



14 February 2020

Contact for Apologies: General Manager

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File Ref: GOV9.14.041

Dear Board Members

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 meeting for the **Victor Harbor Horse Tram Authority** has been called for:-

DATE: Tuesday, 18 February 2020

TIME: 3:00pm

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

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

Yours faithfully

Megan Whibley

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.



1. Open Meeting/Welcome

2. Attendance

Paul Brown (Chair)
 Cr Carol Schofield AM
 Nigel Catt
 Rachel Kennedy
 Natasha Hunt
 Megan Whibley (General Manager VHHTA)

Karen Rokicinski (Director Corporate and Customer Service CVH)
 Pauline Corcoran (Minute Secretary CVH)

3. Apologies

4. Minutes of Previous meeting

4.1	Amended Minutes VHHTA Board Meeting 17 December 2019.....	3
4.2	Minutes VHHTA Circular Resolution 9 January 2020	9

5. Business Arising

5.1	Adjourned Item(s)	N/A
5.2	Outstanding Resolutions Register	11

6. General Manager Report.....

6.1	Operations Report	17
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7. Reports for Receiving and Noting only

7.1	N/A
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8. Reports for Decision or Endorsement

8.1	Authorisation to Sign 2018/19 Certification of Financial Statements..	20
8.2	December Budget Review 2019/20.....	41
8.3	Capital Budget Bids 2020/21	49
8.4	Draft Operating Budget 2020/21	55
8.5	General Manager Six Month Performance Review.....	65



8.6 Social Media Policy 67

9. Presentation(s)

10. Discussion Items – No decision(s)

10.1 Business names associated with the Victor Harbor Horse Tram, whether to renew all names

- Victor Harbor Tramway
- Victor Harbor Horse Drawn Tram

11. Correspondence Received

12. Urgent Business without Notice

13. Confidential Reports

14. Next Meeting

Tuesday 21 April 2020, 3pm

15. Meeting Close

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.

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 17 December 2019
Commencing at 3.00pm**



2. Present

Paul Brown (Chair)
Cr Carol Schofield AM
Nigel Catt
Rachel Kennedy
Natasha Hunt
Megan Whibley (General Manager VHHTA)

In attendance

Karen Rokicinski (Director Corporate and Customer Service CVH)
Pauline Corcoran (Minute Secretary CVH)

Commencement

The meeting commenced at 3.02pm.

3. Apologies

Nil

4. Minutes of the Previous Meeting

4.1 Moved: Rachel Kennedy
Seconded: Nigel Catt

That the minutes of the previous Victor Harbor Horse Tram Authority meeting held on 12 November 2019, as per copies supplied to members, be adopted as a true and correct record of the meeting.

CARRIED

4.2 Moved: Rachel Kennedy
Seconded: Natasha Hunt

That the minutes from the Victor Harbor Horse Tram Authority 5 December 2019 Circular Resolution Meeting as per copies supplied to members, be adopted as a true and correct record of the meeting.

CARRIED



5. Business Arising

5.1 N/A

5.2 VHHTA131 Moved: Rachel Kennedy
Seconded: Carol Schofield

That the Victor Harbor Horse Tram Authority receive and note the Work Program Update.

CARRIED

VHHTA132 Moved: Rachel Kennedy
Seconded: Natasha Hunt

That the Board include outstanding items from the Work Program in their review of the VHHTA Business Plan 2019-21 to consolidate the direction of the Authority and streamline reporting so that it is against the current business plan.

CARRIED

5.3 VHHTA133 Moved: Rachel Kennedy
Seconded: Natasha Hunt

That the Victor Harbor Horse Tram Authority receive and note the Resolutions Register report.

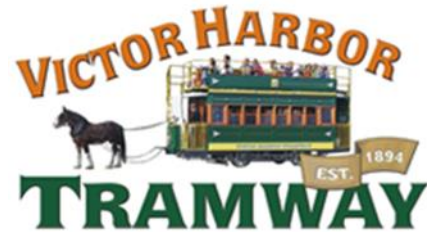
CARRIED

VHHTA134 Moved: Rachel Kennedy
Seconded: Carol Schofield

That with reference to minute VHHTA59 as detailed in this report, a review of the VHHTA the Code of Practice for Meeting Procedures be undertaken by the Board in the first quarter of 2020.

CARRIED

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 17 December 2019
Commencing at 3.00pm**



VHHTA146 Moved: Nigel Catt
Seconded: Rachel Kennedy

That with reference to minute VHHTA39 as detailed in this report:
This resolution be put on hold in light of the new causeway construction to ensure that investigations are suited to the design of the new causeway.

CARRIED

VHHTA147 Moved: Carol Schofield
Seconded: Rachel Kennedy

That with reference to minute VHHTA40 as detailed in this report regarding improvements to the Causeway Horse Tram Station, the matter be discontinued in light of the new causeway alignment and that the Authority work with DPTI and/or Council to ensure that the future design of any new facilities and infrastructure are suitable to the ongoing needs of the VHHTA.

CARRIED

VHHTA135 Moved: Nigel Catt
Seconded: Rachel Kennedy

That the Board view the video produced by the Friends of the Victor Harbor Horse Tram to determine suitability to display in the office window and give delegation to the General Manager to purchase a monitor up to the value to \$500.

CARRIED

6. General Managers Reports

6.1 VHHTA136 Moved: Carol Schofield
Seconded: Rachel Kennedy

That the Victor Harbor Horse Tram Authority receive and note the Operations Report.

CARRIED



7. Reports for Receiving and Noting only

- 7.1 VHHTA137 Moved: Rachel Kennedy
Seconded: Nigel Catt

That the Board receive and note the Presentation of Revised Business Plan to Council report.

CARRIED

- 7.2 VHHTA138 Moved: Natasha Hunt
Seconded: Carol Schofield

That the Victor Harbor Horse Tram Authority Board receive and note the Achievements For First Six Months of the Authority Under New General Manager report.

CARRIED

8. Reports for Decision or Endorsement

- 8.1 VHHTA139 Moved: Rachel Kennedy
Seconded: Natasha Hunt

That the Victor Harbor Horse Tram Authority Board receive and note the Draft Sponsorship Packages report.

CARRIED

- VHHTA140 Moved: Rachel Kennedy
Seconded: Nigel Catt

That the Victor Harbor Horse Tram Authority Board endorse the draft sponsorship package as presented at attachments a, b, c, and d, with this report, to facilitate the commencement of sponsorship discussions with potential sponsors, without delay.

CARRIED

- VHHTA141 Moved: Nigel Catt
Seconded: Rachel Kennedy

That the General Manager and/or Board delegate be authorised to make changes to the endorsed sponsorship package, to ensure that packages are flexible, current and meet the changing needs of the Authority and

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 17 December 2019
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potential sponsors, providing it continues to meet the requirements of the VHHTA Sponsorship Policy.

CARRIED

8.2 VHHTA142 Moved: Rachel Kennedy
Seconded: Natasha Hunt

That the Victor Harbor Horse Tram Authority receive and note the Reallocation of Capital Funds to Support Construction of Stable Facilities at Canton Place report.

CARRIED

VHHTA143 Moved: Rachel Kennedy
Seconded: Nigel Catt

That the Victor Harbor Horse Tram Authority seek endorsement from City of Victor Harbor for the reallocation of funds from their capital budget as described in this report, to support the construction of improved stabling facilities based upon the draft design included at Attachment A, subject to Council acquiring a license to purchase the land or another form of legal agreement securing tenure at Canton Place.

CARRIED

8.3 VHHTA144 Moved: Nigel Catt
Seconded: Rachel Kennedy

That the Victor Harbor Horse Tram Authority receive and note the First Quarter Financial Report 2019/20–Profit and Loss Statement report and provide it to Council for their information.

CARRIED

9. Discussion Items – No Decision(s)

- Pilot merchandise over summer
- Social Media Procedure

10. Urgent Business without Notice

Nil

Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 17 December 2019
Commencing at 3.00pm



11. Confidential Reports

Nil

12. Next meeting

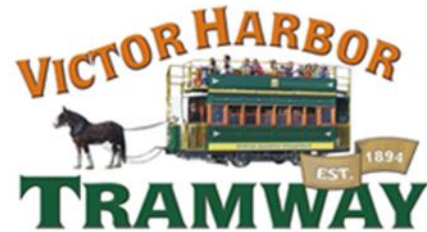
18 February 2020, 3pm – Encounter Room

13. Meeting Closed

4.10pm

***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.*

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Thursday 9 January 2020
Commencing at 10.00am (via circular resolution)**



On behalf of the General Manager, the Corporate and Customer Service Administration Officer of the City of Victor Harbor emailed the agenda to the Victor Harbor Horse Tram Authority Board Members on Wednesday 8 January 2020.

The purpose of the Circular Resolution Agenda was to seek (via circular resolution) the Board's decision relating to Proposed Reallocation of Council's 2019/20 Capital Funds to Support the Full 150 Metres of Track Repairs Required on Granite Island.

1. Present

Cr Carol Schofield AM (via email)
Nigel Catt (via email)
Rachel Kennedy (via email)
Natasha Hunt (via email)

Megan Whibley (General Manager VHHTA)

Karen Rokicinski (Director Corporate and Customer Service CVH)
Pauline Corcoran (Corporate and Customer Service Administration Officer CVH)

Immediately following the sending out of the Agenda by email, all Board Members were then contacted by email. The listing below details the results of those contacts:

Confirmed (4)
Board Members: Rachel Kennedy, Nigel Catt, Natasha Hunt, Cr Carol Schofield

Therefore a quorum of 3 Board Members was achieved (via circular resolution)

2. Apologies

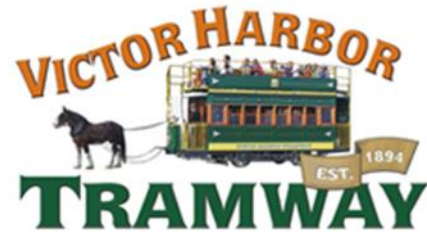
Paul Brown (Chair)

3.1 - Report

Nigel Catt, Rachel Kennedy, Natasha Hunt and Cr Carol Schofield AM attended the meeting via email, therefore a quorum was achieved (via circular resolution).

Nigel Catt – voted in favour of the recommendation (via email)
Rachel Kennedy – voted in favour of the recommendation (via email)

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Thursday 9 January 2020
Commencing at 10.00am (via circular resolution)**



Natasha Hunt – voted in favour of the recommendation (via email)
Cr Carol Schofield AM - voted in favour of the recommendation (via email)

In accordance with the Victor Harbor Horse Tram Authority Code of Practice for Meeting procedures, if the majority of the Board Members vote in favour, the resolution/s will be a resolution of the Board and will be a valid and effective as if it had been passed at a meeting of the Board duly convened and held.

3.2 Circular Resolution

VHHTA144

1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Proposed Reallocation of Council's 2019/20 Capital Funds to Support the Full 150 Metres of Track Repairs Required on Granite Island.
2. That:
 - (i) the Victor Harbor Horse Tram Authority Board supports the proposed reallocation of Council's 2019/20 Capital Funds from upgrades to the Horse Tram Office and Stables, to instead undertake repairs required on Granite Island to the full 150 metres of track; and
 - (ii) That endorsement is sought from Council for the reallocation of their Capital funds for this purpose.

CARRIED (via circular resolution)

13. Meeting Closed

Not applicable (meeting was conducted via circular resolution)



Meeting **Victor Harbor Horse Tram Authority**

Date **18 February 2020**

From **Megan Whibley**

Subject **Outstanding Resolutions Register**

Report Number **5.2**

RECOMMENDATION

That the Victor Harbor Horse Tram Authority receive and note the Outstanding Resolutions Register report.

INFORMATION

Purpose

The purpose of this report is to review the outstanding resolutions register and determine the best course of action for items where required.

Background

The General Manager is to maintain a register of outstanding resolutions and implement resolutions of the Board in a timely and efficient manner.

The outstanding resolutions report lists all the outstanding resolutions from previous Board meetings, with a progress note against each resolution. Completed items are removed from the register for the following Board meeting to ensure that the list remains a current working document of outstanding resolutions that require action.

Commentary

The current outstanding resolutions register is provided at attachment A.

RISK ASSESSMENT

Corporate Governance –The board must manage its governance risk of implementing decisions of the Board and associated actions as well as work as required by the Local Government Act 1999 Section 99(1)(a) and the Charter within approved budgets and required time frames. This report provides a mechanism for the Board to monitor progress of resolutions, work and actions and to manage the associated governance risk. The risk is assessed as *low*.

Socio Political, Community Issues / Reputation – There may be some concern from former or current Board members, Council and the broader community if resolutions are not actioned in a timely manner or if the current Board determines to resolve contrary to an earlier resolution. The risk is assessed as *medium*.

BUDGET IMPLICATIONS

There are no budget implications associated with the Board receiving and noting this report.

The majority of tasks on the outstanding resolutions register will be undertaken by the General Manager Horse Tram Authority as scheduled and without requirement for additional funds. Where additional budget is required to achieve items on the resolutions register, endorsement by the Horse Tram Authority Board, or where applicable, budget bids to Council, will be applied to individual items as required.



VHHTA – Outstanding Resolutions Register – updated 14-Feb-20

*newest at top

Date	Minute Number	Resolution	Status/Update
17 Dec 2019	VHHTA147	That with reference to minute VHHTA40 as detailed in this report regarding improvements to the Causeway Horse Tram Station, the matter be discontinued in light of the new causeway alignment and that the Authority work with DPTI and/or Council to ensure that the future design of any new facilities and infrastructure are suitable to the ongoing needs of the VHHTA.	Ongoing – liaising with Council/DPTI regarding future of Causeway and infrastructure needs of VHHTA.
17 Dec 2019	VHHTA143	That the Victor Harbor Horse Tram Authority seek endorsement from City of Victor Harbor for the reallocation of funds from their capital budget as described in this report, to support the construction of improved stabling facilities based upon the draft design included at Attachment A, subject to Council acquiring a license to purchase the land or another form of legal agreement securing tenure at Canton Place.	Completed Dec 2019 – letter provided to Council CEO.
17 Dec 2019	VHHTA135	That the Board view the video produced by the Friends of the Victor Harbor Horse Tram to determine suitability to display in the office window and give delegation to the General Manager to purchase a monitor up to the value to \$500.	In progress - Carol Schofield has shared video with the other Board members. No feedback received as yet. Monitor still to be purchased.
17 Dec 2019	VHHTA134	That with reference to minute VHHTA59 as detailed in this report, a review of the VHHTA the Code of Practice for Meeting Procedures be undertaken by the Board in the first quarter of 2020.	Not yet commenced - Email to be sent requesting the Board to review and see if any changes are required.



Date	Minute Number	Resolution	Status/Update
17 Dec 2019	VHHTA132	That the Board include outstanding items from the Work Program in their review of the VHHTA Business Plan 2019-21 to consolidate the direction of the Authority and streamline reporting so that it is against the current business plan.	In progress - Business Plan to be further revised following presentation to Council in February 2020 – outstanding items from work program to be incorporated as part of this amendment process.
17 Sept 2019	VHHTA108	That the Victor Harbor Tram Authority modify the works program by delaying the Tram 4 action for 12 months and removing the ticket machine action from the works program	In progress - To be a 2021/22 Budget Bid (has been discussed with Director E&I for inclusion in Council’s long term financial plan).
20 Aug 2019	VHHTA96	That the Victor Harbor Horse Tram Authority examine the policy associated with sales and Merchandise.	In progress
20 Aug 2019	VHHTA97	That the Victor Harbor Horse Tram Authority review the volunteer policy.	In progress
20 Aug 2019	VHHTA103	That the Victor Harbor Horse Tram Authority seek endorsement from the City of Victor Harbor to reallocate capital funds in their 19/20 capital budget to support an upgrade to the stables at Canton Place, facilitated by a scope reduction for the merchandise area redevelopment.	Superseded - by a new resolution seeking Council endorsement for reallocation of funds for tram track works on Granite Island.
18 June 2019	VHHTA82	<p>Grazing Land</p> <p>1. That the Victor Harbor Horse Tram Authority (VHHTA) write to the Chief Executive Officer of the City of Victor Harbor to seek</p>	



Date	Minute Number	Resolution	Status/Update
		<p>approval to access the Council owned land outlined in Option 1 (known as Gillespie Land) as a short term grazing solution.</p> <p>2. The VHHTA request that the General Manager commence negotiations with SA Water to access land identified as Options 2 & 3 and report back to the Board.</p>	<p>Complete</p> <p>In progress - Negotiations with SA Water are being undertaken by Council, as the party with current tenure arrangements with the property owner, to secure tenure/ownership.</p>
12 Feb 2019	VHHTA39	<p>Back up mechanical Tram</p> <p>That a "Committee" be formed in due course under the auspices of the Authority, as authorised under section 9 of the Charter, with the objective and terms of reference to;</p> <ul style="list-style-type: none"> • Investigate and consider all alternative means of vehicle to pull the Horse Tram carriages, including electrical, tractor or vehicle (eg as held by the Port Elliot Museum), overseas options (France, European models). • Investigate the costs and timing of introducing such a service. The working Party is to report to the Board in due course with its results 	<p>A proposal has been received through the Office of David Basham MP to reinstate the previous tractor train, operating services across the Causeway in lieu of Horse Tram. A mechanical audit of the vehicle has been undertaken and advice sought from the Vehicle Standards division of the Department Planning, Transport & Infrastructure, with regard to registration. A number of issues have been highlighted through this work, advice has been provided back to the Office of David Basham.</p>



Date	Minute Number	Resolution	Status/Update
			On hold (Dec 2019) – refer resolution VHHTA146 - until the design of the new causeway is determined.
12 Feb 2019	VHHTA40	<p>That a "Committee" be formed in due course under the auspices of the Authority, as authorised under section. 9 of the Charter, with the objective and terms of reference to;</p> <ul style="list-style-type: none"> • Consider the options available to improve the state and design of the Causeway Horse Tram Station, to; <ul style="list-style-type: none"> o Improve its suitability as a station, both in regard to safety, loading and unloading procedures, and o Improve signage and ticketing facilities, and o Improve protection provided to passengers from bad weather, including rain, wind and sun. 	Superseded (Dec 2019) – refer resolution VHHTA147 – further consideration of requirements for causeway tram station will occur through discussions with Council and DPTI regarding new causeway.
21 Dec 2018	VHHTA2018a	<p>Window Display at the Tram Office</p> <p>Action: Ms Victoria MacKirdy – Interim General Manager to organise implementation of a monitor utilising the three current videos of the Horse Drawn Tram to be displayed on the windows facing south of the causeway.</p>	<p>Completed.</p> <p>Superseded – refer to resolution VHHTA135</p>



Meeting **Victor Harbor Horse Tram Authority**
 Date **18 February 2020**
 From **Meg Whibley**
 Subject **General Manager Operations Report**
 Report Number **6.1**

RECOMMENDATION

That the Victor Harbor Horse Tram Authority receive and note the General Manager Operations Report.

INFORMATION

Purpose

The purpose of this report is to provide an update from the General Manager to the Board, regarding Horse Tram operations.

Background

Whilst the following matters are operational and do not require endorsement by the Board, they are important in the early stages of establishing the Victor Harbor Horse Tram as an Authority and for this reason, an update is provided for Board information.

Commentary

Ticket Sales: Period 1 Jan – 31 Jan 2020

Year	2020	2019	2018	2017	2016
Tickets sold	7306	4581	5497	7284	6961
	59% on 2019		2020 33% better then 2018	2020 0.3% better then 2017	2020 5% better then 2016
Revenue \$	\$85373	\$46350	\$60482	\$75348	\$71500
Days closed	6	13	4	1	0
Rev Growth %	84% on 2019 (closures)	A hard Year to compare to.	41% on 2018	13% on 2017	19% on 2016

Ticket sales over the January period have shown growth in comparison with previous years.

Kids travel free with a paying adult has been successful and provided a positive marketing opportunity for the Horse Tram.

Staff:

New junior staff roles are progressing well, with paddock clean-up working effectively. Training in ticket sales and horse tack up is ongoing, and will continue to be a necessary component of future succession planning and sustainability of horse tram operations.

Horses:

The working horses have handled a busy summer season and are all in good health. The decision to run just the two trams was a good one in terms of both revenue and horse health/sustainability across the busy season.

The horse chiropractor has attended to four of the working horses prior to Christmas and is attending to Chester and Scotty in early February 2020. This has been key for maintaining horse health/wellbeing.

Karni received cortisone injections on advice from the chiropractor for an ongoing stifle issue, which was fortunately effective in treating this ailment.

Jay Jay had x-rays after showing signs of lameness which indicated that there were no bone issues and simply muscle soreness, which the Horse Husbandry team are now working through. He has since had a couple of tram runs and is now performing better.

Training has resumed with Scotty and Chester, which is going well.

Track Maintenance:

Track works on Granite Island were scheduled for the last two weeks in March 2020 to coordinate with appropriate timings in the penguin nesting / mating season. Based upon engineering reports, and the experience of horse tram drivers, these works are essential to ensure the tram is able to continue to operate without risks and disruptions from derailment. A confidential report was put to Council in January 2020 in relation to the tender for these works, however, no outcome has been provided to the Authority in relation to these tendered works at this stage.

Trams:

Trams are still receiving ongoing maintenance in relation to their bearings and springs. Tram #3 is settling down but still not rolling perfectly and this is likely to be because the new wheels are not yet worn in.

With the extra budget spent on bearings, springs and brakes this financial year, the tram #1 wheel replacement planned for 2019/20 will instead need to be budgeted for in the operating budget for 2020/21.

RISK ASSESSMENT

A risk assessment has not been undertaken as this operations report is provided to the Board for receiving and noting only.

BUDGET IMPLICATIONS

There are no budget implications associated with the Board receiving and noting the General Manager Operations Report.



Meeting	Victor Harbor Horse Tram Authority
Date	18 February 2020
From	Megan Whibley
Subject	Authorisation to Sign 2018/19 Certification of Financial Statements
Report Number	8.1

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the Authorisation to Sign 2018/19 Certification of Financial Statements report.**
- 2. That the Victor Harbor Horse Tram Authority Board authorise the Chair, Mr Paul Brown, to sign the Victor Harbor Horse Tram Authority certification of annual financial statements for the year ended 30 June 2019, as provided at Attachment B to this report, on behalf of the Authority.**

INFORMATION

Purpose

To authorise Board Chair, Mr Paul Brown to sign the certification of annual financial statements for the year ended 30 June 2019 on behalf of the Victor Harbor Horse Tram Authority.

Background

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Authority determines 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 Authority is 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 the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Commentary

Galpins Accountants, Auditors & Business Consultants (Galpins) were engaged to perform an audit on the Victor Harbor Horse Tram Authority 2018/19 financial statements. They

have completed their audit of these financial statements and indicated their intention to issue an unmodified report for the financial statements.

Galpins have indicated that their final independent auditor's report on the financial report will be issued upon receipt of the final financial report containing the signed certification of financial statements and the signed certification of audit independence. A draft of this final report from Galpins is provided at attachment A.

Board endorsement is sought to give the Board chair authorisation to sign these documents on behalf of the Authority. The document for signature (certification of financial statements as part of the annual financial statements for the year ended 30 June 2019) is provided at attachment B to this report.

RISK ASSESSMENT

Corporate Governance –The Charter requires the VHHTA to provide audited financial statements to the Council. Board authorisation is required for the chair to sign the certification of financial statements on behalf of the Authority. This risk is assessed as **low**.

REFERENCES

Galpins 2018/19 Auditor's report

BUDGET IMPLICATIONS

Excluding endorsed budgeted resources there are no budget implications in authorising the chair to sign the certification of financial statements.

No additional funds are required.

CONSULTATION

VHHTA Board

Galpins Accountants, Auditors & Business Consultants

Group Manager Governance and Finance, City of Victor Harbor



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Mr Paul Brown
Chairperson
Victor Harbor Horse Tram Authority
PO Box 11
Victor Harbor SA 5211

Attachment A.

Chairperson of the board, Mr Paul Brown

Re: Victor Harbor Horse Tram Authority – Audit clearance letter – 2018/19

We have recently completed our audit of the financial statements of the Victor Harbor Horse Tram Authority and intend to issue an unmodified report for the financial statements.

Our final independent auditor's report on the financial report will be issued upon receipt of the final financial report containing the signed certification of financial statements and the signed certification of audit independence (our proposed auditor's report is attached to this letter).

Australian Auditing Standards require us to advise all the Immaterial Uncorrected Misstatements found during the audit. There were no Immaterial Uncorrected Misstatements found as all misstatements identified by audit were adjusted in the financial report.

I confirm also my intention to sign the Statement by Auditor regarding my independence, and confirm that for the audit of the year ended 30 June 2019 I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully,

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

Tim Muhlhausler CA Registered Company Auditor
Partner

30 October 2019

PROPOSED INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Victor Harbor Horse Tram Authority

Opinion

We have audited the accompanying financial report of the Victor Harbor Horse Tram Authority (the Authority), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Authority's Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Authority determines 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 Authority is 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 the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 of the financial report in order to design audit procedures that are appropriate in the circumstances.
-) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
-) Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

//

DRAFT STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Victor Harbor Horse Tram Authority for year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professionals and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011

Tim Muhlhausler
Galpins

Dated this day of 2019.

Victor Harbor Horse Tram Authority

General Purpose Financial Report for the year ended 30 June 2019

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Victor Harbor Horse Tram Authority

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by Victor Harbor Horse Tram Authority to certify the financial statements in their final form.
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.

.....
Name
Chairperson

Date:

Victor Harbor Horse Tram Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
INCOME			
User charges	2	159	-
Other	2	275	-
Total Income		<u>434</u>	<u>-</u>
EXPENSES			
Employee costs	3	-	-
Materials, contracts & other expenses	3	432	-
Finance costs		-	-
Depreciation, amortisation & impairment	3	-	-
Total Expenses		<u>432</u>	<u>-</u>
OPERATING SURPLUS / (DEFICIT)		2	-
transfer to Equity Statement			
Asset disposal & fair value adjustments		-	-
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		<u>2</u>	<u>-</u>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>2</u>	<u>-</u>

This Statement is to be read in conjunction with the attached Notes.

Victor Harbor Horse Tram Authority

**STATEMENT OF FINANCIAL POSITION
as at 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	7	-
Trade & other receivables		-	-
Total Current Assets		<u>7</u>	<u>-</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment		-	-
Total Assets		<u>7</u>	<u>-</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5	5	-
Provisions		-	-
Borrowings		-	-
Total Current Liabilities		<u>5</u>	<u>-</u>
Non-current Liabilities			
Borrowings		-	-
Provisions		-	-
Total Non-current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>5</u>	<u>-</u>
NET ASSETS		<u>2</u>	<u>-</u>
EQUITY			
Accumulated Surplus		2	-
TOTAL EQUITY		<u>2</u>	<u>-</u>

This Statement is to be read in conjunction with the attached Notes.

Victor Harbor Horse Tram Authority

**STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019**

	2019	Accumulated Surplus	TOTAL EQUITY
	\$'000		
Balance at end of previous reporting period		-	-
Net Surplus/ (Deficit) for Year		2	2
Other Comprehensive Income			
Contributed Equity		-	-
Distributions to Member Councils		-	-
Balance at end of period		2	2

	2018	Accumulated Surplus	TOTAL EQUITY
	\$'000		
Balance at end of previous reporting period		-	-
Net Surplus/ (Deficit) for Year		-	-
Other Comprehensive Income			
Contributed Equity		-	-
Distributions to Member Councils		-	-
Balance at end of period		-	-

This Statement is to be read in conjunction with the attached Notes

Victor Harbor Horse Tram Authority

**STATEMENT OF CASH FLOWS
for the year ended 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		434	-
Investment receipts		-	-
<u>Payments</u>			
Employee costs		-	-
Materials, contracts & other expenses		(427)	-
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	6	7	-
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		-	-
Sale of surplus assets		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		-	-
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Capital contribution by member councils		-	-
Proceeds from Borrowings		-	-
<u>Payments</u>			
Repayments of Borrowings		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		7	-
 Cash & cash equivalents at beginning of period	6	-	-
Cash & cash equivalents at end of period	6	7	-

This Statement is to be read in conjunction with the attached Notes

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Victor Harbor. The City of Victor Harbor resolved to establish a subsidiary which was published in the South Australian Government Gazette on 25 October 2018. The 2018/19 financial year is the first year of operation for the Authority.

The Authority is a wholly owned Subsidiary of the City of Victor Harbor per the *Local Government Act 1999*.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000) for the first time this year.

2 The Local Government Reporting Entity

The Victor Harbor Horse Tram Authority operates as a subsidiary pursuant to the *Local Government Act 1999*.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 7.

5 Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

As at reporting date, the Authority held no Property, Plant & Equipment assets.

All plant and equipment assets deployed to provide services are hired by the Authority from the City of Victor Harbor.

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

The Authority did not employ any staff during the 2018/19 financial year. All labour is contracted from the City of Victor Harbor and accordingly, the Authority recognises an expense for contract labour costs in Note 3 of the Financial Statements.

8 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

10 New Accounting Standards

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

As at the time of preparing the financial statements, the Authority has not undertaken a review as to whether any of the new accounting standards will have a material impact on the future financial performance and position of the Authority. Given the Authority is a wholly owned subsidiary of the City of Victor Harbor, it will adopt any change in accounting policies adopted by the Council as a result of the introduction of the new accounting standards in 2019/20.

Given the nature of the Authority's current operations, the introduction of new accounting standards as from 1 July 2019 is not expected to have a material impact on the future financial performance and position of the Authority.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
USER CHARGES			
Ticket Sales		157	-
Souvenir Sales		2	-
		<u>159</u>	<u>-</u>
OTHER INCOME			
Council Contributions		274	-
Donations		1	-
		<u>275</u>	<u>-</u>

Note 3 - EXPENSES

MATERIALS, CONTRACTS & OTHER EXPENSES

Auditor's Remuneration		-	-
Board Expenses		17	-
Subtotal - Prescribed Expenses		<u>17</u>	<u>-</u>
<u>Other Materials, Contracts & Expenses</u>			
Advertising		14	-
Contract Labour Costs (including on-costs)		238	-
Equipment Rental		28	-
External Contractors		3	-
Horse & Tram Maintenance Costs		59	-
Insurance		17	-
Other Expenses		17	-
Printing, Stationery & Postage		1	-
Professional Services		38	-
Subtotal - Other Materials, Contracts & Expenses		<u>415</u>	<u>-</u>
		<u>432</u>	<u>-</u>

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank		7	-
Deposits at Call		-	-
		<u>7</u>	<u>-</u>

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 5 - LIABILITIES

		2019 \$'000		2018 \$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		5	-	-	-
Accrued expenses - other		-	-	-	-
		5	-	-	-

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled

		2019 \$'000		2018 \$'000	
	Notes				
Total cash & equivalent assets	4	7		-	
Less: Short-term borrowings		-		-	
Balances per Cash Flow Statement		7		-	

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Surplus (Deficit)		2		-	
Non-cash items in Income Statement					
Net increase (decrease) accrued interest charges		-		-	
(Gain) / Loss on Disposal		-		-	
		2		-	
Add (Less): Changes in Net Current Assets					
Net (increase) decrease in receivables		-		-	
Net increase (decrease) in trade & other payables		5		-	
Net Cash provided by (or used in) operations		7		-	

(c) Financing Arrangements

The Authority has no additional financing arrangements to disclose.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 7 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2019	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	7	-	-	-	-	7
Loans & Receivables						
Receivables	-	-	-	-	-	-
Total	7	-	-	-	-	7
Financial Liabilities						
Payables	-	-	-	-	5	5
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-	-
Total	-	-	-	-	5	5
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	7	-	-	-	(5)	2

2018	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	-	-	-	-	-	-
Loans & Receivables						
Receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial Liabilities						
Payables	-	-	-	-	-	-
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	-	-	-	-	-	-

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 7 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Terms & conditions: Deposits on Call do not have a maturity period. Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Gate Fees & Associated Charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 8 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2019 \$'000	2018 \$'000
Expenditure Commitments			

The Authority has no expenditure commitments to disclose.

Note 9 - OPERATING LEASES

Lease payment commitments of Authority

The Authority has no operating lease commitments to disclose.

The Authority has entered into a hire agreement with the City of Victor Harbor for the use of all plant and equipment used in the delivery of horse tram services provided. No formal long-term lease has been executed between the Authority and the City of Victor Harbor given the Authority is a wholly owned entity of the City of Victor Harbor.

Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that are required to be disclosed.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 11 - RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 1 person was paid the following compensation:

	2019 \$'000	2018 \$'000
Salaries, allowances, sitting fees & other short term benefits	17	-
Long term benefits	-	-
TOTAL	17	-

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Victor Harbor	274	-	Provision of Horse Tram services to local community.

The Related Party disclosed is the 100% equity owner of the Authority and are referred to as the Member Council. The Member Council has 100% control and influence on the financial and operating decisions of the Authority.



Meeting **Victor Harbor Horse Tram Authority**
Date **18 February 2020**
From **Megan Whibley**
Subject **December Budget Review 2019/20**
Report Number **8.2**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the December Budget Review 2019/20 report.**
- 2. That the Victor Harbor Horse Tram Authority endorse the December Budget Review 2019/20 as presented at attachment A to this report, noting an unchanged contribution from Council (operating deficit) of \$364,000.**

INFORMATION

Purpose

The purpose of this report is for the Victor Harbor Horse Tram Authority (VHHTA) to endorse the December Budget Review 2019/20.

Background

Section 9 of the Local Government (Financial Management) Regulations 2011 provides the requirements for regular budget reviews. Further, the Victor Harbor Horse Tram Authority are required by the Charter to provide reports on the financial position of the Authority each quarter:

5.5 Quarterly reports summarising the financial position and performance of the Authority against the Budget must be prepared and presented to the Board within thirty days of the conclusion of each quarter and copies provided to the Council.

The first quarterly report could not be delivered as scheduled as financial information was not able to be separated from financial data of the City of Victor Harbor at this point in time. This December (mid-year) budget review, is a review addressing the full first six months of the 2019/20 financial year.

Commentary

The Victor Harbor Horse Tram Authority 2019/20 budget was prepared in the City of Victor Harbor's Synergy software package and as part of the separation of Council and Authority operations, the VHHTA will be utilising the software package 'Xero' to manage Authority finances. This remains in a transition period over 2019/20, but it is expected to

become simpler going into 2020/21, with a full financial year occurring across only the one software package from this point in time.

The 2019/20 budget is tracking well, albeit with some notable inaccurate budget estimations detected as a result of the separation of Council and the Victor Harbor Horse Tram Authority accounts. Fortunately, extra ticket sales have boosted income and staff costs are being managed effectively, which means that the variance continues to track considerably well.

Inaccurate estimations at the budget planning phase have included an under-budgeting of Authority insurance costs and a wages budget which did not include provision for the essential horse husbandry role, a role which is required by the Authority to ensure the adequate wellbeing and training of the working horses. Budget for the purchase of Xero accounting software was also insufficient, with a \$500 budget allocation for a package which has an annual cost of \$1100. Audit costs were also not factored into the original 2019/20 budget. Adjustments have needed to be made across the budget to cater for these actuals. It is not unexpected that there have been these challenges with separation of budgets from Council in the early period of the Authority, and it is expected that budgeting will become more accurate over future budget cycles. The December budget review is an opportunity to revise the original budget and adjust it according to known information at this point in the financial year.

Appropriate provision for unbudgeted/under-budgeted costs will be included in the 2020/21 budget, where they have become known at this point in the cycle.

The December budget review 2019/20 for Board endorsement is provided at attachment A. Comprehensive details of the budget review are provided for Board information at attachment B.

Profit and Loss

Victor Harbor Horse Tram Authority
For the 6 months ended 31 December 2019

JUL-DEC 2019

Trading Income	
CVH budget contribution	182,000.00
Ticket sales	223,255.02
Interest Income	(1.15)
Donation Income	388.96
Souvenir Sales	4,030.36
Total Trading Income	409,673.19
Gross Profit	
409,673.19	
Operating Expenses	
Admin Charge	71,269.89
Advertising Expenses	3,996.29
Horse expenditure	27,825.13
Security Expenses	646.00
Souvenir Purchases	1,865.55
Staff expenses	203,386.82
Tram, Building & Paddock Maintenance	24,490.13
Vehicle and Travel Expenses	118.17
Total Operating Expenses	333,597.98
Net Profit	76,075.21

RISK ASSESSMENT

Financial Management – The VHHTA is on track to achieve an end of financial year position in accordance with the adopted budget. The Board are continuing to find ways to generate own-source income outside of ticket sales to improve the bottom line into the future. The risk is assessed as **low**.

Socio Political, Community Issues / Reputation - The Board are continuing to find ways to generate own-source income to reduce the dependency on Council funding which will go toward appeasing any community concern regarding the use of ratepayer money to fund horse tram operations. There could be opportunity for the VHHTA to provide information to the Victor Harbor community around the benefits of the iconic Horse Tram as a driver of the tourist economy and as an attraction for Victor Harbor versus the relatively low cost of keeping the service running. This risk is assessed as **Medium**.

REFERENCES

Victor Harbor Horse Tram Authority 2019/20 budget

BUDGET IMPLICATION

The contribution required from City of Victor Harbor (operating deficit) presented in the budget review at attachment A remains unchanged at \$364,000, with additional revenue expected to sufficiently offset additional expenses.

CONSULTATION

SMP Chartered Accountants

Attachment A

Victor Harbor Horse Tram Mid Year Budget review 1.7.2019 - 31.12.2019						
COA	Job	Description	Original	December 2019 Review	Variance	Comments
0322070	Ticket and Booking Sales		-\$418,000	-\$468,000	-\$50,000	Additional ticket sales expected
0322080	Other Income		-\$8,500	-\$10,500	-\$2,000	Sales of merchandise higher than expected
0323000	Employee Wages / Costs		\$496,400	\$526,400	\$30,000	Horse Husbandry role not budgeted for
0323020	Administration & Office Costs		\$17,900	\$38,487	\$20,587	Insurance premiums higher than anticipated
0323040	Tram Utilities		\$17,300	\$17,300	\$0	
0323050	Horse Costs and Maintenance		\$112,500	\$112,500	\$0	
0323070	Tram Promotion		\$19,000	\$19,000	\$0	
0323080	Other Tram Costs		\$25,400	\$26,813	\$1,413	Staff uniforms
0323090	Administration Charge - Rent on Assets		\$42,000	\$42,000	\$0	
0323099	Administration Charge - Corporate Support		\$60,000	\$60,000	\$0	
OPERATING TOTAL			\$364,000	\$364,000	\$0	
City Of Victor Harbor Contribution			-\$364,000	-\$364,000	\$0	
Operating Total after Contribution			\$0	\$0	\$0	

Attachment B - 2020/21 Horse Tram Operating Budget

COA	Job	Description	19/20	YTD Actual 31.12.20	Budget Remaining	Comments
0322070	Ticket and Booking Sales					
	32270	Tram Daily Ticket Sales (Terminus)	-\$405,000.00	-\$218,741.02	-\$186,258.98	Casual Ticket Sales
	32273	Tram Group Booking Sales	-\$6,000.00	-\$4,348.87	-\$1,651.13	Group Bookings (external tour providers)
	32275	Tram - Whale Package Sales	-\$5,000.00	-\$165.13	-\$4,834.87	Joint HT / WC Ticket Sales
	32276	Tram Fleurieu Heritage Sales	-\$2,000.00		-\$2,000.00	Heritage Package Sales
0322080	Other Income				\$0.00	
	32279	Tram Cash Adjustments	\$0.00	\$1.15	-\$1.15	No allowance provided
	32289	Tram Souvenir Sales	-\$5,000.00	-\$4,030.36	-\$969.64	Souvenir Sales
	32299	Tram Other Income	-\$3,500.00	-\$388.96	-\$3,111.04	Sponsorships and Donations \$0.5k
		COVH Contribution			\$0.00	
0323000	Employee Wages				\$0.00	
	32300	Tram Ordinary Salaries - Tramway	\$174,000.00	\$86,912.33	\$87,087.67	General Manager & Assistant & Horse Husbandry role - 3FTE
	32304	Tram Casual Salaries	\$252,600.00	\$88,026.26	\$164,573.74	Peak times - 4FTE per day Off-peak weekdays - 2FTE Off-peak weekends - 2.5FTE
	32305	Tram Casual Training Salaries	\$0.00		\$0.00	Included in 32304
	32306	Tram Casual Maintenance Salaries	\$0.00		\$0.00	Included in 32304
	32307	Tram Casual Horse Handling / Breaking Salaries	\$0.00		\$0.00	Included in capital
	32308	Tram Salaries Liability Adjust	\$1,000.00		\$1,000.00	Allowance for EOFY transactions
0323010	Employee Costs				\$0.00	
	32310	Tram Superannuation	\$40,800.00	\$18,633.66	\$22,166.34	As per salaries
	32312	Tram Workers Comp Premium	\$20,000.00	\$5,348.35	\$14,651.65	As per salaries
	32314	Tram Training/Development	\$500.00	\$248.45	\$251.55	Allowance for staff training
	32316	Tram Uniforms/Clothing	\$1,000.00	\$2,727.37	-\$1,727.37	Allowance for staff uniforms & protective clothing
	32319	Tram Vehicle/Travelling Expenses	\$6,500.00	\$118.17	\$6,381.83	Vehicle expenses based on mileage
0323020	Administration & Office Costs				\$0.00	
	32321	Tram Printing/Stationery	\$1,000.00	\$1,029.08	-\$29.08	Stationary & minor office supplies
	32323	Tram Insurance	\$11,500.00	\$25,729.00	-\$14,229.00	Insurance premium
	32324	Tram Photocopier Expenses	\$400.00	\$0.00	\$400.00	Internal photocopying / printing allowance
	32329	Tram Other Admin Expenses	\$2,000.00	\$1,477.06	\$522.94	EFTPOS charges
0323030	Telephone and Internet Costs				\$0.00	
	32331	Tram Mobile Phone Expenses	\$2,000.00	\$252.00	\$1,748.00	Call and data charges
	32336	Tram Internet/Website Expenses	\$500.00		\$500.00	Modem charges
	32339	Tram It Consumables/Other It Expenses	\$500.00	\$0.00	\$500.00	XERO accounting subscription
0323040	Tram Utilities				\$0.00	
	32340	Tram Power	\$3,500.00	\$4,274.00	-\$774.00	Tram barn & office electricity

Attachment B. - 2020/21 Horse Tram Operating Budget

COA	Job	Description	19/20	YTD Actual 31.12.20	Budget Remaining	Comments
	32341	Tram Water	\$5,500.00	\$847.00	\$4,653.00	Water charges
	32343	Tram Security	\$3,500.00	\$646.00	\$2,854.00	Patrols, cash collections & call outs
	32344	Tram Cleaning	\$4,800.00	\$2,210.21	\$2,589.79	Hygiene and cleaning services
0323050	Repairs and Maintenance Costs				\$0.00	
	32350	Tram Minor Capital Purchases <\$1000	\$1,000.00		\$1,000.00	Allowance for minor equipment
	32351	Tram Henderson Road Stable/Fencing Expenses	\$3,500.00	\$3,747.44	-\$247.44	Fencing repairs and maintenance
	32352	Tram Admin/Stables/Barn Maintenance	\$15,000.00	\$0.00	\$15,000.00	Repairs and maintenance
	32353	Tram Other Property Maintenance			\$0.00	Not Required
	32355	Tram Line Maintenance	\$15,000.00	\$0.00	\$15,000.00	Track inspections & maintenance
	32359	Tram Horse Training/Breaking	\$0.00		\$0.00	Not Required - Capitalised
	32360	Tram Other Equipment Maintenance	\$1,000.00		\$1,000.00	Fire Control, Testing & Tagging
	32363	Tram Maintenance	\$20,000.00	\$18,532.48	\$1,467.52	Repairs & maintenance
	32366	Tram Horse Feed Expenses	\$25,000.00	\$9,275.03	\$15,724.97	Horse Feed (additional horses)
	32367	Tram Horse Farrier Expenses	\$22,000.00	\$8,900.00	\$13,100.00	Shoeing horses
	32368	Tram Horse Vet Fees	\$10,000.00	\$9,650.10	\$349.90	Vet visitation and medication
0323070	Tram Promotion				\$0.00	
	32370	Tram Advertising	\$12,000.00	\$3,996.29	\$8,003.71	Increased Advertising
	32376	Tram Promotional Materials	\$4,500.00		\$4,500.00	Ticket Printing \$1.5k & Allowance \$3k
	32379	Tram Souvenir Purchases	\$2,500.00	\$1,865.55	\$634.45	Purchase of Souvenirs
0323080	Other Tram Costs				\$0.00	
	32384	Tram Consultants Fees	\$2,000.00	\$4,751.46	-\$2,751.46	Allowance
	32385	Tram Volunteer Expenses	\$5,000.00			Uniforms, Amenities and Training
	32386	Tram Committee Expenses	\$15,000.00	\$11,359.29	\$3,640.71	4 Board Member x \$3k Allowance Amenities / Legal / Other \$3k
	32397	Tram Staff Amenity Expenses	\$1,800.00	\$1,490.40	\$309.60	Staffroom supplies
	32398	Tram Horse Floating			\$0.00	No Longer Required
	32399	Tram Other Expenses	\$1,600.00		\$1,600.00	Emergency Service Levy \$1.2k, Memberships \$0.2k, Allowance \$0.2k
0323090	Administration Charge - Rent on Assets		\$42,000.00	\$6,642.00	\$35,358.00	Billed in lieu of hourly charge
					\$0.00	
0323099	Administration Charge - Corporate Support		\$60,000.00	\$14,909.00	\$45,091.00	Billed in lieu of hourly charge
					\$0.00	
OPERATING TOTAL			\$364,000.00	\$105,924.79	\$253,075.21	



CASHFLOW STATEMENT
For the Year Ending 30 June

	2019/20		2020/21
	Budget		Budget
	\$		\$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	869,200		989,240
Investment Receipts	-		-
Payments			
Operating Payments to Suppliers and Employees	820,710		937,800
GST Payments	48,808		56,031
Net cash provided by (or used in) operating activities	- 318 -		4,591
CASHFLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	-		-
Sale of replaced assets	-		-
Sale of surplus assets	-		-
Payments			
Expenditure on renewal/replacement of assets	-		-
Expenditure on new/upgraded assets	-		-
Net cash provided by (or used in) investing activities	-		-
CASHFLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings	-		-
Payments			
Repayments of borrowings	-		-
Net cash provided by (or used in) financing activities	-		-
NET INCREASE (DECREASE) IN CASH HELD	- 318 -		4,591
Cash & cash equivalents at beginning of period		0 -	318
CASH & CASH EQUIVALENTS AT END OF PERIOD	- 318 -		4,909



Meeting **Victor Harbor Horse Tram Authority**
Date **18 February 2020**
From **Megan Whibley**
Subject **Revised Capital Budget Bids 2020/21**
Report Number **8.3**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Revised Capital Budget Bids 2020/21.**
- 2. That the Victor Harbor Horse Tram Authority Board endorse the revised capital budget bids for 2020/21 as detailed in this report, and provide these to Council for their consideration.**

INFORMATION

Purpose

The purpose of this report is to endorse revised capital budget bids for 2020/21, to provide them to Council for their consideration.

Background

A number of Victor Harbor Horse Tram Authority Board (the Board) discussions have taken place in relation to capital projects that will be required in future budgets to further the needs and success of the Horse Drawn Tram. A number of these projects have been specifically identified as priority actions within the recently Board-endorsed VHHTA Business Plan 2019-21, and all proposed capital budget bids align with the strategic direction of the business plan. Many also align with recommendations of the former Victor Harbor Horse Drawn Tram Committee, as detailed in their report to Council in September 2017.

The role of the Board, as detailed in section 1.7.9 of the VHHTA Charter, is to provide recommendations to Council in relation to the infrastructure maintenance and upgrade needs of the VHHTA and this is formalised through bids to Council for consideration in their 2020/21 capital budget. The final determination as to whether these capital works will progress sits with Council as the owner of the assets.

Commentary

In December 2019, the VHHTA Board endorsed proposed capital budget bids for 2020/21 for Council consideration. A growing urgency regarding tram track replacement works on Granite Island then meant that the Board had to reprioritise capital works for 2019/20 and resolved via circular resolution in January 2020 to request Council reprioritisation of capital funds to track replacement works. For this reason, the Board should now revisit the 2020/21 capital budget bids they intend to lodge with Council to reflect these changing circumstances.

The following tables show the amended individual capital budget bids that are recommended for Board endorsement to be lodged with Council for their consideration in Council’s 2020/21 capital budget. The bids are presented in the format required by City of Victor Harbor as part of their budget planning processes.

1. BUSINESS DETAILS			
Department:	VHHTA	Manager:	Meg Whibley
Activity Area:	VHHTA	Prepared By:	Meg Whibley

2. 2020/21 ANNUAL BUSINESS PLAN – BUDGET BIDS			
Proposed Bids: Stable at Canton place \$183,000	Description:	<i>Provide description, location, & estimated budget</i> Stable construction at Canton Place – two stages) Stage one - outer construction \$83,000) Stage two - fit out of the interior \$100,000- stabling, staff room/presentation room, 1/3 concrete area, amenities, earth works, rain water tanks, wash down area and tie up area.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> Opportunities and necessity to improve these aspects were identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 1. <i>Develop the Front-of-House and Stables</i> <ul style="list-style-type: none"> o <i>Build/develop an appropriate stable facility for the horses</i> o <i>Liaise with City of Victor Harbor around the needs of the Authority to ensure that appropriate grazing land is available for the horses</i> 	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	Inadequate facilities at present shedding. No electricity, no toilets, no area for housing triton and float that is secure. Indoor stables required for the housing of sick or injured horses, out of public view. Additional own source revenue - offer of VIP experiences at the stable facilities. With the uncertainty of the continuous operation of the Tram during the construction of the new Causeway it will be imperative that another income source is developed.	
Proposed Bids: Stable Solar panels \$20,000	Description:	<i>Provide description, location, & estimated budget</i> Solar panels to be installed at the new stable once built so as to generate power and hopefully be self-sufficient - \$20,000 plus gain government grant to match \$20,000	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> With the potential opportunity to build the new stable this would make it a more viable proposition. The former Victor Harbor Horse Tram Committee identified in their September 2017 report to Council a strong need to seek opportunities to reduce costs without reducing the quality of the Horse Tram service. Priority recognised in current VHHTA Business Plan 2019-21: Finance 2. <i>Develop and Diversify Income Streams</i>	

	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	Opportunity to reduce expenses and reliance on Council support – a key priority recognised by the former Victor Harbor Horse Drawn Tram Committee and a focus of the current VHHTA Board. This proposal, whilst incurring an upfront cost to Council, would reduce expenses in relation to electricity over the longer term.	
Proposed Bids: New platform on Granite Island \$20,000			
	Description:	<i>Provide description, location, & estimated budget</i> Demolish the old platform and re build a new one. Looking at a rustic wooden construction to match the heritage look.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> First identified by the former Victor Harbor Horse Drawn Tram Committee, in their report to Council in September 2017 and discussion has continued with the current Board. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 1. <i>Develop the Front-of-House and Stables</i>	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	The existing is rusted and looking rundown. Drawings are being sought at present.	
Proposed Bids: Tram refurbishment \$60,000			
	Description:	<i>Provide description, location, & estimated budget</i> Each tram requires a major refurbishment to inspect integrity of the framework and the outer panels, as well as sand back and repaint. Estimated cost of \$20,000 per tram	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> It has been over three years since this was done and routine maintenance has stalled over the past few years. It is an important safety requirement to have well maintained trams and equipment. Requirement for preventative maintenance works and plans were identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. The need to reduce risk through appropriate asset management is a priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 3. <i>Recognise and reduce risk to the Authority</i>) <i>Update maintenance records, schedule and asset management systems</i>	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	Preventative maintenance is more effective than reactive maintenance and can be effective in saving money over the longer term.	

Proposed Bids: Fencing of grazing land (SA Water) \$20,000			
	Description:	<i>Provide description, location, & estimated budget</i> New fencing for the SA Water land (subject to the SA Water land being purchased or longer term care and control being secured for use by Council and the VHHTA)	

	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> The need to improve conditions on the grazing lands was identified in the September 2017 report from the Victor Harbor Horse Drawn Tram Committee (the Committee) to Council. With negotiations now further progressed in relation to securing the SA Water land as a more permanent grazing site, further upgrades are required, as identified previously by the Committee, to render it suitable for long-term grazing. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 1. <i>Develop the Front-of-House and Stables</i> o <i>Liaise with City of Victor Harbor around the needs of the Authority to ensure that appropriate grazing land is available for the horses</i>	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	Fencing is inadequate at present. This spend will not be required if the land does not transfer to Council, or if care and control is not secured for the longer term – if this ends up being the case then further discussions will be required to determine stabling location and needs into the future. Subject to securing tenure of lands.	

Proposed Bids: Rail Repairs on Granite Island \$200,000	Description:	<i>Provide description, location, & estimated budget</i> Degree of required works unknown at this stage due to the realignment of the new causeway. There is a high likelihood that some further capital funds will be required to replace the inner passing lane, sleepers and rail as track condition at this section is deteriorating.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> Not all of the line has been repaired as part of capital project in 2019/20 and further works have been identified, through visual inspection, as likely over the 2020/21 financial year. The need to reduce risk through appropriate asset management is a priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 3. <i>Recognise and reduce risk to the Authority</i> o <i>Update maintenance records, schedule and asset management systems</i>	
	Approval:	<i>SMT Approval</i>	
		Yes / No	Date:
	Comments:	Works are preventative to avoid further tram derailments and ensure ongoing ability to deliver the Horse Tram service. Note that these works will be required even with the new causeway construction plans. The extent of works required will be determined by how much of the replacement occurs in 2019/20.	
Proposed Bids: Round Yard for training at Canton Place with viewing platform \$20,000	Description:	<i>Provide description, location, & estimated budget</i> With the idea to promote the VIP experiences at Canton Place, a proper round yard for displaying different training methods. To include a raised platform for VIPs to enhance the visual experience.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> First identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as	

		discussion by current Board. Priority recognised in current VHHTA Business Plan 2019-21: Finance 1. <i>Develop and Diversify Income Streams</i>
	Approval:	<i>SMT Approval</i>
		Yes / No Date:
	Comments:	Enhance the VIP experience and increase VHHTA own source revenue. Subject to securing tenure of lands.

Proposed Bids: New horse stock \$20,000	Description:	<i>Provide description, location, & estimated budget</i> Purchase of new horse stock
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> First identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. Priority recognised in current VHHTA Business Plan 2019-21: Staff / Horses <i>Continual purchase of new horse stock is vital to the ongoing success of the Victor Harbor Horse Tram.</i>
	Approval:	<i>SMT Approval</i>
		Yes / No Date:
	Comments:	Continue the growth of horse stock with initial out sourcing of horse breaking/training and then transitioning to the tram training in-house.
Proposed Bids: Harness replacements \$20,000	Description:	<i>Provide description, location, & estimated budget</i> Two new horses will require new collars and one existing horse is still awaiting a new collar and a fourth horse will likely need a replacement collar.
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> Replacing of harness is ongoing as new horses are introduced to the service and old harnesses becomes unusable, causing a risk to safe operations of the Horse Drawn Tram. The need to upgrade Horse Harnesses is a priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence <i>3. Recognise and reduce risk to the Authority</i>
	Approval:	<i>SMT Approval</i>
		Yes / No Date:
	Comments:	The harness serves a functional purpose but also provides a visual indicator to the public that the Victor Harbor Horse Tram is appropriately maintained and in good working condition.

Other proposals discussed by the Board which have not been recommended as 2020/21 capital budget bids with this report, are omitted due to current uncertainty over the causeway and the future location of horse tram operations over to Granite Island. Other priorities presented for consideration in the table above, largely relate to horse wellbeing, staff and public safety and works which will improve the ability of the VHHTA to generate own source revenue or reduce operational expenditure.

RISK ASSESSMENT

Financial Management – The proposed budget bids will impact on Council’s capital budget, with a number of the bids designed to improve the operational bottom line into the future by increasing VHHTA own source revenue or reducing expenses. The risk is assessed as **high**.

Service Delivery – A number of these projects are identified as priority actions within the VHHTA Business Plan 2019-21 and if not supported, may impact on the ability of the VHHTA to improve the operational bottom line over the coming years. Other projects are being proposed to reduce risk to safety and may impact on the ability of the VHHTA to operate, particularly preventative maintenance tasks which have fallen behind over recent years and are required to be done to ensure ongoing safety of operations. It is important to note that a decision to resolve contrary to the recommendation would elevate the risk. The risk is assessed as **low**.

Socio Political, Community Issues / Reputation – There is likely to be some angst in relation to the expense of the 2020/21 capital budget bid proposals as some members of community are keen to see a reduction in costs being incurred by the Council in support of the VHHTA. This is likely to be mitigated to some degree by the proposals either addressing safety/wellbeing needs or seeking to reduce expenses in the longer term. The risk is assessed as **medium**.

Infrastructure & Assets – A number of these projects are identified priorities to address preventative maintenance tasks which have fallen behind over recent years and are required to be done to ensure ongoing safety of operations and reduce the costs of reactive works and downtime of operations. If budget bids addressing preventative maintenance are not supported, the associated risk would elevate. The risk is assessed as **low**.

Employee Safety / Public Safety – A number of these projects are identified as priority actions to ensure ongoing safety of operations for staff and the public. It is important to note that a decision to resolve contrary to the recommendation would elevate the risk. The risk is assessed as **low**.

BUDGET IMPLICATIONS

The total cost of the proposed capital budget bids is \$563,000. Details of individual bids are contained in the table above. These proposed budget bids would directly impact Council’s capital budget, rather than the budget of the VHHTA, if they were to be supported by the Board and by Council.



Meeting **Victor Harbor Horse Tram Authority**
Date **18 February 2020**
From **Megan Whibley**
Subject **Draft Operating Budget 2020/21**
Report Number **8.4**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the Draft Operating Budget 2020/21 report.**
- 2. That the Victor Harbor Horse Tram Authority endorse the Draft Operating Budget 2020/21 in the accompanying financial statements as provided at attachment A to this report, and recommend it to Council for their approval.**

INFORMATION

Purpose

To endorse the draft operating budget for 2020/21 and recommend it to Council for approval.

Background

The operating budget 2019/20 was adopted prior to the General Manager being employed by the VHHTA, therefore this draft budget for 2020/21 is an updated and more realistic budget in terms of meeting operational requirements of the horse tram in 2020/21.

Commentary

The draft operating budget 2020/21 was formulated by the General Manager after seven months experience with horse tram operations and having undertaken a mid-year (December) 2019/20 budget review. During this mid-year budget review, a number of items were identified which were not sufficiently catered for within the 2019/20 budget, including insurance costs, wages, staff training, audit costs and outsourcing of accountancy services for the Victor Harbor Horse Tram operation. These items have been corrected in the draft operating budget 2020/21 which is provided at attachment A for Board endorsement.

In the first year or two following establishment of the VHHTA in particular, budgets are based on best estimations of costs, many of which have previously been embedded in Council budgets and have required full or partial separation. More accurate budgets will continue to evolve as the VHHTA moves further towards independence in its establishment as a section 42 committee of Council.

The VHHTA’s own-source revenue is expected to increase in the draft Budget 2020/21 as a result of predicted increases in both ticket sales and sponsorship revenue, however the City of Victor Harbor financial contribution is also increased due to the need to cover costs not appropriately budgeted for in the 2019/20 budget. The separation of The Victor Harbor Horse Tram from the City of Victor Harbor is complex and the ongoing understanding of how this effects the budget is a continual learning process. The draft 2020/21 Financial Statements for the operating budget is provided at attachment A. The draft 2020/21 VHHTA operating budget is provided at attachment B.

2020/21

The table below provides a summary of the expenses for 2020/21:

Description		Amount
Employee costs	Salaries, superannuation & workcover	\$577,500
Administration	Travel, stationary, printing and communication	
	Insurance & Utilities	\$57,400
Maintenance	Building and equipment maintenance	\$57,600
	Horse care - feed, farrier and vet fees	\$57,900
Marketing	Advertising, promotions and souvenir purchases	\$22,800
Other Expenses	Committee costs, volunteer and staff amenities	\$28,700
Equipment Hire	Building and equipment hire	\$42,000
Corporate Support	IT, Finance, Records and administration	\$60,000
Total		\$903,900

Description		Amount
Ticket Sales	Casual and group bookings	\$438,000
Other Income	Souvenir sales and donations/sponsorship	\$50,500
	Council contribution	\$415,400
Total		\$903,900

Own Source Funding Ratio	2019/20	2020/21
		54.0%

RISK ASSESSMENT

The risks associated with the recommendation have been assessed as follows:

Corporate Governance - The VHHTA Charter requires the Board, in accordance with the Act, to endorse and provide the Draft Operating Budget 2020/21 to Council before 31 March each year. The risk is assessed as *low*.

Financial Management – Poorly planned budgets can result in a costly overspend. The VHHTA Board should endorse a realistic budget and present it to Council for approval, taking into account learnings from the early budgets of the VHHTA to improve accuracy for the coming financial year. The operating deficit (contribution from City of Victor Harbor) increases in this draft 2020/21 budget due to an under allocation of operational expenses in 2019/20. This risk is assessed as *low*.

Socio Political, Community Issues/Reputation – There are small parts of the community that expect the 2020/21 VHHTA budget to reduce contribution from Council’s budget. A realistic budget is essential for the operations to run safely and continues to be an icon for Victor Harbor. This risk is assessed as **Medium**.

Service Delivery – Poorly planned budgets impact on service delivery and may include interruption to service. Increases have included horse husbandry position allocation to ensure that horse wellbeing can be maintained into the future, as an essential element to the continuation of the service. This risk is assessed as **Medium**.

Employee Safety / Public Safety – Some budget increases from 2019/20 have been included to address risks to public and employee safety. This risk is assessed as **low**.

Legal – Increases to the budget address insurance budget shortfalls in the 2019/20 budget. This risk is assessed as **low**.

REFERENCES

VHHTA Budget 2019/20

VHHTA Budget 2018/19

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in the 2019/20 VHHTA budget in receiving, noting and endorsing this Draft Operating Budget 2020/21.

Endorsement by the VHHTA Board and approval by City of Victor Harbor Council of the Draft Operating Budget 2020/21 will impact as detailed in the draft budget at attachment A, with an operating deficit (contribution amount from City of Victor Harbor) being \$415,400.

CONSULTATION

VHHTA Board Members

SMP Chartered Accountants



STATEMENT OF COMPREHENSIVE INCOME

For the Year Ending 30 June

	2019/20 Budget \$	2020/21 Budget \$
OPERATING INCOME		
Ticket & Bookings Sales	418,000	438,000
Council Contribution	364,000	415,400
Other Income	8,500	50,500
Total Income	790,500	903,900
OPERATING EXPENSES		
Employee Costs	488,400	564,900
Materials Contract and Other Expenses	302,100	339,000
Total Expenses	790,500	903,900
Operating Surplus (Deficit)	-	-
NET SURPLUS / (DEFICIT)	-	-
KEY FINANCIAL INDICATOR		
Own Source Revenue (in lieu of Operating Surplus Ratio)	54.0%	54.0%



STATEMENT OF FINANCIAL POSITION
For the Year Ending 30 June

	2019/20 Budget \$		2020/21 Budget \$
CURRENT ASSETS			
Cash and Cash Equivalents	-	318	-
Trade and Other Receivables			4,909
Inventories	5,000		-
Total Current Assets	4,682		5,000
NON-CURRENT ASSETS			
Financial Assets	-		-
Infrastructure, Property, Plant & Equipment	-		-
Other Non-Current Assets	-		-
Total Non-Current Assets	-		-
TOTAL ASSETS	4,682		91
CURRENT LIABILITIES			
Trade and Other Payables			-
Borrowings	-		-
Provisions	5,000		5,000
Total Current Liabilities	5,000		5,000
NON-CURRENT LIABILITIES			
Borrowings	-		-
Provisions	-		-
Total Non-Current Liabilities	-		-
NET ASSETS	-	318	-
EQUITY			
Accumulated Surplus		-	-
Asset Revaluation Reserve		-	-
Other Reserves	-	318	-
Share in Operating Result		-	4,909
New Capital		-	-
Total Equity		47,990	-



CASHFLOW STATEMENT

For the Year Ending 30 June

	2019/20 Budget \$		2020/21 Budget \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts	869,200		989,240
Investment Receipts	-		-
Payments			
Operating Payments to Suppliers and Employees	820,710		937,800
GST Payments	48,808		56,031
Net cash provided by (or used in) operating activities	- 318		- 4,591
CASHFLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants specifically for new or upgraded assets	-		-
Sale of replaced assets	-		-
Sale of surplus assets	-		-
Payments			
Expenditure on renewal/replacement of assets	-		-
Expenditure on new/upgraded assets	-		-
Net cash provided by (or used in) investing activities	-		-
CASHFLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings	-		-
Payments			
Repayments of borrowings	-		-
Net cash provided by (or used in) financing activities	-		-
NET INCREASE (DECREASE) IN CASH HELD	- 318		- 4,591
Cash & cash equivalents at beginning of period	0		318
CASH & CASH EQUIVALENTS AT END OF PERIOD	- 318		- 4,909

Attachment B - 2020/21 Horse Tram Operating Budget

COA	Job	Description	19/20	20/21	YTD Actual 31.12.20	Budget Remaining	Comments
0322070	Ticket and Booking Sales						
	32270	Tram Daily Ticket Sales (Terminus)	-\$405,000.00	-\$425,000.00	-\$218,741.02	-\$186,258.98	Casual Ticket Sales
	32273	Tram Group Booking Sales	-\$6,000.00	-\$6,000.00	-\$4,348.87	-\$1,651.13	Group Bookings (external tour providers)
	32275	Tram - Whale Package Sales	-\$5,000.00	-\$5,000.00	-\$165.13	-\$4,834.87	Joint HT / WC Ticket Sales
	32276	Tram Fleurieu Heritage Sales	-\$2,000.00	-\$2,000.00		-\$2,000.00	Heritage Package Sales
0322080	Other Income					\$0.00	
	32279	Tram Cash Adjustments	\$0.00	\$0.00	\$1.15	-\$1.15	No allowance provided
	32289	Tram Souvenir Sales	-\$5,000.00	-\$10,000.00	-\$4,030.36	-\$969.64	Souvenir Sales
	32299	Tram Other Income	-\$3,500.00	-\$40,500.00	-\$388.96	-\$3,111.04	Sponsorships and Donations \$0.5k
		COVH Contribution				\$0.00	
0323000	Employee Wages					\$0.00	
	32300	Tram Ordinary Salaries - Tramway	\$174,000.00	\$225,000.00	\$86,912.33	\$87,087.67	General Manager & Assistant - 2FTE
	32304	Tram Casual Salaries	\$252,600.00	\$252,600.00	\$88,026.26	\$164,573.74	Peak times - 4FTE per day Off-peak weekdays - 2FTE Off-peak weekends - 2.5FTE
	32305	Tram Casual Training Salaries	\$0.00	\$2,500.00		\$0.00	Included in 32304
	32306	Tram Casual Maintenance Salaries	\$0.00	\$15,000.00		\$0.00	Included in 32304
	32307	Tram Casual Horse Handling / Breaking Salaries	\$0.00	\$0.00		\$0.00	Included in capital
	32308	Tram Salaries Liability Adjust	\$1,000.00	\$1,000.00		\$1,000.00	Allowance for EOFY transactions
0323010	Employee Costs					\$0.00	
	32310	Tram Superannuation	\$40,800.00	\$43,300.00	\$18,633.66	\$22,166.34	As per salaries
	32312	Tram Workers Comp Premium	\$20,000.00	\$25,500.00	\$5,348.35	\$14,651.65	As per salaries
	32314	Tram Training/Development	\$500.00	\$1,000.00	\$248.45	\$251.55	Allowance for staff training
	32316	Tram Uniforms/Clothing	\$1,000.00	\$5,000.00	\$2,727.37	-\$1,727.37	Allowance for staff uniforms & protective clothing
	32319	Tram Vehicle/Travelling Expenses	\$6,500.00	\$6,600.00	\$118.17	\$6,381.83	Vehicle expenses based on mileage
0323020	Administration & Office Costs					\$0.00	
	32321	Tram Printing/Stationery	\$1,000.00	\$3,000.00	\$1,029.08	-\$29.08	Stationary & minor office supplies
	32323	Tram Insurance	\$11,500.00	\$27,500.00	\$25,729.00	-\$14,229.00	Insurance premium
	32324	Tram Photocopier Expenses	\$400.00	\$1,200.00	\$0.00	\$400.00	Internal photocopying / printing allowance
	32329	Tram Other Admin Expenses	\$2,000.00	\$2,000.00	\$1,477.06	\$522.94	EFTPOS charges
0323030	Telephone and Internet Costs					\$0.00	
	32331	Tram Mobile Phone Expenses	\$2,000.00	\$2,000.00	\$252.00	\$1,748.00	Call and data charges
	32336	Tram Internet/Website Expenses	\$500.00	\$500.00		\$500.00	Modem charges
	32339	Tram It Consumables/Other It Expenses	\$500.00	\$1,200.00	\$0.00	\$500.00	XERO accounting subscription
0323040	Tram Utilities					\$0.00	
	32340	Tram Power	\$3,500.00	\$5,000.00	\$4,274.00	-\$774.00	Tram barn & office electricity
	32341	Tram Water	\$5,500.00	\$6,500.00	\$847.00	\$4,653.00	Water charges

Attachment B - 2020/21 Horse Tram Operating Budget

COA	Job	Description	19/20	20/21	YTD Actual 31.12.20	Budget Remaining	Comments
	32343	Tram Security	\$3,500.00	\$3,600.00	\$646.00	\$2,854.00	Patrols, cash collections & call outs
	32344	Tram Cleaning	\$4,800.00	\$4,900.00	\$2,210.21	\$2,589.79	Hygiene and cleaning services
0323050	Repairs and Maintenance Costs					\$0.00	
	32350	Tram Minor Capital Purchases <\$1000	\$1,000.00	\$1,000.00		\$1,000.00	Allowance for minor equipment
	32351	Tram Henderson Road Stable/Fencing Expenses	\$3,500.00	\$5,000.00	\$3,747.44	-\$247.44	Fencing repairs and maintenance
	32352	Tram Admin/Stables/Barn Maintenance	\$15,000.00	\$15,300.00	\$0.00	\$15,000.00	Repairs and maintenance
	32353	Tram Other Property Maintenance		\$0.00		\$0.00	Not Required
	32355	Tram Line Maintenance	\$15,000.00	\$15,300.00	\$0.00	\$15,000.00	Track inspections & maintenance
	32359	Tram Horse Training/Breaking	\$0.00	\$0.00		\$0.00	Not Required - Capitalised
	32360	Tram Other Equipment Maintenance	\$1,000.00	\$1,000.00		\$1,000.00	Fire Control, Testing & Tagging
	32363	Tram Maintenance	\$20,000.00	\$20,000.00	\$18,532.48	\$1,467.52	Repairs & maintenance
	32366	Tram Horse Feed Expenses	\$25,000.00	\$25,400.00	\$9,275.03	\$15,724.97	Horse Feed (additional horses)
	32367	Tram Horse Farrier Expenses	\$22,000.00	\$22,300.00	\$8,900.00	\$13,100.00	Shoeing horses
	32368	Tram Horse Vet Fees	\$10,000.00	\$10,200.00	\$9,650.10	\$349.90	Vet visitation and medication
0323070	Tram Promotion					\$0.00	
	32370	Tram Advertising	\$12,000.00	\$12,200.00	\$3,996.29	\$8,003.71	Increased Advertising
	32376	Tram Promotional Materials	\$4,500.00	\$4,600.00		\$4,500.00	Ticket Printing \$1.5k & Allowance \$3k
	32379	Tram Souvenir Purchases	\$2,500.00	\$6,000.00	\$1,865.55	\$634.45	Purchase of Souvenirs
0323080	Other Tram Costs					\$0.00	
	32384	Tram Consultants Fees	\$2,000.00	\$4,500.00	\$4,751.46	-\$2,751.46	Allowance
	32385	Tram Volunteer Expenses	\$5,000.00	\$5,000.00			Uniforms, Amenities and Training
	32386	Tram Committee Expenses	\$15,000.00	\$15,500.00	\$11,359.29	\$3,640.71	4 Board Member x \$3k Allowance Amenities / Legal / Other \$3k
	32397	Tram Staff Amenity Expenses	\$1,800.00	\$2,000.00	\$1,490.40	\$309.60	Staffroom supplies
	32398	Tram Horse Floating		\$0.00		\$0.00	No Longer Required
	32399	Tram Other Expenses	\$1,600.00	\$1,700.00		\$1,600.00	Emergency Service Levy \$1.2k, Memberships \$0.2k, Allowance \$0.2k
0323090	Administration Charge - Rent on Assets		\$42,000.00	\$42,000.00	\$6,642.00	\$35,358.00	Billed in lieu of hourly charge
						\$0.00	
0323099	Administration Charge - Corporate Support		\$60,000.00	\$60,000.00	\$14,909.00	\$45,091.00	Billed in lieu of hourly charge
						\$0.00	
OPERATING TOTAL			\$364,000.00	\$415,400.00	\$105,924.79	\$253,075.21	

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0323090	Administration Charge - Rent on Assets		\$42,000.00	\$42,000.00	\$6,642.00	\$35,358.00	Billed in lieu of hourly charge
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0323099	Administration Charge - Corporate Support		\$60,000.00	\$60,000.00	\$14,909.00	\$45,091.00	Billed in lieu of hourly charge
						\$0.00	
OPERATING TOTAL			\$364,000.00	\$415,400.00	\$105,924.79	\$253,075.21	



Meeting **Victor Harbor Horse Tram Authority**
Date **18 February 2020**
From **Megan Whibley**
Subject **General Manager Six Month Performance Review**
Report Number **8.5**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the General Manager Six Month Performance Review report.**
- 2. That the Victor Harbor Horse Tram Authority endorse the process as outlined in this report for the six month performance review of the General Manager, and determine that the performance review panel will consist of the Chair and board member _____ *INSERT NAME* _____ (nomination to be sought at board meeting)**

INFORMATION

Purpose

To endorse the process for the six month performance review of the General Manager, as required by the General Manager employment contract.

Background

In accordance with the General Manager employment contract, the Board must conduct a six month performance review of the incumbent. Further, the Victor Harbor Horse Tram Authority Charter (the Charter) at section 2.3.3 requires the Board to monitor, oversee and measure the performance of the General Manager.

Commentary

The General Manager commenced her role with the Victor Harbor Horse Tram Authority (VHHTA) on 3 June 2019. A six month performance review was due to be undertaken by the VHHTA by 3 Dec 2019. The Board are required to undertake this review and should determine the process for this to occur.

The following process is recommended to the Board for their consideration and endorsement:

Who:

) Chair + one other Board member

When:

- J Review to occur during the period February to April 2020, with a report of outcomes and recommendations provided to the Board for their endorsement at the April 2020 Board meeting.

What:

- J Assessment of performance against General Manager KPIs and Position Description for first six months of employment contract.
- J Opportunity for input of performance by City of Victor Harbor and other Board members through a process determined by the review panel
- J Recommending of new KPIs for the next 12 months
- J Recommending of timing/frequency of future General Manager performance reviews
- J Report of performance review outcomes and recommendations to be prepared and provided for consideration and endorsement by Board at the April 2020 VHHTA Board meeting.

RISK ASSESSMENT

Corporate Governance – The Board have a responsibility in accordance with the Charter to manage the performance of the General Manager, and to conduct the six month review. This is assessed as **low**.

REFERENCES

Victor Harbor Horse Tram General Manager Employment Contract

VHHTA Charter

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in endorsing this six month review of the Victor Harbor Horse Tram Authority General Manager.

CONSULTATION

VHHTA Board member, Carol Schofield.



Meeting **Victor Harbor Horse Tram Authority**
Date **18 February 2020**
From **Megan Whibley**
Subject **Social Media Policy**
Report Number **8.6**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the Social Media Policy report.**
- 2. That the Victor Harbor Horse Tram Authority adopt the Social Media Policy, as provided at attachment A to this report.**

INFORMATION

Purpose

The purpose of this report is to adopt a Social Media Policy for the Victor Harbor Horse Tram Authority (VHHTA).

Background

The VHHTA has recently created a new social media account on Facebook. This required a new policy to be developed and adopted by the Board in relation to its usage. This will then require all Board Members and staff to adhere to the standards required by the policy when posting anything on the VHHTA Facebook page. This will also extend to personal accounts when referencing the VHHTA.

Commentary

Social media allows the community to engage in dynamic two-way communication with the Victor Harbor Horse Tram Authority (VHHTA), generally resulting in a positive engagement experience.

Social media should be utilised in an appropriate and professional manner which will uphold the integrity and professionalism of VHHTA reputation.

This draft policy, provided at attachment A, outlines how social media will be used across the VHHTA accounts. It should be read in conjunction with the VHHTA Communications Policy and other relevant documentation referenced within the policy.

This policy is applicable to all staff and Board Members who use VHHTA social media accounts or when making reference to the VHHTA in their personal accounts.

RISK ASSESSMENT

Corporate Governance – The Board and/or Staff are held accountable for their comments posted on Facebook and once adopted, are bound by this new policy. This risk is assessed as **Low**.

Employee Safety/Public Safety – Monitoring of comments under stories posted by Staff and/or Board may attract negativity that could affect the morale of the horse tram staff. The policy will go some way to mitigating this risk by ensuring that posts that can be influenced or managed by the Authority are in line with policy requirements, including the management of inappropriate content provided by the public. This risk is assessed as **Medium**.

Social Political, Community issues/Reputation – The horse tram has a passionate following of community members and when content has the potential to be emotive, heightened comments on Facebook may impact on the reputation of the horse tram. This risk is assessed as **Medium**.

REFERENCES

City of Victor Harbor Social Media Policy

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in endorsing a social media policy for the VHHTA.

CONSULTATION

VHHTA Board Members



Policy

Policy Name	<i>Social Media Policy (Draft)</i>
Policy/File Number	
Review Frequency	Every Three Years
Attachments	

1. Purpose

Social media allows the community to engage in dynamic two-way communication with Victor Harbor Horse Tram Authority (VHHTA) and vice versa, generally resulting in a positive engagement experience.

The use of social media will be conducted in an appropriate and professional manner, and will uphold the integrity and professionalism of VHHTA reputation.

This policy outlines how social media will be used across the VHHTA accounts. This policy should be read in conjunction with the Communications Policy and other relevant documentation referenced within this policy.

This policy is applicable to all staff who use VHHTA social media accounts. Where staff or Board Members refer to the VHHTA in their personal accounts, this policy will come into effect.

2. Scope

This policy applies to all staff members employed or engaged by VHHTA, including fixed term contract staff engaged to undertake work for VHHTA.

This policy applies to staff members where they engage with and use social media tools in relation to VHHTA related issues, whether they do this on employer provided computer facilities or at home and whether they do so on work time or outside work hours.

If you require clarification about aspects of this policy and how it applies to your own circumstances, please speak to The General Manager.

Social media tools include, but are not limited to:

-) social networking sites e.g. LinkedIn, Facebook, Instagram, MySpace, Bebo;
-) video and photo sharing websites e.g. Flickr, YouTube;
-) micro-blogging sites e.g. Twitter;
-) weblogs, including corporate blogs, personal blogs or blogs hosted by traditional media publications;
-) forums and discussion boards such as Whirlpool, Yahoo! Groups or Google Groups;
-) online encyclopaedias such as Wikipedia; and any other web sites that allow individual users or companies to use simple publishing tools.

3. Policy Statement (Summary)

The Victor Harbor Horse Tram Authority will support social media tools for integration into its communication and engagement strategies to enhance positive relationships with the community and stakeholders.

4. Legislation and Compliance

Board Members and staff are expected to demonstrate standards of conduct and behaviour that are consistent with relevant legislation, regulations and VHHTA policies. A list of relevant legislation which may be used as a guide is included within this policy.

VHHTA policies and guideline provisions which must be adhered to in relation to the use of social media include:

-) Code of Conduct Policy – Board Members
-) Code of Conduct for Council Members
-) Code of Conduct for Council Employees
-) Social Media Policy
-) Employee contracts
-) Communications Policy
-) Records Management Policy
-) Volunteer Policy

The following legislation is relevant to this policy:

-) Copyright Act 1968 (Cth)
-) Criminal Law Consolidation Act 1935 (SA)
-) Defamation Act 2005 (SA)
-) Fair Trading Act 1997 (SA)
-) Fair Work Act 1994 (SA)
-) Freedom of Information Act 1991 (SA)
-) Local Government Act 1999 (SA)
-) Local Government (Elections) Act 1999 (SA)
-) Equal Opportunity Act 1984 (SA)
-) Australian Human Rights Commission Act 1986 (Cth)
-) Spam Act 2003 (Cth)
-) Privacy Act 1988 (Cth)
-) State Records Act 1997 (SA)
-) Civil Liability Act 1936 (SA)

5. Definitions

Victor Harbor Horse Tram Authority - (VHHTA) Victor Harbor Horse Tram Authority and its Board Members, staff, policies, services, contractors, agents, volunteers, stakeholders or any other VHHTA related issues.

Social media – web-based tools and smart phone applications that allow users to easily connect and communicate with each other as well as publish, share and discuss information content such as text, photos, video and audio. Social media websites are characterised by interaction, collaboration and user-generated content, with a focus of building online communities of people who share interests and/or activities.

Platform/tool/site – a social media website, such as Facebook, Twitter or YouTube.

Account – a profile on a single social media platform.

Content – any information that can be published to an account, such as statements, photos and videos.

Publish – the uploading of content to an account, such as a status update, comment, post, tweet, photo, video or link.

Defamatory – any intentional, false communication that harms a person's (or organisation's) reputation.

Discriminatory – making or showing an unfair or prejudicial distinction between different categories of people or things.

Board Member – a person appointed as Board Member by the City of Victor Harbor.

Staff – any person carrying out duties or performing tasks for and on behalf of the City of Victor Harbor whether they are paid or unpaid, including employees, contractors, consultants, volunteers, or students that are involved with the City of Victor Harbor.

Community – people who live, work, study, conduct business and use the facilities or public places in the City of Victor Harbor.

6. Policy Content

6.1 Board Members and staff using social media must:

-) Only disclose publicly available information. No comment will be made on social media sites regarding confidential, privileged, private or legal matters.
-) Ensure that no copyrighted or trademarked material is published without permission.
-) Ensure that information posted to social media sites is not illegal, discriminatory, defamatory, abusive or obscene.
-) Ensure that information posted to social media sites does not infringe the Code of Conduct for Board Members, Code of Conduct for Employees or any other VHHTA code or policy.

6.2 When using VHHTA social media sites, staff authorised by the General Manager (or delegate) will:

-) Only post content that is genuinely expected to be of interest to followers
-) Respond to enquiries made in business hours within 24 hours where possible.
-) Enquiries made out of business hours (after hours, weekends or public holidays) will be responded to the following business day.
-) Monitor accounts at least twice daily during business hours.
-) Keep messages simple and engage in conversations where appropriate.
-) Link to more information on a VHHTA website where possible. If external websites (not owned by VHHTA) are required to be linked to, this must be authorised by the General Manager (or delegate).
-) Link to other social media accounts and, where appropriate. E.g. Visit Fleurieu Peninsula & See South Australia.
-) Provide accurate, fair and thorough information.

6.3 Monitoring of Social Media

-) The General Manager will be the primary staff member responsible for monitoring all content posted on VHHTA social media accounts to ensure adherence to the Social Media Policy for use, message and consistency in branding. Content relating to the VHHTA that is posted on social media will be monitored and moderated where possible and appropriate.
-) Comments that contain illicit, and/or offensive language will be deleted, and that user will be blocked and reported to the platform.
-) Negative comments received directly through the VHHTA social media channels, are to be responded to where appropriate providing the VHHTA contact details (phone number and email address) so the conversation can be taken offline and worked through.

6.4 Breach of This Policy - As is the case with all of VHHTA policies, if you do not comply with this Policy you may face disciplinary action under Council's Performance Management process. This disciplinary action may involve a verbal or written warning or, in serious cases, termination of your employment or engagement with VHHTA including summary dismissal. Non exhaustive examples of conduct or behaviour of a staff member that may directly or indirectly contravene this Policy are:

- comments made on social media tools that are unlawful, discriminatory, derogatory or which constitute bullying, harassment or victimisation, even where those comments

are made outside of work or made in non-work time, if those comments directly or indirectly impact or affect VHHTA or others in the workplace;

-) posting photographs or other images of the staff member and colleagues at a VHHTA site or work social function on social media tools, without the consent of those in the photograph or image;
-) deliberately or inadvertently sharing confidential information about VHHTA related issues on social media tools; and
-) excessive use of social media tools whilst at work, during work hours or whilst working from home.

7. Risk Management

This policy will assist VHHTA to manage risks associated with the use of Social Media.

8. Implementation/Delegations

The General Manager (or delegate) is delegated authority to implement this policy.

9. Related Documents

Communications Policy
 Volunteer Policy
 Code of Conduct Policy – Board Members
 Code of Conduct for Council Members
 Code of Conduct for Council Employees
 Records Management Policy

10. Availability of Policy

This policy is available on Victor Harbor Horse Tram website at www.horsedrawntram.com.au. It may also be inspected or purchased at the Principal Office of the City of Victor Harbor, 1 Bay Road, Victor Harbor.

Document History

Version	Document	Action	Date
1.0	Approved version	Victor Harbor Horse Tram Authority endorsement	