

# Planning and Development Fund

Financial report  
for the year ended  
30 June 2019



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chief Executive Department of Planning, Transport and Infrastructure

As required by section 82(2) of the *Development Act 1993*, I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2019.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Planning and Development Fund as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Director, Finance of the Department of Planning, Transport and Infrastructure.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of Planning, Transport and Infrastructure. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial report**

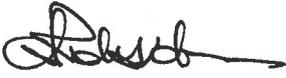
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Planning and Development Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

**Auditor-General**

30 October 2019

**Planning and Development Fund**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Note	2019	2018
	No	\$'000	\$'000
<b>Expenses</b>			
Grants and contributions	2.2	23 425	24 249
Supplies and services	2.1	2 124	1 914
Other expenses	2.3	75	761
<b>Total expenses</b>		<b>25 624</b>	<b>26 924</b>
<b>Income</b>			
Fees and charges	3.1	27 009	28 222
Interest		317	264
Other income		48	2
<b>Total income</b>		<b>27 374</b>	<b>28 488</b>
<b>Net cost of providing services</b>		<b>1 750</b>	<b>1 564</b>
<b>Net result</b>		<b>1 750</b>	<b>1 564</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in land asset revaluation surplus		830	-
<b>Total other comprehensive income</b>		<b>830</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>2 580</b>	<b>1 564</b>

The net result and comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

**Planning and Development Fund**  
**Statement of Financial Position**  
*as at 30 June 2019*

	Note No	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents		26 208	13 688
Receivables	5.1	33	18
<b>Total current assets</b>		<b>26 241</b>	<b>13 706</b>
<b>Non-current assets</b>			
Land	4.1	17 964	17 134
<b>Total non-current Assets</b>		<b>17 964</b>	<b>17 134</b>
<b>Total assets</b>		<b>44 205</b>	<b>30 840</b>
<b>Current liabilities</b>			
Payables	6.1	13 712	3 065
Other liabilities	6.2	2 718	2 580
<b>Total current liabilities</b>		<b>16 430</b>	<b>5 645</b>
<b>Total liabilities</b>		<b>16 430</b>	<b>5 645</b>
<b>Net assets</b>		<b>27 775</b>	<b>25 195</b>
<b>Equity</b>			
Retained earnings		21 017	19 267
Asset revaluation surplus		6 758	5 928
<b>Total equity</b>		<b>27 775</b>	<b>25 195</b>

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	7.1
Contingent assets and liabilities	7.2

The above statement should be read in conjunction with the accompanying notes.

**Planning and Development Fund**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2019*

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	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 30 June 2017</b>	5 928	17 703	23 631
Net result for 2017-18	-	1 564	1 564
Total comprehensive result for 2017-18	-	1 564	1 564
<b>Balance at 30 June 2018</b>	5 928	19 267	25 195
Net result for 2018-19	-	1 750	1 750
Gain (loss) on revaluation of land during 2018-19	830	-	830
Total comprehensive result for 2018-19	830	1 750	2 580
<b>Balance at 30 June 2019</b>	6 758	21 017	27 775

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

**Planning and Development Fund**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

	2019	2018
	\$'000	\$'000
	Inflows	Inflows
	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Payments of grants and contributions	(12 778)	(42 243)
Payments for supplies and services	(2124)	(1 914)
Other payments	(75)	(51)
<b>Cash used in operations</b>	<b>(14 977)</b>	<b>(44 208)</b>
<b>Cash inflows</b>		
Fees and charges	27 147	27 575
Interest received	302	281
Other receipts	48	151
<b>Cash generated from operations</b>	<b>27 497</b>	<b>28 007</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>12 520</b>	<b>(16 201)</b>
Net increase /(decrease) in cash and cash equivalents	12 520	(16 201)
Cash and cash equivalents at 1 July	13 688	29 889
<b>Cash and cash equivalents at 30 June</b>	<b>26 208</b>	<b>13 688</b>

The above statement should be read in conjunction with the accompanying notes.

# Planning and Development Fund

## Notes to and forming part of the financial statements

for the year ended 30 June 2019

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### 1. About the Planning and Development Fund

The Department of Planning, Transport and Infrastructure (DPTI) is responsible for the administration of the Planning and Development Fund ("the Fund"). The *Development Act 1993* requires the Fund to provide an annual report to State Parliament. The Fund does not control any other entity and has no interests in unconsolidated structured entities.

#### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Fund is a member of an approved GST group of which the Department of Planning, Transport and Infrastructure is responsible for the remittance and collection of GST.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

#### 1.2. Objectives of the Planning and Development Fund

The Fund was established under section 79 of the *Development Act 1993*.

The key objective of the Fund is to provide the Government with the means to implement open space and public realm programs across South Australia. It enables the Government to adopt a state-wide overview to strategically address open and public space issues in an objective manner through the Open Space and Places for People grant programs to local government.

The primary source of funding is from developers who are required to contribute to the Fund in lieu of providing a proportion of the development as open space, pursuant to Section 50 of the *Development Act 1993*.

**Planning and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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The *Planning, Development and Infrastructure Act 2016* was assented to by the Governor on 21 April 2016. This Act provides for the repeal of the *Development Act 1993* and continues the existence of the Fund. Commencement of the *Planning, Development and Infrastructure Act 2016* was proclaimed by the Governor on 28 March 2017 however some provisions of the Act, including Section 194 that continues the existence of the Fund, are suspended.

The Planning, Development and Infrastructure Act 2016 for the Planning and Development Fund commenced on 1 July 2019.

**1.3. Key Management Personnel**

Key management personnel of the Fund includes the Minister for Planning, the Chief Executive and the Executive Directors of the Department of Planning, Transport and Infrastructure who have responsibility for the strategic direction and management of the Fund.

The Fund does not compensate its key management personnel.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

The remuneration of the Chief Executive and the Executive Directors are paid by the Department of Planning, Transport and Infrastructure.

**Transactions with Key Management Personnel and other related parties**

There were no transactions with key management personnel and other related parties during the year.

**2. Expenses**

**2.1. Supplies and services**

	2019	2018
	\$'000	\$'000
<b>Supplies and services:</b>		
Consultants	57	-
Management service cost	1 246	1 098
Auditor's remuneration	24	26
Property costs	797	786
Other	-	4
<b>Total supplies and services</b>	<b>2 124</b>	<b>1 914</b>

**2.2. Grants and Subsidies**

	2019	2018
	\$'000	\$'000
<b>Grants and contributions:</b>		
Places for People and Open Space grants	13 245	14 129
Strategic Investment Grants	10 180	10 120
<b>Total Grants and contributions</b>	<b>23 425</b>	<b>24 249</b>

**Planning and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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Grants are used to implement relevant sections of the Planning Strategy and Council based open space strategies, through the Places for People and Open Space program grants and through strategic investment grants.

**2.3. Other expenses**

	2019 \$'000	2018 \$'000
<b>Other expenses:</b>		
Emergency services levy	16	18
Rates, taxes and levies	8	7
Refunds*	51	26
Donated Assets	-	710
<b>Total other expenses</b>	<u>75</u>	<u>761</u>

\*Refunds represent previously recognised land development fees for waivers or withdrawals of approved developments.

**3. Income**

**3.1. Fees and charges**

	2019 \$'000	2018 \$'000
<b>Fees and charges:</b>		
<b>Land Division Fees</b>		
Torrens Title	15 946	16 547
Community Title	11 052	11 669
<b>Other fees and charges</b>		
Regulated and Significant Tree Contributions	11	6
<b>Total fees and charges</b>	<u>27 009</u>	<u>28 222</u>

Land division fees are a requirement of the planning decision process and are payable by the applicant prior to the issue of the Certificate of Approval by the State Commission Assessment Panel. Revenue is recognised as the Certificate of Approval is issued to the applicant.

**4. Non-Financial Assets**

**4.1. Land**

	2019 \$'000	2018 \$'000
Land	17 964	17 134
<b>Total land</b>	<u>17 964</u>	<u>17 134</u>

**Planning and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**Reconciliation of land**

The following table shows the movement of land during the financial year:

	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the period	17 134	17 844
Revaluations increment/(decrement)	830	-
Assets donated	-	(710)
<b>Carrying amount at the end of the period</b>	<b>17 964</b>	<b>17 134</b>

The Fund operates under the *Development Act 1993* and provides the means for the Government to implement open and public space programs and urban regeneration programs across South Australia pursuant to the Government planning strategy. Land acquired by the Fund is not held as a fixed property asset in the furtherance of the business operations of the Fund. The land may be transferred to open space for public use, undergo remediation or be returned to Crown Land. The land is periodically revalued.

The land may be vested to other State or Local Government authorities for future management or it may be sold on the open market.

**Valuation of land**

Land was revalued to fair value as at 1 July 2018 in accordance with *AASB 116 Property, Plant and Equipment*. The valuation of land was performed by the Valuer-General. The Valuer-General arrived at fair value based on recent market transactions for similar land in the area taking into account zoning and restricted use.

**5. Financial Assets**

**5.1. Receivables**

	2019 \$'000	2018 \$'000
<b>Current</b>		
Accrued interest	33	18
<b>Total current receivables</b>	<b>33</b>	<b>18</b>
<b>Total receivables</b>	<b>33</b>	<b>18</b>

The accrued interest on deposit represents interest on deposits with the Treasurer.

**6. Liabilities**

**6.1. Payables**

	2019 \$'000	2018 \$'000
<b>Current</b>		
Payables	13 712	3 065
<b>Total payables</b>	<b>13 712</b>	<b>3 065</b>

**Planning and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**6.2. Other liabilities**

	2019	2018
	\$'000	\$'000
Revenue received in advance	2 718	2 580
<b>Total other liabilities</b>	<b>2 718</b>	<b>2 580</b>

The Fund receives monies in advance for land division fees payable by applicants prior to the issue of the Certificate of Approval by the State Commission Assessment Panel. As the Certificate of Approval is issued the amounts received are recognised as revenues in the Statement of Comprehensive Income. The balance of monies received as at 30 June where a Certificate of Approval is yet to be issued is recognised as a liability.

**7. Outlook**

**7.1. Unrecognised contractual commitments**

	2019	2018
	\$'000	\$'000
<b>Other commitments</b>		
Within one year	-	598
<b>Total other commitments</b>	<b>-</b>	<b>598</b>

The commitments disclosed for 2017-18 includes operating arrangements for land management activities and are disclosed at their nominal value. There are no commitments as at 30 June 2019.

**7.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Department is not aware of any contingent assets or liabilities with respect to the Fund as at 30 June 2019.

**7.3. Events after the reporting period**

The Fund is not aware of any events occurring after balance date.

**8. Measurement and risk**

**8.1. Non-Current Assets**

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value. Land is not depreciated.

**Planning and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

Where assets are acquired at no cost, or minimal cost, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal cost as part of a restructure of administrative arrangements then the assets are recognised at the book value recorded by the transferor public authority immediately prior to the restructure.

The Fund capitalises non-current physical assets with an individual or grouped value of \$10,000 or greater. Land is capitalised irrespective of its value.

Revaluation of non-current assets

Land is valued at fair value. The Fund revalues its land every three years. However, if at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Valuations are performed by the Valuer-General.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

**8.2. Financial instruments**

**Financial risk management**

The Planning and Development Fund's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

The Fund receives revenue from developers who are required to contribute to the fund in lieu of providing open space. DPTI works with the Department of Treasury and Finance to determine the cash flows associated with its Ministerially approved program of work and to ensure funding is available consistent with SA Government budgetary processes to meet the expected cash flows.

There have been no changes in risk exposure since the last reporting period.

**Categorisation of financial assets and liabilities**

The carrying amounts of each of the following categories of financial assets and liabilities are detailed below:

Category of financial asset and financial liability		Note No	2019 Carrying Amount \$'000	2018 Carrying Amount \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents		26 208	13 688
Financial assets at amortised cost	Receivables <sup>(1)</sup>	5.1	33	18
<b>Total financial assets</b>			<b>26 241</b>	<b>13 706</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:	Payables <sup>(1)</sup>	6.1	13 686	3 039
<b>Total financial liabilities</b>			<b>13 686</b>	<b>3 039</b>

(1) Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables

## Planning and Development Fund CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of the Planning and Development Fund:
  - are in accordance with the accounts and records of the Planning and Development Fund; and
  - comply with relevant Treasurer's instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Planning and Development at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Planning and Development Fund over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Tony Braxton-Smith  
Chief Executive

Department of Planning,  
Transport and Infrastructure  
South Australia

29 October 2019



Bill Cagialis  
Director, Finance

Department of Planning,  
Transport and Infrastructure  
South Australia

29 October 2019