



10 October 2019

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File Ref: GOV9.14.041

Dear Board Member

**NOTICE OF MEETING**

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

**DATE:** Tuesday, 15 October 2019

**TIME:** 3:00pm

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

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

Yours faithfully

**Megan Whibley**

**General Manager**

Victor Harbor Horse Tram Authority

*Please be advised that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.*



**1. Open Meeting/Welcome**

**2. Attendance**

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

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

**3. Apologies**

**4. Minutes of Previous meeting ..... 4**

**5. Items Adjourned**

5.1 Office Refurbishment ..... 8

**6. Business Arising**

6.1 Works Program ..... No update this month

6.2 Resolution Register ..... No update this month

**7. General Manager Report**

7.1 Operations Report ..... 10

**8. Reports for Decision or Endorsement**

8.1 Proposed Pricing Changes for Fun Pass Tickets ..... 13

8.2 Proposed Change to Ticket Pricing for Additional Children .. 16

**9. Presentation(s)**

Nil

**10. Discussion Items – No decision(s)**

Nil

**11. Correspondence in/out**

Nil

Victor Harbor Horse Tram Authority  
Board Meeting Agenda  
For meeting Tuesday 15 October 2019  
Commencing at 3.00pm



**12. Business without Notice**

**13. Confidential Reports**

Nil

**14. Next Meeting**

Tuesday 19 November 2019, 3pm – Encounter Room

**15. Meeting Close**

***Please be advised*** that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.

## **2. Present**

Paul Brown (Chair)

Cr Carol Schofield AM

Rachel Kennedy

Natasha Hunt

Megan Whibley (General Manager Victor Harbor Horse Tram Authority)

In attendance

Karen Rokicinski (Director Corporate and Customer Service CVH)

Pauline Corcoran (Minute Secretary CVH)

## **Commencement**

The meeting commenced at 3.00pm

## **3. Apologies**

Nigel Catt

## **4. Minutes of the Previous Meeting**

VHHTA106

Moved: Carol Schofield

Seconded: Rachel Kennedy

That the minutes of the previous Victor Harbor Horse Tram Authority meeting held on 20 August 2019, as per copies supplied to members, be adopted as a true and correct record of the meeting.

**CARRIED**

## **5. Business Arising**

5.1

VHHTA107

Moved: Rachel Kennedy

Seconded: Carol Schofield

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

**CARRIED**

VHHTA108 Moved: Rachel Kennedy  
Seconded: Natasha Hunt

**CARRIED**

That the Victor Harbor Tram Authority modify the works program by delaying the Tram 4 action for 12 months and removing the ticket machine action from the works program

5.2

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

VHHTA109 Moved: Rachel Kennedy  
Seconded: Natasha Hunt

**CARRIED**

## **6. General Managers Reports**

6.1 VHHTA110 Moved: Rachel Kennedy  
Seconded: Carol Schofield

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

**CARRIED**

6.2 VHHTA111 Moved: Carol Schofield  
Seconded: Rachel Kennedy

That the Victor Harbor Tram Authority receive and note the Annual Report 2018/19-Update.

**CARRIED**

## **7. Reports for Decision or Endorsement**

7.1 VHHTA112 Moved: Rachel Kennedy  
Seconded: Natasha Hunt

That the Victor Harbor Horse Tram Authority endorses new ticket pricing and structure, as detailed in this report, with the addition of pricing for kids 2-13 of \$7 return and \$5 one-way when more than 2 children are traveling with a paying adult (subject to terms and conditions) to come into effect from 1 October 2019.

**CARRIED**

7.2 VHHTA113 Moved: Natasha Hunt  
Seconded: Rachel Kennedy

That the Victor Harbor Horse Tram Authority recommend to Council the modification of one window of the Horse Tram Office, converting it into a customer service point/ticket window.

**CARRIED**

7.3 VHHTA114 Moved: Carol Schofield  
Seconded: Rachel Kennedy

1. That the Victor Harbor Horse Tram Authority receive and note the report and concept plans for the proposed Horse Tram ticket office refurbishment.

**CARRIED**

VHHTA115 Moved: Rachel Kennedy  
Seconded: Natasha Hunt

2. That the Victor Harbor Horse Tram Authority adjourn the debate on the concept plans for the proposed Horse Tram Ticket Office Refurbishment provided with this report until the next scheduled Board Meeting.

**CARRIED**

## **8. Presentation(s)**

Nil

## **9. Discussion Items – No Decision(s)**

No resolutions.

## **10. Urgent Business without Notice**

VHHTA 116 Moved: Rachel Kennedy

Seconded: Natasha Hunt

That the General Manager write to City of Victor Harbor on behalf of the Victor Harbor Horse Tram Authority seeking for financial information relevant to the Authority to be finalised into the Authority's accounting software to facilitate effective Board governance prior to the next Board meeting.

**CARRIED**

*Board members thanked/congratulated Meg for the amount of work being done down at the Causeway.*

*The Board and General Manager are to finalise and document a list of the Victor Harbor Horse Tram Authority requirements for the new causeway development prior to the meeting with Rebekha Sharkie on the 1st of October 2019.*

## **11. Confidential Reports**

Nil

## **12. Next meeting**

15 October 2019, 3pm

## **13. Meeting Closed**

4.21pm

# General Manager Report

Meeting                    **Victor Harbor Horse Tram Authority**

Date                        **15 October 2019**

From                        **Megan Whibley**

Subject                    **Adjourned item – Office Refurbishment**

Report Number          **5.1**

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## **Purpose**

The purpose of this report is to provide Board Members with the opportunity to review and consider the concept plans for the proposed Horse Tram ticket office refurbishment.

## **RECOMMENDATION**

*(Note: recommendation 1 was resolved at the September Board meeting)*

- 
2. That the Victor Harbor Horse Tram Authority endorse the concept plans for the proposed Horse Tram Ticket Office Refurbishment provided with this report, for Council consideration in line with Board resolution VHHTA103 which seeks support for the reallocation of Council’s Capital funds to undertake works.

## **INFORMATION**

At the Victor Harbor Horse Tram Authority Board Meeting on 17 September 2019, the Board resolved:

VHHTA115                *Moved:                Rachel Kennedy*  
*Seconded:            Natasha Hunt*

*That the Victor Harbor Horse Tram Authority adjourn the debate on the concept plans for the proposed Horse Tram Ticket Office Refurbishment provided with this report until the next scheduled Board Meeting.*

Further concept designs are still required for the stables to ensure that proposed plans fit within the capital budget allocation that was planned for the original merchandise area and other works. Once further work has been undertaken in relation to the drafting of the stable plans, they too will be brought to the Board for endorsement prior to presenting them to Council seeking reallocation of capital funds.

Council is currently working with Department for Planning, Transport and Infrastructure (DPTI) in relation to the design of the Causeway and its interface with the tramway platform.

These two matters would need to be resolved before seeking to approach Council for endorsement of concept plans and reallocation of funds. The Board may wish to consider



an earlier approach to Council in relation to the office window modification, as it could serve as a less expensive trial prior to committing to a full refurbishment.

### **New information - General Manager Commentary**

The General Manager and Board met on Friday 27 September 2019 to further discuss the concept designs. No further designs were presented.

Council administration and Horse Tram staff met with representatives of DPTI regarding plans for the new causeway on Tuesday 8 October 2019. The parties agreed that they will continue to liaise regarding the design and location of the new causeway and as such, it may be premature for the Board to resolve to seek Council support for the concepts plans for the office refurbishment until clarity regarding the Causeway design/location has been provided. Alternatively, the Board may wish to endorse the concept plans, and delay presentation of them to Council subject to their congruence with the location of the new causeway once it has been determined. This approach would ensure that there would be no delays on progressing the refurbishment once this information is known.

### **RISK ASSESSMENT**

**Infrastructure** – If supported to proceed, the capital works will provide quality stabling and office facilities for the Horse Tram Authority. Further design works will be required to ensure that construction is to standard and receives the necessary approvals. The risk is assessed as *low*.

**Financial Management** – The capital funds are available in City of Victor Harbor's capital budget and had been allocated for the purposes of projects relevant to the horse tram. This proposal does not require additional capital funds and is simply a reallocation to facilitate modified capital works. The risk is assessed as *low*.

### **BUDGET IMPLICATIONS**

The budget implications associated with the recommendation are relevant to City of Victor Harbor, rather than the Horse Tram Authority as they are Capital budget items held by Council that are proposed to be modified. The proposal does not require additional capital funds, but rather a reallocation to support upgrade of the stabling facilities facilitated by a scope reduction in the merchandise area upgrade. \$13,000 has been allocated to this build, should Council endorse the reallocation of capital funds that will be requested by the Authority. While indicative costing has been sought for the purposes of this proposal, full costing based upon the design has not yet been obtained.



Meeting **Victor Harbor Horse Tram Authority**

Date **15 October 2019**

From **Megan Whibley**

Subject **General Manager Operations Report**

Report Number **7.1**

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## **PURPOSE**

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

## **RECOMMENDATION**

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

## **INFORMATION**

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

### **Enterprise Bargaining**

The General Manager Horse Tram Authority has prepared a draft Enterprise Agreement with support from Council's Manager People and Culture. It has now been sent to the Australian Worker's Union (AWU) for final agreement. It is hoped that the new Enterprise Agreement will be functional by the end of October 2019.

### **Staffing**

A social barbecue was held for Staff and Board members on 27 September 2019. This was a positive event that supported a growing team culture.

### **Ticket Price change**

New ticket prices are functioning well. Staff are adapting to the structure and pricing changes and sales figures indicate that the changes are working.

### **Ticket Sales**

September 2019:

September 2019 ticket sales were 3866, compared to 3756 in September last year.

Income from ticket sales for September 2019 was \$37,700 compared to \$35,765 in September 2018.

1 – 7 Oct 19:

2139 tickets were sold during this period and income from ticket sales was \$24,796. For the equivalent period last year, 1860 tickets were sold and income from ticket sales was \$19,571. This is an increase in revenue of \$5225, or 26.69%.

### **Horse Tram closures**

The Horse Tram was closed for three days in September 2019, due to strong winds. For the same period last year, the tram was only closed for one day.

There was a half day closure on Sunday 6 October 2019, although the tram was still able to complete eight tram runs in the half day. For the same period last year there were no closures.

### **Trams**

Arrangements are in place to allow for works to commence on replacing the springs and realigning the wheels of Tram #3. Works are expected to commence on 15 October 2019.

General Manager Horse Tram Authority met with Kim Bayly to learn about the maintenance history of the trams and maintenance schedules that need to be implemented. Kim will also attend on 15 October 2019.

### **Horses**

The Clydesdales are in good health and enjoying the spring feed, which requires careful monitoring to ensure that their weight is effectively managed.

Albert was shod on 9 October 2019 and preparing to return to work on the tram in the next few weeks.

Fencing has been completed at the Gillespie land and looks fantastic. The space between the two fence lines allows the gaiter to be driven and the undergrowth to be sprayed out.

Movement of the gate further off the road at the golf course end coming off Armstrong Rd has allowed more room for bringing the float in that gate when it is needed.

### **Marketing**

A meeting has been set with the South Australian Tourism Commission for 22 October 2019 (previously scheduled for 27 September 2019).

Attendance from the Horse Tram to be Paul, Meg and Rachel.

## **General**

Professional looking new signage has been erected at the Tram Office showing the photos of the horses working on a given day. Future planned additions to the signage include a short bio on each horse, which is likely to be of interest to customers, and potentially the same for horse tram staff.

New gates have been erected at both ends of the Causeway that allows DPTI to shut when the winds are strong and restrict vehicle access. There are two gates, one that takes up the rail width and leaves room for pedestrian access. The smaller gate can be shut to close off the entire causeway.

## **RISK ASSESSMENT**

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

## **BUDGET IMPLICATIONS**

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



# General Manager Report

Meeting **Victor Harbor Horse Tram Authority**  
 Date **15 October 2018**  
 From **Megan Whibley**  
 Subject **Proposed Pricing Changes for Fun Pass Tickets – a Combination Product with the South Australian Whale Centre**  
 Report Number **8.1**

## Purpose

The purpose of this report is to endorse and recommend to Council, proposed changes to ticket prices for Fun Passes (a combination product with the South Australian Whale Centre) to reflect the new ticket pricing structure changes made by the Victor Harbor Horse Tram Authority (VHHTA) at the September Board meeting.

## RECOMMENDATION

1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Proposed Pricing Changes for Fun Pass Tickets – a combination product with the South Australian Whale Centre.
2. That the Victor Harbor Horse Tram Authority endorse and recommend to Council the new pricing and income distribution, as detailed in this report, for Fun Passes.

## INFORMATION

The VHHTA have powers, functions and duties in accordance with the Victor Harbor Horse Tram Authority Charter, to (among other things):

*1.8.1.1 set, charge and, from time to time adjust the fees for the use of the facilities of the Victor Harbor Horse Tram as considered appropriate by the Authority.*

At their meeting of 19 September 2019, the VHHA endorsed changes to ticket structure and pricing for the Horse Drawn Tram:

*VHHTA112 That the Victor Harbor Horse Tram Authority endorses new ticket pricing and structure, as detailed in this report, with the addition of pricing for kids 2-13 of \$7 return and \$5 one-way when more than 2 children are traveling with a paying adult (subject to terms and conditions) to come into effect from 1 October 2019.*

Changes to Victor Harbor Horse Drawn Tram (HDT) ticket structure and prices made at this meeting are indicated in the table below.

	<b>Old pricing</b>	<b>New pricing</b>
<b>Adult</b>	\$10 return / \$7 one way	\$15 return / \$10 one way
<b>Concession / Seniors</b>	N/A	\$10 return / \$7 one way

<b>Child (under 14yrs old)</b>	\$7 return / \$5 one way	FREE (max of 2 with paying Adult) \$7 return / \$5 one way for additional children
<b>Family</b>	\$30 return / \$20 one way	N/A
<b>Students (14yrs +)</b>	N/A	\$10 return / \$7 one way

There are some HDT product offerings that are combined with the South Australian Whale Centre (SAWC) and sold through Council and the HDT, which require a resolution of the VHHTA Board and Council to alter pricing. As HDT pricing changes impact on the Fun Pass combination tickets sold by the, HDT, SAWC and the City of Victor Harbor Visitor Information Centre (VIC), it is proposed that changes are made to the pricing of Fun Passes to ensure that income from these product offerings are maintained by both Council and the VHHTA. VHHTA support for the prices and split of income between Council and the VHHTA will assist Council with making a decision regarding proposed changes to these product offerings.

### **Proposed changes to Fun Pass pricing**

The Fun Pass product which is sold at the HDT, SAWC and VIC provides full access to the SAWC and a return ticket on the Horse Drawn Tram. Currently the tickets are offered to adults, children, concession holders and families as either individual (which includes a single return trip on the HDT) or annual passes. On average, there are 1300 Fun Passes sold by Council each year, with the total funds split between the SAWC and the VHHTA. Few Fun Passes are sold through the HDT, however Council's annual income from the sale of Fun Passes averages \$17,000. Both parties (SAWC and the VHHTA) stand to lose income from sales of these combined tickets if these products are no longer offered or if prices are not adjusted to reflect recent changes to Horse Tram ticket values.

Since the Horse Tram will no longer be charging children under 14 years of age (max of 2 free kids per paying adult), the Child Fun Pass can no longer be offered for sale on an individual basis. The Child Fun Pass can still be sold for group bookings where there are more than two children with a paying adult, and it is proposed that this is sold at the same rate of \$10, with a \$5 HDT / \$5 SAWC split.

To offer other Fun Passes in line with the new pricing introduced by the VHHTA, the price of these tickets should be increased; It is recommended that the price of the Adult Fun Pass increases from \$17 to \$20 (with a \$12 HDT / \$8 SAWC split) and the Concession Fun Pass increases from \$13 to \$15 (with a \$9 HDT / \$6 SAWC split). It is recommended that the price of the Family Fun Pass increases from \$45 to \$48 (with a \$24 HDT / \$24 SAWC split).

Also available is an Annual Fun Pass for the SAWC and HDT. Council currently has a \$1,500 budget for income from sales of these Annual Fun Passes.

As the HDT will now be free (subject to conditions) for children under 14 years of age, it is proposed that the child's Annual Fun Pass no longer be made available for sale. This

would have minimal impact on income as sales of this membership category are especially low. It is proposed that adult, concession and family Annual Fun Passes remain the same price, with a 50% split of income from the sale of these products between the Council and the VHHTA.

The table below indicates the proposed changes to Fun Pass prices.

	<b>Old pricing</b>	<b>Proposed pricing</b>
<b>Adult Fun Pass</b>	\$17	\$20
<b>Concession Fun Pass</b>	\$13	\$15
<b>Child Fun Pass</b>	\$10	\$10
<b>Family Fun Pass</b>	\$45	\$48
<b>Annual Adult Fun Pass</b>	\$52 or \$42 (5211 discount)	\$52 or \$42 (5211 discount)
<b>Annual Concession Fun Pass</b>	\$35 or \$30 (5211 discount)	\$35 or \$30 (5211 discount)
<b>Annual Child Fun Pass</b>	\$25 or \$20 (5211 discount)	N/A
<b>Annual Family Fun Pass</b>	\$125 or \$105 (5211 discount)	\$125 or \$105 (5211 discount)

It will be worth Council and the VHHTA undertaking a review after a few months with these pricing structures in place, to assess the impact of the changes on combined revenue. It is important for Council and the VHHTA to continue to work together to ensure that pricing structures and values provide the best overall outcomes in terms of reducing reliance of these services on rates revenue for City of Victor Harbor ratepayers.

If endorsed by the VHHTA, the proposed changes will need to be presented to Council for their consideration and resolution before taking effect.

## **RISK ASSESSMENT**

**Financial Management** – The proposed price alterations would ensure that products could still be upsold, continuing that line of revenue rather than withdrawing sales of a popular ticket category / product sold through City of Victor Harbor. The risk is assessed as *low*.

**Socio Political, Community Issues / Reputation** - The potential withdrawal of these products may be unpopular if prices are not amended to reflect new Horse Tram pricing structure. Price increases may also be unpopular. The risk is assessed as *low*.

## **BUDGET IMPLICATIONS**

The sale of Fun Pass products result in reduced income per offering to the Horse Tram, but the attractiveness of the combined packages and the ability to upsell products through the SAWC and VIC is of benefit to the Horse Tram. It is anticipated that the proposed changes would generate similar income as previous years for the Horse Tram.

No additional funds are required.

## **CONSULTATION**

Director Corporate & Customer Service – Karen Rokicinski



# General Manager Report

Meeting **Victor Harbor Horse Tram Authority**  
Date **15 October 2019**  
From **Megan Whibley**  
Subject **Proposed Change to Ticket Pricing for Additional Children**  
Report Number **8.2**

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## Purpose

The purpose of this report is to endorse a change to Victor Harbor Horse Tram ticket pricing for ticket sales for additional children, when more than two children are accompanying a paying adult.

## RECOMMENDATION

1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Proposed Change to Ticket Pricing for Additional Children.
2. That the Victor Harbor Horse Tram Authority endorses the pricing, as detailed in this report, for Child Ticket sales when there are more than two children accompanying a paying adult.

## INFORMATION

At the Victor Harbor Horse Tram Authority (VHHTA) Board meeting on 19 September 2019, the following resolution was made in relation to new ticket pricing:

*VHHTA112 That the Victor Harbor Horse Tram Authority endorses new ticket pricing and structure, as detailed in this report, with the addition of pricing for kids 2-13 of \$7 return and \$5 one-way when more than 2 children are traveling with a paying adult (subject to terms and conditions) to come into effect from 1 October 2019.*

After practical consideration, it is recommended that the VHHTA remove the child pricing specified in the above resolution, and instead use the equivalent of the Student/Concession pricing for ticket sales when there are more than two children travelling with a paying adult. This simplifies ticket selling for the conductor(s) and reduces public confusion in relation to the pricing structure.



The new ticket structure, if this change is endorsed by the VHHTA, would be as indicated in the table below.

	<b>Pricing with proposed change to additional child pricing</b>
<b>Adult</b>	\$15 return / \$10 one way
<b>Concession / Seniors / Students (14yrs +) / additional children</b>	\$10 return / \$7 one way
<b>Child (under 14yrs old)</b>	FREE (max. of 2 with paying Adult) Refer above for additional children
<b>Family</b>	N/A

Subject to terms and conditions.

## **RISK ASSESSMENT**

**Governance** - The Victor Harbor Horse Tram Authority Charter, which has been approved by the Minister, gives power to the Authority Board to set, charge and adjust fees for use of the facilities of the Victor Harbor Horse Tram. The risk is assessed as *low*.

**Financial Management** – The recommended pricing structure will yield slightly greater returns for the Authority. The risk is assessed as *low*.

**Socio Political, Community Issues / Reputation** – There is a possibility that changes to the pricing structure may not be amenable to all customers as this would increase the price of tickets for additional children travelling with a paying adult. There are practical reasons for recommending the pricing change and it is not unreasonable for the VHHTA to make minor adjustments to pricing to ensure that it can be practically applied by staff. The risk is assessed as *low*.

## **BUDGET IMPLICATIONS**

This is a minor change to ticket pricing that will likely yield slightly higher returns to the VHHTA. The greater benefit, however, is the improved simplicity at the point of sale from fewer pricing options in the overall structure.