



5 February 2021

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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, 9 February 2021

**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)  
Tamar Herron (Minute Secretary VHHTA)

Kellie Knight-Stacey (Director Corporate and Customer Service)

**3. Apologies**

Nil

**4. Minutes of Previous meetings**

4.1	Minutes - Victor Harbor Horse Tram Authority Board - 1 December 2020	5
4.2	Minutes - Victor Harbor Horse Tram Authority Board – 18 January 2021	7

**5. Adjourned Item(s)**

Nil

**6. Reports for Receiving and Noting only**

6.1	Resolution Register Report	9
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**7. Reports for Decision**

7.1	December Budget Review Report	16
7.2	Proposed Ticket Price Increase Report	21
7.3	Proposed draft plans for the Tram office and Merchandise Area Report	24
7.4	Draft Stable Plan for Tender Report	31



**8. Presentation(s)**

Nil

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

9.1 Merchandise Gross Margin Report 2020/21 – June to December 41

**10. Correspondence Received**

Nil

**11. Urgent Business without Notice**

Nil

**12. Confidential Reports**

12.1 Audit Committee Additional Independent Member Report 55

**Next Meeting**

Tuesday 6 April 2021, 9:00am – City of Victor Harbor Council Chambers

**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.*
- 
- *To comply with COVID-19 physical distancing requirements, places in the public gallery are limited and will be filled on a 'first in' basis.*





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

**CARRIED**

VHHTA205                 Moved:        Natasha Hunt  
                                  Seconded:    Carol Schofield

That the General Manager present a report on the stable plans to a special board meeting prior to February 2021.

**CARRIED**

## **6.2 Outstanding Resolutions Register**

VHHTA206                 Moved:        Natasha Hunt  
                                  Seconded:    Nigel Catt

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

**CARRIED**

## **7. Reports for Decision**

### **7.1 Proposed 2021 Board Meetings, Informal Gathering and Audit committee meeting Dates Report**

VHHTA207                 Moved:        Rachel Kennedy  
                                  Seconded:    Nigel Catt

1. That the Victor Harbor Horse Tram Authority Board receive and note the Proposed 2021 Board Meeting and Informal Gathering dates Report.
2. That the Victor Harbor Horse Tram Authority Board endorse the Proposed 2021 Board Meetings, Informal Gathering and Audit Committee dates listed in the report below, with the adjustment of 15 June 2020 to 10:30am and 6 April 2020 changed to Tuesday.

**CARRIED**

A handwritten signature in black ink, appearing to be 'R. Kennedy', followed by a horizontal dotted line underneath.



Minutes of the Victor Harbor Horse Tram Authority  
Board Meeting  
For meeting Tuesday 1 December 2020  
Commencing at 10:30 am Encounter Room



**12. Confidential Item(s)**

Nil

**13. Next Meetings**

Tuesday 9 February 2021, 3:00pm – Encounter Room

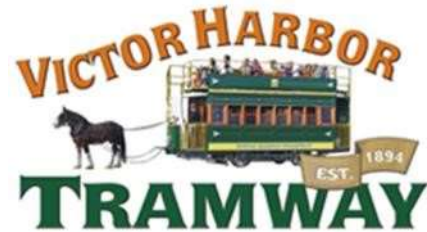
**14. Meeting Closed.**

12:15pm

***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.

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**Minutes of the Victor Harbor Horse Tram Authority  
Special Board Meeting  
For meeting Monday 18 January 2021  
Commencing at 3:30pm via Zoom**



**1. Present**

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

In attendance  
Kellie Knight-Stacey (Group Manager Governance & Finance CVH)

**2. Commencement**

The meeting commenced at 3:30 pm via Zoom

**3. Apologies**

Tamar Herron (Minute Secretary VHHTA)

**4. Reports for Decision**

**4.1 PhD Application for Economic Benefit Analysis Report**

VHHTA 210      Moved: Carol Schofield  
                    Seconded: Rachel Kennedy

1. That the Victor Harbor Horse Tram Authority Board receive and note the PhD Application for Economic Benefit Analysis Report.

**CARRIED**

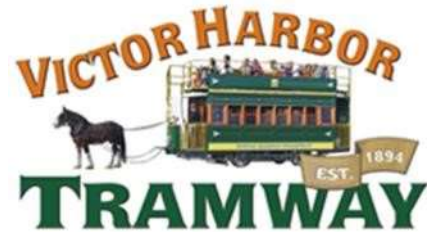
VHHTA 211      Moved: Nigel Catt  
                    Seconded: Rachel Kennedy

2. That the Victor Harbor Horse Tram Authority Board approve the Victor Harbor Horse Tram Authority to enter into the APR Intern Agreement with the University of South Australia in recognition of the opportunity that an Economic Benefit

A handwritten signature in black ink, appearing to be 'Nigel Catt', written over a dotted line.



**Minutes of the Victor Harbor Horse Tram Authority  
Special Board Meeting  
For meeting Monday 18 January 2021  
Commencing at 3:30pm via Zoom**



Analysis PhD research task, undertaken by the successful candidate, provides vital information and benefits the Authority.

**CARRIED**

VHHTA 212      Moved: Rachel Kennedy  
                    Seconded: Nigel Catt

3. That the Victor Harbor Horse Tram Authority Board approve the upfront payment of \$26,000 plus GST from the Authority 2020/21 operating budget towards fees for the APR Internship Program, with the 90% rebate on successful completion applied to the 2021/22 operating budget.

**CARRIED**

**5. Meeting Closed**

3:38 pm

***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.

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Meeting **Victor Harbor Horse Tram Authority**

Date **9 February 2021**

From **Megan Whibley**

Subject **Resolutions Register Report**

Report Number **6.1**

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## **RECOMMENDATION**

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

## **INFORMATION**

### **Purpose**

The purpose of this report is to review the outstanding resolutions register and determine the best course of action for items where required.

### **Background**

The General Manager is to maintain a register of outstanding resolutions and implement resolutions of the Board in a timely and efficient manner.

The outstanding resolutions report lists all the outstanding resolutions from previous Board meetings, with a progress note against each resolution. Completed items are removed from the register for the following Board meeting to ensure that the list remains a current working document of outstanding resolutions that require action.

### **Commentary**

The current outstanding resolutions register is provided at attachment A.

## **RISK ASSESSMENT**

**Corporate Governance** –The Board must manage its governance risk of implementing decisions of the Board and associated actions as well as undertake duties as required by the Local Government Act 1999 Section 99(1)(a) and the Charter within approved budgets and required time frames. This report provides a mechanism for the Board to monitor progress of resolutions, work and actions and to manage the associated governance risk. The risk is assessed as **low**.

**Socio Political, Community Issues / Reputation** – There may be some concern from former or current Board members, Council and the broader community if resolutions are not actioned in a timely manner or if the current Board determines to resolve contrary to an earlier resolution. The risk is assessed as **medium**.

## **BUDGET IMPLICATIONS**

There are no budget implications associated with the Board receiving and noting this report.

The majority of tasks on the outstanding resolutions register will be undertaken by the General Manager Horse Tram Authority as scheduled and without requirement for additional funds. Where additional funds are required to achieve items on the resolutions register, endorsement by the Horse Tram Authority Board, or where applicable, budget bids to Council, will be applied to individual items as required.



Attachment A  
**VHHTA – Outstanding Resolutions Register – updated 3-Feb-21**  
 \*newest at top

Date	Minute Number	Resolution	Status/Update
		<i>Leave blank</i>	
<b>1 December 2020</b>	VHHTA209	That the General Manager present a report to the Victor Harbor Horse Tram Authority Board prior to the setting of the 2020/2021 budget, that includes information on our training policy and our budget requirements for training, so as to provide direction for the Board.	In Progress – Training Policy for VHHTA is in early stages of development, in consultation with CVH.
<b>1 December 2020</b>	VHHTA208	That the Victor Harbor Horse Tram Authority Board request the General Manger to write a letter to the CEO of the City of Victor Harbor advising of the current profit and loss position.	COMPLETED
<b>1 December 2020</b>	VHHTA 205	That the General Manager present a report on the stable plans to a special board meeting prior to February 2021.	COMPLETED – A report on the stable plans, titled ‘Draft Stable Plan for Tender Report’, and with drawing of the stable plans at attachment A to the report, is included in the 9 February 2021 Agenda
<b>20 October 2020</b>	VHHTA 199	That the Victor Harbor Horse Tram Authority recommends to Council that John Morgan be appointed as the Independent member to the Victor Harbor Horse Tram Authority Audit Committee for a term of two years.	COMPLETED
<b>20 October 2020</b>	VHHTA 198	That the Victor Harbor Horse Tram Authority recommends to Council that the following Authority Board Member(s) Rachel Kennedy and Paul Brown be appointed to the Victor Harbor Horse Tram Authority Audit Committee for a term of two years.	COMPLETED



Attachment A

Date	Minute Number	Resolution	Status/Update
<b>20 October 2020</b>	VHHTA 196	That the Victor Harbor Horse Tram Authority Board recommend to Council that Paul Brown and Nigel Catt be appointed as Independent Board Members for a second term commencing on 1 March 2021 and concluding 1 March 2024.	COMPLETED
<b>2 October 2020</b>	VHHTA186	<p>That the Victor Harbor Horse Tram Authority endorse the Formal Request to Council to enter into a peppercorn lease of \$1.00 on demand with the Victor Harbor Horse Tram Authority for the land known as CT 6241-993 Lot 23 and CT 6241-994 Lot 580 and present it to Council for their approval/agreement/endorsement.</p> <p>That the Victor Harbor Horse Tram Authority endorse the formal request to Council to enter into a peppercorn lease of \$1.00 on demand with the Victor Harbor Horse Tram Authority for the land already in use by the Victor Harbor Horse Tram Authority identified as a portion of section 696, 20 Canton Place once the purchase occurs in 2021/22.</p>	COMPLETED
<b>14 September 2020</b>	VHHTA185	That the Victor Harbor Horse Tram Authority formally request that Council extend the deadline for the provision of the Annual Report to 31 October 2020 with the draft financial statements to be provided for the audit by 30 September 2020.	COMPLETED – Annual Report deadline was extended and the report was delivered according to the new deadline.



Attachment A

Date	Minute Number	Resolution	Status/Update
<b>25 August 2020</b>	VHHTA180	<p>That the Victor Harbor Horse Tram Authority recommend to Council’s Chief Executive Officer that the Horse known as Karni, who is currently retired from duties with the Victor Harbor Horse Tram, be the subject of a transfer of ownership, ensuring that the new owner has demonstrated capability, capacity and an appropriate environment that will provide for the horse’s ongoing care and wellbeing.</p> <p>That the Victor Harbor Horse Tram Authority support the rehoming of Karni to Aleysha Austin and recommend this option to Council’s Chief Executive Officer.</p> <p>That the conditions of sale include that Karni is not to be used for any commercial purpose.</p> <p>That the sale of Karni will proceed only after a successful trial period has been undertaken.</p>	<p>Signed documentation for the trial period was obtained and a trial period was undertaken with great results.</p> <p>The approval has been received from the CEO, Victoria MacKirdy for Karni’s retirement.</p> <p>The final process needs to be implemented with the purchase amount of \$1 to occur.</p>
<b>16 June 2020</b>	VHHTA175	<p>That the Victor Harbor Horse Tram Authority determines to engage an External Auditor and that the Board approves appointment of an external auditor for a three year period, with the possibility of a further two years if both parties are in agreeance, through VHHTAs usual procurement processes as delegated to the General Manager or delegate; and that Council’s Audit Committee is utilised for oversight of the External Auditor engagement, pending the formation of the Authority’s Audit Committee.</p>	<p>Council have engaged an External Auditor so now we will approach that company and potentially engage them for the VHHTA.</p> <p>One quote has been received and another is being sourced before a decision is made.</p>
<b>17 Dec 2019</b>	VHHTA147	<p>That with reference to minute VHHTA40 as detailed in this report regarding improvements to the Causeway Horse Tram Station, the matter be discontinued in light of the new causeway alignment and that the Authority</p>	<p>Ongoing – liaising with Council/DPTI regarding future of Causeway and infrastructure needs of VHHTA.</p>



Attachment A

Date	Minute Number	Resolution	Status/Update
		work with DPTI and/or Council to ensure that the future design of any new facilities and infrastructure are suitable to the ongoing needs of the VHHTA.	Meetings are in place with VHHTA GM and Adrian Cox 1.12.2020
<b>17 Dec 2019</b>	VHHTA135	That the Board view the video produced by the Friends of the Victor Harbor Horse Tram to determine suitability to display in the office window and give delegation to the General Manager to purchase a monitor up to the value to \$500.	<p>In progress - Carol Schofield has shared video with the other Board members – Discussions with the Board in June 2020 about the actual footage not being of great quality so as better footage is produced the monitor will be purchased.</p> <p>Monitor still to be purchased – Video content needs updating, work in progress.</p>
<b>17 Dec 2019</b>	VHHTA132	That the Board include outstanding items from the Work Program in their review of the VHHTA Business Plan 2019-21 to consolidate the direction of the Authority and streamline reporting so that it is against the current business plan.	<p>In progress - Business Plan to be further revised following presentation to Council in February 2020 – Dan Aubin was the facilitator for the second planning day which was on the 27 July 2020 and work on the business plan is still to be updated.</p> <p>Outstanding items from work program to be incorporated as part of this amendment process.</p>
<b>17 Sept 2019</b>	VHHTA108	That the Victor Harbor Tram Authority modify the works program by delaying the Tram 4 action for 12 months and removing the ticket machine action from the works program	In progress - To be a 2021/22 Budget Bid Current Capital budget bids are with Council for their consideration.
<b>20 Aug 2019</b>	VHHTA96	That the Victor Harbor Horse Tram Authority examine the policy associated with sales and Merchandise.	In progress – this needs to be developed.



Attachment A

Date	Minute Number	Resolution	Status/Update
<b>20 Aug 2019</b>	VHHTA97	That the Victor Harbor Horse Tram Authority review the volunteer policy.	In progress – email sent to Board with the policy to review.





Meeting **Victor Harbor Horse Tram Authority**  
Date **9 February 2021**  
From **Megan Whibley**  
Subject **December Budget Review 2020/21 Report**  
Report Number **7.3**

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## **RECOMMENDATION**

- 1. That the Victor Harbor Horse Tram Authority receive and note the December Budget Review 2020/21 report.**
- 2. That the Victor Harbor Horse Tram Authority endorse the December Budget Review 2020/21 as presented at attachment A to this report, noting an unchanged contribution from Council (operating deficit) of \$415,400, and provide the report to Council.**

## **INFORMATION**

### **Purpose**

The purpose of this report is for the Victor Harbor Horse Tram Authority (VHHTA) to endorse the December Budget Review 2020/21.

### **Background**

Section 9 of the Local Government (Financial Management) Regulations 2011 provides the requirements for regular budget reviews. Further, the Victor Harbor Horse Tram Authority are required by the Charter to provide reports on the financial position of the Authority each quarter:

*5.5 Quarterly reports summarising the financial position and performance of the Authority against the Budget must be prepared and presented to the Board within thirty days of the conclusion of each quarter and copies provided to the Council.*

This December (mid-year) budget review, is a review addressing the full first six months of the 2020/21 financial year.

### **Commentary**

The 2020/21 6 month budget review indicates a drop in ticket sales during our busiest months due to a number of reasons. Covid-19 has prevented most International visitors from coming to the area and has vastly limited interstate visitors. There is an increase in local travel but many of these travelers have been on the Tram before and may just come

and see the tram and horses in operation. Group coach bookings of seniors and students would normally give the tram sales a boost during the period, but these have been nonexistent due to Covid. We are still regularly experiencing strong winds that close the causeway and our operation. There has been some savings in staff costs and at this stage the tram maintenance may have some savings. There is still some notable inaccurate budget income estimations with Insurance costs and as the VHHTA continues to separate away from the Council, certain professional and consultation fees are higher than predicted.

Fortunately, trams are now able to run at full capacity. If Covid-19 infections remain low in the state of South Australia and are managed effectively, then trams are expected to stay at capacity, which means that with a price increase to the tickets on the 1 March 2021 the VHHTA will recover some of the ticket revenue losses, but not all.

During October 2020 the Victor Harbor Horse Tram Authority was given the opportunity to quote on monitoring the Causeway for Department of Infrastructure and Transport, and was successful. This sees the VHHTA increase its income with wind monitoring and closures providing approx. \$5500 per month. The Authority began Causeway Monitoring Operations in November 2020 and has already seen income as a result.

The December budget review is an opportunity to revise the original budget and adjust it according to known information at this point in the financial year. It still remains achievable but will be addressed in the third quarter review.

Appropriate provision for unbudgeted/under-budgeted costs will be included in the 2021/22 budget, where they have become known at this point in the cycle.

The December budget review 2020/21 for Board endorsement is provided at attachment A. Comprehensive details of the budget review are provided for Board information at attachment B.

## **RISK ASSESSMENT**

**Financial Management** – The VHHTA has a 35% deficit on income from ticket sales but with a price increase and Causeway monitoring we are hopeful to achieve an end of financial year position that is close to budget. The Board are continuing to find ways to generate own-source income outside of ticket sales to improve the bottom line into the future. The risk is assessed as *medium*.

**Socio Political, Community Issues / Reputation** - The Board are continuing to find ways to generate own-source income to reduce the dependency on Council funding which will go toward appeasing any community concern regarding the use of ratepayer money to fund horse tram operations. There could be opportunity for the VHHTA to provide information to the Victor Harbor community around the benefits of the iconic Horse Tram as a driver of the tourist economy and as an attraction for Victor Harbor versus the relatively low cost of keeping the service running. This risk is assessed as *Medium*.

## **REFERENCES**

Victor Harbor Horse Tram Authority 2020/21 budget

Victor Harbor Horse Tram Authority Charter

Local Government (Financial Management) Regulations 2011

### **BUDGET IMPLICATION**

The contribution required from City of Victor Harbor (operating deficit) presented in the budget review at attachment A indicates insufficient funds but the council contribution remains unchanged at \$415,400, with additional revenue and savings expected to sufficiently offset additional expenses.

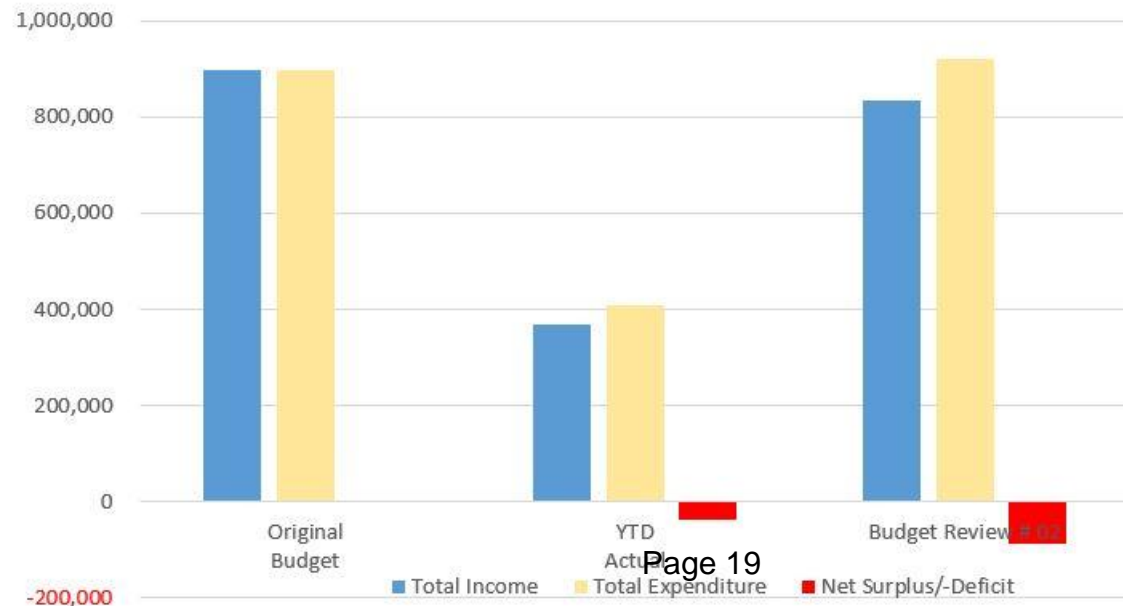
### **CONSULTATION**

Peter Ward – City of Victor Harbor

**Profit and Loss**  
**Victor Harbor Horse Tram Authority**  
**1 Jul 2020 to 31 Dec 2020**

Category	Original Budget	YTD Actual	Budget Remaining (\$)	Budget Review # 02	Variance (\$)
Net Income	897,900	368,201	529,699	832,900	<b>-65,000</b>
Total Expenditure	897,900	407,241	490,659	921,800	23,900
Net Surplus/-Deficit	0	<b>-39,040</b>	39,040	<b>-88,900</b>	<b>-88,900</b>

Budget Analysis  
 VHHTA 6 Months to December 2020



**Profit and Loss**  
**Victor Harbor Horse Tram Authority**  
**1 Jul 2020 to 31 Dec 2020**

	Original Budget	Current Budget	YTD Actual	Budget Remaining (\$)	Budget Remaining (%)	Budget Review # 02	Variance (\$)	Comment
<b>Income</b>								
CVH budget contribution	415,400	415,400	207,700	207,700	50%	415,400	0	January to June to be invoiced
Donation Income	1,000	1,000	102	898	90%	1,000	0	Affected by Covid-19 Restrictions
Fleurieu Heritage Sales	2,000	2,000	134	1,866	93%	2,000	0	Affected by Covid-19 Restrictions
Group Sales	6,000	6,000	910	5,090	85%	6,000	0	Affected by Covid-19 Restrictions
Other Income	39,500	39,500	18,849	20,651	52%	39,500	0	Affected by Covid-19 Restrictions
Souvenir Sales	10,000	10,000	12,035	-2,035	-20%	20,000	10,000	Higher sales than expected
Causeway monitoring DIT payment	0	0	9,424	-9,424	0%	36,000	36,000	Causeway rental DIT
Ticket Sales	425,000	425,000	124,773	300,227	71%	325,000	-100,000	Affected by Covid-19 Restrictions
Whale Package Sales	5,000	5,000	0	5,000	100%	0	-5,000	Affected by Covid-19 Restrictions
Intern Research Project	0	0	0	0	0%	0	0	Grant 90% of Project costs, likely 2021/22
<b>Total Income</b>	<b>903,900</b>	<b>903,900</b>	<b>373,927</b>	<b>529,973</b>	<b>59%</b>	<b>844,900</b>	<b>-59,000</b>	
<b>Less Cost of Sales</b>								
Souvenir Purchases	-6,000	-6,000	-5,726	-274	5%	-12,000	-6,000	Higher sales than expected
<b>Total Cost of Sales</b>	<b>-6,000</b>	<b>-6,000</b>	<b>-5,726</b>	<b>-274</b>	<b>5%</b>	<b>-12,000</b>	<b>-6,000</b>	
<b>Net Income</b>	<b>897,900</b>	<b>897,900</b>	<b>368,201</b>	<b>529,699</b>	<b>59%</b>	<b>832,900</b>	<b>-65,000</b>	
<b>Less Operating Expenses</b>								
Administration Charge - Corporate Support	60,000	60,000	24,098	35,902	60%	60,000	0	
Administration Charge - Rent on Assets	42,000	42,000	21,660	20,340	48%	42,000	0	
Authority Board Expenses	15,500	15,500	5,563	9,937	64%	15,500	0	Paid in advance for two quarters
Consultants and Professional Services	8,000	8,000	8,990	-990	-12%	12,000	4,000	Consultant fees not allowed for with Audit costs and Financial Statements
Employee Expenses	573,700	573,700	267,963	305,737	53%	573,700	0	On track
Horse Care Expenses	57,900	57,900	28,950	28,950	50%	57,900	0	On track
Interest Expense	0	0	0	0	0%	0	0	
Office Costs	64,300	64,300	31,678	32,622	51%	64,300	0	On track
Other Expenses	1,700	1,700	0	1,700	100%	1,700	0	Allowance
Repairs & Maintenance	57,600	57,600	13,491	44,109	77%	57,600	0	To commence Feb / March
Security Expenses	3,600	3,600	1,920	1,680	47%	3,600	0	On track
Staff Amenity Expenses	2,000	2,000	1,512	488	24%	2,000	0	On track
Vehicle and Travel Expenses	6,600	6,600	1,418	5,182	79%	3,000	-3,600	First 6 months is approx what will be spent on the next 6 months
Volunteer Expenses	5,000	5,000	0	5,000	100%	2,500	-2,500	Reduction in volunteers (Covid-19)
Intern Research Project	0	0	0	0	0%	26,000	26,000	Covered by DIT payments
<b>Total Operating Expenses</b>	<b>897,900</b>	<b>897,900</b>	<b>407,241</b>	<b>490,659</b>	<b>55%</b>	<b>921,800</b>	<b>23,900</b>	
<b>Net Profit</b>	<b>0</b>	<b>0</b>	<b>-39,040</b>	<b>39,040</b>		<b>-88,900</b>	<b>-88,900</b>	



Meeting **Victor Harbor Horse Tram Authority**

Date **9 February 2021**

From **Megan Whibley**

Subject **Proposed Ticket Price Increase Report**

Report Number **7.2**

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## **RECOMMENDATION**

- 1. That the Victor Harbor Horse Tram Authority receive and note the proposed Ticket Price increase Report.**
- 2. That the Victor Harbor Horse Tram Authority endorses the proposed ticket price increases, as detailed in this report, to come into effect from 1 March 2021.**

## **PURPOSE**

The purpose of this report is for the Victor Harbor Horse Tram Authority (VHHTA) Board to endorse changes to Victor Harbor Horse Tram ticket pricing.

## **BACKGROUND**

During the year 2020, the Victor Harbor Horse Tram was affected by the novel coronavirus (Covid-19). The Horse Tram was initially required to close entirely for a period of 10 weeks. When the Horse Tram was allowed to resume services it was on the basis that passenger numbers were severely limited, with strict social distancing in place. During this time the requirements of Horse Tram staff have increased due to sanitization procedures and contact tracing which have also slowed tram departure schedules. The Horse Tram has now returned to full passenger capacity. While capacity allowance has increased, the figures are indicating that Covid has had an adverse effect on ticket sales. One main area of concern is the lack of group bookings which generated income throughout the year.

## **INFORMATION**

The last ticket price increase was in August 2019, where we introduced 'kids ride free' with a paying Adult and increased the Adult ticket to cover this. This change in ticket pricing structure generated more revenue than previous years. This ticket increase was well received with next to no complaints from the consumers.

With revenue down 35% in the six month budget review this is the perfect time to increase the Ticket prices so as to reduce the covid effect on turnover and the bottom line, which ultimately effects the City of Victor Harbor contributions to the operating budget.

The proposed pricing changes would see a 33.3% increase in revenue and with consideration regarding consumer satisfaction, the staff hear how cheap it is and how grateful they are that kids ride free.

Heritage ticket pricing will be reviewed, but the current structure may not alter in order to maintain the value from this ongoing arrangement.

Listed below is the proposed change to ticket pricing from 1 March 2021.

**“KIDS RIDE FREE”**

	<b>Return</b>	<b>One-way</b>
Adults	\$20 each	\$15 each
Concession	\$15	\$10
Seniors	\$15	\$10
Students (14yrs +)	\$15	\$10
Kids 0 – 13yrs ride free (limit of 2 kids per paying adult)		

**Annual Membership**

Adult	\$60
Concession	\$45

**Whale Centre discount**

As the Whale Centre is being renovated and redeveloped, how this works going forward will be addressed in the future.

**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** – The 6 month Budget Review shows a down turn in revenue which this increase will help reduce losses for the 2020/21 financial year. 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, however, the general consumer understands the impact Covid 19 has had on so many businesses and therefore should accept the price increase. The risk is assessed as *low*.

**BUDGET IMPLICATIONS**

Calculations indicate that the revised pricing structure should help close the gap on the 35% loss of income for this financial year, given that the new pricing will commence in March 2021, nine months into the 2020/21 financial year. There are no figures in March, April and May 2020 to compare to, as this was when covid 19 closed us down, so this is an

estimate based upon an assumption that most adult passengers will still ride the tram regardless of the price increase as feedback suggests that the ticket prices are perceived as low. The risk is assessed as *low*.





Meeting **Victor Harbor Horse Tram Authority**

Date **9 February 2021**

From **Megan Whibley**

Subject **Proposed draft plans for the Tram office and Merchandise Area Report**

Report Number **7.3**

---

## **RECOMMENDATION**

- 1. That the Victor Harbor Horse Tram Authority receive and note the Proposed draft plans for the Tram office and Merchandise Area Report**
- 2. That the Victor Harbor Horse Tram Authority endorse the Proposed draft plans for the Tram office and Merchandise Area Report, and provide it to Council for approval.**

## **INFORMATION**

### **PURPOSE**

The purpose of this report is to seek endorsement from the Board of the draft concept plans for the proposed Horse Tram office and merchandise area renovation in order to support the budget request to Council for the alterations.

### **BACKGROUND**

At the August 2019 Board meeting, discussions took place regarding the potential to refurbish the Horse Tram office to facilitate customer service points and the display of merchandise at the windows. Whilst the Board resolved to seek endorsement from Council to reallocate funds to support this refurbishment, it was also decided that more discussions and drawings of the plan were needed before this could be endorsed and proceed to council for approval:

After further discussion with Board Members, and after receiving the critical information that the Victor Harbor Horse Tram would retain the use of its current office and horse stall facilities on the Victor Harbor Esplanade, plans have been altered in order to accommodate a merchandise store within the current office facilities. Plans have now been prepared for consideration by the Board at attachment A to this report.

## **Commentary**

Council is currently working with Department of Infrastructure and Transport (DIT) in relation to the design of the Causeway and its interface with the tramway platform. Initially it was expected that the new Causeway would cause the tram line to travel on a different route, requiring the re-location of the Tram office and stalls.

The Causeway plans have been re-designed and the current plans have the Tram office and horse stalls located in their current position. As the Authority is now confident that the building will continue to be used as the tram office it is able to recommend further investment in the building space.

The current design of the Tram office lends itself to be repurposed as Merchandise shop by relocating the office area into the expansive harness room that currently houses horse tack, horse food and sundries. The proposed office area would be created by the installation of internal walls to divide the space into separate areas, a window looking into the horse harnessing / wash down area and towards the causeway, providing a working office space. The staff area would also be relocated to the harness room, with the toilet areas remaining where they currently are.

The proposed merchandise shop will be located in the original office / staff area, providing volunteers and staff with a suitable, safe and weatherproof shop front. Volunteer workers have been operating a merchandise area external to the building, exposing volunteers and merchandise to the weather. A dedicated merchandise shop is expected to boost sales and volunteer morale.

The relocation of the office area and staff area into the harness room is expected to have the added benefit for Horse Tram staff by creating two distinct areas, allowing administration staff to work with less interruption. The proposed renovations are not structural and very achievable for the proposed \$60K capital spend in the 2021/22 budget.

## **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 in the City of Victor Harbor's projected draft capital budget bids for 2021/22. 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 for 2021/22. While indicative costing has been sought for the purposes of this proposal, full costing based upon the design has not yet been obtained.



## Barefoot Building Design

Fraser Cooper m. 0439 854 453  
e. barefoot@internode.on.net

### PROPOSED RENONATIONS

The Horse Tram Authority

The Causeway  
Victor Harbor

DATE: 12/08/2020

DRAWN: Coops

PAGE: 1 of

### AREAS:

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# PRELIMINARY DRAWINGS

# DESIGN WIND SPEED N3

ALL MEASUREMENTS TO BE CHECKED AND CONFIRMED BY BUILDER PRIOR TO CONSTRUCTION

WINDOW SIZES-HEIGHTxWIDTH  
ALL WINDOWS TO BE SET TO BRICKWORK

WRITTEN DIMENSIONS TAKE PREFERENCE OVER SCALE

## NOTE:

TO BE BUILT IN STRICT ACCORDANCE W/- THE NCC VOLUME 2

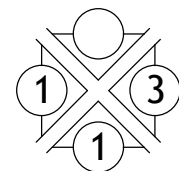
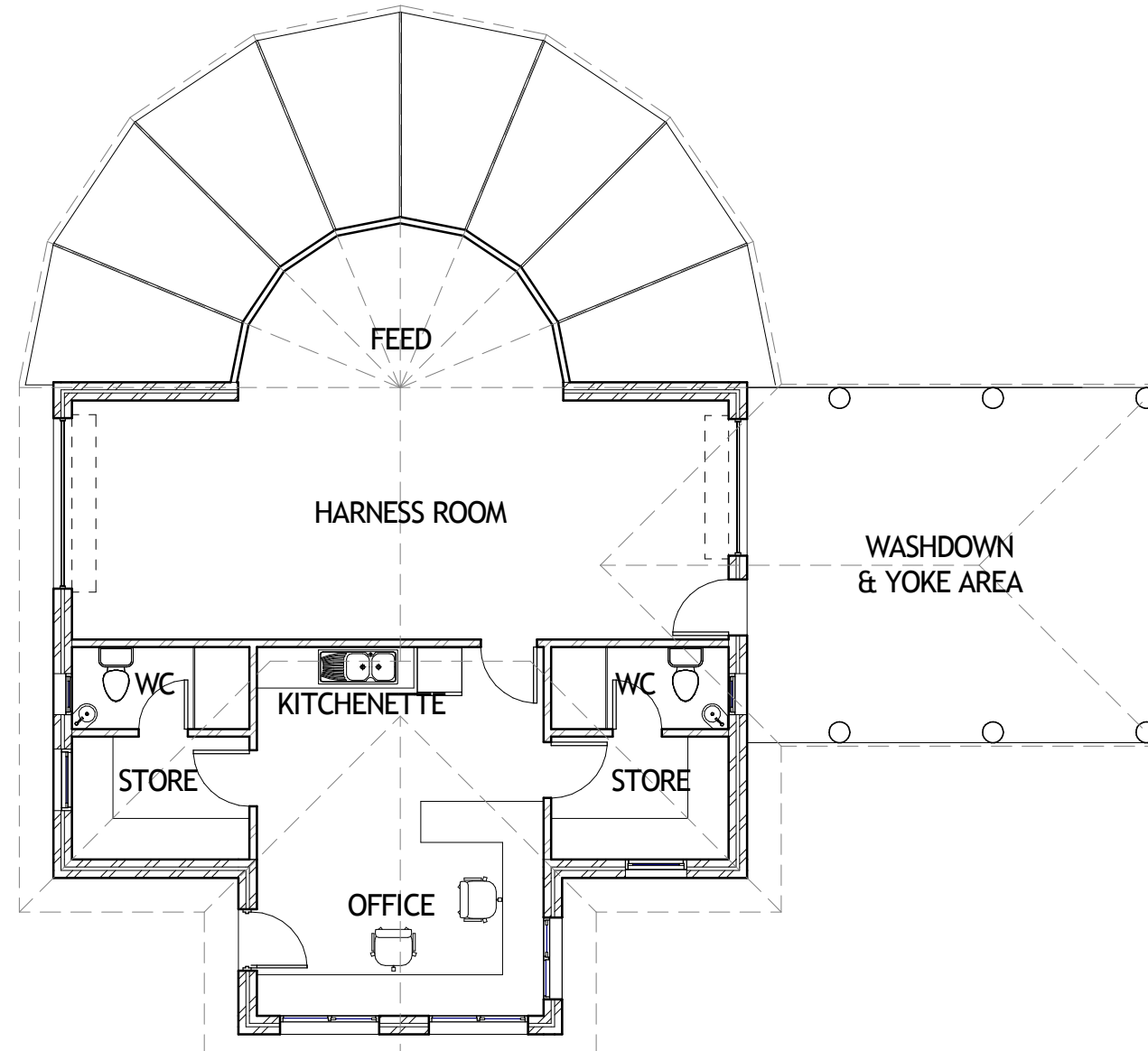
Ⓢ HARDWIRED SMOKE ALARM W/- 9VOLT BATTERY BACKUP AS PER AS3786

GLAZING TO BE SELECTED & INSTALLED IN ACCORDANCE W/- AS1288

ALL EXTERNAL SWING DOORS TO BE FITTED W/- DRAUGHT SEALS TO BOTTOM EDGE OF EACH LEAF AS PER BCA P2.6.1/P2.6.2

BUSHFIRE REGS TO AS3959-2009 LOW RISK

ALL EXTERNAL FIXTURES TO BE GALV COATED FOR CORROSION PROTECTION.



ELEVATIONS

EXISTING FLOORPLAN 1:100

PROPOSED RENONATIONS  
The Horse Tram Authority  
The Causeway  
Victor Harbor

PAGE: 2 of  
DATE: 12/08/2020

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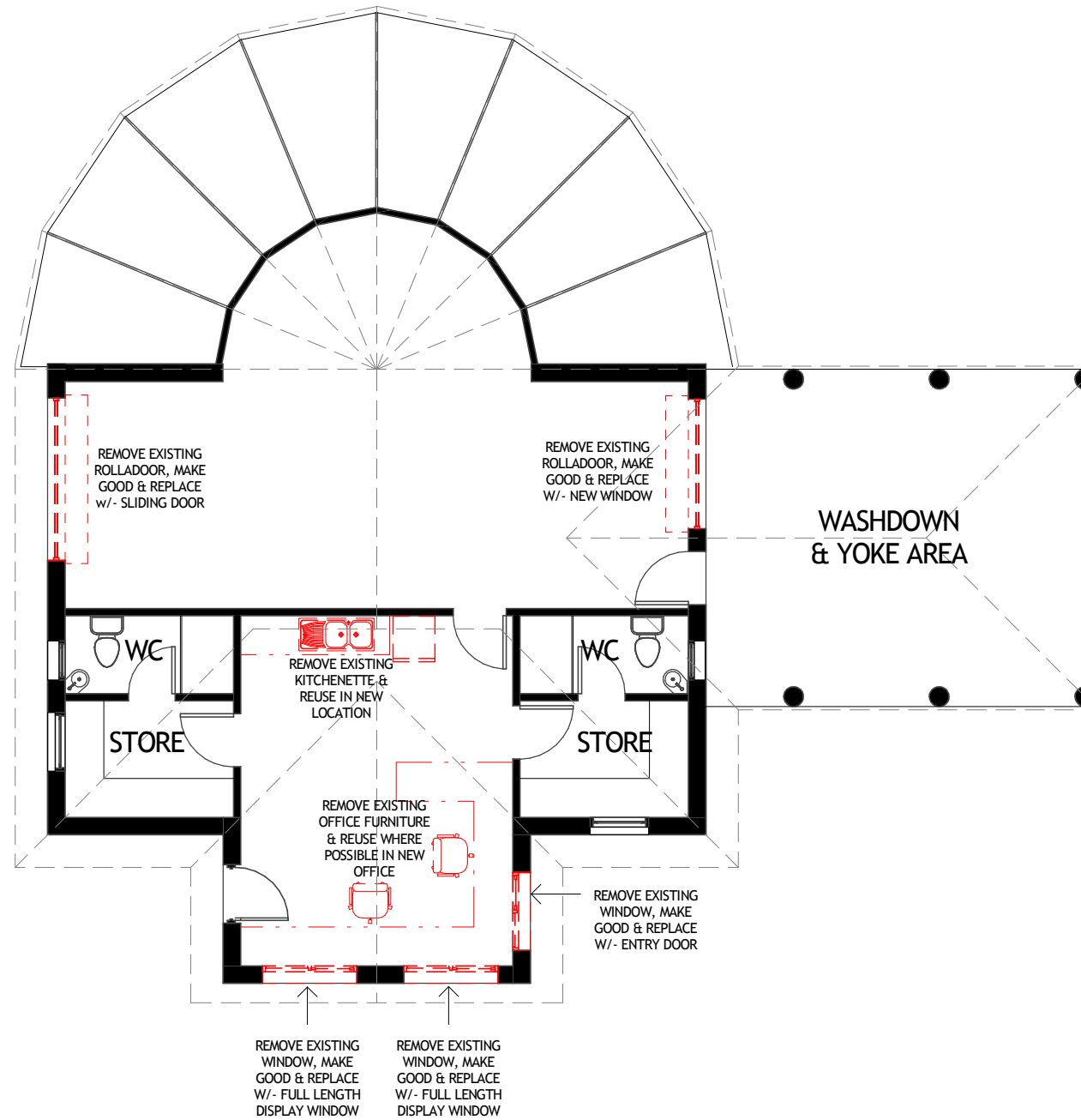
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## PROPOSED RENOVATIONS 1:100

PROPOSED RENOVATIONS  
The Horse Tram Authority  
The Causeway  
Victor Harbor

PAGE: 3 of  
DATE: 12/08/2020

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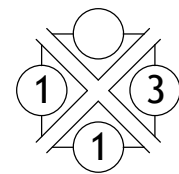
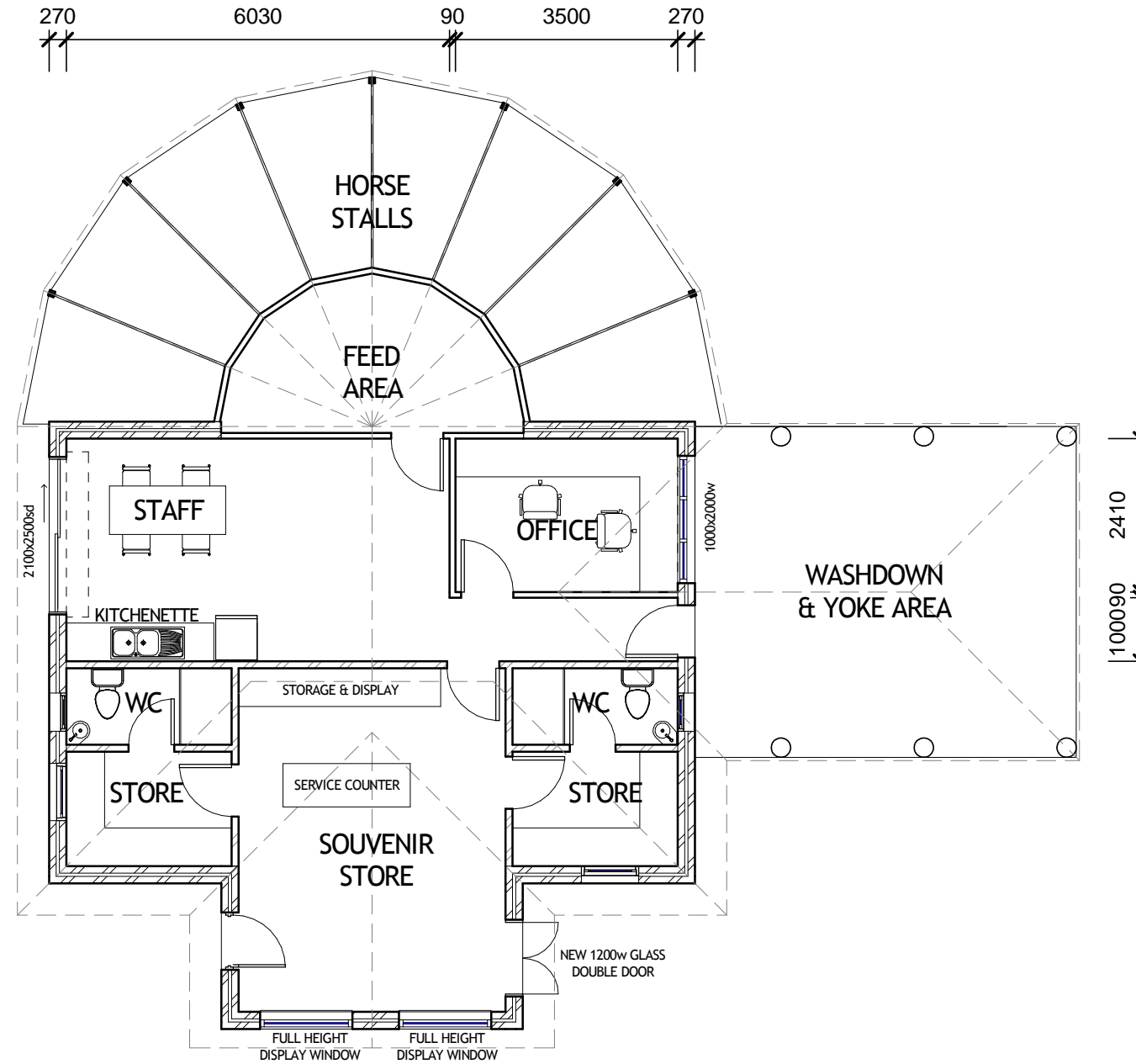
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ELEVATIONS

## PROPOSED FLOORPLAN 1:100

PROPOSED RENONATIONS  
The Horse Tram Authority  
The Causeway  
Victor Harbor

PAGE: 4 of  
DATE: 12/08/2020



Meeting **Victor Harbor Horse Tram Authority**  
Date **9 February 2021**  
From **Megan Whibley**  
Subject **Draft Stable Plan for Tender Report**  
Report Number **7.4**

---

## **RECOMMENDATION**

- 1. That the Victor Harbor Horse Tram Authority receive and note the Draft Stable Plan for Tender Report.**
- 2. That the Victor Harbor Horse Tram Authority endorse the Draft Stable Plan for Tender Report.**

## **INFORMATION**

### **Purpose**

This report is to seek The Victor Harbor Horse Tram Authority Board's endorsement to provide the proposed stable plans at attachment A.

### **Background**

On 24 February 2020 the Council agreed to consider the Victor Harbor Horse Tram Authority 2020/21 capital budget bids as part of Council's 2020/21 budget deliberations. The capital budget bids included \$183,000 for a new stable build, which was subsequently approved and provided to the Authority. Since that time the Authority has been exploring various styles of plans in order to develop the most suitable stable build for the Victor Harbor Horse Tram.

### **Commentary**

The stable design, as at attachment A to this report, presents a carefully considered combination of flexibility, adaptability, security and suitability. The stable features eight large stalls, specifically suitable for the Clydesdale breed. These stalls offer a comfortable, safe zone, protecting the horses from adverse weather. Horses require adequate airflow and are more at ease when they are able to view their surroundings. With this in mind the horse stables themselves are not fully enclosed, allowing the horses an unlimited view. The overhanging roof design creates protection from weather elements as does the high bank



of land to the south, making the open air design practical in conjunction with the lands natural protection.

- Security – lockable, alarmed office area.
- Secure vehicle parking for vehicle and float with drive through design.
- Versatile space – vehicle area becomes wash down bay / tack up area while vehicle is out.
- Large lockable space for future VIP experience – room can be extended into vehicle parking bay to create an even bigger, or multi-functional space if required.
- Amenities for staff and visitors. There will be a shower located opposite the male toilet/bathroom, by acquiring extra room from the office area.
- Welcoming entrance with potential for future verandah extension. Country feel and with the possibility of enhancement in future using wood-style cladding.

## **RISK ASSESSMENT**

Risks associated with the recommendation have been assessed as follows:

**Infrastructure** – The capital works will provide quality stabling, office facilities, staff amenities and visitor function 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 \$183,000 has been allocated for a new stable build for the Authority. The risk is assessed as **low**.

**Socio Political, Community issues/Reputation** – The horse tram has a passionate following of community members, and a public perception that the tram horses may be improperly housed and left out in adverse weather may negatively impact the reputation of the horse tram. The stable build will significantly mitigate this risk. This risk is assessed as **low**.

**Service Delivery** – Completion of the stable build ensures that the Victor Harbor Horse Tram Authority is positioned well to expand services, patronage and the quality care of the tram horses. The risk is assessed as **low**.

## **REFERENCES**

## **BUDGET IMPLICATIONS**

The budget allocated to the build the stable may not be sufficient for the finished stables but with the stables only just going out to tender that is unknown at this stage. The risk is assessed as **medium**.

## **CONSULTATION**

Barefoot Designs



## Barefoot Building Design

Fraser Cooper m. 0439 854 453  
e. barefoot@internode.on.net

### PROPOSED STABLES

The Horse Tram Authority

Canton Plc.  
Victor Harbor

DATE: 20/01/2021

DRAWN: Coops

PAGE: 1 of

### AREAS:

STABLES	378.29 m <sup>2</sup>
OFFICE/MEETING	152.84 m <sup>2</sup>
	<hr/>
	531.12 m <sup>2</sup>

ALL MEASUREMENTS TO BE CHECKED AND CONFIRMED PRIOR TO ORDER OR CONSTRUCTION.  
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# PRELIMINARY DRAWINGS

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WINDOW SIZES-HEIGHTxWIDTH  
ALL WINDOWS TO BE SET TO BRICKWORK

WRITTEN DIMENSIONS TAKE PREFERENCE OVER SCALE

## NOTE:

TO BE BUILT IN STRICT ACCORDANCE W/- THE NCC VOLUME 1

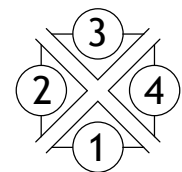
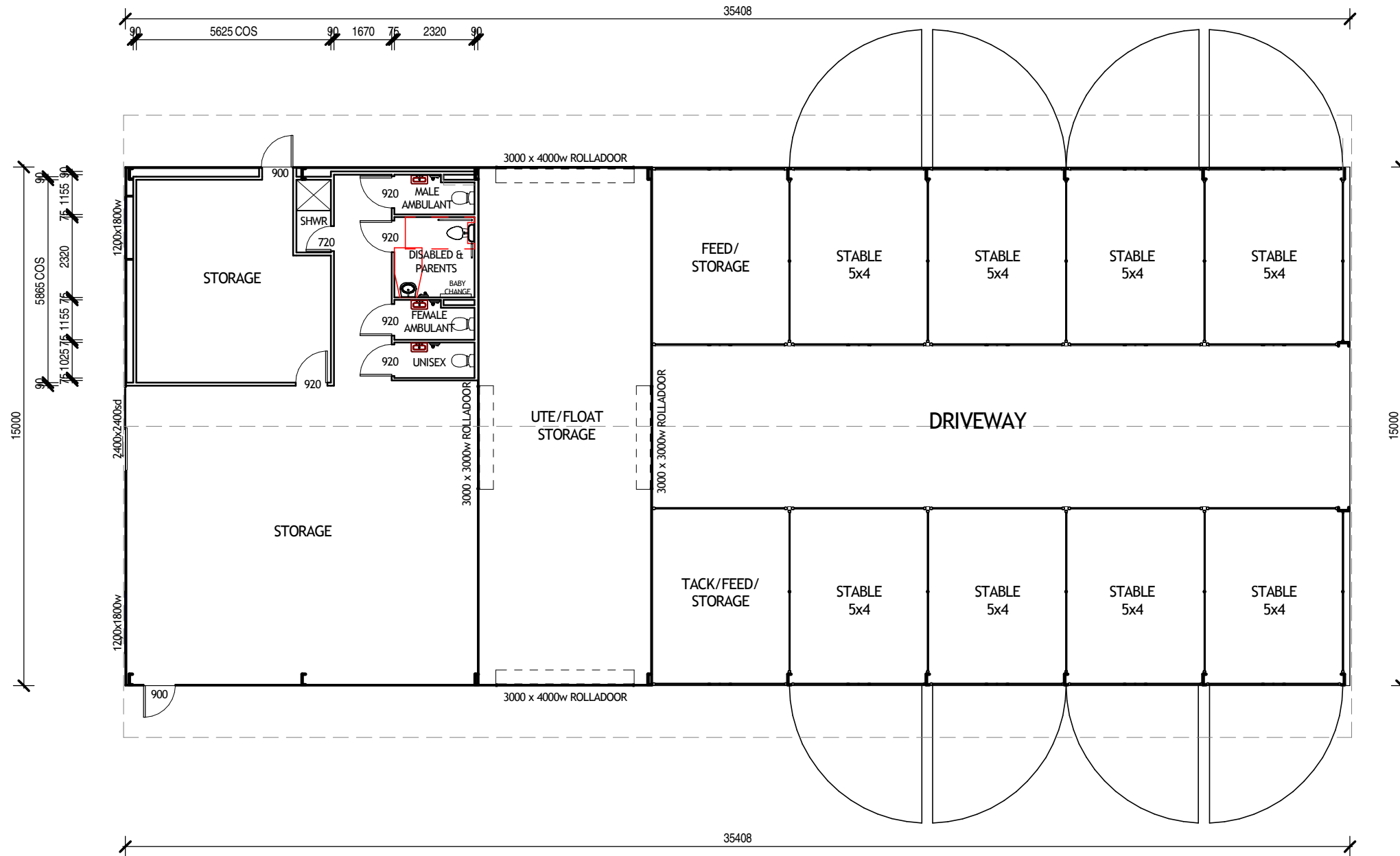
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BUSHFIRE REGS TO AS3959-2009 LOW RISK

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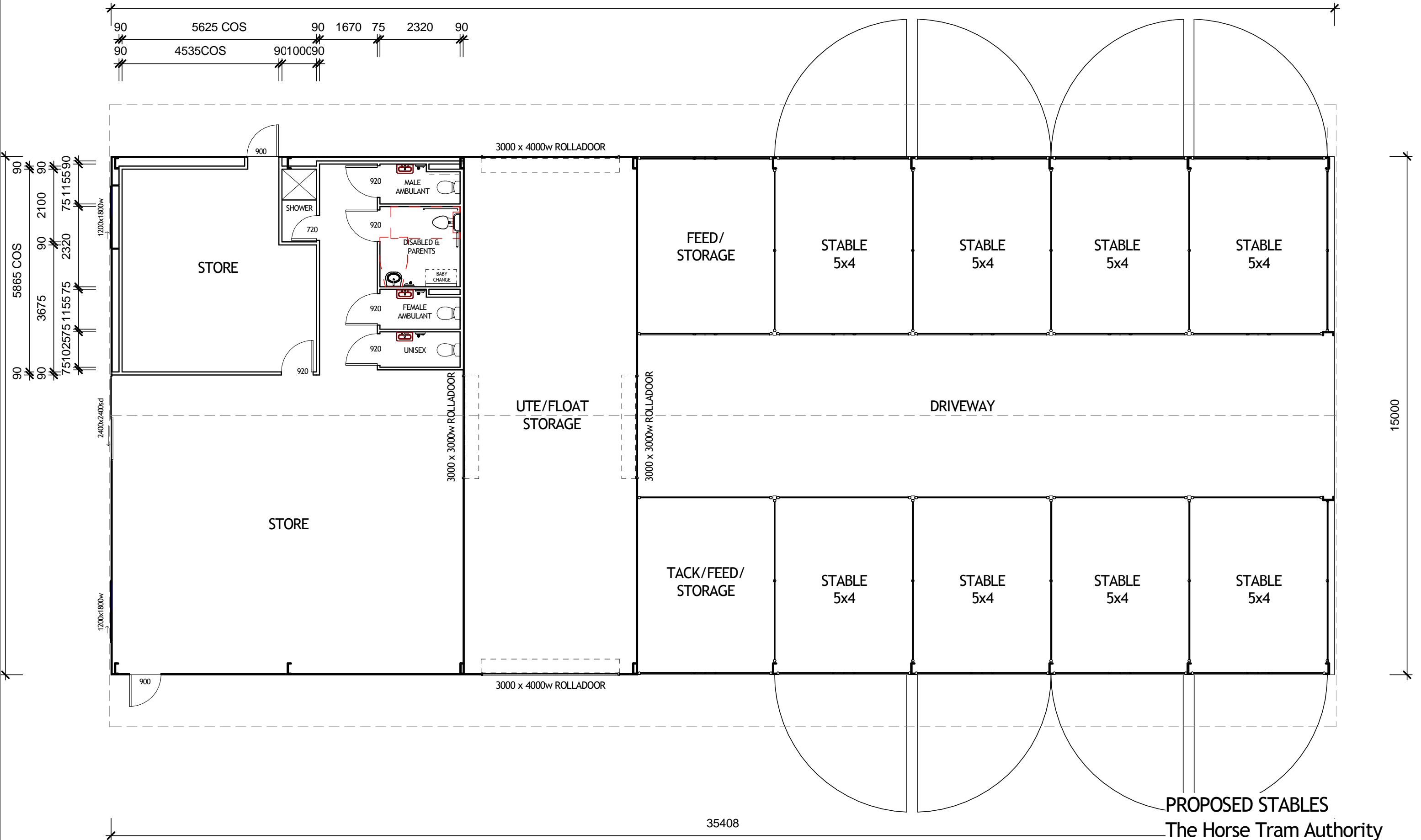


ELEVATIONS

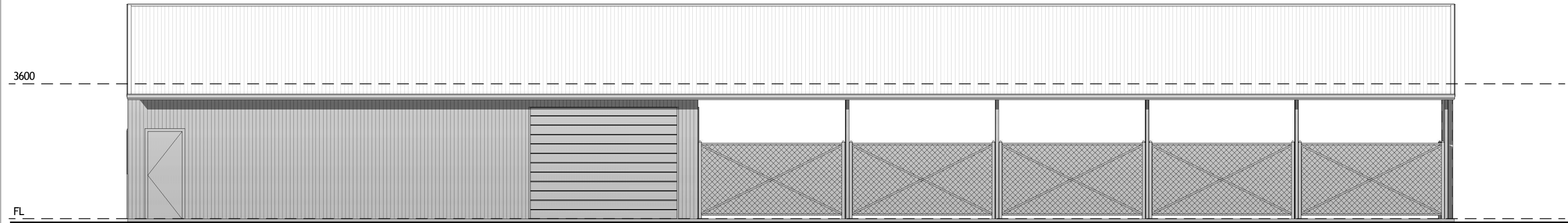
## PROPOSED FLOORPLAN 1:150

PROPOSED STABLES  
The Horse Tram Authority  
Canton Plc.  
Victor Harbor

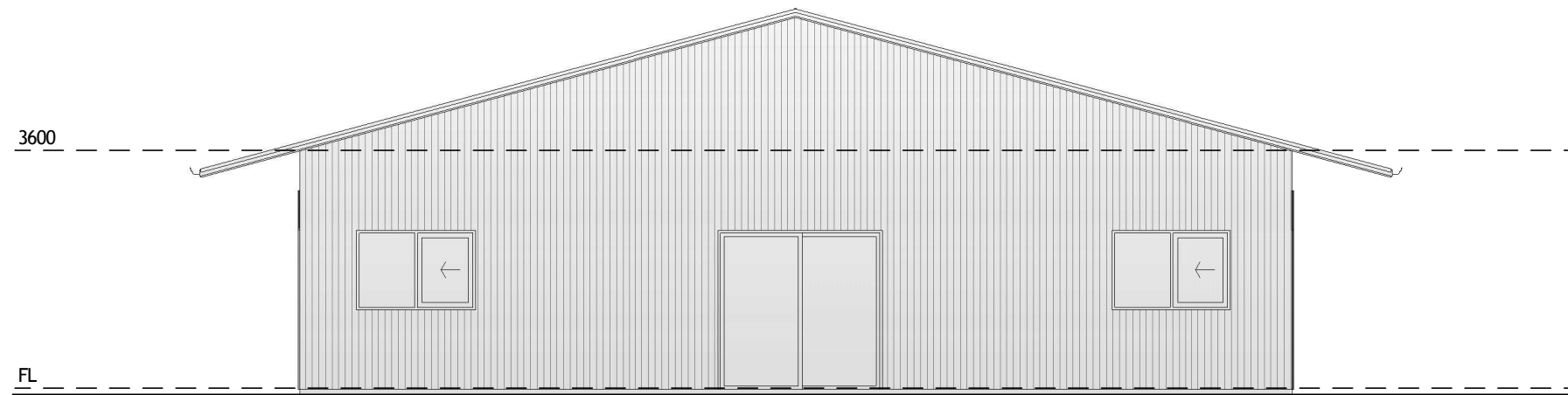
PAGE: 2 of  
DATE: 20/01/2021



PROPOSED STABLES  
 The Horse Tram Authority  
 Canton Plc.  
 Victor Harbor



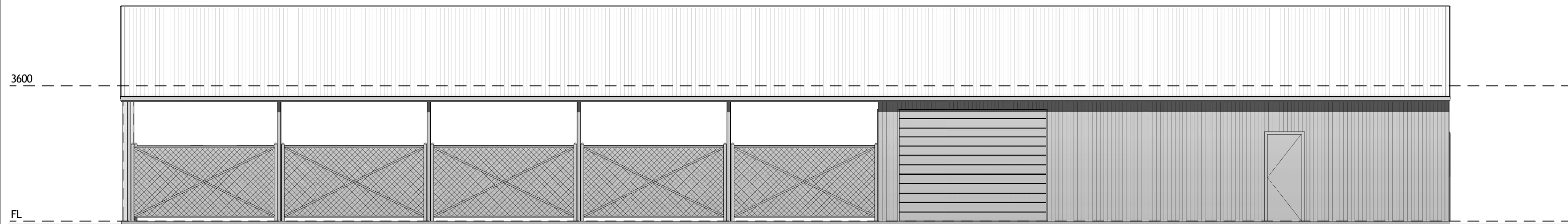
ELEVATION 1 1:100



ELEVATION 2 1:100

PROPOSED STABLES  
 The Horse Tram Authority  
 Canton Plc.  
 Victor Harbor

PAGE: 4 of  
 DATE: 20/01/2021



ELEVATION 3 1:100

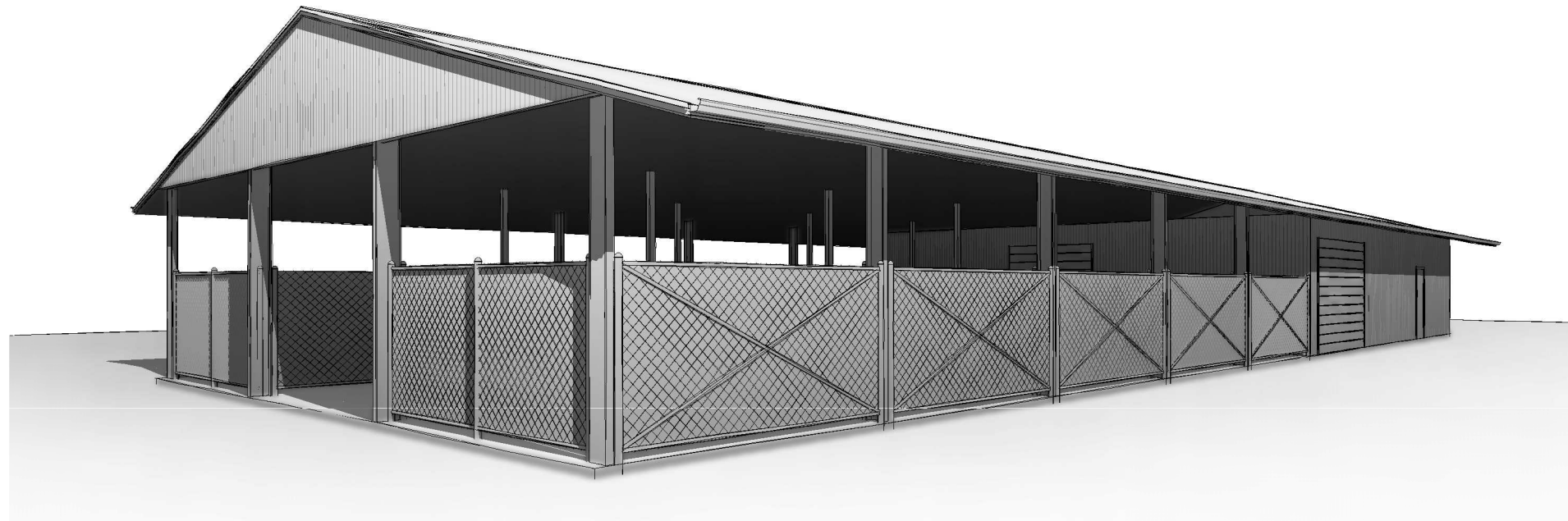
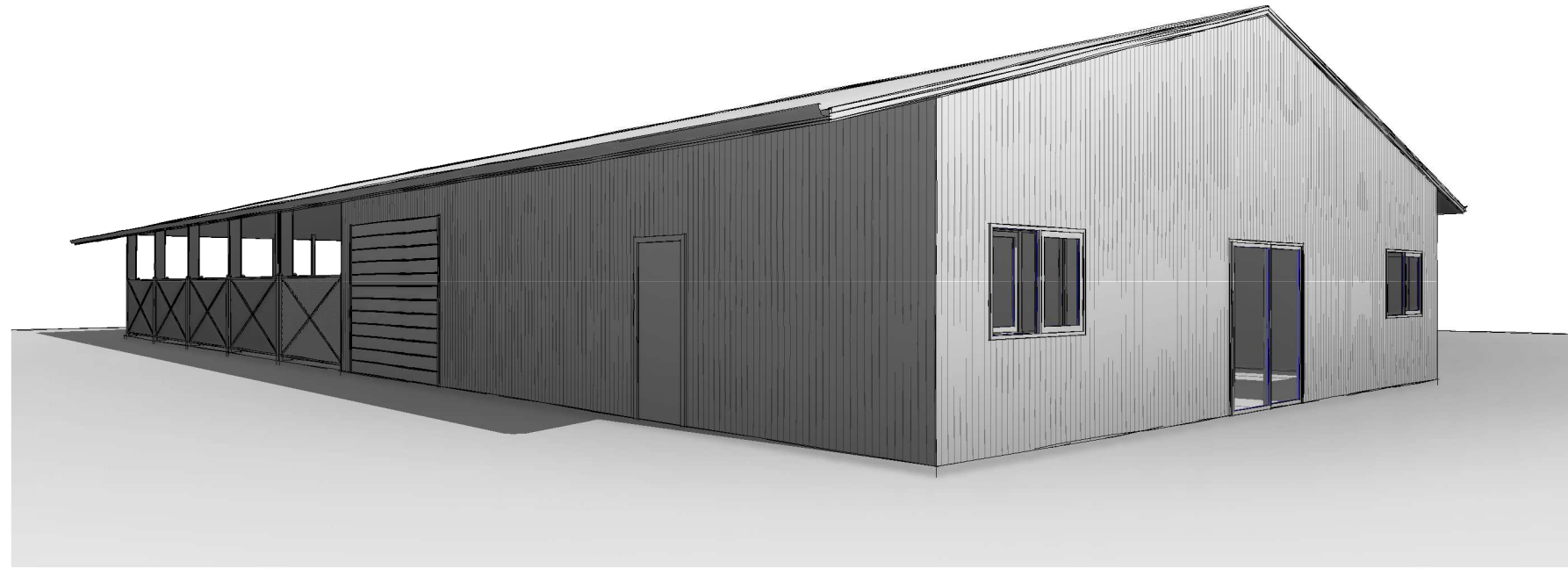


ELEVATION 4 1:100

PROPOSED STABLES  
 The Horse Tram Authority  
 Canton Plc.  
 Victor Harbor

PAGE: 5 of  
 DATE: 20/01/2021

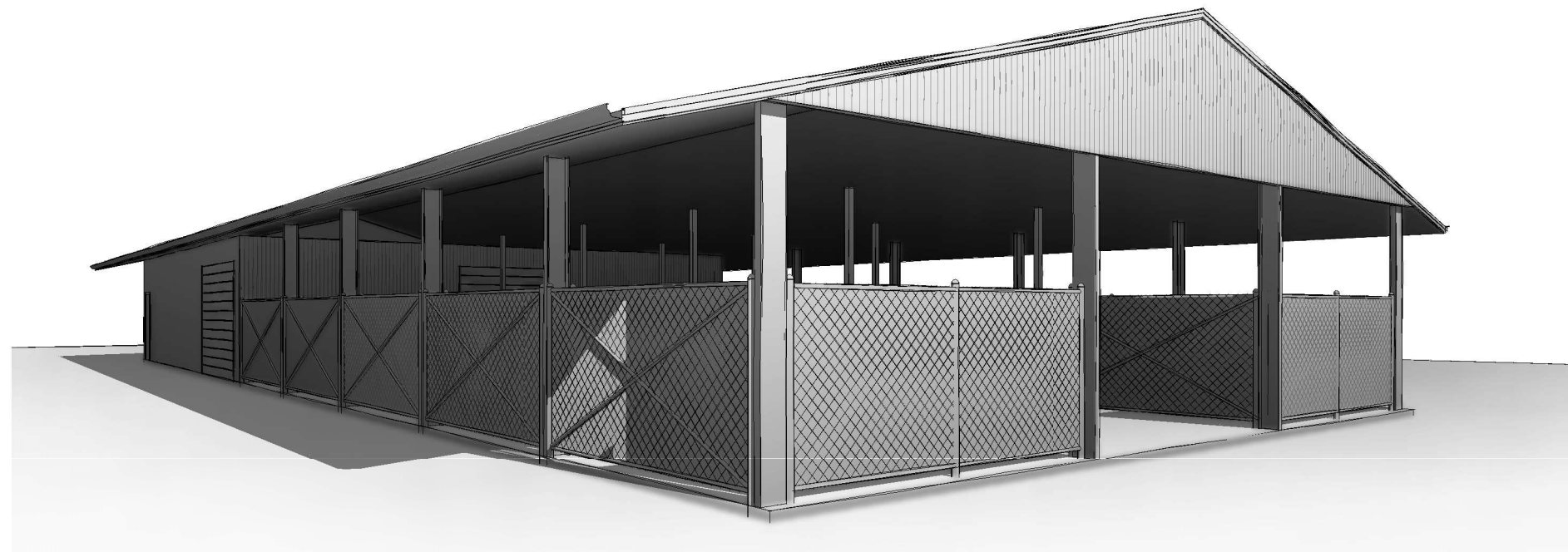




PROPOSED STABLES  
The Horse Tram Authority  
Canton Plc.  
Victor Harbor

PAGE: 6 of  
DATE: 20/01/2021





PROPOSED STABLES  
The Horse Tram Authority  
Canton Plc.  
Victor Harbor

PAGE: 7 of  
DATE: 20/01/2021



# Victor Harbor Horse Tram Authority

## Merchandise Gross Margin Report

2020 – 2021

July – December

This past six month has been extremely challenging for the merchandise volunteers, due to weather conditions. Despite these challenges sales have remained stable.

Sales continued to be serviced through the north door of the building and office with a trestle placed outside, this did create issues for the office staff especially on windy days.

Changes have been implemented for the busy summer season with a marquee placed at the north of the building. With display stands being wheeled out daily along with the cash register. This arrangement provides the volunteers some protection from the elements, a greater display area and focus point for sales.

Due to the closure and redevelopment of the Whale Centre the Horse tram has been able to secure some display boards and shelving to be used in its redevelopment for merchandise. There is still an opportunity to secure additional equipment when the Visitors Information Centre shifts in February.

It is anticipated that the closure of the Visitors Information Centre will have a significant impact on the Horse Tram as visitors seek information. This provides the Horse Tram Authority an opportunity to capitalise and expand its merchandise area.

In preparing this report retail and wholesale prices have been reviewed, daily banking and sales records checked including updates on price adjustments during the reporting period and included in the final document.

This report does not duplicate the Victor Harbor Horse Tram Authority financial reporting, this is a gross margin report calculating the profitability of selling the inventory [merchandise]

It is proposed that the data recorded will assist the board in their deliberations when setting long term plans and preparing grant applications.

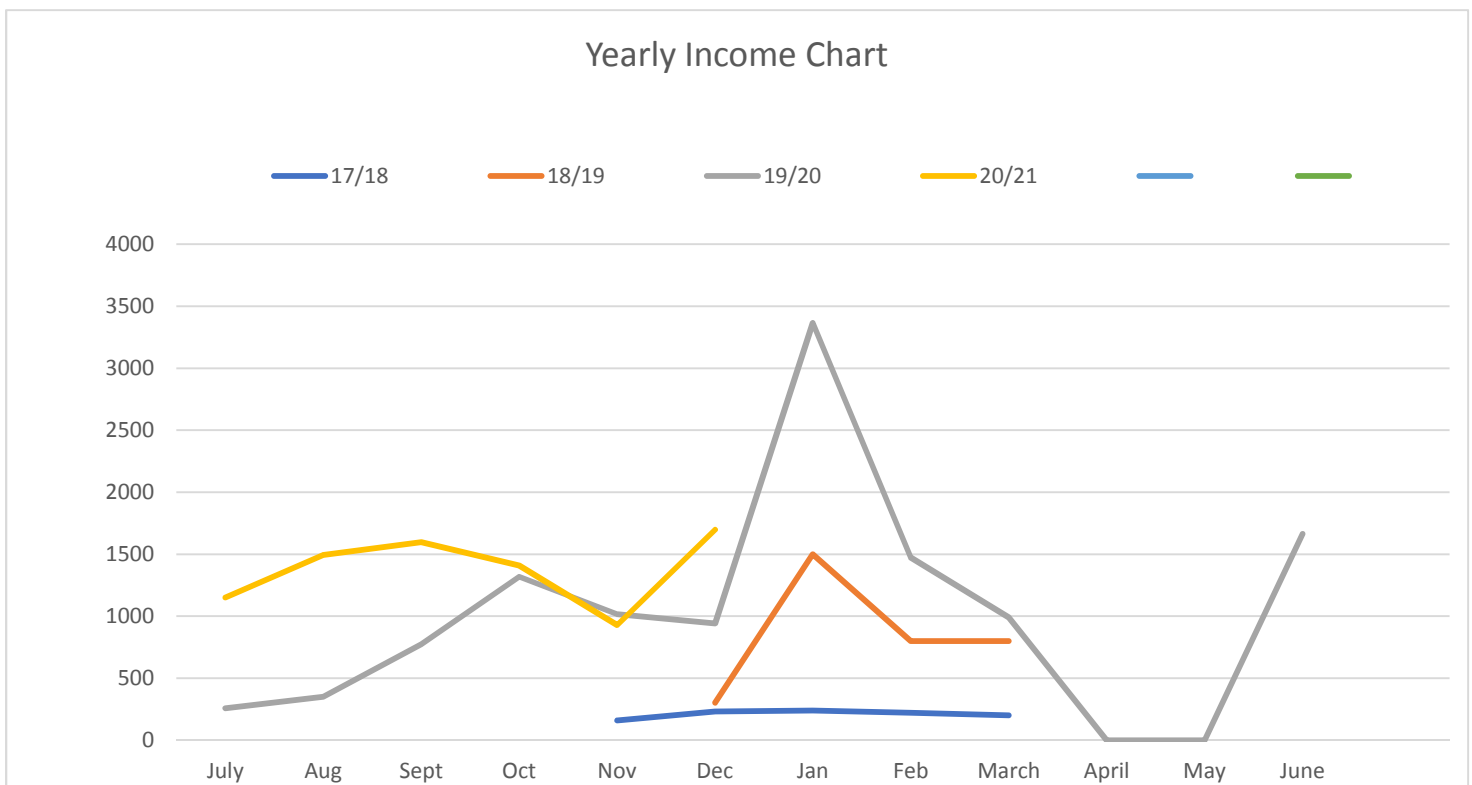
Victor Harbor Horse Tram Authority 20 - 21 July - December  
Gross Margin Report

**Monthly income**

The graph indicates the best trading months:

July:	\$2550
August:	\$1493
September:	\$1596.
October:	\$1408.
November:	\$ 977.70
December:	\$1698.55

Monthly Income



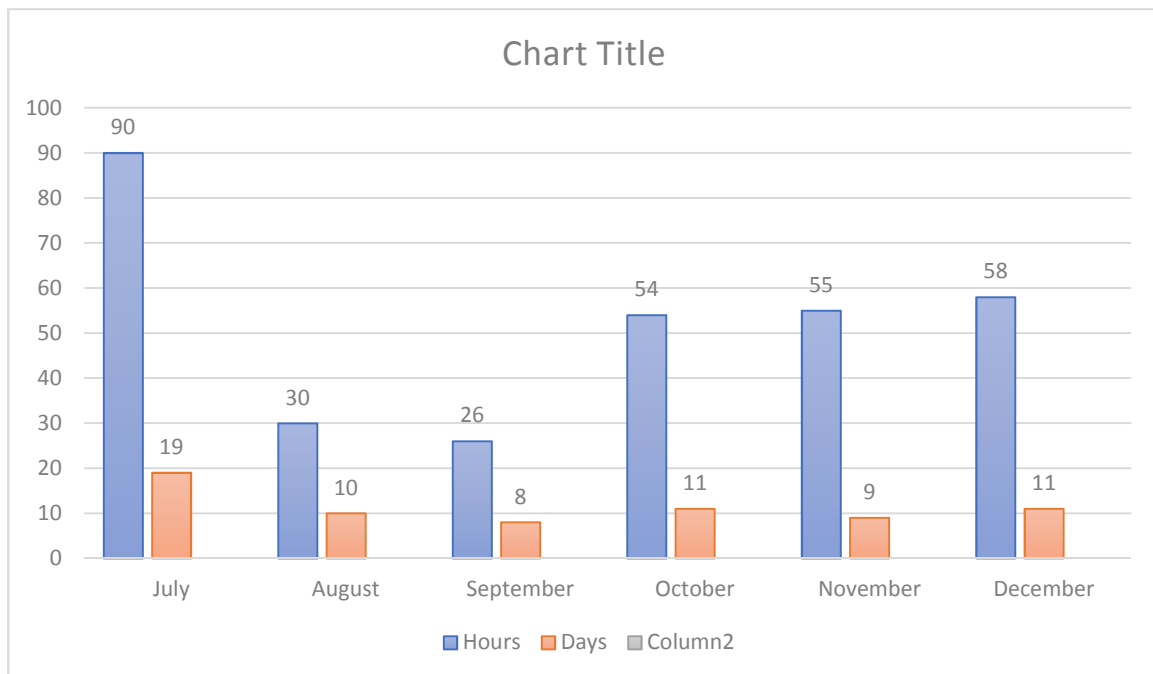
There has been steady growth during the reporting period, with the exception being December when sales were down \$40 on last year's figures.

## Hours and days volunteers on duty.

July to December

Hours 313

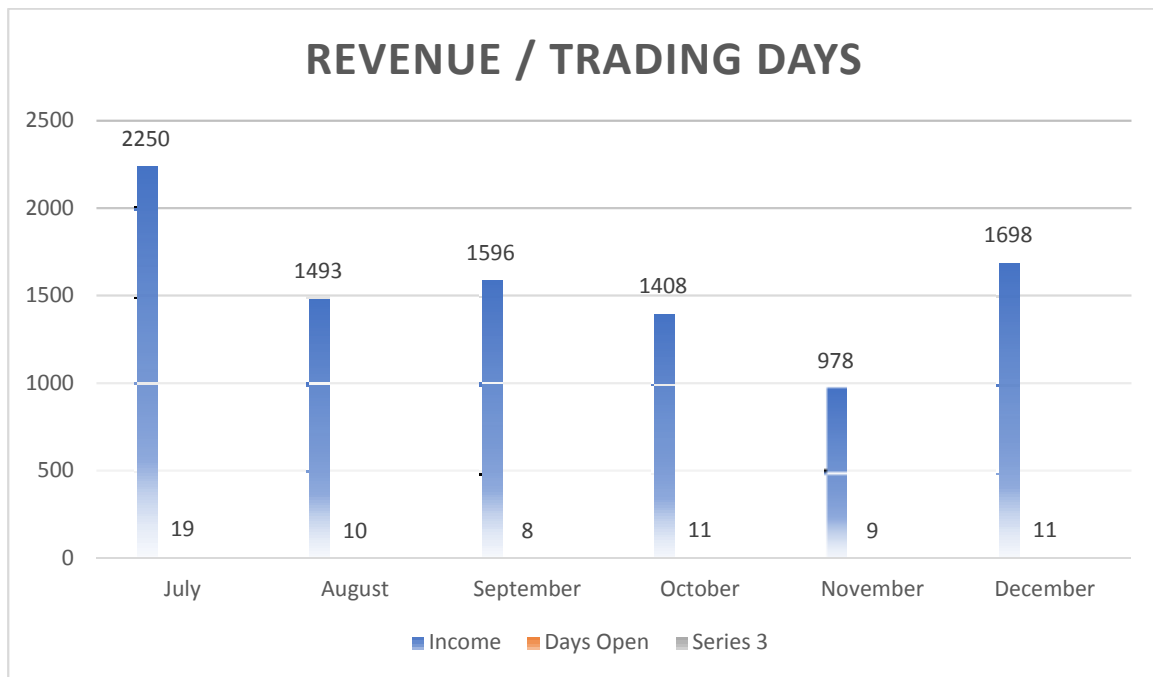
Days 68



Trading days have been affected by weather conditions and are down considerably compared to past years. The merchandise days opened averaged 11 days per month over the reporting period resulting in a trading an average of 4.5 hrs per trading day. Of 184 trading days available only 68 or 36% of trading days were utilised during this time.

Since early December the merchandise is being supported by two volunteers. Trading hours were 10-30am – 3-30pm.

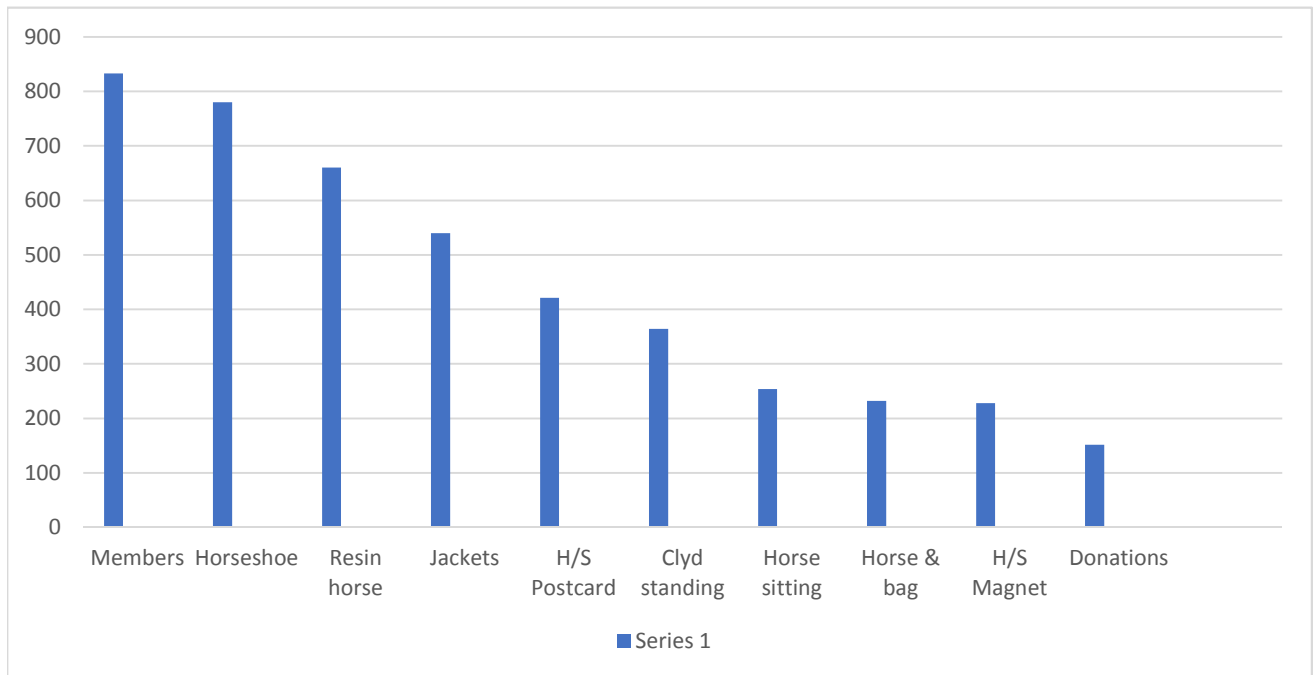
### Revenue against trading days



The graph demonstrates the potential of the merchandise to grow and develop into a significant income contributor. Six months @ 68 days, 313 hrs averaging \$138 per day.



### Top ten individual item income earners

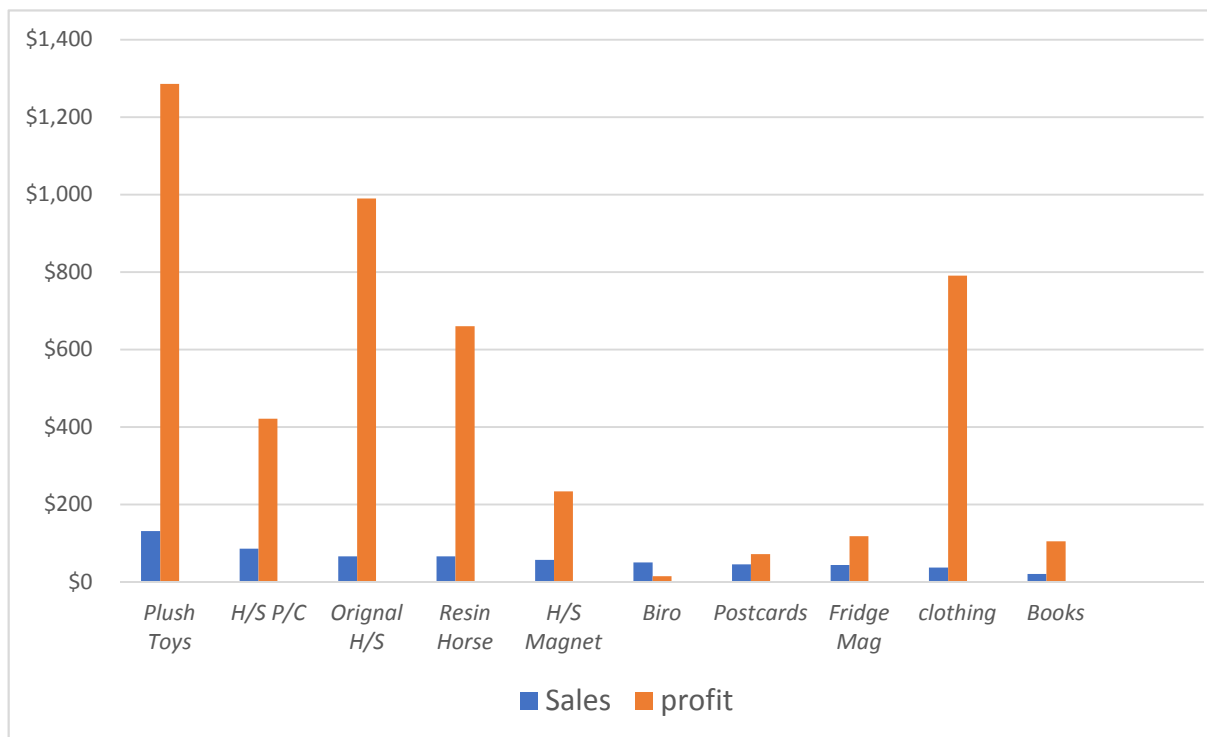


- Membership currently provides the highest income
- Recycled horseshoes are the highest income earner in merchandise sales



**Top 10 categories sold against \$ profit**

ITEM	NUMBER SOLD	PROFIT
1. Plush Toys	131	\$1286
2. Horseshoe Postcard	86	421
3. Resin Horses	66	660
4. Horseshoe Magnet	57	228
5. Biro	50	15
6. Original Horseshoes	49	735
7. Postcards printed	45	72
8. Fridge Magnets	44	117
9. Clothing	37	791



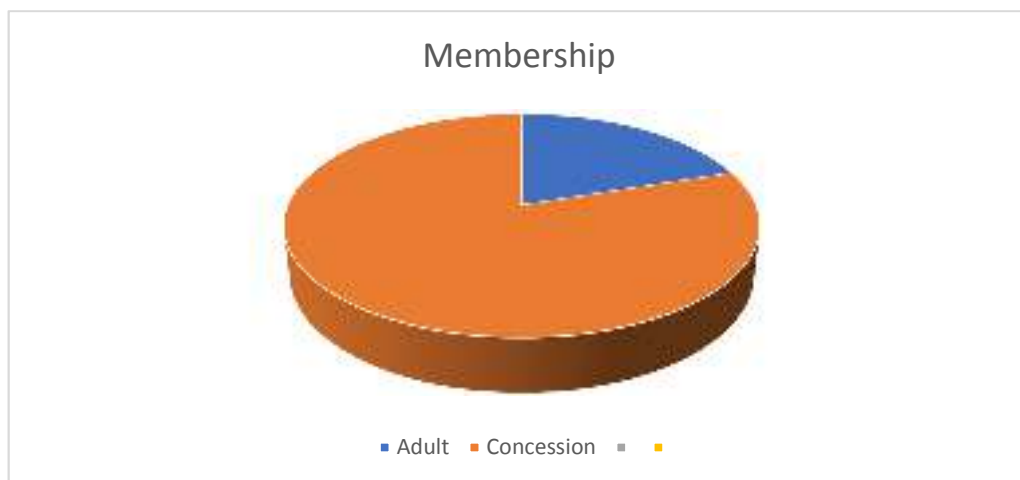
All plush toys and clothing have been placed in their own category for the purpose of this report, to allow anylising of customers demands and preferences.

## Memberships

Current memberships sold during the past six months show 80% concession against 20% adult memberships.

Due to COVID 19 some memberships were extended by six months to compensate for the Tram not being able to operate.

Adult	11
Concession	33



## Donations

Two donation boxes are now on display; the large blue donation box is placed by the horse yards and carries a membership sign as well. A second small donation box has just recently been placed at the merchandise sales area. Donations are averaging \$50per month, while not a significant contributor to the cashflow it is reasonable as they are only positioned outside when the volunteers are on duty.

## Volunteers

Victor Harbor Horse Tram Authority 20 - 21 July - December  
Gross Margin Report

The COVID restrictions for over 70-year-old has had an impact on our volunteers. numbers currently there is only one volunteer working outside on Mondays at the terminals and on busy days is stationed on Granite Island.

The merchandise volunteer numbers are also very low with two volunteers working seven days during January weather permitting.

December bought further changes for the merchandise area, due to weather conditions and insufficient office space the merchandise was relocated to the north side of the building and is currently trading from a marquee. Volunteers set up and dismantle the display.

**Stocktake & Retail Value of Stock on hand at 31/12/2020**

Item	Wholesale price	Mark-up	Value at wholesale	Retail price	Number on hand	Retail Value
Badges			*	8.00	5	40.00
Cloth						
Badges Hat			*			
Bags Tote	19.95	9.05	383.15	29.00	17	493.00
Books			*	5.00	466	2,330.00
Bells	8.00	17.00	8.00	25.00	1	25.00
VHHT						
Beanie	12.50	7.50	137.50	20.00	11	220.00
Biro	3.20	.30	1472.00	3.50	460	1610.00
Caps	12.50	7.50	25.00	20.00	2	40.00
Fridge magnet	.32	2.68	86.00	3.00	269	807.00
<b>Plush Toys</b>						
<b>Horses</b>						
L Clyde	16.00	14.00	96.00	30.00	6	180.00
L Cuddles	21.21	9.00	127.26	35.00	6	210.00
Unicorn	16.00	4.00	48.00	20.00	3	60.00
Sitting Horse	6.95	11.05	125.10	18.00	18	324.00

Victor Harbor Horse Tram Authority 20 - 21 July - December  
Gross Margin Report

S Cuddles	12.50	7.50	215.00	20.00	9	180.00
Twinkle horse	17.21	10.79	275.36	28.00	16	448.00
Unicorn puppet	20.21	7.79	101.05	28.00	5	140.00
Seahorse	7.71	7.29	46.26	15.00	6	90.00
Horse & bag	6.95	9.95	13.90	18.00	2	36.00
Hobby Horse	30.00	5.00	120.00	35.00	4	140.00
Hats	12.50	7.50	50.00	20.00	4	80.00
<b>Item</b>	<b>Wholesale price</b>	<b>Mark up</b>	<b>Value at wholesale</b>	<b>Retail Price</b>	<b>Number on hand</b>	<b>Retail Value</b>
<b>Horseshoes</b>						
Original			*	15.00	3	45.00
H/S Post Card	2.10	4.90	48.30	7.00	23	161.00
H/S Magnet	1.10	4.90	5.50	6.00	5	35.00
H/S Christmas	1.10	10.90	6.60	12.00	6	72.00
H/S Wedding	1.10	10.90	5.50	12.00	5	60.00
H/S Nails			*	3.00	10	30.00
<b>Jewellery</b>						
Jewellery	25.80	9.20	2967.00	35.00	115	4025.00
Bracelet			*	10.00	6	60.00
<b>Mugs</b>						
China	7.57	4.43	15.14	12.00	2	24.00
Frosted	14.55	5.45	58.20	20.00	4	80.00
Thermal	19.90	9.10	855.70	29.00	43	1247.00
<b>Postcards</b>						
Printed	.40	1.60	311.20	2.00	778	1556.00

Victor Harbor Horse Tram Authority 20 - 21 July - December  
Gross Margin Report

Printed 6 pk	2.40	7.60	21.60	10.00	9	90.00
Lenticular			*	3.00	31	93.00
Postcard & wipe			*	5.00	6	30.00
Linley Sloan	2.70	3.30	1185.30	6.00	439	2634.00
Lindquist	4.00	2.00	160.00	6.00	40	240.00
Resin Horses			*	10.00	2	20.00
Stubby Holders						
<b>Item</b>	<b>Wholesale price</b>	<b>Mark up</b>	<b>Value at wholesale</b>	<b>Retail Price</b>	<b>Number on hand</b>	<b>Retail value</b>
T towels			*	10.00	2	20.00
<b>Boxes</b>						
large			*	60.00	8	480.00
Med			*	25.00	1	25.00
Small			*	20.00	1	20.00
Green			*	30.00	1	30.00
Blue			*	30.00	2	60.00
Oval plague			*	25.00	1	25.00
T-shirts	20.00	9.00	520.00	29.00	26	754
Key ring			*	10.00	4	40.00
<b>Wholesale Value of Stock</b>			<b>\$9490.07</b>			
<b>RETAIL VALUE of STOCK on hand</b>					<b>\$ 19,409.00</b>	

Freight cost are calculated and allocated to items as each delivery is received.  
A few items do not have a wholesale value as they were gifted or recycled e.g., horseshoes are indicated with \*.

Wholesale value of stock on hand                      \$ 9,490.07



Victor Harbor Horse Tram Authority 20 - 21 July - December  
Gross Margin Report

Less cost of inventory resulting in an estimated \$30,000 income.

This estimate could well be increased when introducing other income streams.

Consideration could be given to balancing the merchandise budget independently of the Horse Tram Authority budget, allowing these profits to be held in a special account for future use on non-budget items.

This report is not a profit and loss report, it is a gross margin report calculating the profitability of selling the inventory. Merchandise].

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Every care has been taken in preparing this report figures are based on daily sales slips and banking slips and invoices.