



Consuming Landscapes?

Farm value-adding and rural business diversification in Adelaide's peri-urban region—past, present and future



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Preface

In early 2021, following various joint research projects and collaborations on a range of peri-urban topics, Peter Houston,¹ Douglas Bardsley² and Guy Robinson² circulated a discussion paper proposing a new venture, provisionally titled the Adelaide Peri-urban Project (APP) (see Appendix 1). The APP proposal anticipates an innovative, multi-stakeholder-based research program focused on the sustainable development and management of rural landscapes in Adelaide's peri-urban region. Its aim would be to develop collaborative projects that monitor trends in these landscapes, identify emerging issues and deliver policy-relevant insights.

The discussion paper was shared with potential project partners to test support for the APP concept and scope for new collaborations. The parties to those initial conversations were key stakeholders in the future development and management of the region surrounding metropolitan Adelaide, with roles and responsibilities across natural resource management, environmental protection and regional development. All of these arenas hold potential research topics and projects that would align well with the APP proposal. However, the conversation that suggested the most immediate opportunity for collaboration was that which arose from meetings with Local Government planners, especially those from Council areas within the new Productive Rural Landscape Zone (PRLZ).

With a new regional plan for Greater Adelaide pending, and implementation of South Australia's Planning and Design Code still being resolved, these planners responded enthusiastically to the APP concept. In particular they welcomed the notion of a collaborative research mechanism that would exist precisely to support policy-making in Adelaide's peri-urban region. Following the transition from local Development Plans to a single state-wide Planning and Design Code, during which Council assessment policy was heavily culled, planners felt challenged on several fronts. They described these as: (1) managing the practical implications of the transition on the assessment of certain types of development in rural areas; in that context, (2) maintaining the integrity of regional landscape character; and, to that end, (3) building capacity to participate meaningfully in key planning activities. Responding to these challenges effectively and efficiently would be a major undertaking for any individual Council and, in current circumstances, likely to exceed available resources.

An April 2022 workshop with representatives from Adelaide Hills, Alexandrina, Barossa, Mt Barker and Yankalilla Councils canvassed the range of land use planning challenges in rural landscapes across the PRLZ and Adelaide's wider peri-urban region. Rather than immediately pursuing the full complexity of those challenges, however, participants agreed to first develop a pilot project to test how an APP research collaboration might operate.

It was agreed that the focus for the pilot project should be farm value-adding and rural business diversification activity in the rural areas of the participating Councils. While it represents only one aspect of the land use planning challenges present in Adelaide's peri-urban region, this topic is relevant to the current policy-making demands on Councils. It is also emblematic of the change processes underway in the region and the tensions surrounding that change. Indeed, while some stakeholders regard this type of development as essential for the continuation of rural businesses and the landscapes they produce, others see it as more problematic, and potentially compromising that future. This report summarises the first stage of the pilot project and sets out the basis for moving from a preliminary *pro bono* exercise to the type of formal research collaboration anticipated in the original APP discussion paper.

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Executive Summary

With preliminary consultation complete and work on the next Greater Adelaide Regional Plan (GARP) now underway, planners and decision-makers are, once again, facing important choices about land use and development priorities in the region's rural landscapes. As well as long-standing concerns about remnant biodiversity, water resources, natural hazards and agriculture, all amplified by advancing climate change, the context for this new Plan includes circumstances not encountered in the current version. A post-pandemic surge in demand for non-metropolitan lifestyles, the uncertain effects of 'stream-lining' development assessment in rural areas, and a modified State Government stance on growth management, will all likely add to the pressures on these landscapes. Can the new Plan manage these competing priorities? Can it finally deliver the long-term sustainability promised by previous Plans?

In this context, planners from Adelaide Hills, Alexandrina, Barossa and Mount Barker Councils have been working with University of Adelaide researchers—the Adelaide Peri-urban Project (APP)—to examine scope for research projects that can inform land use planning for rural landscapes in Adelaide's peri-urban region. In order to test how such collaborations might operate in practice, a pilot project has been developed that examines farm value-adding and rural business diversification activity over recent years, and the current treatment of that topic in planning policy. While it represents only one aspect of the land use planning challenges present in Adelaide's peri-urban region, this topic is relevant to the current policy-making demands on these four Councils and their assessment workload. Indeed, it is emblematic of change processes underway in the region and tensions surrounding that change, and it will provide a good test of the planning system's ability to provide opportunities for sustainable business growth and economic development while also mitigating emerging risks.

It is important to emphasise that this project does not presuppose that farm value-adding and rural business diversification activities are necessarily good or bad outcomes on rural land. Instead it takes an evidence-based approach to the topic and uses the exercise, as a pilot project, to examine how best to provide information to support Local Government planners, and their Councils, in deliberations affecting the region's rural landscapes. Nevertheless, preliminary investigations for this report, summarised in section 2, have identified a number of shortcomings in policy-making around this topic. A recent APP workshop also found wide acknowledgement that this activity and its treatment in planning policy are matters of some concern.³ With a draft GARP document not scheduled for public consultation until mid-2024, there is still time for Councils and others to refine their position on this topic.

This report summarises Stage One of the pilot project, which has been reviewing development applications for farm value-adding and rural business diversification activity during the period 2016-2021. Amongst other objectives, that time-frame enables the project to observe the impact of the Planning and Design Code and the associated Rural Value Adding Developments policy following their introduction in March 2021 and April 2020 respectively. Key findings to date include the following:

- There has been significant growth in the number of applications for these forms of development since introduction of the Code, although that trend varies geographically and by development type.

³ Adelaide Peri-urban Project (2023) *What future for rural landscapes in the Greater Adelaide Region?* Report on a workshop for Local Government and regional stakeholders, 18 August 2023, Laratinga Pavilion, Mt Barker. Unpublished report by the APP.

- Applications are dominated by proposals for rural business diversification projects, which are premised on bringing non-resident visitors into the region.
- In contrast, there have been relatively few applications for farm value-adding projects, which retain a direct connection with local on-farm production.
- Over the time-frame of the project and across the study area, applications have been dominated just by a handful of development types, namely, tourist accommodation (98), wineries (80), cellar door shops (64), function centres (28) and restaurants (24).
- Preliminary mapping of the data suggests formation of potential 'hotspots' that may require planning policy or other interventions to reconcile competing objectives.

While some of the data behind these findings are remarkable, they need to be treated with caution. Amongst a series of caveats is the limited time-frame of the data series, especially for the period following introduction of the Code, and the effects of some extraordinary circumstances, including the COVID-19 pandemic. Furthermore, on their own the data do not reveal anything definitive about the pros and cons of recent development activity, the effectiveness or otherwise of current policy, or the features of possible policy refinements. To that end it is proposed to conduct a second stage of research that will consolidate data and test these provisional findings with a range of regional stakeholders. The final section of this report sets out the basis for interested parties to consider supporting that second stage and, potentially, further work in this vein.

1 Introduction

During South Australia's recent planning reforms, new regulations and policies were introduced by the State Government with the aim of "promoting 'value adding' in rural areas".⁴ According to a 2020 Fact Sheet on Rural Value Adding Developments, this change "removes barriers to innovation and efficiency" and supports "greater diversification of activities on rural land".⁵ Such outcomes will likely be welcomed by primary industry and local government, especially in rural parts of the Greater Adelaide region, such as the Productive Rural Landscape Zone (PRLZ), where most forms of development were treated as non-complying by the planning system from the mid 1990s.

However, Council planners and others have observed that these reforms have to co-exist with other State Government initiatives, in particular, special designations in the same region that aim to "protect our valuable food producing and rural areas as well as conserving our prized natural landscapes, and tourism and environmental resources".⁶ They also note anecdotal evidence of a substantial increase in development applications on rural land since the introduction of the new policies and cite examples of developments, such as function centres, that appear unconnected with traditional notions of rurality. These two themes warrant closer examination and consideration for the following reasons.

First, and without prejudice to either proposition, it is not clear how policy initiatives for both Rural Value Adding Developments and the protection of rural character, environment and food production will interact in practice. Neither is it clear whether the goals behind both can be satisfied and reconciled concurrently. These two objectives are not fundamentally in opposition but seem unlikely to co-exist across the region without issue or incident. Some level of intervention or management will likely be necessary to successfully mediate the two and avoid conflict.

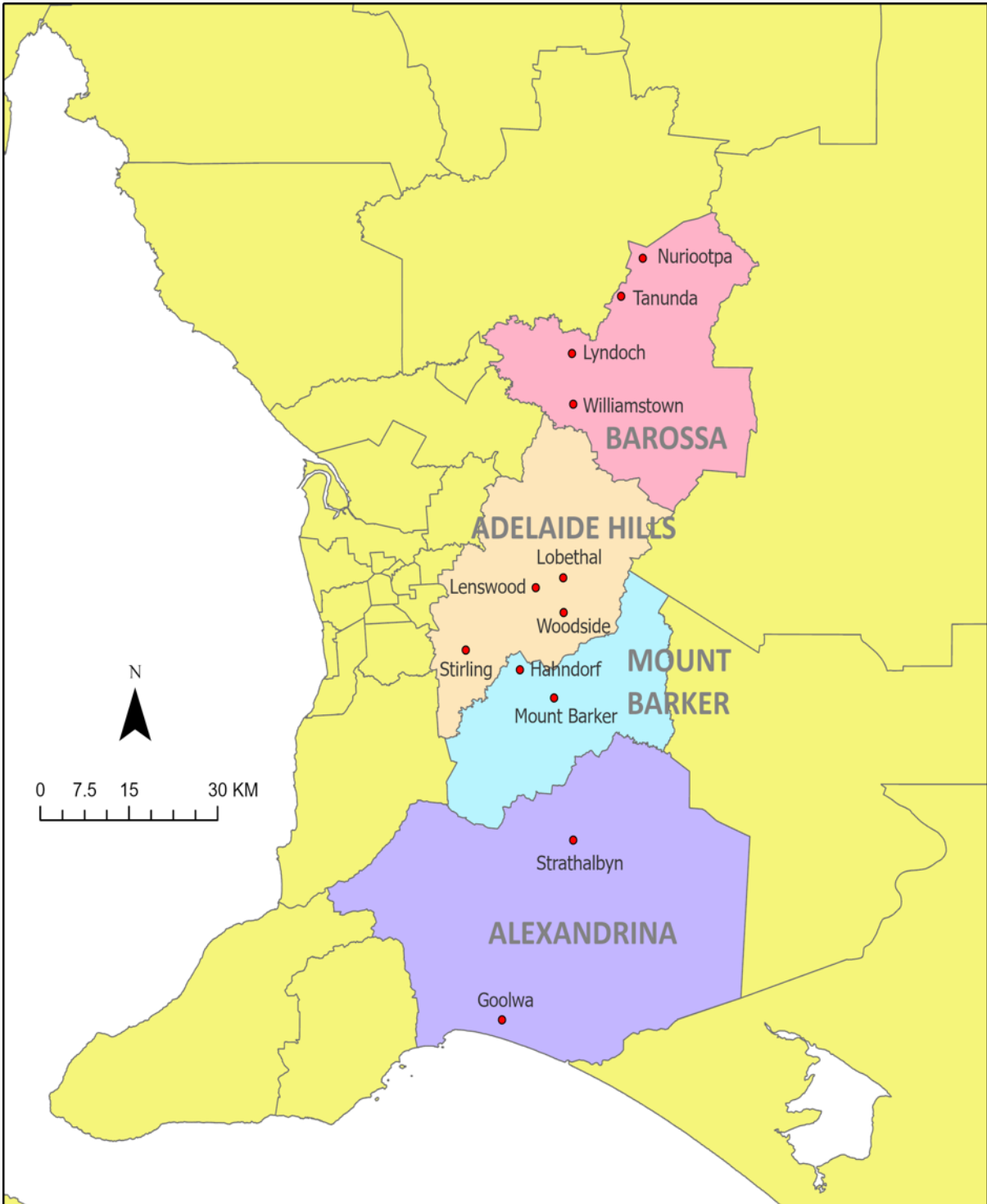
Second, expressions of concern about some of the developments enabled by the Rural Value Adding Developments initiative suggest a lack of consensus about its intended outcomes and/or a failure to adequately conceptualise and explain the purpose and scope of the policy. The former invites questions about stakeholder consultation and engagement during policy development. The latter seems to be evident in the way value-adding, which in this context is usually understood as a farm-level activity directly linked to on-farm production, has been conflated with broader notions of rural economic development in the new policy. To make sense of this topic for policy purposes a more differentiated conceptual framework, as implied by the sub-title of this report, is necessary.

Against this backdrop, planners from Adelaide Hills, Alexandrina, Barossa and Mount Barker Councils have been collaborating with the proponents of the APP (hereafter, the Project Team) to examine recent farm value-adding and rural business diversification activity across this part of Adelaide's peri-urban region (Map 1). The first stage of the project, reported in section 3, takes a quantitative approach to the topic by reviewing recent development application data and, for arguably the first time, presenting a regional-scale analysis of trends. A proposed second stage, outlined briefly in section 4, would take a more qualitative approach, contextualising the data with insights from recent social research on agricultural change in the Adelaide Hills and, potentially, a new round of stakeholder interviews commissioned specifically for this project.

⁴ Government of South Australia, (no date) *South Australia's new planning and development system is now live!*, https://plan.sa.gov.au/our_planning_system/south_australias_new_planning_and_development_system_is_now_live/ Accessed: 23/11/23; Government of South Australia, (no date) *More opportunity for value adding development in rural areas*, https://plan.sa.gov.au/our_planning_system/development_regulation_amendments Accessed: 23/11/23

⁵ Government of South Australia, (no date) *Fact Sheet: Rural Value Adding Developments*, https://plan.sa.gov.au/data/assets/pdf_file/FactSheet-RuralValueAddingDevelopments.pdf Accessed 23/11/23

⁶ Government of South Australia, (no date) *Environment and food production areas*, <https://plan.sa.gov.au/ourplanningsystem/instruments/planninginstruments/environmentandfoodproductionareas> Accessed: 23/11/23



Map 1: Study Area for the Farm Value-Adding and Rural Business Diversification Pilot Project

Stages One and Two combined will enable evidence-based analysis of the impact and effectiveness of current policies on farm value-adding and rural business diversification activity in the study area and inform possible policy refinements. Noting that work on a new regional plan for Greater Adelaide is underway, such research is timely. The State Planning Commission has invited Councils to identify issues for attention, including matters related to Planning and Design Code operation. This project will enable participating Councils to do that in a more cost-effective and influential manner than submissions made separately. Section 2 provides necessary conceptual, historical, technical and strategic context for further consideration of these endeavours.

2 Setting the scene

The defining feature of peri-urban regions internationally is the relationship and interplay of rural land use, including agriculture and remnant natural areas, with the direct and indirect impacts of adjacent, often encroaching, urban land use. Researchers have described the resulting landscape transformation as, variously, the product of competing forces of ‘ruralisation’ and ‘urbanisation’,⁷ and a transition from productive to ‘consumptive’ or ‘amenity’ landscapes.⁸ The balance struck by policy makers in mediating these processes, the priority afforded to the rural dimension of this equation, and the effectiveness of policy to that end is the subject of perennial debate. One leading observer suggests that “the nature and function of rural land in expanding metropolitan regions is an issue which has long dominated land use planning in industrialised nations, for it ... goes to the very heart of the relationship between town and country”.⁹ We would add that trends in the use and development of peri-urban land are a key indicator of sustainability in broader city-regions, including the Greater Adelaide Region.

In Adelaide’s case this interplay is characterised, on the urban side, by occasional strategically-framed decisions to expand the footprint of the metropolitan area and adjacent towns, such as Mount Barker, and to build new expressways. A steady stream of rural lifestyle dwelling construction in the more accessible and higher amenity parts of the regional landscape accompanies these decisions. On the rural side are periodic trends in agriculture itself, involving both intensification of land use and diversification of farm businesses. The former is best illustrated by the rapid expansion of viticulture beyond traditional wine districts that occurred from the 1980s onwards. The latter is strongly associated with that same wine ‘boom’, but also reflects more general pressures on farm business viability and an eagerness to capitalise on growing consumer demand for the amenity of the region in its various forms. In combination these forces—urban and rural—drive continuing pressures for change in the region’s rural landscapes.

Effective responses to those pressures require an informed basis for decision-making. So, to provide context for this project and help readers interpret our report we begin with a short discussion of key terms, concepts and definitions, noting that while farm value-adding and rural business diversification share common conceptual ground they are not the same. In a study concerned with how planning policy treats these types of development, clarity about terms and the ambit of their associated definitions is important. That discussion is followed by a summary of how, in practice, planning policy for Adelaide’s peri-urban region has treated this topic. Key policy documents, associated studies and research projects that have shaped the evolving understanding of the topic are identified and their implications briefly considered. Local Government members of the Project Team then summarise how recent circumstances are affecting their current work. The scene-setting concludes with a short discussion of how the topic relates to various contemporary challenges confronting the future development and management of the region.

⁷ Bunce, M. and Walker, G. (1992) "The Transformation of Rural Life", in Bowler, I. R., Bryant, C. R. and Nellis, M. D. (Eds.) *Contemporary Rural Systems in Transition*, Volume 2, Economy and Society, CABI, Wallingford, pp. 49-61.

⁸ Argent, N., Tonts, M., Jones, R., Holmes, J. (2010). Amenity-Led Migration in Rural Australia: A New Driver of Local Demographic and Environmental Change? In: Luck, G., Black, R., Race, D. (eds) *Demographic Change in Australia's Rural Landscapes*. Landscape Series, vol 12. Springer, Dordrecht. https://doi.org/10.1007/978-90-481-9654-8_2

⁹ Bunce, M. F. (1991) Local planning and the role of rural land in metropolitan regions: the example of the Toronto area. In: van Oort, G. M., van Den Berg, L. M., Groenendijk, J. G. & Kempers, A. H. (Eds.) *Limits to Rural Land Use*. Pudoc, Wageningen, The Netherlands.

2.1 Key terms, concepts and definitions

This research project is concerned with aspects of economic and social change in rural areas: a process referred to variously as farm, agricultural or rural *restructuring*. One characteristic of this widespread and continually evolving phenomenon is a trend to increasing *intensification* and/or *diversification* of farm-business activity in order to do more with available land. Another trend, where land prices permit, is the expansion of farm-business *scale*, as exemplified by farm amalgamation and the rise of the so-called ‘corporate farm’. These changes, which are more or less evident across all of rural and peri-urban Australia, can be observed at both the individual farm-business level and, in aggregate, at wider regional levels. Our focus here is primarily on the diversification theme.

At the level of the farm-business, diversification can take various forms. The most basic, usually referred to as *value-adding*, involves the on-site transformation of a raw commodity or its by-products into a more valuable or entirely new product (eg. processing harvested fruit into juices, raw milk into cheeses or crop waste into garden mulch). Examples are routinely reported in rural media such as ABC TV’s Landline program. More complex forms of diversification, or *pluriactivity*,¹⁰ might involve new farm-related ventures on-site (eg. farm produce shops, ‘pick-your-own’ operations, adoption of novel production techniques); new non-farm enterprises on-site (eg. tourist accommodation, restaurants, truck parking, golf courses), and new sources of income off-site (eg. contractor services). Figure 1 summarises these dimensions of diversification.

The conceptual boundaries between these different forms of diversification are often blurred and more than one may be employed by a farm-business at any given time. However, the simple summary above is adequate for making two key points relevant to this project. First, notwithstanding the ambiguity, an important distinction can be made between diversification strategies, including value-adding, that retain a direct connection with on-farm production; and those that have no such connection but instead seek to derive economic benefit indirectly from the locality of the farm-business or its surrounding landscape. Activities in this latter group typically involve bringing a non-resident visitor population on-site for various retail or experiential transactions and cannot be described strictly as value-adding.

Second, while value-adding can be found across all rural landscapes and communities, the more complex and inventive forms of diversification tend to be most evident amongst smaller farms and in peri-urban regions, where competition for land and higher land prices restrict scope for physical expansion of the farm base. Indeed, in peri-urban regions, diversification strategies may be the only avenue available to farm businesses seeking to become or remain profitable.

This latter point helps explain why efforts to increase scope for diversification in planning policy are usually welcomed and encouraged. As well as its potential to increase income, farmers need to diversify their businesses in order to build resilience to market shocks and adapt to climate change. The same logic applies at the regional level, where rural communities’ vulnerability to external events was starkly demonstrated during the COVID-19 pandemic. However, these business imperatives have to co-exist with policies that promote parallel rural objectives related to environmental protection (eg. water catchment), nature conservation (eg. remnant biodiversity and habitat) and natural hazard minimisation (eg. bushfire and flood). These are all present in Adelaide’s peri-urban region, along with special-purpose policies for character preservation districts and designated areas of environment and food production significance.

¹⁰ Evans, N. J., and Ilbery, B. W. (1993). The Pluriactivity, Part-Time Farming, and Farm Diversification Debate. *Environment and Planning A: Economy and Space*, 25(7), 945–959. <https://doi.org/10.1068/a250945>

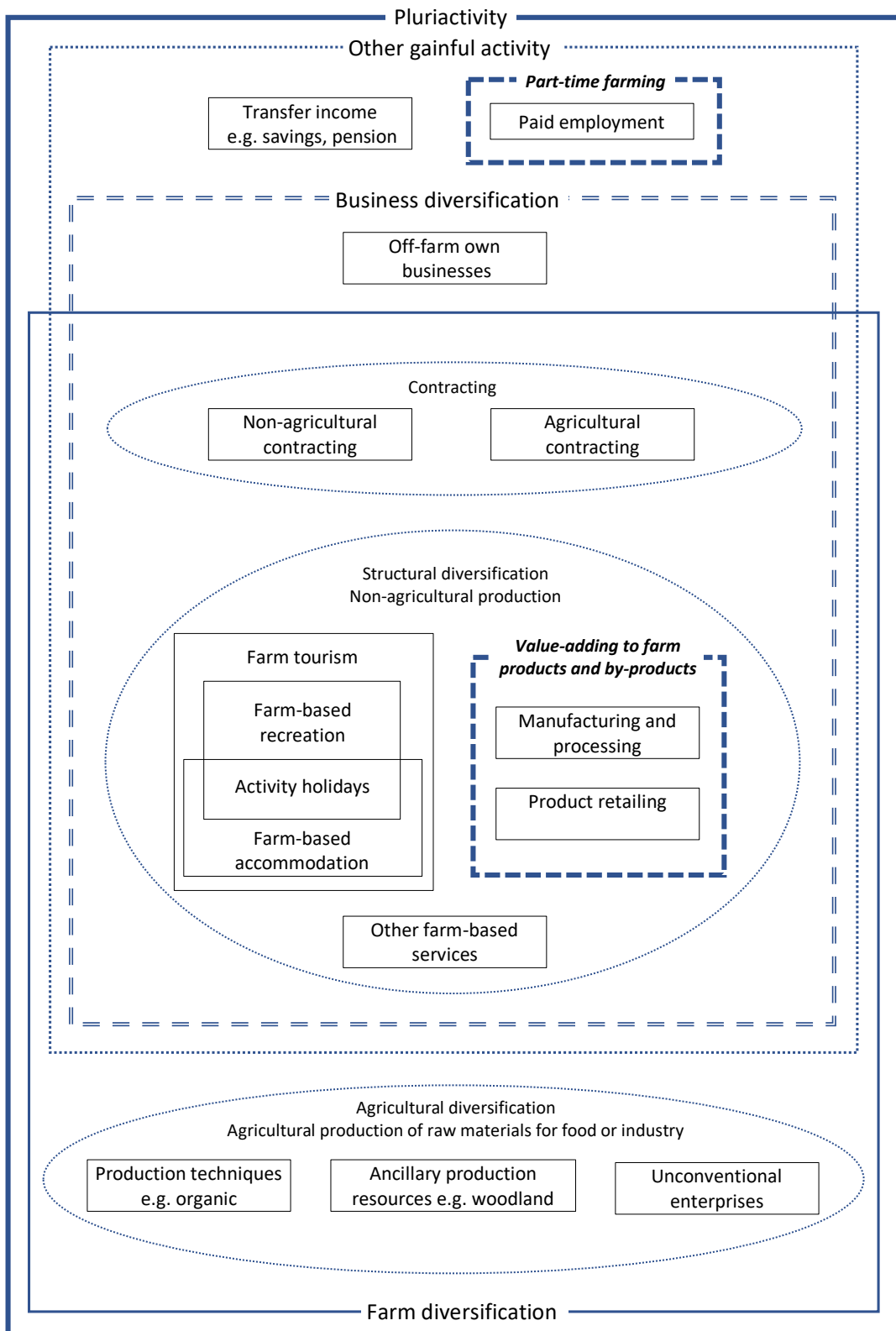


Figure 1: Conceptualisation of the relationship between value-adding, business diversification and pluriactivity. Based on: G.M. Robinson 2004. *Geographies of agriculture: Globalisation, restructuring and sustainability*. Pearson, Harlow.

Increasingly, farmers seek to integrate some of these parallel objectives into their farming systems by practicing *multifunctional agriculture*. It is now commonplace to encounter farm-businesses designed and managed explicitly to promote water catchment, biodiversity protection and other sustainability goals alongside primary production. Many of the basic forms of diversification described above would appear to be readily compatible with multifunctional agriculture. However, scope to effectively integrate these parallel objectives with some of the more complex diversification options, in particular those premised on attracting large numbers of non-resident visitors into rural landscapes, seems less certain. This observation is equally relevant to the planning arena and, hence, the current project. Along with the two earlier points, we can also anticipate that these more complex forms of diversification may exhibit a quite different risk profile, such that requires a more sophisticated planning assessment.

This discussion of terms, concepts and definitions is necessarily brief and focuses on the topic in question solely from the perspective of farm businesses. The important role of non-farming rural landholders in Adelaide's peri-urban region, and how they might seek to take advantage of the Rural Value Adding Developments policy initiative is not considered here. Nevertheless, we have identified three points of relevance to the project: one will guide the project method and data analysis while the other two will inform subsequent policy considerations.

First, we make a distinction between forms of diversification according to the extent of their connection with on-farm production and, for the purposes of the project, propose two key terms: farm value-adding (FVA) and rural business diversification (RBD). The former refers to activities that involve processing or transforming a basic farm product grown on-site or nearby into a more valuable form. The latter describes activities, not necessarily with a connection to local production or even a primary producer, that capture an economic benefit when visitors, attracted by the locality or landscape, purchase, consume or experience a product, service or other offering on-site. As above, lines of demarcation between these categories are blurry and, depending on scale, some activities, such as farm produce shops or wineries, could be described either way. However, the categorisation is reasonable and will help provide insights about the essential nature of changes underway in the regional landscape.

Second, we note the importance of providing scope for FVA and RBD development in peri-urban regions given the limited opportunities to expand farm scale. Failing to do so risks landholders resorting to other pathways for income generation that may have more fundamental effects on rural landscapes. Third, noting the likelihood that these two forms of diversification may have very different environmental footprints, local impacts and risk profiles, we see a need for greater precision in definitions surrounding this topic. We also anticipate a corresponding need to invest in more sophisticated planning policy for RBD, especially its more complex forms.

2.2 The Rural Value Adding Developments policy and its antecedents

South Australian planning policy has not always spoken as directly about FVA and RBD activity as the Rural Value Adding Developments (RVAD) Fact Sheet of 2020. When land use planning first began in Adelaide's peri-urban region, value-adding and diversification were not mentioned. The Outer Metropolitan Planning Area Development Plan¹¹ identified protection of agricultural land as an issue and introduced policies related to subdivision of rural land but was silent on the subject of this report. A later study commissioned by the then Department of Agriculture examined social and land-use changes underway in the region but focused its attention on changing patterns of land ownership in the Adelaide Hills amid an emerging trend for rural living and hobby farming.¹²

¹¹ South Australian State Planning Authority (1975) *Outer Metropolitan Planning Area Development Plan*, Adelaide.

¹² Menzies B.J. and Bell M.J. (1981) *Peri-urban development: a case study of the Adelaide Hills*. Research Monograph No.2, Extension Research and Evaluation Unit, South Australian Department of Agriculture, Adelaide.

By the mid 1980s, wider environmental concerns arising largely but not exclusively from that same trend were becoming apparent. The long-running Mount Lofty Ranges Review investigated various alternative policies, governance arrangements and innovative management tools before concluding in 1993 with a Regional Strategy Plan.¹³ Concerns about the impacts of ad hoc development in the region's rural landscapes saw a number of major policy changes, one of which had the effect of significantly curtailing scope for what we refer to here as FVA/RBD activities. The 1993 Mount Lofty Ranges Comprehensive No.1 Supplementary Development Plan (SDP) introduced changes to all Council Development Plans in the region, making most forms of development outside of townships non-complying. This blunt policy, which underwent several refinements in the face of significant public opposition, was intended as a temporary measure until new policies, based on the investigations of the Review, could be formulated. In the meantime, however, it had the effect of frustrating the efforts of farmers seeking to diversify their businesses.

New policies eventually arrived in the form of Ministerial Plan Amendment Reports (PARs) introducing provisions to Council Development Plans for tourist accommodation (2000), agricultural and home based Industries (2000), and wineries and ancillary development (2006).¹⁴ The changes were intended to provide relief from the provisions of the Comprehensive No.1 SDP by enabling establishment of small-scale enterprises based on, or associated with primary production conducted on-site or nearby. The three PARs are likely to have had the desired effect for farm businesses seeking to establish simple value-adding and diversification activities. However, for those with more ambitious diversification strategies in mind, this prescription of scale and provenance continued to block their plans.

Over the next two decades there was little change in policy affecting FVA/RBD activity. Indeed, initiatives in the natural resource management arena, in particular the prescription of water resources in the Mount Lofty Ranges which effectively capped scope for irrigated production, likely added to the pressures on farm businesses across the region. Regulatory changes in the mid-2000s created some new opportunities for establishment of roadside stalls but lack of scope for diversification on farmland was attracting the attention of stakeholders other than primary producers. Character Preservation legislation did not directly address the topic but it was implicitly part of the parliamentary bargaining that saw the two Bills eventually pass in 2012, on condition of a statutory review after five years of operation. Elsewhere, events that highlighted the practical difficulties facing some peri-urban farmers caused The Barossa Council to raise concerns about the limited opportunities for diversification in various strategic reports, policy proposals and submissions;¹⁵ and in 2017 the Mount Barker Council introduced policies that acknowledged the extent of existing diversification in its rural landscapes.¹⁶

On the back of this growing constituency, the topic moved closer to the mainstream of planning policy during implementation of the *Planning Development and Infrastructure Act 2016*. In 2019 “primary production value-adding and tourism activities” were named as policy priorities in State

¹³ Department of Housing and Urban Development. (1993) *Mount Lofty Ranges Regional Strategy Plan*. DHUD. Adelaide.

¹⁴ Government of South Australia, (no date), Development Plans (Revoked) Greater metropolitan Adelaide plans, including the following Gazetted Amendments: Small Scale Tourist Accommodation in Rural Areas of the Mount Lofty Ranges PAR (Ministerial) - [21 September 2000]; Small Scale Rural/Agricultural and Home Based Industries PAR (Ministerial) - [21 September 2000]; Mount Lofty Ranges Watershed Wineries and Ancillary Development PAR (Ministerial) - [8 June 2006]. https://plan.sa.gov.au/resources/resources_library/development_plans Accessed: 23/11/23

¹⁵ See, for example, The Barossa Council's 2013 *Strategic Directions Report*, the major *Rural Areas and Character Review* in 2014 and a subsequent *Rural Areas and Character DPA* initiated soon after. See also, The Barossa Council (2018) Submission to the Review of the *Character Preservation (Barossa Valley) Act 2012* and *Character Preservation (McLaren Vale) Act 2012*. https://plan.sa.gov.au/data/assets/pdf_file/CharacterPreservationActsReview-submissions.pdf Accessed: 23/11/23

¹⁶ Government of South Australia, (no date), Development Plans (Revoked) Greater metropolitan Adelaide plans – Mount Barker (including the following Gazetted Amendment: Rural (Primary Production Protection) DPA - [8 August 2017]. https://plan.sa.gov.au/resources/resources_library/development_plans Accessed: 23/11/23

Planning Policies for the Barossa and McLaren Vale Character Preservation districts.¹⁷ Subsequently, a new zone—eventually to become the PRLZ—was proposed for parts of Adelaide’s peri-urban region with the aim of promoting “agriculture, horticulture, value adding opportunities, farm gate businesses, the sale and consumption of agricultural based products, tourist development and accommodation...”.¹⁸ Objectives for the Rural and Rural Horticulture Zones were similarly expansive in their aims, and references to small-scale enterprises and on-site production were diluted and demoted.

These new directions were summarised in the Rural Value Adding Developments Fact Sheet issued in early 2020. However, the remarkable turn-around in the treatment of FVA/RBD activity in planning policy can be attributed mainly to a 2018 State Planning Commission document that canvassed the possible future form and content of the Planning and Design Code. Amongst other things, the Productive Economy discussion paper¹⁹ observed the significance of “agribusiness and value-adding” to the State’s economy and considered what the implications might be for planning policy.

Compared to previous key documents, this discussion paper was unambiguous in supporting value adding and diversification. However, it made little distinction between the scales of analysis under consideration—value-adding in “SA’s agriculture, forestry and aquaculture industries” was discussed alongside “Value-adding in the Adelaide Hills”—and seemed to assume that the planning policy challenges in both are the same. Related to this, there was no consideration of the circumstances in which new policies might be applied—such as the presence of substantial non-farm land-holdings in the same rural landscapes—and the implications of that situation. A recent NSW policy on Agritourism directed its reforms explicitly to the farming sector,²⁰ but the discussion paper did not consider this implementation dimension of the policy options it was canvassing.

Apart from the Fact Sheet, which provides very little detail about the policies it announces and cites no supporting evidence, the Productive Economy discussion paper seems to be the most relevant source for understanding recent changes made in the transition from Development Plans to the Code. There appears to be no other public document that considers, in any level of detail and with any evidence base, the case for planning policy changes regarding FVA and RBD development. As set out below, Councils have expressed a number of operational concerns about the resulting changes but three themes to emerge from this brief overview of the policy-making process are as follows:

- The unexplained shift of focus away from scale and provenance as key conceptual principles in the new policies governing FVA/RBD activity in Adelaide’s peri-urban region;
- The apparent conflation of FVA with RBD in the Fact Sheet, and with broader notions of value adding and diversification at higher levels of the economy in the Productive Economy discussion paper; and
- Ambiguity about whether the new policies are intended solely for benefit of the farm sector or are open to all rural landholders.

2.3 The perspective from Local Government

In the wake of the most recent events outlined above, there are now a number of challenges confronting the region’s planners within their respective rural areas. Local Government members of the Project Team summarise these as follows.

¹⁷ Government of South Australia, (no date), *State Planning Policies for South Australia: Special Legislative Schemes*, https://plan.sa.gov.au/data/assets/pdf_file/Special_Legislative_Schemes_-_27_May_2019.pdf Accessed: 23/11/23

¹⁸ Government of South Australia, (no date), Productive Rural Landscape Zone, DO2, *Planning and Design Code*. https://code.plan.sa.gov.au/home/browse_the_planning_and_design_code Accessed: 23/11/23

¹⁹ State Planning Commission, 2018, *Productive Economy Policy Discussion Paper*, https://plan.sa.gov.au/data/assets/pdf_file/Productive_Economy_Policy_Discussion_Paper.pdf Accessed: 23/11/23

²⁰ NSW Agritourism policies: <https://www.planning.nsw.gov.au/Policy-and-Legislation/Under-review-and-new-policy-and-legislation/Planning-amendments-for-agriculture> Accessed: 23/11/23

The first challenge arises from changes to planning policies within the Productive Rural Landscape Zone, Rural Zone and Rural Horticulture Zone following the transition from Council-specific Development Plans to a single Planning and Design Code. Extensive culling of previous Council assessment policy has impacted how development applications are now categorised and assessed. As a consequence, participating Councils have observed emerging pressures associated with applications for land division (boundary realignments), increased tourist accommodation and the expansion of non-traditional forms of development in their rural landscapes.

In this same context, the second challenge is to maintain the character and environmental qualities of these landscapes that make them highly productive primary producing areas, desirable places to live, a key attraction for tourists and the source of important ecosystem services. Pressure from increased development opportunities now permitted by the Planning and Design Code has potential to erode landscape character and undermine these important and diverse functions.

The third challenge is the need for strengthening sub-regional planning partnerships to provide a mechanism to participate meaningfully in state-lead planning initiatives, such as regional planning and future Code amendment processes. The group understands the rationale for standardisation of policy within the Planning and Design Code but feels there is a need to examine if this policy is resulting in unintended development outcomes. A more nuanced approach to rural planning policy development and localised policy may be needed based on identification of critical landscape units, land productivity, infrastructure provision and environmentally sensitive areas. A partnership approach will help progress these questions and investigations.

2.4 Strategic context and risk in Adelaide's peri-urban region

At face value, the types of development examined in this project seem unlikely to pose a fundamental threat to rural landscapes in Adelaide's peri-urban region. However, questions raised by these and other forms of land use change in the region need to be viewed in the context of evolving risks associated with changing circumstances—economic, societal, environmental and geopolitical—for South Australia. Adelaide's peri-urban region will be subject to many of the same national and global scale risks, as well as some that are particular to its unique situation and to the expectations on it that South Australians hold. While it may not figure in contemporary thinking about how the State can manage and adapt to these risks, FVA/RBD activity should be considered in this same context, noting its potential, even if only at the margins, to make adaptation more or less difficult and the region more or less vulnerable. The following examples illustrate some of these changing circumstances and associated risks.

At the global and national scale, the COVID-19 pandemic, war in Ukraine, diplomatic tensions and associated supply chain disruptions have created financial challenges for many rural businesses across Adelaide's peri-urban region. Some of these changed circumstances were/are industry-specific in their impacts, such as the Chinese ban on Australian wine imports and constraints on customer visits to winery cellar doors during COVID-19 restrictions²¹. The region's grape and wine industry was able to respond to the former by diversifying, which may have included restaurant and tourism opportunities enabled by the RVAD policy described above; the latter, however, would have made such a strategy problematic. Other circumstances, such as inflation and labour shortages in the years since the pandemic have been more general in their impact but will likely have affected projects predicated on major investment and construction much more than those involving simple on-farm value-adding. These examples suggest that the success of diversification strategies depends upon the circumstances in question and the type of strategy adopted.

²¹ Golley, J., Agarwal, V., Laurenceson, J. and Qiu, T., 2022. For better or worse, in sickness and in health: Australia-China political relations and trade. *China Economic Journal*, 15(3), pp.290-309. <https://doi.org/10.1080/17538963.2022.2117180>

Compared to these relatively temporary events, climate change will deliver a more long-term, even permanent change of circumstances.²² Amongst various anticipated impacts, bushfire risk is increasing dramatically, such that insurance premiums may become unaffordable for many residents and businesses²³. Along with other hazards such as heat waves, flooding and storms, which are also projected to increase in frequency and severity, these circumstances raise important questions for emergency responders about how they manage extreme weather events across a large, increasingly complex region. In these scenarios, rural businesses that rely heavily on bringing visitors on-site may increasingly need to consider, or be expected to comply with, special measures for high-risk times of the year. Such measures might render this type of diversification strategy impractical and unviable, even as other strategies present lifelines for businesses seeking to adapt to climate change. Should a perception develop that certain localities are beyond effective risk management, the amenity and attraction of those places may change fundamentally²⁴. This suggests that the conditions that make a particular diversification strategy possible and attractive at one point in time are not immutable.

Climate change also poses broader ecological risks to the long-term security of key natural resources in Adelaide's peri-urban region. As well as projected impacts on the region's various agricultural systems,²⁵ a warming, drying climate has already driven the prescription of regional water resources in order to manage competing sectoral demands. Amongst those demands are the environmental flows required by nationally-listed biodiversity conservation landscapes across the region. Increasing FVA and RBD activity could add a layer of complexity to those circumstances and, through its water demands and physical footprint, potentially put increased pressure on the habitat that remains²⁶. Growing interest across the region in multifunctional agriculture, whereby production and conservation goals are integrated on-site, provides a template for diversifying rural businesses to avoid such impacts. However, climate-proof, habitat-positive diversification strategies would require as much attention to site-level ecology and design as to their business model and particular consumer offering. Whether the Planning and Design Code can play a constructive role in that task is a question that echoes the concerns of Local Government planners.

More generally, ongoing competition for land in the region occasionally manifests itself as tension between groups and individuals in the community over their respective aspirations for particular rural landscapes. Those aspirations might relate to housing affordability and lifestyle opportunities; or to the future of remnant natural areas, valued landscapes or local agriculture²⁷. The changing circumstances here are a steadily growing regional population and their increasingly complex expectations for liveability, prosperity and environmental quality, all from the same rural landscapes. Although expressed socially, the risk is political if State and local government misread the community in these matters. FVA and RBD activity does not appear to be a key element in this interplay of interests but may have the effect of heightening a generalised sense of land use conflict

²² Bardsley, D.K. and Rogers, G.P., 2010. Prioritizing engagement for sustainable adaptation to climate change: an example from natural resource management in South Australia. *Society and Natural Resources*, 24(1), pp.1-17. <https://doi.org/10.1080/08941920802287163>

²³ Young, T., Lucas, C. and Booth, K., 2022. Insurance, fire and the peri-urban: perceptions of changing communities in Melbourne's rural-urban interface. *Australian Geographer*, 53(1), pp.41-60. <https://doi.org/10.1080/00049182.2022.2052238>

²⁴ Bardsley, D.K., Moskwa, E., Weber, D., Robinson, G.M., Waschl, N. and Bardsley, A.M., 2018. Climate change, bushfire risk, and environmental values: examining a potential risk perception threshold in peri-urban South Australia. *Society & Natural Resources*, 31(4), pp.424-441. <https://doi.org/10.1080/08941920.2017.1421733>

²⁵ Houston, P. and Bardsley, D.K., 2018. Climate change adaptation for peri-urban horticulture: A case study of the Adelaide hills apple and pear industry. *South Australian Geographical Journal*, 114(1), pp.29-42. <https://api.semanticscholar.org/CorpusID:134205979>

²⁶ Guerin, G.R., Biffin, E., Baruch, Z. and Lowe, A.J., 2016. Identifying centres of plant biodiversity in South Australia. *PLoS One*, 11(1), p.e0144779. <https://doi.org/10.1371/journal.pone.0144779>

²⁷ Lawton, A. and Morrison, N., 2022. The loss of peri-urban agricultural land and the state-local tensions in managing its demise: The case of Greater Western Sydney, Australia. *Land Use Policy*, 120, p.106265. <https://doi.org/10.1016/j.landusepol.2022.106265>

or diminishing environmental quality if not managed well. How to do that is the subject of this pilot study but, even at this early stage, seems likely to require planning policy that is informed by sound evidence and fit-for-purpose, and wider governance arrangements that can effectively mediate competing demands and set clear priorities. In other words, diversification needs to occur more by design than drift.

South Australia has invested heavily in recent years to establish a reputation for premium food and beverage production, closely and deliberately linked to accessible, attractive farmed and natural landscapes. Many of those assets are situated in Adelaide's peri-urban region, which is a relatively small and distinctive environment with a variety of natural advantages but also subject to a range of growth pressures and risks. In order to maintain this reputation and credibly continue the promotional narrative, South Australian public policy needs to make an equivalent investment—literally and metaphorically—in managing these rural landscapes for long-term sustainability. However, it remains to be seen whether a key element of that policy framework, the State's land use planning system, is capable of playing a constructive role in that task. Specifically, it is unclear whether it can adequately account for changing circumstances in these landscapes and accommodate the complexity of risks likely to be encountered²⁸. FVA and RBD activities may not present the most fundamental threat to the region's rural landscapes but they do provide a good test of the planning system's ability to simultaneously provide opportunities for sustainable business growth and economic development while also mitigating emerging risks.

2.5 Conclusion

Noting the importance of diversification opportunities for farm businesses in Adelaide's peri-urban region, this brief background makes a number of observations and qualifications regarding that policy-making task. First, the term 'value-adding' is an inadequate and potentially misleading descriptor for the range of activities likely to be pursued under the current RVAD policy. In its lack of precision, the term fails to address important differences in the type and scale of development proposals that are lodged, such that may require different levels of planning assessment. Second, following a long period of neglect, the policy treatment of this topic has seen a period of rapid change in which important questions about the purpose and scope of the RVAD policy have not been fully addressed in public documents. Third, these changes are presenting Local Government planners with a range of challenges that affect their ability to support implementation of parallel policy objectives for the region's rural landscapes, including those relating to character preservation, environment and food production. Finally, all of this is complicated by a variety of changing circumstances and evolving risks that need to inform policy-making but will likely be ignored without new investment in this arena.

²⁸ McGregor, J., Parsons, M. and Glavac, S., 2022. Local government capacity and land use planning for natural hazards: A comparative evaluation of Australian Local Government Areas. *Planning Practice & Research*, 37(2), pp.248-268. <https://doi.org/10.1080/02697459.2021.1919431>.

3 Stage One project report

3.1 Objectives

The focus of this project is on farm value-adding (FVA) and rural business diversification (RBD) activity in the rural areas of the four participating Councils (the study area), as shown on Map 1. By examining recent trends in development applications, the project aims to:

- Better understand and describe the nature and extent of this activity across the study area;
- Examine the impact of the State Government’s Rural Value Adding Developments policy in the study area; and
- Develop an evidence base for assessing the suitability of that policy to the study area and, if necessary, informing possible policy refinements.

As explained in the Introduction, this first stage of the project, with its emphasis on development applications, provides a simple quantitative response to these objectives. A proposed second stage outlined in section 4 would, amongst other things, test the findings with key stakeholders to add necessary qualitative perspective.

3.2 Methodology

Like several other potential APP initiatives, Stage One of this project is premised on the existence of a substantial body of data related to land and development that is routinely collected for official purposes but rarely analysed for its relevance to public policy. Assuming access is not restricted for privacy reasons and participating organisations support this type of work, these data offer an inexpensive and rapid way to inform a variety of peri-urban research questions. In this case, the project uses records of development applications in the study area over a period of six years: five years prior to the introduction of the Planning and Design Code (the Code) and the Rural Value Adding Developments (RVAD) policy, and one year following the Code becoming fully operational in the study area in March 2021. The remainder of this section describes the gathering, assembly and preparations for analysis of that data, before presenting it in various summary formats.

3.2.1 Data gathering and specifications

The pilot project began in mid 2022 with Local Government members of the Project Team gathering the records of selected development applications (DAs) in the rural parts of their respective Council areas for the period 2016–2021. Records for years prior to the introduction of the Code were obtained directly from each Council’s public register of applications; later records were obtained by the Project Team member, or other authorised Council staff, from the PlanSA planning portal.²⁹

The selection of DAs followed agreed specifications regarding the in-scope development types, planning zones and time-frame of the project, as well as the particular data fields in each record that would be relevant to the study.³⁰ The DA selections deliberately excluded proposals for dwellings and land division but otherwise captured most of the remaining applications lodged within the study area during the project time-frame. These included development types within the FVA and RBD categories defined in section 2.1, such as wineries and distilleries, ‘cellar door’ shops, restaurants, sheds and similar structures for processing or sale of farm produce, and tourism accommodation. However, in each Council area the selections also captured a number of DAs for development types

²⁹ The planning portal gives Council staff access to all development applications lodged via the ePlanning development assessment platform. This mechanism, which captures application data in real time according to a standardised format, provides a potentially very useful avenue for research and monitoring of development trends across South Australia. However, access is currently Council-specific and authorisation is limited to a handful of officers in each Council.

³⁰ As shown in the accompanying spreadsheets, these data fields include the date lodged, unique identifier number, zone, property address, main element proposed, assessment status and estimated capital value of each DA.

outside the FVA and RBD categories. These included proposals more closely associated with primary production and others for non-farm development, such as communications infrastructure and transport depots. Although out-of-scope for the project, these DAs were retained in each Council's data selection because of the extra information they provide about local development trends.

The geographic scope for these data selections was limited to the Productive Rural Landscape Zone, Rural Zone and Rural Horticulture Zone parts of the participating Council areas, as defined in the Code, and the corresponding zones in pre-Code Development Plans. In other words, DA selections were limited to locations where planning policy anticipates the continuation of farming and agriculture. Based on their original lodgement date, DAs in these zones were collected for twelve-month periods commencing 19 March each year, to align with the introduction of the Code on that day in 2021, and to enable analysis of development outcomes pre- and post- Code. The overall time-frame for the DA selections ran from 19 March 2016 to 18 March 2022.

3.2.2 Data assembly and preparations for analysis

Following initial selection, each Council's raw data were transferred to Excel[®] spreadsheets where they were reviewed, 'cleaned'³¹ and sorted by date of lodgement for the reasons described above. All records were subsequently coded to various project-relevant parameters to assist analysis. To date two phases of this coding have been undertaken.

First, based on information in individual records,³² each DA was coded according to whether the proposal represents an example of either FVA or RBD activity. DAs that did not align with these two categories were coded as either Primary Production or Other Rural Development.³³ All DAs were then further coded according to whether the application was approved or had/has some other administrative status (i.e. under assessment, refused, withdrawn/lapsed).³⁴ This first phase of coding revealed the total number of DAs for both FVA and RBD development in the study area during the time-frame of the project, and the number of DAs in each category that were actually approved.

A second phase of coding was conducted to identify the particular development types (e.g. wineries, tourist accommodation, function centres etc.) behind the broad FVA and RBD categories. Each record was coded according to the main element of the proposal described in the DA, with second and third elements also recorded where listed. At the same time, each DA was coded according to its scope of works (i.e. new development; expansion or addition to existing development; conversion of existing structures; change of use; minor works or variation of a previous approval). This enabled a more fine-grained summary of development trends in the study area, and helps qualify the findings.

An important third phase of this preparatory work involved identifying instances of serial DAs, where more than one DA has been lodged for the same site during the project time-frame. The number of serial DAs in each Council selection was calculated using a basic spreadsheet sort routine to find duplicate addresses. In some of the cases identified, applicants appear to have been seeking simple variations to previous approvals; in others, serial applications have been facilitating the staged development of large projects. This is one of several features of the data used in the project that needed to be understood before moving on to the analysis proper.

³¹ This process included correction of typographic errors and missing data, especially in the address field; removal of duplicate records; and standardising the recorded administrative status of each DA.

³² Column F in the 'Data_[Council name]' spreadsheet contains descriptions of the development proposed in each DA. In most cases this appears to be the applicant's description; however, amongst the more recent records, a significant number appear to have been entered by planning officers or administrative staff.

³³ Coding of the four categories in the spreadsheets is as follows: A - Primary Production, B - Farm Value-Adding, C - Rural business diversification, D - Other Rural Development.

³⁴ In the spreadsheets these other forms of administrative status are grouped together in a category called 'Other Lodged'. This category is unrelated to actual development outcomes but was included to provide perspective on the DA workload for Councils related to this topic during the time-frame of the study.

The data that appear in the accompanying spreadsheets comprise records of applications for activities that constitute development under South Australian planning legislation and, hence, require assessment by a planning authority. Despite this provenance, the data need to be qualified in various ways, some of which have already been noted but are reiterated here for emphasis:

- The records do not capture FVA/RBD activities that are outside the remit of planning legislation (eg. small ‘pick-your-own’ operations, agistment of livestock, contractor services);
- Not all DAs lodged are approved and, at the time of writing, a number of DAs remain subject to assessment and may yet be approved;
- Similarly, not all DAs approved necessarily proceed to actual development;
- A number of DAs are simply for minor development, variations to previous approvals or building matters within the ambit of planning legislation;
- A significant proportion of DAs are serial applications;³⁵
- A significant proportion of DAs include more than one element; and
- With the possible exception of recent records from the PlanSA portal, most of the DA records used here were not developed with future research in mind and, as such, their coding required some interpretation and assumption.

Notwithstanding these qualifications, several of which introduce potential for over-counting or under-counting, DAs are a reasonable and legitimate indicator of the FVA/RBD sector in the study area. While they do not describe FVA/RBD activity that existed prior to the study period, they illustrate contemporary interest amongst the farm sector and wider community in those forms of development. Data provided by the participating Councils is used on the basis that the issues listed above have been incorporated into the analysis and caveats attached to findings where appropriate. These and other issues surrounding data are discussed further in 3.3 and 3.4.

3.2.3 Data presentation

Project Team members were requested to review and confirm the two coding exercises described above. After confirmation the spreadsheets were used to generate a series of graphs, tables and maps to assist analysis. The following are presented below along with brief explanations:

- A series of graphs illustrating the trend in DAs for FVA and RBD development for the study area as a whole and for each Council area (Figures 2-6);
- A table summarising the relationship of particular development types to the broad development categories, including FVA and RBD (Table 1);
- A table summarising DAs by development type and Council area (Table 2);
- A series of graphs illustrating trends in DAs for selected development types for the study area (Figures 7-11); and
- Maps illustrating the spatial distribution of DAs for FVA and RBD development (Maps 2-4).

In Figures 2-6 following, DAs coded to either FVA or RBD are summarised by development assessment status for the study area and for each Council area. Columns illustrate the total number of DAs lodged in each twelve-month period, with the bottom two dark colours in each column showing the number of DAs approved, and the top two lighter shades showing the number of other lodged DAs with a different development assessment status (refer 3.2.2). Note that some of the DAs originally categorised as Other Lodged may since have been approved.

³⁵ Serial DAs appear to introduce potential for double-counting. However, the records suggest that a significant proportion relate to staging of large projects. Rather than introduce a methodological problem by having to determine which DA to count, the Project Team agreed to count all DAs but make a clear distinction between those lodged and those approved.

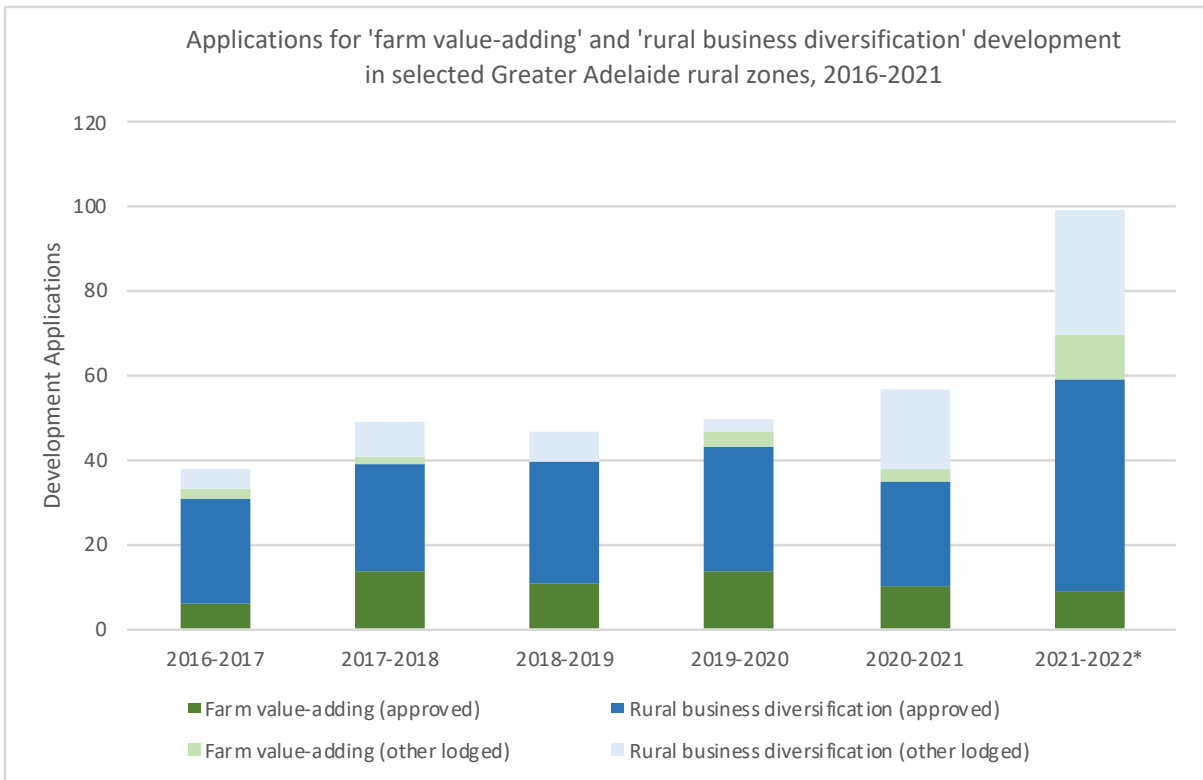


Figure 2: DAs for Farm Value-Adding and Rural Business Diversification development All four Council areas, 2016-2021. (Source: Council public registers & *PlanSA planning portal.)

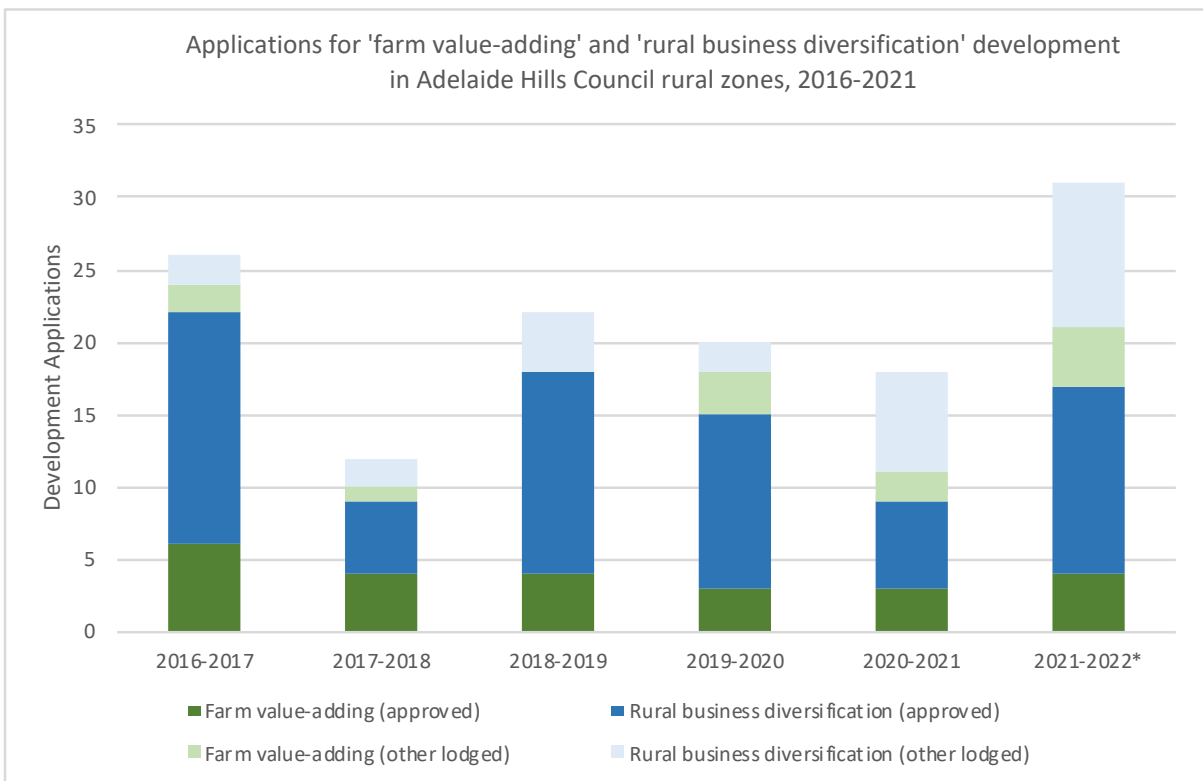


Figure 3: DAs for Farm Value-Adding and Rural Business Diversification development Adelaide Hills Council, 2016-2021. (Source: Council public register & *PlanSA planning portal.)

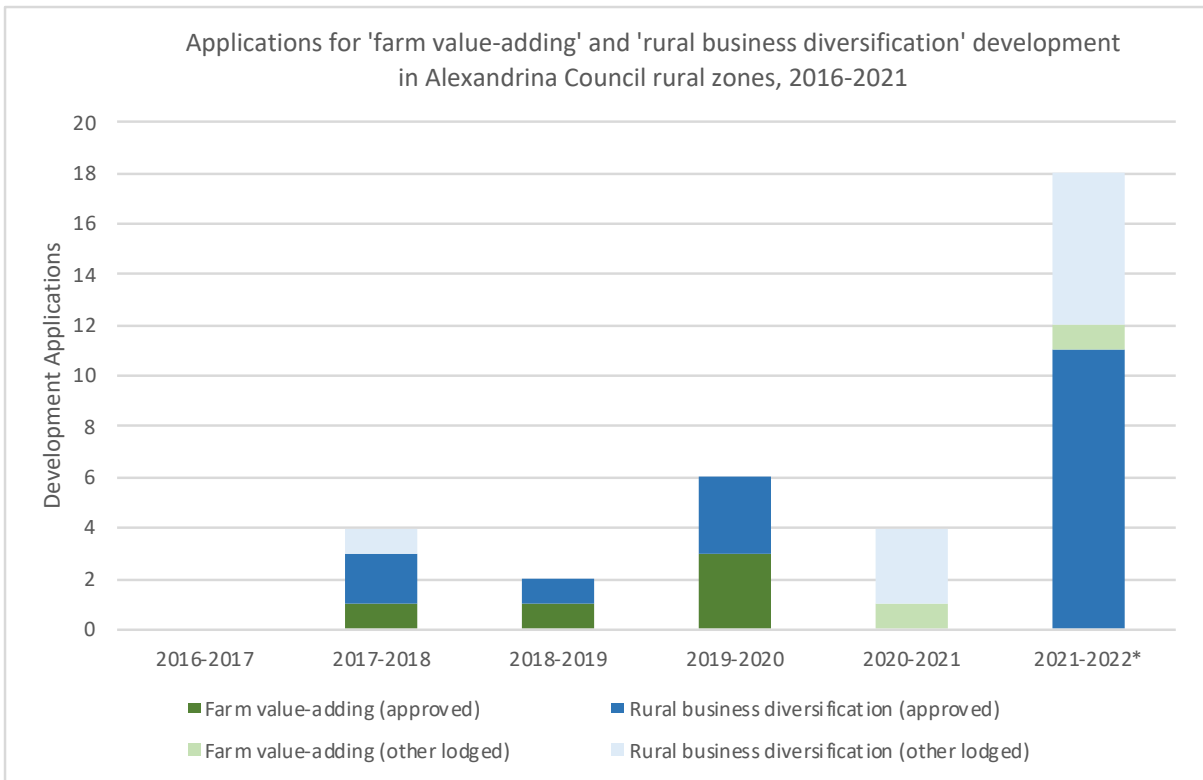


Figure 4: DAs for Farm Value-Adding and Rural Business Diversification development Alexandrina Council, 2016-2021. (Source: Council public register & *PlanSA planning portal.)

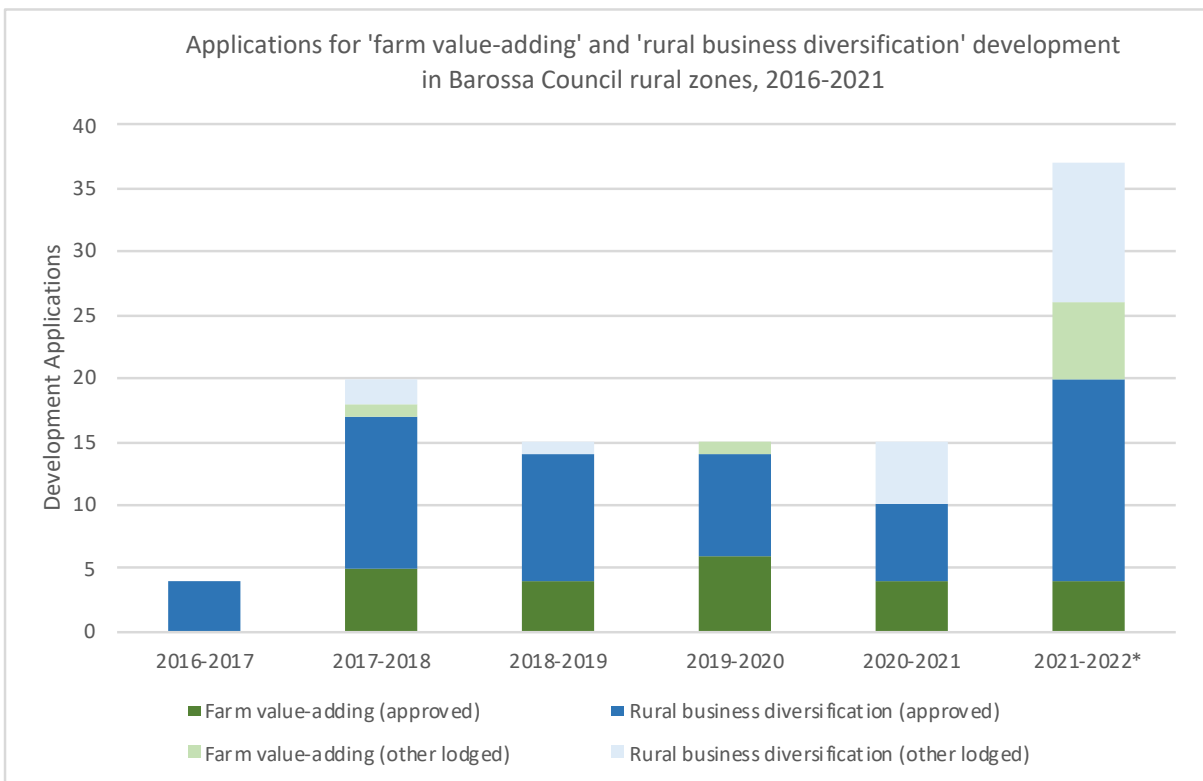


Figure 5: DAs for Farm Value-Adding and Rural Business Diversification development Barossa Council, 2016-2021. (Source: Council public register & *PlanSA planning portal.)

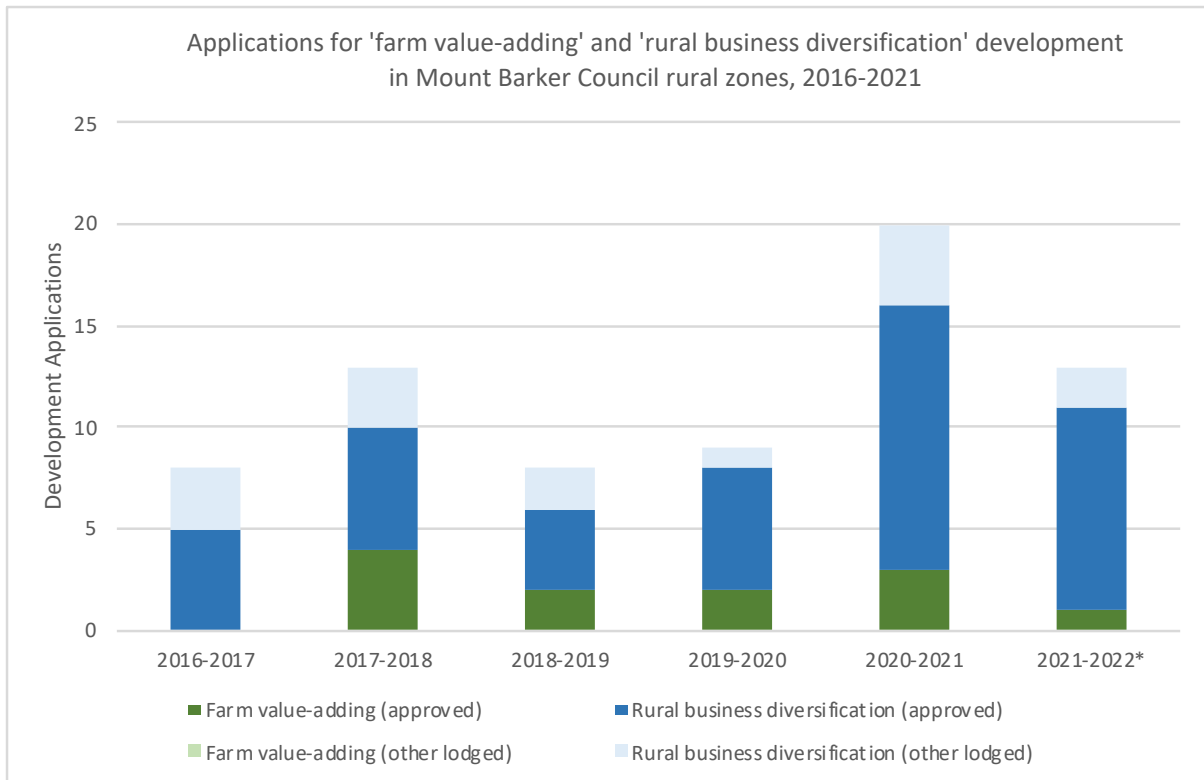


Figure 6: DAs for Farm Value-Adding and Rural Business Diversification development Mount Barker Council, 2016-2021. (Source: Council public register & *PlanSA planning portal.)

Table 1 on the following page lists all of the development types present in the Council records and shows how they have been assigned to the broader development categories, including FVA and RBD, for the purposes of coding and creating Figures 2-6. Note that some of the decisions about assignment are debatable. They include the various forms of beverage manufacturing which, for consistency, have all been treated as examples of FVA despite some having no apparent connection with local farm production. These and other examples of this categorisation issue are discussed in section 3.3.

Table 2 summarises the number of DAs lodged for all recorded development types across the study area over the time-frame of the project. Statistics of interest are shown highlighted or bold. Equally significant here is the number of times some of these development types are listed as second or third elements in a development application.

Following the tables, Figures 7-11 illustrate trends in DAs for the five most common types of FVA/RUV development across the study area. The graphs distinguish total DAs lodged from those that involved substantial proposals (i.e. not minor works or variations of previous approvals) and those that were actually approved. Table 2 reveals the contribution each Council area makes to these graphs but, as above, note that they are based solely on the main element proposed in each DA. To avoid double-counting, second and third elements of DA proposals listed in Table 2 currently do not figure in these graphs. Also, as explained in relation to Figures 2-6, note that some DAs for 2021-22 were still under assessment at the time these records were gathered and may subsequently have been approved.

Development type	Development type codes	Development category	Category codes	Coding comment
Agricultural Building	Ag Bld	Primary Production	A	
Agricultural Industry	Ag Ind	FVA	B	
Animal keeping - Dogs	AK - Dogs	Other Rural Dev't	D	post Agriculture indicator?
Animal keeping - Horses	AK - Horses	Other Rural Dev't	D	post Agriculture indicator?
Animal Processing Facility	APF	FVA	B	Industry scale?
Brewery	Brew	FVA	B	trending to C?
Cidery	Cid	FVA	B	trending to C?
Commercial kitchen	Com Kit	RBD	C	
Distillery	Dist	FVA	B	trending to C?
Function Centre	FC	RBD	C	
Health Retreat	HR	Other Rural Dev't	D	post Agriculture indicator?
Outdoor Events	OD Events	RBD	C	
Other	Other	Other Rural Dev't	D	
Bulk Wine Storage	Other - BWS	FVA	B	Industry scale?
Camp Facility	Other - Camp	Other Rural Dev't	D	post Agriculture indicator?
Organic waste	Other - OW	Other Rural Dev't	D	
Solar Panel Array	Other - Solar	Other Rural Dev't	D	
Transport	Other - Trnspt	Other Rural Dev't	D	
Vet Clinic	Other - Vet	Other Rural Dev't	D	post Agriculture indicator?
Waste Treatment Plant	Other - WTP	Other Rural Dev't	D	
Primary Production	PP	Primary Production	A	
Restaurant	Rest	RBD	C	
Shop	Sh	RBD	C	
Shop - Bakery	Sh Bak	RBD	C	
Shop - Cellar Door	Sh CD	RBD	C	
Shop - Cidery	Sh Cid	RBD	C	
Shop - Farm Produce	Sh Farm	FVA	B	trending to C?
Shop - Personal Services	Sh PSE	RBD	C	
Tourist Accommodation	TA	RBD	C	
Wedding Venue	Wed Ven	RBD	C	
Winery	Win	FVA	B	trending to C?
Worker Accommodation	Wrk Accom	Other Rural Dev't	A	Changed from D

Table 1: Assignment of development types to development categories, highlighting FVA (B) and RBD (C) categories.

Development type	AHC			ALEX			BARO			MTB			Total Main element	Total All elements
	Main element	2nd element	3rd element	Main element	2nd element	3rd element	Main element	2nd element	3rd element	Main element	2nd element	3rd element		
Agricultural Building		2		1			2			5			8	10
Agricultural Industry	3									5			8	8
Animal keeping - Dogs				1			1			2			4	4
Animal keeping - Horses				1						17	1		18	19
Animal Processing Facility				1									1	1
Brewery	2	1			1					2			4	6
Cidery	1												1	1
Commercial kitchen							3	1					3	4
Distillery		1		2						4			6	7
Function Centre	12	6	5	4	1		5	3		7	1	2	28	46
Health Retreat				1						1			2	2
Outdoor Events	1	1											1	2
Other		1					4			34			38	39
Bulk Wine Storage								2					0	2
Camp Facility	1			1									2	2
Organic waste				1									1	1
Solar Panel Array		1						1					0	2
Transport				1			1						2	2
Vet Clinic				1						1			2	2
Waste Treatment Plant				1									1	1
Primary Production	2			4		1	1		1	6			13	15
Restaurant	14	9	1			5	4	2	5	6	1		24	47
Shop			2					1		3			3	6
Shop - Bakery	1												1	1
Shop - Cellar Door	25	7	1	8		2	25	12	2	6	7		64	95
Shop - Cidery		2											0	2
Shop - Farm Produce	1	1		1						3			5	6
Shop - Personal Services		2						1					0	3
Tourist Accommodation	34	1		11			28	3	2	25	4		98	108
Wedding Venue				1									1	1
Winery	34	1	1	4			39	3	1	3			80	86
Worker Accommodation				4						2			6	6
	131	36	10	49	2	8	113	29	11	132	14	2	425	537

Table 2: Development types by Council area, 2016-2021.
(Source: Council public registers & PlanSA planning portal.)

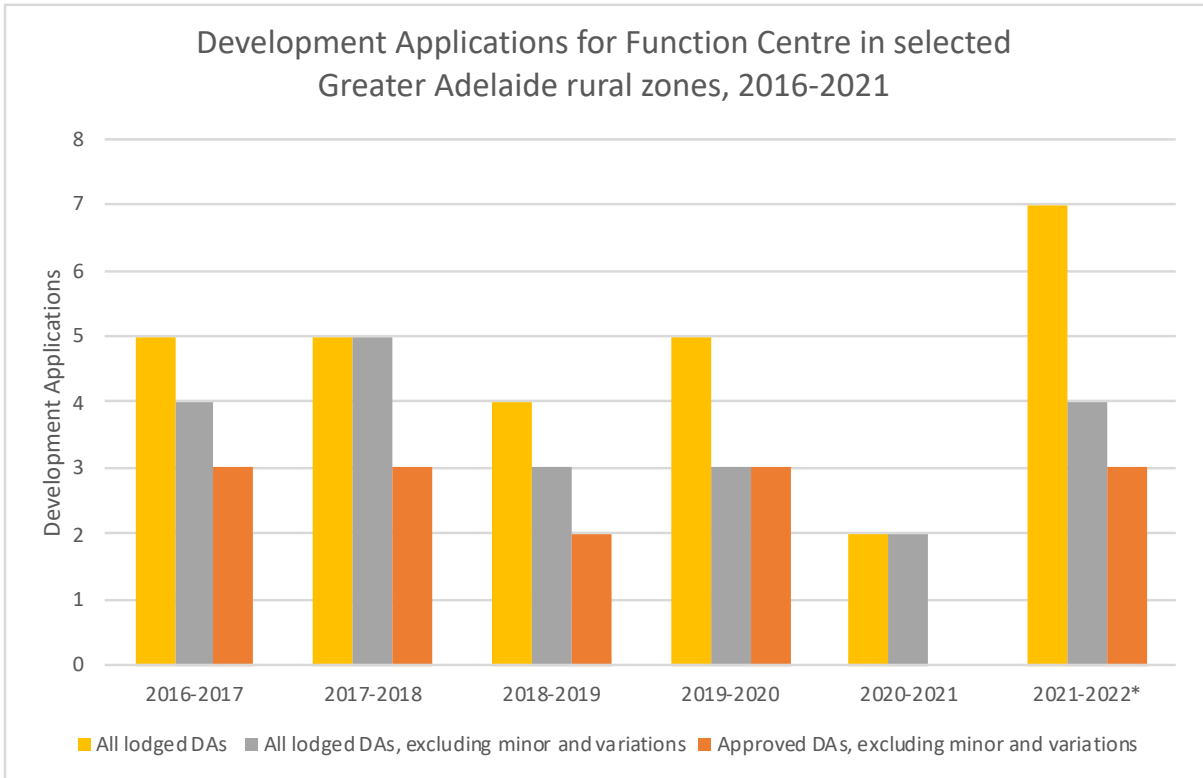


Figure 7: DAs for Function Centres, all four Council areas, 2016-2021.
(Source: Council public registers & *PlanSA planning portal.)

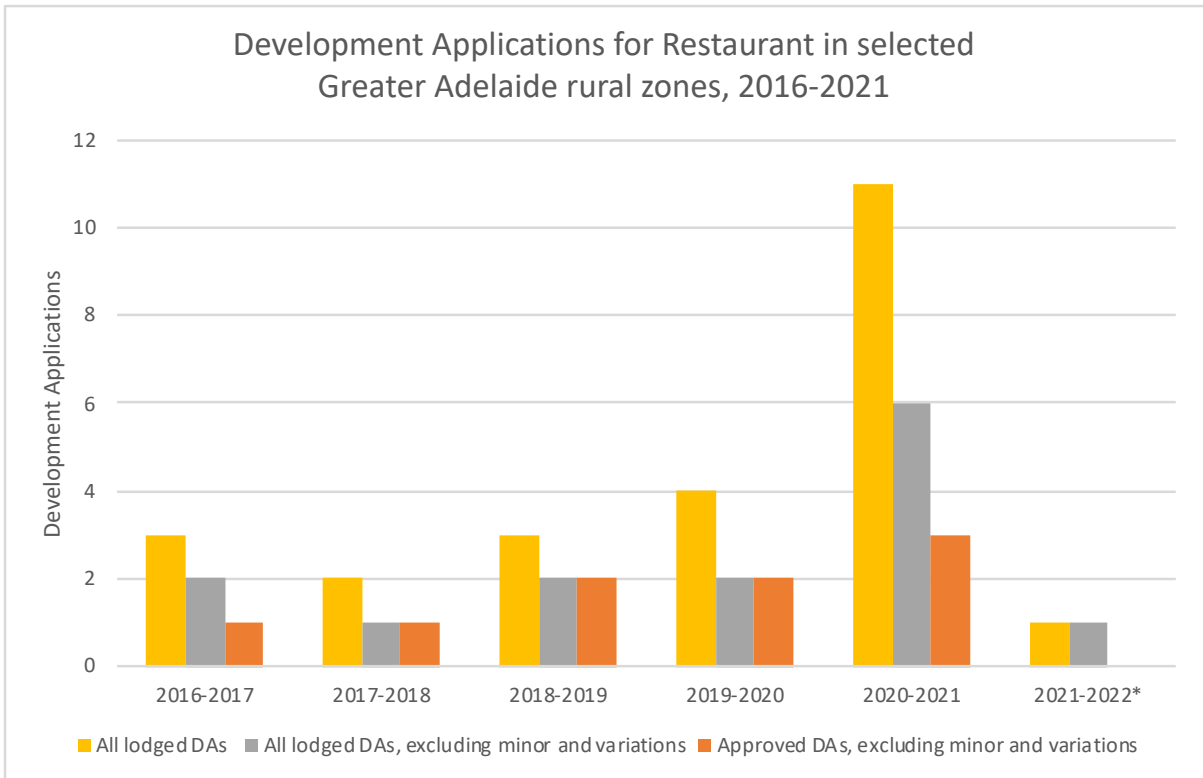


Figure 8: DAs for Restaurants, all four Council areas, 2016-2021.
(Source: Council public registers & *PlanSA planning portal.)

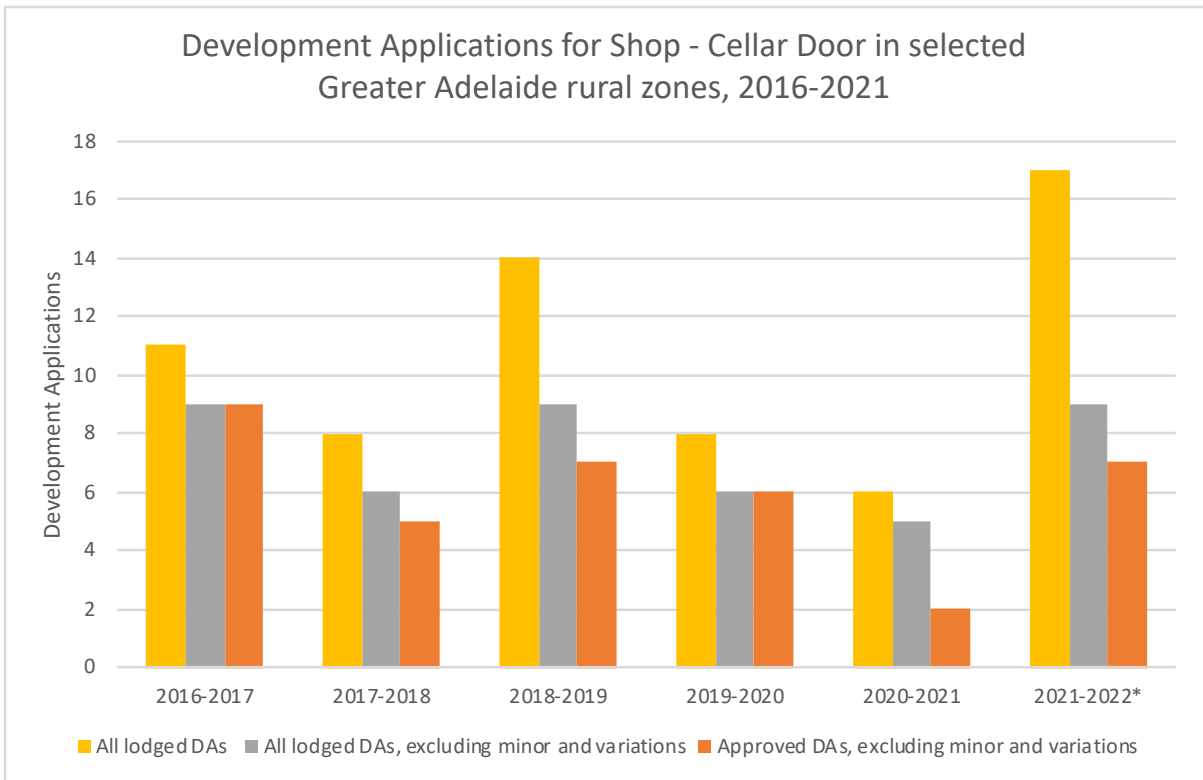


Figure 9: DAs for Cellar Door shops, all four Council areas, 2016-2021.
(Source: Council public registers & *PlanSA planning portal.)

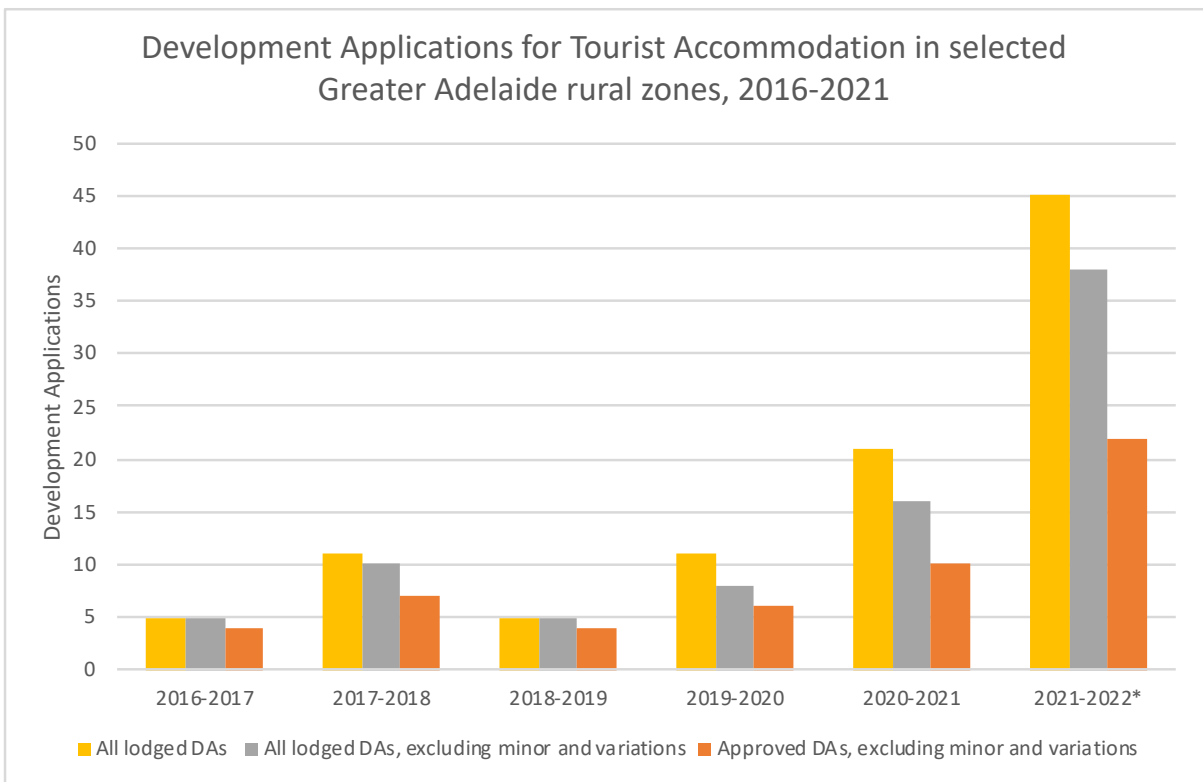


Figure 10: DAs for Tourist Accommodation, all four Council areas, 2016-2021.
(Source: Council public registers & *PlanSA planning portal.)

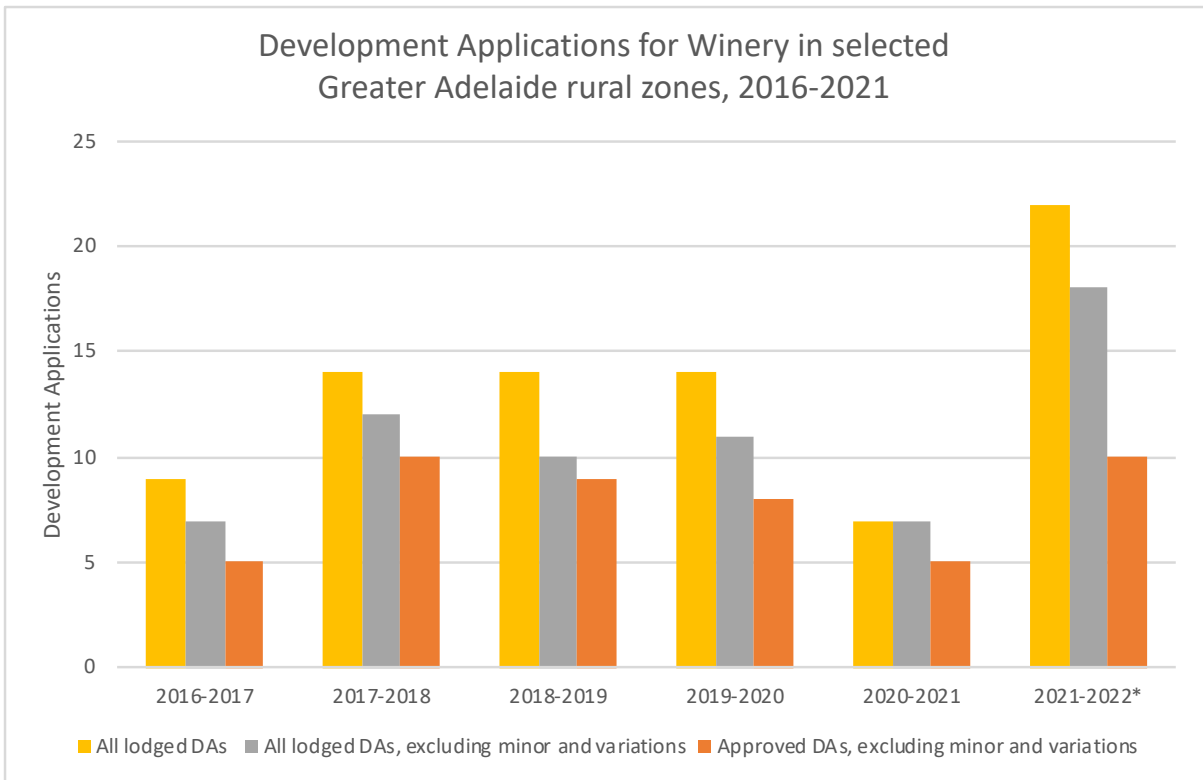
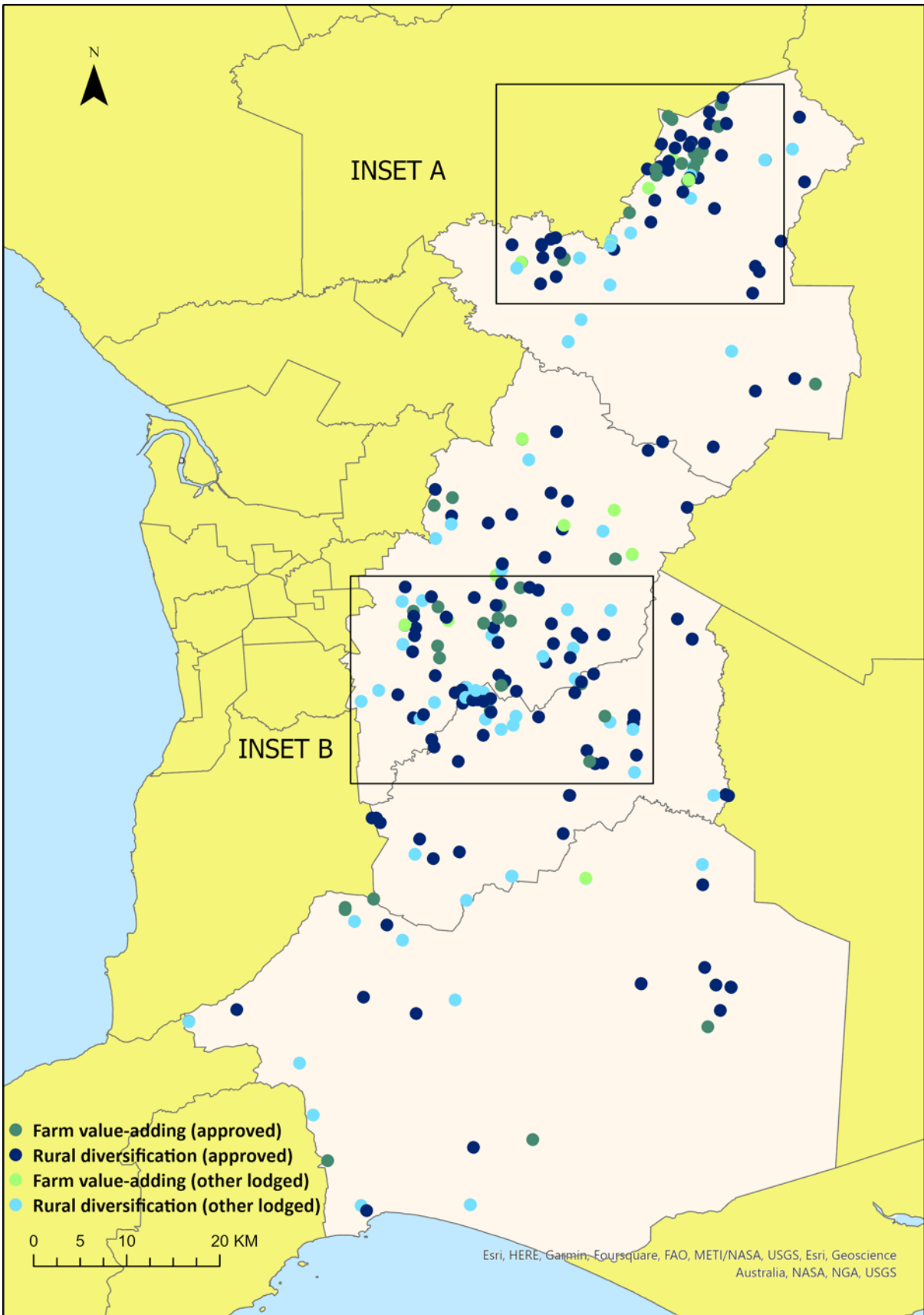
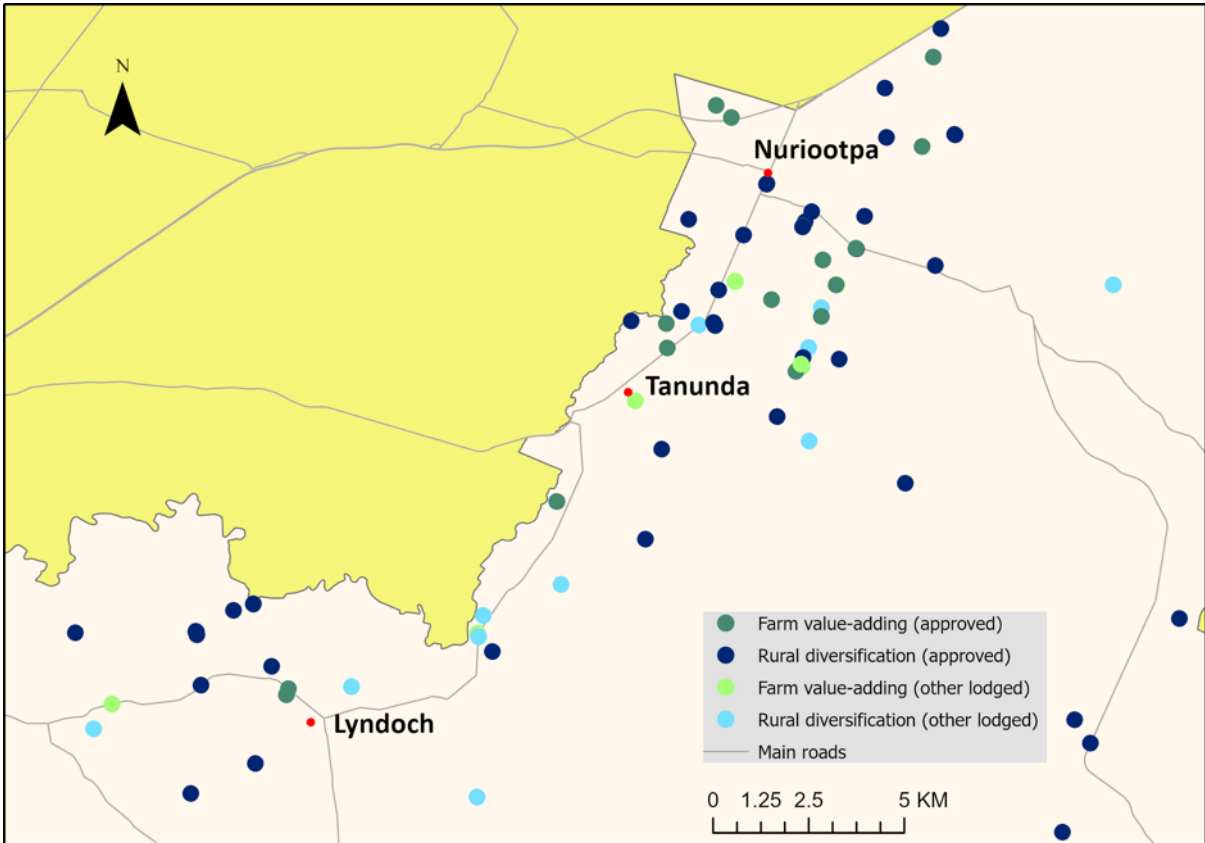


Figure 11: DAs for Wineries, all four Council areas, 2016-2021.
 (Source: Council public registers & *PlanSA planning portal.)

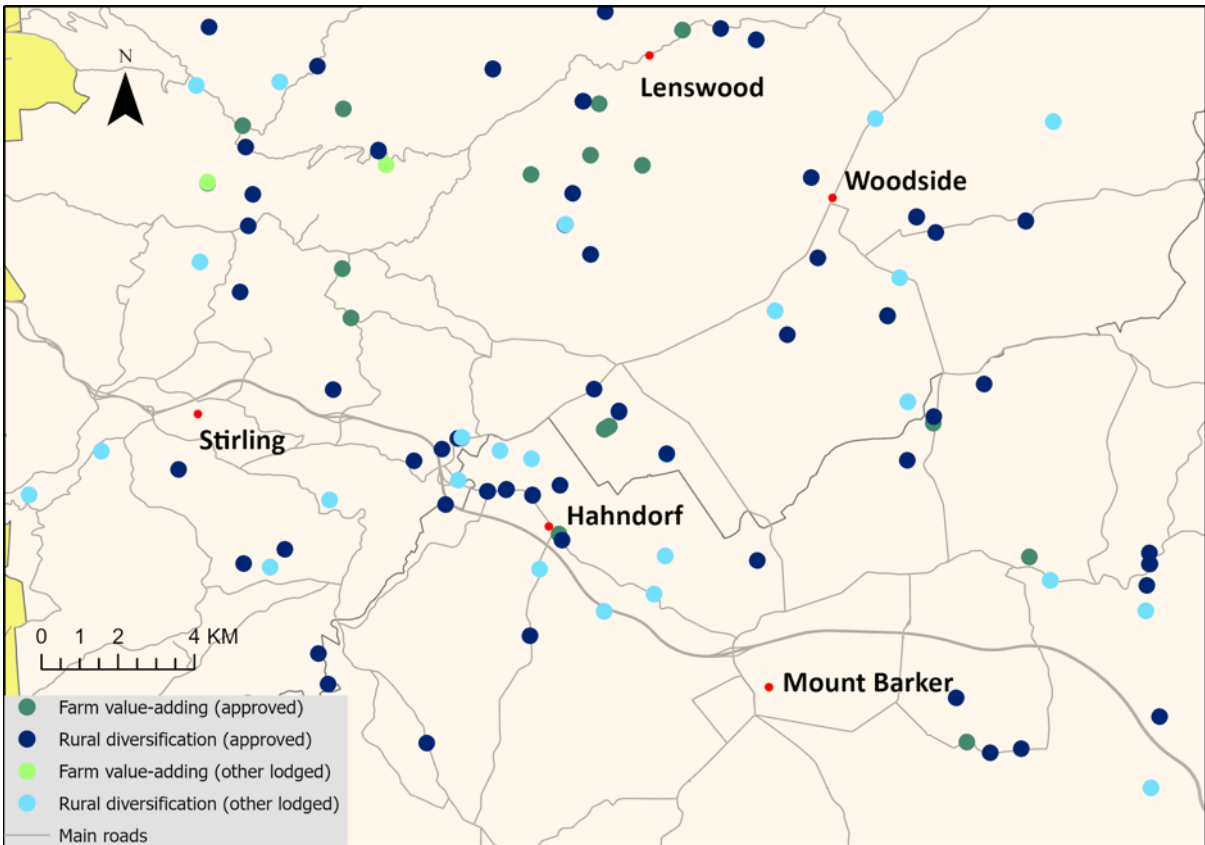
In addition to the graphs and tables above, the Project Team has prepared a series of maps illustrating the spatial distribution of DAs for FVA/RBD development. Map 2 shows, cumulatively, all of the DA sites across the study area during 2016–2021. Maps 3 and 4 provide a larger scale perspective on the same data. Note that due to the presence of numerous serial DAs there are fewer sites shown on these maps than are summarised in the graphs and tables.



Map 2: Distribution of DAs for Farm Value-Adding and Rural Business Diversification development, all four Council areas, 2016 to 2021. (Source: Council public registers & PlanSA planning portal.)



Map 3 (INSET A): Distribution of DAs for Farm Value-Adding and Rural Business Diversification development, northern Study Area, 2016 to 2021. (Source: Council public registers & PlanSA planning portal.)



Map 4 (INSET B): Distribution of DAs for Farm Value-Adding and Rural Business Diversification development, central Study Area, 2016 to 2021. (Source: Council public registers & PlanSA planning portal.)

3.3 Observations on the data

Before reviewing the preceding graphs, tables and maps it should be noted that the time-frame of the study included some extraordinary circumstances. Besides commencement of the Code and RVAD policy, proponents contemplating DAs will likely have been affected in their decision-making by one or more of the following: the direct and indirect impacts of the COVID-19 pandemic, extended drought conditions and major bushfires, unforeseen changes in international trading arrangements and government stimulus and recovery programs announced in the wake of these events. Some proponents will have also been affected by Council-specific changes to Development Plan policy prior to 2021, although those scenarios seem routine by comparison.

It is likely that these extraordinary circumstances will, at particular times, have caused a significant number of proponents to bring forward, delay or abandon plans for DAs.³⁶ Others, after learning of the availability of government support, may have decided to initiate a DA where previously none was contemplated. As a consequence, the data summarised above cannot be regarded as typical and should be treated with some caution. With that proviso, and recalling other qualifications regarding data from 3.2.2 above, this section makes four general observations below and suggests themes that might be pursued further in Stage Two of the project.

Observation One: At the regional scale, the data suggest that introduction of the Code and RVAD policy has had a significant impact on FVA/RBD activity generally. Figure 2 shows a clear and substantial increase in the number of DAs lodged and approved across the study area in 2021-22, compared to all previous years. However, Figures 3-6 show that those numbers vary geographically with very pronounced trends in Alexandrina (Figure 4) and Barossa (Figure 5) but less clear trends in the two LGAs closest to the metropolitan area, Adelaide Hills (Figure 3) and Mt Barker (Figure 6). Also, while the trend in Figure 2 seems unambiguous, there is not necessarily an equivalence between the DA proposals it summarises. As already noted, the scope of works proposed by a DA can vary significantly, as can the scale of projects and the investment committed.

A worthwhile secondary perspective on the trend would be provided by recreating Figure 2 using the estimated capital value of projects instead of DA numbers.³⁷ That same course of action may also help explain the variation of trends in Figures 3-6 if, for example, it reveals a small number of large (high capital value) projects close to the metropolitan area and a large number of small (low capital value) projects in the more remote LGAs. Other lines of inquiry in Stage Two could focus on the influence of recent road building projects on the region's accessibility; or the influence of local land use patterns, property sizes and land prices on development opportunities in the more fragmented landscapes of Adelaide Hills and Mt Barker.

Compared to Figure 2, which summarises DAs for all FVA/RBD activities, Figures 7-11 are less clear about the impact of the Code and RVAD policy on particular development types. Only Tourist Accommodation (Figure 10), where DA numbers more than doubled in 2021-22, exhibits a trend similar to that in Figure 2. Total lodged DAs for each of the other selected development types, with the exception of Restaurant DAs (Figure 8), are higher in 2021-22 than all previous years, although some of these are off a low base and the number of DAs actually approved is unremarkable. Apart from Agricultural Industry, Brewery, Distillery and Shop-Farm Produce, none of the other FVA/RBD activities are in sufficient numbers to produce a meaningful graph.

³⁶ Anecdotal evidence from the months leading up to the commencement of the Code is that applicants were being advised, variously, to lodge planned DAs before commencement to avoid uncertainties surrounding Code implementation, or delay lodgement until after commencement to take advantage of anticipated policy changes.

³⁷ An estimate of a proposal's cost or capital value has been required information in DAs for some years. Currently it only appears in the spreadsheets for Adelaide Hills and The Barossa Council areas.

Significantly, these graphs seem to reflect the extraordinary circumstances mentioned above more clearly than Figures 2. For example, Figures 7, 9 and 11 could be interpreted as showing applicants delaying DAs in anticipation of more favourable policies following the introduction of the Code. Conversely, Figure 8 arguably shows applicants bringing forward DAs due to uncertainty surrounding the Code. These graphs are also where the impacts of COVID-19 are most evident. Because some of these development types will have been impacted more or less severely by public health restrictions than others (e.g. restaurants), it is reasonable to speculate that some of the fluctuations show proponents abandoning plans for DAs due to the pandemic. Here again, recreating Figures 7-11 using estimated capital value instead of DA numbers would be helpful in understanding trends.

Observation Two: Turning to Table 2, DAs across the time-frame of the study are dominated by just a handful of development types: Tourist Accommodation (98), Winery (80), Cellar Door Shop (64), Function Centre (28) and Restaurant (24). As noted above, instances of these development types recorded as second or third elements in their respective DA are counted in Table 2 but currently not included in Figures 7-11. Recreating those graphs so that they include these extra numbers would significantly change all of the graphs—DAs for function centres, restaurants and cellar door shops would increase by 50-100%—but will not necessarily alter trends across the time-frame of the study.

Noting that DA equivalence is again an issue, a feature of these development types that should be investigated further is scale. Many of the records in the spreadsheets include information about the number of residential units or beds in tourist accommodation proposals, the number of seats in restaurants and function centres, or the crush capacity of wineries. Unfortunately, this information does not appear systematically in the DA records, like estimated capital value, and there are some gaps in the dataset. However, the information that does exist could be summarised in graphs and, more meaningfully, on maps, to illustrate the number and pattern of small and large facilities.

Other development types in Table 2 that warrant mention are the miscellaneous category Other, which includes various non-farm rural development, and Horse keeping, both of which are significant in the Mt Barker Council area. These numbers may be an indicator of advanced change in that district's rural landscape or a function of the initial DA selection process for Mt Barker.

Observation Three: Figures 2-6 all show RBD development as the dominant purpose of DAs, and increasingly so. Despite the notional focus on 'value-adding' in the RVAD policy, DAs for development with a direct link to on-farm production appear to be a minor, even diminishing part of the sector. Table 2 and Figures 7-11 confirm this assessment, with DAs for wineries the only FVA development type to stand out in the data. The other four development types are all examples of RBD activity and, as noted already, the categorisation of wineries as FVA is itself questionable. This latter issue warrants further consideration because several development types categorised as FVA are, arguably, examples of RBD or even industrial-scale development in rural settings.

Wineries have been treated as FVA on the basis that processing grapes in or adjacent to the vineyard where they are grown is a text-book example of value-adding. For the sake of consistency, and because 'boutique' wineries have been established on small vineyards throughout the study area since the 1980s, all forms of beverage manufacturing captured in the data selection have been categorised as FVA. This seems reasonable for cideries, which are presumably associated with the Adelaide Hills pome-fruit industry, however, the connection of breweries and distilleries to local farm production is less clear. Furthermore, the prevailing business model for all of these beverage manufacturing facilities seems predicated on visitation in one form or another. A worthwhile line of inquiry in Stage Two would be to examine how many wineries in the dataset exist as stand-alone facilities and how many are associated with a Restaurant, Cellar Door Shop or Function Centre.

Scale is also an important consideration here because, notwithstanding the number of ‘boutique’ wineries, the study area comprises major wine industry infrastructure. Information about crush capacity in several of the winery DAs suggest the proposals in question are, indeed, for industrial-scale manufacturing plants rather than farm-level value-adding. Other development types categorised by association or at face value as FVA (e.g. Bulk Wine Storage, Animal Processing Facility, Farm Produce Shop) warrant review for similar reasons. For example, the Beerenberg enterprise near Hahndorf arguably exceeds the common understanding and formal definition of a farm produce shop.

In combination, these two perspectives suggest that the analysis reported above may, in fact, overstate the extent of FVA activity in the study area, and that the categorisation exercise should be re-visited during Stage Two. There may be good explanations for the small number of FVA DAs in the dataset: recent reforms may mean that development previously associated with value-adding is now not captured by planning policy due to exemptions and exclusions; and popular contemporary FVA activities being pursued by the farm sector (e.g. ‘pick-your-own’ operations) may be outside the remit of planning policy anyway. Nevertheless, the upshot is that the sector appears dominated by RBD activity, and the RVAD policy, despite its title, seems to be enabling very few developments that can be legitimately described as a value-adding. Whether the policy provides an adequate assessment framework for some of the larger proposals noted here is also questionable.

Observation Four: Maps 2-4 show that DAs are clustered in a number of localities and along particular routes, especially in the Barossa Valley and central Hills districts, such that ‘hotspots’ of FVA/RBD activity may form, with potential for unforeseen consequences. Indeed, ‘hotspots’ may have already formed if historic FVA/RBD development carried out prior to the relatively short time-frame of this study and serial DAs are also taken into account. Identifying ‘hotspots’ where policy effort and other interventions might be required would be one of the most relevant outcomes of this project. To that end Stage Two should aim to carry out more sophisticated spatial analyses using parameters like estimated capital value, development types and project scale. Identifying and incorporating spatial data sets that can show pre-existing FVA/RBD development, either directly or by proxy, would assist that work.

The four themes observed here are not purely academic considerations. The reasons behind a stronger DA trend in the more remote LGAs, a preponderance of DAs for tourist accommodation, a minority of DAs for actual farm-value adding activity and evidence of ‘hotspots’ may provide important insights for policy makers. Those insights might relate to sub-regional differences that warrant policy differentiation, patterns of development that require specialised siting and design guidance, or a more fundamental mis-diagnosis of the topic, such as the observed lack of conceptual precision in the current RVAD policy. It is too early to propose responses to these matters here but some speculative lines of inquiry have been advanced.

3.4 Discussion

As explained above, the underlying purpose of this pilot project is to test the potential for a collaborative working arrangement that helps Councils participate in policy forums that have a bearing on the future development and management of the region’s rural landscapes. Central to that collaboration would be a commitment to co-design that emphasises Council concerns, and a focus on initiatives that enhance Local Government capacity. Markers of effective participation would include raising relevant questions in policy forums (e.g. has the RVAD policy expanded access to FVA/RBD opportunities to all rural landholders, not just the farm sector, and was that the intention?) and maintaining an evidence base to support such lines of inquiry.

Given this context, the project does not set out to make a judgement on the merits or otherwise of FVA/RBD activity. The types of development examined here are unlikely to pose a fundamental threat to the region's rural landscapes. Indeed, diversification opportunities seem necessary for the continuation of rural businesses and the landscapes they produce. Still, these types of development can be problematic locally for reasons of scale, siting or oversupply, and may create situations that reinforce or amplify other real or perceived threats, as outlined in 2.4. To avoid such scenarios and ensure FVA/RBD development supports other regional objectives, the planning policy that governs it needs to be informed by sound evidence and fit-for-purpose.

Section 2 raises some questions about whether the current RVAD policy meets these criteria but to make any judgement on that topic the project itself needs to be more adequately informed. To that end, Stage One has been modestly successful in responding to the objectives listed in section 3.1. It provides some new understanding on the nature and extent of recent FVA/RBD activity across the study area; some insights about the impact of the RVAD policy on that activity; and the beginnings of an evidence base that might assist Council planners and others in their future dealings with this topic. As a pilot project, the exercise will also inform them about the potential benefits of more substantial, longer-term collaborations on this and similar themes.

However, questions arising from Stage One cannot be answered by the current dataset as it stands. On its own the analysis has limited explanatory power—why are these trends occurring?—and limited policy relevance—what aspects of current policy are working well, or not? Furthermore, the project is not much further advanced in answering the original question of whether the additional FVA/RBD activity enabled by the RVAD policy is consistent with other parallel objectives for rural landscapes in Adelaide's peri-urban region.

Dealing with these questions will require a second stage of work which, in turn, will require different evidence and a change of research focus and methods. Before proposing what that would look like there are some refinements and further applications of the current dataset that have already been canvassed amongst the Project Team. Collecting the latest twelve-months of data (19 March 2022 to 18 March 2023) to understand whether the 2021-22 surge shown in Figure 2 was a temporary anomaly or is now the new baseline, seems to be an obvious, indeed necessary, next step. Arranging an ongoing annual update of the project dataset from the PlanSA portal would be a low-cost, 'no regrets' extension of that action to enable monitoring into the future.

As well as these forward-looking actions, re-visiting the original data gathering described in 3.2.1 to build a longer time-series prior to 2021-22—say, ten years instead of five—would provide better perspective on the topic. A longer time-series would help account for the influence of recent extraordinary circumstances on the dataset. It may also provide insights about the apparently declining position of FVA relative to RBD activity, and the geographic variation in recent DAs. Given lessons learnt during the pilot project, and assuming formal in-kind support from participating Councils, this should be an easier undertaking than the original exercise.

The Project Team has also anticipated some more sophisticated spatial analysis than what currently appears in Map 2, 3 and 4. Subject to the level of GIS support available in Stage Two this could include maps at various scales (eg. study area, zone, LGA, locality) illustrating the data by parameters such as development type (eg. function centres, cellar door shops), scale (eg. winery crush tonnage, restaurant seats, tourist accommodation beds) and capital value. These types of analysis will enable a more fine-grained perspective on the data which would, in turn, help understanding of matters such as serial DAs, development intensity (i.e. 'hotspot' formation), local economic benefit, effectiveness of particular zone policies and facility over-/under-supply. A capacity for enhanced mapping will also assist development of locality-scale case studies.

These incremental improvements will refine, confirm and qualify the Stage One findings but to begin answering the questions posed above, the project should use those findings as the basis for commencing engagement with regional stakeholders. At its most basic, this would comprise surveys and/or targeted interviews with representatives of key stakeholder groups, such as primary industry and tourism bodies, RDA organisations, Landscape Boards and the EPA, as well as Council planners and their elected members. The focus of these inquiries, informed by a summary of Stage One, would be on the respective sectoral perspectives on FVA/RBD activity and the RVAD policy. The observations of Council planners about the assessment process, the resulting FVA/RBD activity (e.g. do problems arise with neighbours?), and the potential for policy improvements would be especially valuable.

The practical dimensions of FVA/RBD activity for primary producers and other rural landholders are to some extent already understood following recent University of Adelaide research on agricultural change and multifunctionality in the Mount Lofty Ranges region.³⁸ However, engagement with past DA proponents and their neighbours, noting the importance of privacy considerations in such circumstances, would add a level of detail about the motives, aspirations, benefits, costs and impacts of these projects that other stakeholders cannot. Engagement at this level would also enable development of case studies, which promise a more forensic perspective on the topic.

Subject to funding and support, a more ambitious Stage Two research program might develop a number of such case studies to identify notional 'best practice' measures as a guide to policy makers. With the assistance of Council planners it might also test some hypothetical 'high risk' proposals to investigate the effective limits of the current policy and gauge stakeholder reactions to those scenarios. Noting that the research topic is not unique to the four participating Councils, Stage Two inquiries could also usefully extend to other Councils in the Greater Adelaide Region, and even interstate. A public seminar or series of workshops for stakeholders would provide opportunities for engagement and input beyond the immediate project participants.

3.5 Conclusion

Stage One of this pilot project has reviewed development applications for FVA/RBD activity during the period 2016-2021. Key findings to date include the following:

- There has been significant growth in the number of applications for these forms of development since introduction of the Code, although that trend varies geographically and by development type.
- Applications are dominated by proposals for rural business diversification projects, which are premised on bringing non-resident visitors into the region. The growing dominance of this category presents some potential risks for the region's rural landscapes.
- In contrast, there have been relatively few applications for farm value-adding projects, which retain a direct connection with local on-farm production. Closer examination of this category and its definition may reveal the true number is even lower than reported here.
- Over the time-frame of the project and across the study area, applications have been dominated just by a handful of development types, namely, tourist accommodation (98), wineries (80), cellar door shops (64), function centres (28) and restaurants (24).
- Preliminary mapping of the data suggests formation of potential 'hotspots' that may require planning policy or other interventions to reconcile competing objectives.

³⁸ Song, Bingjie, Robinson, Guy and Bardsley, Douglas. (2022). Hobby and part-time farmers in a multifunctional landscape: Environmentalism, lifestyles, and amenity. *Geographical Research*. 60. <https://doi.org/10.1111/1745-5871.12541>; Song, Bingjie, Robinson, Guy and Bardsley, Douglas. (2022). Multifunctionality and path dependence: Farmer decision-making in the peri-urban fringe. *Journal of Rural Studies*. 96. 64-77. <https://doi.org/10.1016/j.jrurstud.2022.10.012>.

These findings present prima facie evidence of significant forces of change at work in the region's rural landscapes but need to be qualified in various ways. Those qualifications, which include the impact of the COVID-19 pandemic and other extraordinary circumstances, could be addressed in part simply by extending the data collection to include more recent data and, ideally, earlier data. However, for more definitive insights about the pros and cons of recent development activity, the effectiveness or otherwise of current policy, and the features of possible policy refinements, a second stage of research will be necessary.

4 Next steps (Stage Two)

This report presents Stage One of a pilot project to test scope for future collaboration between four Councils in the Greater Adelaide Region and the Adelaide Peri-urban Project. For reasons explained above, the focus of that project is on farm value-adding (FVA) and rural business diversification (RBD) activity in the rural areas of the four Councils. The topic was chosen because it currently represents a significant part of the workload for planning staff in those LGAs; because it is likely to arise in pending regional planning discussions; and because it is manageable within a time-frame that suits all parties. It is not necessarily the most important planning policy topic for Councils in the Greater Adelaide Region.

Stage Two would take as its starting point the findings of Stage One, which are based exclusively on analysis of development application data. Following the refinements suggested in section 3.4, it would revisit the same project objectives set out in 3.1 but with a qualitative approach comprising interviews with key regional stakeholders and other social research techniques. Preparation for this work, including design of interviews and other survey instruments, would be informed by recent University of Adelaide research in the Mount Lofty Ranges region. The overall program would be co-designed with Local Government members of the Project Team to maximise relevance and efficiency. Besides a project report that provides evidence and makes recommendations relevant to Council planners' needs, outputs could include public seminars and a report on the findings of intra-state and inter-state consultation on the topic.

Stage One has been a largely desk-top exercise conducted informally and *pro bono* with in-kind support from the Local Government members of the Project Team. The aim has been to develop a report that can be used to test support amongst stakeholders for a second stage. As suggested above, Stage Two would be more field-based and labour-intensive and, as such, would need to be supported more formally and modestly funded.

Support from regional stakeholders, including Councils in the wider Greater Adelaide Region,³⁹ would help a future bid to funding bodies, such as the Local Government Research and Development Scheme. In regard to in-kind support, the inclusion of Stage Two in each Council's 2024-25 business plans, so that officers can formally commit time to this work, would assist significantly. To date the project has relied on Local Government members of the Project Team for initial data gathering and the subsequent checking of coding. Stage Two would require more of that same work plus liaison with PlanSA regarding new data, and with the wider Project Team regarding planning of the overall program. Appropriate project management arrangements for all of these tasks and activities would need to be agreed before commencement.

³⁹ Apart from the early participation of Yankalilla, no other LGAs have been involved in the project. However, officers of other Councils have expressed interest informally.

The Adelaide Peri-urban Project

For more than a decade South Australia’s politicians, policymakers and public have taken a special interest in Adelaide’s peri-urban region, launching a variety of measures aimed at its protection or better management. The best-known expression of this interest, triggered by events surrounding the original 30 Year Plan for Greater Adelaide, was the introduction of Character Preservation legislation for the Barossa Valley and McLaren Vale in 2013.¹ New planning legislation in 2016 saw the designation of a similarly conceived Environment and Food Production Area² across the remaining rural parts of the Greater Adelaide region; then, in 2020, the proposal—albeit short-lived—of a Peri-urban Zone for parts of the Mount Lofty Ranges.³ Interspersed with these State-level initiatives, some of the region’s Councils have proposed changes to local planning policy referencing ‘horticulture industry enhancement’, ‘primary production protection’ and ‘food bowl protection’;⁴ and some participated in a community-based proposal seeking World Heritage status for agrarian landscapes in the Mount Lofty Ranges.⁵ There have been other periods of interest in this topic—notably the mid 1970s and early 1990s—but the repeated and focused activity of the past decade is unprecedented.

Like the steadily urbanising hinterland of most other Australian cities, Adelaide’s peri-urban region also faces long-standing challenges related to the health of its water supply catchment, increasing exposure to natural hazards, especially bushfire, and degradation of remnant natural areas. From time to time, the quality and security of Adelaide’s drinking water or the consequences of bushfire have dominated local headlines and Hansard. By comparison, biodiversity protection has taken a back seat, although for a decade from the mid 2000’s it was championed by the now former Adelaide and Mount Lofty Ranges Natural Resources Management Board, itself an acknowledgement of the peri-urban phenomenon. However, the theme that has inspired all of this recent activity is a concern about the future of agriculture in the region; about the various impacts of urban encroachment on the sector; about land use conflict and the so-called ‘right to farm’; and about creating supportive local conditions for food and wine production.

This concern about agriculture is understandable: the relatively small bio-climatic ‘island’ in which Adelaide and its hinterland sit, coupled with the strategic opportunities afforded by urban proximity make the region an important part of the State’s asset base for primary industry. The Adelaide Hills are essential to cool climate horticulture in South Australia;⁶ cropping districts on the northern Adelaide Plains routinely and reliably generate some of the State’s highest grain yields;⁷ the region is home to the majority of South Australia’s premium wine regions; and access to recycled urban wastewater underpins ‘drought-proof’ irrigated horticulture and viticulture north and south of the city.⁸ Indeed, Adelaide’s peri-urban region generates a disproportionately large share of the total value of South Australian agricultural production—about 20% in most years—and gross regional product derived from primary industry in the Greater Adelaide Region rivals that of the State’s other

¹ Character Preservation (Barossa Valley) Act 2012; Character Preservation (McLaren Vale) Act 2012

² Planning, Development and Infrastructure Act 2016 – Part 7.

³ State Planning Commission (2019) *Draft Planning and Design Code - Phase 3 (Urban Areas)*, October 2019. Adelaide.

⁴ City of Playford, *Virginia Horticulture Industry Enhancement Development Plan Amendment - Statement of Intent*, January 2015; Mount Barker Council, *Rural (Primary Production Protection) DPA*, 8 August 2017; Adelaide Plains Council, *Northern Food Bowl Protection Areas DPA*, 20 February 2018.

⁵ <https://www.adelaide.edu.au/adelaidean/issues/54101/news54222.html>; <https://www.planning.org.au/documents/item/8060>; <https://www.ahc.sa.gov.au/Business/unesco-world-heritage-bid>.

⁶ Houston P. and Bardsley D.K. (2018) Climate change adaptation for peri-urban horticulture: a case study of the Adelaide Hills apple and pear industry. *South Australian Geographical Journal* 114(1), 29-42.

⁷ See, for example, [Annual Crop and Pasture reports](#) on the PIRSA website.

⁸ Houston P. and Davies G. (2011) Maintaining “wriggle room” in contested space: The missing spatial dimension in adaptation strategies for agriculture. Poster presented at *CCRSPI*, February 15-17 2011, Melbourne.

much larger regions.⁹ Variations on this convergence of circumstances exist elsewhere in Australia but in none does the role of the peri-urban region appear more important to the State's contemporary and future prospects for agriculture.

Equally remarkable, however, is the limited evidence base that has underpinned many of the endeavours listed above—the notable exception being the World Heritage bid—and the absence of any systematic monitoring of the policy initiatives introduced. Most strikingly, the technical basis on which Character Protection districts were delineated in 2012 remains obscure and, almost a decade on, there is no formal program for assessing their ongoing effectiveness. Adding weight to this perspective is a sense of conceptual confusion and lack of theoretical grounding. The Peri-urban Zone proposed in 2020 appeared ill-conceived and arbitrary when it was announced, and was promptly renamed following negative public submissions;¹⁰ while the doubtless well-intended references to 'food bowls' of the last decade seem more like attempts to market new policies than to justify them. Besides these questions of policy design and effect, the preoccupation with agriculture has, arguably, also been to the neglect of other legitimate concerns in the region and the possibility of a more integrated approach to sustainable management and development. The Environment and Food Production Area might hint at a balancing of protection and production objectives but it offers no mechanism for mediating and reconciling the two where they conflict. In other words, there appears to have been a disconnect between the enthusiasm of the past decade for peri-urban matters and the object of those endeavours.

This situation begs a variety of questions ranging from the foundational to the diagnostic. Indeed, what is Adelaide's peri-urban region, what are its defining characteristics and why is it important? What is the economic value of agriculture, food and beverage production in the peri-urban region and how does that compare with other regions of the State? What other values derived from rural landscapes are also present in the region and do these compete with or complement agriculture? What is driving the pressures on agriculture at the landscape level and do the same processes also affect remnant biodiversity, water catchments and bushfire hazard? Are there interactions between these themes and are there opportunities for multifunctional landscapes that reconcile otherwise competing objectives? How have key planning policies performed and are there alternative policies or management tools worthy of consideration? What are we monitoring, what should we be monitoring and what are the targeted research questions we need to answer?

Against this background, we are proposing to spend 2021 scoping the feasibility and possible forms of a multidisciplinary research program—provisionally known as the Adelaide Peri-urban Project (APP)—to address questions such as these. Separately and together we have conducted research and other projects throughout Adelaide's peri-urban region that address land use change and encroachment pressures; the physical, economic and social dimensions of agriculture; the challenges of climate change adaptation; community preparedness for bushfire, and consultation tools for planning in peri-urban settings. Current university research projects are examining aspects of agricultural change in the Adelaide Hills and McLaren Vale, as well as water risk management in irrigation communities. The APP proposes to build on this body of past and current work to develop a suite of linked research projects that *monitor* trends in the land use, population, economy and natural assets of Adelaide's peri-urban region, *identify* emerging issues and *deliver* policy-relevant insights. Central to this objective will be the establishment of some long-term monitoring programs and datasets that can serve as key decision-making infrastructure for the region's future.

⁹ Houston P. (2005) Re-valuing the Fringe: some findings on the value of agricultural production in Australia's peri-urban regions. *Geographical Research* 43(2), 209-223; Australian Bureau of Statistics (2012) Value of Agricultural Commodities Produced, Australia, 2010/11, ABS Cat No. 7503.0, November; EconSearch (2014) *I-O Tables for SA and its Regions 2012/13 Update Method: Fact Sheet*, report prepared for the Department of the Premier and Cabinet, February.

¹⁰ State Planning Commission (2020) *Phase 3 (Urban Areas) Planning and Design Code Amendment Engagement Report*. Adelaide

With emerging evidence of a strong new trend in demand for living outside metropolitan areas,¹¹ this type of undertaking comes at an important time for Australian peri-urban regions generally and the Adelaide hinterland in particular. If past experience is a guide, and assuming it is more than a temporary post-COVID19 reaction, such demand will again be focussed largely on high amenity ‘sea-change’ and ‘tree-change’ locations adjacent to those same metropolitan areas and regional cities.¹² Around Adelaide any such surge will be problematic because current PhD research is already showing that trends in peri-urban population, property ownership and land use identified in the early 1980s¹³ are continuing unabated, despite the policy initiatives outlined above. One project, focusing on the Adelaide Hills, is revealing both the extensive challenges facing current horticultural producers—from urban sprawl, changing markets, environmental pressures and tourism developments—and the significant changes to land-use patterns associated with the continued growth of lifestyle and hobby farming. As if to confirm this, the Minister for Primary Industries has recently expressed concern over the role of hobby farms in the underutilisation of valuable, high rainfall agricultural land in the Adelaide Hills and Fleurieu districts.¹⁴

In this context, pending reviews and updates of key planning instruments that notionally guide and govern development in Adelaide’s peri-urban region—the Environment and Food Production Area, the 30 Year Plan and Character Protection Districts—provide important opportunities to assess, reconsider and, if necessary, reset policy. The existence of something like the APP holds out the possibility that those exercises will be informed, directly or indirectly, by an evidence base that is not just technically rigorous but independent, abreast of national and international research, and engaged with stakeholders. In other words, we see the APP enabling a planning process that matches the community’s evident enthusiasm for better management of Adelaide’s peri-urban region.

How the APP concept develops remains to be seen but we believe that recent events, including drought, bushfires and a global pandemic underline the importance of this type of initiative in creating sustainable regions and communities. These same circumstances also point to a business model that, of necessity, is more distributed than normal and capable of launching without the advantage of major grants: more a community of common concern than a consortium. To this end the project is keen to form partnerships with local stakeholders, including Councils, Landscape Boards, Regional Development organisations and industry groups to develop targeted projects and products that address key regional needs. Likewise, we are interested in collaborations with local, interstate and international researchers with a view to comparative research and projects that consolidate the findings of what might otherwise remain disparate and disconnected work.

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¹¹ Online media reports: <https://www.stockjournal.com.au/story/7136613/one-in-five-want-to-move-to-country-survey-says/?cs=4869>; <https://www.abc.net.au/news/2021-01-04/house-prices-rise-1pc-regional-beats-capital-cities/13029268>; <https://www.abc.net.au/news/2020-12-18/regional-real-estate-sales-booming-in-south-australia/12995048>; <https://www.abc.net.au/news/2021-03-25/qld-development-dilemma-moreton-bay-region-brisbane/100016870>.

¹² Argent N., Tonts M., Jones R., Holmes J. (2014) The Amenity Principle, Internal Migration, and Rural Development in Australia, *Annals of the Association of American Geographers*, 104, 2, (305-318).

¹³ Menzies B.J. and Bell M.J. (1981) Peri-urban development: a case study of the Adelaide Hills. Extension Research and Evaluation Unit, Research Monograph Number 2. South Australian Department of Agriculture, Adelaide.

¹⁴ Online media reports: <https://www.stockjournal.com.au/story/6935140/peri-urban-sprawl-in-ags-sights/>; <https://www.abc.net.au/radio/adelaide/programs/mornings/mornings/12809392> (start at 32:30)

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