

**VICTOR HARBOR**



**VICTOR HARBOR  
HORSE TRAM AUTHORITY**

# 2021/22 Annual Report



# Victor Harbor Horse Tram Authority Annual Report 2021/22

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## Introduction from the Chair

During 2021/22 the Victor Harbor Horse Tram Authority (VHHTA) was faced with an implausible year. The significant factors of COVID-19 and the building of the new Causeway created huge operating obstacles, impeding and often halting the operation of the tram. Despite only being able to operate for four and a half months of the financial year, the VHHTA team created forward, positive momentum. Together the team rebuilt and painted tram three, increased the fitness of the horses, and advanced numerous projects outlined in the VHHTA Business Plan. My most heartfelt congratulations to staff and management. The horses have never looked so polished and healthy, and all horses received a 5-star health rating at their annual health checks with the veterinarian. Exceptional news!

The much-awaited opening of the new Causeway occurred late December 2021 and saw an immediate response from the community, putting credence to the importance of the much-loved Horse Tram's worth to Victor Harbor. The new Causeway has proved to be an absolute triumph, with a constant traffic flow of people enjoying the experience. Our thanks go to the whole team but especially to the VHHTA management, Megan and Adrian, for their faultless service and attention to detail.

The VHHTA has been awarded a substantial grant from the Building Better Regions Fund, ensuring that the new stable complex and VIP centre will become an exciting reality. This tourist encounter will extend our service sector reach and enhance involvement by providing the visitor centre, enabling the delivery of a first-class hands-on horse experience. Not only will this facility attract a broad and varied visitor base to the Victor Harbor region but will also serve to increase employment, provide an additional source of income for the VHHTA and encourage extended holiday stays in the area.

COVID-19 has severely impacted businesses across SA, 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, in addition to border closures, stopped visitor numbers from all states, including our key market of Victoria. It has been impressive the way Megan and her team have adjusted and pivoted during this period, with staff being redirected to other tasks and targeted education. This included the Equine Assisted Learning program that has and will serve to create a better experience for visitors. Also, internal maintenance has shaped extensive savings showing fiscal responsibility in a difficult climate.



One of the major achievements is the new merchandise area, which has seen a significant increase in sales, creating a substantial revenue stream, for which we have our volunteers, to thank. The painting and renovation of the building served both to freshen up the look of the building and also as a team building experience. The refurbishment of the build has also created separate dedicated areas, such as a functional office, staff room with kitchen facilities, feed room and also a storage area. The interior of the building is unrecognisable from what it had been, and an amazing achievement.

When visiting the tram office in the mornings it is heart-warming to see the love and care 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. It is a majestic sight. Observing the VHHTA employees 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 and are surely appreciated.

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 an exceptional experience. The Tram helps to showcase Victor Harbor as South Australia's #1 tourist destination through the world's leading horse drawn tram experience, delivering encounters that create lasting memories. I want to thank the Board for their commitment and passion for the Horse Tram, each member making a very positive contribution, bringing as a whole a considerable skill set to the VHHTA.

Megan Whibley, 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. We have a great team of people working for the VHHTA, and a happy, healthy team of horses. The future of the Victor Harbor Horse Tram Authority is looking positive, bright and exciting.



**Nigel M. Catt**

**Dip.Ag., Grad.Dip.Sc.**

Chair

Victor Harbor Horse Tram Authority



## About the Authority

The Victor Harbor Horse Tram Authority (the Authority) is a subsidiary of the City of Victor Harbor (Council), established under section 42 of the *Local Government Act 1999*. The Authority 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 Authority 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 15 years' experience working in local government and the tourism industry. She is the Team Leader of the Fleurieu Coast Visitor Centre, who won the 2018 South Australian Tourism Award for Visitor Information Services. Natasha is responsible for the marketing of the Fleurieu Coast region and manages the District Council of Yankalilla's volunteer programs. 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 was required to establish an Audit Committee. The VHHTA drafted and endorsed the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference, appointed four members, which included two board members and two independent members, and the first meeting occurred on 9 February 2021. Since that time an extra independent member has been appointed, so as to create a 5-member committee for the purposes of decision making and complying with best practice advice from the Local Government Authority.

The three independent members, along with the two Board members, 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 second year of oversight, and has, through recommendations to the VHHTA, made improvements to the VHHTA's risk management policies, procedures and risk library. In late 2021, the Audit Committee utilised a risk management specialist to craft risk documents, tailored for the specific and unique operations of the Horse Tram, including a Risk and Opportunity Matrix, providing a more comprehensive analysis tool for identifying outcome possibilities for the VHHTA.

### Audit Committee Membership

Member	Representative	Appointed	Expires
Independent Member(s)	John Morgan	23 November 2020	23 November 2022
Independent Member(s)	Kate Christ	22 February 2021	22 February 2023
Independent Member(s)	Laura Hodgson	26 July 2021	26 July 2023
Victor Harbor Horse Tram Authority Board Member	Rachel Kennedy	23 November 2020	23 November 2022
Victor Harbor Horse Tram Authority Board Member	Nigel Catt	26 July 2021	26 July 2023
Office Bearers			
Chairperson	John Morgan	22 February 2021	23 November 2022
Deputy Chairperson	Rachel Kennedy	22 February 2021	23 November 2022



## Our Team

The Victor Harbor Horse Tram Authority 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 years of experience in the day to day operations of the tram and invaluable WHS knowledge.

The VHHTA is also responsible for the care and welfare of the Horse Tram horses. This is their highest priority and have asked Council to alter the VHHTA Charter 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 of experiential learning for diverse clients addressing particular learning goals. The EAL program to be developed by the qualified team may include personal development experiences for children and adults or corporate/professional development goals.

The new VHHTA merchandise store 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 2021/22, the VHHTA was supported by a team of 13 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 thirteen years of age. 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 youngsters and reassures them with his soothing and Zen-like demeanour.



**Jay Jay**

**Jay Jay** is thirteen and is similar in height to Albert. Jay is especially soft and fluffy, inside and out. He is a sensitive boy and enjoys a lot of encouragement, reassurance and love. Jay Jay has been a brilliant tram team member, but has shown a clear preference for harness work at the paddocks and stables. Jay Jay really loves showing off, pulling logs and tyres, (both are actually a harder task than pulling the tram believe it or not). Jay Jay is currently in work at the paddock, training to be the super star of the 'Behind the Scenes' experiences that the VHHTA will be offering from the new stable complex. Jay Jay's loving and sensible personality, a true gentle giant, makes him the perfect horse to wow visitors at the stables.



**Murray**

**Murray** is eleven 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 sensitive on the outside and is not a fan of being primped and preened. The staff have special soft, natural bristled brushes that they use especially for Murray so that he can enjoy his grooming experiences. The staff love grooming Murray as he is pretty easy on the eye.



**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 eleven years of age she is wise beyond her years.



**Elliot** is one of our younger established horses, but nobody tell him. He is our slowest and calmest team member even though he is only ten. 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. 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** is the VHHTA's smallest 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 eight, 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** is expected to become an exciting new addition to the Horse Tram team. Archer has been highly recommended by the VHHTA's expert horse trainer in Melbourne, who has been working with Archer. The VHHTA arranged for two experienced staff members to travel to Melbourne to inspect and assess the horse, as well as an experienced horse vet performing his own assessment of Archer. All experts returned glowing assessments of Archer's temperament, ability, health and handling. As a result, the VHHTA is currently in negotiations with Archer's current owner for his purchase. In the meantime, Archer is receiving further training, particularly under saddle, with his Melbourne trainer. Watch this exciting space!



**Leo** is a lovely little lad. He is just a baby, two 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 intend to start 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.



## Our Volunteers

The VHHTA's team of volunteers 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.

The past year has had its challenges, with COVID-19 and Tram closures due to the new Causeway build. The portable VHHTA volunteer merchandise trestle stall was relocated to the Tram Barn until renovations of the Tram Office and access to the Causeway were completed. In late December, the merchandise was transferred to the partly renovated Tram Office, and 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.

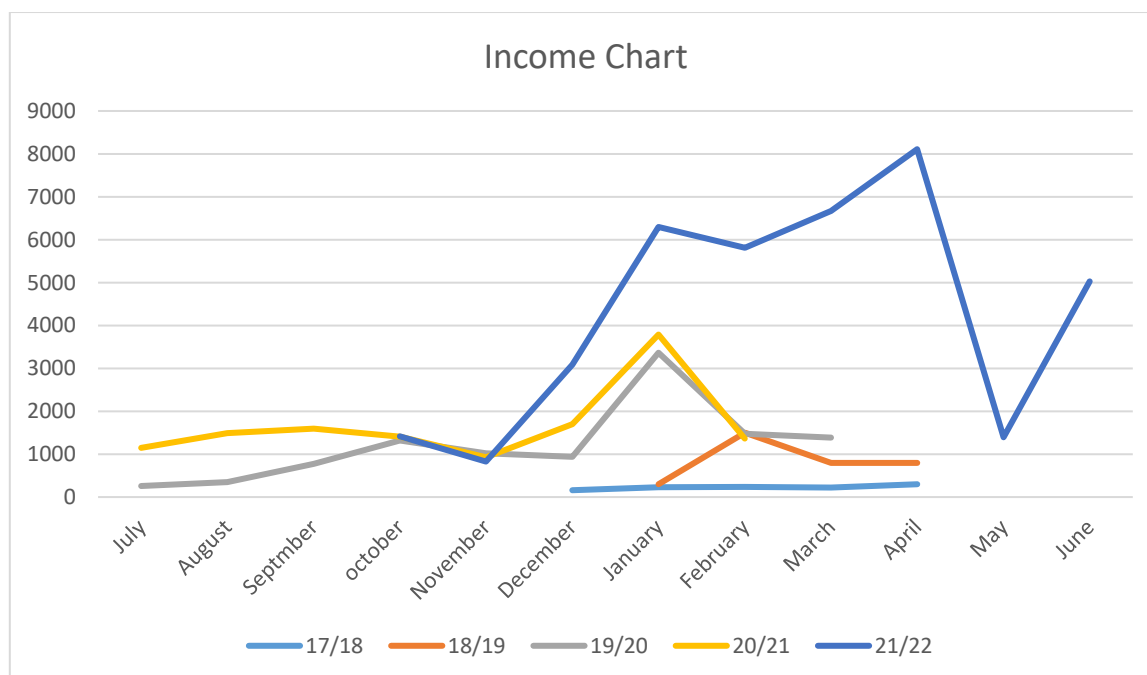
The merchandise store has been a great trading success, generating revenue to help reduce the VHHTA's reliance on Council. In May, the merchandise store paused trading until the final renovations of the shop were complete. In June, the store has finally resumed trading with a completed store front and it's proving to be extremely successful.

The VHHTA has plans to increase volunteer participation through the development of new volunteer position descriptions, in order to attract volunteers with specific passions and skill sets to support the operations of the VHHTA. While COVID-19 has delayed progress in volunteer recruitment in recent years, the VHHTA is looking forward to growth in this area in 2022/23, especially with the new volunteering opportunities at the stables, involving the 'Behind the Scenes' visitor experiences.

The Victor Harbor Horse Tram has annual passes available at very reasonable prices. Thanks to the dedication of VHHTA volunteers, from 2020/21 to 2021/22, the VHHT saw an increase of annual passes sold by over 30%. This increase was despite significant closures due to the construction of the new Causeway and Granite Island Rail Replacement project.

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 2021/22. The success of the new Merchandise Store is both obvious and phenomenal.



## 2021/2022 Achievements

### 2021 VHHTA Board Workshop

On 13 July 2021, Dan Aubin of Daring Humans facilitated a workshop with the Board, General Manager, Assistant Manager and Executive Coordinator. As part of the 2021 workshop, the group revisited a previously undertaken skills audit, followed by extensive workshopping of strategic priorities and action steps. Conversation was robust, positive and practical, with plenty of passion and goodwill in the room. With Dan's support the VHHTA Board and management team were successful in deepening the strategic approach to the management of the VHHT which was initiated in 20. The progress the VHHTA has made through annual workshops such as this year's gives the Horse Tram a bright future and along with the ongoing work conducted by the team developing of policies, procedures and strategic planning to ensure the longevity of the Horse Tram.

### Financial Management

The VHHTA was only operational for four and a half months of the 2021/22 year. With careful management over the last twelve months regarding staff and running costs, the VHHTA required no additional funding from Council, and ended the financial year with surplus funds. Given the challenges faced by the VHHTA this financial year, including the completion of the office renovation, rail replacement on the island, the demolition of the old Causeway, and construction of the new Causeway, as well as the ongoing pandemic, this EOFY result is a remarkable achievement. The VHHTA Board expressed gratitude and appreciation to the VHHTA staff for their support, flexibility and ingenuity during this difficult year. What a great team we have!

### Staff Training for New and Exciting 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 the completion of the stables and Visitor Centre at Canton Place. EAL is a specialist process of experiential learning for diverse clients addressing particular learning goals. The EAL program to be developed by the qualified team may include personal development experiences for children and adults or corporate/professional development goals.



EAL may include psychosocial skills building, developing life skills, 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 national and international 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 the highly skilled horse people in the team.

### Tram Office Renovation / Merchandise Store

The VHHTA has, since its beginnings, had a high priority goal to remodel, refurbish and reuse the existing Tram Office building into a functional space, catering for many independent needs of the VHHTA team, and this year, the VHHTA saw that vision become a reality. What was once, a two-room space, now houses a spacious merchandise store, a functional, enclosed office, a sizeable staff room with kitchen facilities, a tack area, separate feed room and a storage space. The refurbishment has entirely transformed the space the VHHTA has, improved efficiency and increased workplace well-being.





## Tram Office Renovation – Team Work!

Towards the end of the Tram office renovation, the City of Victor Harbor's allocated budget did not have enough remaining for the painting of the outside of the building. While the VHHTA operating budget accommodated funds for paint, tools and materials, it could not stretch to hiring a professional painter. Instead, the VHHTA staff rolled up their sleeves, selected paint colours together and, over a two-week period, painted the building. This work was performed while the VHHTA was unable to operate due to the rail replacement project on Granite Island. The team enthusiastically coming together to paint the building has been one of the most rewarding times at the Tram becoming an unintentional team bonding exercise that brought the whole team closer. The results are fantastic and the VHHTA has had a great response from the public, with all-positive feedback.



## Horse Team Expansion

In October 2021 the VHHTA acquired a new youngster, Leo. Leo is two years old. He is Clydesdale cross Shire, making him a little different to the other Horse Tram horses. Leo has a spectacular black coat and four big white socks and blaze. He has some lovely white speckles on his belly and upper legs. He is a confident young man with a commanding presence. He has settled into the herd really well and gets along with everybody. Leo will start training early in the next year so as to establish learnings early and to develop his growing mind.



The VHHTA is expecting an exciting new addition, Archer, to join the Horse Tram team in 2022. Archer has been highly recommended by the VHHTA's expert horse trainer in Melbourne, who is currently working with Archer. The VHHTA arranged for two experienced staff members to travel to Melbourne to inspect and assess Archer, with an experienced horse vet performing his own health and fitness assessment. All experts returned glowing assessments of Archer's temperament, ability, health and handling. As a result, the VHHTA is currently in negotiations with Archer's current owner for his purchase. In the meantime, Archer is receiving further training, particularly under saddle, with his Melbourne trainer. Watch this exciting space!

The rest of the horse team are performing amazingly and haven't missed a beat during the challenges thrown at them due to the new causeway build. It cannot be overstated how proud the team is of the way the horses have handled the new, and ever changing, conditions.

In March 2022 the horses all had their annual veterinary examinations, and the VHHTA is beyond pleased to announce that all of the horses had fantastic health results and that the overall the health and general condition of these horses continues to be very good.

### Renovation of Tram 3

The full renovation of Tram 3, which began during the COVID-19 lockdown, has been completed and the results are fantastic. It was perfect for the opening of the new Causeway in December 2021. Since then Tram 3 has been running like a dream and is used for all photographic and media opportunities. Its dazzlingly fresh paintwork and revamped woodwork are hard to ignore as it rolls smoothly along the brand-new Causeway, a visual treat for visitors and residents alike.



The trams are irreplaceable, both physically and financially, so the importance of this undertaking cannot be overstated, with savings of up to \$250,000 achieved through use of in-house skills and labour to undertake the renovation.

The renovation of Tram 3 could not have been possible without the skills and dedication of the Authority's Assistant Manager, who has spent tireless months pulling the tram down to its bones, sanding, painting and rebuilding it, mostly by hand. The VHHTA congratulates him, and the team, on this outstanding achievement.

### VHHTA Independent Capital Budget Established

Previously all assets of the VHHTA were owned by Council. In order to maintain and replace these assets Council has utilised a capital budget. The VHHTA only utilised an operating budget for the running and implementation of Horse Tram services and offerings. On 30 September 2021 Council gifted assets, including a Mitsubishi Triton and horse float, to the VHHTA. In order for the VHHTA to responsibly manage those assets it was necessary for the VHHTA to establish its own capital budget.

The VHHTA drafted a Financial Asset Management Plan, and with the support of Council successfully applied to the Local Government Finance Authority for a Cash Advance Debenture loan in order to finance the plan. The VHHTA's established capital budget further reduces the VHHTA's dependence on Council by managing specified assets associated with Horse Tram services. It also, importantly, enabled the VHHTA to replace the Triton Utility with a safer and more appropriate vehicle for heavy horse towing, improving the safety of staff, the horses and the public.



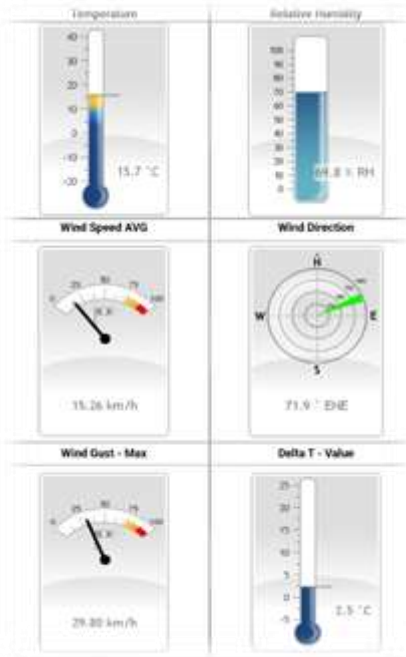
### Land Development

In 2021, the Land opposite the existing stables was purchased by the City of Victor Harbor and has since been leased to the VHHTA. Construction has commenced for the new stable complex and the land is being prepared for future horse grazing.

The forage on this land is currently being improved by professional seeding, utilising a seed mix designed to improve soil nutrition, self-reseeding and paired planting, with biodynamic principles. This planting is designed to maximise the capacity of pastures, to maintain plant growth activity throughout the year. In doing so it increases diversity of fodder species available to the horses therefore increasing nutritional balance, organic matter and organic carbon at depth (building soil). Additionally, these planting practices increase diversity of soil microbial and biotic activity.

The seed blend used was cultivated into the pasture using an innovative machine, called a Soil Renovator, a revolutionary approach to pasture cropping. The advantages of the Renovator include maintaining groundcover, maximising plant growth activity, improving soil health, minimising competition and reducing the need for herbicides generally required for seeding.

## Wind Monitoring



In 2021/22 the VHHTA completed the final stages of the wind monitoring contract formed with the Department of Infrastructure and Transport (DIT). The VHHTA monitored daily wind speeds and the closed and opened the causeway as needed.

The wind monitoring was expected to continue until the new Causeway was completed and in operation, however the contract continued for a further six months so as to monitor the safety of the deconstruction crew removing the old Causeway, resulting in an additional six months of continued wind monitoring income.

With the mutual success of this undertaking, DIT is considering a similar contractual arrangement for the VHHTA to manage the Granite Island boom gate users and operations. Watch this space!

## 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

## Successful Grant Application

The Authority applied for a grant through the Building Better Regions program last year 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.

The funds will be gratefully received to help 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 into a better region.





## Stable Complex Progress

The Stable Complex project is progressing at a steady rate, with a completed build expected by the end of 2022. The Stable component of the project is expected to be built on-site while the Visitor Centre, for the 'Behind the Scene's Experience' is being fabricated off site, and then delivered and installed in three sections, forming the one large building.

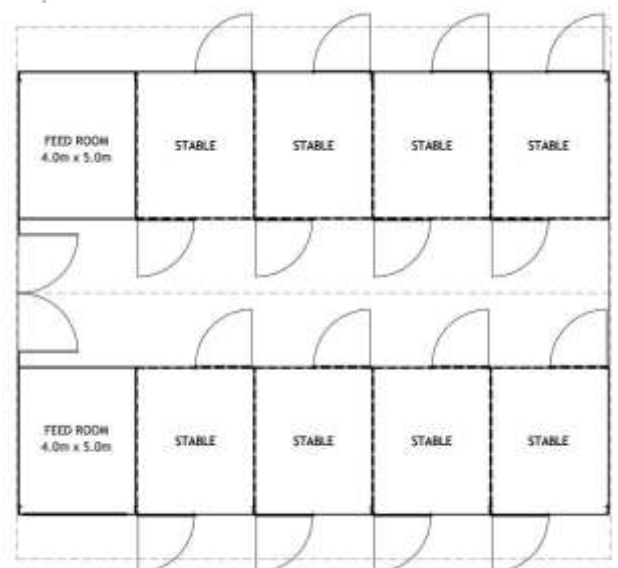


The Visitor Centre includes three bathrooms, a large kitchen for catering purposes, an office and an expansive floor area for functions, conferences, EAL and entertaining visitor groups. The space itself offers the opportunity for another income stream, from the hire of the facility.

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 tea's 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 been developing and honing '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, education and 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).



## Grant Application - Building Better Regions Fund – Round 6

The VHHTA are very excited to have applied for a second round of BBRF grant money. The purpose of the grant money sought, among other things, is to build a yarnning circle and plant a bush tucker garden. The VHHTA's intention is to provide offerings inclusive of First Nations Australian culture, and to weave and thread these themes throughout all of VHHTA experiences. The equivalent of one full time position will be created, initially, for First Nations persons to incorporate and appropriately intertwine Aboriginal and Torrens Strait Islander cultures and languages in a meaningful way. The artwork featured on the new Causeway also creates the perfect opportunity for the VHHTA to story-tell, educate, and preserve and teach First Nations culture and language.

The VHHTA has been in consultation with local Ngarrindjeri members of our community, active in increasing connection and knowledge to country through the arts, language and consultation. The support and enthusiasm has been overwhelming. The VHHTA was provided with a letter of support for the grant, indicating that the VHHTA is on the right track. It is important to the VHHTA to have inclusivity as one of its fundamental core values, not just for cultural inclusion but also for disabilities and physical access for all.

## Key Performance Results against 2020/23 Annual Business Plan What we will do from 2020 to 2023

In 2019/20 the VHHTA business plan was focused around operational set-up, governance changes and staff development. Into the future the focus is on project development with our 2020-2023 Business Plan priorities including:

**Priority 1: Finance & Operational growth**

**Priority 2: The Stables Project**

**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 Authority plans to take over the period of the business plan in relation to achievements of these objectives.

### Priority 1: Finance & Operational Growth

The Authority will focus on taking strategic steps towards sustainability and growth while ensuring core business operations continue to develop.

1.1 Secure Operational and Capital budget			
Actions	Indicator	Target	Achievement
Operational budget approved by Board and Council	Approvals received	April 2020, 21, 22	✓
Capital Budget Approved by Board and Council	Approvals received	April 2020, 21, 22	✓
Provide quarterly budget/finance reports to the City of Victor Harbor	Quarterly reporting received	November 2020, February, May, September 2021 for EOFY	✓
Undertake budget reviews in line with legislative requirements	Reviews submitted to board & Council	March, October, December 2020 Mid-Year Review	✓
1.2 WHS Processes			
Actions	Indicator	Target	Achievement
Annual WHS processes review	Received by Board & Council	July 2021, 22, 23	Ongoing
Complete Sky Trust set-up to track WHS compliance	Staff trained and using	Already partially achieved but final staff set up by December 2022	Ongoing
WHS Plan for during Causeway Construction	Published plan	Completed	✓ Complete



1.3 Project & Development Funds			
Actions	Indicator	Target	Achievement
Secure & manage 'Stables Project' budget	Approvals received	September 2021	✓ Achieved
Secure Sponsorship	\$15,000 secured	September 2021	Ongoing
Review and grow merchandise Establish online store	\$10,000 income Online store	July 2023	Ongoing
Budget Office Reno for Budget Bid 21/22	Received by Board & Council	July 2021	✓ Achieved
Budget Platform improvements for Budget Bid 22/23	Received by Board & Council	July 2022	✓ Achieved
Review ticket pricing schedule	Board report complete	Annual – March 2021/22/23	✓ Ongoing



## Priority 2: The Stables Project

This is an exciting development that will enhance care of the horses, WHS for staff, and lead to exciting community engagement and Behind the Scenes experiences. Initially the stables project was conceptualised to focus first on establishing stables and staff facilities to meet the housing and care needs of the Clydesdales. The Building Better Regions Fund Grant allocation, and the VHHTA goal to reduce its reliance on Council, has incentivised the VHHTA to develop and build the Behind the Scenes experience in conjunction with the stable project. Timelines and targets for the project have been changed to align with new costings, exceeding the allocated budget, for the project provided by the procurement process.

<b>2.1 Project Planning</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
		<b>Old/New Target</b>	
Confirm Project Team	Regular meetings	June 2021/ June 2022	Complete ✓
Draft Project Schedule	Consultation with Board mentors	June 2021/ August 2022	Complete July 2022 ✓
Finalise Stage 1 Project Plans	Received by Board & Council	July 2021/ June 2022	Complete ✓
Plan approved by Council	Approval	August 2021/ January 2022	Complete ✓
<b>2.2 Project Implementation</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
Secure land for Horses	Fenced and secure	October 2021	Complete ✓
Public Consultation	Feedback received	September 2021	Complete and Ongoing ✓
Approach Sponsors	5 Proposals & meetings	October 2021/ December 2022	Awaiting Stable Build Progress
<b>2.3 Build</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
Confirm build team		July 2021/ October 2022	Complete ✓
Commence build	Started	October 2021/ September 2022	In Progress ✓
Complete build	Horses moved in, Council Member Tour	December 2021/ January 2023	In Progress ✓
<b>2.4 Forward Planning</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
Draft VIP Package	Workshopped by Board	December/February 2021	Achieved ✓

### Priority 3: Communication Strategy

The strategic analysis of the VHHTA's communication priorities at the July 2020 planning day with Dan Aubin identified the priority to develop effective relationships with strategic partners. Unfortunately, due to COVID-19 and the new Causeway construction build, many of local tourist attractions, especially those directly affected by the build, have either been partially or entirely closed during this financial year. We are looking forward to strengthening those partnerships as businesses reopen and life returns to normal.

<b>2.1 Effective Communication</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
Regular Council updates and dialogue	5 F2F meetings	2020/21	✓
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 – Causeway construction dependant		March 2023	Partially achieved ✓
<b>2.2 Strategic Partnerships</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
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	Ongoing	Achieved ✓
Partner with SA icons, and local Tourist Attractions and Venues to increase Horse Tram promotions/exposure	Key Relationships developed	Ongoing	Partially achieved ✓
<b>2.3 Marketing</b>			
<b>Actions</b>	<b>Indicator</b>	<b>Target</b>	<b>Achievement</b>
Develop a One-page Marketing Plan based on Strategic Planning Workshop Findings	One-Page Plan in Business Plan	July 2021	Achieved ✓
Seek high-level media Opportunities & Stories	5 Media Stories	Ongoing	Ongoing ✓
Consistent Social Media Content Publication	Weekly Stories	Ongoing	Ongoing ✓
Full Marketing Plan through a consultant	Plan Complete	2023	Awaiting New Offerings



#### Priority 4: Office & Shop Renovation Planning

The VHHTA has improved point-of-sale/customer service experience at the tram office as well as staff and volunteer facilities by renovating the office and shop facilities. This vastly improved the service, possible income streams and staff effectiveness, retention, WHS and wellbeing.

3.1 Office and Shop Renovation			
Actions	Indicator	Target	Achievement
Create Project team	Assembled and terms of reference agreed.	June 2021	Achieved ✓
Draft three designs based on functionality and attractive enhancements	Place received by Board	February 2021	Achieved ✓
Engage professional to draw up designs based on drafts and consultation.	Engaged & work completed.	January 2021	Achieved ✓
Cost the project	Budgeted	April 2021	Achieved ✓
3.2 Merchandise			
Actions	Indicator	Target	Achievement
Review current line	Review to Board	July 2021 July 2022 July 2023	Achieved ✓ Ongoing
Establish online store	Store live on Website	March 2023	In process



## Financial Results

The results of the financial year 2021/22 are really encouraging. The VHHTA ended the year with a paper figure surplus of around fourteen thousand dollars. This is despite the fact that the Horse Tram service was only able to trade for four and a half months of the financial year. Comparing this result to the previous 2020/21 year, where the VHHTA had a sixteen thousand dollar deficit and far more trading days, this year's result is very positive.

With the expertise of the team, regarding the management of staff and running costs, the VHHTA required no extra funding from Council and the Tram service was able to limit the financial impact of closures due to the new Causeway build, COVID-19 passenger number restrictions and the Granite Island Rail Replacement project, and at the same time still deliver a high-quality experience to tourists when the Tram service was operating.

The Horse Tram was able to reopen on the new Causeway just prior to the 2020/21 peak Christmas period and operated fairly seamlessly for the summer holidays, running two trams most days. The horses, who were kept fit, and in peak condition by staff during the long shut down, were ready and eager for tram duties, and the Horse Tram was able to take a healthy income right from the moment of operation.

There was a substantial shut down again during May 2022 and June 2022 for rail and platform works. Although the Horse Tram again received no ticket revenue, the VHHTA was able to generate savings by utilising permanent part time staff members to refurbish the Tram office, painting the exterior of the building and laying flooring to the interior of the building. Likewise, time spent shut down was also used to complete the renovation of Tram 3, making substantial savings by completing these projects inhouse.

Due to the \$14,000 surplus the VHHTA showed at the end of the financial year the VHHTA required no additional funds from Council this year. The VHHTA pays back to the Council \$115,000 in the form of rent on Council assets and corporate support. The VHHTA has further reduced its financial reliance on Council by establishing its own Capital Budget. The VHHTA Capital Budget, facilitated by loan funds through the Local Government Finance Authority, enables the VHHTA to responsibly and independently maintain its own assets and asset replacement schedule, taking a large step towards reducing Council's burden.

A truly good news story is April 2022. In the month of April, prior to the May 2022 shut down, the VHHTA took a staggering, \$110,000 in revenue. This is significantly more than the Horse Tram has ever taken in one month previously. With the return of interstate, international, visitors, reduced COVID-19 restrictions, and great autumn weather, the Horse Tram experienced financial success. This good news brightens the horizon for the Horse Tram's future survival and success and provides confidence for the VHHTA that it will bring to fruition the mission that Council has set for it, to substantially reduce the Horse Tram's reliance on Council.

With the positive results over the Christmas holidays, the success of the April 2022 period, and the approximate \$14,000 EOFY surplus despite only four and a half months of trading, the VHHTA expects that the operation will see an increased and more consistent income. Layered on top of this is the impending completion of the new stable complex build, which once opened, will bring new income streams and sponsorship opportunities for the VHHTA, attract new and return tourism, and ensure the Victor Harbor Horse Tram's continued service and ability to generate income into the future.

## Budget Variance (1 July 2021 to 30 June 2022)

	Actual	Budget	Var AUD
<b>Income</b>			
CVH budget contribution	\$415,400	\$415,400	\$0
Donation Income	\$261	\$500	-\$240
Employee Subsidies	\$2,727	\$4,500	-\$1,773
Group Sales	\$4,726	\$5,000	-\$274
Interest Income	\$58	\$0	\$58
Other Income	\$1,968	\$0	\$1,968
Souvenir Sales	\$35,530	\$35,000	\$530
Ticket Sales	\$343,744	\$374,500	-\$30,756
<b>Total Income</b>	<b>\$804,414</b>	<b>\$834,900</b>	<b>-\$30,486</b>
<b>Gross Profit</b>	<b>\$804,414</b>	<b>\$834,900</b>	<b>-\$30,486</b>
<b>Plus Other Income</b>			
Causeway monitoring DIT paym	\$40,850	\$40,000	\$850
<b>Total Other Income</b>	<b>\$40,850</b>	<b>\$40,000</b>	<b>\$850</b>
<b>Less Operating Expenses</b>			
Administration Charge - Corpora	\$64,991	\$64,000	\$991
Administration Charge - Rent on	\$5,914	\$44,000	-\$38,086
Advertising Expenses	\$4,035	\$8,000	-\$3,965
Amortization ROU	\$33,145	\$0	\$33,145
Authority Board Expenses	\$11,565	\$15,000	-\$3,435
Cleaning Expenses	\$3,137	\$5,000	-\$1,863
Consultants and Professional Se	\$13,625	\$15,000	-\$1,375
Depreciation	\$179	\$6,300	-\$6,121
Drinks for sales	\$237	\$0	\$237
Employee expenses	\$517,066	\$531,200	-\$14,134
Horse Care Expenses	\$42,045	\$51,700	-\$9,655
Interest expense	\$2,873	\$0	\$2,873
Other Expenses	\$0	\$1,700	-\$1,700
Repairs and maintenance	\$30,176	\$35,000	-\$4,824
Security Expenses	\$8,281	\$3,600	\$4,681
Staff Amenity Expenses	\$2,557	\$3,500	-\$943
Utility Expenses	\$12,831	\$14,000	-\$1,169
Vehicle and Travel Expenses	\$6,405	\$4,000	\$2,405
Volunteer Expenses	\$2,727	\$3,000	-\$273
<b>office costs</b>			
Bank Fees	\$1,154	\$500	\$654
Insurance Expenses	\$34,541	\$41,000	-\$6,459
Merchant Fees	\$2,739	\$2,500	\$239
Phone and Data Expenses	\$7,542	\$4,700	\$2,842
Printing and Stationary Expens	\$1,459	\$3,200	-\$1,741
Souvenir Purchases	\$21,321	\$18,000	\$3,321
<b>Total office costs</b>	<b>\$68,756</b>	<b>\$69,900</b>	<b>-\$1,144</b>
<b>Total Operating Expenses</b>	<b>\$830,546</b>	<b>\$874,900</b>	<b>-\$44,354</b>
<b>Net Profit</b>	<b>\$14,718</b>	<b>\$0</b>	<b>\$14,718</b>



## Looking Ahead

The new stable complex progressing along nicely, with completion now expected in December 2022, it is an exciting time for the VHHTA. To be able to provide the horses and the staff with this well-overdue facility will be extremely rewarding. With the stable complex on the horizon the VHHTA has now developed a business plan 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 host, 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 will soon be able to offer the public.

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. Different methods of delivering this material are being examined, with the information aimed at increasing passenger knowledge and improving the experience and enjoyment overall. 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.

The VHHTA has been professionally educating 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', (personal and professional development), initially, and into the future 'equine assisted psychotherapy' as staff skills and training are acquired. Three staff members are currently undertaking an Equine Assisted Learning (EAL) course, and one staff member has completed her qualifications and is currently expanding her experience as a practitioner.

The training will see the four-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 / corporate goals and experiences).

Some staff members intend to continue with further study that, within eighteen months, could see the VHHTA offering Equine Assisted Psychotherapy (EAP). EAP is a professional, innovative and experience-based approach to counselling, psychotherapy, and mental health care that supports clients of all ages in addressing therapeutic goals (emotional, cognitive, behavioural, relational and spiritual issues, and mental health conditions), with horses as assistants, co-facilitators and teachers in this process. The VHHTA is passionate about mental health and is excited to have embarked down this road. Feedback regarding the coming program has been positive, so watch this space.

Looking ahead, the VHHTA is very excited, and is expecting all of its hard work, in laying the foundations for the opportunities and new offerings, to pay off in leaps and bounds over the next few years. With the resumption of tram services, the endless opportunities involved with the Behind the Scenes experiences, the applications of the new stable complex and visitor centre, and the wellbeing community benefits of the VHHTA EAL program, the sky is the limit.

## VICTOR HARBOR HORSE TRAM AUTHORITY

General Purpose Financial Report  
for the year ended 30 June 2022

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**VICTOR HARBOR HORSE TRAM AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2022**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

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

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 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



**Nigel Catt**  
Chairperson

Date: 14.9.2022



## VICTOR HARBOR HORSE TRAM AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>Income</b>			
User charges	2	384	408
Other	2	461	449
<b>Total Income</b>		<b>845</b>	<b>857</b>
<b>Expenses</b>			
Employee costs	3	524	595
Materials, contracts & other expenses	3	271	267
Finance costs	9	3	2
Depreciation, amortisation & impairment	9	33	14
<b>Total Expenses</b>		<b>831</b>	<b>878</b>
<b>Operating Surplus / (Deficit)</b>		<b>14</b>	<b>(21)</b>
Asset disposal & fair value adjustments		-	-
Amounts received specifically for new/upgraded assets		-	-
<b>Net Surplus / (Deficit)</b>		<b>14</b>	<b>(21)</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>14</b>	<b>(21)</b>

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 2022

Assets	Notes	2022 \$'000	2021 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	4	91	75
Trade & other receivables		8	31
<b>Total Current Assets</b>		<b>99</b>	<b>106</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	9	163	152
<b>Total Non-current Assets</b>		<b>163</b>	<b>152</b>
<b>Total Assets</b>		<b>262</b>	<b>258</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	5	81	67
Provisions	5	48	46
Borrowings	9	33	32
<b>Total Current Liabilities</b>		<b>162</b>	<b>145</b>
<b>Non-Current Liabilities</b>			
Provisions	5	15	9
Borrowings	9	87	120
<b>Total Non-current Liabilities</b>		<b>102</b>	<b>129</b>
<b>Total Liabilities</b>		<b>264</b>	<b>274</b>
<b>Net Assets</b>		<b>(2)</b>	<b>(16)</b>
<b>Equity</b>			
Accumulated Surplus		(2)	(16)
<b>Total Equity</b>		<b>(2)</b>	<b>(16)</b>

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 2022

	Accumulated Surplus	Total Equity
	\$'000	\$'000
Balance at start of period - 1 July 2021	(16)	(16)
Net Surplus/ (Deficit) for Year	14	14
Balance at end of period - 30 June 2022	<u>(2)</u>	<u>(2)</u>
Balance at start of period - 1 July 2020	5	5
Net Surplus/ (Deficit) for Year	(21)	(21)
Balance at end of period - 30 June 2021	<u>(16)</u>	<u>(16)</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 2022

	Notes	2022 \$'000	2021 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating receipts from customers		868	881
Investment receipts		-	-
Employee Costs		(517)	(574)
Materials, contracts & other expenses		(335)	(302)
Finance payments		-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	6	<b>16</b>	<b>5</b>
<b>Cash Flows from Investing Activities</b>			
<b>Net Cash provided by (or used in) Investing Activities</b>		-	-
<b>Cash Flows from Financing Activities</b>			
<b>Net Cash provided by (or used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		<b>16</b>	<b>5</b>
Cash & cash equivalents at beginning of period	6	75	70
<b>Cash &amp; cash equivalents at end of period</b>	6	<b>91</b>	<b>75</b>

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 2022

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## Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

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

#### 1.2 Historical Cost Convention

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

#### 1.3 Critical Accounting Estimates

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

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

#### 1.4 Rounding

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

### 2 The Local Government Reporting Entity

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

These financial statements have been prepared for use by the Constituent Council of the Authority.

### 3 Income Recognition

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 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. 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 a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the 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 that 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 Authority satisfies its obligations under the transfer.



6

# VICTOR HARBOR HORSE TRAM AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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## 4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

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

## 5 Property, Plant & Equipment

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

### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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.

As at reporting date, the Authority held no property, plant & equipment assets.

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

## 6 Payables

### 6.1 Goods & Services

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

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

## 7 Employee Benefits

### 7.1 Salaries, Wages & Compensated Absences

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 oncosts) 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 oncosts) 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.

No accrual is made for sick leave as the Authority's 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.

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# VICTOR HARBOR HORSE TRAM AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

## 7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). The Scheme has 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% in 2021/22; 9.5% in 2020/21). 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 as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) 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 119.32(b), 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 Willie Towers Watson as at 30 June 2020. 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 new assets of the scheme, and no further liability attaches to the Authority.

## 8 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. Comparative information has not been amended for any changes to accounting standards.

## 9 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

## 10 GST Implications

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

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# VICTOR HARBOR HORSE TRAM AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

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- 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.

## 11 New Accounting Standards

New accounting standards have come into effect as at 1 July 2019. The Authority has assessed that there is no impact to the accounting policies of the Authority as a result of the new requirements under these accounting standards given it has no deferred revenue arrangement nor long-term operating leases in existence.

## 12 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 2021/22 financial year, the Council's contributed income accounted for 49.14% (2021: 50.39%) of total Operating Income recorded by the Authority.

## 13 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.

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

### 13.1 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 incentive received and the estimate of costs 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 assets.

### 13.2 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 net present value of the lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

### 13.3 Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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VICTOR HARBOR HORSE TRAM AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>Note 2 - INCOME</b>			
<b>USER CHARGES</b>			
Ticket Sales		348	382
Souvenir Sales		36	26
		<u>384</u>	<u>408</u>
<b>OTHER INCOME</b>			
Council Contributions		415	415
DfT Payment		41	33
Other		5	1
		<u>461</u>	<u>449</u>
<b>Note 3 - EXPENSES</b>			
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		450	506
Employee leave expense		6	23
Superannuation		41	45
Workers' Compensation Insurance		3	6
Other		24	15
		<u>524</u>	<u>595</u>
The Authority had 9 full time equivalent employees as at reporting date.			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration		3	3
Board Expenses		12	12
Advertising		4	1
Contractor Labour Costs (including on-costs)		-	-
Equipment Rental		6	20
External Contractors		3	6
Horse & Tram Maintenance Costs		72	76
Insurance		35	30
Other Expenses		59	36
Printing, Stationery & Postage		1	3
Professional services		76	80
		<u>271</u>	<u>267</u>
<b>Note 4 - CURRENT ASSETS</b>			
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		91	75
Deposits at Call		-	-
		<u>91</u>	<u>75</u>

## VICTOR HARBOR HORSE TRAM AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

#### Note 5 - LIABILITIES

	Notes	2022 \$'000		2021 \$'000	
		Current	Non-current	Current	Non-current
<b>Trade &amp; Other Payables</b>					
Goods & Services		81	-	67	-
Accrued expenses - other		-	-	-	-
		<u>81</u>	<u>-</u>	<u>67</u>	<u>-</u>
<b>Provisions</b>					
Annual Leave		16	-	18	-
Long Service Leave		32	15	28	9
		<u>48</u>	<u>15</u>	<u>46</u>	<u>9</u>

#### Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

##### (a) Reconciliation of Cash

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

	Notes	2022 \$'000	2021 \$'000
Total cash & equivalent assets	4	91	75
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>91</u>	<u>75</u>

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

Net Surplus (Deficit)		14	(21)
Non-cash items in Income Statement			
Leave provision movement		7	40
		<u>21</u>	<u>19</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		23	24
Net increase (decrease) in trade & other payables		(28)	(38)
Net increase (decrease) in other provisions		-	-
<b>Net Cash provided by (or used in) operations</b>		<u>16</u>	<u>5</u>

##### (c) Financing Arrangements

The Authority had no additional financing arrangements to disclose.

## VICTOR HARBOR HORSE TRAM AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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#### Note 7 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

**Bank, Deposits at Call, Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.  
**Short Term Deposits**

**Terms & conditions:** Deposits on Call do not have a maturity period.

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

**Receivables - Gate Fees & Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful Associated Charges debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Liabilities - Creditors and Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services Accruals received, whether or not billed to the Authority.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

##### Net Fair Value

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

##### Risk Exposure

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

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

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

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

VICTOR HARBOR HORSE TRAM AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

Note 7 - FINANCIAL INSTRUMENTS

Liquidity Analysis

2022	Maturity			Non- interest bearing \$'000	Total \$'000
	≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	91	-	-	-	91
Receivables	-	-	-	88	8
<b>Total</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>99</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	81	81
Borrowings	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>81</b>

2021	Maturity			Non- interest bearing \$'000	Total \$'000
	≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	75	-	-	-	75
Receivables	-	-	-	31	31
<b>Total</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>106</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	67	67
Borrowings	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>67</b>



## VICTOR HARBOR HORSE TRAM AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

#### Note 8 - COMMITMENTS FOR EXPENDITURE

	Notes	2022 \$'000	2021 \$'000
<b>Expenditure Commitments</b>			
The Authority has no expenditure commitments to disclose.			

#### Note 9 - LEASES

##### Lease payment commitments of Authority

The Authority has no operating lease commitments to disclose.

The Authority has entered into a hire agreement with the City of Victor Harbor for the use of all plant and equipment used in the delivery of horse tram services provided.  
Set out below are the carrying amount of right of use assets recognized within Infrastructure, Property, Plant and Equipment and the movements during the period.

##### Right of use assets

	2022 \$'000	2021 \$'000
Opening Balance	152	166
Additions	-	-
Depreciation charge	(32)	(14)
At 30 June 2022	120	152

Set out below are the carrying amounts of lease liabilities included under interest-bearing loans and borrowings and the movements during the period.

	2022 \$'000	2021 \$'000
Opening Balance	152	166
Payments	(32)	(14)
At 30 June 2022	120	152

##### Lease Liabilities are classified as:

	2022 \$'000	2021 \$'000
Current	33	32
Non-current	87	120
Total lease liabilities	120	152

The following are the amounts recognized in the profit and loss statement:

	2022 \$'000	2021 \$'000
Depreciation Expense	33	14
Interest Expense	3	2



## VICTOR HARBOR HORSE TRAM AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

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#### Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events that occurred after reporting date that requires to be disclosed.

#### Note 11 - RELATED PARTY TRANSACTIONS

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

	2022 \$'000	2021 \$'000
Salaries, allowances & other short term benefits	113	118
Long term benefits	-	-
<b>TOTAL</b>	<b>113</b>	<b>118</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Victor Harbor	415	0	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.