



Southern Tasmanian Councils Authority

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2020/21 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 for 2020/21

July 2020 – June 2021



Mayor Bec Enders  
Chair  
Huon Valley Council



Mayor Loueen Triffitt  
Central Highlands Council



Mayor Ben Shaw  
Derwent Valley Council



Deputy Lord Mayor Helen  
Burnet  
Hobart City Council



Mayor Kerry Vincent  
Sorell Council



Mayor Alex Green  
Southern Midlands Council

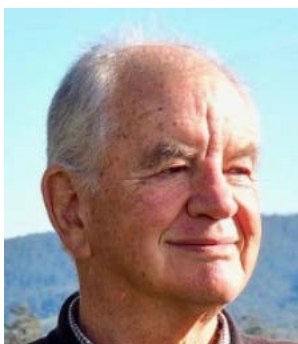


Mayor Kelly Spaulding  
Tasman Council



Deputy Mayor Barbara Curran  
Brighton Council

### September 2020 – June 2021



Mayor Robert Young  
Glamorgan Spring Bay  
Council

### **Councillor Bec Enders**



I am pleased to present the 2020/21 Annual Report for the Southern Tasmanian Councils Authority (STCA).

The Authority completed another successful year in 2020/21 working together to support the interests of member councils and their communities.

A submission was provided to the Tasmanian Government's Budget Consultation process and an advocacy document was developed for the 2021 State Election which called for review of the Southern Tasmanian Regional Land Use Strategy; training for employment and regional employment hubs and more reliable, accessible and affordable public transport services and infrastructure. The Board also provided a detailed submission to the Premier's Economic and Social Recovery Advisory Council.

A workshop of council officers was held with Regional Development Australia Tasmania to explore the development of a regional economic development strategy; the Board agreed to allocate an amount in the 2021/22 budget to undertake this work. The Board continued to support the Memorandum of Understanding for Joint Communications activities with the Cradle Coast Waste Management Group and Northern Tasmanian Waste Management Group as well as participation in the 2020 Garage Sale Trail.

The Board again supported the national Garage Sale Trail initiative and approved the Regional Climate Change Program Action Plan 2021-2023. In addition it approved a review of the STCA's compliance with its Regional Climate Change Adaptation Strategy 2012-2019 with council completing a survey of their implementation of the associated Corporate Climate Adaptation Plans. Progress on the preparation of the Regional Coastal Hazards Strategy continued and the Board received an update on the Southern Tasmanian Cat Management Strategy.

The Board was fortunate to hear from a number of guest speakers including Dr Jason Byrne, Professor of Human Geography and Planning and U Tas, Mr Dion Lester, then Policy Director at the Local Government Association of Tasmania and representatives from the Greater Hobart Strategic Partnership and Department of State Growth who provided an update on the Greater Hobart Vision. Huon Valley and Derwent Valley councils provided an update on activities occurring within their municipal areas.

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. Meetings continued to be held quarterly with Mayors participating in roundtable meetings prior to each board meeting. The Annual General Meeting was hosted by Central Highlands Council in November 2020.

In closing, I wish to acknowledge and thank my fellow Board members, Committee Chairs, and council General Managers for their commitment to the STCA. 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 – 2020/21

### Organisational Governance

- 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.
- The Board provided oversight of the Regional Climate Change Initiative.
- An Annual General Meeting was held in November 2020.
- Developed a budget strategy for 2021/22.
- 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

- Approved the Regional Climate Change Initiative Climate Program Action Plan 2021-2023.
- Approved a review of the STCAs compliance with its Regional Climate Change Adaptation Strategy 2012-2019 and completed a survey of councils on the implementation of their associated Corporate Climate Adaptation Plans.
- Continued progression of the preparation of the Regional Coastal Hazards Strategy.
- Progress Report on the development of the Southern Tasmanian Cat Management Strategy.
- Supported 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

- Received a presentation on the Greater Hobart Vision from the Greater Hobart Strategic Partnership and State Growth.
- Conducted a workshop to investigate the development of a regional economic development strategy for southern Tasmania.
- Provided a submission to phase 2 of the Premier's Economic and Social Recovery Advisory Council consultation process.
- Provided a submission to the Tasmanian Government's 2021-22 Budget development process.

### Planning

- Lobbied the Tasmanian Government to undertake a review of the Southern Tasmanian Regional Land Use Strategy.

### Advocacy

- As part of the State Election, sought support on a number of STCA priorities including the review of the Southern Tasmanian Regional Land Use Strategy; training for employment and regional employment hubs and more reliable, accessible and affordable public transport services and infrastructure.

**Southern Tasmanian Council Authority**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2021**

	<b><u>Note</u></b>	<b><u>2020/21</u></b> \$	<b><u>2019/20</u></b> \$
<b>Revenues</b>			
Council Contributions	8	6,000	4,000
Interest		2,352	7,753
Grants	6	-	-
Refunded Grant	6	100,000	-
		<b><u>108,352</u></b>	<b><u>11,753</u></b>
<b>Expenses</b>			
Accounting Services		(10,000)	(10,000)
Audit Fees		(5,860)	(5,710)
Communication		-	(31,112)
Contractors Services		(19,427)	-
Grants	7	(5,000)	(148,500)
Meeting expenses		(260)	(721)
Promotions		(35,331)	(12,800)
Website Maintenance		(5,455)	(3,964)
		<b><u>(81,333)</u></b>	<b><u>(212,807)</u></b>
<b>Surplus/(Deficit) for year</b>		<b>27,019</b>	<b>(201,054)</b>
<b>Other Comprehensive Income</b>			
<b>Comprehensive Result</b>		<b><u>27,019</u></b>	<b><u>(201,054)</u></b>

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

**Southern Tasmanian Council Authority**  
**Statement of Financial Position**  
**As at 30 June 2021**

	<u>Note</u>	<u>2020/21</u> \$	<u>2019/20</u> \$
<b>ASSETS</b>			
<i><u>Current</u></i>			
Cash	4	352,362	332,680
Prepayments		-	13,069
Receivables	5	134	6,186
<b>TOTAL ASSETS</b>		<u><b>352,496</b></u>	<u><b>351,935</b></u>
<b>LIABILITIES</b>			
<i><u>Current</u></i>			
Payables		(14,251)	(40,709)
		<u>(14,251)</u>	<u>(40,709)</u>
<b>TOTAL LIABILITIES</b>		<u><b>(14,251)</b></u>	<u><b>(40,709)</b></u>
<b>NET ASSETS</b>		<u><b>338,245</b></u>	<u><b>311,226</b></u>
<b>EQUITY</b>			
Retained Earnings		338,245	311,226
<b>TOTAL EQUITY</b>		<u><b>338,245</b></u>	<u><b>311,226</b></u>

The above 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 2021**

	<u>2020/21</u> \$	<u>2019/20</u> \$
<b>Balance at Beginning of the Year</b>	311,226	512,280
Comprehensive Result	27,019	(201,054)
<b>Balance at End of the Year</b>	<u><b>338,245</b></u>	<u><b>311,226</b></u>

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



**Southern Tasmanian Council Authority**

**Statement of Cash Flows**

**For the Year Ended 30 June 2021**

	<b><u>Note</u></b>	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
		<b>\$</b>	<b>\$</b>
<b><u>Cash Flows from Operating Activities</u></b>			
<b><u>Cash Inflows from Operating Activities</u></b>			
Council Contributions		4,800	4,400
Interest		2,352	7,753
Grants - Other		-	2,200
Refunded Grant		100,000	-
Other		9,902	-
Net GST		(71)	16,432
		<u>116,983</u>	<u>30,785</u>
<b><u>Cash Outflows from Operating Activities</u></b>			
Accounting Services		(10,000)	(11,000)
Audit Fees		(6,446)	(6,281)
Communication		(2,210)	(32,011)
Contractors Services		(19,570)	-
Grants		(38,500)	(124,850)
Meeting Expenses		(286)	(787)
Promotions		(14,289)	(28,456)
Website Development		(6,000)	(4,000)
		<u>(97,301)</u>	<u>(207,385)</u>
<b>Net Cash Flow from Operating Activities</b>	<b>4b</b>	19,682	(176,600)
<b>Net Cash (Used in) Investing Activities</b>		-	-
<b>Net Cash (Used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		19,682	(176,600)
<b>Cash Held at the Beginning of the Year</b>		<u>332,680</u>	<u>509,280</u>
<b>Cash held at the End of the Year</b>	<b>4a</b>	<u><u>352,362</u></u>	<u><u>332,680</u></u>

The above 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 2021**

**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 (AASB). 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 Standard issued by the Australian Accounting Standards Board that is relevant to its operations and effective for the current reporting period: -

*AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material.*

The amendments refine the definition of material in AASB 101 and are applicable for the year ended 30 June 2021. The amendments clarify the definition of material and includes guidance relating to obscuring information that could be reasonably expected to influence decisions of the primary users of the financial information. The amendments include additional guidance to the definition of material, gives it more prominence, and clarifies the explanation accompanying the definition of material. The adoption of the amendments have not had any significant impact on the Authority.

*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 *Consolidated Financial Statements* and AASB 128 (2011) *Investments in Associates and Joint Ventures* 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 AASB10 and AASB 128 do not generally 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 an 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. For this and future periods the collectability of debts is assessed at year-end and an allowance is made for impairment on an expected credit loss basis.

#### 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>2020/21</u></b>	<b><u>2019/20</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Cash at bank	<b><u>352,362</u></b>	<b><u>332,680</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>2020/21</u></b>	<b><u>2019/20</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Operating Surplus (Deficit)</b>	27,019	(201,054)
(Increase) / Decrease in Receivables	19,121	(16,055)
Increase / (Decrease) in Payables	(26,458)	40,509
<b>Net Cash from Operating Activities</b>	<b><u>19,682</u></b>	<b><u>(176,600)</u></b>

In 2020/21 the Authority has recorded a surplus mainly due to a grant payment made in the prior year which has been refunded in the current year.

The decrease in receivables reflects a decrease in GST due and prepayments at 30 June 2021.

The decrease in payables reflects a decrease in trade creditors and GST due at 30 June 2021.

#### **5. Receivables**

<b>Receivables</b>	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
GST	36	6,186
Other Income	98	-
<b>Total</b>	<b><u>134</u></b>	<b><u>6,186</u></b>

#### **6. Grants Revenue**

	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
<b>Operational Grants</b>	<b><u>\$</u></b>	<b><u>\$</u></b>
Climate Change Adaptation - Refunded Grant	100,000	-
<b>Total Operational Grants</b>	<b><u>100,000</u></b>	<b><u>-</u></b>

No new grant income was received in 2020/21.

In 2020/21 the Authority received \$100,000 as a Grant Refund for a payment previously made to UTAS in 2019/20. The refund resulting from an unsuccessful joint bid for an ARC grant.

As at 30 June 2021, a total of \$123,097 (2020 \$47,524) of grants received remained unspent and comprised of conditional grants of \$23,007 (2020 \$24,434) and unconditional grants of \$100,090 (2020 \$23,090).

Details of the grants comprising the conditional and unconditional grants are:-

<b><u>Conditional Grants</u></b>	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
	\$	\$
Regional Planning Initiative	23,007	24,434
	<u>23,007</u>	<u>24,434</u>
<b><u>Unconditional Grants</u></b>	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
	\$	\$
Climate Change Adaptation	77,000	-
Climate Change Communications	23,090	23,090
	<u>100,090</u>	<u>23,090</u>

The Climate Change Adaptation grant had been fully expended in 2019/20, this included the payment of \$100,000 to UTAS which was refunded in 2020/21. As at 30 June 2021 \$77,000 of the original grant remains unspent.

The Regional Planning Initiative grant received from the Tasmanian State Government is conditional however performance obligations for 2020/21 have been met.

## **7. Grants Expenses**

In the period the Authority made a Grant payment of \$5,000 to UTAS for the development of Regional Climate Strategy and Council Action Plans.

## **8. Council Contributions**

	<b><u>2020/21</u></b>	<b><u>2019/20</u></b>
	\$	\$
Operational activities	6,000	4,000
Total Council Contributions	<u>6,000</u>	<u>4,000</u>

The contributions of \$6,000 represent participation in the Regional Climate Change Initiative Program from non-member Councils.

The Authority has not imposed a subscription fee on member Councils since 2018/19.

## **9. 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 \$3,524 (2020 \$3,327). A decrease in variable rates of 100 basis points at the reporting date would result in a loss and a decrease to equity of \$3,524 (2020 \$3,327). This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2020.

#### *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.

### **10. 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.

### **11. Contingent Assets and Liabilities**

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

### **12. Key Management Personnel Compensation**

Nicholas Heath acted in the management role until his retirement as City of Hobart General Manager in April 2021. He received no remuneration for his service. Board members do not receive remuneration.

### **13. Other Related Parties Transactions**

(a) Each member council of the Authority 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 the Authority may conduct transactions.

<b>Name</b>	<b>Term Commenced</b>	<b>Term Expired</b>
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	07/2020
Glamorgan/Spring Bay – Mayor Robert Young	09/2020	
Hobart City – Deputy Lord Mayor Helen Burnet	07/2019	
Huon Valley – Mayor Bec Enders	11/2018	
Sorell – Mayor Kerry Vincent	11/2012	
Southern Midlands – Mayor Alex Green	11/2018	
Tasman – Mayor Kelly Spaulding	11/2018	
Chairman of the Authority		
Mayor Bec Enders	08/2019	
Deputy Chairman of the Authority		
Deputy Lord Mayor Helen Burnet	08/2019	

Clarence City Council, Glenorchy City Council and Kingborough Council are not members of the Authority, 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>2020/21</u>	<u>2019/20</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 2021, 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.

A handwritten signature in blue ink, appearing to read "A. Green", is written over a light blue rectangular background.

(Mayor Alex Green)  
Chairman

22 October 2021

(Date)



*Photo credit: Derwent River - Tourism Tasmania and Rob Burnett*