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To the Chief Executive, Department for Housing and Urban Development Planning and Development Fund

Opinion

I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2024.

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 2024, its financial performance and its cash flows for 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 Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Acting Chief Operating Officer, Department for Housing and Urban Development.

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 Australian Accounting Standards – Simplified Disclosures, 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 that 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, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for 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 2024.

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 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.



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

28 September 2024

Planning and Development Fund

Financial Statements

For the year ended 30 June 2024

Planning and Development Fund
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Fees and charges	2.1	23 449	23 456
Appropriations		310	6 553
Interest		980	280
Net gain from the disposal of non-current and other assets	2.2	139	-
Other income	2.3	683	449
Total income		25 561	30 738
Expenses			
Supplies and services	3.1	1 891	2 159
Grants and subsidies	3.2	20 102	19 720
Other expenses	3.3	71	39
Total expenses		22 064	21 918
Net result		3 497	8 820
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in land and building asset revaluation surplus	4.1	45 641	(315)
Total other comprehensive income		45 641	(315)
Total comprehensive result		49 138	8 505

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 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	5.1	20 976	11 853
Receivables	5.2	1 796	1 331
Non-current assets classified as held for sale	4.2	345	1 094
Total current assets		23 117	14 278
Non-current assets			
Land and car park	4.1	76 373	32 942
Water licences	4.3	717	717
Total non-current assets		77 090	33 659
Total assets		100 207	47 937
Current liabilities			
Payables	6.1	2 169	23
Contract liabilities	6.2	3 296	2 310
Total current liabilities		5 465	2 333
Total liabilities		5 465	2 333
Net assets		94 742	45 604
Equity			
Retained Earnings		42 658	39 161
Asset revaluation surplus		52 084	6 443
Total equity		94 742	45 604

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 2024

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022		6 758	13 156	19 914
(Loss) on revaluation of land and buildings during 2022-23	4.1	(315)	-	(315)
Error correction	7	-	17 185	17 185
Restated Balance at 1 July 2022		6 443	30 341	36 784
Net result for 2022-23		-	8 820	8 820
Total comprehensive result for 2022-23		-	8 820	8 820
Balance at 30 June 2023		6 443	39 161	45 604
Net result for 2023-24		-	3 497	3 497
Gain on revaluation of land and buildings during 2023-24	4.1	45 641	-	45 641
Total comprehensive result for 2023-24		45 641	3 497	49 138
Balance at 30 June 2024		52 084	42 658	94 742

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 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Fees and charges		24 033	22 677
Transfers from SA Government		310	6 553
GST recovered from the department		1 145	1 608
Other receipts		967	449
Interest received		917	246
Cash generated from operating activities		27 372	31 533
<i>Cash outflows</i>			
Payments of grants and contributions		(20 102)	(21 483)
Payments for supplies and services		(1 245)	(2 210)
Cash used in operating activities		(21 347)	(23 693)
Net cash provided by operating activities		6 025	7 840
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from sale of land		3 098	1 253
Cash generated from investing activities		3 098	1 253
<i>Cash outflows</i>			
Purchase of land and buildings		-	(1 419)
Cash used in investing activities		-	(1 419)
Net cash provided by / (used in) investing activities		3 098	(166)
Net increase in cash and cash equivalents		9 123	7 674
Cash and cash equivalents at the beginning of the reporting period		11 853	4 179
Cash and cash equivalents at the end of the reporting period	5.1	20 976	11 853

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 2024

1. About the Planning and Development Fund

The Planning and Development Fund ("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.

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 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.

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 2024

1.2. Objectives of the Planning and Development Fund

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 including through the Open Space grant program to local government.

The Minister for Planning can use the Fund to acquire, manage or develop land and property.

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 include the Minister for Planning, 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 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.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Fees and charges

	2024	2023
	\$'000	\$'000
Land Division Fees - Torrens Title	17 933	18 190
Land Division Fees - Community Title	5 515	5 265
Regulated and Significant Tree Contributions	1	1
Total fees and charges	23 449	23 456

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 Planning Commission. Revenue is recognised as the Certificate of Approval is issued to the applicant. Revenue from licences is recognised at a point in time as they meet the short term / low value licences recognition exemption in AASB 15.

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

	Note	2024	2023
		\$'000	\$'000
Land			
Proceeds from disposal	7	1 810	1 253
Less carrying amount of assets disposal		(1 865)	(1 253)
Total net loss from land		(55)	-
Non-current assets classified as held for sale			
Proceeds from disposal		1 288	-
Less carrying amount of assets disposal		(1 094)	-
Total net gain from the disposal of non-current assets classified as held for sale		194	-
Total assets:			
Proceeds from disposal of non-current assets		3 098	1 253
Less carrying amount of assets disposal		(2 959)	(1 253)
Total net gain from the disposal of non-current assets		139	-

In 2023-24, the Fund disposed of land at Andrews Farm to St Columba College for its cost price, land and a building at Black Forest on the open market and to the Department for Education for a gain of \$194k and land at Crafers to the Department for Environment and Water with a net loss of \$55k.

2.3. Other income

	2024	2023
	\$'000	\$'000
Refunds	683	449
Total other income	683	449

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 2024

3. Expenses

3.1. Supplies and services

	2024	2023
	\$'000	\$'000
Property costs	1 005	1 280
Management service cost	742	809
Other contracted services	69	11
Contract services	43	8
Auditor's remuneration	30	29
Legal	2	22
Total supplies and services	1 891	2 159

Audit fees paid/payable to the Audit Office of South Australia (previously known as the Auditor-General's Department) related to work performed under the *Public Finance and Audit Act 1987* were \$30 000 (2023: \$29 200). No other services were provided by the Audit Office of South Australia.

3.2. Grants and Subsidies

	2024	2023
	\$'000	\$'000
Strategic Investment Grants	18 202	18 028
Open Space Grants	1 900	1 692
Total grants and subsidies	20 102	19 720

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

	2024	2023
	\$'000	\$'000
Refunds	57	7
Emergency services levy	12	18
Other	2	1
Depreciation	-	9
Rates, taxes and levies	-	4
Total other expenses	71	39

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 2024

4. Non-Financial Assets

4.1. Land and car park

	2024	2023
	\$'000	\$'000
Land	76 298	32 922
Car park	75	20
Total land and car park	76 373	32 942

Reconciliation of land and car park

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

	Note	2024	2023
		\$'000	\$'000
Carrying amount at the beginning of the period		32 942	17 726
Error correction	7	-	16 468
Restated balance at the beginning of the period		32 942	34 194
Additions		-	1 419
Loss on revaluation of land		-	(315)
Gain on revaluation of land		45 641	-
Depreciation		-	(9)
Disposals		(1 865)	(1 253)
Assets reclassified to assets held for sale		(345)	(1 094)
Carrying amount at the end of the period		76 373	32 942

In 2023-24, 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 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 30 June 2024 in accordance with *AASB 116 Property, Plant and Equipment*. The valuation of land was performed by Knight Frank and the Valuer General. Knight Frank determined fair value based on recent market transactions for similar land in the area taking into account zoning and restricted use. The Valuer General determined fair value based on similar measures to Knight Frank but on a mass appraisal basis.

Refer to note 9.1.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4.2. Non-current assets classified as held for sale

	2024	2023
	\$'000	\$'000
Land and buildings	345	1 094
Total non-current assets classified as held for sale	345	1 094

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

Property at Andrews Farm to be sold to the City of Playford with a June 2024 signed sales agreement, settling in 2024-25.

4.3. Water licences

The following table shows the movement of water licences during the financial year:

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	717	-
Error correction	-	717
Restated balance at the beginning of the period	717	717
Carrying amount at the end of the period	717	717

5. Financial Assets

5.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	20 976	11 853
Total cash and cash equivalents	20 976	11 853

Cash is measured at nominal amounts.

5.2. Receivables

	2024	2023
<u>Current</u>	<u>\$'000</u>	<u>\$'000</u>
Receivables	1 699	1 297
Accrued interest	97	34
Total receivables	1 796	1 331

Receivables are primarily fees and charges for the division of land received through systems hosted by the Department for Infrastructure and Transport (DIT) and not received by the Fund at 30 June 2024.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Liabilities

6.1. Payables

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Payables	2 169	23
Total payables	<u>2 169</u>	<u>23</u>

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

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Land division fees	3 296	2 310
Total contract liabilities	<u>3 296</u>	<u>2 310</u>

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 Planning Commission. 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. Error correction

In 2023-24, the Fund recognised land \$16.448 million, car park \$0.020 million and water licences to the value of \$0.717 million not previously recognised.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8. Outlook

8.1. Unrecognised contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	15 677	13 155
Later than one year but not longer than five years	24 977	25 531
Later than five years	11 000	-
Total Expenditure Commitments	51 654	38 686

Commitments disclosed for 2023-24 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 2024.

8.3. Events after the reporting period

As proclaimed on 30 May 2024 and in accordance with section 26 of the *Public Sector and Audit Act 2009*, effective from 1 July 2024 the title of the Department for Trade and Investment is altered to the Department for Housing and Urban Development.

Planning and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2024

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 revalue 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. An independent valuation of land was performed as at 30 June 2024, by a Certified Practising Valuer Knight Frank, and endorsed by the Valuer-General for the land holdings previously recognised in the Statement of Financial Position. In respect to the land holdings and car park disclosed as a prior period adjustment, values have been taken directly from the Valuer-General's Site Value and Capital Values which are used for rating and taxing purposes and assessed on a mass appraisal basis. Throughout the course of the year, our Service Provider, Land Services SA, collect data, undertake research and analyses with the aid of sales evidence and market reports on behalf of the Valuer-General. Properties that are similar in nature, due to locality, land size, property type, vintage, size of equivalent main area or area, and use, are grouped into sub-markets. The research and analyses obtained indicates how the market has performed relative to each of those sub-market groups. The result is the adoption of an index which is applied to every property. The valuations then undergo extensive quality assurance and audit checks by the Office of the Valuer-General before coming into effect on 1 July each year.

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.

**Planning and Development Fund
Certification of the Financial Statements**
for the year ended 30 June 2024

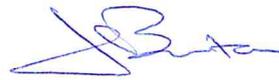
We certify that the:

- 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

26 September 2024



Jane Burton
Acting Chief Operating Officer

26 September 2024