the assessment of a number of proposals to rezone land for the purposes of rural living development.

Rural living, also referred to as 'country living', involves housing development in rural areas on the fringes of townships and peri-urban areas of metropolitan Adelaide. This type of living can include some level of rural activity such as horse keeping, hobby farming or horticulture. Allotment sizes in rural living areas range from 1,200 square metres up to 20 hectares.

The rezoning of land for rural living purposes is a complex planning issue. Rural living is a legitimate lifestyle and housing choice, and councils often support rural living rezonings as a strategy to increase population and economic activity in regional communities.

However, rural living development can have environmental, social and economic costs that are significantly higher than those of standard residential development. These areas can result in the inefficient delivery of services, removal or fragmentation of viable primary production land, as well as lead to conflict with more intense surrounding farming operations.

Anecdotally, there is often an expectation for a high level of residential amenity and convenient access to services and facilities. This can result in the restriction of nearby farming operations and increased service delivery costs.

In this context, the Commission holds concerns regarding the environmental, social and economic costs that can arise from rural living development. In particular, the efficient provision of infrastructure, land fragmentation and the resultant impacts on valuable primary production land are of significant concern.

The Minister has indicated that he shares these concerns and, on this basis, has resolved not to support any Code Amendment seeking to facilitate rural living development at this time.

The Minister has further indicated that rural living style developments will only be supported where they have been identified within the regional planning program and where the code amendment is led by Council.

On 29 June 2023, the Commission considered principles to guide the development of rural living development and to offer clear and consistent messaging across the State about what considerations must be given for identifying suitable land for rural living purposes.

The Commission has endorsed four principles, which are consistent with the overarching strategic directions of relevant State Planning Policies (SPPs). These have been expanded to include guidance to proponents as to what the Commission expects to see as part of future rural living proposals (see enclosed).

The summarised principles state that rural living development should be limited to areas where it does not:

1. Impact the future expansion of the urban area/township (SPP 6)
2. Result in the inefficient delivery of infrastructure and social services (SPP 1 & 6)
3. Result in fragmentation of valuable productive land (SPP 6 & 8)
4. Create land use conflicts that affect the productivity of nearby lawfully operating land uses (SPP 1, 8, 10 & 16)

It is also noted that the above principles are not the only criteria to be addressed in determining the suitability of Rural Living development, with responses to relevant SPPs also required.

I trust the enclosed principles assist in your understanding in determining where future rural living areas may be appropriate.

Yours sincerely



Stephanie Johnston
Acting Chair

Cc: [REDACTED]
Enc: The Commission's Principles for Rural Living Development (20209430)

Principles for Rural Living Development

Preamble

The **Principles for Rural Living Development** (the Principles) have been developed by the State Planning Commission (the Commission) to assist Planning and Land Use Services (PLUS) in the application of State Planning Policies when drafting the regional plans. Specifically, the Commission and Minister have instructed that future Rural Living areas will only be contemplated where they have been identified in a Regional Plan and the subsequent Code Amendment is undertaken by the relevant Council. The Principles constitute guidance from the Commission to PLUS in determining appropriate areas where future Rural Living may be contemplated.

Rural living development to be limited to areas where it does not:

- 1. Impact the future expansion of the urban area/township:**
 - a. The proposal should demonstrate the future 'need' for rural living in the context of the overall settlement pattern and growth objectives.
 - b. Opportunities to increase rural living supply through intensification and/or development of existing rural living areas should be considered in the first instance.
 - c. The proposed rural living area must not compromise future growth fronts. Consideration can be given to the proposed configuration of local roads, size and configuration of allotments that may facilitate future densification and urban expansion.
- 2. Result in the inefficient delivery of infrastructure and social services**
 - a. Rural living occurs where it will not impede 'highest and best use' opportunities associated with available and cost-effective infrastructure access.
 - b. The proposal should be in proximity to existing roads, and accessible to key centres with a range of community facilities and services.
 - c. The proposal should include a cost benefit analysis to determine the cost of the provision of services that community expects (e.g. rubbish collection) and infrastructure (e.g. roads and stormwater systems) against the benefit of a growing population.
 - d. If the Code Amendment is proposed by a private entity, a letter from the relevant council agreeing to the required servicing.
- 3. Result in fragmentation of valuable productive land**
 - a. Consider a range of factors relevant to sustainable primary industries development to determine land use capability and productivity level. Factors include site area, accessibility, soil quality, topography, vegetation, climate (current and anticipated), access to water, potential for erosion, past and surrounding land uses.
 - b. Check PIRSA's Primary Production Priority Areas (PPPA) provisional mapping boundaries.
- 4. Create land use conflicts that affect the productivity of nearby lawfully operating land uses:**
 - a. Consider buffers and setback parameters at the interface with conflicting land uses to protect residential amenity and allow for adjoining uses and businesses to continue to operate and adapt.
 - b. Consider the application of overlays to assist with the equitable management of interface issues (such as the Interface Management Overlay, Significant Interface Management Overlay).

Appendix: B

URPS – Checklist for preparation of Regional Plans, Code Amendments and Land Division for Rural Living Proposals

Criteria	Evaluation
Does not encroach into sensitive environmental areas	The proposal should not require the significant clearance of native vegetation, or expand into identified sensitive areas, such as the coastline.
Does not encroach on land critical to food production and economic roles	Evidence should be provided that demonstrates that the land is not highly productive land. Early discussions with PIRSA and/or Regional Development Australia are recommended. A rural lands productivity can be affected by several factors including but not limited to: <ul style="list-style-type: none">• Urban expansion and resultant conflicting land uses• Land speculation and high land prices• Land degradation• Changing agricultural demands• Water availability
Does not create conflict with rural activities (including industrial activities associated with primary production is avoided)	The proposal does not encroach within existing EPA buffer distances.
The interface with abutting land uses is manageable.	Anticipated interface issues can be appropriately managed ensuring more productive land will not unreasonably be impacted in the future. Definitive methods of providing separation e.g. vegetation or fencing/shedding are explored and implemented.
Does not impact on landscape values	In sensitive areas, such as the coast, a landscape study may be required to demonstrate the impacts on landscape features. This is less likely to be necessary adjacent townships.
There is access to community facilities, education, health and recreation	Where the proposal is adjacent an existing town, does the expansion create additional demands that trigger investment in community infrastructure. Contributions in this regard are more aligned with larger style rural living developments. In towns experiencing a declining population where there is a desire to maintain a base

	<p>population, this investment should not inhibit the rezoning from proceeding.</p>
<p>Not low lying + bushfire risk</p>	<p>Does the proposal create additional hazard risks. If so, can they be managed/solved?</p>
<p>Suitable road access is provided</p>	<p>Suitable road access of an appropriate standard is available and capable of handling the additional volumes without generating safety concerns.</p> <p>Expert traffic advice is likely to be required including an evaluation of the existing standard of the road, determining average vehicle numbers per day, the expected impacts of the proposal and implications for the road; and the classification of the road in the road hierarchy.</p>
<p>Isolated settlements (rural living) and impact on council resources</p>	<p>Rural living estates isolated or located away from townships can be resource intensive to service, with rubbish collection, the provision of community facilities, the management of firefighting infrastructure and other maintenance costs being greater than traditional urban areas.</p> <p>These considerations should form part of a council's strategic plan.</p>
<p>Comprehensive understanding of costs associated with maintenance into the future.</p>	<p>The long-term cost implications for infrastructure delivery and maintenance are understood.</p> <p>The proposal should not create an unreasonable burden on the existing community to maintain new and dedicated infrastructure (through rates) built specifically to support the proposal.</p>