



Southern Tasmanian Councils Authority

2021/22 Annual Report



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Cover page photo Credit: Cape Hauy – Luke Tscharke

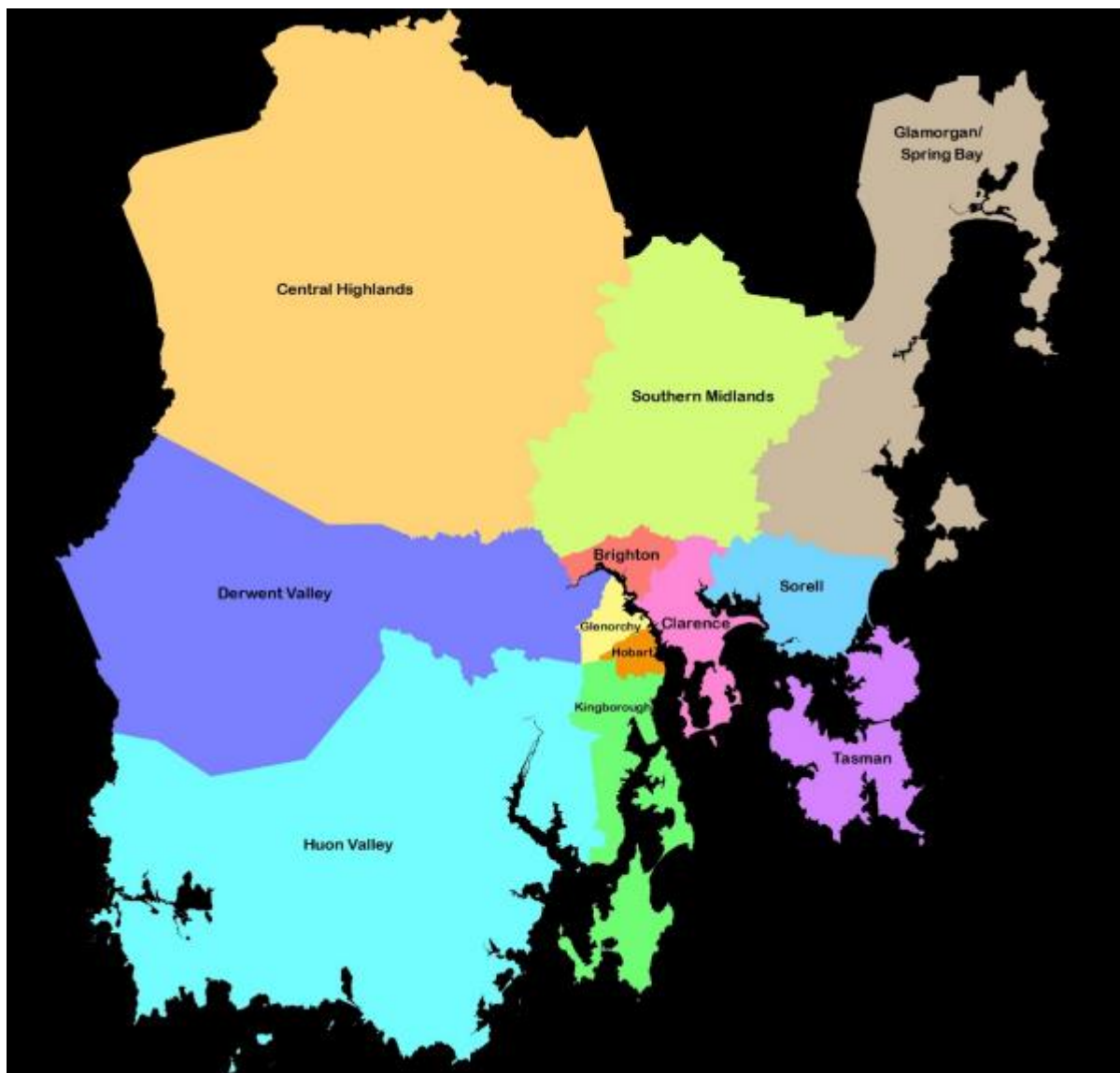
About the Southern Tasmanian Councils Authority

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 Brighton Council took over from Hobart City Council providing secretariat support to the Board.

Board Members for 2021/22

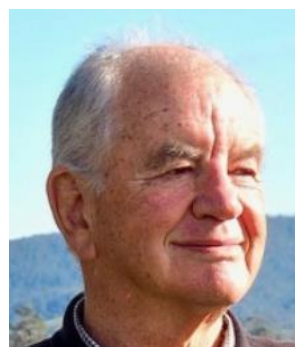
1 July 2021 – 30 June 2022



Mayor Bec Enders
Huon Valley Council



Mayor Loueen Triffitt
Central Highlands Council



Mayor Robert Young
Glamorgan Spring Bay
Council



Deputy Lord Mayor Helen
Burnet
Hobart City Council



Mayor Kerry Vincent
Sorell Council



Mayor Alex Green
Chair
Southern Midlands Council



Mayor Kelly Spaulding
Tasman Council



Deputy Mayor Barbara Curran
Brighton Council



Mayor Leigh Gray
Brighton Council



Mayor Michelle Dracoulis
Derwent Valley Council



Acting Mayor Sally
Doyle
Huon Valley Council



Acting Mayor Jessica
Cosgrove
Derwent Valley Council



Mayor Ben Shaw
Derwent Valley Council

Chairperson's Report – 2021/22

Councillor Alex Green



I am pleased to present the 2021/22 Annual Report for the Southern Tasmanian Councils Authority (STCA).

The Authority completed another successful year in 2021/22 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; greater investment in public transport services and infrastructure, investment in climate change initiatives and investment in state and regional waste initiatives. The Board also provided a detailed submission to the Local Government review with a focus on shaping the rôle of local government in responding to climate change.

The STCA climate program, 'Regional Climate Change Initiative' was the winner of the Local Government Professionals 2022 Awards, 'Partnership and collaboration' category.

The Board again supported the Regional Climate Change Program Action Plan 2021-2023. In addition, it approved the Regional Strategy – Adapting to a changing coastline in Tasmania, the Southern Councils Climate Collaboration 2021-23 which included developing a Council Carbon Footprint tool and endorsed the State-wide proposal -Implementing Climate change action planning in local government.

The Board was fortunate to hear from several guest speakers including Professor Dr Rufus Black, of U Tas, representatives from the Greater Hobart Strategic Partnership and Department of State Growth who provided an update on the Greater Hobart Vision, Destination Southern Tasmania, Regional Cat Management Coordinator. Brighton, Sorell and Derwent Valley councils provided an update on activities occurring within their municipal areas.

Meetings continued to be held quarterly with Mayors participating in roundtable meetings prior to each board meeting. The Annual General Meeting was hosted by Brighton Council in November 2022.

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 Alex Green

Chair

Southern Tasmanian Councils Authority

Key Results – 2021/22

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 2022.
- Developed a budget strategy for 2022/23.
- 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.

Climate

- The Board supported the Regional Climate Change Initiative Climate (RCCI) Program Action Plan 2021-2023.
- The climate program, 'Regional Climate Change Initiative' won the Local Government Professionals 2022 Awards, 'Partnership and collaboration' category.
- The Board approved the Regional Strategy – Adapting to a changing coastline in Tasmania and provided copies to all Tasmanian Councils, the Tasmanian Government, LGAT and relevant non-government organisations.
- Endorsed the Southern Councils Climate Collaboration 2021-23 which included developing a Council Carbon Footprint tool and endorsed the Climate Risk & Adaptation Tool review.
- The Board endorsed the State-wide proposal -Implementing Climate change action planning in local government. The proposal is also endorsed by Greater Hobart Councils, Cradle Coast and Northern Tasmania Councils General Managers Groups.
- The Board successfully lobbied to LGAT and the Federal Minister for changes the FBT on Electric Vehicles.

Economic Development

- Received a presentation on the Greater Hobart Vision from the Greater Hobart Strategic Partnership and State Growth.
- Provided a submission to the Tasmanian Government's 2022-23 Budget development process.
- The Board received a presentation from the Chair of Destinations Tasmania.
- Over seeing of Regional Jobs Hubs

Planning

- Support 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; the road network including both key commuter and freight networks, health services in regional areas, greater investment in public transport services and infrastructure, investment in climate change initiatives and investment in state and regional waste initiatives.
- The Board provided a submission to the Future of Local Government Review with a focus on shaping the role of local government in responding to climate change.

Southern Tasmanian Council Authority
Statement of Comprehensive Income
For the Year Ended 30 June 2022

	<u>Note</u>	<u>2021/22</u> \$	<u>2020/21</u> \$
Revenues			
Council Contributions	8	27,267	6,000
Interest		1,428	2,352
Refunded Grant	6	-	100,000
		<u>28,695</u>	<u>108,352</u>
Expenses			
Accounting and Administration Services		(15,455)	(10,000)
Audit Fees		(5,630)	(5,860)
Contractors Services		(63,421)	(19,427)
Grants	7	-	(5,000)
Meeting expenses		(318)	(260)
Promotions		(25,417)	(35,331)
Website Management		(4,364)	(5,455)
		<u>(114,605)</u>	<u>(81,333)</u>
Surplus/(Deficit) for year		(85,910)	27,019
Other Comprehensive Income			
Comprehensive Result		<u>(85,910)</u>	<u>27,019</u>

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

Southern Tasmanian Council Authority
Statement of Financial Position
As at 30 June 2022

	<u>Note</u>	<u>2021/22</u> \$	<u>2020/21</u> \$
ASSETS			
<i>Current</i>			
Cash	4	256,249	352,362
Prepayments		18,586	-
Receivables	5	3,906	134
TOTAL ASSETS		<u>278,741</u>	<u>352,496</u>
LIABILITIES			
<i>Current</i>			
Payables		(26,406)	(14,251)
		<u>(26,406)</u>	<u>(14,251)</u>
TOTAL LIABILITIES		<u>(26,406)</u>	<u>(14,251)</u>
NET ASSETS		<u>252,335</u>	<u>338,245</u>
EQUITY			
Retained Earnings		252,335	338,245
TOTAL EQUITY		<u>252,335</u>	<u>338,245</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 2022

	<u>2021/22</u> \$	<u>2020/21</u> \$
Balance at Beginning of the Year	338,245	311,226
Comprehensive Result	(85,910)	27,019
Balance at End of the Year	<u>252,335</u>	<u>338,245</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 2022

	<u>Note</u>	<u>2021/22</u> \$	<u>2020/21</u> \$
<u>Cash Flows from Operating Activities</u>			
<u>Cash Inflows from Operating Activities</u>			
Council Contributions		29,751	4,800
Interest		1,428	2,352
Refunded Grant		-	100,000
Other		98	9,902
Net GST		5,529	(71)
		<u>36,806</u>	<u>116,983</u>
<u>Cash Outflows from Operating Activities</u>			
Accounting and Administration Services		(16,455)	(10,000)
Audit Fees		(6,193)	(6,446)
Communication		-	(2,210)
Contractors Services		(54,379)	(19,570)
Grants		(5,500)	(38,500)
Meeting Expenses		(350)	(286)
Promotions		(45,642)	(14,289)
Website Development		(4,400)	(6,000)
		<u>(132,919)</u>	<u>(97,301)</u>
Net Cash Flow from Operating Activities	4b	(96,113)	19,682
Net Cash (Used in) Investing Activities		-	-
Net Cash (Used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(96,113)	19,682
Cash Held at the Beginning of the Year		<u>352,362</u>	<u>332,680</u>
Cash held at the End of the Year	4a	<u><u>256,249</u></u>	<u><u>352,362</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 2022**

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

The amendments address an 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 adoption of the amendments have not had an 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 2021-2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates (Applies from 1 January 2023).

This Standard makes amendments to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements to change the way in which accounting policies are disclosed in financial reports, requiring disclosure of material accounting policy information rather than significant accounting policies. Under the revised requirements, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. As a result, standardised information or information that only duplicates or summarises the requirements of Australian Accounting Standards may be less useful to users of financial statements. Removal of this information can substantially reduce the volume of disclosure in financial statements.

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Applies from 1 January 2023).

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

The Authority has assessed the impact of the new standards and concluded that there will be no significant impact upon 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:-

	<u>2021/22</u>	<u>2020/21</u>
	<u>\$</u>	<u>\$</u>
Cash at bank	<u>256,249</u>	<u>352,362</u>

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'

	<u>2021/22</u>	<u>2020/21</u>
	<u>\$</u>	<u>\$</u>
Operating Surplus (Deficit)	(85,910)	27,019
(Increase) / Decrease in Receivables	(22,358)	19,121
Increase / (Decrease) in Payables	<u>12,155</u>	<u>(26,458)</u>
Net Cash from Operating Activities	<u>(96,113)</u>	<u>19,682</u>

In 2021/22 the Authority has recorded a deficit mainly due to the expending of grant monies received in prior years. There were no new grants received in the current year.

The increase in receivables reflects an increase in GST due and prepayments at 30 June 2022.
The increase in payables reflects an increase in trade creditors at 30 June 2022.

5. Receivables

Receivables	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
GST	3,906	36
Other Income	-	98
Total	<u>3,906</u>	<u>134</u>

6. Grants Revenue

	<u>2021/22</u>	<u>2020/21</u>
Operational Grants	\$	\$
Climate Change Adaptation	-	100,000
Total Operational Grants	<u>-</u>	<u>100,000</u>

No new grant income was received in 2021/22.

As at 30 June 2022, a total of \$65,631 (2021 \$123,097) of grants received remained unspent and comprised of conditional grants of \$23,007 (2021 \$23,007) and unconditional grants of \$42,624 (2021 \$100,090).

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

<u>Conditional Grants</u>	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
Regional Planning Initiative	23,007	23,007
	<u>23,007</u>	<u>23,007</u>

<u>Unconditional Grants</u>	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
Climate Change Adaptation	42,624	77,000
Climate Change Communications	-	23,090
	<u>42,624</u>	<u>100,090</u>

In 2021/22 the Climate Change Communications grant was incorporated into the wider Climate Change Adaptation project. As at 30 June 2022 \$42,624 of these grant funds remain unspent. The Regional Planning Initiative grant received from the Tasmanian State Government is conditional however performance obligations for 2021/22 have been met.

7. Grants Expenses

The Authority made no Grant payments in 2021/22. In the prior year the Authority made a Grant payment of \$5,000.

8. Council Contributions

	<u>2021/22</u>	<u>2020/21</u>
	\$	\$
Operational activities - Member Councils	21,812	-
Operational activities - Non-Member Councils	5,455	6,000
Total Council Contributions	<u>27,267</u>	<u>6,000</u>

In 2021/22 the Authority reintroduced a subscription fee for Member Councils.

The contributions from Non-Member Councils represent their participation in the Regional Climate Change Initiative Program.

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 \$2,562 (2021 \$3,524). A decrease in variable rates of 100 basis points at the reporting date would result in a loss and a decrease to equity of \$2,562 (2021 \$3,524). This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2021.

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

Brighton Council General Manager, James Dryburgh, is currently acting in the management role and receives 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.

Name	Term Commenced	Term Expired
Brighton – Deputy Mayor Barbara Curran	05/2020	
Brighton – Mayor Leigh Gray	08/2021	
Central Highlands – Mayor Loueen Triffitt	12/2016	
Derwent Valley – Mayor Ben Shaw	11/2018	12/2021
Derwent Valley – Acting Mayor Jessica Cosgrove	12/2021	02/2022
Derwent Valley – Mayor Michelle Dracoulis	02/2022	
Glamorgan/Spring Bay – Mayor Robert Young	09/2020	
Hobart City – Deputy Lord Mayor Helen Burnet	07/2019	
Huon Valley – Mayor Bec Enders	11/2018	03/2022
Huon Valley – Acting Mayor Sally Doyle	03/2022	
Sorell – Mayor Kerry Vincent	11/2014	
Southern Midlands – Mayor Alex Green	11/2018	
Tasman – Mayor Kelly Spaulding	11/2018	
Chairman of the Authority		
Mayor Bec Enders	08/2019	08/2021
Mayor Alex Green	08/2021	
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>2021/22</u>	<u>2020/21</u>
Accounting Services	City of Hobart	\$10,000	\$10,000
Administrative Services	Brighton	\$5,455	-
Website Management	Huon Valley	\$4,364	\$5,455

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 2022, 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".

(Mayor Alex Green)
Chairman

12.8.2022
(Date)



Independent Auditor's Report

To the Members of the Southern Tasmania Councils Authority

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Southern Tasmania Councils Authority (the Authority), which comprises the statement of financial position as at 30 June 2022, 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, other explanatory notes and the statement of certification by the Chairman.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Authority's financial position as at 30 June 2022 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.

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 determined 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.

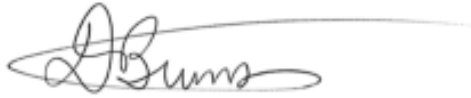
Auditor's Responsibilities for the Audit of the Financial Report

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 represent 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.

A handwritten signature in black ink, appearing to read 'D Burns', with a long horizontal flourish extending to the right.

Derek Burns
Senior Manager Financial Audit Services
Delegate of the Auditor-General
Tasmanian Audit Office

26 September 2022
Hobart

Comptroller's Report

Max Peck and Associates ABN 40 322 767 816

Principal: Rendell W Ridge B.Ec Registered Company Auditor #161503

Southern Tasmanian Councils Authority
Megan Braslin
Brighton Council
Brighton
Tasmania 7030

Good afternoon Megan,

I advise that I have perused relevant sections of the Local Government Act of 1993, looked at the purpose in appointing a comptroller, viewed reports from the Auditor General, and assessed the financial report of the Authority for the year ended 30 June 2022. In my view:

1. An 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; and
2. No such ventures were undertaken by the STCA during the financial year ended 30 June 2022 and as such no payments are required to be made by the STCA pursuant to part 3A of the Local Government Act 1993.

MAX PECK & ASSOCIATES



Rendell W. RIDGE
4 October 2022