



Southern Tasmanian Councils Authority

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2019/20 Annual Report

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## About the Southern Tasmanian Councils Authority

The Southern Tasmanian Councils Authority (STCA) is a regional organisation of councils created to facilitate cooperative working partnerships and to improve the ability of councils to take joint action to address regional development issues and progress sustainable economic, environmental and social outcomes for Southern Tasmania, its local communities and the State.

## Member Councils

Brighton Council  
Central Highlands Council  
Derwent Valley Council  
Glamorgan Spring Bay Council  
Hobart City Council

Huon Valley Council  
Sorell Council  
Southern Midlands Council  
Tasman Council

## The Board

The STCA Board comprises representatives from its member councils with council General Managers also attending Board meetings. The Hobart City Council provides secretariat support to the Board.

## Board Members

July 2019 – June 2020



Mayor Bec Enders  
Chair  
Huon Valley Council



Mayor Loueen Triffitt  
Central Highlands Council



Mayor Ben Shaw  
Derwent Valley Council



Mayor Debbie Wisby  
Glamorgan Spring Bay  
Council



Mayor Kerry Vincent  
Sorell Council



Mayor Alex Green  
Southern Midlands Council



Mayor Kelly Spaulding  
Tasman Council

Board Member  
July 2019 – August 2019



Lord Mayor Anna Reynolds  
Hobart City Council

Board Member  
August 2019 – June 2020



Deputy Lord Mayor Helen Burnet  
Deputy Chair  
Hobart City Council

Board Member  
July 2019 – May 2020



Mayor Tony Foster AM  
OAM JP  
Brighton Council

Board Member  
May 2020 – June 2020



Deputy Mayor Barbara Curran  
Brighton Council



**Councillor Bec Enders**



I am pleased to present the 2019/20 Annual Report for the Southern Tasmanian Councils Authority (STCA).

Despite the challenges of 2020, the Authority remained committed to advocating and promoting the interests of local government and its communities in Southern Tasmania.

It was an honour to take up the role of Chairperson on the STCA with Deputy Lord Mayor Helen Burnet elected as Deputy Chairperson. I wish to thank Lord Mayor Anna Reynolds for her very capable leadership of the Board.

The Board supported the national Garage Sale Trail initiative held in October 2019 and continued to pursue a number of regional climate change projects including the Regional Coastal Hazards Strategy, aimed at supporting southern Tasmanian councils in managing and responding to coastal hazards through a consistent and coordinated framework that supports decision making now and into the future and the Climate Profiles project, aimed at supporting southern Tasmanian councils in managing and responding to local climate hazards through the provision of best available climate information to enable relevant adaptation strategies/action plans to be developed and implemented.

The STCA nominated Brighton Council's General Manager as its representative to enable engagement between the Board and Tasmanian Government as they develop, consult and deliver the Work Program associated with the Greater Hobart Act. Submissions were provided to the Premier's Economic and Social Recovery Advisory Council and the Tasmanian Government's Budget Consultation process and an application was made to the Climate Research Grants Program.

The 2020/21 operating plan and budget was set by the Board and included support for the Memorandum of Understanding for Joint Communications activities with the Cradle Coast Waste Management Group and Northern Tasmanian Waste Management Group; the completion of Regional Climate Change projects and participation in the 2020 Garage Sale Trail. A new contemporary website was developed helping promote STCA member councils as a body working collaboratively with all levels of government.

The Board received a number of presentations from key organisations including Destination Southern Tasmania, the Cat Management Project and PlanBuild Tasmania. Brighton Council also provided an update on activities occurring within its municipal area.

Meetings continued to be held quarterly with Mayors having the opportunity to participate in roundtable meetings prior to each board meeting. The Annual General Meeting took place in November 2019 and a workshop was held to develop a list of regional projects of significance to advocate for in the lead up to future Federal and State elections.

In closing, I wish to acknowledge and thank my fellow Board members, Committee Chairs, and council General Managers for their commitment to the STCA particularly during what has been a challenging year. I would also like to acknowledge the work performed by STCA support staff and officers of the Regional Climate Change Initiative program that supports the STCA to achieve its goals.

**Mayor Bec Enders**

**Chair**

**Southern Tasmanian Councils Authority**

## Key Results – 2019/20

### Organisational Governance

- Conducted a workshop to identify a list of regional projects of significance.
- Developed a new STCA website.
- Appointed a new Chair and Deputy Chair of the STCA Board.
- The STCA meeting schedule was maintained with the Board meeting on a quarterly basis.
- The STCA's Governance and Audit Committee met on a regular basis.
- Provided oversight of Waste Strategy South and the Regional Climate Change Initiative.
- An Annual General Meeting was held in November 2019.
- Developed a budget strategy for 2020/21.
- Quarterly reports have been completed, circulated to member councils and placed on the STCA's website.
- Mayors Roundtable meetings were held prior to Board meetings.

### Environment

- The Regional Climate Change Initiative continued to pursue a number of projects.
- Commenced the Southern Tasmanian Council's Climate Action Collaboration with UTAS.
- Commenced the Regional Coastal Hazards Strategy.
- Commenced the Municipal Climate Profiles with UTAS Climate Futures Tasmania.
- Applied for a Tasmanian Government Climate Research Grant to develop a 'Shared Tasmanian Climate Initiative'.
- Resolved to support the Garage Sale Trail.
- Continued to support the Memorandum of Understanding for Joint Communications activities with the Cradle Coast Waste Management Group and Northern Tasmanian Waste Management Group.

### Economic Development

- Nominated two representatives to the Board of Destination Southern Tasmania which advocates for the interests of local government to the regional tourism industry.
- The South Eastern Regional Development Association and South Central Sub-region provided regular updates to the Board.

### Planning

- The Board requested the Tasmanian Government undertake an update of the Southern Tasmanian Regional Land Use Strategy.

### Advocacy

- Attendance at the first Business Growth Strategy Industry Summit.
- Attendance at a roundtable on the waste export ban and a Master Builders Association Networking event.

**Southern Tasmanian Council Authority**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2020**

	<u>Note</u>	<u>2019/20</u> \$	<u>2018/19</u> \$
<b>Revenues</b>			
Council Contributions	9	4,000	71,400
Interest		7,753	13,922
Grants	7	-	107,000
		<u><b>11,753</b></u>	<u><b>192,322</b></u>
<b>Expenses</b>			
Accounting Services		(10,000)	(11,822)
Audit Fees - Statutory		(5,460)	(5,500)
Audit Fees - Other Services		(250)	-
Communication		(31,112)	(28,167)
Contractors Services		-	(44,974)
Consultancy - Business Management		-	(21,011)
Consultancy - Environmental		-	(28,920)
External Labour		-	(453)
Grants	8	(148,500)	-
Meeting expenses		(721)	(977)
Promotions		(12,800)	-
Website Maintenance		(3,964)	(4,764)
		<u><b>(212,807)</b></u>	<u><b>(146,588)</b></u>
<b>Surplus/(Deficit) for year</b>		<b>(201,054)</b>	<b>45,734</b>
<b>Other Comprehensive Income</b>			
<b>Comprehensive Result</b>		<u><b>(201,054)</b></u>	<u><b>45,734</b></u>

**Southern Tasmanian Council Authority**  
**Statement of Financial Position**  
**As at 30 June 2020**

	<u>Note</u>	<u>2019/20</u> \$	<u>2018/19</u> \$
<b>ASSETS</b>			
<i><u>Current</u></i>			
Cash	4	332,680	509,280
Prepayments		13,069	-
Receivables	5	6,186	3,200
<b>TOTAL ASSETS</b>		<u><b>351,935</b></u>	<u><b>512,480</b></u>
<b>LIABILITIES</b>			
<i><u>Current</u></i>			
Payables		(40,709)	(200)
		<u>(40,709)</u>	<u>(200)</u>
<b>TOTAL LIABILITIES</b>		<u><b>(40,709)</b></u>	<u><b>(200)</b></u>
<b>NET ASSETS</b>		<u><b>311,226</b></u>	<u><b>512,280</b></u>
<b>EQUITY</b>			
Retained Earnings		311,226	512,280
<b>TOTAL EQUITY</b>		<u><b>311,226</b></u>	<u><b>512,280</b></u>

This statement should be read in conjunction with the accompanying notes.

**Southern Tasmanian Council Authority**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2020**

	<u>2019/20</u> \$	<u>2018/19</u> \$
<b>Accumulated Surplus</b>	512,280	466,546
Comprehensive Result	(201,054)	45,734
<b>Closing Equity</b>	<u><b>311,226</b></u>	<u><b>512,280</b></u>

This statement should be read in conjunction with the accompanying notes.



**Southern Tasmanian Council Authority**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2020**

	<b><u>Note</u></b>	<b><u>2019/20</u></b> \$	<b><u>2018/19</u></b> \$
<b><u>Cash Flows from Operating Activities</u></b>			
<b><u>Cash Inflows from Operating Activities</u></b>			
Council Contributions		4,400	78,540
Interest		7,753	13,922
Grants - Other		2,200	115,500
GST Receipts		21,618	2,978
		<u>35,971</u>	<u>210,940</u>
<b><u>Cash Outflows from Operating Activities</u></b>			
Accounting Services		(11,000)	(13,002)
Audit Fees		(6,281)	(6,050)
Communication		(32,011)	(36,683)
Contractors Services		-	(51,671)
Consultancy - Business Management		-	(27,864)
Consultancy - Environmental		-	(37,968)
External labour		-	(553)
GST payments		(5,186)	(5,317)
Grants		(124,850)	-
Meeting Expenses		(787)	(1,068)
Printing and Stationery		-	(23)
Promotions		(28,456)	-
Website Development		(4,000)	(4,800)
		<u>(212,571)</u>	<u>(184,999)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>4b</b>	(176,600)	25,941
<b>Net Cash (Used in) Investing Activities</b>		-	-
<b>Net Cash (Used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		(176,600)	25,941
<b>Cash Held at the Beginning of the Year</b>		509,280	483,339
<b>Cash held at the End of the Year</b>	<b>4a</b>	<u><u>332,680</u></u>	<u><u>509,280</u></u>

This statement should be read in conjunction with the accompanying notes.

This statement should be read in conjunction with the accompanying notes.

**Notes to and forming part of the Financial Report for the year  
ended 30 June 2020**

**1. Objective**

The objective of the Southern Tasmanian Councils Authority (the Authority) is to enable members to work together to facilitate and coordinate agreed regional development strategies and actions to achieve sustainable economic, environmental and social outcomes for the southern region of Tasmania.

**2. Legislative Framework**

The Authority was incorporated on 1 July 2006 under Division 4 of the *Local Government Act 1993* (as amended).

**3. Summary of significant accounting policies**

**a) Basis of Accounting**

The financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board. Compliance with the Australian Accounting Standards may not result in compliance with International Financial Reporting Standards (IFRS), as the Australian Accounting Standards include requirements and options available to not-for-profit organisations that are inconsistent with IFRS.

The Authority has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Authority has elected to apply options and exemptions within Accounting Standards that are applicable to not-for-profit entities.

The financial report has been prepared on the accrual basis under the convention of historical cost accounting and does not take into account changing money values. The report has been prepared on a going concern basis.

The financial report is presented in Australian dollars.

**b) New and revised Accounting Standards and Interpretations adopted in the current period**

The Authority has adopted the following new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board which are relevant to its operations and effective for the current reporting period: -

***AASB 15 Revenue from Contracts with Customers.***

The standard introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

For the Authority there is a significant effect in the treatment of all grants with sufficiently specific performance obligations which may not have been fulfilled at year end. The Authority's assessment is that there are no grants received in the current or prior years which have not fulfilled performance obligations. Therefore no adjustments are required.

***AASB 16 Leases.***

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. The Authority has assessed the impact of the new standard and concluded that there will be no impact because no leases are in place.

#### *AASB 1058 Income of Not-for-Profit Entities.*

AASB 1058 supersedes all the income recognition requirements relating to the Authority, previously in AASB 1004 Contributions. The timing of income recognition under AASB 1058 related to an asset (such as cash or another asset) received depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. AASB 1058 applies when the Authority receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the asset is principally to enable the Authority to further its objectives. The Authority has assessed the impact of the new standard and concluded that there will be no impact because no volunteer services are used and there are no transactions at significantly less than fair value.

#### c) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following summarises those future requirements, and their impact on the Authority:

#### *AASB 2017-5 Amendments to Australian Accounting Standards (Applies from 1 January 2022).*

The amendments address an acknowledge inconsistency between the requirements in AASB 10 and AASB 128 (2011) in dealing with the sale or contribution of assets between an investor and its associated or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Authority has assessed the impact of the new standard and concluded that there will be no impact because AASB 10 and AASB 128 do not apply to the Authority.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Authority's activities, or have no material impact.

#### d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Authority, and the revenue can be reliably measured. Where grant funding includes specific performance obligations, a liability is recognised for funds received in advance with income recognised as obligations are fulfilled.

#### e) Expenses

Expenses are recognised when a decrease in future economic benefit related to either a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

#### f) Cash

Cash consists of funds held in at call account in the name of the Hobart City Council on behalf of the Authority. Interest is credited to revenue as it accrues.

#### g) Receivables

Receivables are recorded at amortised cost less impairment. From this period the collectability of debts is assessed at year-end and an allowance is made for impairment on an expected credit loss basis. For prior periods a provision for impairment was recognised when there was objective evidence that an impairment loss had occurred.

#### h) Plant and Equipment

The Authority does not currently have any plant and equipment assets. All assets were either fully depreciated or disposed of as at 30 June 2018.

*i) Comparative Figures*

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

*j) Taxation*

The Authority is liable for the payment Goods and Services Tax (GST). The Authority currently has no employees therefore is exempt from payment of Payroll Tax liability and Fringe Benefits Tax and is exempt from all other taxes.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

*k) Rounding*

Unless otherwise indicated, amounts in the financial statements have been rounded to the nearest whole dollar.

**4. Cash**

*a) Composition of Cash*

Cash is comprised of the following:-

	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b><u>332,680</u></b>	<b><u>509,280</u></b>

Cash includes grant monies received and unspent at 30 June each year. Refer to Note 7

*b) Reconciliation of 'Net Cash Provided by Operating Activities' to 'Operating Surplus'*

	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	<b>\$</b>	<b>\$</b>
<b>Operating Surplus (Deficit)</b>	(201,054)	45,734
(Increase) / Decrease in Receivables	(16,055)	778
Increase / (Decrease) in Payables	<u>40,509</u>	<u>(20,571)</u>
<b>Net Cash from Operating Activities</b>	<b><u>(176,600)</u></b>	<b><u>25,941</u></b>

In 2019/20 the Authority has recorded a deficit mainly due to reduced revenue as a result of no contributions from owner councils.

The increase in receivables reflects an increase in GST due and prepayments at 30 June 2020.  
The increase in payables reflects an increase in trade creditors and GST due at 30 June 2020.

## **5. Receivables**

<b>Receivables</b>	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	<b>\$</b>	<b>\$</b>
GST	6,186	1,000
Grants	-	2,200
<b>Total</b>	<b><u>6,186</u></b>	<b><u>3,200</u></b>

## **6. Activities of the Authority**

**Some of the key activities undertaken by the Authority during the reporting period were:**

- Appointed a new Chairperson (Mayor Bec Enders) and a new Deputy Chairperson (Deputy Lord Mayor Helen Burnet)
- Developed a new STCA website
- Conducted a workshop to identify a list of regional projects of significance
- Received presentations in relation to the Tasmanian Cat Management Project; PlanBuild Tasmania; Destination Southern Tasmania and Brighton Council
- Submitted a motion to the Local Government Association of Tasmania in relation to headworks charges
- Provided a submission to the Tasmanian Government's 2020-21 Budget development process
- Received updates on South Eastern Regional Development Association, Planning Reform, South Central Sub-region and Common Services
- The Chair attended the first Business Growth Strategy Industry Summit
- The Chair of Waste Strategy South attended a roundtable on the waste export ban and a Master Builders Association Networking event
- Nominated two representatives to the Destination Southern Tasmania Board of Directors
- Commenced the Southern Tasmanian Council's Climate Action Collaboration with UTAS
- Commenced the Regional Coastal Hazards Strategy
- Commenced the Municipal Climate Profiles with UTAS Climate Futures Tasmania
- Applied for Tasmanian Government Climate Research Grant to develop a 'Shared Tasmanian Climate Language'
- Provided oversight of Waste Strategy South and the Regional Climate Change Initiative
- Continued to support the Memorandum of Understanding for Joint Communications Activities with the Cradle Coast Waste Management Group and the Northern Tasmanian Waste Management Group
- Lobbied for an update to the Southern Tasmanian Regional Land Use Strategy
- Resolved to support the Garage Sale Trail
- Agreed to support the key areas of waste, climate change and planning in 2020/21
- Developed a budget strategy for 2020/21
- Conducted roundtable discussions for STCA Mayors
- Conducted an Annual General Meeting and produced an Annual Report
- Produced four quarterly reports

## **7. Grants Revenue**

	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
<b>Operational Grants</b>	<b>\$</b>	<b>\$</b>
Climate Change Adaptation	-	107,000
<b>Total Operational Grants</b>	<b><u>-</u></b>	<b><u>107,000</u></b>

As at 30 June 2020, a total of \$47,524 (2019 \$175,329) of grants received remained unspent and comprised of conditional grants of \$24,434 (2019 \$24,434) and unconditional grants of \$23,090 (2019 \$150,895). Details of the grants comprising the conditional and unconditional grants are:-

<b><u>Conditional Grants Revenue</u></b>	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	\$	\$
Regional Planning Initiative	24,434	24,434
	<u>24,434</u>	<u>24,434</u>
<b><u>Unconditional Grants Revenue</u></b>	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	\$	\$
Climate Change Adaptation	-	127,805
Climate Change Communications	23,090	23,090
	<u>23,090</u>	<u>150,895</u>

The Regional Planning Initiative grant received from the Tasmanian State Government is conditional however performance obligations were met by 30 June 2020.

## **8. Grants Expenses**

A conditional grant of \$148,500 was awarded to the University of Tasmania for the development of Regional Climate Strategy and Council Action Plans.

<b><u>9. Council Contributions</u></b>	<b><u>2019/20</u></b>	<b><u>2018/19</u></b>
	\$	\$
Operational activities	4,000	71,400
Total Council Contributions	<u>4,000</u>	<u>71,400</u>

STCA supported a recommendation in the minutes of the 18 March 2019 that the 2019/20 members subscriptions be set at nil. The contributions of \$4,000 represent participation in the Regional Climate and Waste Programs from Councils.

## **10. Financial Instruments**

### **a) Financial Risk Management**

The Authority's financial instruments consist of deposits with banks, receivables and payables.

#### *Credit Risk*

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is the carrying amount of recognised financial assets as disclosed in the statement of financial position. The Authority does not have any material credit risk exposure because amounts are owed by owner Councils and Government agencies.

#### *Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Authority is exposed to is interest rate risk. All cash is subject to variable interest rates. Remaining financial assets and all financial liabilities are non-interest bearing. The Authority's exposure to interest rate risk in relation to cash held at bank is considered to be minimal.

An increase in variable rates of 100 basis points at the reporting date would result in a profit and an increase



to equity of \$3,327 (2019 \$5,093). A decrease in variable rates of 100 basis points at the reporting date would result in a loss and a decrease to equity of \$3,327 (2019 \$5,093). This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2019.

#### *Liquidity Risk*

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority manages liquidity risk by monitoring cash flows. Exposure to liquidity risk is considered to be minimal.

#### *b) Net Fair Value*

The Authority considers that the carrying amount of its financial assets and liabilities approximate their fair value.

### **11. Events Subsequent to Balance Date**

No events have occurred subsequent to the reporting date that would require adjustment to, or disclosure in, the financial report.

### **12. Contingent Assets and Liabilities**

There were no material contingent assets or contingent liabilities at the reporting date.

### **13. Key Management Personnel Compensation**

Nicholas Heath is currently acting in the management role and receives no remuneration for this service. Board members do not receive remuneration.

### **14. Other Related Parties Transactions**

(a) Each member council of STCA appoints a councillor to represent it on the board of the Authority and vote on its behalf at general meetings of the Authority, and thereby hold positions that result in them having an influence over the operating policies of Councils with which STCA may conduct transactions.

<b>Name</b>	<b>Term Commenced</b>	<b>Term Expired</b>
Brighton – Mayor Tony Foster	11/2014	05/2020
Brighton – Deputy Mayor Barbara Curran	05/2020	
Central Highlands – Mayor Loueen Triffitt	12/2016	
Derwent Valley – Mayor Ben Shaw	11/2018	
Glamorgan/Spring Bay – Mayor Debbie Wisby	11/2018	
Hobart City – Lord Mayor Anna Reynolds	11/2018	08/2019
Hobart City – Deputy Lord Mayor Helen Burnett	07/2019	
Huon Valley – Mayor Bec Enders	11/2018	
Sorell – Mayor Kerry Vincent	11/2014	
Southern Midlands – Mayor Alex Green	11/2018	
Tasman – Mayor Kelly Spaulding	11/2018	
Chairman of the STCA		
Hobart City – Lord Mayor Anna Reynolds	11/2018	08/2019
Lord Mayor Bec Enders	11/2018	
Deputy Chairman of the STCA	08/2019	
Deputy Lord Mayor Helen Burnet		

Clarence City Council, Glenorchy City Council and Kingborough Council are not members of the STCA, however, they do participate in the Regional Climate Change Initiative and Waste Strategy South programs.

b) Transactions with other related parties

During the period the Authority entered into the following transactions with related parties:

<u>Nature of Transactions:</u>	<u>Provider</u>	<u>2019/20</u>	<u>2018/19</u>
Accounting Services	City of Hobart	\$10,000	\$10,000

c) Loans and guarantees to/from related parties

The Authority has not entered into any loans or guarantees with related parties.

d) Loans and guarantees to/from commitments

The Authority has not entered into any commitments with related parties.

e) Transactions with related parties that have not been disclosed

The Authority has not entered into any ordinary citizen transactions with related parties.

## **Southern Tasmanian Councils Authority**

### **Declaration**

The accompanying financial report of the Southern Tasmanian Councils Authority is in accordance with the *Local Government Act 1993*, complies with Australian Accounting Standards, and gives a true and fair view of the Authority's financial position as at 30 June 2020, and of its performance for the year ended on that date.

There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.



\_\_\_\_\_  
(Mayor Bec Enders)  
Chairman

1/12/2020  
\_\_\_\_\_  
(Date)

## **Independent Auditor's Report**

**To the Members of the Southern Tasmania Councils Authority**

**Southern Tasmanian Councils Authority**

## **Report on the Audit of the Financial Report**

### **Opinion**

I have audited the financial report of the Southern Tasmania Councils Authority (the Authority), which comprises the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification by the members.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

### **Basis for Opinion**

I conducted the audit in accordance with 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 Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

...1 of 3

## **Responsibilities of the Members of the Authority for the Financial Report**

The members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1993* and for such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the Authority'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 they either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

## **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 the 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 the 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 Authority'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 my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority 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.

I communicate with the members regarding, 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 my audit.



Ric De Santi  
**Deputy Auditor-General**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

3 November 2020  
Hobart





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Ms Fiona Cleary  
City of Hobart  
50 Macquarie Street  
Hobart TAS 7000

12 November 2020

Dear Fiona

## **2019/20 Comptroller Report**

With reference to our recent correspondence, I write to confirm that following my review of the relevant sections of the Local Government Act of 1993 and the financial statements of the Southern Tasmanian Councils Authority (STCA) provided by you on 03 November 2020, in my view:

- Appointment of Comptroller is necessary because the STCA has been declared under Part 3A of the Local Government Act 1993, that it is a Joint Authority which may at some time be required to make payments to participating Councils; that is under circumstances in which it had undertaken financially profitable activities. If that were to occur the Comptroller would have statutory duties to perform that would include reaching a decision regarding the distribution of those profits.
- No such ventures were undertaken by the STCA during the financial year ended 30 June 2020 and as such no payments are required to be made by the STCA pursuant to part 3A of the Local Government Act 1993.

Should you have any queries in respect of the above, please feel free to contact me directly.

Yours sincerely

Matthew Wallace  
Partner