



24 October 2024

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File Ref: GOV9.14.041

Dear Committee Member

NOTICE OF MEETING

Notice is hereby given pursuant to the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference and Section 87(7) of the Local Government Act, 1999, as amended that a meeting for the **Victor Harbor Horse Tram Authority Audit Committee** has been called for:-

DATE: **Wednesday, 30 October 2024**
TIME: **12:30pm**
PLACE: **'The Stables' 11 Canton Place, 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.



**Audit Committee
 Committee Membership**

Member	Representative	Appointed	Expires
Independent Member(s)	John Morgan	23 November 2020	22 February 2026
Independent Member(s)	Katherine Christ	22 February 2021	22 February 2026
Independent Member(s)	Laura Hodgson	26 July 2021	26 July 2025
Victor Harbor Horse Tram Authority Board Member	Paul Brown	22 February 2024	22 February 2026
Victor Harbor Horse Tram Authority Board Member	Nigel Catt	26 July 2021	26 July 2025
Office Bearers			
Chairperson	John Morgan	22 February 2021	22 February 2026
Deputy Chairperson	Laura Hodgson	24 June 2024	26 July 2025

1. Open Meeting/Welcome

2. Attendance

3. Apologies

4. Minutes of Previous meeting

- 4.1 Minutes –Victor Harbor Horse Tram Authority Audit Committee 4
 – 25 September 2024



5. Adjourned Item(s)

Nil

6. Reports for Receiving and Noting only

6.1	Action List Report	8
6.2	The First Quarter Review of the 2024/25 Budget Report	10

7. Reports for Decision

7.1	Audit Committee Meeting Dates for 2025 Report	18
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8. Presentation(s)

Nil

9. Discussion Items – No decision(s)

Nil

10. Correspondence Received

Nil

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil

Next Meeting

Wednesday 5 February 2025, 12:30pm – At the Stables

Meeting Close

Victor Harbor Horse Tram Authority
Audit Committee Meeting Agenda
For meeting Wednesday 30 October 2024
Commencing at 12:30pm



Please be advised

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Meeting **Victor Harbor Horse Tram Authority Audit Committee**

Date **30 October 2024**

From **Megan Whibley**

Subject **VHHTA AC Meeting Minutes – 25 September 2024**

Report Number **4.1**

RECOMMENDATION

That the minutes of the previous Victor Harbor Horse Tram Authority Audit Committee Meeting held Wednesday, 25 September 2024, be confirmed as a true and accurate record.

INFORMATION

Purpose

The purpose of this report is to present the Victor Harbor Horse Tram Authority Audit Committee minutes for the meeting held on 25 September 2024 for confirmation.

Background

A Board meeting of the Victor Harbor Horse Tram Authority Audit Committee was held on Wednesday, 25 September 2024.

Commentary

The minutes for the Victor Harbor Horse Tram Authority meeting held Wednesday, 25 September 2024 and were distributed to Members.

A copy of the minutes are provided at Attachment A to this report.

RISK ASSESSMENT

Legal and Compliance – The minutes were prepared and distributed to members in line with legislation. This risk is assessed as **low**.

REFERENCES

Nil

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in confirming the Victor Harbor Horse Tram Authority Audit Committee minutes.

No additional funds are required.

CONSULTATION

Victor Harbor Horse Tram Authority Audit Committee members



8. Presentation(s)

Nil

9. Discussion Items – No decision(s)

Nil

10. Correspondence Received

Nil

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil

Next Meeting

Wednesday, 30 October 2024, 12.30pm – The Stables, 11 Canton Place, Victor Harbor

Meeting Close

The chair declared the meeting closed at 1.21pm

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.*



Meeting **Victor Harbor Horse Tram Authority Audit Committee**

Date **30 October 2024**

From **Megan Whibley**

Subject **Action List Report**

Report Number **6.1**

RECOMMENDATION

That the VHHTA Audit Committee receive and note the Action List Report.

INFORMATION

Purpose

The purpose of this report is to provide the status of action items from previous meetings for consideration.

Background

The Audit Committee provides recommendations to the Authority and may also request information pertaining to financial, strategic or corporate risks for consideration. The Action List provides details and status of these requests.

Commentary

The Action List has been updated and is provided at attachment A.

RISK ASSESSMENT

Information – No risks have been assessed in relation to this report as it has been provided for information only and no formal decision is required.

REFERENCES

Nil

BUDGET IMPLICATION

Excluding endorsed budgeted staff resources there are no budget implications in the preparation or receipt of the Action List. No additional funds are required.



VHHTA – Outstanding Action List– updated 24-Oct-24

*newest at top

Meeting Date	Action Number	Action / Task	Status
		<i>Leave blank</i>	
26 Sept 2023	6.1.1	Action: The Audit Committee request that the VHHTA Terms of Reference are reviewed/updated to align with new legislation. Michelle Bennetts is happy to review the TOR.	Tabled for future discussion - FEB 2025
10 August 2021	AC016	Action: Rename the Audit Committee to the Audit and Risk Committee to more accurately reflect the role and duties of the Committee.	Tabled for future discussion - FEB 2025



Meeting **Victor Harbor Horse Tram Authority Audit Committee**
Date **30 October 2024**
From **Megan Whibley**
Subject **The First Quarter Review of the 2024/25 Budget Report**
Report Number **6.2**

RECOMMENDATION

**That the Victor Harbor Horse Tram Authority Audit Committee receive and note
The First Quarter Review of the 2024/25 Budget Report.**

INFORMATION

Purpose

The purpose of this report is for the Victor Harbor Horse Tram Authority (VHHTA) Audit Committee to receive and note The First Quarter Review of the 2024/25 Budget report.

Background

Section 9 of the Local Government (Financial Management) Regulations 2011 provides the requirements for regular budget reviews. Regulation 9(1)(b) and 9(2) of the Local Government (Financial Management) Regulations 2011 requires a budget review to include a revised forecast of the Authority's operating and capital investment activities compared with estimates set out in the budget.

Further, the Victor Harbor Horse Tram Authority is 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 for the 2024/25 financial year has been prepared on schedule. This First Quarter Review of the 2024/25 Budget is a review addressing the first three months of the 2024/25 financial year.

Commentary

The Victor Harbor Horse Tram Authority 2024/25 budget was prepared by the VHHTA, utilising the software package 'Xero' to manage Authority finances.

The 2024/25 budget is tracking well considering the Horse Tram has struggled with horse fitness and enough working stock. As the team is gaining fitness and we are working hard on training new horses to pull the Tram we haven't been at full tram run capacity.

As the Stable facility's increase patronage and we expand our offerings, the income will increase to achieve the budgeted figures.

The merchandise store continues to show strong results in the first quarter.

The First Quarter Review of the 2024/25 Budget contained within the financial statements is provided at attachment A and B.

RISK ASSESSMENT

Risks associated with the recommendation have been assessed as follows:

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. The VHHTA has been able 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, via the study and report by Laura Hodgson, titled 'The Assessment of the Value of the Victor Harbor Horse Tram'. This risk is assessed as **low**.

Governance - the recommendation meets the requirements of the Charter and legislation. The risk is assessed as **low**.

REFERENCES

Victor Harbor Horse Tram Authority Charter

Local Government (Financial Management) Regulations 2011

The Assessment of the Value of the Victor Harbor Horse Tram – report by Laura Hodgson

BUDGET IMPLICATION

The contribution required from City of Victor Harbor (operating deficit) presented in the budget review at attachment A remains unchanged at \$365,000.

CONSULTATION

Michele Bennetts and Kate Edwards from LGiQ

Victor Harbor Horse Tram Authority Budget



Income	Description	YTD 24/25	Original	Revised 1	Variance BR1 to OB (\$)	Variance BR1 to OB (%)	Variance Comments
Ticket Sales	Casual and Group bookings	151,404	836,000	836,000	-	-	On Track
	Souvenir sales and donations	30,566	166,600	166,600	-	-	On Track
	Behind the scenes	8,911	217,900	217,900	-	-	New Calaborations will help as the year goes on - marketing push
	DIT Boom gate monitoring	5,818	45,000	45,000	-	-	On Track
	Council Contribution	182,500	365,000	365,000	-	-	
	Interest and Other Income	435	51,000	51,000	-	-	Looking into more sponsorships
Total Income		379,634	1,681,500	1,681,500	0	0	

Behind the scene

Expenses	Description	YTD 24/25	Original	Revised 1	Variance BR1 to OB (\$)	Variance BR1 to OB (%)	Variance Comments
Employee Costs	Salaries, superannuation & workcover	226,779	991,400	991,400	-	-	On Track
Depreciation	Depreciation for fixed assets	-	74,500	74,500	-	-	
Administration	Travel, stationary, printing, communication, insurance, utilities, training and development	46,348	135,700	135,700	-	-	On Track
Maintenance	Building, stables, tram, paddock and equipment maintenance	12,433	41,900	41,900	-	-	On Track
	Horse Care - feed, farrier and vet fees	21,525	110,000	110,000	-	-	On track
Marketing	Advertising, promotions, and souvenir purchases	19,010	83,900	83,900	-	-	
Other Expenses	Committee, cleaning, consultants, professional services, FBT, volunteer and staff amenities	30,289	160,000	160,000	-	-	On Track
Administration charge	Rent on Assets	11,375	17,700	17,700	-	-	
Corporate Support	IT, Finance, Records and Administration	9,150	81,400	81,400	-	-	
Total Expenses		376,908	1,696,500	1,696,500	0	0	
Net gain (loss) from sale of assets		1500	15,000	15,000			
Net Surplus (Deficit)		4,226	0	0	0	0	



VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF COMPREHENSIVE INCOME for the year ended 30/09/2024	Actual	Actual	Budget	Budget	Variance
	23/24 \$'000	YTD 24/25 \$'000	Original \$'000	Revised 1 \$'000	BR1 to OB \$'000
INCOME					
Ticket & Bookings Sales	738	160	1,055	1,055	-
Souvenir Sales	131	31	161	166	5
Council Contribution	365	183	365	365	-
Other income	43	6	101	96	(5)
Total Income	1,277	380	1,682	1,682	-
EXPENSES					
Employee Costs	883	244	1,031	1,031	-
Materials, Contracts and Other Expenses	465	132	571	570	1
Depreciation, amortisation & impairment	67	-	75	75	-
Finance Costs	11	1	20	21	(1)
	1,426	377	1,697	1,697	-
OPERATING SURPLUS / (DEFICIT)	(149)	3	(15)	(15)	-
Net gain (loss) on disposal or revaluation of assets	-	-	15	15	-
TOTAL COMPREHENSIVE INCOME	(149)	3	-	-	-

VICTOR HARBOR HORSE TRAM AUTHORITY	Actual	Actual	Budget	Budget	Variance
STATEMENT OF CASH FLOWS	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
for the year ended 30/09/2024	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Operating receipts	1,265	408	1,681	1,681	-
Payments					
Operating payments to suppliers & employees	(1,356)	(337)	(1,614)	(1,614)	-
Finance payments	(4)	-	(8)	(8)	-
Net Cash provided by (or used in) Operating Activities	(95)	71	59	59	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Sale of Assets	-	-	15	15	-
Payments					
Capital Expenditure on renewal/replacement of asset	-	(8)	(27)	(28)	(1)
Capital Expenditure on new/upgraded assets	(182)	(10)	(46)	(46)	-
Net Cash provided by (or used in) Investing Activities	(182)	(18)	(58)	(59)	(1)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Proceeds from Borrowings	200	-	59	48	(11)
Payments					
Repayment of Borrowings	-	(20)	(60)	(20)	40
Repayment of principle of leased assets	(33)	-	(16)	(34)	(18)
Net Cash used in Financing Activities	167	(20)	(17)	(6)	11
NET INCREASE (DECREASE) IN CASH HELD	(110)	33	(16)	(6)	10
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	161	51	7	51	44
CASH & CASH EQUIVALENTS AT END OF PERIOD	51	84	(9)	45	54

VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF FINANCIAL POSITION for the year ended 30/09/2024	Actual	Actual	Budget	Budget	Variance
	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash and cash equivalents	51	84	(9)	45	54
Trade & Other Receivables	30	1	18	30	12
Inventories	-	-	-	-	-
Total Current Assets	81	85	9	75	66
Non-Current Assets					
Infrastructure, Property, Plant & Equipment	326	343	197	324	127
Total Non-Current Assets	326	343	197	324	127
TOTAL ASSETS	407	428	206	399	193
LIABILITIES					
Current Liabilities					
Trade & Other Payables	35	73	34	34	-
Short-term Provisions	84	84	7	84	(77)
Short-term Borrowings	54	54	19	19	-
Total Current Liabilities	173	211	60	137	(77)
Non-Current Liabilities					
Long-term Provisions	16	16	40	16	24
Long-term Borrowings	200	180	92	228	(136)
Total Non-Current Liabilities	216	196	132	244	(112)
TOTAL LIABILITIES	389	407	192	381	(189)
NET ASSETS	18	21	14	18	4
EQUITY					
Accumulated Surplus	18	21	14	18	4
TOTAL EQUITY	18	21	14	18	4

VICTOR HARBOR HORSE TRAM AUTHORITY STATEMENT OF CHANGES IN EQUITY for the year ended 30/09/2024	Actual	Actual	Budget	Budget	Variance
	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
	\$'000	\$'000	\$'000	\$'000	\$'000
ACCUMULATED SURPLUS					
Opening balance at beginning of financial year	167	18	14	18	4
Total comprehensive income for the year	(149)	3	-	-	-
Closing balance at end of period	18	21	14	18	4

VICTOR HARBOR HORSE TRAM AUTHORITY UNIFORM PRESENTATION OF FINANCES for the year ended 30/09/2024	Actual	Actual	Budget	Budget	Variance
	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenues	1,277	380	1,682	1,682	-
less Operating Expenses	(1,426)	(377)	(1,697)	(1,697)	-
OPERATING SURPLUS (DEFICIT)	(149)	3	(15)	(15)	-
NET OUTLAYS ON EXISTING ASSETS					
Capital Expenditure on Renewal and Replacement of Existing Assets	-	(8)	(27)	(28)	(1)
add back Depreciation, Amortisation and Impairment	67	-	75	75	-
add back Proceeds from Sale of Replaced Assets	-	-	15	15	-
	67	(8)	63	62	(1)
NET OUTLAYS ON NEW AND UPGRADED ASSETS					
Capital Expenditure on New and Upgraded Assets	(182)	(10)	(46)	(46)	-
add back Amounts Received Specifically for New and Upgraded Assets					
	(182)	(10)	(46)	(46)	-
ANNUAL NET IMPACT TO FINANCING ACTIVITIES (SUPLUS/(DEFICIT))					
	(264)	(15)	2	1	(1)

VICTOR HARBOR HORSE TRAM AUTHORITY FINANCIAL INDICATORS for the year ended 30/09/2024	Actual	Actual	Budget	Budget	Variance
	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Surplus Ratio <i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>	-11.7%	0.8%	-0.9%	-0.9%	
Net Financial Liabilities Ratio <i>being total liabilities less financial assets (excluding equity accounted investments in Authority business), divided by total operating revenue</i>	24.1%	84.7%	10.9%	18.2%	
Asset Renewal Funding Ratio <i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i> <i>The ideal ratio is 100%, where VHHTA is spending the amount required each year to renew and replace existing assets so they continue to operate optimally to meet the organisations objectives.</i>		29%	96%	100%	
Own Source Funding	64%	52%	78%	78%	

VICTOR HARBOR HORSE TRAM AUTHORITY	Actual	Actual	Budget	Budget	Variance
CAPITAL EXPENDITURE	23/24	YTD 24/25	Original	Revised 1	BR1 to OB
for the year ended 30/09/2024	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL NEW					
IT Equipment	-	-	5	5	-
Tools - New	-	-	6	6	-
Tractor/mower/slasher	14	-	-	-	-
Gater	16	-	-	-	-
Harness Equipment	15	-	10	10	-
Horse Exercise	-	-	25	25	-
Photocopier	6	-	-	-	-
Other	8	-	-	-	-
New Sled	2	-	-	-	-
Stable Gates - Sliding	3	-	-	-	-
Landscaping	19	-	-	-	-
Carpet for Conference Room	4	-	-	-	-
Pump	3	-	-	-	-
Training Yard	13	-	-	-	-
Blinds	3	-	-	-	-
Security System	3	-	-	-	-
Stables Improvements	2	-	-	-	-
Stables Fencing	1	-	-	-	-
Stables Race Way	9	-	-	-	-
Kitchen Improvements	1	-	-	-	-
Oven	2	-	-	-	-
Earthworks	55	-	-	-	-
Stables Roller Door	-	10	-	-	-
Total - Capital New	177	10	46	46	-
CAPITAL REPLACEMENT					
Float	-	11	25	25	-
Tools	-	-	3	3	-
Work in Progress	5	-	-	-	-
Total - Capital Replacement	5	11	28	28	-
	182	21	74	74	-



Meeting **Victor Harbor Horse Tram Audit Committee**
Date **30 October 2024**
From **Megan Whibley**
Subject **Audit Committee Meeting Dates for 2025 Report**
Report Number **7.1**

Purpose

The purpose of this report is for the Victor Harbor Horse Tram Authority Audit Committee to agree to meetings dates for the 2025 calendar year.

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority Audit Committee receive and note the Audit Committee Meeting Dates for 2025 Report.**
- 2. That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Victor Harbor Horse Tram Authority Board that the Audit Committee resolve to meet in accordance with the meeting dates, times and locations as listed in the Audit Committee Meeting Dates for 2025 Report.**

INFORMATION

Listed below are the dates, times and locations of Victor Harbor Horse Tram Authority Audit Committee meetings for 2025.

Audit Committee Meetings

Date - 2022	Location	Time
5 February 2025	The Stables	12.30pm- 2pm
23 April 2025	The Stables	12.30pm- 2pm
24 September 2025	The Stables	12.30pm- 2pm
29 October 2025	The Stables	12.30pm- 2pm

RISK ASSESSMENT

Corporate Governance – As per 8.1.1 of the VHHTA Audit Committee Terms of Reference,
8.1.1 The Committee shall meet at least three times per annum at appropriate times in the budgeting and reporting cycle.

The proposed schedule meets the requirements of the Charter. The risk is assessed as **low**.

Corporate Governance – As per 8.1.2 of the VHHTA Audit Committee Terms of Reference,
8.1.2 The Committee shall resolve by majority a 12 month schedule of the meetings including the date, time and location in accordance with Section 87(2) of the Local Government Act 1999.

The approval of the schedule by the Committee meets the requirements of the Charter. The risk is assessed as **low**.

Service Delivery – Meetings held three times per year are expected to be adequate for the Committee to fulfil its purpose and functions according to the Local Government Act 1999 Schedule 2 s13(4). Risk that more meeting are required to fulfil the Committees functions can be mitigated by calling Special Meetings as required. The risk is assessed as **low**.

BUDGET IMPLICATIONS

There are no budget implications in receiving and noting the Audit committee meeting Dates for 2025 Report and agreeing to dates for the Audit Committee to meet in 2025.