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To the Chief Executive Attorney-General's Department

Opinion

I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2022.

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 2022, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive and Executive Director, Finance People and Performance

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, 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* and section 196 (2) of the *Planning, Development and Infrastructure Act 2016*, I have audited the financial report of the Planning and Development Fund for the financial year ended 30 June 2022.

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)

9 November 2022

Planning and Development Fund

Financial Statements

For the year ended 30 June 2022

Planning and Development Fund
Certification of the Financial Statements
for the year ended 30 June 2022

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.



Caroline Mealor
Chief Executive
4 November 2022



Andrew Swanson FCPA
Executive Director, Finance People and Performance
4 November 2022

Planning and Development Fund
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Fees and charges	2.1	24 167	30 357
Net gain from the disposal of non-current and other assets	2.2	238	-
Interest		-	3
Other income	2.3	634	3 974
Total income		25 039	34 334
Expenses			
Grants and subsidies	3.2	26 678	34 578
Supplies and services	3.1	1 734	1 584
Other expenses	3.3	69	165
Total expenses		28 481	36 327
Net result		(3 442)	(1 993)
Total comprehensive result		(3 442)	(1 993)

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 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	5.1	4 179	5 243
Receivables	5.2	483	3 046
Total current assets		4 662	8 289
Non-current assets			
Land	4.1	16 473	18 515
Total non-current assets		16 473	18 515
Total assets		21 135	26 804
Current liabilities			
Contract liabilities	6.2	2 445	2 917
Payables	6.1	29	1 784
Total current liabilities		2 474	4 701
Total liabilities		2 474	4 701
Net assets		18 661	22 103
Equity			
Retained Earnings		11 903	15 345
Asset revaluation surplus		6 758	6 758
Total equity		18 661	22 103

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 2022

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		6 758	16 751	23 509
Error correction	7	-	587	587
Restated balance at 1 July 2020		6 758	17 338	24 096
Net result for 2020-21		-	(1 993)	(1 993)
Total comprehensive result for 2020-21		-	(1 993)	(1 993)
Balance at 30 June 2021		6 758	15 345	22 103
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	11 903	18 661

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
Notes to and forming part of the financial statements
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Fees and charges		26 258	27 684
Interest received		-	3
Other receipts		634	3 974
Cash generated from operating activities		26 892	31 661
Cash outflows			
Payments of grants and contributions		(25 569)	(38 316)
Payments for supplies and services		(4 598)	(923)
Other payments		(69)	(151)
Cash used in operating activities		(30 236)	(39 390)
Net cash provided by / (used in) operating activities		(3 344)	(7 729)
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of land		2 280	36
Cash generated from investing activities		2 280	36
Net cash provided by / (used in) investing activities		2 280	36
Net increase / (decrease) in cash and cash equivalents		(1 064)	(7 693)
Cash and cash equivalents at the beginning of the reporting period		5 243	12 936
Cash and cash equivalents at the end of the reporting period	5.1	4 179	5 243

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 2022

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.

These are the first financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Planning and Development Fund as a result of the change in the basis of preparation.

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.

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 Attorney-General's Department is responsible for the remittance and collection of GST.

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 2022

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

1.3. Impact of COVID-19 pandemic on the Planning and Development Fund

The COVID-19 pandemic has had no material impact on the operations of the Fund in 2021-22. At this stage there is insufficient information to determine whether the COVID-19 pandemic will have a material impact on the operations of the Fund in 2022-23.

The Fund will continue to assess the impact of the COVID-19 pandemic on their operations in 2022-23.

1.4. Key Management Personnel

Key management personnel of the Fund includes the Minister for Planning (Minister for Planning and Local Government until 24 March 2022), the Chief Executive of the Attorney-General's Department and the Executive Director, Planning and Land Use Services 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 Executive Director is paid by the Attorney-General's Department.

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 2022

2. Income

2.1. Fees and charges

	2022	2021
	\$'000	\$'000
Land Division Fees - Torrens Title	16 523	19 753
Land Division Fees - Community Title	7 642	10 603
Regulated and Significant Tree Contributions	2	1
Total fees and charges	24 167	30 357

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

	2022	2021
	\$'000	\$'000
Land		
Proceeds from disposal	2 280	-
Less carrying amount of assets disposal	(2 042)	-
Total net gain from the disposal of non-current assets	238	-

2.3. Other income

	2022	2021
	\$'000	\$'000
Refunds	634	3 974
Total other income	634	3 974

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 2022

3. Expenses

3.1. Supplies and services

	2022	2021
	\$'000	\$'000
Supplies and Services:		
Property costs	878	880
Management service cost	742	648
Other contracted services	42	25
Legal	31	3
Auditor's remuneration	29	28
Contract services	11	-
Other	1	-
Total supplies and services	1 734	1 584

Audit fees paid/payable to the Auditor-General's Department related to work performed under the *Public Finance and Audit Act 1987* were \$29 000 (2021: \$28 000). No other services were provided by the Auditor-General's Department.

3.2. Grants and Subsidies

	2022	2021
	\$'000	\$'000
Open Space Grants	13 757	18 559
Strategic Investment Grants	12 921	16 019
Total grants and subsidies	26 678	34 578

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

Included within Strategic Investment Grants are contribution payments provided to the Department for Infrastructure and Transport for the implementation of the planning reform.

3.3. Other expenses

	2022	2021
	\$'000	\$'000
Other expenses:		
Refunds	55	140
Emergency services levy	14	17
Rates, taxes and levies	-	8
Total other expenses	69	165

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 2022

4. Non-Financial Assets

4.1. Land

	2022	2021
	\$'000	\$'000
Land	16 473	18 515
Total land	16 473	18 515

Reconciliation of land

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

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	18 515	17 964
Error correction	-	587
Restated balance at the beginning of the period	-	18 551
Disposals	(2 042)	(36)
Carrying amount at the end of the period	16 473	18 515

In 2021-22, the Fund operated under both the *Development Act 1993* and the *Planning Development and Infrastructure Act 2016* and provides for 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 2022

5. Financial Assets

5.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	4 179	5 243
Total cash and cash equivalents	4 179	5 243

Cash is measured at nominal amounts.

5.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Receivables	483	3 046
Total current receivables	483	3 046
Total receivables	483	3 046

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 2022.

6. Liabilities

6.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Payables	29	1 784
Total payables	29	1 784

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. Contract liabilities

	2022	2021
	\$'000	\$'000
Land division fees	2 445	2 917
Total contract liabilities	2 445	2 917

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.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7. Equity

The Fund recognised land to the value of \$587 000 not previously recognised.

8. Outlook

8.1. Unrecognised contractual commitments

	2022	2021
	\$'000	\$'000
Within one year	1 003	1 348
Later than one year but not longer than five years	1 522	-
Total Expenditure Commitments	2 525	1 348

Commitments disclosed for 2021-22 relate to contributions towards land management works performed by the State.

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 2022.

8.3. Events after the reporting period

The Fund transferred from Attorney-Generals Department to the Department for Trade and Investment effective 1 July 2022.

Planning and Development Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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. AGD 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 2022.