



3 April 2020

Contact for Apologies: General Manager

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File Ref: GOV9.14.041

Dear Board Member

NOTICE OF MEETING

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

DATE: Wednesday, 8 April 2020

TIME: 3:00pm

PLACE: Remote Meeting via Zoom, recorded then loaded onto website after conclusion of the meeting with the minutes

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.



Meeting being held Via Zoom and recorded then loaded onto website after conclusion of the meeting with the minutes.

1. Open Meeting/Welcome

2. Attendance

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

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

3. Apologies

4. Minutes of Previous meeting1

5. Adjourned Item(s)

- 5.1 Adjourned Item(s) N/A

6. Reports for Receiving and Noting only

- 6.1 General Manager Operations Report7
- 6.2 Resolution Register9

7. Reports for Decision

- 7.1 Operating budget 2020/2115

8. Presentation(s) N/A

9. Discussion Items – No decision(s)

- 9.1 Update on Galpin’s Final Audit report for the Victor Harbor Horse Tram Authority
- 9.2 Quarterly financials delayed and will be presented to the board via circular email in the next few weeks

Victor Harbor Horse Tram Authority
Board Meeting Agenda
For meeting Wednesday 8 April 2020
Commencing at 12.00pm via Zoom



10. Correspondence Received

10.1 CEO's response letter regarding the Track replacement outcome**23**

11. Urgent Business without Notice

12. Confidential Reports

Next Meeting

Tuesday 16 June 2020, 3pm – Encounter Room

Meeting Close

Victor Harbor Horse Tram Authority
Board Meeting Agenda
For meeting Wednesday 8 April 2020
Commencing at 12.00pm via Zoom



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5. Business Arising

5.2 Outstanding Resolutions Register

VHHTA150 Moved: Rachel Kennedy
 Seconded: Natasha Hunt

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

CARRIED

6. General Managers Report

6.1 General Manager Operations Report

VHHTA151 Moved: Natasha Hunt
 Seconded: Nigel Catt

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

CARRIED

7. Reports for Receiving and Noting only

Nil

8. Reports for Decision or Endorsement

8.1 Authorisation to Sign 2018/19 Certification of Financial Statements

VHHTA152 Moved: Carol Schofield
 Seconded: Natasha Hunt

That the Victor Harbor Horse Tram Authority receive and note the Authorisation to Sign 2018/19 Certification of Financial Statements report.

CARRIED

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 18 February 2020
Commencing at 3.00pm**



VHHTA153 Moved: Carol Schofield
 Seconded: Rachel Kennedy

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.

CARRIED

8.2 December Budget Review 2019/20

Amended attachment tabled at the meeting.

VHHTA154 Moved: Rachel Kennedy
 Seconded: Nigel Catt

That the Victor Harbor Horse Tram Authority receive and note the December Budget Review 2019/20 report with amended attachment A.

CARRIED

VHHTA155 Moved: Rachel Kennedy
 Seconded: Carol Schofield

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

CARRIED

8.3 Revised Capital Budget Bids 2020/21

VHHTA156 Moved: Rachel Kennedy
 Seconded: Carol Schofield

That the Victor Harbor Horse Tram Authority Board receive and note the report on Revised Capital Budget Bids 2020/21.

CARRIED

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 18 February 2020
Commencing at 3.00pm**



VHHTA157 Moved: Rachel Kennedy
 Seconded: Carol Schofield

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.

CARRIED

8.4 Draft Operating Budget 2020/21

Amended Attachment A tabled at the meeting

VHHTA158 Moved: Nigel Catt
 Seconded: Rachel Kennedy

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

CARRIED

8.5 General Manager Six Month Performance Review

VHHTA159 Moved: Carol Schofield
 Seconded: Nigel Catt

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 Rachel Kennedy.

CARRIED



8.6 Social Media Policy

VHHTA160 Moved: Rachel Kennedy
 Seconded: Natasha Hunt

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 with the following changes;
 - remove *monitoring all* from paragraph 6.3
 - remove reference to Council and replace with the Victor Harbor Horse Tram Authority wherever relevant.

CARRIED

9. Presentation(s)

Nil

10. Discussion Items – No decision(s)

Business names associated with the Victor Harbor Horse Tram – place on future agenda for consideration and decision.

11. Correspondence Received

Nil

12. Urgent Business without Notice

Discussion re Advisory role to the Victor Harbor horse Tram Authority Board.

13. Confidential Reports

Nil

14. Next Meeting

Tuesday 21 April 2020, 3pm

15. Meeting Close

4.03pm

**Minutes of the Victor Harbor Horse Tram Authority
Board Meeting
For meeting Tuesday 18 February 2020
Commencing at 3.00pm**



***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**
Date **8 April 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

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.

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

The Coronavirus has seen daily changes to the operation which closed the Victor Harbor Horse Tram on Monday 23 March at 12pm. Prior to closure implementation of sanitising the tram, providing sanitiser for use by customers and staff, keeping the public away from the horses to avoid potential virus transmission through touching/patting have been some of the steps the VHHTA staff have taken to stop the spread of the virus while keeping the Tram operational. Now that the VHHTA operation has been closed to the public, reducing the rosters and changing the structure has been important to reduce losses. Horse training and exercise has been adjusted to suit.

The full time and part time employees are rostered on over the seven days to achieve the feeding, paddock clean up and care that is needed regarding the horses fitness and mental stimulation.

During this time of inactivity we will also look to commence the Tram renovation project.

We will engage a contractor to conduct track maintenance, which includes a rebuild of the points and the replacement of a small section of rail at the beginning of the causeway.

Updating the administration areas that have been needing some attention will also be addressed and WHS training of using Skytrust software has commenced and this operational downtime will be utilised to set up the VHHTA account.

Ticket Sales 1 March – 23 March 2020

Year	2020	2019	2018	2017
Tickets sold	2420	0	2786	3138
Kids #'s	522		6% up on 2018 tickets no.s including the kids	-6% up on 2017 ticket no.s including the kids
Revenue \$	\$25,084	\$0	\$27,148	\$29,089
Rev Growth \$			-7.6% on 2018	-24% on 2017
Days closed	4	closed	0	0
Ticket growth – not including kids			-13% growth on 2018 ticket sales	-22% growth on 2017 ticket sales

Ticket sales reflect the impact of COVID-19, showing a downturn in numbers towards the middle of March. The Figures were certainly looking promising for the financial year but this has now changed and managing the budget so as to minimize the loss will be challenging with no income from ticket sales.

The government’s help via the payg credits will help with any tax debt and as this detail becomes clearer, information will be provided to the board.

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 **8 April 2020**

From **Megan Whibley**

Subject **Outstanding Resolutions Register**

Report Number **6.2**

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 3-Apr-20

*newest at top

Date	Minute Number	Resolution	Status/Update
		<i>Leave blank</i>	
18 February 2020	VHHTA159	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 Rachel Kennedy.	Ongoing – this will be completed by the end of April. This can now be completed via zoom and was originally postponed due to Rachel and Paul being overseas, that has all changed due to the Covid-19 situation.
18 February 2020	VHHTA158	That the Victor Harbor Horse Tram Authority endorse the Draft Operating Budget 2020/21 in the accompanying financial statements as provided at amended attachment A to this report, and recommend it to Council for their approval.	This was recommended to Council for approval on the 24 February 2020 and was carried. Now the adoption of the 2020/21 operating budget will be put to the Victor Harbor Horse Tram Authority for endorsement and then presented to Council for adoption at the April Council meeting.
18 February 2020	VHHTA157	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.	This went to council on the 24 February for the Councils consideration.



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	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.
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



Date	Minute Number	Resolution	Status/Update
			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
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 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>	A proposal has been received through the Office of David Basham MP to reinstate the previous tractor train,



Date	Minute Number	Resolution	Status/Update
		<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>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> <p>On hold (Dec 2019) – refer resolution VHHTA146 - until the design of the new causeway is determined.</p>



Meeting **Victor Harbor Horse Tram Authority**
Date **8 April 2020**
From **Megan Whibley**
Subject **Operating budget 2020/21**
Report Number **7.1**

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority receive and note the Operating Budget 2020/21 report.**

- 2. That:**
 -) the Victor Harbor Horse Tram Authority adopt the 2020/21 Operating Budget in the accompanying financial statements as provided at Attachment A to this report and consistent with the approval given by the Council at their meeting on 24 February 2020, recognising that adjustments will need to be considered in light of the evolving COVID-19 pandemic, as the extent of these adjustments become understood; and**

 -) the Victor Harbor Horse Tram Authority provide a copy of the adopted budget, as per the requirement of section 5.4 of the Charter**

INFORMATION

Purpose

To adopt the operating budget for 2020/21 in line with 5.2 of the Victor Harbor Horse Tram Authority (VHHTA) Charter.

Background

The VHHTA Charter indicates the following:

5. BUDGETS

5.1 The Authority must before 31 March of each year prepare and submit a draft Budget to the Council for the ensuing financial year (or, if appropriate, part financial year) in accordance with the Act for approval by the Council.

5.2 The Authority must adopt after 31 May and within six (6) weeks of approval of the draft Budget by the Council in each year, a Budget in accordance with the Act for the ensuing financial year consistent with the approval given by the Council pursuant to clause 5.1.

5.4 The Authority must each financial year provide a copy of its adopted Budget to the Council within five (5) business days after the adoption of the Budget by the Authority.

Commentary

The draft operating budget 2020/21 was endorsed by the VHHTA Authority at the 18 February 2020 Board meeting and was approved by Council as presented, at the Council meeting held 24 February 2020.

In line with 5.2 of the VHHTA Charter, the Authority must then adopt the budget within six weeks of approval of the draft budget by Council, yet after 31 May. As Council sought for the VHHTA draft budget to be provided earlier than required by the Charter, it is not possible to meet both of these requirements. The budget is therefore provided for adoption by the VHHTA with this report.

It is recognised that in the current climate with the evolving COVID-19 pandemic, the draft Budget 2020/21 being presented for adoption will require adjustment as the extent of the impact is better understood.

The draft 2020/21 Financial Statements and operating budget are provided at attachment A.

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%

Attachment A explanations: STATEMENT OF COMPREHENSIVE INCOME

Ticket & Bookings increase from 2019/20 budget to 2020/21 budget is \$20,000

- Expected increase is due to the increased ticket price in October 2019.

Other Income

- Increased sponsorship and Merchandise sales of \$42,000

Employment costs increase from 2019/20 budget to 2020/21 budget is \$89,100

- Increase of \$59,100 for the Horse Husbandry Role not budgeted for in 2019/20 budget.
- Increase of \$15,000 for Admin Role supporting the General Manager.
- Increase of \$15,000 for Maintenance staff. (equivalent to 1 day per week)

Other expenses

- \$16,000 increased Insurance costs not budgeted for in the 2019/20 budget
- \$8,400 increased allowance for professional fee's, Xero accounting subscription and merchandise purchases.

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 adopt the operating budget after 31 May and within six weeks of Council approving the draft Operating Budget. As Council requested the draft budget earlier than required by the Charter, it is not possible to meet both of these requirements, however adoption of the budget at this meeting is in line with the intent of the Charter. It is known that adjustments will be required in light of the COVID-19 pandemic. The risk is assessed as **medium**.

Financial Management –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 is likely to be further exacerbated as impacts of COVID-19 pandemic are realised, and it is clear that budget adjustments will be required as income will not be achieved with the service now closed to customers. This risk is assessed as **High**.

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 –The horse tram service has ceased for the coming period as a result of the COVID-19 pandemic. Increases are still required for the horse husbandry position allocation to ensure that horse wellbeing can be maintained into the future, however budget adjustments in relation to service cessation will be addressed as they become known. 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

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

This will change as a result of the COVID-19 pandemic, with further work on the budget to be undertaken as period of service closure and the corresponding financial impact becomes clearer.

CONSULTATION

VHHTA Board Members

SMP Chartered Accountants

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	-\$418,000.00	-\$438,000.00	-\$223,255.02	-\$194,744.98	
0322080		Other Income	-\$8,500.00	-\$50,500.00	-\$4,418.17	-\$4,081.83	
0323000		Employee Wages	\$427,600.00	\$577,500.00	\$174,938.59	\$252,661.41	
0323010		Employee Costs	\$68,800.00	\$0.00	\$27,076.00	\$41,724.00	
0323020		Administration & Office Costs	\$14,900.00	\$57,400.00	\$28,235.14	-\$13,335.14	
0323030		Telephone and Internet Costs	\$3,000.00	\$0.00	\$252.00	\$2,748.00	
0323040		Tram Utilities	\$17,300.00	\$57,600.00	\$7,977.21	\$9,322.79	
0323050		Horse Costs and Maintenance	\$112,500.00	\$57,900.00	\$50,105.05	\$62,394.95	
0323070		Tram Promotion	\$19,000.00	\$22,800.00	\$5,861.84	\$13,138.16	
0323080		Other Tram Costs	\$25,400.00	\$28,700.00	\$17,601.15	\$2,798.85	
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	



STATEMENT OF COMPREHENSIVE INCOME
For the Year Ending 30 June 2021

	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	577,500
Materials Contract and Other Expenses	302,100	326,400
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%
Operating Surplus Ratio	0%	0%
Net Financial Liabilities Ratio	0%	0%
Asset Sustainability Ratio	0%	0%



STATEMENT OF FINANCIAL POSITION

For the Year Ending 30 June 2021

	2019/20 Budget \$	2020/21 Budget \$
CURRENT ASSETS		
Cash and Cash Equivalents	47,990	100,690
Trade and Other Receivables	20,710	12,045
Inventories	5,000	5,000
Total Current Assets	73,700	117,735
NON-CURRENT ASSETS		
Financial Assets	-	-
Infrastructure, Property, Plant & Equipment	-	-
Other Non-Current Assets	-	-
Total Non-Current Assets	-	-
TOTAL ASSETS	73,700	117,735
CURRENT LIABILITES		
Trade and Other Payables	20,710	12,045
Borrowings	-	-
Provisions	5,000	5,000
Total Current Liabilities	25,710	17,045
NON-CURRENT LIABILITIES		
Borrowings	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
NET ASSETS	47,990	100,690
EQUITY		
Accumulated Surplus	-	-
Asset Revaluation Reserve	-	-
Other Reserves	47,990	100,690
Share in Operating Result	-	-
New Capital	-	-
Total Equity	47,990	100,690



CASHFLOW STATEMENT

For the Year Ending 30 June 2021

	2019/20 Budget \$	2020/21 Budget \$
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	847,990	977,195
Investment Receipts	-	-
Payments		
Operating Payments to Suppliers and Employees	800,000	924,495
Net cash provided by (or used in) operating activities	47,990	52,700
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	47,990	52,700
Cash & cash equivalents at beginning of period	0	47,990
CASH & CASH EQUIVALENTS AT END OF PERIOD	47,990	100,690



3 April 2020

Megan Whibley
General Manager
Victor Harbor Horse Tram Authority

Email: mwhibley@victor.sa.gov.au

File No: ED4.12.013
In No: NREC10700920

Dear Megan

Response to request for reallocation of capital budget for tram track replacement works on Granite Island

I refer to your email of 13 January 2020 on behalf of the Victor Harbor Horse Tram Authority (the Authority) seeking the reallocation of funds from Council's capital budget in support of tram track repair works on Granite Island.

I write to advise that the Authority's request was considered by Council who, following commissioning of a Track Condition Assessment by Tom Hampton Group (THG) Engineers, resolved not to expend the allocated capital budget in 2019/20 for tram track replacement works on Granite Island. Further, the Council resolved:

- That taking into consideration the recommendations in the Tom Hampton Group Engineers report, the Authority provide Council with a plan together with concept designs for the replacement of the required tram track on Granite Island for consideration and approval as part of the new Causeway Construction; and
- That, in line with recommendations from Tom Hampton Group Track Condition Assessment Revision 1, Council will work with the VHHTA to undertake maintenance works as required to maintain horse tram operations, which:
 - at the Victor Harbor end of the causeway, may include installation of fishplates, replacement of small section of track where web penetration has occurred due to corrosion, as well as routine removal of sand;
 - on Granite Island may include the installation of additional gauge bars where monitoring determines the gauge width to be outside of the 20mm gauge tolerance;

I have included a copy of the THG Track Condition Assessment (Revision 1) with this letter for Authority records and to assist in understanding the maintenance requirements detailed in the report and endorsed by Council, for action by the Authority.

I request on behalf of Council, that you table this letter at the next Authority Board meeting and that the Authority action Council's resolutions in relation to this matter.

Please do not hesitate to speak with or seek support from Karen Rokicinski, Director Corporate and Customer Service regarding this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Victoria MacKirdy', with a stylized, cursive style.

Victoria MacKirdy
Chief Executive Officer

Encl: Tom Hampton Group Track Condition Assessment (Revision 1)

TRACK CONDITION ASSESSMENT

Victor Harbor Tramway

THG-REP-P2002-1 Rev 1
20 March 2020



HAMPTON

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1 Executive Summary

The City of Victor Harbor (CoVH) owns the assets that comprise the Victor Harbor Tramway. The Victor Harbor Horse Tram Authority (VHHTA), a subsidiary of the CoVH, oversees the operations, business development and marketing of the iconic Horse Tram service.

In approximately 18 months a new causeway structure will be constructed by the State Government and track works on the tramway will be performed to modify its alignment and connect it to the new causeway. The existing structure is also subject to vehicle load restrictions, preventing access for heavy equipment and materials that could be used for track maintenance works.

Tom Hampton Group (THG) has been engaged by the CoVH to provide independent assessment regarding the condition of the tramway track infrastructure and to provide advice relating to associated maintenance and risk. The assessment comprised of a review of previous inspection records as well as a field inspection of sections of the tramway.

Key findings from the condition assessment are as follows:

- 1 Track condition is currently considered fit for purpose. No conditions were identified that present immediate risk to safe tram operations.
- 2 Timber sleeper condition is considered the most critical factor affecting the overall tramway track condition and remaining asset life. The presence of wide gauge indicates rot around fasteners with resultant spreading of the rails. The VHHTA is currently monitoring gauge and installing gauge bars as a method of temporary repair. This is considered a prudent way of managing the track asset. It is understood some have been in track for 3 years.
- 3 The timber sleepers are buried, and remaining sleeper life is difficult to predict. It is likely that the current sleepers could continue to be used for a further 18 months and the track maintained through inspection, gauge measurement and the installation of gauge bars where wide gauge exceeds 20mm.
- 4 The rail on the Victor Harbor end of the causeway is showing signs of corrosion. The rail in this section is considered fit for purpose and monitoring of the rail should be performed in conjunction with routine removal of the sand, to minimise the rate of future corrosion. On 14 March 2020, VHHTA volunteer Kim Bayly identified a location in the rail on the

Victor Harbor end of the causeway where corrosion had resulted in a penetration of the web. The rail in this section currently remains fit for purpose, as the load from the tram wheel has a functioning load path with the rail head spanning the web penetration, though this section of rail should be subject to prompt repair to reduce risk of failure. Repair could include installation of fishplates at the isolated location or replacement of the section of rail in this area. The latter repair has the greatest risk reduction.

- 5 Due to the slow operating speed of the tramway, any derailment associated with either wide gauge spread track or rail failure is likely to result in a low-level safety outcome. The impact would have more reputational and operational impacts whilst tram operations cease for recovery.
- 6 Prolonging major track renewal of the sections of track on Granite Island would enable additional time for CoVH and VHHTA to consider the scope of reconstruction works. Reconstructing the track on the former inland alignment on Granite Island, which is currently a foot path, has some advantages in that the track could largely be constructed offline, track curve radii could be increased, changes in track grade could be optimised and ongoing operational risk reduced due to the increased separation from the water's edge. Prolonging the timing could impact overall costs associated with the major track renewal. Completing works when the existing causeway vehicle load restrictions are not an issue may provide more cost effective access for heavy equipment and materials required.
- 7 Major track renewal could incorporate concrete track slab or sleepere track as currently installed. Sleepere track is appropriate and likely to have the lowest construction cost. Concrete, timber or composite sleepers could be used. Composite sleepers are performing well in sections that have undergone renewal and are likely to be the most cost effective. Concrete sleepers are also an alternative and understood to be held in inventory. To increase life of the concrete sleeper fastener, a bituminous coating should be applied prior to burying the track.

Overall, the assessment concludes the track is fit for the continued purpose of performing horse drawn tram operations for a further 18 months with monitoring and the installation of gauge bars where wide gauge exceeds 20mm.

2 Introduction

2.1 Scope

The track condition assessment comprised a review of previous inspection records as well as a field inspection of the following sections of the tramway.

- 1 Small track section near the tram office, at the Victor Harbor end of the causeway, refer map included in Appendix A.
- 2 All track located on Granite Island, refer map included in Appendix A.

The assessment did not consider the following infrastructure items; track outside the sections above, the causeway structure, sleeper condition due to being buried in crushed rock cover or detailed rail wear or internal rail defect status.

2.2 References

There are no documented track standards currently available that are applicable to the tramway track infrastructure and its maintenance.

From discussion and email correspondence with CoVH and VHHTA personnel, key track related information is as follows:

- 1 Tramway operations comprise a horse drawn, dual axle tram that weighs 4.5 tonne that seats up to 40 passengers. This equates to up to 5 tonne axle loads.
- 2 The horse drawn tram operates at up to 8km/h
- 3 The track comprises 1600mm, broad gauge track with previous practice of allowing up to 20mm wide gauge before intervention.

2.3 Documentation Review

A review of the following documentation was completed as part of the assessment:

- 1 Broadspectrum June 2019 Track Inspection & Assessment Record as included within Appendix B.
- 2 Tram wheel profile details provided by VHHTA and as included within Appendix C.
- 3 Gauge measurement records provided by VHHTA and as included within Appendix C.

2.4 Field Inspection

An inspection of the tramway was completed by Tom Hampton of THG on Friday 28 February 2020. The inspection considered overall track condition, with a focus on gauge and likely associated sleeper condition.

3 Track Infrastructure Condition Observations

3.1 Track Gauge Tolerance

Previous practice of the VHHTA has been to allow up to 20mm wide gauge before intervention and implementing track repairs that have included resleepering, track renewal or temporary repair using gauge bars.

Most rail authorities allow in excess of 20mm wide gauge for low speed, 15km/h or less, operations. The adoption of 20mm therefore is more conservative than other authorities.

Based on the new wheel profile, included in Appendix C, and back to back wheel dimension of 1530mm it is calculated that with 20mm wide gauge 56mm of wheel tread would remain over the rail. This means the rail would need to move out a further 56mm to allow a spread track derailment where one wheel would drop in between the rails. Wheels with worn flanges would require a lesser track spread to derail.

Based on the above, the adoption of the practice of allowing 20mm wide gauge is considered acceptable and appropriate with a significant margin for safety.

3.2 Track Section Near Tram Office

3.2.1 Track Geometry and Gauge

Gauge in this section is tight with measurements of 1587 to 1590mm taken.

There was no evidence of rail movement confirming the rail is securely fastened to the causeway structure and approach track sleepers.

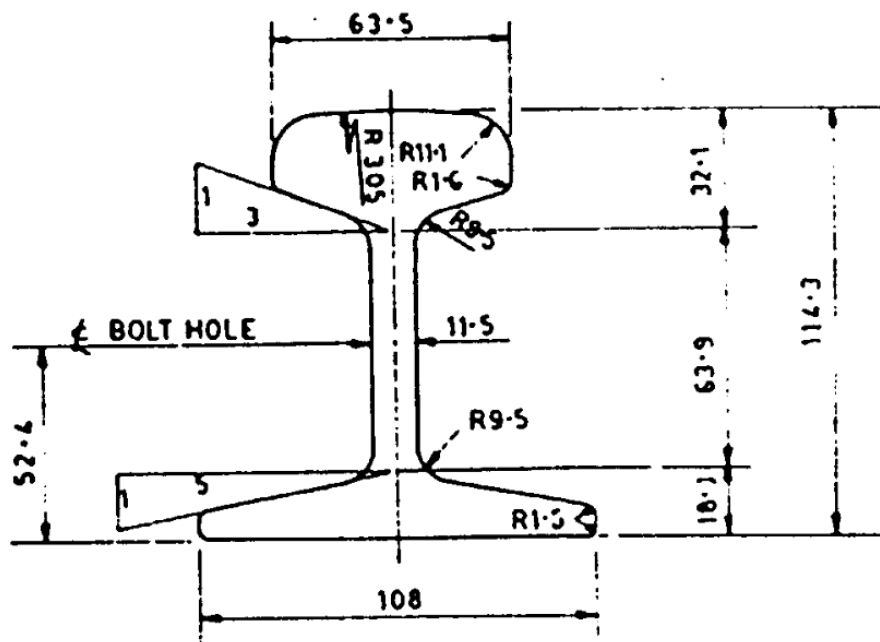
Despite the tight gauge, there was no evidence of significant gauge face contact and trams were observed to traverse the section without noticeable wheel flange contact.

There were no noticeable track geometry faults of concern.

The geometry and gauge in this section is considered fit for purpose and no maintenance works are likely to be required to maintain this for a further 18 months.

3.2.2 Rail

Rail installed in this section comprises 60lb/yd AS rail as identified by markings on the rail web. Figure 3.1 below includes the as rolled profile of the rail.



60lb AS
ACTUAL WEIGHT 29.87 kg/m

Figure 3.1: 60lb AS Rail Profile

Corrosion of the rail foot and web is evident, with material flaking from the rail. The quantity of corrosion is the result of drift sand from the adjacent beach blowing in and holding moisture. The sand also contains salt which results in accelerated corrosion. Figure 3.2 illustrates typical rail corrosion in this track section.



Figure 3.2: Corroded Rail Foot and Web

On 14 March 2020, VHHTA volunteer Kim Bayly identified a location in the rail on the Victor Harbor end of the causeway where corrosion had resulted in a penetration of the web. Figure 3.3 illustrates the web penetration in this track section.

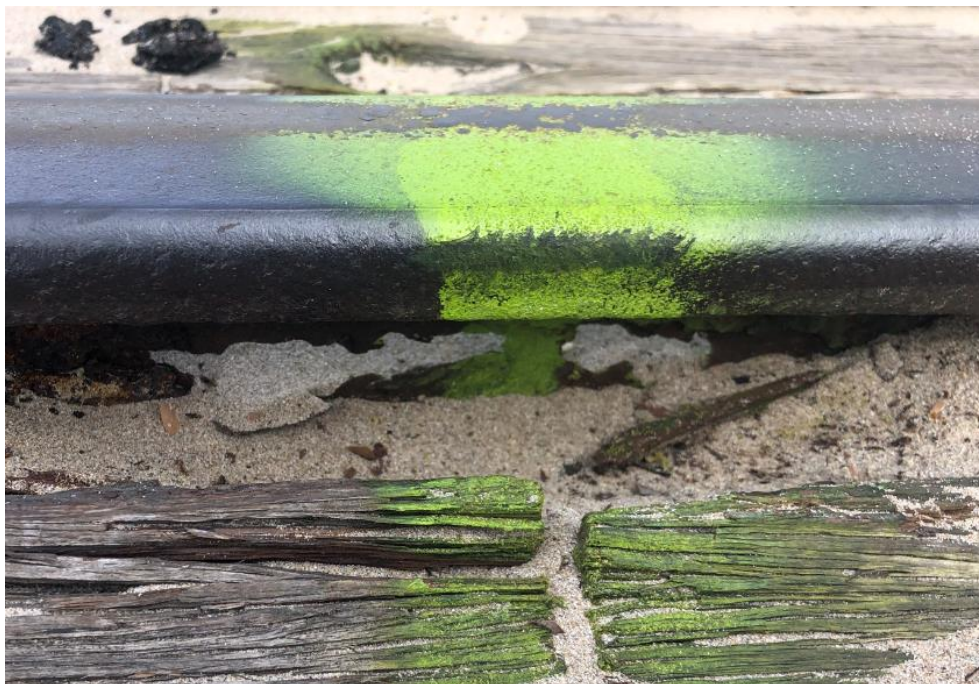


Figure 3.3: Isolated Web Penetration due to Corrosion

The rail in this section currently remains fit for purpose, as the load from the tram wheel has a functioning load path with the rail head spanning the web penetration, though this section of rail should be subject to prompt repair to reduce risk of failure. Repair could include installation of fishplates at the

isolated location or replacement of the section of rail in this area. The latter repair has the greatest risk reduction.

Despite the corrosion, the rail is currently performing satisfactorily, and the rail web remains solid. From feeling the rail, a significant portion of the 11.5mm as manufactured web appears to remain. Measurements would need to be undertaken to determine exactly the width of the web remains. Rail exists in other networks with far more web corrosion present, and with greater operating axle loads than this tramway, which has continued to perform satisfactorily in low speed rail environments. Derailment is unlikely to result from a rail web failure where the web would buckle under load and the rail head subside. If the web was to fail in such a manner is likely that an impact would be experienced in the ride quality only.

The rail in this section is considered fit for purpose. Monitoring of the rail should be performed, in conjunction with routine removal of the sand to minimise the rate of future corrosion, to ensure the rail continues to be fit for purpose for a further 18 months.

3.3 Track on Granite Island

3.3.1 Track Geometry and Gauge

Gauge in this section varied with measurements of 1595 to 1615mm taken. The gauge measurements taken were consistent with those included in the Broadspectrum report as well as those provided by VHHTA as part of the current monitoring regime.

Whilst only one gauge bar was visible within the buried track structure it is understood that several have been installed over the years to preserve gauge. Whilst gauge bars are a temporary measure they are performing well and should remain a viable option for a further 18 months.

Track gauge is being monitored correctly by VHHTA by use of a broad gauge track gauge which accurately enables gauge to be measured. Measurements are being taken at paint marked locations, to enable repeatability and comparison, and recorded on spreadsheets. This is considered a prudent way of monitoring the track asset. Figure 3.4 shows typical, buried track on Granite Island with paint marked gauge measurement location.

There were no noticeable track geometry faults of concern.

As an improvement, it is suggested that the VHHTA adopt a regular frequency for monitoring, potentially monthly, to improve regularity of measuring and provide further confidence in the state of the track gauge. This frequency could be reduced in dry seasons if consistent measurements are recorded indicating stable gauge.



Figure 3.4: Typical Track on Granite Island with Marked Gauge Measurement Location

3.3.2 Rail

Rail installed in this section generally comprises 60lb/yd AS, consistent with rail on the causeway, with 47kg/m rail installed in the reconditioned track near the Granite Island platform.

Based upon visual inspection of the running surface only, given the track is buried, the rail is considered fit for purpose.

3.3.3 Sleepers

Timber sleeper condition is considered the most critical factor affecting the overall tramway track condition and remaining asset life. Given that sleepers are buried in crushed rock pavement material and not visible, likely condition can only be considered by measuring track gauge and looking for rail movement.

Timber sleepers typically have a life of 25-50 sleepers determined by timber quality, operating axle loads and environment. It is understood the majority of

the buried sleepers were installed in 1986, when the tramway was constructed on its current alignment, making them 34 years old. Burying them will have accelerated timber rot due to the pavement material holding water. The presence of wide gauge indicates rot around fasteners with resultant spreading of the rails.

Gauge has been maintained in sections through the installation of gauge bars or track renewal and resleepering using composite sleepers. It is understood some of the gauge bars have been in track for 3 years.

Remaining sleeper life is difficult to predict. It is likely that the current timber sleepers could continue to be used for a further 18 months and the track maintained through inspection, gauge measurement and the installation of gauge bars where wide gauge exceeds 20mm. Alternate more permanent, and potentially more costly, methods to hold gauge in such areas includes cross boring of existing sleepers if timber sleeper condition permits or the installation of new timber or composite sleepers. Cross boring involves the installation of new screw or dog spikes into undrilled timber to securely hold the rail.

The sleepers, with use of gauge bars, are considered fit for purpose.

3.3.4 Drainage

The track was dry at the time, but it is understood the crushed rock pavement material holds water during wet weather periods.

Open and grated drains have been installed to remove some water from the area between the rails and adjacent to the track to improve conditions for the horses and reduce water ingress into the track structure. Figure 3.5 shows a typical grated drain which has been installed to remove surface water from between the rails and adjacent to the track.

The drainage is considered fit for purpose.



Figure 3.5: Typical Grated Drain

3.3.5 Turnouts

Fixed blade turnouts are present at each end of the dual section of track used to cross trams. Both turnouts are buried.

The v blade and v crossing areas showed signs of wear and repair (weld build up and grinding) that has been completed during their life. There were no notable defects to report. Figure 3.6 shows the turnout installed at the causeway end of the dual section of track.

The turnouts are considered fit for purpose.



Figure 3.6: Typical Fixed Blade Turnout

4 Photographic Records

Included in Appendix D are various photographic records captured during the field inspection.

Whilst the photographs are not referred to within the body of this report, they are provided for completeness and support comments regarding track infrastructure condition and observations made above.

5 Derailment Risk

Due to the slow operating speed of the tramway, any derailment associated with either wide gauge spread track or rail failure is likely to result in a low-level safety outcome. Discussion with VHHTA confirms this to be the case, with previous derailments having limited safety outcomes and the increased drag of a derailed tram being similar to a brake application. The impact would have more reputational and operational impacts whilst tram operations cease for recovery.

With a spread track derailment one wheel will drop in between the rails. The wheel is contained and the derailed vehicle remains above the track rather than being allowed to track outside of the track alignment.

Derailment is unlikely to result from a rail web failure where the web would buckle under load and the rail head subside. If the web was to fail in such a manner is likely that an impact would be experienced in the ride quality only.

6 Recommendations and Conclusion

From the documentation review and field inspection, the following recommendations are made:

1. VHHTA should continue to monitor the rail in the track section outside the tram office, in conjunction with routine removal of the sand to minimise the rate of future corrosion, to ensure the rail continues to be fit for purpose for a further 18 months.
2. VHHTA should continue to monitor gauge and install gauge bars as a method of temporary repair where wide gauge exceeds 20mm. As an improvement, it is suggested that the VHHTA adopt a regular frequency for monitoring, potentially monthly, to improve regularity of measuring and provide further confidence in the state of the track gauge. This frequency could be reduced in dry seasons if consistent measurements are recorded indicating stable gauge.
3. The impact of a derailment would have more reputational and operational impacts whilst tram operations cease for recovery. It is recommended that VHHTA review its processes and practices relating to derailment recovery to ensure impacts are minimised. A risk assessment could be documented and desktop exercise performed to test the level preparedness.
4. Prolonging major track renewal of the sections of track on Granite Island would enable additional time for CoVH and VHHTA to consider the scope of reconstruction works. Reconstructing the track on the former inland alignment on Granite Island, which is currently a foot path, has some advantages in that the track could largely be constructed offline, track curve radii could be increased, changes in track grade could be optimised and ongoing operational risk reduced due to the increased separation from the water's edge. Prolonging the timing could impact overall costs associated with the major track renewal. Completing works when the existing causeway vehicle load restrictions are not an issue may provide more cost effective access for heavy equipment and materials required.
5. Major track renewal could incorporate concrete track slab or sleepere track as currently installed. Sleepere track is appropriate and likely to have the lowest construction cost. Concrete, timber or composite sleepers could be used. Composite sleepers are performing well in sections that have undergone renewal and are likely to be the most cost effective.

Concrete sleepers are also an alternative and understood to be held in inventory. To increase life of the concrete sleeper fastener, a bituminous coating should be applied prior to burying the track.

Overall, the assessment concludes the track is fit for the continued purpose of performing horse drawn tram operations for at least a further 18 months with monitoring and the installation of gauge bars where wide gauge exceeds 20mm.

7 Appendices

Appendix A – Scope Area

Appendix B – Broadspectrum June 2019 Report

Appendix C – Tram Wheel Profile and Gauge Measurements

Appendix D – Photographic Records