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To the Chief Executive Planning and Development Fund

Opinion

I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2023.

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 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Chief Operating Officer.

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 Planning and Development Fund. 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 (including Independence Standards)* have been met.

I believe that the audit evidence I have 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, 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.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2023.

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

- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 Chief Executive and 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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

28 September 2023

Planning and Development Fund

Financial Statements

For the year ended 30 June 2023

**Planning and Development Fund
Certification of the Financial Statements**
for the year ended 30 June 2023

We certify that the:

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



David Reynolds
Chief Executive
27 September 2023



Julie-Anne Burgess
Chief Operating Officer
27 September 2023

Planning and Development Fund
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Fees and charges	2.1	23 456	24 167
Appropriations		6 553	-
Other income	2.3	449	634
Interest		280	-
Net gain from the disposal of non-current and other assets	2.2	-	238
Total income		30 738	25 039
Expenses			
Grants and subsidies	3.2	19 720	26 678
Supplies and services	3.1	2 159	1 734
Other expenses	3.3	39	69
Total expenses		21 918	28 481
Net result		8 820	(3 442)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in land and buildings asset revaluation surplus		(315)	-
Total other comprehensive income		(315)	-
Total comprehensive result		8 505	(3 442)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Planning and Development Fund
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	5.1	11 853	4 179
Receivables	5.2	1 331	483
Non-current assets classified as held for sale	4.2	1 094	-
Total current assets		14 278	4 662
Non-current assets			
Land and buildings	4.1	16 474	17 726
Total non-current assets		16 474	17 726
Total assets		30 752	22 388
Current liabilities			
Contract liabilities	6.2	2 310	2 445
Payables	6.1	23	29
Total current liabilities		2 333	2 474
Total liabilities		2 333	2 474
Net assets		28 419	19 914
Equity			
Retained Earnings		21 976	13 156
Asset revaluation surplus		6 443	6 758
Total equity		28 419	19 914

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Planning and Development Fund
Statement of Changes in Equity
for the year ended 30 June 2023

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		6 758	15 345	22 103
Error correction	7		1 253	1 253
Restated balance at 1 July 2021		6 758	16 598	23 356
Net result for 2021-22		-	(3 442)	(3 442)
Total comprehensive result for 2021-22		-	(3 442)	(3 442)
Balance at 30 June 2022		6 758	13 156	19 914
Net result for 2022-23		-	8 820	8 820
Gain / (loss) on revaluation of land and buildings during 2022-23		(315)	-	(315)
Total comprehensive result for 2022-23		(315)	8 820	8 505
Balance at 30 June 2023		6 443	21 976	28 419

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Planning and Development Fund
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Fees and charges		22 677	26 549
Transfers from SA Government		6 553	-
GST recovered from the department		1 608	1 897
Other receipts		449	634
Interest received		246	-
Cash generated from operating activities		31 533	29 080
<i>Cash outflows</i>			
Payments of grants and contributions		(21 483)	(27 663)
Payments for supplies and services		(2 210)	(4 692)
Other payments		-	(69)
Cash used in operating activities		(23 693)	(32 424)
Net cash provided by / (used in) operating activities		7 840	(3 344)
<u>Cash flows from investing activities</u>			
<i>Cash inflows</i>			
Proceeds from sale of land		1 253	2 280
Cash generated from investing activities		1 253	2 280
<i>Cash outflows</i>			
Purchase of land and buildings		(1 419)	-
Cash used in investing activities		(1 419)	-
Net cash provided by investing activities		(166)	2 280
Net increase / (decrease) in cash and cash equivalents		7 674	(1 064)
Cash and cash equivalents at the beginning of the reporting period		4 179	5 243
Cash and cash equivalents at the end of the reporting period	5.1	11 853	4 179

The accompanying notes form part of these financial statements

Planning and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1. About the Planning and Development Fund

The Planning and Development Fund ("the Fund") is established under the *Development Act 1993*. The Fund was established under section 79 of the *Development Act 1993* and continues under the *Planning, Development and Infrastructure Act 2016*.

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 applying simplified disclosures.

No Australian Accounting Standards have been early adopted other than AASB 2021-1 which was adopted from 1 July 2021.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

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.

- 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.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are 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.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Fund has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

Planning and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1.2. Objectives of the Planning and Development Fund

The Fund was established under section 79 of the *Development Act 1993* and continues under *section 194 of the Planning, Development and Infrastructure Act 2016*.

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 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* or *section 198 of the Planning, Development and Infrastructure Act 2016*.

1.3. Key Management Personnel

Key management personnel of the Fund includes the Minister, the Chief Executive of the Department for Trade and Investment, Executive Director, Planning and Land Use Services and Government Architect, Office for the Design and Architecture SA (from 6 February 2023) 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, Executive Director, Planning and Land Use Services and Government Architect, Office for the Design and Architecture SA is paid by the Department for Trade and Investment.

Transactions with key management personnel and other related parties

The fund did not enter into any transactions with key management personnel or their close family during the reporting period.

1.4. Changes to the fund

The Fund transferred from the Attorney-General's Department (AGD) to the Department for Trade and Investment (DTI) effective 1 July 2022.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1. Fees and charges

	2023	2022
	\$'000	\$'000
Land Division Fees - Torrens Title	18 190	16 523
Land Division Fees - Community Title	5 265	7 642
Regulated and Significant Tree Contributions	1	2
Total fees and charges	<u>23 456</u>	<u>24 167</u>

Land division fees

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. Revenue from licenses is recognised at a point in time as they meet the short term/low value licence recognition exemption in AASB 15.

2.2. Net gain from the disposal of non-current assets

	<u>Note</u>	2023	2022
		\$'000	\$'000
Land			
Proceeds from disposal	7	1 253	2 280
Less carrying amount of assets disposal		<u>(1 253)</u>	<u>(2 042)</u>
Total net gain from the disposal of non-current assets		<u>-</u>	<u>238</u>

In 2022-23 the Fund disposed of land at Wearing Street adjacent to the Onkaparinga Estuary to the City of Onkaparinga for its cost price.

2.3. Other income

	2023	2022
	\$'000	\$'000
Refunds	449	634
Total other income	<u>449</u>	<u>634</u>

Refunds reported under other income are the return of unspent grant payments, including grants provided to grant recipients in previous years for projects that either did not proceed or were completed at a lower than estimated cost.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3. Expenses

3.1. Supplies and services

	2023	2022
	\$'000	\$'000
Property costs	1 280	878
Management service cost	809	742
Auditor's remuneration	29	29
Legal	22	31
Other contracted services	11	42
Contract services	8	11
Other	-	1
Total supplies and services	2 159	1 734

Audit fees paid/payable to the Auditor-General's Department related to work performed under the *Public Finance and Audit Act 1987* were \$29 200 (2022: \$29 000). No other services were provided by the Auditor-General's Department.

3.2. Grants and Subsidies

	2023	2022
	\$'000	\$'000
Strategic Investment Grants	18 028	12 921
Open Space Grants	1 692	13 757
Total grants and subsidies	19 720	26 678

Grants are used to implement relevant sections of the State Planning Policies and Council based open space strategies through Open Space grants and Strategic Investment grants.

3.3. Other expenses

	2023	2022
	\$'000	\$'000
Emergency services levy	18	14
Depreciation	9	-
Refunds	7	55
Rates, taxes and levies	4	-
Other	1	-
Total other expenses	39	69

Refunds paid by the Fund represents previously recognised land development fees.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Non-Financial Assets

4.1. Land and buildings

	2023	2022
	\$'000	\$'000
Land	16 474	17 726
Total land and buildings	16 474	17 726

Reconciliation of land and buildings

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

	-	2023	2022
	<u>Note</u>	\$'000	\$'000
Carrying amount at the beginning of the period		17 726	18 515
Error correction	7	-	1 253
Restated balance at the beginning of the period		17 726	19 768
Additions		1 419	-
Revaluation Decrement		(315)	-
Depreciation		(9)	-
Disposals		(1 253)	(2 042)
Assets reclassified to assets held for sale		(1 094)	-
Carrying amount at the end of the period		16 474	17 726

In 2022-23, the Fund operated under both the *Development Act 1993* and the *Planning, Development and Infrastructure Act 2016* and provided the means for the Government to support an open space grant program across South Australia, the delivery of the State Planning Strategy and the implementation of State Planning Policies. 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.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4.2. Non-current assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land and buildings	1 094	-
Total non-current assets classified as held for sale	1 094	-

Non-current assets classified as held for sale are measured at fair value less costs to sell.

Property at Black Forest to be subdivided, rear portion to be transferred to Minister for Education, Skills and Training and the front portion marketed for sale with a sales agreement in place, both to take place during 2023-24.

5. Financial Assets

5.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	11 853	4 179
Total cash and cash equivalents	11 853	4 179

Cash is measured at nominal amounts.

5.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
Receivables	1 297	483
Accrued interest	34	-
Total current receivables	1 331	483
Total receivables	1 331	483

Receivables are primarily fees and charges for the division of land received through systems hosted by the Department for Infrastructure and Transport and not received by the Fund at 30 June 2023.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Liabilities

6.1. Payables

	2023 \$'000	2022 \$'000
<u>Current</u>		
Payables	23	29
Total payables	23	29

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 number of payables represents fair value due to their short-term nature.

6.2. Contract liabilities

	2023 \$'000	2022 \$'000
<u>Current</u>		
Land division fees	2 310	2 445
Total current other liabilities	2 310	2 445
Total contract liabilities	2 310	2 445

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 revenue 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. Equity

In 2022-23, the Fund recognised land to the value of \$1.253 million not previously recognised.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

8. Outlook

8.1. Unrecognised contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	13 155	1 003
Later than one year but not longer than five years	25 531	1 522
Total Expenditure Commitments	38 686	2 525

Commitments disclosed for 2022-23 relate to contributions towards ongoing projects being delivered by other agencies and land management works.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

8.2. Contingent assets and liabilities

The Fund is not aware of any contingent assets or liabilities with respect to the Fund as at 30 June 2023.

8.3. Events after the reporting period

No events after the reporting date to report.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2023

9. Measurement and risk

9.1. Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial Recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

Revaluation

Land is valued at fair value. The Fund revalues its land every six 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.

9.2. Financial instruments

Financial risk management

Risk management is managed by the fund's corporate services section and fund risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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

Liquidity risk

The Fund receives revenue from developers who are required to contribute to the Fund in lieu of providing open space. The Department for Trade and Investment 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.

Classification of financial instruments

The Fund measures all financial instruments at amortised cost and are current for 2023.