



25 February 2019

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File Ref: GOV9.14.041

Dear Board Member

NOTICE OF MEETING

Notice is hereby given pursuant to the Victor Harbor Horse Tram Authority Charter and Section 87(4) of the Local Government Act, 1999, as amended that a **Special meeting** for the **Victor Harbor Horse Tram Authority** has been called for:-

DATE: Wednesday, 27 February 2019

TIME: 09:30am

PLACE: Encounter Room, Civic Centre, 1 Bay Road, Victor Harbor

Please find enclosed a copy of the Agenda for the meeting.

Yours faithfully

Victoria MacKirdy

Interim General Manager

Victor Harbor Horse Tram Authority

Please be advised that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.

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Agenda

Date: Wednesday, 27 February 2019

Time: 9:30am

Location: Encounter Room – Civic Centre – 1 Bay Road, Victor Harbor

1. ATTENDANCE

Carol Schofield

Terry Andrews

Brian Hockney

Peter Lewis

Victoria MacKirdy (Interim General Manager VHHTA)

Graham Pathuis (Director Planning and Regulatory Services CVH)

Kellie Knight-Stacey (Interim Director Corporate and Community Services CVH)

Mark Przibilla (Acting Manager of Economic and Tourism Development CVH)

Suzi Prsa (Research and Administration Officer/Minute Secretary CVH)

2. APOLOGIES

Nil.

3. BUSINESS ARISING

Board Report

| | |
|---------------------|--|
| Item No. | 3.1. |
| Title | Draft 2019/20 Budget |
| Meeting Date | 27 February 2019 |
| Reference | VHHT Authority Charter Local Government Act 1999 |
| Consultation | Board Members Interim Director Corporate & Community Services CVH |
| Attachments | Under separate cover - confidential |
| Purpose | <i>Information/Decision</i> |

PURPOSE

The purpose of this report is to present the draft 2019/20 Victor Harbor Horse Tram Authority budget.

RECOMMENDATION

That the Victor Harbor Horse Tram Authority notes the Victor Harbor Horse Tram Authority 2019/20 operating budget and recommends it to the New Board for consideration.

INFORMATION

On Tuesday, 12 February 2019, the authority held a workshop to discuss the draft 2019/20 budget.

Under *Clause 5.1* of the Victor Harbor Horse Tram Authority's charter, the Authority must before 31 March of each year prepare and submit a draft budget to the Council for the ensuing financial year (or, if appropriate, part financial year) in accordance with the Act for approval by the Council.

The capital budget is still being developed with budget officers currently costing the projects proposed by the Authority. No updates are available at this time, however if costings are available a verbal report will be provided at the board meeting.

The draft 2019/20 Victor Harbor Horse Tram Authority's budget is summarised as follows:

- Operating income of \$426,500
- Operating expenditure of \$790,500
- Council contribution requirement of \$364,000
- Own Source Income Ratio of 54%

A detailed listing of the draft budget is provided under separate cover with a summary below:

| Budget Item | Amount | Comments |
|-----------------------------|------------------|---|
| Income | \$426,500 | Ticket Sales, Group Bookings, Souvenir Sales & Donations |
| Less | | |
| Salaries and On-Costs | \$496,400 | Salaries & casual wages, superannuation, workcover |
| Administration & ICT | \$17,900 | Insurance, Printing, Phone & Internet Charges |
| Services | \$17,300 | Utilities, Security & Cleaning |
| Maintenance | \$112,500 | Asset maintenance including buildings & equipment, Horse vet & feed expenses |
| Marketing & Other | \$44,400 | Advertising, Souvenirs, Committee & Volunteer expenses |
| Depreciation | \$42,000 | Consumption of Council assets (charged in lieu of hourly rate) |
| Corporate Allocation | \$60,000 | Use of Council resources - Payroll, Finance, Records, ICT and Administration (Charged in lieu of hourly rate) |
| Net Operating Result | \$364,000 | Council contribution |

Summary

The Victor Harbor Horse Tram Authority's 2019/20 Operating Budget requires a Council contribution of \$364,000.

RISK ASSESSMENT

Risks associated with the recommendation have been assessed as follows:

Governance – The recommendation meets the requirements of the Victor Harbor Horse Tram Authority's Charter and legislation. The risk is assessed as *low*.

Financial – the draft budget presented details a Council contribution of \$364,000 to the Victor Harbor Horse Tram Authority. This is in line with the budget requirement in previous years. However, the impact on Council resources in providing a high level of support to the Authority and running duplicate systems has not yet been demonstrated and will need to be reviewed during the 2019/20 financial year.

As identified in the City of Victor Harbor Corporate Risk Matrix consequence table, it is likely that there will be a financial impact of less than \$20,000. This risk is assessed as *medium*.

BUDGET IMPLICATIONS

As detailed in the report.

| | |
|---------------------|---|
| Item No. | 3.2 |
| Title | Update - Four Way Agreement – Granite Island |
| Meeting Date | 27 February 2019 |
| Reference | ED.12.022 |
| Consultation | Department for Environment and Water |
| Attachments | Nil |
| Purpose | <i>Information/Decision</i> |

PURPOSE

The purpose of the report is to enable the Interim General Manager to provide the Board Members with an update on the four way agreement between the State Government and the City of Victor Harbor for Granite Island, Causeway and Right of Way for the Horse Tram.

RECOMMENDATION

That the Board receive and note the update on the Four-way Agreement – Granite Island.

INFORMATION

In December 2018, City of Victor Harbor Chief Executive Officer, Victoria MacKirdy organised a meeting with Department for Environment and Water, Department for Transport and Infrastructure and Oceanic Victor to discuss the renewal of the previous four-way agreement in relation to the horse-drawn tram and any other overlapping areas of responsibilities with respect to Granite Island and the Causeway.

The four-way agreement is currently with the Department for Environment and Water (DEW). Council is waiting on a response back from DEW on the current status of the agreement. A verbal update will be provided to Board Members at the Special Meeting.

RISK ASSESSMENT

Governance – There is no direct risk with providing board members with an update on the Four-Way Agreement – Granite Island.

BUDGET IMPLICATIONS

There are no budget implications with receiving and noting the update on the Four-Way Agreement – Granite Island.

4. CLOSURE