



VICTOR HARBOR
HORSE TRAM AUTHORITY

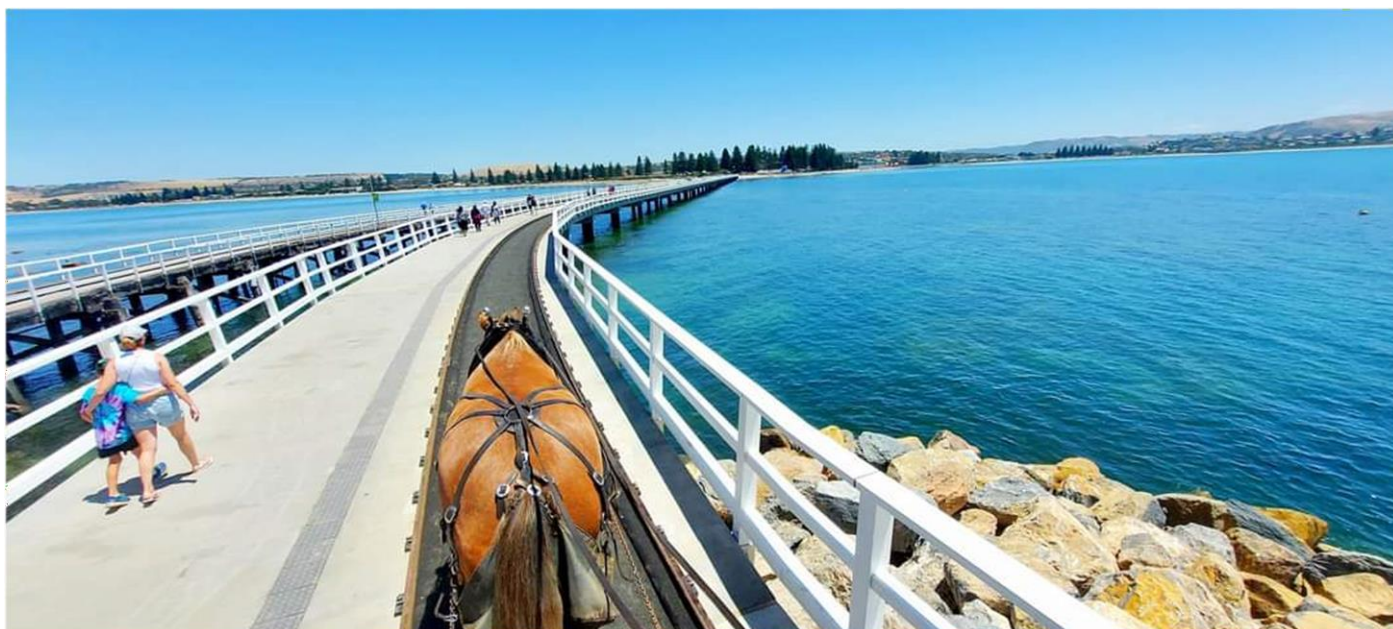
2022/23 Annual Report



Victor Harbor Horse Tram Authority Annual Report 2022/23

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Introduction from the Chair

During 2022/23 the Victor Harbor Horse Tram Authority (VHHTA) has had a wonderful year. The significant factors and obstacles of COVID-19 and the building of the new Causeway impeding and often halting the operation of the Tram are thankfully a distant memory.

The VHHTA team are always on point. I am continually impressed by their dedication to the horses, fitness and training programs for the horses, engagement with consumers and visitors all while together advancing the numerous projects outlined in the VHHTA Business Plan. My most heartfelt congratulations to all staff and management. The horses have never looked so polished and healthy, and again all horses received a 5-star health rating at their annual veterinary health checks. The horses are the VHHTA's major focus and key asset. Staff always ensure that they always look well-groomed and impressive. I think they must be the most adored animals in Australia.

The new Causeway has created an added focus to Victor Harbor which is evident in an increase in customer engagement and numbers of people traversing the new Causeway, enjoying the experience. The opening up of the Kiosk on the Island by the Department of Infrastructure and Transport has also enhanced visitor experience when visiting Granite Island.

The VHHTA was awarded a substantial grant from the Building Better Regions Fund, ensuring that a new Stable Complex is becoming an exciting reality. This tourist encounter will extend our service sector reach and enhance involvement by providing a focused Visitor Centre in the Complex, enabling the delivery of a first-class hands-on horse experiences. Together with the Equine Assisted Learning program, it will serve to create a better experience for visitors and extend the range of experiences that the VHHTA can offer. Not only will this facility attract a broad and varied visitor base to the Victor Harbor region but it will also serve to increase employment, provide an additional income source for the VHHTA and encourage extended holiday stays in the area.

COVID-19 severely impacted businesses across South Australia, and the Horse Tram was not immune. Our numbers overall were suppressed, and passenger seating available per trip was reduced to comply with COVID capacity restrictions. The lack of international visitors impacted as did border closures which stopped visitor numbers from all states.

A full year, post COVID has showed a very positive future for the iconic and important 'Horse Tram'. It has been impressive the way Megan and her team adjusted and pivoted during the COVID impacting period, but now without those restrictions the business is absolutely flourishing. Attention to detail and cohesive fiscal management has served to rationalise the business and allowed for inflationary cost increases. Also, internal maintenance has shaped extensive savings showing fiscal responsibility in what was, and continues to be, a difficult climate.

One of the major achievements has been the new merchandise area, which has seen a significant increase in sales, creating a substantial revenue stream for which we have Cr Carol Schofield, and our wonderful volunteers, to thank.

When visiting the tram office in the mornings it is heart-warming to see the love and care that the horses are given and how passionate the VHHTA team is. Scores of people watch the horses being ridden along the beach and in the ocean, and see the horses being treated to massages by specialist mechanical devices to enhance their overall well-being, and the horses are just 'lapping it up'. They are a majestic sight adding exponentially to the Victor Harbor experience. Observing the VHHTA staff converse with the public, and how convivially they react with all visitors, it is obvious that it is a very cohesive team that enjoy their workplace. They are greatly appreciated as the face of the business.

Regular board meetings, together with internal and external assessment, serve to formalise ideas to recognise and guide a path to make the Victor Harbor Horse Tram a remarkable and special experience. The Horse Tram helps to showcase Victor Harbor as South Australia's #1 tourist destination through the world's leading horse drawn experience, delivering historic and authentic encounters that create lasting memories.

I want to thank the Board for their commitment and passion for the Horse Tram. Each member makes a tremendous contribution and brings a wealth of expertise, knowledge and diverse skill sets to the VHHTA, and works cohesively to achieve best practice.

Megan Whibley, as the VHHTA General Manager, has gone above and beyond in running a very diverse and unique business, while bringing new and fresh ideas to the VHHTA. Her passion and diligence is impressive. We have a great team of people working for, and with, the VHHTA, and a happy, healthy team of horses. The future of the Victor Harbor Horse Tram Authority is looking positive, bright and exciting. Our thanks go to the whole team, but especially to the VHHTA management, Megan and Adrian, for their faultless service and attention to detail.

Yours sincerely,

Nigel. M. Catt

Dip.Ag., Grad.Dip.Sc.

Chair – Victor Harbor Horse Tram Authority



About the VHHTA

The Victor Harbor Horse Tram Authority (the VHHTA) is a subsidiary of the City of Victor Harbor (Council), established under section 42 of the *Local Government Act 1999*. The VHHTA is governed by a Charter approved by the Minister on 17 October 2018, which details its purpose, powers, functions, duties, funding, property and delegation as well as the role, function and requirements of the VHHTA Board, among other things. The Charter was gazetted on 25 October 2018.

The Horse Tram, like many other services, is subsidised by Council and provides a valuable service to the City of Victor Harbor community on behalf of ratepayers. It serves as an important and highly significant contributor to the economy of Victor Harbor. The Horse Tram is a part of what makes this city thrive.

Strategic Direction

The Victor Harbor Horse Tram's Annual Business Plan outlines the strategic direction for the Authority.

Vision Statement: To deliver historic experiences and create memories.

Mission: To showcase Victor Harbor through the world's leading horse tram experience

Goals: High quality, efficient operation with a reduced financial reliance on City of Victor Harbor.



The Board



Nigel Catt (Chair)

Nigel Catt has been in the Australian Wine Industry since 1983 in various roles such as senior winemaker for a number of large and medium wine companies, as well as owning his own vineyards, wineries and wine brands.

During this time, Nigel has produced wines in other countries, consulted to other wineries and the State Government, run Industry Supply Companies at board and management level. He owned the Middleton Winery and Vineyards, developed and built the Flying Fish Café and has been a board member for 10 years at Encounter Lutheran College. National Sales and Marketing Consultant for Radoux, a French oak barrel company that he still represents here in Australia.

Nigel has supported and developed many businesses, and mentored young business-people, here and overseas. The majority of Nigel's focus and life has been spent in the Fleurieu Peninsula, specifically Victor Harbor, where he is based with his family.



Councillor Carol Schofield AM

Councillor Carol Schofield AM is the City of Victor Harbor's Elected Member representative on the Victor Harbor Horse Tram Authority Board. Carol was Chair of the City of Victor Harbor's Horse Tram Advisory Committee before it transitioned to form the Inaugural Victor Harbor Horse Tram Authority. She brings to the Board skills in business management, event management, tourism and agribusiness.

Carol is a long-time resident of Victor Harbor and has been involved in many local organisations. She was a dairy farmer and established her own agriculture business in Inman Valley.



Rachel Kennedy

Professor Rachel Kennedy (PhD, B.Bus(Hons), GAICD) is a globally recognised expert in marketing and evidence-based growth. As a co-founder and director of the Ehrenberg-Bass Institute, she has a proven track record of successful industry engagements that profitably grow businesses and build and protect their iconic assets. She combines this with hands-on experience marketing a local tourism reliant business.

Rachel is passionate about her community in Victor Harbor where she can often be seen walking, at the beach patrolling or playing hockey with her family. She is excited to bring her skills and knowledge to our Horse Tram.



Paul Brown

Paul Brown is the former owner of an internationally recognised tourism business. He has previously been the Chair of Tourism Kangaroo Island and the Australian Tourism Export Council (ATEC) SA Branch, as well as a board member of ATEC nationally.

In addition to being a Board member of the Victor Harbor Tram Authority he is a Board member of the Summit Sport and Recreation Park (Mount Barker) and Owner/Director, Dauncey Street Investments Pty Ltd

A graduate of the Australian Institute of Company Directors course Paul has always sought to make a contribution to his industry and community, and in recent times has contributed to the Older Persons Health sector.



Natasha Hunt

Natasha Hunt has over two decades of experience working in local government and the tourism industry. Having served on the Executive Team with the District Council of Yankalilla and Alexandrina Council she brings a wealth of knowledge in the areas of governance, strategic planning, community engagement, tourism, communications, and marketing.

Natasha represented the Fleurieu Peninsula on the South Australian Tourism Commission's Industry Skills Advisory Committee and was an inaugural member of the South Australian Accredited Visitor Information Centre Network.

Natasha grew up on the Fleurieu Peninsula on her family's farm where they operate two horse-based businesses. Natasha is passionate about the Fleurieu and has volunteered in many community organisations including the Normanville New Year's Eve Pageant, Yankalilla Football and Netball Club and the Fleurieu Horse and Pony Club.

Audit and Risk Committee

In accordance with the Charter, the VHHTA established its own Audit Committee. The Committee consists of three independent members and two Board members. Between them they bring an overwhelming volume of knowledge and specialist expertise. The VHHTA is thrilled to have them sitting on the Audit Committee, and appreciative to have members of their calibre, particularly given their non-remunerative status.

The Audit Committee is in its year third of oversight, and has, through recommendations to the VHHTA, made improvements to the VHHTA's policies, procedures and risk management resources.

The VHHTA Audit Committee consult with, and receive professional advice from, an independent financial specialist with expertise in local government finance, so as to report to Council in the form required.

Audit Committee Membership

Member	Representative	Appointed	Expires
Independent Member(s)	John Morgan	23 November 2020	23 November 2024
Independent Member(s)	Kate Christ	22 February 2021	22 February 2025
Independent Member(s)	Laura Hodgson	26 July 2021	26 July 2025
VHHTA Board Member	Rachel Kennedy	23 November 2020	23 November 2024
VHHTA Board Member	Nigel Catt	26 July 2021	26 July 2025
Office Bearers			
Chairperson	John Morgan	22 February 2021	23 November 2024
Deputy Chairperson	Rachel Kennedy	22 February 2021	23 November 2024

Our Team

The VHHTA Board provides strategic direction to the General Manager who is responsible for the day to day operations of the tram service.

Under the governance of the VHHTA the General Manager has successfully managed the Horse Tram through difficult circumstances and driven it forward in its journey towards independence.

Since the appointment of the General Manager the VHHTA's reliance on Council has been substantially reduced. In addition to the General Manager, the Horse Tram is supported by a highly experienced Assistant Manager, who has twenty three years of experience in the day to day operations of the Horse Tram and invaluable WHS knowledge.

The VHHTA is also responsible for the care and welfare of the Horse Tram horses. This is the VHHTA's highest priority, and this year received approval from Council to have the VHHTA Charter altered to reflect this. The VHHTA has a very dedicated horse husbandry team to ensure this priority is successfully realised.

The VHHTA now has a maintenance team and dedicated administration staff. As the team grows, employee talents and abilities are recognised, supported and strengthened.

The VHHTA is well on the way to having a fully qualified team able to deliver an Equine Assisted Learning program (EAL). EAL is a specialist

process that partners clients with horses to address clients particular personal learning goals. It is a unique approach to experiential learning, where clients are offered safe experiences with horses for the purposes of enhancing social, emotional and relationship skills building, professional skills development, promoting self-awareness, awareness of others, as well as increasing clients capacity to negotiate life's hurdles.

The VHHTA's new merchandise store is a success story that has enabled the VHHTA to attract new volunteers to support the invaluable team of existing volunteers. The new and inviting space allows the VHHTA to cater for volunteers' needs in a way that it previously was unable to.

During 2022/23, the VHHTA was supported by a team of 15 staff, ranging from casual junior staff through to an assistant manager. For the reporting period there were four permanent full time equivalent (FTE) staff members, with the remainder engaged as casual employees. The merchandise store is supported by 7 valuable volunteers.



Our Horses

Our Team of Clydesdales are such a magnificent part of the Victor Harbor Horse Tram. Our Team consists of:



Albert

Albert is our oldest and steadiest Clydesdale. Having said that, he is still young at only fourteen years of age. He really enjoys tram work and coming into the office. He has a regal attitude and performs his work with effortless elegance. Albert is a smooch with the staff and a favourite of all. Albert is now our lead horse when training junior drivers and equine youngsters, and reassures them with his soothing and Zen-like demeanour.



Murray

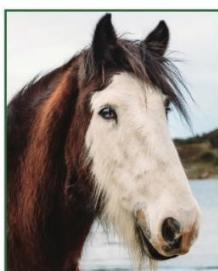
Murray is twelve years old and is that tram horse that everyone wants to drive. He always performs his best and tries to do everything right. He pulls the tram so fast, with calm forward-moving energy, and with him on the tram, it is up and back before you can believe it. Murray learns very fast, as he aims to please, and staff try hard to please Murray as well. Murray is a sensitive boy, and the staff have special soft, natural bristled brushes that they use especially for Murray so that he can enjoy his grooming experiences.

Murray competed at the Wirrina Heavy Horse Trials in May 2023 and performed amazingly well. He has encouraged the Horse Tram to enter a whole team, if possible, in 2024.



Isabella

Isabella is the princess of the team, but she is no shrinking violet. Boy can she really move a tram! She is all "I am woman, hear me roar - past". When Isabella is at rest, she is the softest, most serene being. People express honour just being in her presence. But when there is a job to do, she gets it done, and you'd better keep up. She is a brave, sensible, sweet and joyous horse. She adores being adored and knows full well that she deserves it - and more. At twelve years of age, she is wise beyond her years.



Elliot

Elliot is our slowest and calmest team member even though he is only eleven. He is our steady horse used to train new drivers and staff. He is an irreplaceable member of the team. He is quite goofy and loving, and a long-term favourite of the public. He has a large following, with people returning frequently to visit him. Staff are often asked if Elliot is working that day and are met with either excitement or disappointment depending on the answer they give. The merchandise store needs to keep a ready stock of Elliot's horseshoes, as they are always in demand. Elliot regularly has a clip as he has quite a luxurious coat, not quite conducive to our summer climate. He loves having a short coat and it looks very stylish on him as well.



Scotty

Scotty is the VHHTA's smallest working tram horse, but is still a sizeable guy at 16'3 hands high. He is a powerhouse and proving to be a reliable team member, despite his youthful age of eight. Scotty is adorable and full of cheeky character. He loves to play games with staff and his other horse team members. He enjoys time on the beach and is lovely under saddle. He is brave on the causeway and not much worries him, but he does need some encouragement to slow down and smell the roses. Staff describe Scotty as a little trooper. At nine, he is still a youngster and gets special attention to make sure he stays on track to become the tram horse he deserves to be.



Archer

Archer is an exciting new addition to the Horse Tram team. Archer is 17'3 hands high, nine years old and incredibly impressive. He has a sooty mane and a thick flaxen tail. Archer joined the Tram after spending some time in Melbourne with the VHHTA's specialist trainer there. Archer was already started in harness, so a significant portion of his training was focussed on ridden work. Archer, like Scotty, is nine years of age. He is incredibly sensible, smoochy and sensitive and has Alberts regal like presence. He adores treats, especially bananas. Archer's markings are very spectacular, with his face featuring its very own picture of a horse. He has fit in with the rest of the crew perfectly and is expected to make his tram debut in the second half of 2023.



Leo

Leo is a lovely little lad. He is just a baby at three years of age but has a confidence well beyond his tender years. Leo is a black Clydesdale cross Shire, so he is a little different from our other tram horses. Shires are similarly built to Clydesdales in height and width and have similar temperaments. He is fitting in with the herd perfectly and is even in charge sometimes. He has a winning personality and is adored by staff and the tram horses. The VHHTA have started his learning early with some professional training in Melbourne, to ensure he has the best start to his career. Leo has a couple of years to go before he can do anything heavy or demanding but he is the kind of horse who enjoys learning and being with people and will enjoy his 'light duties' lifestyle. Leo has been a star at the tram office horse yard at the foreshore and is getting used to his famous lifestyle.



Finniss

Finniss and Norman are new arrivals to the Tram. They are half-brothers sharing the same sire, both 9 years old and born an hour apart. They are very close and it was preferable to keep them together. The boys are starting to settle in and get to know our other horses. Finniss has been trained in harness and cart. He was started as a two year old by his previous owner and breeder, and then has had professional retraining since the VHHTA purchased him. Finn is quite a solid boy and is very bold and forward in harness. He is a sensitive boy and the VHHTA are spending valuable time with him, building up his trust in the staff around him so that he can have a very confident start on the Tram. Since joining the Tram Team, Finn has gained some beautiful condition and his dapples are really starting to shine. He is indeed a sweetheart.



Norman

Norman, named after Normanville, was started in harness at the same time as his brother Finniss. He was also sent for professional retraining by the VHHTA to brush up his skill set. Norman is less forward in harness than his brother Finn but is more confident in himself with a calm head. Norm has started training across the Causeway, not yet pulling a Tram, but it won't be too far away. He has settled in well with the herd and although he is the smallest, he believes that he is the biggest. Norm is a big teddy bear and has a very loving personality. He tries his best to please in everything that he does and looks set to become a very valuable member of the team.

Our Volunteers

The VHHTA's team of volunteer's support and facilitate the sale of merchandise in the new and fantastic merchandise store, situated in the refurbished Tram Office building. As the VHHTA now has inviting facilities for volunteers to work from, the volunteer team is growing. This year, for the first time the volunteers enjoyed protection from the weather, consistent working conditions and access to facilities. Establishing the merchandise store has solidified the volunteers' role as an integral part of VHHTA operations.



The merchandise store has been a great trading success, generating revenue to help reduce the VHHTA's reliance on Council. In 2022/23 the merchandise store exceeded budgeted expectations creating twice the revenue predicted. The VHHTA has plans to increase volunteer participation and is looking forward to growth in this area in 2023/24, especially with the new volunteering opportunities at The Stables, involving the 'Behind the Scenes' visitor experiences.

2022/2023 Achievements

2022 VHHTA Board Workshop

On 16 August 2022, Dan Aubin of Daring Humans facilitated a workshop with the Board, General Manager, Assistant Manager and Executive Coordinator. As part of the 2022 workshop, the group enjoyed some mind focus exercises so as to produce the best results possible for the flurry of ideas and business design inspirations that was to follow. There was a keen focus on the emerging new offerings for the 'Behind the Scenes' experiences that the VHHTA will be offering. The creative planning session successfully fleshed out some solid offerings, providing focus and direction for 2022/23.



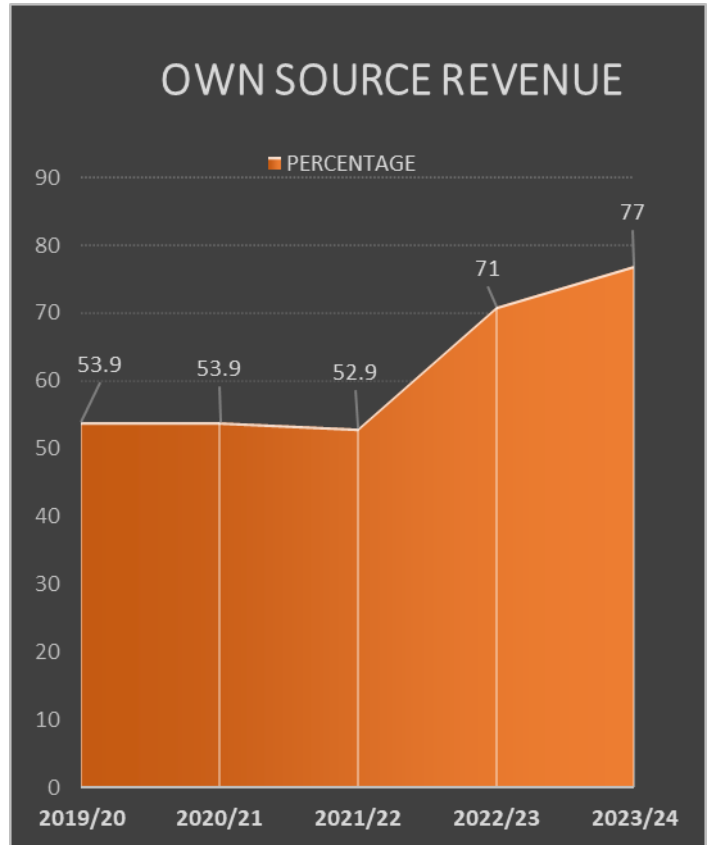
2022 VHHTA Staff Workshop

For the first time, the VHHTA asked Dan Aubin of Daring Humans to facilitate a staff workshop, similar in style as the Board workshop. The workshop was a great way to harness and capture staff ideas and inspirations.

The VHHTA team cohesively built upon Board ideas, bringing their own talents and spin to original ideas, and building entire new experiences to offer. Staff were enthusiastic to contribute and share, with everyone included, from permanent staff to casuals. At the VHHTA all staff are valued and their input and ingenuity is invaluable.

Financial Management

The VHHTA has experienced its first full year of operation since its formation in 2018. Horse Tram operations have been hampered in previous years by rail replacement on the island, the construction of the new Causeway, demolition of the old Causeway, as well as the COVID-19 pandemic. With these hinderances becoming old news, the Horse Tram and VHHTA are now steaming ahead, increasing its own source income, and reducing reliance on Council and rate payers of the City of Victor Harbor in a real way. Expert financial management has seen the Tram through the toughest of times without increasing its reliance on Council and is now making the most out of unrestricted operations and significantly increasing the VHHTA's self-reliance. Exciting times ahead!



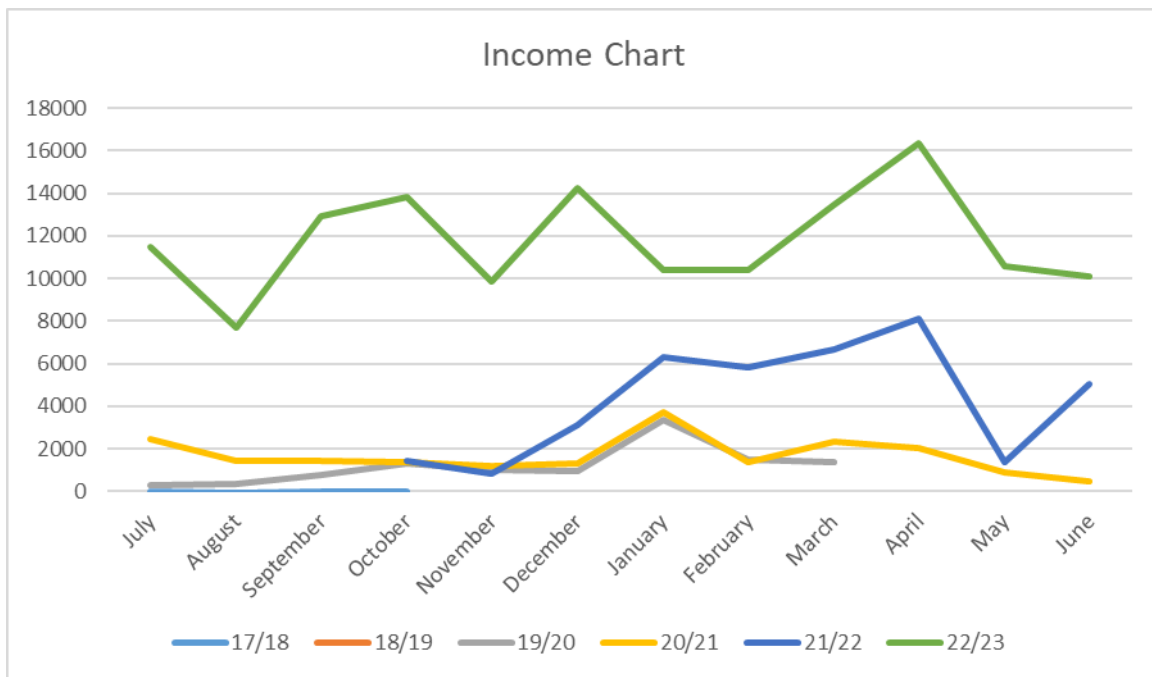
Merchandise Store

The VHHTA has had its first full year of having a fully functional, stand alone, merchandise store. The store has been abundantly successful, making twice the profits budgeted for.

The merchandise store is completely operated by a team of volunteers. The success of the VHHTA volunteer program and merchandise store would not be possible without our amazing volunteer Team Leader, Cr Carol Schofield, who has given so much of herself and her time to make it happen, and still continues to do so.



The graph below shows the growth in merchandise income, comparing financial years from 2018/19 through to the end of 2022/23. The success of the new Merchandise Store is both obvious and phenomenal, resulting in a 258% increase in turnover from 21/22



Volunteers selling memberships through the Merchandise Store have seen an astronomical increase from 71 sold last financial year to a whopping 232 in 2022/23. Since its inception improvements have been made to the store including increases to storage and shelving areas, installation of a point of sale system, and an update of the volunteer communication system and financial reporting systems. Volunteers have generously donated a total of 2,359.5 hours in 2022/23, equating to an estimate of \$82,582.50 in value for the VHHTA.

Safety First

The VHHTA realises that safety is paramount for passengers. This year the VHHTA decided to take some significant steps to enhance its services. All of the VHHTA's staff and tram operators, underwent thorough first aid training. All staff are now certified and equipped with life-saving skills to handle medical emergencies confidently.

To further boost safety measures, the VHHTA placed automated external defibrillators (AEDs) and full-sized first aid kits on every Horse Tram. Passengers can now feel safe knowing that if anything unexpected happens during their ride, the VHHTA is prepared to respond swiftly and effectively.

The VHHTA is proud to be leading the way in the region with such safety measures. The well-being of passengers is its top priority, and the VHHTA believes that being prepared for any situation is the best way to serve the community. The VHHTA has received overwhelming support from local authorities and residents, and they've encouraged the VHHTA to keep up the good work.



The VHHTA firmly believes that combining the traditional Horse Drawn Tram experience with modern safety practices is the key to creating a memorable and secure adventure for everyone. With its staff now trained in life-saving skills and its Trams equipped with defibrillators and first aid kits, the VHHTA is confident that it's offering the best possible experience for its passengers.

It's the VHHTA's way of showing its commitment to the community and making sure that Victor Harbor remains a caring and responsible tourist destination. The VHHTA is thrilled to be offering safer Horse Drawn Tram rides, and it can't wait to welcome even more visitors safely on board!

Creative Tram Themed Horse Float Wrap

The VHHTA has delighted residents and visitors alike with an innovative addition to their fleet - a creatively wrapped horse float that pays tribute to the iconic horse trams.

The VHHTA has transformed their new horse float into a charming replica of a Horse Tram, making the daily transportation of their Clydesdale horses a delightful spectacle.

The horse float wrap features a local artist's rendition of a Horse Tram, complete with detailed wood panelling, ornate trimmings, and the VHHTA's signature green and gold palette. The wrap showcases cartoonish illustrations of passengers enjoying the Horse Drawn Tram experience, capturing the nostalgic charm of the local icon.



The Horse Trams are the heart and soul of Victor Harbor's history, and the VHHTA wanted to share that magic with everyone who encounters the new horse float. The wrap is a moving advertisement for Victor Harbor and the Horse Tram, and adds a touch of fun to the daily routine of transporting the Clydesdales to and from work.

While the float is parked at the Horse Tram office, residents and visitors are seen taking selfies with the float and sharing the joy with friends and family, and on social media.

The VHHTA's passion for preserving history and providing unique experiences to visitors shines through in this imaginative project. The delightful tram themed horse float creates a fun addition to the city's cultural landscape, celebrating the iconic Horse Drawn Trams and their enduring place in Victor Harbor's heart.



Clydesdales Training Underway

The VHHTA's dedication to training new Clydesdales for the special task of powering the Victor Harbor Horse Tram is at the heart of keeping the amazing icon alive. The training process begins with carefully selected young Clydesdales, each chosen for their temperament, strength, and willingness to learn. The next step was to build a strong bond between the horses and staff. Staff care for, groom, feed, and simply spend time with the new Clydesdales, earning their trust and affection.

Currently the VHHTA is training Leo, Archer, Finniss and Norman. All are now trained to harness and cart. Leo is still too young for regular work, but Archer, Finniss and Norman are nine years of age and ready to start tram life. As these Clydesdales grow more confident in their abilities, they will be ready for the next stage: integration into the actual tram service.



Archer in training for the Horse Tram

The VHHTA has a keen focus on training these amazing horses so that it is able to bolster the current team. The VHHTA has a goal to have several horses trained and operational before the 2023 summer school holidays with the remaining trained by the end of the 2023/24 financial year. The benefits of expanding the horse team, from five working horses to eight, are many, and are critically necessary improvements moving forward. Having eight working horses will mean that, for the first time, the Victor Harbor Horse Tram will be able to implement a spelling regime, enabling the horses to have a meaningful break from tram duties.

Currently in the off season the horses work one morning or one afternoon every two and a half days. In the busy season, which lasts for approximately four weeks, the horses work four out of five days. The horses are not overworked, however, much like with humans, horses still require periods of significant rest and time to just enjoy being a horse. A spelling regime will ensure that the horses get the genuine rest breaks that they deserve.

A larger horse team also means that the VHHTA can soon, for the first time, look forward to running three trams during busy periods in late 2023/early 2024. Operating with three trams shortens turnaround times, increases revenue and also increases the number of tram runs possible in a day. This increase in speed and tram journeys is not possible with our current team, as it increases the workload beyond what we can ask our horses to comfortably perform. A larger tram team will mean more horse changes are possible in a single day, enabling a three-tram operation to occur safely and sustainably. Wait times for passengers will be reduced on both platforms and three trams will come closer to servicing visitor demand at peak times, increasing the VHHTA's own source revenue.



Norman and his brother Finnis

The expanded horse team will also provide untold benefits for the VHHTA's Behind the Scenes Experiences and EAL program. With the VHHTA's previous team, a peak season tram day would have left only three horses available for visitors at The Stables.

The new team will mean that at any given time, even in busy periods, The Stables, the new 'Behind the Scenes' facility, is able to offer five well rested horses for visitors to share experiences with. A larger team also means that any illness or injury of a horse team member will not place an undue burden upon remaining horses. The benefits of the team expanding are undeniable, and the VHHTA is excited to have sourced such talented, trainable and highly recommended horses, and for a very reasonable outlay. 2023/24 will be exciting indeed!

Causeway Permit and Access Management

The VHHTA secured a twelve month contract from the Department of Infrastructure and Transport, (DIT), to manage access to the Granite Island Causeway. Vehicles may only use the Causeway for approved reasons and with a valid permit.



Permits state clearly the rules and procedures for using the Causeway and permit holders agree in writing to abide by these, displaying hazard lights, travelling at no more than 10km's and not entering when there are other vehicles, including the Horse Tram, on the bridge.

Access to the Causeway is controlled by a boom gate, to which approved permit holders have boom gate access cards. The VHHTA is responsible for screening potential users, issuing and reissuing permits, tracking and deactivating obsolete cards, and educating Causeway users. The VHHTA is perfectly situated to oversee and manage user access, and to observe and ensure compliance with the rules of access.

One of the key advantages of this contract is the VHHTA's increased self-reliance in generating revenue. By taking on the responsibility of boom gate access management, the VHHTA gains a valuable source of income, reducing its reliance on Council funding. This financial independence enables the VHHTA to continue investing in its own operations, ensuring the ongoing maintenance and improvement of the Horse Drawn Tram experiences. The VHHTA has completed one full year of boom gate management and is embarking on a renewed 12 month contract.

Inaugural South Australian Heavy Horse Festival

In a showcase of equine excellence, Clydesdales and other heavy horse breeds competed at the inaugural South Australian Heavy Horse festival at Wirrina in May 2023. The VHHTA entered the competition with Murray, a twelve year old, bay Horse Tram gelding.

In order to compete at the two-day event Murray received competition specific training which paid off. On the first day in the led class, Murray's regal presentation earned him a deserving second place, really catching the judge's eye. Then with precision and unity, Murray and handler Brittany secured first place in the long reining event.

The second day consisted of a combined dressage and cross-country event, and a great performance landed Murray and his rider in fifth place amongst a competitive field. The VHHTA is very proud of the effort that Murray and Brittany made, and we are excited to showcase even more Clydesdales at the next South Australian Heavy Horse Festival.

The VHHTA's presence at the inaugural event put a spotlight on VHHTA's dedication to their tram horses' well-being. Murray's outstanding condition underlines the VHHTA's commitment to their animals' care. This success at Wirrina was a great advertisement for the Horse Tram and promoted the VHHTA's interest in community involvement and support for local events.



Murray and handler, Brittany

Animal Communicator



At the VHHTA we constantly wish our magnificent Clydesdales could talk – so we decided to have an animal communicator come in and listen to our horses and let us know what they are thinking. The results were helpful and at times amusing. The most pleasing thing was that all the horses indicated that they enjoyed being tram horses and enjoyed the work.

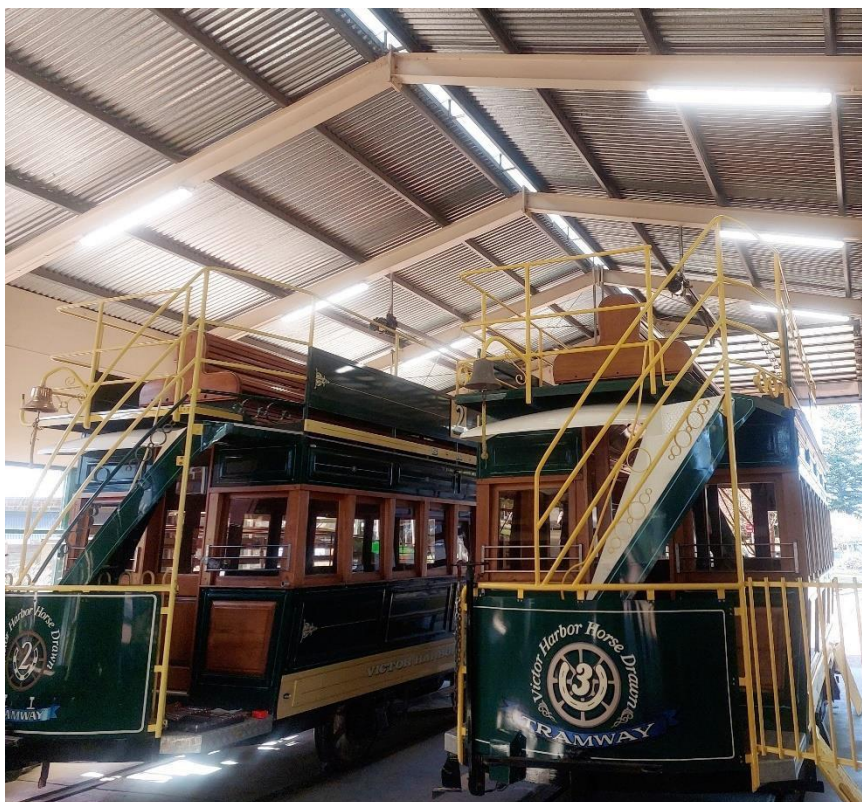


Animal Communication
with Dagmar

Barn Upgrade

The VHHTA has completed a lighting upgrade in the Barn where the Horse Trams are stored. This Barn is a Council-owned asset, and we've undertaken this improvement project to replace the old fluorescent lighting with new LED fixtures. The previous fluorescent globes were very old. Some had missing light covers and presented a danger, and the light covers that were present created dust traps and were difficult to maintain, making the space less safe and efficient.

The transition to LED lighting not only provides superior brightness, enhancing the Barn's lighting quality, but also ensures compliance with Workplace Health and Safety (WHS) standards. This upgrade reduces energy consumption, lowers maintenance costs, and modernizes the facility, aligning it with current lighting technology.



The VHHTA remains committed to not only maintaining Council assets in its care, but to improving them.

Southern Expressway Billboard Advertisement and Survey

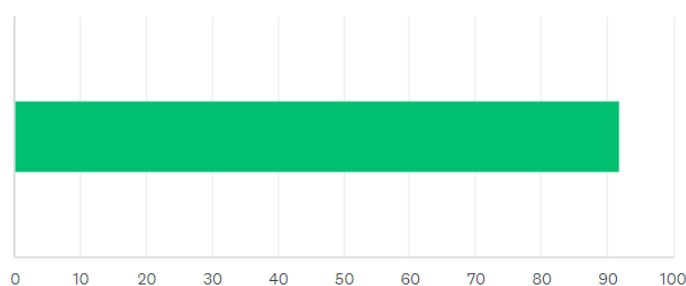
The VHHTA ran a successful advertising campaign right before the September 2022 school holiday break. An advertisement was placed on the Southern Expressway, and ran for two weeks. The VHHTA was able to utilise a still shot from drone footage captured by Duncan McKenzie, to advertise the beauty of Granite Island, ocean, new Causeway and the iconic Horse Tram. The VHHTA received glowing feedback regarding the advert.



To engage with the community and gather public feedback on the billboard advertisement, the VHHTA ran an online survey. VHHTA staff put together a well-crafted online survey that included a mix of multiple-choice questions and open-ended prompts. The questions were designed to gauge various aspects of the public's reaction, such as the overall appeal, effectiveness and reach of the advertisement. Survey participants would access the survey by way of QR codes displayed on trams and on tram platforms. With the advent of QR codes used for COVID safe check-ins, and people's familiarity with the technology, the VHHTA saw an excellent opportunity to reach a broad audience and to collect and collate the public's reactions and opinions about their advertisement. The survey also requested feedback regarding passenger experiences and Horse Tram travel.

Responses were glowing. The advert was well received with no negative feedback. Participants that saw the advert reported really liking it and said that it made them want to visit the tram. Some reported being reminded about the Tram and a few said that they learned about the Tram's existence from the advertisement. All in all, it was a successful advert for both the Horse Tram and the City of Victor Harbor.

Survey participants reported having enjoyed their tram ride to and from Granite Island. There was a lot of great feedback about the fantastic condition of the Clydesdales, the cleanliness of the trams, what a great experience they had enjoyed, and expressing amazement and appreciation that kids ride for free with an adult. The most overwhelming feedback the VHHTA received was glowing praise for our staff, their friendliness, knowledge and skilled and efficient customer service as well as the love and empathy staff display for the horses.

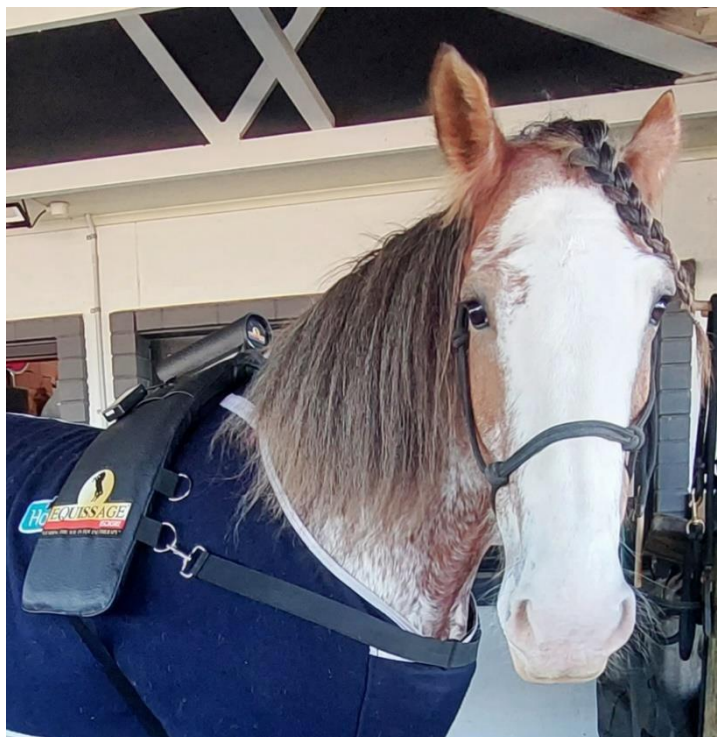


Participants rated their experience on average at 92%.

The VHHTA Junior Program

The junior program is moving ahead in leaps and bounds. This year all of our current juniors graduated from operating as Horse Tram driver assistants to Horse Tram Drivers. It has been a real joy to watch these juniors grow into their roles, acquire skills and confidence, and make the transition into drivers. The juniors are always accompanied and supported by experienced staff, who assist to continue junior's growth and knowledge. With the coming expansion of VHHTA offerings, (at the new stable complex), and the graduation of the VHHTA's current juniors into drivers, the VHHTA expects to soon be in a position to recruit a new crop of juniors. How exciting!

Enhanced Clydesdales' Well-being and Tram Experience with Innovative Equissage Therapy



Scotty having an Equissage

The VHHTA has taken a giant leap forward in ensuring the well-being of the working Clydesdale horses while enhancing the passenger experience on the iconic Horse Tram to and from Granite Island. The VHHTA has recently invested in cutting-edge Equissage therapy, a groundbreaking approach to equine wellness, to ensure their Clydesdales are not only fit and healthy but also provide a relaxing and enjoyable journey for passengers.

Equissage therapy, renowned for its therapeutic benefits in equine care, has been seamlessly integrated into the VHHTA's daily routine. The Clydesdales, known for their strength and gentle demeanour, now receive regular Equissage sessions, providing a myriad of advantages. This unique therapy aids in muscle relaxation, improved blood circulation, and enhanced muscle conditioning. The VHHTA is committed to the well-being of our equine companions and are dedicated to responsible and compassionate horse care.

We are thrilled to introduce Equissage therapy to our Clydesdale team. Our horses are an integral part of the Granite Island Horse Tram experience, and it is the VHHTA's responsibility to ensure their health and happiness. Equissage therapy not only benefits our Clydesdales' physical well-being but also contributes to a calm and enjoyable journey for our passengers.

The Equissage therapy sessions have proven to be a hit with the Clydesdales, who seem to relish the soothing massage and gentle vibrations.

The Loss of Jay Jay

Jay Jay had been owned by Council since he was a yearling. A purebred Clydesdale, he was selected as a future tram prospect by Council. Jay Jay was broken to harness as a five year old and performed Tram duties until he was twelve. Since the formation of the VHHTA Jay Jay had experienced good health and had received outstanding health assessments at his annual veterinary check-ups. Jay Jay had, however, made it clear to staff that he did not enjoy performing Tram duties, and the decision to retire Jay Jay from Tram work was made.

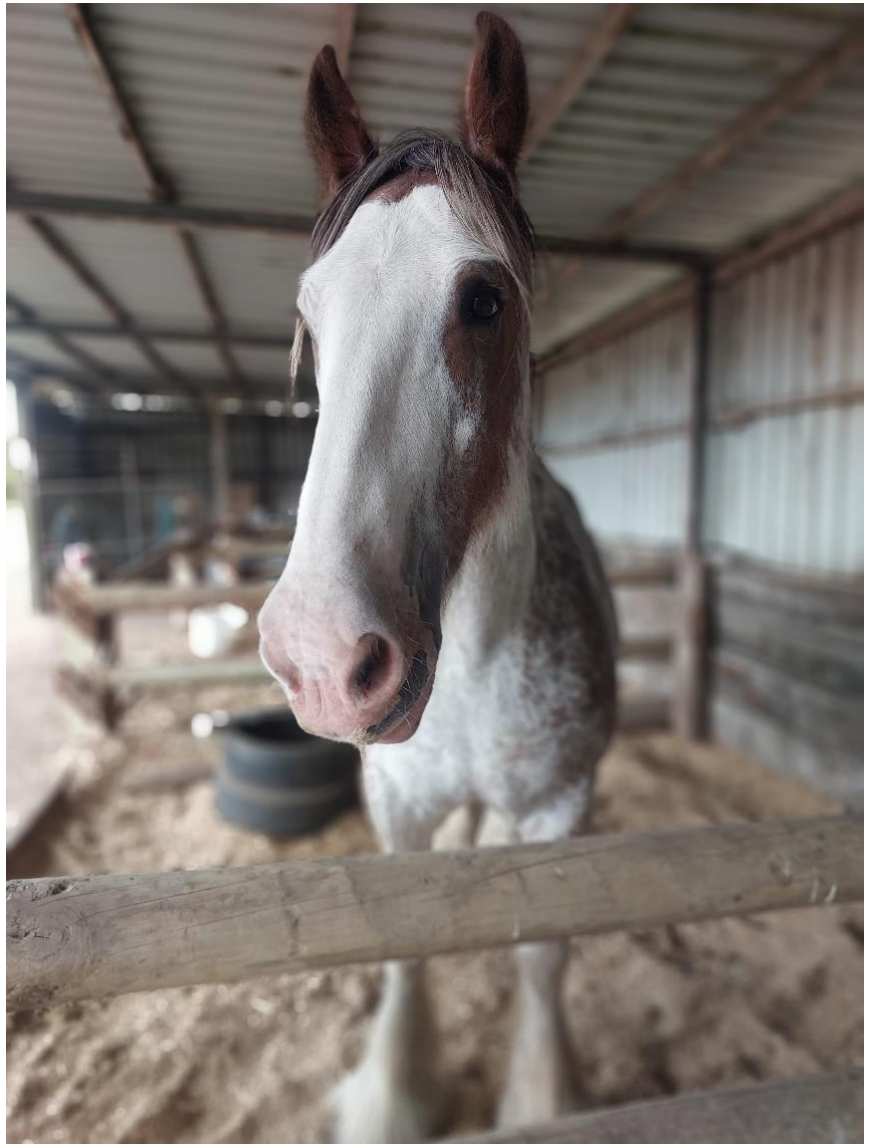
Jay Jay was retained as a member of the team to take on a prominent role in the up and coming 'Behind the Scenes Experiences' that the VHHTA will be offering in 2023/24. Jay Jay would have been performing harness demonstrations and spending time with visitors, all things that Jay enjoyed. Sadly, Jay Jay's health took a sudden and unexpected turn for the worst in early March 2023 and the VHHTA, following veterinary advice, made an end of life decision for Jay Jay.

VHHTA staff had noted that Jay Jay was off his food a little and had a slight swelling in his sheath area on Wednesday, 1 March 2023. Veterinary assistance was sought and during that week a local vet attended three times, examining Jay Jay and organising bloodwork and testing. Jay Jay was also started on antibiotics and anti-inflammatories. Results returned indicated renal changes.

On Tuesday, (7 March 2023), in consultation with the local vet, Jay Jay was admitted to Roseworthy Large Animal Vet Hospital. Jay Jay stayed in hospital for several days and received the best of medical care and attention. Despite all medical assistance available, Jay Jay failed to respond to treatment. The VHHTA were advised that kidney issues in horses are very hard to treat as there are limited drugs and treatment options available for the species. Due to his worsening condition, and grave prognosis provided during consultation with hospital equine specialist veterinarians, the decision was made to humanely euthanise Jay Jay on Friday, 10 March 2023.

The loss of Jay Jay was very sudden and impactful on VHHTA staff as the Horse Tram team have an extremely close connection to all their horses and were devastated by the loss of Jay Jay. The VHHTA actively encouraged staff members to seek support through the Employee Assistance Program to assist them at this sad time.

The veterinary bills and expenses for Jay Jay's medical treatment have been paid out of the VHHTA's 'Maintenance of horses' budget line.



Beautiful Jay

Jay Jay was the gentle giant of the Horse Tram team and will be remembered for his soft and sweet nature. He was a bold, brave and sensitive soul and is sorely missed by all staff and herd buddies..



Jay Jay and Friends

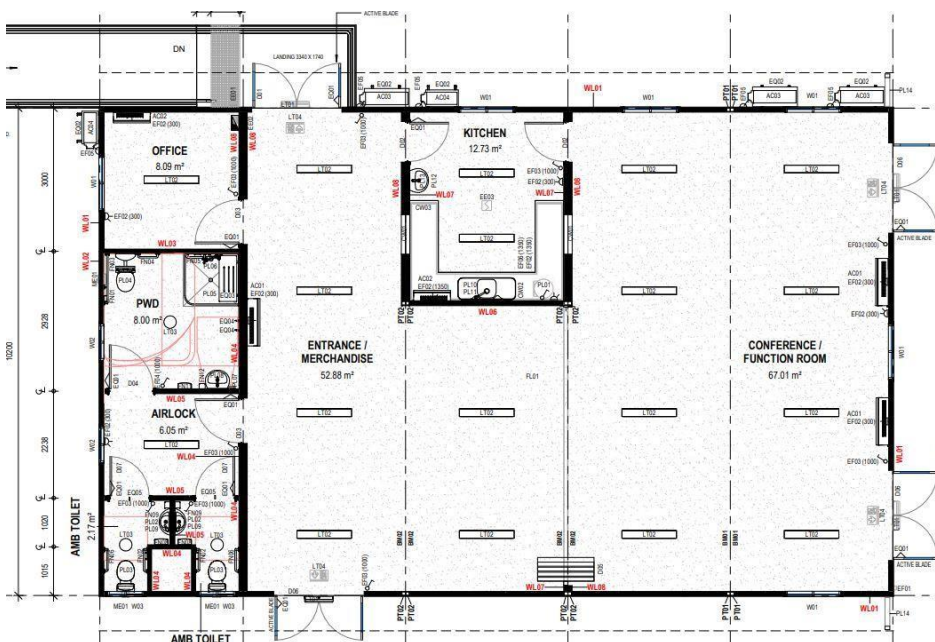
Successful Grant Application

The Authority applied for a grant through the Building Better Regions program to match the funds for building the Stable Complex on the land at Canton Place. The success of this grant was announced in October 2021, and the VHHTA will receive \$203,000 in grant funding. With the project coming to completion the funds will be gratefully received, having helped with the staging of this project and develop the 'Behind the Scenes' offering. The VHHTA cannot thank the Building Better Regions Grant program enough for this substantial financial support to turn this project into a reality, and in turn building the Fleurieu Peninsula into a better region.



Stable Complex Progress

The Stable Complex project is in its final stages, with a completed build expected by September 2023. The Stable component of the project is expected to be built on-site while the Visitor Centre, for the 'Behind the Scenes' Experience' is being fabricated off site, and then delivered and installed in three sections, forming the one large building.

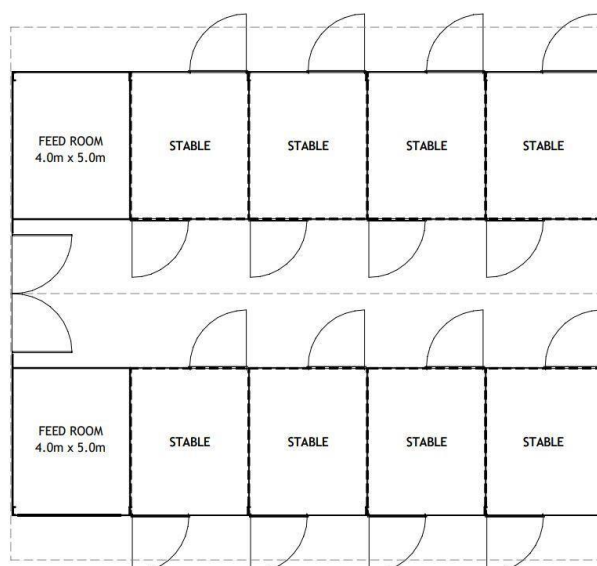


The Visitor Centre includes three bathrooms, a large kitchen for catering purposes, an office and an expansive floor area for functions, conferences, EAL and entertaining visitor groups. The space itself offers the opportunity for another income stream, from the hire of the facility.

The main floor area will host a second merchandise store, given the success of the first merchandise store that the VHHTA opened this year.

The stable hosts 8 large, Clydesdale sized stalls and two feed/storage rooms, equal in size to the stalls. This is intentional so that these rooms may be converted into horse stalls should the VHHTA have the need to in future.

The stable boasts a five metre wide by twenty-two-metre-long raceway, down the centre of the stable, offering the fabulous opportunity to host experiences, such as high teas and birthday parties in this space, with the inclusion of the horses in their stalls for horse appropriate events.



The Development of the ‘Behind the Scenes’ Experience Packages

The VHHTA Board, management and staff have continued to develop and hone ‘Behind the Scenes’ experiences that will provide, up close and personal, opportunities to experience a side of the Horse Tram operations that has not previously been accessible to the public. As well as responding to demand from visitors and locals to get closer to our majestic Clydesdales, it creates the opportunity to diversify the operation into additional experiences which will allow higher margins, better returns and greater employment opportunities. These packages are really coming together.

The new service will:

- Provide insights into existing operations and the history of the Tram service which dates back to 1894;
- Offer a range of experiences including equine training, educational information, and hands-on demonstrations;
- Showcase the magnificent Clydesdales from the Horse Drawn Tram and introduce visitors to their home (stables and paddocks);
- Offer unique experiences for a range of audiences including:
 - Up close and personal exclusive experiences
 - High Teas
 - Horse ‘Meet and Greet’s’
 - Tourist groups
 - School groups
 - Senior groups



- Make it possible to market additional value add opportunities e.g., pony birthday parties, small group experiences, conference facilities for hire, and equine facility rental;
- Facilitate additional merchandise sales; and
- Allow for pre-bookings online for individuals and for coach tour groups, overcoming a limitation with the existing service (where weather makes pre-bookings problematic).

Staff Training for Exciting, New Offering



The VHHTA is well on the way to having a fully qualified team able to deliver an Equine Assisted Learning program (EAL) and timed to coincide with the completion of the Stable Complex and Visitor Centre at Canton Place. EAL is a specialist process of experiential learning for diverse clients addressing particular learning goals. The EAL includes personal development experiences for children and adults, or team and corporate development goals for professionals.

EAL may include psychosocial skills building, developing life skills and healthy relationship building. In the professional development setting, an EAL program will be focussed around developing organisational, business- and work-related skills such as working effectively in teams, leadership skills, and communication skills.

Certified EAL practitioners' partner with horses to offer 'equine experiences' to clients, in order to explore and address the learning needs and goals identified. In addition to offering EAL programs to a wide audience, the VHHTA is excited to also work with the local community to support mental health and relationships in the Fleurieu region.

The creation of our EAL program has produced, not just ongoing employment at the Victor Harbor Horse Tram, but careers for some of the highly skilled horse people in the team.

Key Performance Results against 2020/23 Annual Business Plan

In 2019-20 the business plan was focused around operational set-up, change and staff development.

2023-2024 is about key project development:

Priority 1: Finance & Operational growth

Priority 2: The Stables Project / Behind the Scenes Experiences

Priority 3: Communication Strategy

Priority 4: Office & Shop Renovation Planning

The following pages outline objectives under each of these four key areas and corresponding actions the VHHTA plans to take over the period of the business plan in relation to achievements of these objectives.

Priority 1: Finance & Operational Growth

The Authority has taken strategic steps towards sustainability and growth while ensuring core business operations continue to develop.

1.1 Secure Operational and Capital budget		
Actions	Indicator	Target
Operational budget approved by Board and Council	Approvals received to date	April 2021, 22, 23, 24 Achieved
Capital Budget Approved by Board and Council	Approvals received to date	April 2021, 22, 23, 24 Achieved
Provide quarterly budget/finance reports to the City of Victor Harbor	Quarterly reporting delivered	February, May September 2023 for EOFY November 2023, February, May September 2024 for EOFY Achieved
Undertake budget reviews in line with legislative requirements	Reviews submitted to Board & Council	March, October, December 2023 Mid-Year Review Achieved
1.2 WHS Processes		
Actions	Indicator	Target
Complete Sky trust set-up to track WHS compliance	Staff trained and using	Achieved
Review WHS policies and procedures within time limits required.	No policies or procedures overdue for review	Under review

1.3 Project & Development Funds		
Actions	Indicator	Target
Secure & manage 'Stables Project' budget	Approvals received	Achieved
Secure Sponsorship	\$15,000 secured	October 2023 In progress
Review and grow merchandise Establish online store	\$10,000 income Online store	June 2023 Income Achieved Online store in progress
Budget Office Reno for Budget Bid 21/22	Received by Board & Council	Complete – Office and merch store renovated
Budget Platform improvements for Budget Bid 22/23	Received by Board & Council	Complete – New Platforms built
Review ticket pricing schedule	Board report complete	Annual – February 2023 Achieved and ticket price increase scheduled for September 2023



Drone Footage of Isabella Pulling Tram 3

Priority 2: The Stables Project / Behind the Scenes Experiences

This is an exciting development that will enhance care of the horses, WHS for staff and lead to exciting community engagement with 'Behind the Scenes' experiences. Initially the stables project was conceptualised to focus first on establishing the stables and staff facilities to meet the housing and care needs of the Clydesdales and staff. Board vision to reduce the VHHTA's reliance on Council, combined with tourism grant funding, via the Building Better Regions Fund – Infrastructure Projects Stream, has led to the development and building of the 'Behind the Scenes' experiences simultaneously and in conjunction with the stable project.

2.1 Project Planning		
Actions	Indicator	Target
Confirm Project Team	Regular meetings	Complete
Draft Project Schedule	Consultation with Board mentors	Complete July 2022
Finalise Stage 1 Project Plans	Received by Board & Council	Complete
Plan approved by Council	Approval	Complete
2.2 Project Implementation		
Actions	Indicator	Target
Secure land for Horses	Fenced and secure	Complete
Public Consultation	Feedback received	Complete – Ongoing
Approach Sponsors	5 Proposals & meetings	March 2023
2.3 Build		
Actions	Indicator	Target
Confirm build team		Complete
Commence build	February 2023	May 2023
Complete build	Horses moved in, Council Member Tour	June 2023 Build completion date revised to August 2023
2.4 Forward Planning		
Actions	Indicator	Target
Draft Behind the Scenes Experience Packages	Workshopped by Board	Achieved

Priority 3: Communication Strategy

After strategic analysis of the communication priorities in the current climate, based on the situation of the Horse Drawn Tram, it became clear that developing effective relationships and strategic partners was more important than efforts towards customer attraction.

3.1 Effective Communication		
Actions	Indicator	Target
Regular Council updates and dialogue	5 in person meetings	2021/22/23/24 Achieved
Regular staff and project team meetings	1 / fortnight	Ongoing
Partner with SA icons, as well as Visitor Experience/Tour Operators to increase Horse Tram promotions/exposure		March 2024
3.2 Strategic Partnerships		
Actions	Indicator	Target
Meet with key government and SATC Stakeholders	5 Key Meetings	Ongoing
Open Communication lines with Cause-Way Project team to ensure Horse specific needs and safety are met.	Staff Member consulted	Complete
Partner with SA icons, and local Tourist Attractions and Venues to increase Horse Tram promotions/exposure	Key Relationships developed	June 2024
3.3 Marketing		
Actions	Indicator	Target
Develop a One-page Marketing Plan based on Strategic Planning Workshop Findings	One-Page Plan in Business Plan	Achieved
Seek high-level media Opportunities & Stories	5 Media Stories	Ongoing
Consistent Social Media Content Publication	Weekly Stories	Ongoing
Full Marketing Plan through a consultant	Plan Complete	2023 In Progress

Priority 4: Office & Shop Renovation Planning

The Authority intends to improve point-of-sale/customer service experience at the tram office as well as staff facilities by renovating the current office and shop facilities. This will vastly improve the service, possible income streams and staff effectiveness, retention, WHS and wellbeing.

4.1 Office and Shop Renovation		
Actions	Indicator	Target
Create Project team	Assembled and terms of reference agreed.	Achieved
Draft three designs based on functionality and attractive enhancements	Place received by Board	Achieved
Engage professional to draw up designs based on drafts and consultation.	Engaged & work completed.	Achieved
Cost the project	Budgeted	Achieved
4.2 Merchandise		
Actions	Indicator	Target
Review current line	Review to Management	Annual – June 2022/23 Achieved
Establish online store	Store live on Website	June 2024

Looking Ahead



With the new Stable Complex almost complete the VHHTA is about to embark on a transformational journey. The horses and staff will have a facility appropriate for the care and welfare of these amazing animals. Very soon the VHHTA will be able to invite visitors in for Behind the Scenes Experiences, where the public can spend time with the tram horses at the stables. They will be treated to entertaining and educational talks provided by their experienced hosts, receive demonstrations of the Clydesdale's skills and horse care, as well as horsey high teas and other exciting events.

Guests will be provided with the opportunity to interact with the horses, getting to know them in their home environment, an offering that is very frequently requested by tram passengers and the broader public. The Board, with its vast array of skills, ideas and talents can at times struggle to hold back its enthusiasm and marketing ideas for this amazing, iconic, public service that the VHHTA offers.

This year new staff were successfully trained, through the VHHTA's rigorous training program, reinforcing the professional nature of the iconic service. Moving forward, the VHHTA intends to improve on staff offerings, introducing an entertaining and educational piece, to be provided to passengers during their journey on the tram.

The VHHTA's knowledgeable staff will recount the Ramindjeri and Ngarrindjeri Dreaming stories embedded in the new Causeway—an endeavor that preserves and champions the heritage of Australia's First Nations while elevating the overall visitor experience. Staff are already adept at providing a vast array of information to individual consumers. The VHHTA is looking forward to improving and polishing these skills to ensure that the information can be conveyed to a larger audience.

Elliot's Stunning Blue Eye

The VHHTA has been supporting the accreditation of staff to deliver equine assisted therapies, which are used to improve mental health and for personal and professional development. Given the mental health crisis in South Australia, and only exasperated by COVID-19, the VHHTA is moving towards offering 'Equine Assisted Learning', (EAL), delivering personal and professional development initially, and into the future 'Equine Assisted Therapy' as staff skills and training are acquired. Four staff members are currently undertaking an EAL course, and one staff member has completed her qualifications and is currently expanding her experience as a practitioner.

The training will see the five-person team, trained and qualified, implement a program to provide EAL services to our local community. EAL is a unique approach to experiential learning, where clients are offered safe experiences with horses for the purposes of personal development, social, emotional and relationship skills building, enhancing quality of life and professional skills development, (e.g., leadership skills, team building and corporate goals), with horses as assistants, co-facilitators and teachers in this process. Feedback regarding the coming program has been positive, so watch this space.



The VHHTA 2022/23 Herd

Looking ahead, the VHHTA is feeling very positive about the future. The groundwork laid for new opportunities and offerings is expected to yield substantial dividends in the years to come. With uninterrupted tram services, the allure of 'Behind the Scenes' experiences, the multifaceted utility of the new Stable Complex and Visitor Centre, and the community-wide benefits of the VHHTA's EAL program along with an expanded equine team, the sky is the limit.



Isabella's First Journey on the New Causeway

Financial Results

The results of the financial year 2022/23 are impressive and warrant celebration. The VHHTA ended the year with a paper figure surplus of around \$161,000. This is the first full year of operation with no interruptions re rail replacement or new causeway since the VHHTA's inception and it is a great sign of what's to come.

Please see Profit and Loss breakdown

Victor Harbor Horse Tram Authority Budget 2022/23

Income	Description	YTD 22/23	Revised 3	Variance (\$)	Variance Comments
Ticket Sales	Casual and Group bookings	809,360	756,000	(53,360)	
	Souvenir sales and donations/sponsorship	146,847	142,000	(4,847)	
Other Income	Department of Infrastructure and Transport			-	
	Behind the scenes	-	-	-	
	DIT Boom gate monitoring	39,557	40,000	443	
	Council Contribution	415,000	415,000	-	
	Interest and Other Income	36,527	4,570	(31,957)	Trade in of Triton ute
Total Income		1,447,290	1,357,570	(89,720)	

Expenses	Description	YTD 22/23	Revised 3	Variance (\$)	Comments
Employee Costs	Salaries, superannuation & workcover	698,280	720,000	21,720	
Depreciation	Depreciation for fixed assets	51,639	51,376	(262)	
Administration	Travel, stationary, printing, communication, insurance, utilities,	89,636	120,185	30,549	Vehicle costs down due to repayments through the capital plan
Maintenance	Building, tram, paddock and equipment maintenance	48,640	40,000	(8,640)	Tram maintenance
	Horse Care - feed, farrier and vet fees	113,952	75,000	(38,952)	Horse health care expenses up
Marketing	Advertising, promotions, and souvenir purchases	121,498	112,000	(9,498)	Souvenir purchase expenses up due to sales
Other Expenses	Committee, cleaning, consultants, professional services, volunteer and staff amenities	81,070	80,148	(921)	
Administration charge	Rent on Assets	5,066	14,855	9,789	Less due to ROU allocation line.
Corporate Support	IT, Finance, Records and Administration	69,134	73,000	3,866	
Total Expenses		1,278,913	1,286,565	7,652	
TOTAL BUDGET		168,378	71,005	(97,372)	



**Victor Harbor Horse Tram
Authority**
General Purpose Financial Reports
for the year ended 30 June 2023

Victor Harbor Horse Tram Authority
General Purpose Financial Reports
for the year ended 30 June 2023

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**Victor Harbor Horse Tram Authority
Annual Financial Statements
for the year ended 30 June 2023**

CERTIFICATION OF FINANCIAL STATEMENTS

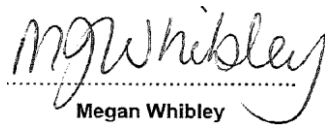
We have been authorised by the Authority to certify the financial statements in their final form. In our opinion:

- 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 2023 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.



Megan Whibley
General Manager

Date: 28-9-2023



Nigel Catt
Chairperson

Victor Harbor Horse Tram Authority
Statement of Comprehensive Income
for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
INCOME			
User charges	2	954	384
Other income	2	493	461
Total Income		<u>1,447</u>	<u>845</u>
EXPENSES			
Employee costs	3	733	524
Materials, contracts & other expenses	3	485	271
Depreciation, amortisation & impairment	3	51	33
Finance costs	3	9	3
Total Expenses		<u>1,278</u>	<u>831</u>
OPERATING SURPLUS/ (DEFICIT)		<u>169</u>	<u>14</u>
NET SURPLUS / (DEFICIT)		<u>169</u>	<u>14</u>
transferred to Equity Statement		<u>169</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME		<u>169</u>	<u>14</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 2023

ASSETS	Notes	2023	2022
		\$'000	\$'000
Current Assets			
Cash and cash equivalents	4	161	91
Trade & other receivables	4	<u>18</u>	<u>8</u>
Total Current Assets		<u>179</u>	<u>99</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	<u>210</u>	<u>163</u>
Total Non-current Assets		<u>210</u>	<u>163</u>
Total Assets		<u>389</u>	<u>262</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	63	81
Borrowings	6	33	33
Provisions	6	<u>38</u>	<u>48</u>
Total Current Liabilities		<u>134</u>	<u>162</u>
Non-current Liabilities			
Borrowings	6	54	87
Provisions	6	<u>34</u>	<u>15</u>
Total Non-current Liabilities		<u>88</u>	<u>102</u>
Total Liabilities		<u>222</u>	<u>264</u>
NET ASSETS		<u>167</u>	<u>(2)</u>
EQUITY			
Accumulated surplus		<u>167</u>	<u>(2)</u>
TOTAL EQUITY		<u>167</u>	<u>(2)</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 2023

	Notes	Acc'd Surplus \$'000	Asset Rev'n Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
2023					
Balance at end of previous reporting period		(2)			(2)
Net Surplus/ (Deficit) for Year		169			169
Balance at end of period		<u>167</u>			<u>167</u>
2022					
Balance at end of previous reporting period		(16)			(16)
Net Surplus/ (Deficit) for Year		14			14
Balance at end of period		<u>2</u>			<u>2</u>

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 2023

	Notes	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
User charges		1,055	868
Other revenues		4	
<i>Payments:</i>			
Employee costs		(707)	(517)
Materials, contracts & other expenses		(586)	(335)
Finance payments		(9)	
Net Cash provided by (or used in) Operating Activities		<u>201</u>	<u>16</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Payments:</i>			
Expenditure on new/upgraded assets		(98)	
Net Cash provided by (or used in) Investing Activities		<u>(98)</u>	
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayment of principal portion of lease liabilities		(33)	
Net Cash provided by (or used in) Financing Activities		<u>(33)</u>	
Net Increase (Decrease) in cash held		<u>70</u>	<u>16</u>
 Cash & cash equivalents at beginning of period	4	<u>91</u>	<u>75</u>
Cash & cash equivalents at end of period	7	<u>161</u>	<u>91</u>

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 2023

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 Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention 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 dated 26th September 2023.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of The City of Victor Harbor.

1.2 Historical Cost Convention

Except as 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 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 these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

Victor Harbor Horse Tram Authority operates as a subsidiary pursuant SA Local Government Act 1999 and has its principal place of business at 1 Bay Road, Victor Harbor. These consolidated financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

3.1 Revenue

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

4 Cash, Cash Equivalents and Other Financial Instruments

4.1 Cash, Cash Equivalent Assets

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.

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, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments also form part of Note 8.

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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. Examples of capitalisation thresholds applied during the year are given in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

5.4 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

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 Provisions

7.1 Employee Benefits

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate	1.29%
Weighted average settlement period	1.81 years

No accrual is made for sick leave as the Authority experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

Superannuation:

The Authority makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and the Authority's involvement with the schemes are reported in Note 12.

8 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and equipment 3 to 10 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 5.4 - Impairment of non-financial assets above.

ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

9 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.

10 Economic Dependence

The Authority provides horse tram services to the City of Victor Harbor and annually charges a fee to the council to fund the costs of operating the Authority. The Authority is economically dependent on the Council annually funding the cost of the Authority's operations given insufficient income is generated through other services provided to fund the costs of operating the Authority.

For the 2022/23 financial year, the Council's contributed income accounted for 28.68% (2022: 49.14%) of the total Operating income recorded by the Authority.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2 - INCOME

		2023	2022
	Notes	\$'000	\$'000
USER CHARGES			
Ticket Sales		809	348
Souvenir Sales		<u>145</u>	<u>36</u>
		<u>954</u>	<u>384</u>
OTHER INCOME			
Council Contributions		415	415
Department of Infrastructure & Transport Payments		40	41
Other		<u>38</u>	<u>5</u>
		<u>493</u>	<u>461</u>

Note 3 - EXPENSE

		2023	2022
	Notes	\$'000	\$'000
EMPLOYEE COSTS			
Salaries and Wages		624	450
Employee leave expense		9	6
Superannuation - defined contribution plan contributio	12	60	41
Workers' Compensation Insurance		5	3
Other employment related costs		<u>35</u>	<u>24</u>
Total Operating Employee Costs		<u>733</u>	<u>524</u>
 <i>Tata/ Number of Employees</i>		 8	 9
		<i>(Full time equivalent at end of reporting period)</i>	
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed ExQenses			
Auditor's Remuneration			
- Auditing the financial reports		3	3
Board expenses		15	12
Equipment Rent			6
Lease Expenses - short term leases	11	<u>5</u>	
Subtotal - Prescribed Expenses		<u>23</u>	<u>21</u>

Note 3 - EXPENSE (can't)

		2023	2022
	Notes	\$'000	\$'000
<u>Other Materials, Contracts & Expenses</u>			
Advertising		40	4
Contractors			3
Insurance		35	35
Maintenance		163	72
Office Expenses		11	
Printing & Stationery		4	
Professional services		87	76
Souvenirs		82	
Utilities		13	
Vehicle Expenses		17	
Other Expenses		10	59
Subtotal - Other Materials, Contracts & Expenses		<u>462</u>	<u>250</u>
		485	271
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant & Equipment		18	
Right of use assets	11	<u>33</u>	<u>33</u>
		51	33
FINANCE COSTS			
Bank Fees		7	
Interest on Leases		<u>2</u>	<u>3</u>
		9	3

Note 4 - CURRENT ASSETS

		2023	2022
	Notes	\$'000	\$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		84	91
Short Term Deposits & Bills, etc		<u>77</u>	
		161	91
TRADE & OTHER RECEIVABLES			
Debtors - general		<u>18</u>	<u>8</u>
		18	8

Victor Harbor Horse Tram Authority
 Notes to and forming part of the Financial Statements
 for the year ended 30 June 2023

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

		2022 \$'000			2023 \$'000				
Fair Value Level		Fair Value	Cost	Ace' Dep'n	Carrying Amount	Fair Value	Cost	Ace' Dep'n	Carrying Amount
Plant & Equipment		-	44	-	44	-	142	(18)	124
Right of use assets		-	166	(47)	119	-	166	(80)	86
Total IPP&E		-	210	(47)	163	-	308	(98)	210
	<i>Comparatives</i>	-	166	(14)	152	-	210	(47)	163

	2022	Carrying Amounts Movement During the Year							2023	
	\$'000	\$'000							\$'000	
	Carrying Amount	Additions		Disposals	Dep'n	Impal'r't	Transfers		Net Reval'n	Carrying Amount
	New/ Upgrade	Renewals	In				Out			
Plant & Equipment	44	98	-	-	(18)	-	-	-	-	124
Right of use assets	119	-	-	-	(33)	-	-	-	-	86
Total IPP&E	163	98	-	-	(51)	-	-	-	-	210
	<i>Comparatives</i>	152	210	-	-	(47)	-	-	-	163

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 5 (con't) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Capitalisation thresholds used by the Authority for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	1,000
Other Plant & Equipment	1,000
Vehicles	1,000

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment

Cafe Equipment	5 to 8 years
Office Equipment	5 to 10 years
Vehicles and Road-making Equip	5 years
Other Plant & Equipment	5 to 10 years

Other Assets

Right-of-use assets (refer Note 11)	5 to 7 years
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Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 6 - LIABILITIES

	Notes	2023 \$'000		2022 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		36		81	
Accrued expenses - employee entitlements		22		5	
GST Payable		5		(5)	
		<u>63</u>		<u>81</u>	
BORROWINGS					
Leases Liabilities	11	<u>33</u>	<u>54</u>	<u>33</u>	<u>87</u>
		<u>33</u>	<u>54</u>	<u>33</u>	<u>87</u>

All interest bearing liabilities are secured over the future revenues of the Authority.

PROVISIONS

LSL Employee entitlements (including oncosts)		13	34	32	15
AL Employee entitlements (including oncosts)		25		16	
		<u>38</u>	<u>34</u>	<u>48</u>	<u>15</u>

Movements in Provisions - 2023 year only
(current & non-current)

Opening Balance					63
Add Additional amounts recognised					22
Add (Less) Remeasurement Adjustments					(13)
Closing Balance					<u>72</u>

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 7 -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 to the related items in the Balance Sheet as follows:

	Notes	2023 \$'000	2022 \$'000
Total cash & equivalent assets	4	<u>161</u>	<u>91</u>
Balances per Cash Flow Statement		<u>161</u>	<u>91</u>

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

Net Surplus (Deficit)		169	14
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		51	
Net increase (decrease) in unpaid employee benefits		<u>9</u>	<u>7</u>
		229	21
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(10)	23
Net increase (decrease) in trade & other payables		(18)	(28)
Net Cash provided by (or used in) operations		<u>201</u>	<u>16</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	3
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Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 8 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

Terms & conditions: Deposits are returning fixed interest rates between 0% and 5%. Short term deposits have an average maturity of 150 days and an average interest rate of 5%.

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Fees & other charges

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

Terms & conditions: Unsecured, and do not bear interest. Although Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.

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.

Liabilities - Finance Leases

Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11

Liquidity Analysis

2023	Due< 1 year	Due> 1 year \$;5 years	Due >5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	161			161	161
Receivables	18			18	18
Total	179			179	179
Financial Liabilities					
Payables	63			63	63
Lease Liabilities	35	55		90	87
Total	98	55		153	150

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note B - FINANCIAL INSTRUMENTS (con't)

2022	Due< 1 year \$'000	Due> 1 year; :::5 years \$'000	Due> 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Values \$'000
Financial Assets					
Cash & Equivalents	91			91	91
Receivables				8	8
Total	91			99	99
Financial Liabilities					
Payables				81	81
Total				81	81

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 impairment. All the Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 9 - FINANCIAL INDICATORS

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

	2023	2022
Operating Surplus Ratio		
<u>Operating Surplus</u>	11.7%	1.7%
Total Operating Income		

This ratio expresses the operating surplus as a percentage of total operating revenue.

Net Financial Liabilities Ratio		
<u>Net Financial Liabilities</u>	3%	20%
Total Operating Income		

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Adjusted Operating Surplus Ratio	11.7%	1.7%
Adjusted Net Financial Liabilities Ratio	3%	20%

Asset Renewal Funding Ratio		
<u>Outlays on Existing Assets</u>	0%	
Asset Renewals - IAMP		

Net asset renewals expenditure is defined as net 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.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 10 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2023	2022
	\$'000	\$'000
Income		
<i>User charges</i>	954	384
<i>Other income</i>	493	461
	1,447	845
Expenses		
<i>Employee costs</i>	(733)	(524)
<i>Materials, contracts and other expenses</i>	(485)	(271)
<i>Depreciation, amortisation and impairment</i>	(51)	(33)
<i>Finance costs</i>	(9)	(3)
	(1,278)	(831)
Operating Surplus/ (Deficit)	169	14
Net Outlays on Existing Assets		
Add back Depreciation, Amortisation and Impairment	51	33
	51	33
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate c/eve/opments)</i>	(98)	
	(98)	
Annual Net Impact to Financing Activities	122	47

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 11 - LEASES

The Authority as a Lessee

Right of Use Assets

The Authority has entered into a hire agreement with the City of Victor Harbor for the use of plant and equipment used in the delivery of horse tram services.

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Property, Plant & Equipment and the movements during the period:

Right of Use Assets <i>(Carrying Value)</i>	Building & Other Structures	Plant, Machinery & Equipment	Office Equipment	Total
At 1 July 2022		119		119
Depreciation Charge		(33)		(33)
At 30 June 2023		86		86

Set out below are the carrying amounts of lease liabilities (including under interest bearing loans and borrowings) and the movements during the period:

	2023
Opening Balance 1 July 2022	119
Payments	(33)
Closing Balance 30 June 2023	86
Current	33
Non Current	54

The maturity analysis of lease liabilities is included in Note 8.

The Authority had total cash outflows for leases of **\$33K**.

The following are amounts recognised on profit or loss:

Depreciation expense right of use assets	33
Interest expense on lease liabilities	2
Expenses relating to short term leases	5
Total amount recognised in profit and loss	40

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 12-SUPERANNUATION

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.5% in 2022-23; 10% in 2021-22). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021-22) of "superannuation" salary.

In addition, The Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), The Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2022. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

The Authority also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Authority.

Victor Harbor Horse Tram Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023
Note 13 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Members of the Board, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 5 persons were paid the following total compensation:

	2023 \$	2022 \$
Salaries, allowances & other short term benefits	117	113
TOTAL	117	113

Allowances / benefits incurred in the ordinary course of performing the KMPs role, and amounts paid as direct reimbursement of expenses incurred on behalf of Authority have not been included above.

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

No key management personnel or parties related to them had any transactions during the year on terms more favourable than those available to the general public.

Related Party Entities	Sale of Goods & Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Victor Harbor	415		Provision of Horse Tram Services to local community

The Related Parties 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.

**Victor Harbor Horse Tram Authority
Annual Financial Statements
for the year ended 30 June 2023
CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Victor Harbor Horse Tram Authority for the year ended 30 June 2023, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of 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(3) *Local Government (Financial Management) Regulations 2011*.

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Megan Whibley
General Manager



John Morgan
Audit Committee Chair

Date: 26.09.2023